Editorial

The current debate about the EU’s future is, naturally, dominated by the EU constitution. Other headline topics are the continuing EU Enlargement, the future of the EU finances and the reform of major policy areas, such as EU Regional Policy and its main instrument; the Structural Funds.

With growing pressure to focus the Union on competitiveness and jobs, Regional Policy is facing dramatic change. According to European Commission proposals, Structural Funds spending in the next programming period 2007-2013 will be streamlined and refocused on the Lisbon and Gothenburg goals and its three main pillars: Competitiveness, Employment and Sustainable Development.

Since political visions need concrete action to move from fiction to reality, EU leaders at this year’s spring council have taken stock and interregional cooperation can benefit our activities to demonstrate that the EU will try hard to set a visible example through further inspiration and motivation for our work. We will keep up the EU flag and we involved in the around 250 INTERREG IIIC operations we will not leave it there. We will take the French and Dutch vote as a strong link between the EU’s competitiveness and the regions’ capacities to design and implement clear growth strategies. This is exactly why our programme helps regions to form partnerships to share know-how, learn from each other and develop joint solutions to the economic, social and environmental challenges they are facing.

This issue of our newsletter will, therefore, take a closer look at the Lisbon and Gothenburg agenda and present four examples of running operations to illustrate how these partnerships are working together to embed the Lisbon and Gothenburg goals in the regions and make Europe more competitive.

Europe is clearly forging ahead driven by the desire to secure democracy and prosperity for its citizens in a rapidly changing and globalising world. Yet, as the results of the recent French and Dutch Referenda suggest, these intentions and the process that goes with it may not have been communicated well enough.

As a matter of fact, many citizens seem to believe that European integration is going ahead too fast, that it is not transparent enough and difficult to understand and that it is driven too much by the interest of elites.

INTERREG IIIC is part of this European project and is one manifestation of “Europe” that does reach down to the level of the citizens. Therefore, we have always tried to be transparent and service-minded and to support our project promoters in every way possible and limit bureaucracy to the very essentials needed to control the use of public funds and monitor the achievement of objectives.

Together with over 2500 project partners involved in the around 250 INTERREG IIIC operations we will not leave it there. We will take the French and Dutch vote as a further inspiration and motivation for our work. We will keep up the EU flag and we will try hard to set a visible example through our activities to demonstrate that the EU and interregional cooperation can benefit each and everyone of our citizens.

At INTERREG IIIC we know that there is a strong link between the EU’s competitiveness and the regions’ capacities to design and implement clear growth strategies. This is exactly why our programme helps regions to form partnerships to share know-how, learn from each other and develop joint solutions to the economic, social and environmental challenges they are facing.

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Walther Stöckl
Managing Authority
INTERREG IIIC East, Department for EU-Strategy and Economic Development, City of Vienna

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Since political visions need concrete action to move from fiction to reality, EU leaders at this year’s spring council have taken stock of their performance with regard to fulfilling the Lisbon goals. Finding mixed results they have called for “urgent action” to “relaunch the Lisbon Strategy” involving all relevant players including not only actors at the national level but also the regions and local authorities.

This reference to the regions is well-founded. Evaluating EU performance on Lisbon, a high-level group headed by former Dutch Premier Wim Kok has found, among other things, a lack of involvement of crucial stakeholders, such as the regions.

Following-up on this report EU ministers at a meeting on territorial cohesion in November 2004 in Rotterdam stressed that “the diverse potentials of EU regions have not been sufficiently taken into account in the Lisbon Strategy so far” and that the EU should enable the regions “to exploit their endogenous potentials more effectively”.

INTERREG IIIC’s home page has a new look

What’s new? Well, the news section has been moved to the centre of the page. News and event announcements from the different zones are now mixed and sorted by chronological order. The entries to the zone-specific sections have been moved from the top menu bar to the left menu bar.

In the right column, you can find information on running INTERREG IIIC operations. On top of this column, one specific operation is featured. This will change regularly. Furthermore, there is a direct link to the database of running operations as well as to the news & events of running operations.

New in the top menu bar are the sitemap and the direct link to the “Newsletter” section.

This is just the beginning. The content of the sub-sections will be updated and widely renewed within the next weeks. New sub-sections will be added.

webmaster@interreg3c.net

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Lisbon and Gothenburg: a new impetus

Véronique Faure from the European Commission talks about new plans to help the EU meet its goals.

Europe and its regions are facing many challenges for the coming years: a doubling of socio-economic disparities following enlargement, an acceleration in economic restructuring as a result of globalisation, the effects of the technological revolution, the development of the knowledge-based economy and society, an ageing population and a growth in immigration.

In the light of these urgent issues, in March 2000, the Heads of State or Government of the Union meeting in Lisbon set out a strategy to make Europe “the most competitive and dynamic knowledge-based economy in the world”. The strategy entails several elements designed inter alia to encourage enterprise, innovation and research so that Europe is better equipped to deal with socio-economic change. At the Gothenburg European Council in June 2001, the strategy was widened to encompass environmental issues with a view to achieving a more sustainable pattern of development.

