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European Union
Regional Policy

Community initiative INTERREG II 1994-1999: An initial evaluation

January 2000

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Information paper issued by the European Commission services

Community initiative INTERREG II 1994-1999

An initial evaluation

1. The various INTERREG programmes

The European Commission granted support for cross-border pilot projects for the first time in 1989, when **14** groups of pilot projects were allocated some **EUR 21 million** (under Article 10 of the ERDF). These projects were designed to tackle the structural development difficulties of border areas in two respects: on the one hand, the institutional separation of border communities where an economic and social separation prevents coherent management of the ecosystems; on the other hand, the actual peripheral location of cross-border regions in relation to their respective national economic centres.

These pilot projects were the basis on which, in 1990, the Commission created the **INTERREG I** Community Initiative which was itself developed as 31 operational programmes involving an amount of **EUR 1,082 million**, most of which was made available to Objective 1 areas. INTERREG I, which originated in the context of the completion of the single market, aimed in particular at the economic development and restructuring of border areas. Launched the same year as a supplement to the INTERREG programme, the REGEN Initiative for its part aimed to complete some missing links in the trans-European network for transport and energy distribution in the Objective 1 regions.

In June 1994, the European Commission adopted the INTERREG II guidelines (published on 1 July 1994) for the period **1994-1999**. Approximately **EUR 2.6 billion** has been allocated to cross-border co-operation, this being the largest of all the Community Initiatives.

The main aims of INTERREG II were to:

- assist the Community's internal and external border areas in overcoming specific development problems due to their relative isolation within national economies and the Community as a whole, in the interest of the local populations and in a manner compatible with protection of the environment;
- encourage the creation and development of co-operation networks on either side of internal borders and, where necessary, establish links between these networks and larger Community networks in connection with completion of the internal market in 1992;
- promote adaptation of the external border areas to their new role as border areas in an integrated single market;
- respond to new opportunities for co-operation with third countries in the Community's external border areas.

INTERREG II was developed in the form of 59 operational programmes. The EU funding made available to the operational programmes amounted to more than EUR 100 million in some Objective 1 regions and was in the order of EUR 552 million in the case of the Spain-Portugal border.

Since 1994, cross-border co-operation has also been supported by the PHARE Cross-border Co-operation (**PHARE CBC**) programme in the border areas of Central and Eastern Europe which have a common border with the European Union. In the case of the States of the former Soviet Union, there is the TACIS Cross-border Co-operation (**TACIS-CBC**) programme. These two programmes form part of the PHARE and TACIS programmes respectively.

The REGEN Initiative was also continued during the 1994-1999 programme period and received an allocation of EUR 550 million. In addition, in 1996 a new Initiative was approved by the Commission for a new form of co-operation. This was INTERREG II C which received an allocation of EUR 413 million and covered joint action in the fight against flooding and drought and also the development of territorial planning for large geographical areas throughout the Union.

In addition, in the context of co-operation and with the assistance of pilot projects under Article 10 of the ERDF, inter-regional co-operation has developed and has involved co-operation between regions throughout the territory of the European Union with a view to the transfer of good practice, new technologies and know-how, in particular between the Union's prosperous regions and those which are less favoured. This co-operation, which operates through the RECITE and ECOS-OUVERTURE programmes, covers internal and external inter-regional co-operation and received Community assistance amounting to nearly € 260 million during the period 1994-99.

2. INTERREG: achievements

The added value which INTERREG provides for the Community is shown in particular by its contribution to:

- the construction of Europe and the integration of regions belonging to the institutional structures of various Member States;
- cohesion and economic and social co-operation between regions which are particularly disadvantaged due to the presence of borders;
- opening up labour markets and harmonising professional qualifications, thus promoting labour market unification at the European level;
- implementing the principles of subsidiarity and partnership on the basis of direct participation by the local and regional actors and the socio-economic partners;
- preparing the accession of new members, in particular through co-operation and the transfer of know-how between Community regions and those in the candidate countries.

The **added institutional value** (acquaintance with and co-operation between territorial authorities and bodies as well as social partners) and the **socio-cultural added value** (exchanges of information and know-how in the regions) are incontestable.

In many cases, it is only through socio-cultural co-operation that a sound cross-border environment can be created for the economy, commerce and services.

