ANNUAL IMPLEMENTATION REPORT 2009

# 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 2009

# 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 II 2007-2013** |
| **ANNUAL IMPLEMENTATION REPORT** | Reporting year: **2009** |
| | Date of approval of the annual report by the Monitoring committee: **15 June 2010** |

# 1. Introduction

This report covers the activities of the INTERACT 2007-13 Programme (INTERACT II) taking place from 01.01.2009 to 31.12.2009.

The implementation of INTERACT II started after a transition period from 01.01.2008 to 30.06.2008. 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's (MC) decision of 04 March 2008 to select the Bratislava Self-governing Region as the new Managing Authority (MA) of the Programme, INTERACT II 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 (MS) participating in the Programme strongly supported this transition.

Against this background, the period subject of this report is to be considered as the first full year of implementation of activities under INTERACT II. Still the year 2009 was dominated by manifold management tasks that could only be delivered by strong cooperation of all management and implementing bodies. Under this heading, specifically the provision of Programme documents and structures such as the Description of the Management and Control System and all its Annexes, the Compliance Assessment and related audit report, the set-up of the online Management System, as well as the start of monitoring procedures for the Requests for Payment were the most challenging ones. On the other side, the INTERACT Points and the Secretariat continued with the delivery of services.

In line with its mission, INTERACT II's activities of this reporting period focused on good governance for European Territorial Cooperation Programmes, as well as IPA CBC with Member State participation. INTERACT II is capitalising 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. In addition INTERACT II provided manifold support to the stakeholders to implement European Territorial Cooperation Programmes more effectively and efficiently.

To achieve this, INTERACT II activities have to be focused on the specifically expressed 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 of the target groups), Programme (thematic networks) and European level (Monitoring Committee, European Commission services, National Contact Persons).

INTERACT II 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 II collects and manages information, by means of networks such as:

- The representatives of the countries represented in the INTERACT II Monitoring Committee who provide advice and strategic guidance.
- The National Contact Persons network, which informally discusses the general challenges of territorial cooperation.
- The INTERACT II thematic networks and groups established, focusing on specific themes in territorial cooperation, e.g. financial management, first level control, 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 II 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 II services. This is a mutual benefit: INTERACT II 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 II 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 II 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 implemented the closure process while at the same time the majority of European Territorial Cooperation Programmes were fully operational. INTERACT II services aimed at supporting the Programmes at facing their challenges according to the Programme life cycle and at responding to the needs they expressed, focusing especially on:

- Financial and regulatory requirements, especially connected to the increased requirements e.g. in financial control.
- Programme management, 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.
- Programme communication.
- Programme evaluation.
- Capitalisation on INTERREG III, visibility and knowledge management.
- Financial requirements connected to Programme closure.


As mentioned in the OP, the INTERACT II 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. In these chapters the specific activities of the respective involved beneficiaries are specified.

# 2. Overview of the Implementation of the Operational Programme

## 2.1 Achievement and analysis of the progress

The delivery of activities in 2009 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 were fully operational in this period. Please find below the indicators table corresponding to the number of actions carried out in 2008 (previous year), in 2009 (year N) 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.

| 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 | 1 |
| | 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 | 5 | 0 | 0 | 0 | 0 | 0 | 0 | 5 |
| | 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 | 58 | 0 | 0 | 0 | 0 | 0 | 0 | 68 |
| | 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 | 3 |
| | 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 | 179 | 0 | 0 | 0 | 0 | 0 | 0 | 386 |
| | 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 | 1 | 0 | 0 | 0 | 0 | 0 | 0 | 1 |
| | 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 | 4 | 0 | 0 | 0 | 0 | 0 | 0 | 4 |
| | 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 | 7 | 0 | 0 | 0 | 0 | 0 | 0 | 8 |
| | 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 | 2 |
| | 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 external networking** | Achievement | 0 | 0 | 5 | 0 | 0 | 0 | 0 | 0 | 0 | 5 |
| | Target | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | 12 |
| | Baseline | | | | | | | | | | |

| Exchange and Transfer | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| Indicator 11: **Seminars and workshops** | Achievement | 0 | 21 | 49 | 0 | 0 | 0 | 0 | 0 | 0 | 70 |
| | 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 | 1 | 0 | 0 | 0 | 0 | 0 | 0 | 2 |
| | 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 | 67 | 0 | 0 | 0 | 0 | 0 | 0 | 85 |
| | 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 | 9 | 0 | 0 | 0 | 0 | 0 | 0 | 17 |
| | 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 | 3 | 0 | 0 | 0 | 0 | 0 | 0 | 11 |
| | 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 | 4 | 0 | 0 | 0 | 0 | 0 | 0 | 7 |
| | 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 | 1 |
| | 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 | 4 | 0 | 0 | 0 | 0 | 0 | 0 | 5 |
| | 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 | 28 | 0 | 0 | 0 | 0 | 0 | 0 | 49 |
| | 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 | 5 | 0 | 0 | 0 | 0 | 0 | 0 | 13 |
| | 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 | 1 |
| | 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 | 1 | 0 | 0 | 0 | 0 | 0 | 0 | 1 |
| | 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 | 1 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 1 |
| | 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 | 5 |
| | 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 | 2 | 0 | 0 | 0 | 0 | 0 | 0 | 4 |
| | Target | N/A | N/A | 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 | 3 |
| | Target | N/A | N/A | 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 | 2 | 0 | 0 | 0 | 0 | 0 | 0 | 3 |
| | Target | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | 7 |
| | Baseline | | | | | | | | | | |

## 2.1.2 Financial information

Overall **advance payments** (see table 2) totalling to ERDF 3.063.016,08 EUR were paid from the EC to the Programme. This amount represents 9% of the total commitment. The ERDF advance payments paid by the Certifying Authority (CA) to the beneficiaries was of ERDF 2.936.337,75 thus leaving ERDF 126.678,33 remaining at further Programme's disposal.

The total amount of advance payments (ERDF and National contributions) paid out by 31.12.2009 by the Certifying Authority to the individual beneficiaries is of € 3.454.515,00 (see tables 3 and 4) (the ERDF part of advance payment represents 95% of EU funds received from EC). Under the priority axis 1 the total amount is of € 3.141.660,00, for priority axis 2 of € 312.855,00.

In 2009, the CA paid out advance payments to the beneficiaries amounting to € 1.754.175,00 (ERDF 1.491.048,75 and 263.126,25 of National Contributions). Thereof, a total of € 1.539.000 has been paid out for Priority 1 and a total of 215.175,00 EUR for Priority 2.

The **National Contributions** (see table 5) of the participating countries for the years 2007-2009 amounted to € 2.079.968,71, thereof € 1.144.420,92 were paid in 2009 (55,02% of the total paid contributions).

The first **Requests for Payment** (RfP) (see table 6) were sent by beneficiaries to the MA in 2009 amounting to € 2.520.054,41, thereof € 2.390.835,08 for Priority 1 and € 129.219,33 for Priority 2. Out of this, an amount of € 1.855.538,48 has been accepted by the CA (reimbursed 1.370.418,32). The remaining expenditure has either been reimbursed in 2010 or has been rejected by the CA.

The first **Payment claim** (see table 7) to EC could be sent after approval reasonable amount by CA. The latest RfP of IPs sent in first tranche was approved by CA on 13 November 2009, so afterwards CA sent the payment claim to the EC amounting to ERDF 740.436,77 on 9 December 2009.

Based on this, it is to be stated that the INTERACT II Programme has started its normal financial procedures thus allowing in principle a functioning roll-on principle. However, whereas the requested amounts have been reimbursed in full for all RfP's of the IPs, not all requested amounts of the IS and none of the MA have been reimbursed in 2009 (more information under Chapter 2.3).

The following tables provide some detailed overviews on the single items (Advance payments, National Contributions, RfPs and Payment claims to the EC), and finally the summary table lists all elements as requested for Annual Implementation Reports.

**Advance payments:**

During 2007/2008[1] and 2009 the Programme received four ERDF advance payments from the European Commission in the total amount of € 3.063.016,08.

*Table 2: Overview of the advance payments from the European Commission*

| Advance Payments from EC to CA | ERDF | % | Date of receipt |
|---|---|---|---|
| 1. | 680.670,24 | 2,00% | 14.12.2007 |
| 2. | 1.021.005,36 | 3,00% | 18.06.2008 |
| **Total 2007/2008** | **1.701.675,60** | **5,00%** | |
| 3. | 680.670,24 | 2,00% | 06.02.2009 |
| 4. | 680.670,24 | 2,00% | 22.04.2009 |
| **Total 2009** | **1.361.340,48** | **4,00%** | |
| **Total** | **3.063.016,08** | **9,00%** | |

*Data source: CA*

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[1] The Advance Payments of 2008 were not directly received from the European Commission, but transferred from the account of the former Certifying Authority in Austria (as the new Managing Authority was established before the formal decision to relocate the Certifying Authority for INTERACT II).

*Table 3: Overview of advance payments paid by the CA (by beneficiary)*

| Beneficiary | ERDF | National contribution | TOTAL Advance Payment | Date of receipt of signed Subsidy Contract or Amendment/ Date of receipt of Request for Advance Payment | Date of Payment |
|---|---|---|---|---|---|
| **Priority Axis 1:** | | | | | |
| **FIRST TRANCHE** | | | | | |
| IP Valencia | 119,000.00 | 21,000.00 | 140,000.00 | 5.8.2008 | 10.9.2008 |
| IP Viborg | 323,000.00 | 57,000.00 | 380,000.00 | 21.7.2008 | 12.8.2008 |
| IP Vienna | 170,000.00 | 30,000.00 | 200,000.00 | 31.10.2008 | 4.12.2008 |
| IP Turku | 289,000.00 | 51,000.00 | 340,000.00 | 21.7.2008 | 12.8.2008 |
| MA | 160,191.00 | 28,269.00 | 188,460.00 | 12.8.2008 | 18.8.2008 |
| IS | 301,070.00 | 53,130.00 | 354,200.00 | 12.8.2008 | 18.8.2008 |
| **SECOND TRANCHE** | | | | | |
| IPValencia | 297,500.00 | 52,500.00 | 350,000.00 | 11.6.2009 | 26.6.2009 |
| IP Viborg | 340,000.00 | 60,000.00 | 400,000.00 | 7.4.2009 | 24.4.2009 |
| IP Vienna | 170,000.00 | 30,000.00 | 200,000.00 | 17.4.2009 | 4.5.2009 |
| IP Turku | 127,500.00 | 22,500.00 | 150,000.00 | 2.4.2009 | 24.4.2009 |
| MA | 102,000.00 | 18,000.00 | 120,000.00 | 28.4.2009 | 7.5.2009 |
| IS | 271,150.00 | 47,850.00 | 319,000.00 | 28.4.2009 | 7.5.2009 |
| **Total Priority 1** | **2,670,411.00** | **471,249.00** | **3,141,660.00** | | |
| **Priority Axis 2:** | | | | | |
| **FIRST TRANCHE** | | | | | |
| MA | 47,124.00 | 8,316.00 | 55,440.00 | 12.8.2008 | 18.8.2008 |
| IS | 35,904.00 | 6,336.00 | 42,240.00 | 12.8.2008 | 18.8.2008 |
| **SECOND TRANCHE** | | | | | |
| MA | 64,600.00 | 11,400.00 | 76,000.00 | 28.4.2009 | 7.5.2009 |
| IS | 20,400.00 | 3,600.00 | 24,000.00 | 28.4.2009 | 7.5.2009 |
| CA | 37,876.00 | 6,684.00 | 44,560.00 | 23.10.2009 | 2.11.2009 |
| AA | 60,022.75 | 10,592.25 | 70,615.00 | 12.11.2009 | 24.11.2009 |
| **Total Priority 2** | **265,926.75** | **46,928.25** | **312,855.00** | | |
| **Total** | **2,936,337.75** | **518,177.25** | **3,454,515.00** | | |

*Data source: MA and CA*

*Table 4: Overview of advance payments paid by the CA (by year)*

| Advance Payments from CA to Beneficiaries | ERDF | National contribution | TOTAL Advance Payment | Date of Payment |
|---|---|---|---|---|
| **PER YEAR** | | | | |
| Paid out in 2008 | 1,445,289.00 | 255,051.00 | 1,700,340.00 | 2008 |
| Paid out in 2009 | 1,491,048.75 | 263,126.25 | 1,754,175.00 | 2009 |
| **Total** | **2,936,337.75** | **518,177.25** | **3,454,515.00** | |

*Data source: MA and CA*

**National Contributions:**

As for the National contributions from participating countries, the year 2009 showed a significant increase of paid amounts. This is also due to some efforts of the MA throughout the year and of the IS in late 2009 by sending separate communications to the countries that did not transfer their share.