It was agreed that in 2005 the state of implementation of the Lisbon agenda should be reviewed. This mid-term assessment showed mixed results. The economic performance of the Union remains disappointing: at roughly 2% in 2004, economic growth remains below the target of 3% per year set out in the Lisbon strategy and to meet the EU employment rate target of 70% in 2010 22 million jobs have to be created. In an effort to re-launch the process, the Commission presented a Communication on 2 February this year urging an ambitious EU strategy for growth and jobs. It refocuses the Lisbon agenda on clearer and more realistic priorities, with the guiding preoccupation to preserve the European model of society. On the basis of the actions proposed, EU GDP could grow an extra 3% by 2010, creating six million jobs.

The Spring European Council (22-23 March 2005) approved the Commission proposals. It called on governments and all the players concerned to boost Lisbon without delay along three major lines: making knowledge and innovation the motors for sustainable growth; making the EU an attractive area in which to invest and work; and placing growth and employment in the service of social cohesion. It asked for a simplified implementation of the strategy, beginning this year. It stated also that the financial perspectives for the 2007-2013 period should provide the Union with adequate funds to carry through the policies that contribute to the achievement of the Lisbon priorities. Chief among these is cohesion policy, which has already spent about EUR 80 billion on Lisbon objectives via regional programmes since 2000, with still more proposed for the programming period post 2006.

While re-launching the Lisbon Strategy, the European Council also reaffirmed that it had “to be seen in the wider context of the sustainable development requirement that present needs be met without compromising the ability of future generations to meet their own needs”. But, just like the Lisbon Strategy, the Gothenburg Strategy needs to be reviewed. Significant changes have occurred since its adoption in 2001. Increased globalisation and enlargement, the EU’s commitment to a number of global initiatives and targets as well as persistent and increasingly apparent signs of environmental problems worldwide all have to be taken into account. Moreover, assessments conducted by the Commission show uneven results.

As far as the implementation of those two strategies is concerned, the INTERREG initiative clearly has a role to play. Closer cooperation across EU regions can help speed up economic development and achieve higher growth. Certain sectors of the Lisbon and Gothenburg strategies, such as sustainable transport, water management and risk prevention, are obvious examples of challenges which require a focused and integrated approach going beyond national boundaries. Building on the positive experiences of INTERREG, the Commission is proposing a new Objective in the draft regulation for the next programming period: European Territorial Cooperation. This is designed to pursue key Community priorities linked to the Lisbon and Gothenburg agendas.

Véronique Faure, Information and Communication Officer, DG REGIO, European Commission

and a Communication on orientations for the first review of the Sustainable Development Strategy. It proposes a positive agenda for sharpening the Strategy’s objectives, setting new milestones, improving monitoring mechanisms, strengthening ownership of the policy and improving cooperation with public-private actors at all levels. Via the impact assessment procedure, it asks for greater coherence between economic, social and environmental actions. It addresses the most serious challenges to sustainable development in Europe and the world, such as climate change, management of natural resources, transport and land use, public health, poverty, social exclusion and an ageing society. At the international level, it encompasses also the equitable integration of the developing world into our economy.

At its debates on 16 and 17 June, the European Council approved a “Declaration on the guiding principles for sustainable development”, which represent a new step towards the renewal of the EU sustainable development strategy. The new strategy will be adopted by the end of 2005, on the basis of a second Communication from the Commission taking into account the opinions of all involved.

Véronique Faure, Information and Communication Officer, DG REGIO, European Commission

More information: http://europa.eu.int/growthandjobs/
Economically strong and weak regions build partnerships through INTERREG IIIC

Economic and social disparities have substantially increased in the enlarged EU made up of 254 regions. According to the latest figures, published by the Statistical Office of the European Communities (Eurostat) in January 2005, the GDP per capita in the EU25 ranged from 32 percent of the average in the Polish region of Lubelskie, to 315 percent of the average in Inner London (United Kingdom) in the year 2002. One in every seven of the NUTS-2 regions had a GDP per capita exceeding 125 percent of the EU25 average. At the opposite end of the scale, a quarter of regions had GDP per capita of 75 percent or less of the EU25 average.

INTERREG IIIC brings these regions together. The 253 operations INTERREG IIIC is co-funding at the moment, involve 2500 actors from almost every region in Europe, among them the ten regions with the highest and also the ten with the lowest GDP per capita.

