



OBSERVATIONS FROM THE COMPART PROJECT REGARDING THE CROSS-BORDER COOPERATION COMPONENTS OF ENPI AND IPA

Based on stakeholder analysis results

Following on from the Conference of Rome (7-10 March), the partners in the COMPART project¹, funded through the INTERACT programme, wish to respond to the **call for consultation** issued by the European Commission.

This document sets out some observations regarding the Cross-Border Cooperation (CBC) components of ENPI and IPA, which are presented with the aim of contributing to their better programming and implementation.

These observations have come out of the various activities conducted within the framework of the COMPART project and specifically from the stakeholders' analysis carried out between December 2005 and March 2006. In this context, around 150 stakeholders (including local, regional and central authorities, and representatives from civil society and the private sector) were interviewed on the implementation of the partnership principle in the planning of INTERREG III A and B programmes in the Mediterranean Area² and, in particular, in Morocco (Tangier-Tétouan region), Istria (Croatia), Sarajevo Canton (Bosnia-Herzegovina), Andalusia (Spain), Western Macedonia (Greece), and the Friuli-Venezia Giulia, Calabria and Tuscany regions (Italy).

The analysis focused **on the partnership principle**, which lies at the core of the functioning of cross-border cooperation. According to the European Commission, "*partnership can contribute to*

¹ The COMPART project aims to pave the way for the creation of effective partnerships in multilevel programming and in projects between regions and local authorities from EU Member States and partner countries, and to lay the foundations for the improvement of the implementation of cross-border and regional cooperation under the new EU external assistance policy mechanisms (namely, the European Neighbourhood and Partnership Instrument (ENPI) and the Instrument for Pre-Accession (IPA)) and the implementation of territorial cooperation under the new Cohesion Policy (Objective 3). Project activities comprise: 1) A **Concept Paper** will analyse the new programming methodologies and procedures under the new Neighbourhood Programmes and the next cross-border and regional cooperation window under ENPI and IPA, as well as for territorial cooperation under the Cohesion Policy; crucial questions will be raised and proposals put forward for an articulated, in-depth definition of partnership principles and methods. 2) A stakeholder survey, which will compare questions and proposals from the various actors (including the Commission and its delegations; Central Governments; regional and local authorities; civil society and the private sector) to define new models for more effective partnership in programming. 3) A benchmarking analysis of INTERREG projects (strand A and B) will identify proposals for improving partnerships in project design and implementation. 4) Three policy dialogue seminars will compare the positions of decentralised and central actors to identify common proposals for the improvement of partnership in joint programming and projects, to be summarised in a final policy paper.

² In the COMPART project, the term "Mediterranean" covers all the countries which share the same geographical basin area. It comprises the Northern, Southern and also Eastern (Albania, Bosnia-Herzegovina, Croatia and Slovenia) shores of the Mediterranean.

the effectiveness, efficiency, legitimacy and transparency of Structural Funds operations, and to the commitment to, and ownership of, programme outputs ... Where it is well implemented, partnership has also generated further benefits such as the improvement of institutional capacities at different levels, better inter-institutional coordination and communication at the national level, or a better involvement of civil society”³.

Further to this, the partners of the COMPART project have underlined **the political significance of the partnership principle**. It is an end in itself, being linked to the subsidiarity principle and, as such, constitutes an expression of democratic values. It implies the adoption of vertical and horizontal subsidiarity, of decentralisation and democratisation processes, of participatory development and a bottom-up approach. In this sense, it is **very demanding at a political level** and is capable of producing significant outcomes in the diverse Mediterranean countries.

Moreover, the partnership principle is part of both the Action Plans established under the Neighbourhood Policy and of the pre-accession process.

Issues raised by the stakeholders

The stakeholder analysis focused on trans-national cooperation programmes in the Mediterranean Basin area (between the regions of Tuscany, Calabria, Andalusia and Tangier-Tétouan) as well as on cross-border cooperation in the Adriatic area (between the Friuli-Venezia Giulia, Istria (Croatia) and Sarajevo (BiH) regions; between Spain-Morocco; and between Western Macedonia (Greece) and Macedonia and Albania).

The stakeholders interviewed have raised many issues, pointing out the existence of **numerous constraints** which may be classified as endogenous or exogenous (the latter relating to problems of capacity and access). The nature of some of the remarks may also be seen as being dependent on the different regional and national contexts of their origin.

