



A Report for
the Centre for Cross Border Studies

Creating Living Institutions

EU Cross-Border Co-operation after the Good Friday Agreement

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The **Institute for British-Irish Studies (IBIS)** was founded in 1999 and is based in the Department of Politics at University College Dublin. The main aims of the Institute are: to promote and conduct academic research in the area of relations between the two major traditions on the island of Ireland, and between Ireland and Great Britain; to promote and encourage collaboration with academic bodies and with individual researchers elsewhere who share an interest in the exploration of relations between different national, ethnic or racial groups; to promote contact with policy makers and opinion formers outside the university sector, and to ensure a free flow of ideas between the academic and the non-academic worlds; and to contribute to public debate and public awareness of the evolving relations between communities within the island of Ireland and between Ireland and Great Britain.

About the Centre for Cross Border Studies

The Centre for Cross Border Studies, based in Armagh, was set up in September 1999 to research and develop co-operation across the Irish border in education, health, business, public administration, communications and a range of other practical areas. It is a joint initiative by Queen's University Belfast, Dublin City University and the Workers Educational Association (Northern Ireland), and is financed by the EU Special Support Programme for Peace and Reconciliation. Between February and June 2001 the Centre will publish research reports on cross-border telecommunications, cross-border health services, all-Ireland co-operation to tackle disadvantage in education, EU cross-border funding before and after the Good Friday Agreement and a number of other areas of practical North-South co-operation.

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This project was carried out over a one-year period from April 2000 to April 2001. We were conducting research in an unstable political and institutional environment as the institutions and processes provided for in the Good Friday Agreement were established. The focus of the research was not on the 'high politics' associated with the Agreement but on the micro-institutional and policy processes that the Agreement was designed to facilitate and foster. We feel privileged to have had the opportunity as social scientists to have witnessed the formative period in the creation of such original political arrangements.

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List of Abbreviations

ADM	Area Development Management
AEBR	Association of European Border Regions
BIM	Bord Iascaigh Mhara
BMW	Border, Midlands and Western Region in Ireland
CEC	Commission of the European Communities
CPA	Combat Poverty Agency
CSF	Community Support Framework
DARD	Department of Agriculture and Rural Development (NI)
DANI	Department of Agriculture, Northern Ireland
DED	Department of Economic Development (NI), now DETI
DETI	Department of Enterprise, Trade and Investment (Northern Ireland)
DOF	Department of Finance (IRL)
DFP	Department of Finance and Personnel (NI)
EAGGF	European Agricultural Guidance and Guarantee Fund
EBRC	East Border Region Committee
ECU	European Currency Unit
Equal	EU programme for equality
ERDF	European Regional Development Fund
ESF	European Social Fund
EU	European Union
FIFG	Financial Instrument for Fisheries Guidance
GBP	Great British Pounds (sterling)
GIT	Gabinete de Iniciativas transfronterizas (ES/P cross-border initiatives group)
ICBAN	Irish Central Border Area Network
IDO	INTERREG Development Officer
IEP	Irish Pounds
IFB	Intermediary Funding Body
IFI	International Fund for Ireland
INTERREG	EU programme for inter-regional and cross-border co-operation
IRD	Integrated Rural Development
ITIC	Irish Tourist Industry Confederation
LACE-TAP	Linkage, Assistance and Co-operation for European Border Regions - Technical Assistance and Promotion of Cross-Border Co-operation
LEADER	EU programme for rural development
MC	Monitoring Committee
NGO	Non-governmental organisation
NITB	Northern Ireland Tourist Board
NUTs	Designation of regions in European Union
NSMC	North/South Ministerial Council
NWRCBG	North West Region Cross Border Group
PAMINA	Palatinate—Middle Upper-Rhine—North Alsace



List of Abbreviations

PEACE	Special Support Programme for Peace and Reconciliation for Northern Ireland and the Southern border counties
Phare	Poland and Hungary: Aid for the Restructuring of Economies
RDC	Rural Development Co-ordinator (Northern Ireland)
SDLP	Social Democratic and Labour Party
SEUPB	Special EU Programmes' Body
SME	Small and Medium Sized Enterprises