The ten highest GDP per capita (in percent)

<table>
<thead>
<tr>
<th>Rank</th>
<th>Region</th>
<th>GDP per capita</th>
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</thead>
<tbody>
<tr>
<td>1</td>
<td>Inner London (UK)</td>
<td>315</td>
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<tr>
<td>2</td>
<td>Bruxelles-Capitale (BE)</td>
<td>234</td>
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<td>3</td>
<td>Luxembourg</td>
<td>213</td>
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<td>4</td>
<td>Hamburg (DE)</td>
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<td>Île de France (FR)</td>
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<td>6</td>
<td>Wien (AT)</td>
<td>174</td>
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<tr>
<td>7</td>
<td>Berkshire, Buckinghamshire &amp; Oxfordshire (UK)</td>
<td>162</td>
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<tr>
<td>8</td>
<td>Provincia Autonoma Bolzano (IT)</td>
<td>160</td>
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<td>9</td>
<td>Stockholm (SE)</td>
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<td>10</td>
<td>Oberbayern (DE)</td>
<td>158</td>
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The ten lowest GDP per capita (in percent)

<table>
<thead>
<tr>
<th>Rank</th>
<th>Region</th>
<th>GDP per capita</th>
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</thead>
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<tr>
<td>1</td>
<td>Lubelskie (PL)</td>
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<tr>
<td>2</td>
<td>Podkarpackie (PL)</td>
<td>33</td>
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<td>3</td>
<td>Warmińsko-Mazurskie (PL)</td>
<td>34</td>
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<tr>
<td>4</td>
<td>Podlaskie (PL)</td>
<td>35</td>
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<tr>
<td>5</td>
<td>Świętokrzyskie (PL)</td>
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<td>6</td>
<td>Észak Magyarország (HU)</td>
<td>37</td>
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<tr>
<td>7</td>
<td>Opolskie (PL)</td>
<td>37</td>
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<td>8</td>
<td>Észak-Alföld (HU)</td>
<td>38</td>
</tr>
<tr>
<td>9</td>
<td>Východné Slovensko (SK)</td>
<td>39</td>
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<tr>
<td>10</td>
<td>Latvia</td>
<td>39</td>
</tr>
</tbody>
</table>

Upper and lower end of the GDP per capita scale (Eurostat, April 2005)

Vienna (Austria) + Východné Slovensko (Slovak Republic)

Vienna in Austria (173%), for example, one of top ten richest regions in Europe, cooperates in 15 different INTERREG IIIC operations. One of these operations; “TRATOKI – Transregional Toolkit for Micro Enterprises” (www.tratoki.org), also involves the region of Východné Slovensko in the Slovak Republic. With 39 percent of the EU average, this region belongs to the ten regions with the lowest GDP in the EU. Together with other regions in Europe they want to improve existing and develop new instruments, programmes and policy approaches for supporting micro enterprises and start-ups, and thus promote job creation and entrepreneurship. Particular attention is given to internationalisation, access to finance and accompanying business support measures. In addition, it aims at fostering stronger links between old and new Member States by helping small businesses to profit from the new opportunities of enlargement.

Warmińsko-Mazurskie (Poland) + Hamburg (Germany) + Latvia

Another region on the lower end of the GDP per capita scale is Warmińsko-Mazurskie in Poland (34%). This region is involved in two INTERREG IIIC operations. One of them is “PORT-NET – Promoting interregional cooperation of ports and multi-modal transport structures in the EU”, a cooperation of 13 major maritime regions from the old and new EU Member States. Creating a network of port and multi-modal transport practitioners and planners, PORT-NET wants to achieve a better understanding of the factors which make up the best possible organisation, appropriate operational structures and capacities, and an optimal regional integration of ports. Sub-objectives are to increase quality of port services and to encourage cost efficient and environmentally friendly maritime transportation and hinterland structures. The Lead Partner of PORT-NET is Hamburg in Germany, the region with the fourth highest GDP per capita in Europe (188%). At the other end of the scale, one of the project partners is Latvia with one of the lowest ratings of GDP per capita in the EU at only 39%.

Lubelskie (Poland) + Bayern (Germany) + Autonomous Province of Bolzano (Italy)

The economically weakest region in Europe, Lubelskie in Poland (32%), cooperates in three INTERREG IIIC operations. One is the Regional Framework Operation (RFO) “Change on Borders” (www.change-on-borders.net). This RFO helps to further dismantle borders and border-like barriers in Europe. Further regions from the lower and upper end of the GDP per capita scale involved in this RFO are Észak-Alföld in Hungary (38%) as well as Bayern in Germany (158%) and the Autonomous Province of Bolzano in Italy (160%).

These are only a few examples of INTERREG IIIC operations where the economically strongest and weakest regions work together. In the same way INTERREG IIIC connects rural and urban areas, dynamic and depressed areas, peripheral areas and the key economic centres of the Union ... The exchange of experience and transfer of know-how between these regions helps to upgrade their regional development skills and capacities and thus enables them to become more competitive and reduce development gaps.

Most of the 253 ongoing operations will be finalised before the end of 2007. Their total budget amounts to 500 million EUR, of which 300 million EUR are ERDF funds.

