



## **Some conclusions on the participation of the socioeconomic actors to territorial cooperation projects**

*These conclusions on socio-economic actors and their participation on territorial cooperation are gathered in the framework of the ProMonte InterAct project during March-June 2006. The conclusions are based on the results of a questionnaire among Euromontana membership, subsequent discussions and a round-table discussion on the participation of socio-economic actors during the final conference of the ProMonte project on 8-9 June.*

*By “socio-economic” we understand non-public authority actors.*

### **Why cooperate?**

Socioeconomic actors come together for interregional cooperation projects for a variety of reasons. They may have a problem to solve and need to develop an innovative solution that they are too small to do alone, or they may be coming together in order to increase their voice and political power. The projects may be about consolidating common strategies or preparing for future challenges. Cooperation projects are a unique opportunity in particular for smaller organisations to gain international experience and engage in the institutional learning it entails.

Conditions for a successful cooperation are the existence of real common problem and a potential for real added value of working together. Here mountain areas have a comparative advantage in that despite their differences they share common challenges.

### **Experience and multitude of roles**

Generally Western European socio-economic actors, with the exception of agriculture organisations, do have experience of interregional cooperation projects. Most commonly these organisations have participated in Interreg IIIB (transnational cooperation) and Interreg IIIC (interregional) programmes, LEADER initiative and RTD Framework Programmes.

New member state and candidate country organisations have had a harder time participating, largely due to cash-flow problems and remaining lack of knowledge on funding opportunities and suitable partners, although these problems are not alien to EU15 organisations either.

Organisations have taken a variety of roles from lead partner to partner, sub-contractor and a co-/match funder. When participation in a cooperation programme has been through other organisations it has mostly been through Regional Authorities.



## **General barriers to cooperation**

Language is a barrier to cooperation in Western and Eastern European organisations alike: filling in the required documentation in a foreign language, finding and communicating with partners.

The second difficulty often reported in the Interreg projects is the heterogeneity of partners, their organisation forms and respective powers, and their different levels of commitment to involvement in the project. Cooperation is hard enough with trustworthy partners that are used to working together and projects often experience a “slow start”. Partners that have no knowledge of each other prior to the project have additional trust issues created by an alien working and communication culture and a lack of trust between the persons involved.

Despite the fact that several programmes offer partner searches and partenariat events, and there are several European networks that can assist in partner searches, finding a suitable partner is still cited as a persistent problem. For example cooperation under the LEADER programme without the support of an appropriate secretariat was difficult during the current programme period.

### **Elements for recommendations**

- Partnership-building needs institutional support and dedicated assistance from appropriate structures within the programmes
- Existing networks should be favoured to participate in territorial cooperation programmes. Reinforcing or extending existing cooperation saves plenty of time in the beginning phases of the project and avoids one-off projects that have no continuity.
- In particular smaller socio-economic actors could benefit from a preparatory funding. For example Northern Periphery has a practice of funding the project preparation by 50% based on a project idea, following an opinion of the advisory group up to a maximum 15,000€ contribution. This funding can be used to pull together a group, travel etc.
- Interpretation and translation should be supported by specific budget lines.
- Better dissemination of information on the current territorial cooperation projects in the region could encourage more and different kinds of organisations to participate.

## **Administrative barriers**

Administrative and financial procedures in developing and reporting upon interregional cooperation projects are perceived to be extremely heavy.

The difficulty of these procedures creates a contradiction in that to submit an application one would have to be an expert in European projects, but the thematic of the project also requires thematic expertise. Obviously thematic expertise is more important for the overall success and impact of the projects. Outsourcing the project leadership is not an ideal solution either, since with the outsourcing also institutional learning and the overall control of the documentation and management of the project are lost. After all, cooperation projects offer an opportunity to gain international experience and therefore should be integrated as much as possible within the organisation. Using an outside consultant can also be problematic if the information required for an EU audit is not maintained by the partner organisations; a contract with a consultant is by its nature a short term arrangement. However, EU funded transnational projects require the relationship between partners to be maintained for many years after the



project has finished (can be as much as 16 years) to ensure that relevant original documentation is available for inspection by auditors in different countries.