Whereas three Member States (Cyprus, Denmark and Netherlands) had already transferred 100% of their total contribution, two other Member States (Greece and United Kingdom[2]) had not paid any contribution by end of 2009.

*Table 5: National contributions from participating countries* paid to the CA
*Data source: CA*

| No | Member State | Target 2007-13 | Received 2007 | Received 2008 | Received 2009 | TOTAL Received | Percentage | Date of bank statement 2007 | Date of bank statement 2008 | Date of bank statement 2009 |
|---|---|---|---|---|---|---|---|---|---|---|
| | | | | | National contributions of Member States 2007-2013 (EUR) OP Interact II | | | | | |
| 1 | Estonia | 34.625 | 0 | 9.892,86 | 4.946,00 | 14.838,86 | 42,86% | | 16.07.2008 | 11.03.2009 |
| 2 | Ireland | 68.345 | 7.600 | 11.927,00 | 9.764,00 | 29.291,00 | 42,86% | 20.12.2007 | 18.07.2008 | 10.11.2009 |
| 3 | Bulgaria | 141.428 | 0 | 40.408,00 | 20.204,00 | 60.612,00 | 42,86% | | 25.07.2008 | 14.07.2009 |
| 4 | Sweden | 206.207 | 0 | 58.916,28 | 58.916,00 | 117.832,28 | 57,14% | | 28.07.2008 | 29.09.2009 |
| 5 | Denmark | 83.246 | 0 | 83.246,00 | | 83.246,00 | 100,00% | | 04.08.2008 | |
| 6 | Finland | 65.014 | 0 | 18.575,43 | 9.288,00 | 27.863,43 | 42,86% | | 11.08.2008 | 23.10.2009 |
| 7 | Cyprus | 21.865 | 0 | 21.865,00 | | 21.865,00 | 100,00% | | 12.08.2008 | |
| 8 | Austria | 206.596 | 0 | 59.028,00 | 29.514,00 | 88.542,00 | 42,86% | | 16.10.2008 | 12.10.2009 |
| 9 | Romania | 304.379 | 0 | 85.861,00 | 44.448,43 | 130.309,43 | 42,81% | | 16.10.2008 22.12.2008 | 01.04.2009 15.10.2009 |
| 10 | Poland | 449.376 | 0 | 128.394,00 | 64.197,00 | 192.591,00 | 42,86% | | 20.10.2008 | 28.10.2009 |
| 11 | Belgium | 156.398 | 0 | 31.152,23 | 22.709,64 | 53.861,87 | 34,44% | | 22.10.2008 16.12.2008 | 03.12.2009 |
| 12 | Lithuania | 68.696 | 0 | 9.814,00 | 19.628,00 | 29.442,00 | 42,86% | | 03.11.2008 | 13.10.2009 |
| 13 | Latvia | 49.412 | 0 | 14.118,00 | 28.236,00 | 42.354,00 | 85,72% | | 03.11.2008 | 20.04.2009 22.12.2009 |
| 14 | France | 691.447 | 0 | 197.556,28 | 98.778,00 | 296.334,28 | 42,86% | | 14.11.2008 | 16.04.2009 |
| 15 | Slovak Republic | 176.308 | 0 | 50.374,00 | 25.187,00 | 75.561,00 | 42,86% | | 08.12.2008 | 12.10.2009 |
| 16 | Hungary | 292.199 | 0 | 83.486,00 | | 83.486,00 | 28,57% | | 01.12.2008 | |
| 17 | Republic of Malta | 11.630 | 1.661 | 1.661,00 | 1.661,00 | 4.983,00 | 42,85% | 20.12.2007 | 03.12.2008 | 09.07.2009 |
| 18 | Luxemburg | 11.906 | 0 | 3.401,71 | 1.701,00 | 5.102,71 | 42,86% | | 12.12.2008 | 25.05.2009 |
| 19 | Czech Republic | 313.178 | 0 | 0,00 | 134.220,00 | 134.220,00 | 42,86% | | | 12.02.2009 19.10.2009 |
| 20 | Italy | 631.669 | 0 | 0,00 | 180.476,85 | 180.476,85 | 28,57% | | | 28.04.2009 |
| 21 | Greece | 162.226 | 0 | 0,00 | 0,00 | 0,00 | 0,00% | | | |
| 22 | Spain | 360.609 | 0 | 0,00 | 91.953,00 | 91.953,00 | 25,50% | | | 23.10.2009 |
| 23 | Netherlands | 198.729 | 0 | 0,00 | 198.729,00 | 198.729,00 | 100,00% | | | 22.09.2009 |
| 24 | Portugal | 79.084 | 0 | 0,00 | 33.894,00 | 33.894,00 | 42,86% | | | 31.12.2009 |
| 25 | Great Britain | 452.842 | 0 | 0,00 | 0,00 | 0,00 | 0,00% | | | |
| 26 | Slovenia | 83.931 | 0 | 0,00 | 35.970,00 | 35.970,00 | 42,86% | | | 27.10.2009 |
| | **TOTAL I** | 5.321.345 | 9.261 | 909.676,79 | 1.114.420,92 | 2.033.358,71 | 38,21% | | | |
| 27 | Switzerland | 58.140 | 0 | 16.610,00 | | 16.610,00 | 28,57% | | 21.11.2008 | |
| 28 | Norway | 70.000 | 0 | 0,00 | 30.000,00 | 30.000,00 | 42,86% | | | 23.11.2009 |
| | **TOTAL II** | 128.140 | 0 | 16.610,00 | 30.000,00 | 46.610,00 | 36,37% | | | |
| | **TOTAL I + II** | 5.449.485 | 9.261 | 926.286,79 | 1.144.420,92 | 2.079.968,71 | 38,17% | | | |

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[2] As for United Kingdom, the necessary formal procedures were set up at the time of this report in order to launch the first payment of National contribution.

**Requests for Payment:**

In 2009, fourteen Requests for Payment have been sent to the MA who performed its checks, if needed asked for clarifications and/or additional documents from the beneficiaries and then transferred the RfP's to the CA. The CA at its turn performed standard administrative and financial checks in line with the Guidance to Certifying Authorities on certification procedure under Article 61 of the Regulation (EC) 1083/2006 (including on-the-spot checks for MA and IS expenditure), and as a result raised comments and/or findings for all beneficiaries. Finally seven RfPs were approved and the related amounts reimbursed.

Overall, the processing of the RfPs showed some deficiencies thus leading to delays in the payment. In order to overcome those shortcomings, and based on evaluation of the processes, some internal procedures between MA and IS were reconsidered and a new staff position created at the IS for supporting the monitoring of RfPs; as further measures, the beneficiaries were guided in how to prepare RfPs with the aim to clarify the procedures for all IPs, the Monitoring System (IMS) was upgraded and the template of the RfP-form revised following comments provided by the IPs to the CA (see also Chapter 2.3).

*Table 6: Requests for Payment submitted to MA and CA respectively (status of 31.12.2009)*

| | | REQUESTED TOTAL (sent to and processed by MA) | Thereof ERDF | Received by MA (Date) | ONGOING PROCESSING (at MA) | APPROVED, but NOT REIMBURSED (by CA) | REJECTED OR SUSPENDED (by CA) | REIMBURSED 2009 (by CA) | PERCENTAGE |
|---|---|---|---|---|---|---|---|---|---|
| PRIORITY 1 | No | | | | | | | | |
| IP Turku | RfP1 | 148.992,00 | 126.643,20 | 03.07.2009 | | | 0,00 | 148.992,00 | 100,00% |
| IP Turku | RfP2 | 172.196,74 | 146.367,23 | 21.09.2009 | | 172.196,74** | 0,00 | 0,00 | 0,00% |
| IP Turku | RfP3 | 98.465,15 | 83.695,38 | 11.12.2009 | 98.465,15 | | 0,00 | 0,00 | 0,00% |
| IP Valencia | RfP1 | 115.272,22 | 97.981,39 | 05.08.2009 | | | 0,00 | 115.272,22 | 100,00% |
| IP Valencia | RfP2 | 336.309,18 | 285.862,80 | 07.12.2009 | 336.309,18* | | 0,00 | 0,00 | 0,00% |
| IP Viborg | RfP1 | 238.727,51 | 202.918,38 | 02.07.2009 | | | 0,00 | 238.727,51 | 100,00% |
| IP Viborg | RfP2 | 345.020,62 | 293.267,53 | 16.09.2009 | | | 0,00 | 345.020,62 | 100,00% |
| IP Vienna | RfP1 | 368.110,35 | 312.893,80 | 25.05.2009 | | | 0,00 | 368.110,35 | 100,00% |
| IP Vienna | RfP2 | 312.923,42 | 265.984,91 | 27.11.2009 | | 312.923,42*** | 0,00 | 0,00 | 0,00% |
| IS | RfP1 | 139.517,39 | 118.589,78 | 07.07.2009 | | | 0,00 | 139.517,39 | 100,00% |
| MA | RfP1 | 115.300,50 | 98.005,43 | 07.07.2009 | | | 115.300,50 | 0,00 | 0,00% |
| TOTAL Priority 1 | | 2.390.835,08 | 2.032.209,82 | | 434.774,33 | 485.120,16 | 115.300,50 | 1.355.640,09 | 56,70% |
| | | | | | | | | | |
| PRIORITY 2 | No of RfP | | | | | | | | |
| IS | RfP1 | 14.778,23 | 12.561,50 | 07.07.2009 | | | 0,00 | 14.778,23 | 100,00% |
| MA | RfP1 | 39.725,65 | 33.766,80 | 07.07.2009 | | | 39.725,65 | 0,00 | 0,00% |
| CA | RfP1 | 74.715,45 | 63.508,13 | 21.08.2009 | | | 74.715,45 | 0,00 | 0,00% |
| AA | RfP1 | | | | | | | | |
| TOTAL Priority 2 | RfP1 | 129.219,33 | 109.836,43 | | 0,00 | 0,00 | 114.441,10 | 14.778,23 | 11,44% |
| | | | | | | | | | |
| TOTAL Priority 1 and 2 | | 2.520.054,41 | 2.142.046,25 | | 434.774,33 | 485.120,16 | 229.741,60 | 1.370.418,32 | 54,38% |

*Data source: MA and CA*

* RfP2 of IP Valencia was not transferred from MA to CA in 2009 due to incompleteness of documents
** RfP2 of IP Vienna was approved by CA on 18 December 2009
*** RfP2 of IP Turku was approved by CA on 31 December 2009

First RfPs of IP Viborg, Turku and Vienna were suspended by the reason of insufficient administrative check by Managing Authority, using the incorrect checklists templates by MA and First Level Controller, missing annexes to RfPs (Financial Report). The RfPs of MA No 1 (Priority 1 and 2) were rejected by CA after the shortcomings identified during the certification. These shortcomings related major to public procurement issues as MA should have performed the process of public procurement in connection with conclusion of Agreements with the MA and INTERACT Secretariat employees.

**Payment Claim to the EC:**

In 2009, the first Payment Claim has been sent by the CA to the EC on 09 December 2009, amounting to total € 871.102,08, thereof ERDF 740.436,77.
This Payment Claim referred to the respective RfP1 of IP Turku, IP Valencia, IP Viborg and IP Vienna.

Via this Payment Claim, the CA has fulfilled the rule m+24, i.e. the obligation of the Member State to send to the EC the first request within 24 months after the EC has sent its first instalment (Advance Payment).

The EC transferred the claimed ERDF within 3 weeks on 31 December 2009.

*Table 7:  Payment Claims to European Commission*

*Data source: CA*

| Priority axis | ERDF 2007 - 13 | Payment Claim 1 to EC | Received by EC | Percentage |
|---|---|---|---|---|
| | | Dated: 09.12.2009 | Dated: 31.12.2009 | |
| Priority 1 | 28,345,020.00 | 740,436.77 | 740,436.77 | 2.61% |
| Priority 2 | 1,809,257.00 | 0.00 | 0.00 | 0.00% |
| TOTAL | 30,154,277.00 | 740,436.77 | 740,436.77 | 2.46% |

**Estimation of expected expenditures:**
Forecast of the expected expenditure for 2009 was sent to the EC in April 2009 and amounted to 3,061,680.00 EUR. By submitting of the 1st application for interim payment to the EC and the receiving of the third and fourth tranches of advance payment, forecasts expenditures declared to the Commission reached the level of 68,65% of estimations.