The majority of funds available for co-funding interregional partnerships within the INTERREG IIIC programme are allocated. No further calls for proposals will be launched in this funding period (2002-2006). ☐

Jana Wiegand, INTERREG IIIC North
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1. NUTS-2 regions
3. In the context of INTERREG IIIC Latvia is considered as one region and is also one NUTS-2 region.
RUNNING PROJECTS

CleanRegion: Reducing the emission of pesticides in the environment

CleanRegion A new INTERREG IIIC North operation “Regional Collaboration for Minimising Pesticide Emissions in the Environment”, in short “CleanRegion” has just been launched at a kick-off meeting which took place on 30 March to 1 April 2005, in Flakkebjerg, Denmark. The project brings together research institutes and local and regional authorities from Denmark, Finland, Germany, Latvia, the Netherlands, Sweden and the United Kingdom. Together they want to minimise the use of herbicides for weed control in urban areas and thus reduce the risk of pesticides leaching into ground water.

At the moment, European discussion is strongly focused on the use of pesticides in Europe, and on the risk they pose to human health and to the environment. The sustainable use of pesticides is one of seven key environmental issues to be tackled in the Sixth Community Environment Action Programme (EAP), 2001-2010. Besides other negative effects, pesticides contribute to increased water pollution and with this to growing pressure on natural resources - one of the unsustainable trends addressed by the Gothenburg Strategy.

The participating research institutes are strongly involved in the European Weed Research Society (EWRS) and have a long and extensive expertise on non-chemical methods of weed control. By linking these research institutions with the public authorities, CleanRegion supports the involved municipalities and cities in (1) developing alternative strategies for weed control, (2) developing improved policies on pesticide use and, (3) improving technologies for preventing point-source pollution with pesticides.

The researchers will carry out surveys on weed species and weed abundance in the cities and regions involved. Various weed control methods, mainly non-chemical, and management strategies will be tested. Based on the results of these tests, the researchers will elaborate practical guidelines for weed control on hard surfaces, which will then be disseminated to other municipalities and cities in Europe. These will help to develop new strategies for weed control, which are environmentally friendly and at the same time economically sustainable. In addition, the public authorities will exchange information and experience on the different policies on pesticide use implemented in their regions.

An improved method for reducing point source pollution by pesticides at places for filling and cleaning of pesticide sprayers is another important aim of CleanRegion. The available technologies for preventing point source pollution are either too costly or not efficient enough. The researchers will inspect various biobed systems for cleaning pesticide-containing wastewater in Sweden and Denmark. In a pilot project, an already existing filter system used for cleaning diesel spillage – developed by a Swedish SME – will be adapted to clean wastewater contaminated with pesticides and presented publicly.

The project runs over a period of three years until the end of 2007 and is co-financed by the INTERREG IIIC North zone. It receives 659.000 EUR from the ERDF. The total budget of the project amounts to 1,289,000 EUR.

Further information can be obtained from the Project Manager Mrs. Hanne Wolff-hechel, Danish Institute of Agricultural Sciences, hanne.wolffhechel@agrsci.dk.

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1 For more information: http://europa.eu.int/yourvoice/forms/dispatch?form=399
FinNetSME: Improving access to finance for small and medium-sized businesses

European small and medium-sized businesses (SMEs) are the backbone of the European economy. They are at the heart of the Lisbon Strategy, the objective of which is to make the EU the most dynamic knowledge-based economy in the world. SMEs account for well over 90% of all European enterprises, provide two thirds of overall employment and in recent years have been the most active providers of new jobs. For these reasons, the vitality of the SME sector is a prime concern of policy makers at EU level, in the Member States and in the EU regions.

The ability of SMEs to grow depends largely on their potential to invest in restructuring, innovation and qualification. All of these investments need capital and therefore access to finance. The necessary access to finance is, however, frequently not guaranteed since private markets are not sufficiently able to respond to the needs of SMEs, particularly in regions with a weaker economic base. Therefore, at a meeting of the Energy and Industry Council in 2001, the EU Member States identified access to finance as one of their policy priorities and called for action in the field. This assessment was supported by the European Commission that sees improving access to finance as “an important aspect of fostering entrepreneurship in Europe”.

Regional public authorities play a key role in this respect, bridging market gaps, establishing SME support structures and acting as catalysts to encourage the development of their regions. These policies are the focus of the operation FinNetSME which allows 20 regional partners from Germany, France, Belgium, Greece, Finland, Latvia, Lithuania, Italy and Spain to pool their know-how in SME finance. Led by the State Development Bank of Saxony (Sächsische Aufbaubank) in Germany, this project aims to compare and take stock of regional instruments for SME support, identify best practice and promote SME access to finance.

Partners will exchange, pool and disseminate their expertise through workshops, seminars and conferences. Activities focus on four types of models for regional SME finance, namely early-stage finance, micro-finance, equity-finance, and regional supply chains. Amongst others, the project will result in a best practice guide and a database on regional SME finance that contain information on financing institutions and the respective regions, best practice examples of financial and non-financial instruments, and overall statistics.

The project receives EUR 900,000 ERDF co-financing and runs for three years (July 2004 – June 2007). A successful Kick-off Conference was held in Brussels in November 2004. The conference was organised by the European Association of Public Banks EAPB in cooperation with the European Association of Development Agencies EURADA and attracted 170 decision-makers and stakeholders in SME finance from the regional, national, and EU levels.