In many instances the heaviness of procedures creates a situation where a single partner slows the entire project down. It might eventually lead to a situation where only large organisations are able to participate in the territorial cooperation projects.

#### **Elements for recommendations**

- Professional coaching should be made available on project management and development. Certain kind of “hand holding” is necessary for organisations not experienced in territorial cooperation.
- As far as possible administrative procedures and reporting should be simplified and standardised.
- Opportunities should be provided for smaller organisations close to the field to participate in cooperation projects instead of only promoting huge consortiums with a heavy management

#### **Financial barriers**

Finding the match-funding necessary for territorial cooperation projects is often difficult for socio-economic actors and in particular smaller organisations. Multitude of programmes, maybe sometimes with duplicate objectives, also creates competition on the available match-funding.

Bank guarantees are demanded for SMEs and NGOs taking part in RTD programmes and this can prove very difficult. The members of an NGO may indeed often have very substantial status in for example their respective member states, but invariably do not have power to provide a guarantee to an NGO outside that member state. Cash flow problems arise for companies when claims are delayed, despite the fact that an advance is given for some programmes.

There are particular problems with certification. The relevant Structural Fund regulations are ambiguous on the provision of accountant’s certificates as proof of expenditure, and these are interpreted negatively by the Commission. On the other hand accountant’s certificates are required by DG Research and Development in respect the Framework programme. Certification procedure is particularly cumbersome in Italy.

It is virtually impossible for a socioeconomic actor to be the financial lead partner of an interregional project due to the financial and resource requirements. This role is often handled by a regional authority. The lead partner principle further implies that the responsibility remains with the lead partner, even after the termination of the project.

DG Regio programme closure audits mean that in-depth audits are carried out anywhere between 2 and 6 years after a project has finished, potentially after all knowledgeable personnel have moved on. If problems are found with projects it may mean that funds are required to be paid back from the partners. If problems are found across all projects sampled within a programme, the EU Auditors can reserve the right to extrapolate across the entire programme and request returns of funds from all projects. These issues are never explained to potential partners at the beginning of a project and are obviously way beyond the financial planning of an SME or small NGO.

### Elements for recommendations

- Financial guarantees should be simplified for smaller organisations and more flexible options offered where even a bank guarantee is not an option.
- Some Interreg Programmes, such as the France/UK have found ways of speeding up the reimbursement of funds up to a few days from the receipt of progress reports. These payment procedures should be studied and extended to other programmes.
- Audit should be speeded up from the current sometimes 6 years to maximum two years from the project end. This would allow for organisational learning with the relevant personnel still in place.
- Organisations should be offered more flexible options to participate in the projects and to allow partners to join the projects in various phases.

### Topics of cooperation

The cooperation topics in the current European programmes, especially Interreg and the future territorial cooperation cover almost surprisingly well the areas Euromontana member organisations are interested in working. Particular mountain topics that the organisations expressed interest are:

- Physical and climatic problems:
  - o Economically exploitable resources
  - o Excess cost, reduction of competitiveness of businesses
- Geographical problems
  - o Transport and mobility
  - o Communications and NITC
  - o Structuring of the territory
- Nature and environment:
  - o Quality of life, attractiveness of the territory
  - o Protection of the environment
  - o Use of resources
- Economy and society:
  - o Development of pluriactivity
  - o Quality of production
  - o Artisan activities
  - o Agriculture
- Culture:
  - o Tourism
  - o Know-how
  - o Means of passing it on
  - o Modes of social and cultural organisation
- Human:
  - o Diversity of services offered
  - o Accessibility
  - o Networks

### Elements for recommendations

- Mountain development is necessarily multisectoral and requires an integrated approach. Cooperation priorities should allow combination of sectors a holistic approach to problems.
- Cooperation themes should be flexible enough to allow development of competitive specificities and innovations instead of very globalised and standardized themes.
- Mountain agriculture should not be ignored in the cooperation themes, facing the challenge of globalization it can benefit from exchanges fostering innovation