*Table 8:  Estimation of expected expenditures*

| OP | Estimation of expected expenditures sent to EC by 30 April 2009 for the year 2009 (EUR) | Advance payments received in 2009 + Interim Requests for payment received by EC in 2009 (EUR) | Fulfilment of the estimation of expected expenditures in 2009 (%) |
|---|---|---|---|
| OP INTERACT II | 3,061,680.00 | 2,101,777.25 | 68.65% |
| TOTAL | 3,061,680.00 | 2,101,777.25 | 68.65% |

*Data source: CA*

**Priority axis by source of funding:**

*Table 9:  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 (100%)* | 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** | | | | | |
| | 2.390.835,08 | 2.390.835,08 | | 4.497.300,09 | 3.803.452,85 |
| **Priority Axis 2:** **Technical Assistance** | | | | | |
| | 129.219,33 | 129.219,33 | | 327.633,23 | - |
| | | | | | |
| **Grand Total** | **2.520.054,41** | **2.520.054,41** | | **4.824.933,32** | **3.803.452,85** |
| | | | | | |
| **Total in transitional regions in the grand total** | - | - | - | - | - |
| **Total in non-transitional regions in the grand total** | - | - | - | - | - |
| **ESF type expenditure in the grand total where the Operational Programme is co-financed by the ERDF** | - | - | - | - | - |
| **ERDF type expenditure in the grand total where the Operational Programme is co-financed by the ESF** | - | - | - | - | - |
| * national contributions<br>** the expenditures claimed by the relevant beneficiary via RfPs<br>*** including the first and second tranche of advance payment + Reimbursements to RfPs (paid by CA)<br>**** including the four tranches of advance payments + 1st Payment claim (paid by EC) | | | | | |

*Data source: MA and CA*

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

No changes occurred since 2008.

*Table 10: 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 | 00 | Transnational Interregional Cross-border | 28.345.020 |
| 85 | | | | | 1.809.257 |
| | | | | **Total** | **30.154.277** |

*Data source: MA*

*Table 11: Indicative breakdown of the Community contribution by category in the operational Programme*

| Dimension 1 **Priority theme** | | Dimension 2 **Form of finance** | | Dimension 3 **Location** | |
|---|---|---|---|---|---|
| Code* | Amount** in € | Code* | Amount**€ | Code* | Amount**€ |
| 81 | 28.345.020 | 01 | 30.154.277 | Transnational Interregional Cross-border | 30.154.277 |
| 85 | 1.809.257 | | | | |
| **Total** | **30.154.277** | **Total** | **30.154.277** | | **30.154.277** |

*Data source: MA*

\* 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 to the groups outlined in the Operational Programme such as institutions and bodies set up around Europe to manage European Territorial Cooperation Programmes, above all Managing Authorities and Joint Technical Secretariats as well as Monitoring Committees, National Contact Persons, Certifying Authorities and Audit Authorities, First Level Control bodies, Stakeholders backing Territorial cooperation Programmes, as well as with reference to the IPA Programmes implementing bodies of these Programmes.

No breakdown per target group is available.

## 2.1.5 Assistance repaid or re-used

No modification as referred to in Art. 57 and no financial correction as referred to in Art. 98(2) of Reg. (EC) No 1083/2006 occurred in 2009.

## 2.1.6 Qualitative analysis

Whereas 2008 saw the relocation of Programme management authorities (MA, IS, CA, AA) from Austria to Slovak Republic, 2009 was the year of management stabilisation. This comprised activities such as:

- Set-up of Programme management procedures on the level of the Bratislava Self-Governing Region (BSGR), at the level of the SK bodies involved, and at the level with the IPs
- Submission of Programme management documents (Description of the Management and Control System, dated 17 August 2009, and all related Annexes, mainly the Methodological Guideline providing detailed information on control and eligibility issues)
- Performance of Compliance Assessment and Audit Report
- Development of the online INTERACT Management System (IMS) for the management of all RfPs and providing access to all bodies involved

What concerns the core implementation activities of the Programme, the INTERACT Points delivered the products and services according to plan. Based on the needs assessment as performed in 2008, a work plan for 2009 has been developed and approved by the MC. Measured against this work plan, it is to be stated that the planned activities have been implemented in full, notwithstanding the fact that according to the flexibility due to such a Programme as INTERACT II, some activities have been adapted as response to urgent needs of the stakeholders.
Performance against targets can only be summarised as fully satisfactory. The satisfaction rate of the end-users of these products and services (the other ETC Programmes) is overall high what reinforces the approach applied so far. This means that INTERACT II is always putting some emphasis on the attempt to make all services as tailor-made as possible.
These good results are then also reflected in the performance indicators (see more under Chapter 3.1.4).

The basic set of mechanisms for assessing the quality of these actions was set in place during 2009. This comprises activities such as feedback forms gathered after every event, reports of the INTERACT Points, and includes also such elements as informal feedback. The feedback forms are collected by the INTERACT Secretariat and are systematically processed and assessed.
Out of these sources of information, the final assessment would suggest that all activities were well-targeted on the most important needs during 2009 and that the services delivered were high quality and appropriate to answer the challenges being faced by the Programmes.

As ever, the INTERACT II contribution to the Lisbon process is indirect. The INTERACT II target group (European Territorial Cooperation Programmes), is expected to contribute to the Lisbon and Gothenburg strategies. INTERACT II has facilitated this process by offering support on management issues and as such 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 II has also provided a number of services in 2009 directly targeting this strategic dimension in all phases of the Programme management, from the establishment of the Programme structures, project generation / assessment to monitoring and evaluation of the results.

To this purpose, INTERACT II 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.

When it comes to financial absorption indicators, we can notice a substantial under-spending at Programme level. Even though the outputs were fully satisfactory, funds have been efficiently used, generally leading to some savings.

As for the MA and IS, absorption cannot be fully assessed due to the finding detected by the CA (see more under 2.3 and 4.2). Only for CA, no problems are to be expected in terms of absorption (however, due to the lower amounts involved, this will have only a minor effect on the entire Programme's absorption situation).

This likely absorption situation was already addressed during the MC meeting in Prague (November 2009).

## 2.1.7 Audit activities

The Audit Authority (AA) (Ministry of Finance of the Slovak Republic) has prepared the Audit Strategy and sent it to the members of the Group of Auditors (GoA) for comments and per-rollam approval in the beginning of 2009. Consequently the document was submitted by the AA to the EC on 26 February 2009 via SFC-2007. The EC accepted the submitted document on 15 May 2009 after AA had provided additional information on EC request in April 2009.

As for other audit activities in 2009, the AA performed two follow-up audits between January and August 2009. The main focus of the audit was to verify the implementation of recommendations and the adoption of adequate measures resulting in the removal of all shortcomings with impact on reservations applying to the Management and Control System which were identified by the Compliance Assessment Audit under Article 71 of Council (EC) Regulation 1083/2006 in the year 2008.

Based on positive results of the follow-up audit the AA submitted the Compliance Assessment report to the EC on 29th September 2009. The EC accepted the report on 19th October 2009.

The Audit Authority has prepared the Annual Control Report and Opinion pursuant to the Article 62 of Council (EC) Regulation 1083/2006 for the reference period from 1st July 2008 to 30th June 2009. The documents together with the Audit Strategy revision for 2010 – 2012 were sent to the members of the Group of Auditors for comments and per rollam acceptation. And consequently all approved documents were submitted to the EC via SFC 2007 system on 29 December 2009[3].

## 2.2 Information about compliance with Community law

It is positively to be stated that no problem with Community law has been identified on the level of the IPs, IS and CA in 2009 (related to RfP's as submitted during 2009).

Note: no system audits or audits of operations were taken in 2009 due to late start of implementation of the Programme and finalisation of audit compliance. No external audits of Programme were taken in 2009.

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

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[3] The EC has sent a Letter of Acceptation to the Audit Authority on 09th February 2010.

During 2009, the INTERACT II Programme encountered some management problems that not all could be solved by the end of the year. It is to be noted that these management issues were already subject to discussion during the 3rd MC meeting in Paris in April 2009, and also meetings between MA and other Slovak bodies (CA, AA, OoG) on the one side, or between Slovak bodies (MA, CA, AA, OoG) and EC on the other side have taken place throughout the year.

Before going into details, it is to be highlighted that these management problems (under Priority 2 = TA) are strictly to be separated from operational service activities implemented by the IPs and IS (under Priority 1) which were implemented according to plan to the utmost extent and were not directly affected by the management problems[4].

### 1. Programme documents

There was a delay in the preparation of obligatory Programme documents, mainly the Description of the Management and Control system (MCS) and related Annexes. As a consequence, also the Audit report was delayed.

It was not before August 2009 that a revised version of the MCS was available and the Audit Authority could perform its verification activities. As a consequence, it was not before 29 September 2009 that the final version of the Description of the Management and Control System could be submitted to the EC, together with the Compliance Assessment report.

These delays can partly be explained by the fact that although the new Managing Authority has been approved in April 2008 and the relevant structures set-up in late 2008, the fine-tuning of management procedures within and between all involved Programme bodies absorbed a lot of resources in 2009. In addition, the delays and problems were also partly due to lack of appropriate administrative capacities at the MA.

However, all Programme documents have finally been submitted to the EC and have been approved (see chapter 4.1.a and b).

### 2. Requests for payment

Another problematic topic faced in 2009 is related to the Requests for payments (RfP).

As for the IPs and according to the Subsidy contract, the first interim Requests for payment were due by mid-April 2009. The FLC Controllers of three IPs were confirmed by the relevant National bodies in March 2009 what had some impact on the submission of the RfPs. The mentioned delays in finalizing relevant MCS procedures and documents (such as Methodological guideline and its annexes) and IMS (see below) then also contributed to the delay for the reimbursement principle becoming effective.

The Programme bodies in a meeting in Brussels under presence of the EC agreed on an additional transfer (originally not foreseen) of Advance funds to the beneficiaries IPs, MA and IS (though the CA stressed the importance of submitting the interim RfPs to ensure the liquidity of the beneficiaries on the one hand and the liquidity of the CA on the other hand). As a consequence, it was necessary to amend the Subsidy Contracts, System of Management and Implementation of OP INTERACT II (approved by the Slovak Government) and to make a shift between ERDF financial resources and national contributions due to not enough ERDF sources at the level of CA. Altogether the advances paid out by CA (the ERDF part) represented 95,86% of all advance funds received from the Commission. It is also important to underline that according to Operational Programme (part 9.2), the implementing bodies will receive an advance payment if necessary for liquidity reasons and all expenditures have to be pre-financed by the implementing bodies. So the payment of second advances can be considered as exceptional.

When transferring the first RfP's from the MA to the CA, several formal and content-related mistakes were identified by the latter which led to suspensions of all RfP's (the CA organised a workshop on 08 June 2009 in Bratislava for all IPs which focused on financial implementation of the

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[4] At the end of 2009 the activities performed by the MA and reported under Priority 1 were still under clarification process regarding the correctness of their attribution to the named Priority.

Programme and processing of the RfP). In the case of the IPs and the first RfP of the IS, these suspensions could be lifted and the CA reimbursed the requested amounts in full.

At the time of processing of the first RfPs the INTERACT Management System was not fully operational. This incompleteness was due to a delayed finalization of the tendering process of the company to be in charge of all major technical services to be offered by INTERACT II such as Website, Event Registration Tool, Communication tool, IMS. This tendering process was not closed before early July 2009, and the selected company could only be contracted as from this month.
However, within one month only the Management System was ready for work, and the Requests for Payment with all related documents could be stored there, as well as all monitoring checks and procedures be reflected in the system. This allowed the continuation of the processing of RfP's as from early September 2009.

Finally it is to be stated that the start-up problems of submission and processing of RfP's were mainly solved within 2009.

For the MA expenditures, the CA rejected both RfP1 of the MA (both Priorities) due to reservations made on the eligibility of staff costs[5]. In the view of the CA, the contracts of MA should have been subject to Public procurement, since they are not to be considered as labour contracts according to National rules. In order to get a professional opinion on this issue, the CA involved the competent Slovak authority the Office of Public Procurement. Since by end of 2009 no final opinion was available, it was not clear at that time whether a fact of not-compliance with Community rules on public procurement has occurred or not. [6]

## 3. MA and IS

The MA and IS Hosting Institution the Bratislava Self-Governing Region after elections in November 2009, underwent complete reorganisation of its structure. This also affected the department that is in charge of MA and IS but was not limited to it[7]. This restructuring process started in late December 2009.[8]
Lack of competences and responsibilities in the period before and after the elections considerably slowed down the process of dealing with the unsolved staff contractual issues for MA and IS (see above).[9]

The Programme has seen a nearly complete turn-over of staff of the INTERACT Secretariat in 2009. Relevant positions such as the Head of Secretariat, Deputy of Head of Secretariat, Communication Manager and Information Officer resigned from their positions, two of them could be filled in 2009 namely Head of Secretariat and Communication Manager. (see also Chapter 3).

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[5] Similar reservations were then also put on the staff contracts of the IS Priority 1 and 2 in early 2010.

[6] No definitive results were available by end of 2009. Finally, the draft report of the Office of Public Procurement has been made available in early April 2010 confirming the findings of the CA.

[7] By beginning of 2010 out of four MA positions according to the MAWP, three (internal Head of MA, two external Programme managers) were changed respectively positions partially vacant

[8] The reorganisation was finalized by early March 2010 when a new Head of MA was set in place.