Exogenous constraints, which are independent of CBC programmes, relate to the political, cultural, economic and social context of the Mediterranean area. They include: the North - South knowledge, economic and social divide; differences in commercial systems, administrative and business structures, and legal and institutional frameworks, and more specifically on differences of language, degree of decentralisation; and, finally, on the potential for, and existing levels of, competition between the various economic systems. The presence of economic and social disparities, together with a dearth of well-established democracies, create mistrust, cultural biases, and a sense of frustration in Mediterranean countries.

Endogenous constraints, which are dependent on the characteristics of CBC programmes, relate to problems of access. So far, territorial cooperation has been perceived as being too-heavily centralised, overly-complex and bureaucratic (there being too much time spent on the process of project submission and very little time on implementation). Local Authorities and civil society organisations play a marginal role in the planning phase of CBC initiatives. Stakeholders complain about the lack of mechanisms for participation, poor coordination, difficulties in communication and insufficient liaison between political and technical/administrative bodies, as well as a tendency to duplicate EU hierarchies and bureaucracy.

In particular, to date, external stakeholders have not been involved in, and consequently have little experience of, the programming of CBC activities. For this reason, they have expressed high hopes for the future. They wish to participate actively in joint programming and to gain ownership over outcomes. They seek greater access, increased capacity and empowerment.

³ European Commission, Directorate-General Regional Policy, *Partnership in the 2000-2006 programming period, Analysis of the implementation of the partnership principle*, Discussion Paper of DG Regio, November 2005.

Problems of capacity have been stressed vis-à-vis technical matters, implying a lack of know-how (especially on the part of external partners and minor stakeholders) as well as of expertise in project management and planning methods. These problems are also related to territorial disparities and differences between urban capitals and country centres, industrial and rural regions, and in the geographic accessibility and communications infrastructure of different regions.

Other constraints concern the structure, effectiveness and efficiency of CBC programmes. The programmes are perceived as too dispersed and fragmented, as involving a weak identification of priorities and as not being sufficiently results-oriented. The initiatives appear to be scattered and not integrated, often replicating each other. Moreover, the impact on territorial development has not been evaluated. Other remarks have pointed out that CBC programmes are often excessively focussed on economic issues, without considering that economic issues are socially and institutionally embedded. In addition, territorial cooperation is not placed at the top of the political agenda. Finally, stakeholders have also stressed the existence of poor coordination between activities at the local/regional level and the national level.

Needs identified for the improvement of partnerships in joint programmes

Stakeholders identified the following needs to be addressed in order to improve partnerships in joint programmes:

- 1) The need to **open up access**. The creation of partnership mechanisms, both at the vertical and horizontal level, are a necessary precondition to improving partnerships, that is, the participation of stakeholders in the decision-making process of CBC programming, with particular reference to **marginalised stakeholders and small and rural cities**.
- 2) The need to **strengthen stakeholders' capacity** to participate in the design, management, implementation and evaluation of joint programmes. Institutional and capacity-building activities should be targeted at local authorities and civil society organisations, to improve their democratic governance, participatory planning and evaluation abilities.
- 3) The identified needs of opening up access and increasing capacity interact with the need to **support decentralisation and democratic participatory processes**. Consequently, a **coordination mechanism** should be established to link joint CBC programmes with multilateral, bilateral and decentralised cooperation programmes aimed at supporting decentralisation.
- 4) The need to **reduce the fragmentation of actions and to identify strategic priorities**. This implies the creation of linkages and mutual trust in order to better analyse the needs of cooperation and to share the identification and ownership of relevant priorities and actions, necessary to achieve concrete results and greater visibility.
This point is closely-linked with the identified needs of establishing partnership mechanisms, opening up access and strengthening capacity. **Thus, a strategic priority** should be to focus, above all, **on institutional/social capital and trust building**.
- 5) The need to **concentrate CBC resources** on following up on best practices, on key Mediterranean-wide issues (at the trans-national level) and on issues arising from specific geographic contexts (at the cross-border level).
At the trans-national level, the stakeholders consider inter-cultural issues, sustainable development (namely, interaction between the environment and the economy) and knowledge-sharing as key issues. Cross-border specific issues have been raised in the case

of Spain-Morocco relations concerning migration and development, and in the Adriatic area concerning the environment (in relation to the Adriatic Sea and its confluents).