Executive Summary

THE Good Friday Agreement of April 1998 led to the creation of a new set of political institutions within Northern Ireland, between North and South and between Great Britain and the island of Ireland. The Agreement was designed to foster institution building and new political processes between an array of political parties, governments and the peoples of these islands. A central tenet of the agreement was to promote cross-border co-operation on an all Ireland and border region basis. The new institutional setting for this co-operation—the North/South Ministerial Council (NSMC) and the Special EU Programmes Body (SEUPB)—forms the core of this research. The aim of this research project was to analyse the interaction and intersection between the EU programme for cross-border co-operation—INTERREG—and the creation of new political institutions within Northern Ireland and between North and South (Strand Two). A retrospective and prospective analysis was carried out on the INTERREG II programming period and the framing of INTERREG III, which will run from 2001 to 2006. The establishment of new institutions altered the political and organisational framework within which INTERREG III is being formulated and will be implemented. This study analyses the interaction between the establishment of the new institutions and the framing of INTERREG III. The focus is on the micro institutional and policy processes which span the pre and post Agreement period rather than the high politics of the Agreement that continue to attract the headlines. Following a short introduction, the arguments are developed in six chapters.

1. Chapter 1 analyses the development and key principles of the EU's INTERREG programme. It is argued that transforming borders from barriers to bridges is part of the normative and functional dynamic of European integration and that the EU is characterised by a growing regionalism. The European Commission has fostered a model of cross-border co-operation that is based on programming, institutional linkages, partnership and 'bottom-up' mobilisation. The key objective of INTERREG is to build capacity within border regions for co-operation. The chapter also analyses the institutional management of INTERREG in three border regions in continental Europe in order to situate the Irish border region in comparative context.
2. The analysis in chapter 2 situates EU programmes in the context of the Irish border, a border that remained constitutionally contested until the referendum on the Good Friday Agreement in the Republic (May 1998). One of the expectations of the Good Friday Agreement is that the institutions and processes that it has set in train may lead to the normalisation of the border. The EU's role in the Irish border region evolved from its economic and regional policies. From the 1970s onwards it financed a limited number of European cross-border studies that led in time to the establishment of INTERREG as a fully fledged EU Community initiative. The administrative model adopted for INTERREG I in the Irish border region in the early 1990s was highly centralised and consisted of little more than back to back

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implementation of a number of projects. The contested symbolism of cross-border co-operation in the Irish border region, difficulties of matching-up the two jurisdictions and the centralised nature of both states established clear constraints for INTERREG. The second part of chapter 2 provides an outline of the analytical framework adopted in the study. The focus is on policy networks, issues and actors that have grown up around INTERREG, on the one hand, and on the new North-South institutions, on the other.

3. Chapter 3 analyses the implementation of the INTERREG II programme between 1995 and 2001, before the impact of the Good Friday Agreement began to be felt. The chapter presents an overview of the programme structure, identifying the policy objectives and expenditure with regard to EU and national exchequer funds. It examines the key issues arising with regard to the management of the implementation process of the INTERREG II programme, paying particular attention to the interaction of the different key organisations. The analysis points to the centralised nature of the INTERREG II implementation process, variable and mixed success in progressing the INTERREG II measures towards genuine cross-border action, and little capacity to involve local and regional actors in strategic decision making during the monitoring and implementation. The analysis is strengthened by focusing on a number of sub-programme measures and key projects that were implemented under INTERREG II.
4. Chapter 4 addresses the key dynamics that are influencing the framing of INTERREG III. Four dynamics are identified—the establishment of the executive within Northern Ireland and the Special EU Programmes Body; the use by the Commission of its INTERREG guidelines to promote a particular model of co-operation; the mobilisation of the three cross-border local authority networks demanding an enhanced role in the management of INTERREG III, and the regionalisation of the Republic. The convergence of these different processes of political and institutional change has altered the political dynamics surrounding INTERREG III and the pre-existing institutional arrangements have been disturbed. The extent of the change has encouraged all of the stakeholders to engage in vigorous lobbying as they jockey for position in the new institutional landscape.
5. Chapter 5 analyses the actual content of the INTERREG III programme as submitted to Brussels and the negotiations with the Commission on the programme. In addition, it pays particular attention to the central issue of delivery mechanisms, an issue that has not as yet been decided on, notwithstanding the fact that INTERREG III will be implemented in the latter half of 2001. The chapter illustrates the dynamic nature of network interaction and the importance of the juxtaposition of institutional change and individual agency. The success of the networks in carving out a role for themselves in the implementation of INTERREG III reflects their own growing capacity to negotiate on a multilevel basis and use their limited resources to