[9] In addition there was some uncertainty whether the new political establishment of the BSGR would be ready to host the INTERACT II Programme in future. The new leadership of the BSGR reaffirmed its commitment to continue the Programme implementation in January 2010.

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

No such changes are to be reported for 2009.

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

No such substantial modification as related to Article 57(1) of Regulation (EC) No 1083/2006 has been detected for 2009.

## 2.6 Complementarity with other instruments

Following the mutual agreement of DG External Relations and DG Europe Aid with Managing Authority of INTERACT II aiming at harmonization of operational and structural features enabling enhancement of the communication flow, INTERACT II continued in providing support to the CBC component of the European Neighbourhood Partnership Instrument (ENPI).

ENPI CBC established structures (IP Turku, Florence and IS) linked to INTERACT II in a close cooperation with IS and all IPs provided practical guidance on management and implementation issues related to ENPI CBC Programmes. Besides personnel involvement, the mutual and communication flows was assured also by a common communication and management tool Confluence/Zimbra, by sharing INTERACT II Contact database and by INTERACT II website, which not only provided regular up-date on ongoing events, activities, enabling access to all relevant documents, regulations or links, but also providing space to ENPI CBC on the INTERACT II website and offering an opportunity to publish actual info from INTERACT ENPI CBC project as well as from ENPI CBC Programmes. On line tools developed in INTERACT II such as on line tool for needs analysis or quality assessment were at disposal to ENPI CBC, the registration tool was discussed and it is planned to be adjusted according to ENPI needs in a future.

In 2009 INTERACT ENPI organised several trainings and advisory sessions and an annual conference in close cooperation with the EC Services of EuropeAid Cooperation Office in Rome in December. In addition the ENPI CBC Key Experts of INTERACT ENPI project participated in all JMC meetings of the ENPI CBC Programmes organised in 2009.

INTERACT II was also assisting to the EU enlargement strategy being materialised in support given to South East Europe via Instrument for Pre-Accession Assistance (IPA). The cross border cooperation among Member States and Potential Candidate Countries/IPA Beneficiaries was one of the focal points of IP Vienna activities. Transitional countries have been naturally included into target groups of INTERACT II.

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 INTERACT Point Vienna finalised an handbook on public procurement and further developed a handbook for IPA CBC Programme management for the benefit of these Programmes. Moreover following services were organised:.
- IPA CBC Advisory Services on Transitional approach and management system in Thessaloniki (EL)
- Rules of Procedure for BG-TR IPA CBC Programme in Haskovo (BG)
- IPA CBC network set-up (Kick off event in Belgrade (RS)
- First Level Control in Territorial Cooperation Programmes and IPA CBC under shared management in Bucharest (RO)
- Territorial Cooperation Project management and monitoring for staff of IPA CBC Programmes in Istanbul (TR)
- Public procurement in IPA CBC Programmes – shared management in Budapest (HU)

In comparison with the past, much stronger links have been established during the reporting period with the networking Programmes URBACT, ESPON and INTERREG IVC in order to contribute to the

inter-regional knowledge transfer and dissemination of good practices. INTERACT II took part in the meeting of the networking Programmes in September 2009 in Lille, organised by INTERREG IVC as a forum to exchange information on communication and capitalisation activities of the involved Programmes. INTERACT II undertook to organise next meeting in order to enhance a profile of the Programme but also to keep this opportunity for a regular up-date of Programmes involved.

Trying to enhance the cooperation with networking Programmes, INTERACT II designed a concept paper serving as a permanent basis of cooperation and a general strategic framework to set goals, forms and tools to be taken in order to maximise the benefits of cooperation and contributing to the added value of the ETC.

Besides Territorial Cooperation, INTERACT II established contacts with the Objectives 1 and 2 Programmes. A specific event was held in Naples in October 2009 to deal with the very specific issue of cooperation actions inside the Objectives 1 and 2 Programmes and how to reinforce the links between the Objective 3 and the other two.

In addition, INTERACT II also supported the development of the macro-regional strategies, in particular the European Union Strategy for the Baltic Sea Region (EUSBSR) and the European Union Strategy that was launched for the Danube macro-region (EUSDR). (see more under 3.1.1.1).

## 2.7 Monitoring arrangements

The Managing Authority and the INTERACT II 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".

## 2.8. National performance reserve

Not applicable.

# 3. Implementation by priority

## *Organisational situation*

According to the OP INTERACT II just two Priorities are foreseen, one dealing with the provision of services and the other one with Technical Assistance.

The **INTERACT Points and the Secretariat** are to be considered as the core implementing bodies of the Programme, and therefore their organisational and staff situations are crucial for a successful performance.
While 2008 saw the transfer of the Programme management from Vienna to Bratislava, and a consequent re-launch of activities in late 2008, the year 2009 was characterized by following developments:

- Stabilization of office arrangements in case where new offices were established (e.g. IP Turku, IS).
- Finalization of staff recruitment processes (during 2009, all staff positions had been filled).
- Implementation of service activities by INTERACT Points and Secretariat without major delays.

All the recruitment procedures were published on the INTERACT II 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 II were recruited in 2008 (where not already existent from INTERACT I). However, whereas the situation became stabilised on the level of the IPs, the INTERACT Secretariat faced a second wave of severe turn-over of staff in 2009.

- IP TURKU. In 2009 there were no staff changes in IP Turku. Project Manager on Financial Management returned to office after maternity leave in June, and since then the IP has been operating on the planned 4 FTE, where there are three project managers (100%) and a project officer and coordinator (50% FTE for ERDF services / 50% ENPI services).

- IP VALENCIA. The last 2 members of the INTERACT team joined the IP in the first months of 2009. The project development officer resigned in June and was replaced by the next person in the waiting list. The Monitoring Committee in November 2009 approved an additional officer for IP Valencia, but the recruitment procedure is being finalised in 2010.

- IP VIBORG. In January 2009, two project managers started to work, one working with Programme and project content, the other one working with finance. Another project manager returned from maternity leave on 01.08.2009 and resumed her work on Programme and project content. In line with contractual agreements and Danish labour provisions, a fourth project manager was to work out her contract period and leave on 30.11.2009. Following the decision of the INTERACT II MC to increase fulltime staffing by one person, she was however offered a contract extension and is now part of the fulltime staff, working with content issues and specifically one-off projects such as KEEP and the typology.

- IP VIENNA. The team of IP Vienna was complete already at the end of 2008: in June 2008, the IPA project manager, another project manager and an administrative officer were selected, who were contracted according to their availabilityand the necessary labour law arrangements until the end of October 2008. Two project managers and the coordinator have worked also for INTERACT I, therefore their contracts have been prolonged, in the overall effort to ensure continuity in the Programme delivery, as requested by the MC in 2008. The team consolidated its structure in 2009.

- SECRETARIAT. After having recruited four new members of the team, the Team Assistant, the Quality Assurance and Knowledge Manager, the Information Officer and the External Relations Officer in 2008, again four team members left in late 2008 and 2009: the Head of the Secretariat, the Deputy Head, the Communication Manager and the Information Officer. These changes in the staff (new staff arriving, experienced staff leaving) led to considerable workload on the remaining staff (e.g. Quality Assurance and Knowledge Manager being Acting Head for several months), and also did not guarantee full speed and full implementation of activities. After the summer period 2009, the new Head of Secretariat started to work, and at the same time the entire Programme was supported by some experienced consultants. It was decided not to substitute the Deputy Head, but based on a MC approval given in Prague to establish the new position of a Programme and Finance Manager. The related selection procedure was implemented in late 2009[10].

The **coordination** of the INTERACT II Programme is ensured by the INTERACT management system, as described in the OP, including the INTERACT Secretariat, the Managing Authority and the INTERACT Points, aiming at coordinating and managing the Programme activities.
As per the Operational Programme of the INTERACT II Programme, the INTERACT Secretariat and the Managing Authority undertake activities within Priority 1 in several areas:

- Support in work plan implementation of the IPs and development of new and upgraded tools (see 3.1.1.1-3)
- Dissemination and Publicity (see separate Chapter 5)
- Quality- and Knowledge Management (see 3.1.1.4)
- Coordination

As for "Coordination", this comprises the development of Joint Annual Work Plans as well as the Coordination of work plan implementation.

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 draft activity and budget plans are then reviewed by the MA and IS for consistency, by the INTERACT II Coordinators Group for harmonization, and then these are aggregated to form a Joint Annual Work Plan (JAWP) 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).
As for the Coordination of work plan implementation, and as laid down in the MAWP, INTERACT II has developed four management groups that meet regularly aiming at best coordination of activities between the IPs, IS and MA:

- Coordinators Group (CooG)
- Communication Group
- Content Group
- Finance Group

The IS participated in all of these meetings, and the MA at least in the CooG and Finance Group. In addition, IS and MA were intensively involved in the further development of the KEEP initiative, the IS even taking the lead for this.
The main activities in this period were related to the organisation of five Coordinators Group meetings, three Communications Group meetings, two Content Group meetings and one Finance Group meeting.

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[10] The newly appointed Programme and Finance Manager started services in 2010, but on a limited contract base only due to the still unsolved eligibility issue of staff costs (see chapter 2.3).

## 3.1 Priority 1: Service Development and Delivery

Due to the very nature of the INTERACT II Programme, only one content-related Priority – Priority 1 – exists.

Priority 2 is dedicated to the implementation of activities under the "Technical Assistance" scheme. A full description of this Priority 2 is to be found in the next chapter on Technical Assistance.

### 3.1.1 Achievement of targets and analysis of the progress

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

> 3.1.1.1 Financial Management
> 3.1.1.2 Programme Management
> 3.1.1.3 Strategy and Development
> 3.1.1.4 Quality- and Knowledge Management

### 3.1.1.1 Financial Management

**General Financial management (Programme and Projects)**

2009 was a milestone in control and audit terms in that the majority of Programmes were first able to finalise their Article 71 descriptions this year and thereby confirm control arrangements. This process has been far from unproblematic and there have been extensive requests for INTERACT II support. On the one hand, national control systems have frequently requested clarification on the precise requirements from their work and interpretation of the rules under which they work. On another level, many JTSs and MAs have questioned how they should control the quality of the work carried out on the national level. Finally, the role of the Audit Authority and the interpretation of satisfactory procedures for the compliance assessment have also raised many questions.

The general situation highlighted by these events is quite bleak. While individuals at every level try to find workable solutions to the problems encountered, the predominant attitude at an institutional level seems to be one of extreme risk aversion fueled by increasingly restrictive audit findings. Many financial managers feel forced to impose ever more restrictive interpretations of the regulations with the result that European Territorial Cooperation Programmes are increasingly seen as the funding of last resort.

This situation **is** reversible and results from a misguided approach to the legislation at all levels which sets compliance with the word of the regulations over the spirit and intention of the regulations. INTERACT events in 2009 have attempted to promote a pragmatic approach and to focus on the key message of Commission Guidelines, which emphasise a system-based approach rather than an over-regulative approach to details. We must admit that our success in this respect has been limited. National and regional over-interpretations are the main driving forces towards over-complexity and national support is therefore urgently required to reverse this process. Visible European Commission support will also be needed (at the desk officer and audit levels) if we are to reverse this tendency.

**Audit and Control**

It is widely accepted at the Programme and project level that control and audit requirements are vastly excessive. The findings of the European Court of Auditors, which drive the current control mania, are generally felt to be politically motivated and, because of the lack of information about substantiated irregularities, are not considered credible for European Territorial Cooperation. Nevertheless, the error rates reported by the Court of Auditors are consistently quoted as a motive for increasing control of ETC Programmes even though no effective evidence is produced to substantiate the existing level of problems.

This situation has led to enormously damaging misinterpretations of the regulations in order to avoid any possible future criticism from audit bodies (such as that no public authority staff costs

should be eligible based on a mis-reading of 1828/2006 §50). INTERACT II events during 2009 have tried to re-establish a sensible balance and encourage a view that supports valuable projects without setting unneccessary barriers in their way.

The pragmatic INTERACT II approach is, unfortunately, always confronted with examples of extreme interpretations over which we have no control, no matter how misguided we feel they may be. It would still be very useful for everyone concerned in such discussions to have a reliable final source of interpretation (a role that INTERACT II can only ever fulfil informally).

Despite criticisms of the current system, it is also important to remember the improvements from the past and the role that INTERACT II events have played in promoting, explaining and ensuring these improvements. INTERACT II events have in many cases clarified national responsibilities while at the same time providing realistic guidelines for quality control on the Programme level. The exchange of Programme documents facilitated by INTERACT II has helped to develop a sense of common standards and has saved enormous time. This process has also highlighted that Programmes are perhaps not as different as they think and may generate even greater benefits in future.