- 6) The need to adopt **an evolving and sustainable process approach** in identifying priorities based on previous successful experiences in certain fields, in expanding the core group of actors and in building and maintaining long-term relationships between stakeholders. The resulting continuity would reduce the risk of fragmented cooperation activities, be conducive to more structured actions and improved outcomes, to increasing the credibility of partners and joint programmes, and raising the capacity of external partners to directly manage financial resources in carrying out activities within their territory.
- 7) The need to **raise the efficiency of partnerships**, clarifying the role of different stakeholders, the division of labour and the complementarity and integration of the various competences of stakeholders, in addition to establishing performance reward mechanisms and encouraging the adoption of flexible management practices.
- 8) The need to **raise the effectiveness** of CBC upon the completion of project cycles. It is essential to carry out evaluation in order to obtain valuable feedback for the planning phase, also taking into account the project's contribution to achieving the objectives established in the relevant joint programme and the integration of CBC into local/regional and national development plans.
- 9) The need to set up **institutions** for each joint programme capable of raising multi-level political participation as well as civil society participation. So far, the experience of the workings of Steering Committees in INTERREG and Neighbourhood programmes has not been satisfactory. A more politically-ambitious institution should be established to help forge genuine and long-lasting partnerships and/or the functioning of Steering Committees should be stepped up to include a political role (a role which, to date, the Committees have not performed).
- 10) The need to **promote CBC within the Central Governments of external partner countries**. Policy dialogue should be utilised as a tool for enhancing the sharing and consistency of CBC planning by regions and central governments. It is precisely within external partner countries that strong commitment and political support towards territorial cooperation should be promoted on the part of central governments. Due to the reduction of EU financial resources for external assistance, these third countries may consider territorial cooperation a less attractive option than traditional bilateral cooperation. In this context, the identification of relevant and concrete pilot projects relating to fewer but strategic and shared priorities could prove essential in demonstrating the continued relevance of CBC.

Proposals regarding CBC under ENPI and IPA

- 1) **Mainstreaming real partnerships** in joint CBC programmes and projects: Measures which result in ownership and foster relationships of trust among partners should be implemented at the political and the pragmatic level. The **building of relationships of trust is central**. This should enable the sharing of objectives, priorities and methodologies which are necessary preconditions to improving the impact of CBC.
- 2) As noted in the stakeholder analysis, the implementation of CBC under ENPI and IPA depends strictly on the different political, legal and institutional structures of the countries involved (for instance, the Croatian context is very different from that of Bosnia

Herzegovina, and that of Algeria is different again from Morocco's). In the Mediterranean Basin, there are different decentralisation processes, structures of opportunity and means for developing territorial cooperation. For this reason, the **differentiation principle** contained in ENPI should also be applied in the case of CBC (with specific reference to the Mediterranean programme but also to the Adriatic CBC programme). Thus, there is a need for flexibility depending on different contexts.

A differentiation approach means **more flexibility in time and space**. More time is necessary for those countries with a weak decentralisation process and with higher institutional and capacity needs at the local level. In light of this, the **automatic de-commitment rule** in ENPI CBC activities should operate at the end of the fourth year (n+4) following the year of commitment, as proposed by the European Commission in relation to IPA. More flexibility in "space" is also needed in the case of IPA CBC programmes, which can be achieved by adopting a **NUTS II level** (instead of NUTS III) as the relevant territorial unit, especially for third country partners.

- 3) A proper consideration of the special needs (that is, the need to substantially increase the level of cooperation) and political priority of the Mediterranean area should necessitate an increase in **the financing envelope** for sea basin programmes (as against the proposal of the European Commission to dedicate only 20% of ENPI-CBC funding to sea basin programmes). CBC plays a strategically important role in supporting decentralisation and democratisation processes in the Mediterranean. Institution and capacity-building at the regional/local level should be supported with adequate financing.
- 4) **Opening up** stakeholder access to multi-level and joint programming through the setting up of new communications instruments, of multi-level working groups on specific issues and on project development geared to improving the identification of new programming priorities.
- 5) Increasing **institution and capacity-building** of the various stakeholders (especially local authorities). Special efforts should be made to inform and stimulate the **participation of marginalised stakeholders and small and rural cities** by establishing a sub-programme to support the active involvement of such stakeholders.
- 6) Creating relationships of trust, through the improvement of access and capacity, supports decentralisation and democratisation processes. In light of this, joint CBC programmes should **complement and coordinate** multilateral (for instance, the UNDP Art/Gold Maghreb programme), bilateral (for example, the *Project d'Accompagnement du processus de decentralisation Marocain* – PAD – under the French cooperation initiative with the Interior Ministry of Morocco) and decentralised cooperation programmes, as well as the new EC thematic programmes such as that on "Non-state Actors and Local Authorities in Development". The integration of joint programmes should be established **in Country Strategy Papers and Action Plans** produced under the Neighbourhood Policy, as well as in the Country Strategy Papers under IPA.
- 7) The preceding points also justify the **concentration of joint programmes** on 2 strategic priorities in line with a **process approach**.
The timetable established by the European Commission to define joint programmes is too short to permit a genuine and broad involvement of stakeholders and to enable common objectives to be shared. **If the partnership principle is to be applied, then the process of joint programming should provide stakeholders with a real opportunity to be involved.** This takes time. In light of the above, a process approach should be adopted which aims essentially at building relationships of trust in the Mediterranean area.