As regards the **socio-economic added value**, this is manifest in the following areas – although with regional differences:

- job creation in direct relationship with improvement of transport and communications structures;
- creation of jobs in the fields of tourism, training, research and co-operation between small and medium-sized enterprises;
- improvement of transport services, first at national level and then at cross-border level;
- the development of tourism (joint marketing, joint projects);
- the mobilisation of endogenous potential through strengthening the regional and local levels as partners in cross-border co-operation;
- the involvement of the social and economic actors (for example the Chambers of Commerce and Industry in Greece/Bulgaria and in Nord-Pas-de-Calais/Wallonia/Kent and the trade unions/workforce in the German-Dutch and German-Austrian border regions).

On the other hand, INTERREG has shown the following **shortcomings**:

Border regions, particularly in Southern Europe, often lack experience with co-operation. Centralised administrative bodies, insufficient acquaintance and a lack of mutual trust make the creation of lasting cross-border bodies difficult and the same applies to efforts at co-operation in general. The obvious result is that the extent of involvement of the local and regional actors and social partners is still not very great.

It is the border regions on the EU's **external borders** which have to overcome the greatest obstacles during the implementation of INTERREG. This is due to their peripheral location, long isolation and separation from the neighbours, continuing major differences despite political changes to administrative structures, a still developing perception of democracy and the fact that in Central and Eastern Europe the programmes aimed at supporting co-operation under cross-border projects began only in 1994 and with very different funding mechanisms.

In many cases the **actual cross-border nature** of INTERREG **has still not emerged very clearly**, especially as regards the major INTERREG programmes which are geared mainly to infrastructure and endogenous development in the various border regions. All too often border programmes were developed in parallel and in accordance with a national perspective and were then presented to the European Commission jointly with a neighbouring country. Quite often, therefore, these are only national projects relating to border problems which were jointly adopted in the Monitoring Committees. Moreover, national border projects are bundled together in a sort of "package", "added up" and declared to be a cross-border measure.

3. Lessons for the future and guidelines for INTERREG 2000-2006

With a view to effectiveness and clarity, the Commission considered it necessary to include in one single INTERREG Initiative the various types of co-operation involved under the Structural Funds, namely, cross-border, transnational and interregional co-operation. In addition, this programme must be separate from, and supplement actions developed under, the Objective 1 national mainstream programmes. Only actions of a cross-border/transnational

nature may be financed by INTERREG. This is not in contradiction with the fact that INTERREG operates in the context of the Union's economic and social cohesion since its objective is both the harmonious, balanced and lasting development of the entire Community area and also the harmonious integration of the neighbouring countries into this area.

Co-operation content cannot be different from or run counter to the implementation method. The co-operation method is as important as the subject matter of co-operation. Moreover, experience to date with INTERREG shows that programmes and projects genuinely drawn up jointly are developed and implemented most effectively when the principles of partnership and subsidiarity are taken into account and when the regional and local partners play an essential role. Under these circumstances, the Commission has laid down minimum conditions for the implementation of INTERREG III, namely:

- The programmes and projects covered by INTERREG will be of a truly transnational or cross-border nature. Thus INTERREG should no longer cover as eligible actions relating to endogenous development of regions whose development is lagging behind, as these should be covered by the mainstream Objective 1 programmes.
- With a view to ensuring the cross-border/transnational character of the operations, programme implementation will be based on joint co-operation bodies, namely, a management authority, monitoring committee/steering committee and a joint secretariat. These are joint structures which will share responsibility for implementation of the programme throughout all phases: preparation of the programme and additions to it, selection and approval of projects, monitoring and evaluation of the programme as a whole.
- The bottom-up approach and participation by the local and regional authorities and by the socio-economic partners will be a sine qua non for validation of the composition of the joint bodies created under INTERREG.

Moreover, the mechanisms linked to external co-operation will also play a crucial role in the implementation of INTERREG. The Commission is faced with various legal and financial instruments, namely, on the one hand the ERDF and on the other hand PHARE, TACIS and MEDA for the purpose of implementing the same programme. As a result, administrative difficulties and nearly insurmountable obstacles have arisen during the implementation of INTERREG.

In this context, the Berlin European Council laid emphasis on the need to co-ordinate the external policy instruments and the Structural Funds in order to make external co-operation possible under INTERREG. For its part, the Commission has already indicated the co-ordination mechanisms in the guidelines which relate in particular to preparation of a joint programme and the creation of joint committees for the Community regions and those in the third countries involved. In particular, there are continuing problems, firstly, in cross-border co-operation with countries other than those which are beneficiaries under the PHARE programme and, secondly, as regards national and inter-regional co-operation. Overcoming these difficulties and proposing practical solutions suited to each situation should be a priority task for the Commission during the initial years of INTERREG III.