Many events and documents have supported this process and efforts to avoid over-control while maintaining essential quality standards remain central to INTERACT II inputs to the future debate.

### a. Eligibility

One of the challenges in the Financial Management of European Territorial Cooperation Programmes and projects is the eligibility of expenditures. The questions on eligibility issues are constantly raised during the discussions in INTERACT II events: the main questions from Programme's and projects' point of view are how to interpret the eligibility rules (EU, national) and if in doubt on the eligibility of a specific expenditure, how to proceed and who to turn to.

During 2009 the requests from the ETC Programmes concerning the eligibility of expenditures have been taken into account in INTERACT II service delivery. INTERACT Points have responded to the needs of the Programmes in the form of several advisory services and training seminars and has been providing input on the rules and regulations concerning the eligibility questions; e.g. INTERACT Points Turku and Viborg run jointly the "First level control seminar" in May in Stockholm. In addition, IP Turku organized an Advisory service on Eligibility in March 2009 in Vilnius, Lithuania. The eligibility issues have been discussed as well during the network meetings of the different target groups (HoSs, MAs, FLCs) organised zone-wide by the INTERACT Points. "

### b. FLC

Each Member State has the responsibility to ensure that all expenditures are verified, before being claimed to the EC, i.e. that its control system is well-functioning, controllers and processes are identified and described in the art. 71 descriptions. This verification called First Level Control (FLC) is key in ETC Programmes, because unlike in national-regional Programmes, it is usually not performed by the Managing Authority, especially for beneficiaries of another Member States. Substantial clarification on this aspect came from the change of art. 13 of Commission Regulation (EC) 1828/2006, through the Regulation (EC) No 846/2009. Nevertheless, in 2009 the request for advice was very high from all ETC Programmes as well as Regional and National authorities concerned, as in many Member States these systems were newly set up or substantially changed and new controllers started their work.

The INTERACT Points devoted a lot of efforts in providing this guidance, in particular with:

- Seminars (such as FLC in Territorial Cooperation Programmes)
- The further development of written guidance (such as online and ad-hoc written information or preparation of a Compendium of FLC procedures)
- Networks (such as setting-up of FLC Networks)

### c. Simplification

In order to ensure the necessary simplification in the management, administration and control in Programmes co-financed by the ERDF, including Territorial Cooperation Programmes, Regulation

(EC) No. 397/2009 changed art. 7 of Regulation (EC) No 1080/2006 introducing in particular the possibility for Programmes to opt for eligibility of indirect costs based on flat rates up to 20%, flat-rates costs calculated with standard scales of unit cost or lump sums to cover all of part of the costs of a project (up to 50.000 EUR). This as an option to the real cost calculation. This new rule does not find an easy application to ETC Programmes, because they are already using own specific rules and they have different Member States involved and therefore different approaches and understanding.

To facilitate a joint approach, INTERACT II:

- participated and contributed to the COCOF working meeting on simplification, providing an overview on the practice of ETC Programmes;
- upon a request by the Commission to support ETC Programmes and encourage them to make use of the simplified costs option, a simplification laboratory group has been established and met, in particular in order to elaborate written guidance to ETC Programmes;
- a working document on simplification was developed (to be finalised in 2010), based on the COCOF Guidance document on simplified cost options, but targets the specific questions and needs of European Territorial Cooperation.

**d. Irregularities and Recoveries**

A particularly difficult subject for financial managers of the ETC Programmes is the management of irregularities and recoveries. In fact, the definition and the requirements provided by the Regulations (EC) 1083/2006 and implementing regulation (EC) 1828/2006, even though clearly stating the national responsibilities in reporting and dealing with irregularities, in ETC clash with the different levels of responsibilities (MA-CA-AA-Olaf-EC) and the multi-national context (national reporting systems). The request of support was quite high for this subject, therefore INTERACT II organised in 2009 a whole-EU Seminar for Certifying authorities, on their key role in reporting and keeping track of irregularities in ETC Programmes. In the seminar, participants could discuss different approaches and understanding, clarifying some of their difficulties and exchange on their experiences. Written material was provided as an outcome of the seminar. The seminar will be followed up on in 2010.

**State-Aid and Public Procurement**

State Aid and procurement have been particularly problematic for the same reason: While it is accepted that European rules operate over certain boundaries for very good reasons, amounts and situations outside these boundaries have often been left to very vague national legislation. As a result projects and Programmes are generally left without reliable guidance until they are confronted by an audit and the damage is already done.

INTERACT II activities have tried to provide a set of pragmatic and reliable guidelines based on the legislation but we have been frequently confronted by the lack of clear rules in many areas addressing cooperation projects. It has not been possible to obtain anything other than informal guidance on how to address these issues. The standard response at present seems to be to transfer risk to beneficiaries without providing them with reliable information on how to address this risk.

While we have attempted to make progress on this issue, increased Member State and Commission support is urgently required.

**N+2/3**

The decommitment rule as in articles 93 to 97 of Regulation (EC) 1083/2006 has substantially changed in comparison to the previous programming period. Even though many Programmes face decommitment only in 2010 for the first time, there was a need to start some basic training in this specific issue.

It was in December that the first seminar on decommitment took place. Some other Programmes have requested to hold this kind of seminar in 2010 so that members of the MAs and JTS get proper training in these rules, the calculations and the expected modifications of the Regulation in this respect.

### 3.1.1.2 Programme Management

**Project support and capitalisation**

Support to the generation and implementation of good quality projects has been the objective of the several events organised on project support. On the one hand, project assessment was the object of two seminars. On the other, strategic projects are still being followed up by the IPs with the aim to help and witness the outcomes of such projects.

Seminars on project assessment have focused on selection criteria, assessment procedures and application forms were deeply discussed to improve the quality of project applications. In addition, a specific seminar for IPA Programmes was organised with the aim to address the specific challenges of these Programmes.

Strategic projects were tackled during 2009 both with events and desk research. The interest in this kind of projects in some areas of the EU has and will continue to have an answer by INTERACT II.

Specific activities have been organised to make Programmes aware of the importance of capitalising on previous and current experience among the different ETC Programmes and projects in a certain area or in certain themes. Capitalisation is not always the first priority of the Programme management as it is not compulsory, but INTERACT II is trying to set up tools and methods to facilitate this work.

**Programme Monitoring and Evaluation (General; Cross-Programme Evaluation)**

Most of the cooperation Programmes have started their evaluation activities in 2009. With the new regulation, a shift from mid-term to on-going evaluation has happened. The necessary common understanding and approach around this new concept implied substantial work for INTERACT II in 2009. To support this, INTERACT II focused on:

- Setting up a network of Programme managers responsible for evaluation, in particular to contribute to and support the development of written guidance;
- Several laboratory group meetings were organised for this network, in order to discuss common approaches, good practices as well as gaps in monitoring and evaluation;
- In parallel, a series of three seminars on Programme evaluation was held (Dublin, Helsinki and Thessaloniki). Basics on evaluation, as well as specific ETC-issues were presented and discussed, such as e.g. evaluation types, cross-Programme evaluation and evaluation quality standards.
- As a result of this extensive work with the target groups, an on-going evaluation handbook for ETC Programmes was developed, including recommendations, template and papers, terms of reference, action lists for the external evaluators.

This approach was highly appreciated by the participating Programmes. One of the main findings of this work was the awareness that evaluations of individual cooperation Programmes might be quite limited in terms of possibility to assess impacts and significance of the evaluation analysis. A possible way out indentified, was a cross-Programme perspective. To follow-up on this idea, a cross-Programme evaluations exercise was proposed to the INTERACT Monitoring Committee at the end of 2009 and approved with the 2010 Annual Workplan.

**European Grouping of Territorial Cooperation (EGTC)**

The EGTC Regulation (EC) No.1082/2006 and most of the national implementing rules are in force, but still the instrument has found a relatively narrow application in the practice of the ETC Programmes and projects. INTERACT Point Vienna followed up on the EGTC developments, on behalf of the INTERACT II, also as member of the EGTC Expert Group set up at the CoR.

Because of these limited requests, activities were limited to:

- Written information, updated information in the INTERACT website and ad hoc emails.
- Inclusion of the EGTC issue in other events-activities

At the end of 2009 the need has been identified to research on the upcoming developments of this instrument and possible adaptation in view of 1) the review process due by 01.08.2011 and 2) the next programming period. This activity had started in 2009, but will be finalised in 2010.

### 3.1.1.3 Strategy and Development

INTERACT II general objective to support ETC Programmes does not only relate to the Programme management, i.e. to technical and operational issues the Programmes daily face. More and more during 2009 it has become clear to the main ETC stakeholders that many of the challenges in the management of Programmes are also connected to limitations in the bigger strategic context where ETC is embedded, i.e. in the general legal framework, in the strategic links to other Programmes, in the strategic approach, in the lack of a proper knowledge management and capitalisation on project results, etc. Therefore, INTERACT II was requested to keep on focusing on the improved strategic approach of territorial cooperation Programmes and projects like in 2008, but also increasingly on capitalising on results, as well as on strategies, e.g. the so-called Macro-regional strategies.

**Macro-Regional Strategies**

The year 2009 opened a new type of service need from INTERACT Points. European regional stakeholders have been identifying cooperation needs on the level of macro-regions where the stakeholders try to find ways in responding to needs emerging across larger geographic areas.

**a. EUSBSR**

One such process resulting to a macro-regional strategy formulation and process of approving and adopting an action plan for meeting the objectives of the strategy is the European Union Strategy for the Baltic Sea Region (EUSBSR).

The communication for approval by European Commission was given in June 2009 and the strategy was adopted in the Council of Europe in late October 2009. Within the service context of the INTERACT II Programme it was quite natural the task of supporting the operational implementation of the strategy can be performed by the INTERACT Point located in the heart of this macro-region. Therefore INTERACT Point Turku received from the European commission DG Regional Policy a recommendation to establish the Laboratory Group and the group has been mandated with the tasks for supporting the implementation of EUSBSR. The group has provided actively their input in developing the necessary guidance documents for Programme management bodies and by assessing different options of approach while discussing the needs of project identification and annual progress reporting. Final outcomes of these Laboratory Group consultations are put into process only in 2010.

As an outcome of the support provided by the laboratory Group, a major service need was identified during the evolving process of meetings in 2009. A concept paper for a comprehensive set of support services was introduced in the autumn 2009 and approved in MC in November, including additional staff resource for these services supporting the implementation of EUSBSR.

**b. EUSDR**

Like for the Baltic Sea Region, a similar support need has been identified also for the on-going development of the European Union strategy that was launched for the Danube macro-region with the EU-Council conclusions of 19 June 2009. Based on a request by the DG Regional Policy of the European Commission and in consultation with the INTERACT II-MC members, at the end of 2009 INTERACT Point Vienna started the work on this strategy, by developing a concept paper and action plan (including an additional staff member) to provide support services to ETC Programmes operative in the Danube Region. This was approved by the MC with written procedure as a pilot project, included in 2010 AWP.

The development of this concept has started already at the INTERACT Point Vienna Regional Network Annual Meeting, taking place in Sofia on 30 Sept – 01 Oct 2009.

Ad hoc coordination activities and meetings with DG Regional Policy of the EC took place at the end of 2009.

### 3.1.1.4. Quality- and Knowledge Management

**Update of the INTERACT II Knowledge Management KEEP Database**
The INTERACT Secretariat has created the KEEP database, which was developed during 2008 and 2009. It contains information about both past and present programming periods and all the INTERREG III and European Territorial Cooperation Programmes are included in the database. Specific information entered into the system (Programme name, Strand, Number of projects etc.) can be retrieved and also an export function is available for these Programmes.
Each Programme page enables the user to enter into specific project pages (which include basic information and data about all INTERREG III and ETC operations like Project Name, Theme of the projects and related keyword, Budget, ERDF, Website link number of Partners etc) and partners pages (where is possible to view individual partner information such as the Institution Name, Partner Type, Contact Person, Address etc.). The database creates (via an external database) a coordinate for each project partner so as to have NUTS I, II and III codes generated: this process is automated and can be used for map generation and for statistics.
The work of finding and collecting information on the INTERREG projects started using the data stored in the ESPON database of INTERREG III Projects and the INTERACT II project database. These were used as a starting point to collect, collate and organise the data of all projects into a coherent system for the 2000-2006 INTERREG III Programmes.
The massive data entry operation started in 2009 in order to update and complete all the projects' data related to the INTERREG III programming period. This was both a relevant and difficult task that implied the establishment of constant contact with all the INTERREG MA/JTS bodies to get from them as much reliable and comprehensive projects' data as possible. This action was carried out by the INTERACT Points and the INTERACT Secretariat. All these data are being continuously entered into the KEEP database and in addition to that, other data were put in as they are extremely needed to ensure the main system functionalities (such as theme and keywords) likewise those absolutely essential for the compilation of statistics (that implied daily search on the web to find key information for each project and partner institution involved).