More information on this project is available at www.finnetsme.org or by contacting the project coordinators Peter Flath and Friederike Kunckel at FinNetSME@sab.sachsen.de.

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1 Communication on access to finance of small- and medium-sized enterprises, EC 2003
e-PRODAT: Data protection in regional e-Government services

The spectacular increase in the usage of Information and Telecommunications Technologies (ITT’s) by Governments and Public Administrations within the European Union is improving dramatically the performance of public services. However, the usage of these new service tools and communication channels carries some risks that need to be assessed, specially those related to the privacy of European citizens. ITT’s provide immense capabilities for gathering, treating, storing and transmitting personal data. The European laws have set objective rules for treating personal data, aiming to grant every citizen the right to decide and control the usage of his/her own personal data, and different institutions, both at the national and regional level have been established to enforce the application of the personal data self-determination right.

For that very reason, e-PRODAT has as its main goal the identification and promotion of best practices in personal data protection in European regional and local e-Government Services. This INTERREG IIC South operation, led by the Data Protection Agency of the Community of Madrid, aims to promote the exchange of knowledge and experiences between agencies and other public bodies concerning the protection of personal data used by Governments and public administrations for the provision of public services, in particular those related to e-Government or based on the Internet.

This will help to create best practice recommendations in this area, and strengthen the citizens’ trust in the use of this kind of technique whilst interacting with public bodies.

These objectives thus tally with the Lisbon and Gothenburg goals of promoting both the development of an information society for all, including the development of a wide range of electronic services and the modernisation and openness of public institutions, easing the access of citizens to public bodies.

Data Protection Agencies and public bodies from Spain, Italy, Estonia and Greece will conduct an assessment on the current situation, carrying out case studies of participating regions and cities and reviewing regional e-Government services and data protection across Europe. This interregional cooperation will be used to identify data protection best practices in e-Government Services, to build a permanent data protection and e-Government best practices observatory on the Internet. The results of the operation will then be released at an online publicity campaign and presented at different regional events and at a pan-European conference.

All these activities are aimed at reaching an improvement of personal data protection standards in partner regions and cities’ e-Government services, the integration of data protection requirements in e-Government quality labelling/certification initiatives, and the gathering of knowledge and experiences on e-Government personal data protection. In the long term, e-PRODAT looks for greater awareness about the fundamental right to personal data protection among officials responsible for regional or local e-Government initiatives within the European Union, and improvements in the treatment of personal data used to provide e-Government services by European regions or cities, and in the information provided to citizens about this subject.

e-PRODAT was launched on 25 February 2005 and it runs over a period of two years. The project will receive EUR 515.000 from the European Regional Development Fund to carry out its activities.

As part of the efforts to expand the awareness and reproduction of best practices in data protection, the Data Protection Agency of the Community of Madrid has announced the second annual awards for Data Protection best practices in European public services. Any governmental organism or institution in any of the member countries of the Agreement of 28 January 1981 of the Council of Europe for the Protection of Persons regarding the automatic processing of personal data is invited to apply by the deadline of 19th September 2005. This activity does not form part of the INTERREG IIC activities.

Further information can be obtained from the project website, www.eprodat.org.

The e-PRODAT family at their first Steering Committee meeting, last February in Madrid, Spain
Until recently, the term “Risk prevention” was relatively uncommon. Nowadays, with terrorist attacks and natural disasters placing this high on the political agenda, it is rarely out of the media spotlight. The term can be found in every political party and institution, regardless of political orientation. Risk prevention and risk management have become important issues in modern politics, and are dealt with across the globe, from the US to Australia, from India to Europe.

Within the EU, environment and risk prevention form one of the priority themes of the EU Cohesion Policy. It is recognised within the Lisbon and Gothenburg goals as being part of the strategy for development and sustainability in the EU. After the flooding in 2002, it became apparent that the impact of disasters on the economic fabric of the regions affected sometimes exceeds the capacity of existing compensation mechanisms. Furthermore, it is recognised that a natural or technological disaster often affects more than one State, requiring a global and integrated approach to risks at the EU level.

The SETRIC project (SEcurity and TRust In Cities), an INTERREG IIIC West operation led by the city of Cologne, addresses the problems of risk prevention in cities. Along with Cologne, the project has eight other partners: Naestved in Denmark, Marseille and Paris in France, Bologna and Siena in Italy, Prague in the Czech Republic, the CERTU Institute in France and the Fraunhofer Institute for Applied Information Technology in Germany.

All the project partners are well placed to talk about risk prevention having experienced firsthand some kind of disaster, either natural or manmade. Bologna was shaken by the bomb attack in the central railway station in 1980 in which at least 75 people died and hundreds were injured. A chemical plant explosion in Toulouse just 10 days after the attacks on the World Trade Center injured over 2,500 local inhabitants and bought the town to a standstill. The aforementioned floods in 2002 had serious consequences in both Prague and Cologne requiring widespread evacuations and a huge relief effort.