Joint programmes should aim to structure partnerships by implementing 2 strategic priorities: A) capacity and institution-building, and B) implementation of concrete and high-visibility projects based on successful past experiences.

These strategic priorities are preconditions to, and are cross-cutting of, **the objectives** put forward by the European Commission for ENPI CBC programmes (namely, promoting economic and social development, addressing common challenges, ensuring efficient and secure borders, and promoting people-to-people co-operation) and IPA CBC programmes (namely, promoting growth, creating jobs and increasing competitiveness and sustainable development).

The first strategic priority aims at opening up access and building the capacity of the various stakeholders to participate in the design of genuine “joint” programming. Social and institutional capacity-building of the partners (that is, by means of creating a broad network of stable cooperation relationships through networking projects, communications and training, best practice exchange, etc.) is conducive to the establishment of joint programmes based on the application of the partnership principle.

This does not mean postponing the concrete implementation of projects. On the contrary, it is vital that the effectiveness of territorial cooperation approach be demonstrated. Thus, the **second and parallel strategic priority** is the **concentration of resources on a small number of concrete and high-visibility projects**. These should be identified on the basis of the best practices produced in previous INTERREG and Neighbourhood programmes, as well as in decentralised cooperation programmes.

The INTERACT programme should help in **evaluating and identifying best practices** utilised in different geographic scales in fields such as: environmental protection, creation of innovative networks of small and medium-sized enterprises, and the promotion of cultural heritage and sustainable tourist development. In particular, stakeholders have stressed the importance of supporting issues concerning the knowledge-based economy and the information society.

The process approach should aim at **deepening and widening** partnerships: building permanent and structured relationships between Euro-Mediterranean partners as well as broadening the involvement of stakeholders - particularly those who have been “left behind” in the past (this entails applying the cohesion principle, which underpins territorial cooperation). A criterion should be established which gives preference to CBC projects that significantly involve marginalised territories and stakeholders.