The database included by the end of 2009 for INTERREG III information on 79 PROGRAMMES (62 Cross-border, 13 Transnational, 4 Interregional) and data on 11.011 PROJECTS (9.637 Cross-border 1.279 Transnational, 365 Interregional) and 33.321 partners (18.806 Cross-border, 11.127 Transnational, 3.398 Interregional). For the TERRITORIAL COOPERATION programming period the database includes information on 65 Territorial Cooperation (13 Transnational, 4 Interregional/Networking, 52 Cross-border) 2.389 projects (1.686 cross-border, 485 transnational, 162 interregional+neworking) 11.358 partners (5.958 cross-border, 4.517 transnational 883 interregional)

**INTERACT II Knowledge Management KEEP Maps and Statistics**
The maps used on the KEEP website are from Google, and the map servers are hosted by Google Enterprise which ensures that they will be advert free and that INTERACT II is able to offer the fastest service possible to the end-user.
Information stored for the maps include: Programme boundaries, NUTS areas as well as historical information (past NUTS areas, past programming periods). All of this information has been gathered with the help of the GIS department at DG Regio and we have used their coordinates for borders etc.
Current KEEP Statistical Output implemented in 2009 has seen the development of a standard for descriptive statistics, based on the data stored into the KEEP database, pertaining to:
a) Themes, keywords and regions
b) Frequency distributions of themes and keywords
c) Frequency distributions of Programmes across regions and countries
d) Cross-border cooperation
e) Programme category statistics across regions and countries
f) Distribution of budgeted funds across Programmes, regions and countries
The statistics section offers a more "unique" view and has some specialised statistics and graphs to offer the users, for example the "Partnership Intensity" wheel, which shows the intensity of partnerships between different Member States. It is intended to provide overviews of cooperation and will include information on thematic hotspots, budget allocations per theme, ERDF spending per NUTS III region - either through graphs or through specialised maps (eg heat maps).
A number of additional detailed statistics has been already Programmed in relation to some pilot tests, which are under development (Baltic Sea Region, Danube and Mediterranean areas)

A detailed guide on the Knowledge Management initiative was elaborated by the INTERACT Secretariat in order to describe the strategy, objectives and expected outputs of the KEEP (Knowledge and Expertise in European Programmes) initiative. This document, provided in English, describes how the INTERACT II 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.

The Secretariat sent the KEEP guide to all the INTERACT Points and INTERREG III Managing authorities ad Joint Technical Secretariats as well as to all the management bodies in charge of the European Territorial cooperation Programmes and their National contact points

**INTERACT II Knowledge Management 'KEEP' Website**
The KEEP website will not only have maps and statistics linking to the KEEP database of Programmes and projects but will also contain some editorial content and news items.
The initial graphic design for the KEEP web portal was realised in 2009 particularly concerning the Web Application and User-Interface Design, programming of KEEP Admin and INTERACT CMS Cassandra, Graphic Design Modifications, interface to exchange the necessary information between the KEEP Portal and the Map Server API.
Priority in 2009 has been given to drafting and presenting the frontpage of the website as well as the layout of the project pages that will include basic information drawn from the KEEP project database. In addition to that, it was expected that the editorial content on the KEEP website will be distinct from the INTERACT II website as it will include information pertaining to the KEEP project (updates on projects etc) as well as a focus on the statistics and information generated from the system as well as project-led news. News content can be shared between pages on the KEEP website eg on both the news page and linked to on the project page. This will be done through a tagging and marking system within the content management system. This permission will not be given to every user of the Content Management System.
Although the Content Management System of the website and all the layout and functionalities of the above section are already done the launch of the website was postponed mainly because, due to limited budgeting and human resources implication, all the efforts were concentrated on the data entry task as the availability of completed data represents an unavoidable 'must' to allow the online launch of the KEEP portal.
Considering that the KEEP website aims to be a comprehensive portal of the European Territorial Cooperation objective that encompasses a huge amount of information and contents and has to be daily managed and updated even for this important task should be provided a different management and operational structure with specific additional human resources that will work on the content management, animation of the website, and the aim to translate all content of both the database and the website into English and other languages where applicable (French in particular).

**KEEP Video**
The video on the Knowledge Management KEEP initiative was presented at the Bratislava KEEP conference (March 2009) It was developed in order to better introduce to all the INTERACT II Stakeholders the activities undertaken and to raise awareness in the Programme about the importance and purpose of the KEEP initiative.

The potential of KEEP and the growing interest among all stakeholders meant that INTERACT II was required to participate in several events dealing with knowledge management. First of all, INTERACT II had a specific conference in Bratislava (March 2009).
In addition to that, KEEP was also presented at several meetings (including 2 MC Meetings – Paris & Prague) and at external events. Amongst other, KEEP was presented in October at meeting on interregional cooperation in regional policy in Naples and at the Open Days in Brussels. The IPs also presented KEEP at several meetings.

# 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 2009. 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 focused 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 2009:

*Table 12: Overview of the number of activities*

|  | IP Turku | IP Vienna | IP Valencia | IP Viborg | Total number of events |
|---|---|---|---|---|---|
| **Number of seminars and workshops** | 12 | 15 | 11 | 11 | 49 |
| **Number of Advisory Services** | 5 | 32 | 4 | 26 | 67 |
| **Number of conferences** | 2 | 1 | 0 | 0 | 3 |
| **Number of e-Workshop** | 0 | 0 | 0 | 1 | 1 |

*Table 13: Overview of the participant days*

|  | IP Turku Participants/ day | IP Vienna Participants/ day | IP Valencia Participants/ day | IP Viborg Participants/ day | Total Participants/ day |
|---|---|---|---|---|---|
| **Seminars and workshops** | 300 | 647 | 573 | 194 | 1.714 |
| **Advisory Services** | 188 | 40 | 201 | 480 | 909 |
| **Conferences** | 654 | 100 | 0 | 0 | 754 |

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:

*Table 14: Overview on the satisfaction rate*

|  | Total |
|---|---|
| **Overall satisfaction with event** | 96,25% |
| **Satisfaction with usefulness (transfer into own work)** | 89,50% |

All participants assessed highly the content of the events and considered 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 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. Furthermore the same opinion was shared with regard to the ambience, which was considered comfortable and professional.

Participants appreciated a lot the atmosphere of the seminar, openness of the trainers and their willingness to answer questions and interactive method of training. They found 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 was also extremely valuable.
Those aspects and high marks of the events showed high quality of the service delivered.

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

The greatest challenge lied undoubtedly in the activities of the Programme. The very existence of INTERACT II 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 2009 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 fulfil their commitments in a full and timely manner. This, unfortunately, is often beyond the scope of INTERACT II to influence.

# 4. Technical Assistance

All activities covered by Priority 2 (Technical Assistance) can be found in the Operational Programme. In general, this Priority 2 is fully responding to the requirements of the EU-Regulations with regards to good Programme management.

Under this Priority, several beneficiaries are to be identified. Since this was not very clearly laid down in the first version of the Multi-Annual Work Plan (MAWP), the MC in its 4th meeting in Prague (November 2009) approved a slight re-arrangement thus allowing to better identifying the beneficiaries and related budgets. Hence the Managing Authority, Secretariat, Certifying Authority and Audit Authority are listed as Priority 2 (TA) beneficiaries (Staff costs, Travel costs, MC meetings, FLC costs, implementation of CA monitoring system, audit, etc), and rules for budget shifts between years and budget lines (where applicable) were fixed similar to the ones existing for the IPs.

Out of total Technical Assistance budget of € 2.128.537,-, the planned budget for 2009 for TA amounts to € 285.977,00[11], thus representing 13,44% of the total TA-budget (what is the second highest annual budget of all 2007-15 yearly allocations; only 2010 will see a higher yearly allocation).

## *4.1 Explanation of use made of technical assistance*

The main TA activities were as follows:

### a) Management and Control activities

On the basis of the INTERACT Monitoring Committee's decision of 4 March 2008, the INTERACT II Programme was transferred from Austria to Slovak Republic, and the function of the Managing Authority is carried out by the Bratislava Self-Governing Region, and the functions of Certifying and Audit Authority by the Ministry of Finance.
Since then, following documents were integrated in the Management and Control system:

- Government resolution No. 672/2008 on the Management and Implementation System of the Operational Programme INTERACT II 2007 – 2013, version 1.0, approved by the Slovak government on 1st October 2008. This document (in Slovak language) sets-up the basic management structure for the involved SK bodies. Two more versions 1.2, 1.3 have been developed during 2009.
- Description of the Management and Control System ("Article 71 Description") dated 17 August 2009, responding to the obligation deriving from Article 71 of the Council (EC) Regulation 1083/2006, including all relevant Annexes. This document package has been submitted to the EC on 29 September 2009, and was approved on 19 October 2009.
- Methodological Guidelines and all its Annexes dated 14 September 2009 being a core element of the management and control system and setting a Programme control framework for the controllers (FLC) in the 5 MS hosting beneficiaries of INTERACT II (Sk, AT, DK, ES and Fl) by fully respect of EU, National and institutional eligibility rules and procedures.
- Membership Agreement between the EU Member States (hereinafter referred to as Member States) participating in the INTERACT II 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 II 2007 – 2013" - During 2008 and 2009, the MA signed Agreements with 27 (25 EU MS + 2 non MS) countries;

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[11] MAWP version 4.0 as approved by the MC in Prague.

the only countries (status 31 December 2009) that have not signed the Membership Agreement are Germany and Netherlands.[12]

In addition to the above-mentioned functions (MA, CA, AA), the Government of the Slovak Republic with its Deputy Prime Minister Office, "Section Knowledge Society, European Affairs, Human Rights and Minorities", organized several coordination meetings and participated in relevant meetings (such as MC meetings).

### b) Audit activities

As for 2009, only a few audit activities were financed out of TA budget (such as Compliance Assessment and part of AA's wages relevant to OP INTERACT II).

### c) Programme Management

Under this heading, tasks as related to monitoring of activity implementation, compliance with Community and National rules, and to evaluation are to be understood.

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

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

The third Monitoring Committee took place in Paris on 21 April 2009. It was mainly related to the current status and open questions related to the development of Programme management and control systems (Audit Strategy, Compliance Assessment, Article 71 Description), the work plan implementation of 2008 and on-going activities of 2009 and KEEP initiative. The forth Monitoring Committee was organized in Prague on 09 and 10 November 2009 to present the activities already implemented in 2009, to discuss and approve the work plan for the year 2010, including the strategic direction of the Macro-regional strategies and the KEEP initiative, as well as to establish a consolidated Programme financial framework (such as identification of beneficiaries under Priority 2, establishment of flexibility rules for all beneficiaries, setting-up of clear budget line rules).

In addition to the Monitoring Committee, the informal network of representatives of the participating countries, the National Contact Persons (NCP), after having been set-up in Ljubljana (in 2008), held its meetings back-to-back to the two MC meetings. (see Point 3.1.3 / d).

The two MC meetings in 2009 were attended by 15 Member States (in both meetings), 7 Member States being present in only one of the meetings, and another 5 Member States not being present at all (Germany, Ireland, Latvia, Poland, United Kingdom). This average attendance rate of 65%-70% is lower than the experiences made in the other 3 Networking Programmes. The two associated countries Norway and Switzerland were present in one MC meeting each.

Monitoring:
Contrary to INTERACT I, it was decided for INTERACT II that no projects are to be involved. This simplifies the Programme tasks since consequently no call for proposals, assessment of applications, selection of projects or monitoring of the implementation of approved projects are needed. This considerably reduces the scope of Programme management tasks since no project-related procedures are to be developed (such as Terms of References for Calls, Selection criteria, Development of Application and Implementation Manuals, Application Forms).

The only "projects" are the pre-selected INTERACT Points. Under pure TA-terms, the related Programme tasks implemented in 2009, were the following ones:

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[12] The Membership Agreement with Netherlands was signed in April 2010.

- the monitoring of the RfP's and related documents (by MA and IS), and further processing of those until reimbursement (by CA). This did not only comprise financial analysis (see point c above), but also content-related and quality analysis
- the further development of the Reporting tool into the direction of an online Report (all IPs can fill-in the Report online)
- the further development of the joint Monitoring System (IMS)

Compliance:
The continuing compliance of the IPs 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 II 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.

Evaluation:
Pursuant to the OP, INTERACT II has decided to implement a Mid-Term Evaluation (MTE) in 2010. In order to allow for a timely preparation, the MA presented a first draft proposal on the steps of the MTE during the MC meeting in Prague (November 2009), and submitted the revised proposal taking into account the comments of the MS in February 2010.