As a result of their previous experience, all these cities and institutions have developed at one time or another, their own strategies on how to manage these kinds of risks. The main inspiration behind SETRIC is to bring these partners together to share ideas, best practice, theoretical knowledge and organisational and communicational techniques. This interregional approach will thus be used to improve risk management all over Europe, gathering plans and simulations for special emergency situations which can be transferred to any European city. With the addition of research institutes currently working on different aspects of crisis management, SETRIC intends to bridge not only the gap between research and practice, but also between different regions and cities.

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The project runs over a period of two years until October 2006 and is co-financed by the INTERREG IIIC West zone. It receives 365,000 EUR from the ERDF. The total budget of the project amounts to 730,000 EUR.

Further information can be obtained from the project website, www.setric.org or the Lead Partner, Mr. Albert Deistler at the City of Cologne, albert.deistler@stadt-koeln.de.

Keelie Reader, INTERREG IIIC West
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FINANCIAL MANAGEMENT

Money flows – the story behind

A well-running financial management system is like a well-oiled cartwheel, which rolls without problems and allows an uninterrupted journey, all the way to its destination. When it’s working fine, it’s almost invisible to the others, but when there is a problem, it’s a problem for the whole operation, blocking the journey for everyone. Therefore the effort required to make the system run smoothly should not be underestimated. Sufficient time and know-how are necessary investments in building a proper financial management system. This investment will pay off, especially when the first reports are due!

Giving life to the figures – from paper to reality

One could compare the expectations towards financial managers of approved INTERREG IIIC operations to expectations of magicians who appear on stage, say the magic word and pull the result out from a hat. In real life the ready-made budget will not appear from any hat or sleeve (although this is perhaps not such a bad thing). It remains the case that financial managers are faced with the challenge of transferring the figures on paper into reality. Instead of magic, it demands numerous hours of planning and calculations, discussions and updates of figures. In the ideal case financial managers will have been involved since the planning phase, so that the figures and calculations behind are familiar – not only for the Lead Partner, but for the whole partnership! If this is not the case, the story gets more complicated demanding more effort from the whole project management team. To make this possible, the operation needs first and foremost an experienced financial manager who is not afraid to ask all the questions imaginable.

By the time the operation is approved, brainstorming should already have started to price tacking planned inputs more realistically. Practical experience so far clearly shows that most of the operations have not invested enough time on budget planning, and in order to fix this, a more detailed planning of the budget is the first thing to be done before starting the work. Even if the Lead Partner is responsible for the whole operation, this should be done jointly with all the partners. Otherwise there is a risk that all the effort will be wasted when the first meeting comes round, and the partners reveal their real wishes and the cost of implementing these wishes. Only when the overall budget is structured on the basis of more detailed partner budgets, can the financial implementation be successful!

Setting up the system – points to be remembered

There are several key prerequisites for successful financial management. Reviewing each point gives an idea of the hard work carried out behind the scenes. It goes without saying that the work should be done jointly between the project coordinator, financial manager and partners.

Set up a thorough system with joint budgets and proper accounting

One of the fundamental points is to set up a thorough system with joint budgets and proper accounting. This is generally done without any problems. This also brings up the question about the documentation and audit trail. At this point, things could easily become more difficult. The questions arise: What documentation is required? How much documentation is enough? Which audit trail?

The documentation is important, not only for the operation itself, but also in the event that operations are checked by the Secretariat, Managing Authority, European Court of Auditors, second level controllers etc. The list of potential controllers is long, and they all want proof of the activities which have taken place, and the expenditure incurred. Operations have to provide evidence for everything for which they have received co-financing by providing pay slips, timesheets, meeting minutes, calculation methods for the overheads, documents on tendering procedures etc. Not only that but the internal procedures for defining responsibilities, decision-making, checking and approving invoices, signing reports and other documents also have to be documented. The need for a sound and transparent audit trail cannot be avoided. In conclusion, one can say that it’s better to document too much rather than too little. Whether documentation is sufficient should be checked with the auditor, and for every partner.

It’s better to document too much rather than too little

No news is good news?

To the Secretariats, proper financial management or alternatively the shortcomings of the system become most visible in the regular financial reports. Progress reports provide information about how well the operation is following the planned budget and spending money. Reports also illustrate the consistency between declared expenditure and actual activities. As the Secretariats receive this update only twice a year, it is of crucial importance to build an internal financial monitoring system. Without constant financial information flow from partners, financial managers are acting blindly, with no overview of the general state of affairs. To make sure the money is flowing as planned, financial managers should request a regular update, e.g. once a month, from their partners. Regular updates also give financial managers the chance to react in case something needs to be put back on track. It also demonstrates to the partners that the Lead Partner cares about what is going on, and that the operation is based on teamwork, where everyone’s inputs are needed and valued.