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the best effect. However their eventual success is also dependent on the outcome of other factors, such as the need for the networks to re-organise so as to involve a wider social partnership, and of course the capacity of the SEUPB to establish and organise itself quickly enough to be an effective actor for both the management and the development of the INTERREG and other EU programmes.

6. Chapter 6 draws on the research findings to reach a number of key conclusions and follows them with a series of recommendations about the future management of INTERREG. The three main drivers of change are the re-introduction of a local political authority to governance in Northern Ireland, the appointment of a non-civil servant as head of the Special EU Programmes Body and the creation of a space for North-South politics through the North/South Ministerial Council.
7. A key finding in this research is the importance of the political ministerial level in Northern Ireland, both with regard to the singularly determined contribution of Minister Durkan, as well as the ongoing leverage facilitated by the NSMC's function in the political process underpinning the negotiations for the INTERREG III funds for Ireland/Northern Ireland and the programme complement. In particular, the SEUPB and the networks, both still in relatively embryonic institutional form, remain dependent on the ongoing intervention and support at this level. The Commission, while recognising the importance of the ministerial level of intervention in Northern Ireland, is also cognisant of the vagaries of fortune at the 'high level' of politics there. It continues to argue for the need to secure and embed stable institutional structures and decision making processes which can facilitate genuine and on-going cross-border action as well as wider partnership and multilevel participation in the INTERREG policy process.

Recommendations

Our recommendations arise from two different levels of analysis relating to the strategic/institutional direction of change, on the one hand, and the policy/process level of change, on the other. The recommendations are both discursive and prescriptive as it is our intention to highlight the kinds of issues that need to be addressed at the strategic/institutional level and the policy/process level.



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Strategic/institutional issues

The Special EU Programmes Body: Following a rather difficult and uncertain beginning, the SEUPB can, with the arrival of a permanent chief executive, begin to plan on a medium term basis. With government departments, it must establish itself as the central node in the network for EU programmes. It potentially faces a number of tensions about its future role.

- **Management versus development:** The laws establishing the SEUPB endow it with a very wide-ranging mandate concerning a series of EU programmes. Its mandate extends from acting as the secretariat for the programmes, to preparing programme proposals, monitoring, research, evaluation, grant making and payments. In other words, its mandate embraces the entire programme cycle of EU programmes. The body will clearly have to put in place the structures and processes to manage the programmes through the policy cycle but must combine this with an ability to animate, foster and promote cross-border co-operation on a Border region and all-island basis. Neither a developmental nor a managerial logic should be allowed to dominate the body. Careful attention must be paid to the different skills and organisational structure that can deliver both management and cross-border development.
- **All island versus cross-border:** The body was given a dual mandate relating to its all-island role and its Border region role. Balancing the dual role will require a careful assessment of just how its all-island mandate should be fostered. Although it has a role in relation to Leader, Urban and Equal, its greatest potential for an all-island role lies in the Common Chapter contained in the development plans for both jurisdictions. The body has the financial resources to study the obstacles to the creation of a seamless border in public policy terms. Moreover, the chief executive will be well placed as a member of the CSF monitoring committee in both North and South to act as the advocate of seamless public policy making in both jurisdictions. Finally, the chief executive will have to attempt to extract from the British Exchequer matching funding for the 650 million IEP committed by the Dublin government to the Common Chapter. The body's role in relation to the EU Peace Programme and INTERREG will give it a natural cross-border focus but one that must be balanced by an all-island dimension.
- **Managing networks rather than hierarchies:** The Special EU Programmes Body (SEUPB) is classically a network organisation, crucially dependent on the quality of its relationships with government departments, the European Commission, state agencies, cross-border networks, intermediary funding bodies, and local community groups. Its work spans the two jurisdictions and has a significant EU dimension. It cannot manage INTERREG in the manner in which it was managed in the past through tight central control. Rather the SEUBP will have to work with and through other organisations. It will have