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

*Table 15: Overview on the spending under TA by beneficiary*

| | MAWP Budget 2008 + 2009 | Paid out but not validated expenditure | Validated expenditure sent to CA but not processed | Validated expenditure reported and reimbursed by CA | Total expenditure | Percentage of use of Technical Assistance budget |
|---|---|---|---|---|---|---|
| IS Staff/Office/Travel | 99.156,00 | 16.349,10 | 15.049,50 | 13.007,98 | 44.406,58 | 44,78% |
| IS Other | 9.453,00 | 0,00 | 0,00 | 1.770,25 | 1.770,25 | 18,73% |
| MA Staff | 113.582,00 | 56.740,95 | 30.299,50 | 0,00 | 87.040,58 | 76,63% |
| MA Travel | 33.667,00 | 3.588,57 | 1.996,95 | 0,00 | 5.585,52 | 16,59% |
| FLC | 60.000,00 | 12.029,77 | 0,00 | 0,00 | 12.029,77 | 20,05% |
| MC meetings (incl Prep) | 52.000,00 | 19.503,51 | 7.429,20 | 0,00 | 26.932,53 | 51,79% |
| Mid-Term Evaluation | 0,00 | 0,00 | 0,00 | 0,00 | 0,00 | 0,00% |
| CA (Impl. Monitoring System) | 121.177,84 | 0,00* | 74.715,45 | 0,00 | 74.715,45 | 61,66% |
| AA | 70.616,00 | 26.141,74 | 0,00 | 0,00 | 26.141,74 | 37,02% |
| **TOTAL** | **559.651,84** | **134.353,64** | **129.490,42** | **14.778,23** | **278.622,29** | **49,78%** |

Data source: MA
* final data to be confirmed

*Table 16: Overview on the spending under TA (TOTAL)*

| | MAWP Budget 2008 - 2015 | Paid out but not validated expenditure | Validated expenditure sent to CA but not processed | Validated expenditure reported and reimbursed by CA | Total expenditure | Percentage of use of Technical Assistance budget TOTAL |
|---|---|---|---|---|---|---|
| IS | 399.873,00 | 16.349,10 | 15.049,50 | 14.778,23 | 46.176,83 | 11,55% |
| MA | 1.223.541,00 | 91.862,80 | 39.725,47 | 0,00 | 131.588,27 | 10,75% |
| CA (Impl. Monitoring System) | 287.977,00 | 0,00 | 74.715,45 | 0,00 | 74.715,45 | 25,94% |
| AA (Audit strategy functions) | 217.146,00 | 26.141,74 | 0,00 | 0,00 | 26.141,74 | 12,04% |
| **TOTAL** | **2.128.537,00** | **134.353,64** | **129.490,42** | **14.778,23** | **278.622,29** | **13,09%** |

Data source: MA

# 5. Information and publicity

## 5.1 The INTERACT II Programme's Communication Strategy

### 5.1.1 The INTERACT II Programme Secretariat

The INTERACT Secretariat is responsible for the implementation of the Communication Plan in cooperation with the INTERACT Points whose function is described in Chapter 5.3 of the Operational Programme.

The aim of the INTERACT II Programme Communication Plan is:

- to inform the target audience about the opportunities offered by INTERACT II 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 II 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 II Programme

**Coordination of the Communications Group Meeting**

The Communications Group has met on a regular basis (3 times) in 2009 and worked actively together to implement the communications objectives mentioned in the communications strategy of the Programme.

Three Communications Group meetings took place in 2009, as planned. The first was in Vienna in January, the second in Turku in June, and the third in Brussels in October. The meetings were timed to coincide with the Coordinators Group meetings so that any decisions which required approval from the Coordinators' could be quickly addressed.

Each meeting lasted two days, except the last meeting which was one day meeting, and dealt with further developing INTERACT II's communication system, improving the INTERACT II website, the coordination of dissemination activities, developing the INTERACT II's newsletters, newsflashes and MC Updates, and other communications issues.

*Web Portal and Online Dissemination Tools*

A regular communication to the INTERACT II stakeholders is ensured thanks to the dissemination of the online information tools and the daily updates of the website. The success of those show INTERACT II's role in being a useful and important source of information on European Territorial Cooperation issues.

- **The INTERACT II website**

The website is fully operational and provides constant updates of news and events concerning INTERACT II in particular and the European Territorial Cooperation in general.

The website also focuses on themes of importance to the European Territorial Cooperation Programmes, such as on Programme management, project management, finance management, knowledge management and capitalisation, evaluation, regulatory changes, EGTC and IPA CBC.

There is a shared responsibility in managing the website: all IPs have been provided with passwords and can upload their own news and event announcements. The INTERACT Secretariat has final responsibility for editing and uploading.
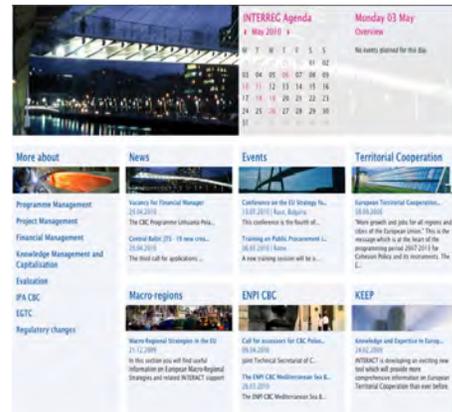
New sections, new features and tools have been added throughout the year 2009 to upgrade the website content-wise and technically-wise, and to better adapt the website to the needs of the European Territorial Cooperation Community. The following sections have been added:

- the staff section providing information about the INTERACT II staff members;
- the my.interact section which allows users to set their own bookmarks and leave comments;
- the press area;
- the new section on the macro-regional strategies (Baltic Sea Strategy, and Danube Strategy);
- two new thematic sections: on evaluation and on regulatory changes;
- the DG Regio mailings section.

Several videos have also been posted on the website in order to enhance the multimedia features of the website. Examples of posted videos: KEEP video, animated presentation by the European Commission on communication at the CBC seminar in May 2009 and the video created by IP Vienna at the end of the year to wish all INTERACT II stakeholders a merry Christmas.

An online publications centre has been created in Confluence in which the INTERACT II manuals/publications will be put online as e-publications in addition to usual pdf-files on the website. A link will be created on the website from where the visitors can access the online publication manual.

- **INTERACT II Newsletter**

The INTERACT II 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, published on the INTERACT II website, as well as a small number of copies (around 200) are printed out to be distributed at events.

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.
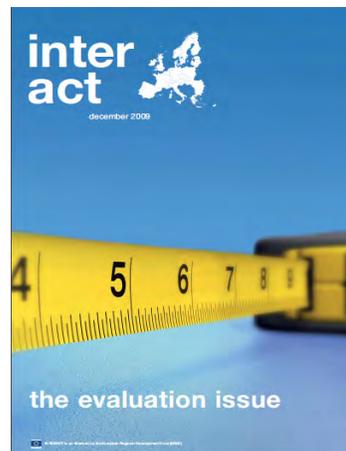
Issues developed in 2009:

- April Newsletter on First Level Control
- September Newsletter on Knowledge Management
- December Newsletter on Evaluation.

Some key speakers were:
- Claude Tournier, DG Regional Policy
- Eva Hrstkova, Centre for Regional Development of the Czech Republic, Prague
- Colin Wolfe, Head of Territorial Cooperation Unit, DG Regional Policy
- Elisabeth Helander, Former Director of the Territorial Cooperation Unit, DG Regional Policy
- Walter Stöckl, City of Vienna, Senior Advisor to the ETC Programmes
- Pasi Rantahalvari, Evaluation Unit, DG Regional Policy
- Richard Hummelbrunner, leader of the joint evaluation team of INTERREG IIIA Programmes
- Alessandra Nicita, Evaluation Unit of the Italian Ministry of Economic Development.

- **INTERACT II Newsflash**

The INTERACT II newsflash is sent out regularly via HTML e-mail to all contacts in the Contact Database in order to ensure a flow of information to stakeholders in between newsletters.

The purpose of the newsflash was to inform the stakeholders about upcoming INTERACT II events. During 2009, the content of the newsflash was extended to include latest publications (in particular INTERACT II ones) and other relevant news for the ETC Programmes.

- **INTERACT II Monitoring Committee Update**

INTERACT II Monitoring Committee Updates are sent out regularly via html e-mail to all Monitoring Committee members in order to keep them up to date with Programme activities and results in between meetings.

The purpose of the Update is to inform the stakeholders about upcoming INTERACT II events. During 2009, the content of the newsflash was extended to include a publications section (in particular INTERACT II ones) and a news section for the ETC Programmes.

**Promotion and Communications Activities**

- *Organisation of activities*

The IS organised a European-wide conference on Knowledge Management and Communication "Demonstrating the Benefits of European Territorial Cooperation" that took place on 23-24 March 2009 in Bratislava. This conference focused on INTERACT II support to evaluation, monitoring and communication of European Territorial Cooperation Programmes. It was the major information activity for INTERACT II of the year 2009.

The event sought to build towards an agreement on how Programmes, the Commission and INTERACT II could work together to ensure the best possible evidence of what the projects are achieving. It was a chance to hear different views but also to shape the future direction of this

work. The separate workshop sessions gave participants the chance to reflect on the successes and lessons learnt from INTERREG as well as to focus on the current and future programming periods.

This event brought together 164 representatives coming from the European Territorial Cooperation Programmes, the European Commission, and other relevant stakeholders.

- **Participation in external events**

With regards to the networking activities, the INTERACT Secretariat was involved in some of the INTERACT II events organised by the IPs as well as in different external events in order to present the INTERACT II Programme, and in particular the Knowledge Management initiative 'KEEP'.

The INTERACT Secretariat ensured active participation in the following external events:

- The Regions for Economic Change conference (February 2009)
- The EUROPACT Seminar (February 2009)
- The Inform Meeting organised by DG Regional Policy for communication actors of ERDF funded Programmes on 13-14 June 2009
- The Objectif Com 2009 in Strasbourg (France) for communication actors of ERDF funded Programmes on 1-2 October 2009
- The Open Days 2009 on 5 - 9 October 2009 in Brussels

- **Development of publicity material**

A leaflet to present INTERACT II's project KEEP was developed in the first half of 2009. Three Pop Ups were also created and printed out for INTERACT II and one Pop Up for KEEP.

A brochure informing stakeholders about INTERACT II is in the process of being developed. The INTERACT II brochure will give people a concise, clear, brief and readable overview of the INTERACT II Programme, the range of INTERACT II services available, and how to access them. The text has been written in a clear and simple language. The brochure will be accompanied by the existing postcards (therefore a slot at the back cover), which give more specific and detailed information on each of the services provided, if people are interested to obtain more information.

Due to the financial and administrative difficulties of the INTERACT II Programme Secretariat, work on the lay-out had to be stopped until the contract with the graphic designer was renewed and the latest invoices paid. The brochure will be ready in 2010.

- **Dissemination of promotional material**

All IPs and IS have included promotional material and publicity for INTERACT II (e.g. printed material hand-outs, roll-ups, highlighting upcoming events...) at all their events and external events. Examples of external events: Open Days Regions of Cities 2009, Inform meetings organised by DG Regio, Regions for Economic Change conference, EUROPACT Seminar.

*INTERACT II Internal Communication System*

- **The Contact Database and Expert Database**

The CDB now has 9367 contacts, and is used for publicity and dissemination including the newsflash and newsletter. Thanks to the online contact form on the INTERACT II website, people can submit their registration to the CDB online.

The CDB is used by all INTERACT Points and managed by the INTERACT Secretariat. The contact database is maintained on a regular basis by the Secretariat who is updating and modifying the contact details. Incorporated into it is the Event Registration Tool meaning that participants registering to INTERACT II events are included to the contact database.

The current CDB will be improved to a new system in 2010.

- **Issue Tracking System**

In order to better respond to the technical questions asked by the IPs related to problems with the website (CMS system), Zimbra (INTERACT II email system), Confluence (INTERACT II wiki system) and the ERT, it was decided to give each IP access to the 'issue tracking system".

This system enables the IPs to ask their requests directly to the IS and the Webmaster, and to follow up the development of every request electronically, e.g.: to whom it has been assigned as well as the state of play of the request. This system has reduced email traffic and has enabled the staff to keep track of all technical developments in the short and long term. A short manual was also created to introduce staff members to this system.

- **The Event Registration Tool**

Internally, new information tools were being developed, such as the new Event Registration Tool, which will be better adapted to the needs of the IPs concerning the administration of events, and the creation of event-related documents (badges, participants lists etc). Finalisation of this tool will happen in 2010 due to the major financial limitations and staff shortage at the Secretariat.

- **Improvements to the CMS**

Although INTERACT II already uses an advanced system of CMS, the Communications Group also works at constantly improving the system and making it more users-friendly. Several technical applications have been added in 2009 to facilitate the tagging system as well as improve the inclusion of texts in the system.