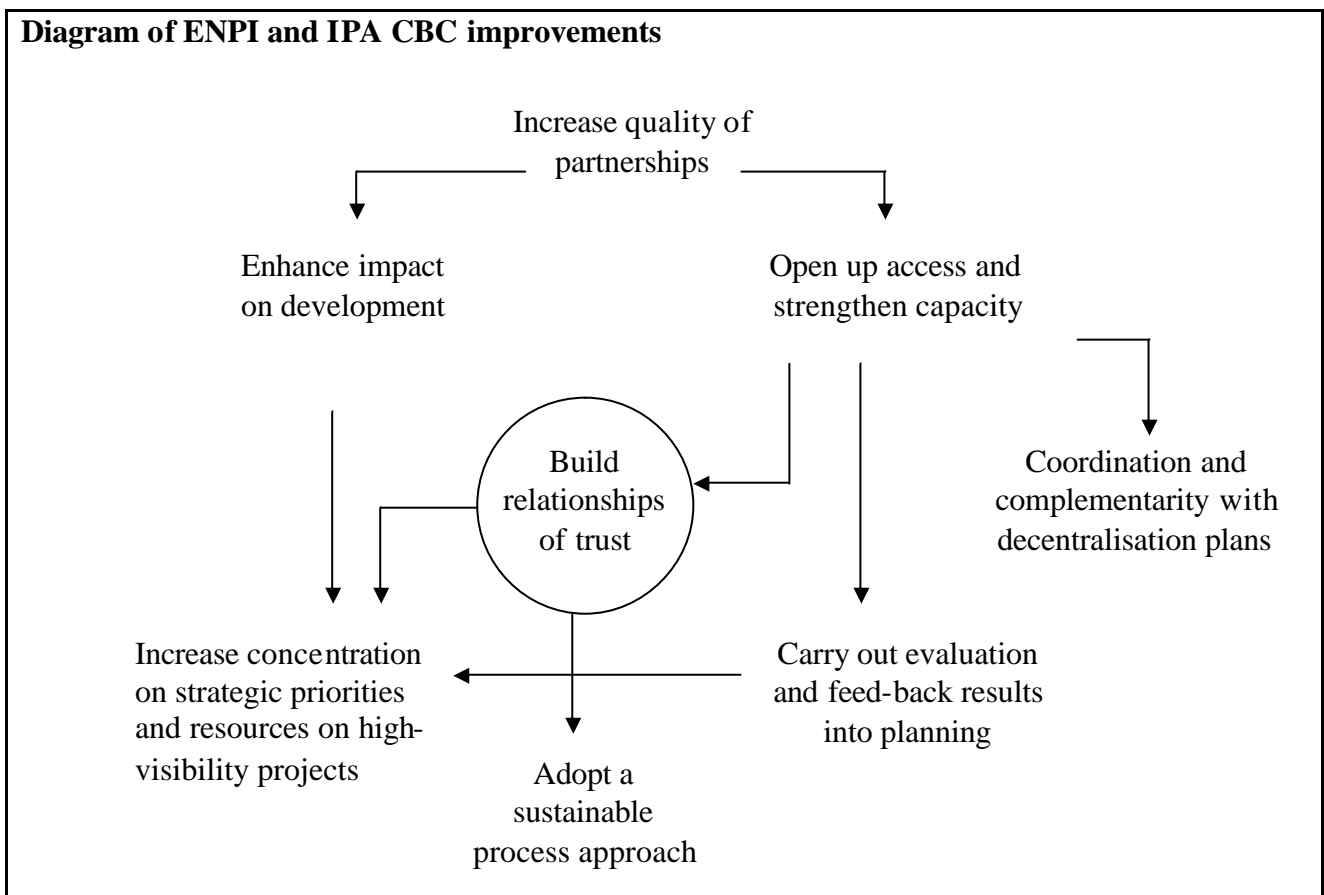
- 8) Any attempts to improve the **effectiveness** of joint programmes should be based on **making a serious effort to feed-back the results of (ex-post) evaluation into the further planning phase**. Stakeholders have suggested the formation of thematic multi-level working groups, from among the various stakeholders, to monitor and evaluate actions and to feed the results back into planning. Evaluation should be carried out not only on the projects but also at a strategic level, taking into account the relevant project’s contribution to the objectives established in the joint programme and on the integration of CBC into local/regional and national development plans.

Effectiveness also depends on maintaining a balance between the critical mass of financing (and actions) and the number of partners, so as **to overcome the fragmentation problem**. Criteria for multi-regional cooperation programmes (especially in the Mediterranean and Adriatic areas) should consider the establishment of an “optimal” equilibrium between the creation of multi-regional, local authority and civil society organisational networks and focussing on concrete and specific objectives with strong impacts and high visibility.

Finally, effectiveness further depends on the adoption of a different approach **according to the varying political and institutional contexts of different countries** (for instance, in Algeria, territorial cooperation needs to be strictly governed by Central Government Authorities, while in the case of Morocco, there are more opportunities to implement

territorial cooperation through decentralised institutions). However, when comparing cities, more similarities appear to exist between the competences of city authorities in different countries. In this case, specific networks of city-to-city cooperation could be supported.

- 9) **Steering Committees should strengthen their governance and coordination capacities on strategic programming and monitoring/evaluation**, in order to develop results-oriented CBC. Regular and periodic multi-level **conferences** could be held for each joint programme, aimed at raising the political profile of the partnership, strengthening ownership of CBC outcomes, and identifying strategic actions that may need to be implemented.
- 10) The **political support of central governments** for CBC should be promoted by strengthening the link between territorial cooperation and local/regional and national development plans. Specific policy and pragmatic dialogue among EU Member States and Mediterranean region central governments, regarding decentralisation reforms and the integration of territorial and national development, should be instituted.



The partners of the COMPART project are: the Tuscany (lead partner), Calabria and Friuli-Venezia Giulia Regions (Italy), the Fondo Andaluz de Municipios para la Solidariedad Internacional - FAMSÍ (Spain), the Tangier-Tétouan Region (Morocco), the Governorate of Sousse (Tunisia), Western Macedonia (Greece), the Local Democracy Agency of Verteneglio (Croatia), the Sarajevo Economic Development Agency (Bosnia-Herzegovina) and the Conference of Peripheral Maritime Regions of Europe – CRPM.

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