As many INTERREG IIIC operations already have a positive experience of internal monitoring such as this, it is recommended to get in touch with more experienced operations. They can give valuable information on the implementation of forms and tools in practice, and on lessons learned with regard to internal financial management.
Getting first hand information on what should definitely be avoided cannot be read in any handbooks. It’s available only through experience!

The aim of regular all zone events is to provide the chance for networking and exchange of experiences in specific fields like financial management as it is a core part of implementation. Furthermore, contact information of projects can be found via the running operation database available on the INTERREG IIIC website. Equally, the Secretariats can provide interested financial managers with advice about whom to turn to.

**Auditing – giving the green light for eligibility**

The INTERREG IIIC programme has produced Audit Guidelines to give advice and information on auditing requirements, including the requirements for the auditor. These guidelines should be well known by all partners and their auditors. The guidelines are also updated on a regular basis, and the latest versions can be found on the programme website.

There are some specific points that should be highlighted with regard to auditing. Firstly one cannot over-emphasize the importance of a good auditor. If the operation finds one, they should make every effort to keep him or her! Of particular importance is the knowledge that the auditor has of the Structural Funds regulations, especially eligibility rules. This is also for the benefit of the operations. Many mistakes and misunderstandings could be avoided, if only the auditor was more familiar with the Commission Regulation (EC) 448/2004! The auditor should also be experienced in auditing international projects, and capable of doing so in English or French. Other languages are an advantage, although not obligatory.

Secondly, the auditor should be interested in getting to know the operation, not only the financial side, but also the activities that incur the expenditure. Consistency between activities and incurred expenditure is one of the points to be confirmed by the auditor before the report can be submitted, and any money received.

Thirdly, each partner should be in touch with the auditor well in advance! This means not just one week before the auditing is due, but from the beginning when the operation starts its implementation. Why is this so important? It clearly saves time, makes the procedure more efficient and faster and ensures the timely submission of the reports with respect to deadlines. So, get to know your auditor and let your auditor to get to know you!

**Don’t struggle alone!**

All INTERREG IIIC Secretariats are available to provide ongoing support for the operations. This support takes place in the form of individual consultations, specific workshops on financial management and auditing and as advice on a daily basis via telephone and email. The questions and problems should be addressed before it is too late to react or change anything. The key message is not to try to solve the problems alone, hitting ones head against the wall, but to get in touch with the Secretariats. We are there for the operations and are interested in supporting operation implementation in the best way possible. In order to be able to do this, we also need feedback from the field, giving us an idea of what kinds of support activities are really needed. Only then are we able to fulfill this task!

As summer and vacation time approaches, we want to wish you a pleasant journey with the well-oiled cartwheels! If any extra oil is needed, or if there are stones that need to be removed, please be in touch!

Elise Oukka, INTERREG IIIC North
elise.oukka@interreg3c.net
WHAT’S GOING ON IN THE FOUR PROGRAMME ZONES?

INTERREG IIIC East

East Steering Committee allocates remaining funds and finds procedure to reallocate under-utilised funds

The INTERREG IIIC East Steering Committee met in Vienna on 18 March 2005 to take funding decisions on the 115 project proposals submitted in its fourth and final call for proposals. The Committee approved 14 operations (eight Individual Projects, five Networks, one Regional Framework Operation). The funding decisions brought the total committed funds of the East programme to nearly EUR 60 million ERDF, corresponding to 71 co-funded operations.

At the same meeting the Committee also approved an innovative scorecard system for monitoring the performance of running operations. This new system, supplemented by a method to reallocate under-utilised funds to project proposals on a waiting list, will further optimise the use and absorption of EU Structural Funds within the INTERREG IIIC East programme. It is planned to present this system to other stakeholders involved in managing EU Structural Funds at the forthcoming DG Regio/CoR Open Days in autumn 2005. For more information: east@interreg3c.net.

INTERREG IIIC South

South zone approves eleven new Regional Framework Operations

No more calls for proposals in the South

The South zone has approved eleven new Regional Framework Operations and a further Individual Project at their last Steering Committee meetings held on 12 April in Athens and 8 June in Thessalonica, Greece. The approval of these new additional operations brings the total number of Regional Framework Operations to 22 and of Individual Projects to 39.

The eleven new Regional Framework Operations are distributed between the following Lead Partners: Italy 4, Spain 4, France 2, and Portugal 1. Their duration varies between 36 and 48 months. Among them, the majority concern Objective 1 and 2 regions, followed by INTERREG Programmes and Innovative Actions.

A total of 26 Regional Framework Operations applied during to the last call for proposals, which closed on 8th October 2004, representing about 150 million euros.

INTERREG IIIC East & West

Communication Training for INTERREG IIIC East and West operations

The success of interregional cooperation depends to a large extent on whether project partnerships prove to be able and skilled in communicating their activities and results to policy-makers and the wider public in their regions. Therefore, and because of the ever more important role the EU places on communicating its goals and activities, the Joint Technical Secretariats of the East and West zones organised a Communications Training for the Lead Partners of their approved operations.