- **Online Conferencing Tool**

The INTERACT Secretariat has explored applications for online webinars and distance learning tools. Web-Ex Online Conferencing System was decided to be the ideal solution, and INTERACT II will start to use this system to organise online conferencing meetings from 2010 onwards.

- **Online Survey Tool**

In 2009, LimeSurvey, an open source online survey tool application, was purchased. This has enabled INTERACT II to create a personalised online survey template that is used by all IPs to get evaluation feedback after their seminars.

- **Updates on Confluence**

The INTERACT II wiki, Confluence, is constantly improved and updated with the newest versions in order to enhance the users-friendliness of its applications.


*Media Outreach Strategy*


The Media Outreach Strategy has been finalised throughout the year 2009 with the objectives for the following years to come. The Media Outreach Strategy aims at increasing the visibility of the INTERACT II Programme, enhancing public knowledge on European Territorial Cooperation, and dissemination results related to European Territorial Cooperation. The Media Outreach Strategy aims at exploring traditional as well as new media technologies. The INTERACT II KEEP initiative plays a major role in this respect to make INTERACT II more visible.
The disseminators database is also regularly updated, which has as purpose to monitor who is publishing INTERACT II news and how they are doing. This database will enable INTERACT II to refine and target the messages more effectively.

INTERACT II has also started to collect press clippings to get an overview of where they are mentioned in the press and in which way. The website also includes a special section 'press area' where journalists can find information about INTERACT II as well as access the videos created by the INTERACT II Programme. In the near future, this section will include the press releases that have been sent out by INTERACT II. The Communications Working Group is also creating a new communications section on the website, which will be of relevance to the press.


**Corporate Identity**

INTERACT II'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. In 2009, the INTERACT II Styleguide was improved, templates were modified (agenda and ppt) as well as new templates were developed, such as the study template.

## 5.1.2 The INTERACT Points

**General communication activities**

The INTERACT Points contributed actively to the overall communications strategy and activities of the Programme. At least one staff member per IP is designated to deal with communications issues, and to participate in the Communications Group meetings and online discussions.

The newsletters, newsflashes and MC Updates were developed by the Communications Group with IS coordination.

The INTERACT Points were also regularly updating the website. In particular they announced their events and relevant news related to European Territorial Cooperation, created new sections and published useful information related to the ETC community (links to all ETC Programmes; announcement of Programme events, new websites, job announcements and calls), publication of information from the European Commission relevant for ETC (DG Regio mailings, new regulations and amended regulations, new publications etc). They made a series of proposals for improving the website content-wise and technically-wise, and they started working on implementing those proposals.

The INTERACT Points and the Secretariat also worked on the update and cleaning of the INTERACT I glossary and terminology, for which a special section has been created on the website and which will be published on the INTERACT II website in 2010.

All IPs ensured a regular dissemination of INTERACT II publicity materials at all events, not only their own seminars but also external events.

**Own communication activities**

All IPs organised many networking activities and ensured regular communications to their stakeholders in order to update them on latest events and news. This happened by means of emails and seminars, but IP Vienna, for example, created a video with a Christmas wish to their stakeholders.
INTERACT Point VIENNA and INTERACT Point Valencia, with the involvement of IP Turku and Viborg, organised a communication seminar for CBC on 25 - 26 May 2009. In the framework of this seminar, a manual on communications for cross-border Programmes was created and disseminated. INTERACT Point Vienna updated its team flyer, distributed to its regional network and other interested stakeholders. INTERACT Point Vienna also updated its publication "IP Vienna Regional Network – Programme factsheets", which contains essential information on each of the 28 Programmes covered by IP Vienna.

INTERACT Point Valencia gave a presentation on the role of social media during the INFORM Meeting in June 2009. INTERACT Point Valencia also developed a series of factsheets: one general factsheet presenting their team and priorities; five summary factsheets concerning the following seminars: State Aid and Public Procurement, Madrid (February 2009); Strategic Projects, Palermo (March 2009); The role of Certifying and Audit Authorities, Lisbon (April 2009); Forum on First Level Control and Meeting of First Level Controllers from the IP Valencia Zone, Marseille (June 2009); Cooperation in Regional Policy: A dynamic Mechanism in Naples (October 2009).

INTERACT Point Turku initialised a communication network for the ETC Programmes in the Batlic Sea Region area. The first meeting took place in Helsinki on 4 March 2009 and dealt with communication means and strategies in Programmes and projects. A second meeting took place in Riga on 1 October 2009 and focused on how to reach traditional and social media.

INTERACT ENPI organised a training regarding communication and awareness raising on 22 June in Florence. The target groups were the National Information Points and the communication staff of the ENPI CBC Programmes. The main aim of the training was to support ENPI CBC Programmes in efficiently designing and implementing their communication plans. INTERACT ENPI also produced an information brochure about the INTERACT ENPI project.

## 5.2 Indicators on information and publicity

The tables here display both the Programme's target and the results achieved on each indicator that were mentioned in the internal annual report 2008 and 2009 of the Secretariat as well as in the communications plan. In some cases figures are not available.

Most targets have been met, and many surpassed. 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 financial problems experienced in the Programme throughout the year 2009, the huge turn-over of staff and the partial replacement of the communications unit. This situation has delayed the planning and implementation of a lot of communication activities.

| INDICATORS 2009 | | |
|---|---|---|
| OUTPUT INDICATORS | | |
| **MANAGEMENT AND COORDINATION** | | |
| Number of Communications Group Meetings | Achievement | 3 |
| | Target | 3 |
| **DISSEMINATION AND PUBLICITY** | | |
| *INTERACT Website* | | |
| Unique users per month | Achievement | 5000-6000 |
| | Target | 4000 |
| Number of EU countries actively using webste | Achievement | 27 |
| | Target | 27 |
| % documents available compared to those produced. | Achievement | N/A |
| | Target | 95% |
| Number of pages published (INTERACT II related). | Achievement | 210 |
| | Target | 150 |
| Number of pages published (ETC related). | Achievement | 365 |
| | Target | 50 |
| *INTERACT II Newsflash* | | |
| Number of newsflashes sent | Achievement | 6 |
| | Target | 6 |
| *INTERACT II Newsletter* | | |
| Number of issues produced per year | Achievement | 3 |
| | Target | 3 |
| Number of articles per issue in average | Achievement | 11 |
| | Target | 5 |
| *INTERACT II Monitoring Committee Update* | | |
| Number of MC Updates sent | Achievement | 3 |
| | Target | 4 |
| **PROMOTION AND COMMUNICATION ACTIVITIES** | | |
| Number of activities | Achievement | 1 |
| | Target | >3 |
| Number of publications | Achievement | 1 |

| | Target | >1 |
|---|---|---|
| Number of external events | Achievement | 5 |
| | Target | >2 |

| INTERACT II Communications System (Internal indicators) | | |
|---|---|---|
| Number of logins | Achievement | 9367 |
| | Target | N/A |
| Number of active CDB users | Achievement | All |
| | Target | All |
| Number of Communications Group members | Achievement | 6 |
| | Target | 6 |

## 5.3 Assessing the results of the information and Publicity measures in terms of visibility

*Visitors*

**Number of visitors          96 566**

There were almost 100 000 visitors in the year 2009, which indicates the appeal of the website. The visitors come from 177 countries, including a strong coverage in the countries involved in INTERACT II, demonstrating the scope of the website's appeal.

**Number of unique users  44 304**

The total number of unique visitors for 2009 was 44 304, showing the number of people who visited the INTERACT II site for the first time.

**Returning visitors          54.14%**
**New visits                      45.83%**

The majority of visitors are returning visitors, showing that a high number of users are interested in what they find on the website and keep coming back.

The huge amount of new visitors indicates that INTERACT II is continuing to expand the audience and find new visitors, due to an increased number of Programmes being represented in the news and events sections, the jobs and experts section, and a consistently high profile in Google searches.

February, March and April 2009 were the most successful months, probably due to the announcement of the INTERACT II annual wide event that was organised at the end of March 2009, and the information related to that conference that was available before and after the event. Moreover, during those months, recruitment of two positions were announced at the INTERACT Secretariat.

Please find below the number of visitors and total number of unique visitors per month. The Google Analytics was used as a source to retrieve those numbers and track web usage.

| Month | Visitors | |
|---|---|---|
| | Total | Unique |
| January | 7 698 | 4 081 |
| February | 10 239 | 5 781 |
| March | 9 584 | 5 239 |
| April | 9 072 | **5 126** |

| | | |
|---|---|---|
| May | 7 244 | **4 168** |
| June | 6 943 | 3 974 |
| July | 7 283 | 4 233 |
| August | 5 665 | 3 459 |
| September | 8 995 | 5 023 |
| October | 8 131 | 4 803 |
| November | 7 822 | 4 708 |
| December | 8 160 | 4 953 |
| Total | 96 566 | 44 304 |

*Attention span*

**User time on website:** 3:14 minutes

This figure allows to see how long users spend on the INTERACT II site, although the number is not representative of general data since September. Due to an increased visibility on other websites, lots of visitors come for very specific information on a particular issue and do not stay around very long.

**Average pageview per visit** 4.37 page views

This figure allows us to see how many pages are viewed by every visit. In average 5 pages are opened per visit.

Please find below the average time spent on the website and the average pageview per visit. The Google Analytics was used as a source to retrieve those numbers and track web usage.

| Month | Attention span | |
|---|---|---|
| | **Average time on site** | **Average pageview per visit** |
| January | 03:48 | 5.08 |
| February | 03:24 | 4.54 |
| March | 03:28 | 4.77 |
| April | 03:27 | 4.49 |
| May | 03:07 | 4.44 |
| June | 03:10 | 4.43 |
| July | 03:17 | 4.45 |
| August | 02:52 | 4.17 |
| September | 02:47 | 3.98 |
| October | 03:01 | 4.08 |
| November | 03:01 | 4.04 |
| December | 03:07 | 3.91 |
| **Average** | **03:14** | **4.37** |

*Popular sections*

**The most popular:** **job profiles, events and handbooks**

This shows the central role that INTERACT II plays in providing information on vacancies, and in disseminating the Programme's expertise to a wide audience. It also suggests that users find the information relevant and up-to-date.

*Top referrers*

INTERACT II website is linked to over 1000 websites, showing the success of dissemination of the website's content and the strong role played by the website in the territorial cooperation community.

| | |
|---|---|
| European Commission Website | 1 373 |
| Eurobrussels | 1 124 |
| Central Europe | 984 |
| ESPON | 597 |
| South East Europe | 592 |
| Special EU Programmes Body | 498 |
| Atlantic Area Transnational Programme | 412 |
| ENPI CBC MED | 399 |
| URBACT | 350 |

*Traffic sources overview:*

This gives us an indication of how people find our site.

Direct traffic: 32.62%
Search engines: 45.25%
Referring sites: 22.04%
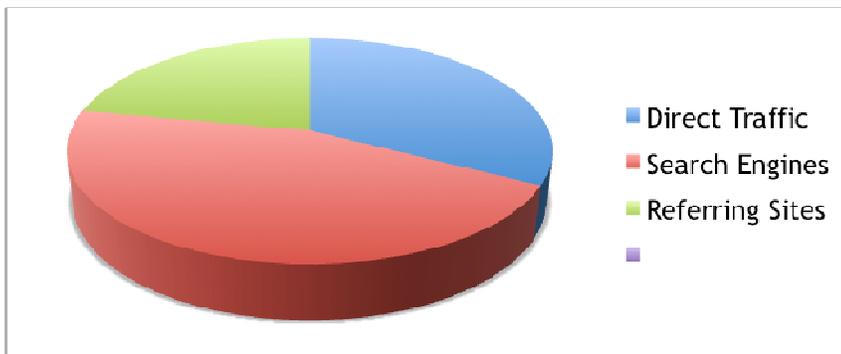


Over 40 000 visitors are directed from Google, indicating the high profile of the INTERACT II website in the Google search engine.

The top keywords for google searches were:

1. interact
2. interact eu
3. interact.eu
4. european territorial cooperation
5. gothenburg agenda

# Annexes

1) INTERACT II Examples of information and Publicity measures (electronic addresses)

## INTERACT website

INTERACT website: www.interact-eu.net

## Newsletters

1. Newsletter April 2009

http://www.interact-eu.net/news/newsletter_april09/7/2558

2. Newsletter September 2009

http://www.interact-eu.net/news/interact_september_newsletter_now_online/7/3494

3. Newsletter December 2009

http://www.interact-eu.net/news/interact_december_newsletter_now_online/7/3894

## INTERACT Videos

http://www.youtube.com/INTERACTProgramme

## INTERACT Press area

http://www.interact-eu.net/press_area/239

## KEEP

http://www.youtube.com/user/INTERACTProgramme#p/u/4/Awy8dMu1oTc

http://www.youtube.com/user/INTERACTProgramme#p/u/5/Z_zcDe8Mezo

2) LIST OF ACTIVITIES 2009