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to ensure that its operational responsibilities are performed to a high standard. The SEUPB will also have to ensure that the operational responsibilities that are contracted out to other actors are achieved. Considerable attention should be paid in the formative period to the design and management of systems for managing the multiple relationships through which the SEUPB will have to work. The management of networks requires careful attention to issues of co-ordination, participation and strategic coherence.

- **Building capacities and fostering change agents:** In addition to the tensions faced by the SEUPB because of its mandate, it faces the challenge of building capacities for cross-border co-operation. How to build such capacities is in the first instance a cognitive/informational challenge. It requires identification and recognition of the opportunities for and obstacles to cross-border co-operation. In other words, it demands the development and dissemination of a store of knowledge on cross-border co-operation. Second, there is a very important political-institutional dimension to capacity building. The SEUPB, through the North/South Ministerial Council, must foster the commitment of both jurisdictions to all-island and cross-border co-operation. The practice of co-operation must become diffused throughout the system. The importance of change agents in fostering cross-border co-operation is highlighted in chapter 2. Change agents are those who set out to animate, to persuade and to build capacity for collective action. The SEUPB needs to have a number of such agents on its staff to complement those who are responsible for management. The role of the change agents is to mediate between the body and the potential beneficiaries on the ground, to build the capacity of local actors to identify, develop and manage cross-border projects. In addition, change agents are an important source of collective learning as they can share their knowledge of what works and what amounts to best practice with other actors. One of the most important development tasks for the SEUPB is to develop a cadre of people who are experts in cross-border co-operation.

The networks: One of the most vigorous debates concerning the implementation of INTERREG III was on the role of the cross-border local authority networks. Notwithstanding the opposition and scepticism of some actors, the networks will be given an important role in the implementation of INTERREG III. This indicates just how successful the cross-border networks have been in developing a plausible strategy for the Border Corridor and in persuading other actors of their capacity to play an enhanced role over the next programming period. The success of the networks comes with challenges but also opportunities attached.



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- **Partnerships:** The cross-border networks must become more inclusive if they are to exercise an enhanced role in future. From the outset the networks were aware that the Commission's model of partnership involved elected politicians and social groups. The networks will have to cease to be exclusively local authority based and will have to embrace a 50:50 distribution of representation. Given that the networks have evolved within a local authority context, adapting to the new partnership model is unlikely to be smooth at the outset. There has been little internal preparation for the new form of partnership in the cross-border bodies. There is still tension between councillors' sense of legitimacy as elected representatives and those who represent the wider civil society. Both sides will have to work to make the new partnerships operate effectively for their local areas. Their likely new responsibilities for INTERREG provide a powerful incentive to both sides to achieve a workable partnership.
- **Capacity:** Building capacity is not simply an issue for the SEUPB. The networks face a challenge of transforming themselves from loosely coupled networks into networks that are capable of delivering on their likely role under INTERREG III. The networks have very limited staffing resources at the centre to service the work of the networks. If their role expands, this implies that they will be given additional financial resources to build up the capacity of the secretariats and to have a number of development officers on their staff who will assist in the preparation of good cross-border projects. In addition, the networks will need the support of the elected representatives in the local authorities and of the county managers and chief executives if they are going to mature further.