Learning to relax in front of the camera in the Media Training workshop

The trainings took place on 13-14 and 16-17 June 2005 in Lille, France, and Vienna, Austria. They covered essential PR skills such as creating publicity plans and effective messages, working with the press and media, attracting publicity, running pan-European PR campaigns, writing press releases and text for the web, organising events, etc. The training consisted of a combination of common group lectures and small workshops. They were provided by a professional media and training company based in London/UK specialising in PR and communication.

Information from the workshops are available at www.interreg3c.net.

INTERREG IIIC West

Update on fourth rounds resubmissions

Following on from the decision of the West zone Monitoring Committee to allow non-approved, eligible operations from the fourth call for proposals to re-apply, the Joint Technical Secretariat received 19 of a possible 32 applications. The 19 applications are currently being assessed by the JTS and will be presented before the Steering Committee on 24 June 2005 in Brussels, Belgium. Successful applicants will be informed shortly afterwards and invited to attend a Lead Partner seminar in Lille on 8 July 2005. For more information: west@interreg3c.net.

RFO Lead partners per country

The South zone has decided not to launch a further call for INTERREG IIIC proposals. Moreover, Member States have noted delays in the implementation of certain projects and have therefore established a procedure to warn and to recover ERFD funds at risk of decommitment. Consequently, the Steering Committee has elaborated a reserve list of projects to which the non-used funds will be reallocated.

For more information: sud@interreg3c.net.
WHAT’S GOING ON IN THE FOUR PROGRAMME ZONES?

**INTERREG IIIC North**

**North zone’s Regional Framework Operations exchange experience in Rostock**

On 19 May 2005, the North Joint Technical Secretariat (JTS) organised an intensive one-day workshop for the four Regional Framework Operations (RFOs) running in the North zone. The objective of the workshop was to bring together the Lead Partners, project coordinators and financial managers of AquaReg (www.aquareg.com), STIMENT (www.stiment.net), InterMareC (www.intermarec.net) and TOWER in order to stimulate the exchange of experience on the practical implementation of RFOs.

The day was divided into four sessions: (1) Legal arrangements and decision-making, (2) Overall management of an RFO, (3) Sub-project selection, monitoring and utilisation of results, (4) Information and communication activities. Many similarities between the four RFOs were identified. It became evident to the participants that they face the same challenges and problems when it comes to the management of these complex “mini-programmes” and that they could assist each other with solutions. All agreed to keep in close contact with each other and also with the JTS and to continue this kind of exchange in the future.

Information and presentations from the seminar can be found here: www.interreg3c.net/sixcms/detail.php?id=7383

**Workshop for Financial Managers and Auditors, 18 August 2005**

On 18 August 2005, the INTERREG IIIC North Joint Technical Secretariat will organise a Workshop on Financial Management and Auditing in Rostock, Germany.

The objective of the workshop is to provide Financial Managers and Auditors of approved North operations from the fourth application round with practical information on the financial reporting and auditing procedures and requirements for INTERREG IIIC operations. For more information: north@interreg3c.net

Other news

**The Jean Monnet Foundation for Europe commemorates the 55th anniversary of the Declaration of 9th May 1950.**

On 9th May 2005, the Jean Monnet Foundation for Europe in Lausanne organised a presentation by Professor Henri Rieben, President of the Foundation and former colleague of Jean Monnet, of historical documents illustrating the birth and development of the European Union from the archives of Jean Monnet and Robert Schuman.

Prof. Henri Rieben (left) unveils some of the archives from the European Community. Also present was Adrien Zeller (right), President of the Alsace Region

The Alsace Region and its partners then presented the different types of cooperation being carried out in the area, close to citizens, through the E-Motion INTERREG IIIB Alpine Arc project.

M. Rieben observed that “regional and local authorities are at the heart of the accomplishment of one of the major objectives of the European Union; that of economic and social cohesion”.

Jean Monnet himself shared the philosophy of the INTERREG IIIC programme when he said, “We are not creating a coalition of States, we are uniting people. (...) When the idea corresponds to a requirement of the time, it ceases to belong to those that invented it and it is stronger than those that are responsible for it”.

For more information please visit www.jean-monnet.ch

**Useful links**

**European Week of Regions and Cities**

Brussels, 10 - 13 October 2005
http://europa.eu.int/comm/regional_policy/opendays/

**Growth and jobs – Working together for Europe’s future**

http://europa.eu.int/growthandjobs/index_en.htm

**Eurostat: Detailed statistics on the EU**

http://europa.eu.int/comm/eurostat/

**A plain language guide to Eurojargon**

http://europa.eu.int/abc/eurojargon/index_en.htm

**EU Visibility guidelines**

http://europa.eu.int/comm/europeanetwork/visibility/index_en.htm

**Quarterly magazine “Inforegio – Panorama”**

http://europa.eu.int/comm/regional_policy/sources/docgener/panora_en.htm

**EurActiv – EU News, Policy Positions and EU Actors Online**

www.euractive.com

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