Key Policy Recommendations

During the course of the research, one of the interesting overall findings was the level of policy learning that was taking place in the arena of INTERREG policy making. However this policy learning can only be effective if it is reflected upon and indeed actively applied by those engaged in the policy making process. We identify a number of specific policy recommendations, which build upon the INTERREG policy lessons of the past.

Commission as animator of cross-border co-operation

The role of the European Commission in animating and encouraging the cross-border networks to develop a strategic cross-border strategy cannot be underestimated. This role has already been pointed to in a number of other studies of Commission action under the structural funds and in particular in relation to the Commission's Community initiatives. We recommend the development and encouragement of networks of informal communication

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between the domestic sub-national level actors and Commission officials. Exchange visits prove effective as opportunities for learning and communication. It is probable that direct contact with Commission officials may prove difficult at times, given the resource constraints of both the Commission and other actors involved in the process. In the case of cross-border networks, significant lessons were learnt through their involvement with organisations such as LACE-TAP, as well the involvement of local councillors in various European regional authority networks, set up around the Committee of the Regions. In practical terms this is best promoted through a multi-action approach, which could be funded under the technical assistance sub-programme.

1st Policy Recommendation

- Technical assistance to support short study visits to the European Commission
- Ongoing support for LACE-TAP
- Exchange visits with other European regional border networks

Facilitating cross-border understanding: a multilevel approach

In our interviews with the various government departments involved in the INTERREG II programme, it became clear that the relative success or otherwise of government departments in facilitating genuine cross-border activity under the INTERREG programme depended to a large degree on the type of relationship that existed between departments and to some extent the personal qualifications of officials involved. The opportunity to work together on joint projects, where both parties were dependent on the others' particular expertise and resources in key areas, was the key mechanism for developing greater understanding of each other's priorities and concerns. However under the previous INTERREG programmes the recognition of opportunities for joint actions seems to have been left to chance. We suggest that the process of joint understanding and real recognition of each other's strengths and weaknesses can be animated by the use of short cross-border exchange programmes between officials at similar levels in the policy process (i.e. department to department and local authority to local authority) and also between levels (i.e. local authority to department).

2nd Policy Recommendation

- Cross border exchange programmes at government department levels
- Cross border exchange programmes at local authority level
- Cross border exchange programmes between department staff and local authority staff



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Use of focus groups for facilitation of communication

One of the difficulties facing the cross-border networks is the need to develop their internal organisation. It was apparent that while the network co-ordinators and councillors shared a common vision in terms of the role of the networks in the INTERREG policy process, they differed in their understanding as to what that might entail and whether they had the capacity to pursue their new role. These issues are difficult to discuss in the context of the general business of the local authority or the busy network meetings. It is important that the networks carve out some time, perhaps one or two full days, to consider these issues in full and without distraction. A useful method for facilitating this kind of work is the use of focus groups, using an independent facilitator to co-ordinate the group.

3rd Policy Recommendation

- Focus groups consisting of councillors and network co-ordinators
- Focus groups for councillors and social partners
- Focus groups for social partners

Role of INTERREG development officer critical for capacity building

The research has shown the central importance of the INTERREG development officer (IDO) in assisting and facilitating the development of good quality cross-border projects. Moreover the IDO is an important conduit of information between the many different kinds of interests involved in the policy process. The IDO will prove a hugely valuable resource to the cross-border networks in the implementation phase of the INTERREG III. However the IDO needs sufficient back up to effectively carry out the role assigned to him/her. The use of systematic reporting procedures, such as the IDO reports developed for the monitoring committee meetings during INTERREG II, are essential to ensure adequate communication exists between the different levels within the policy process. The individual skills, training and experience of the IDO should be appropriate to the role and responsibilities of the position. In the selection of IDO staff, attention to the North/South balance should be given.

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4th Policy Recommendation

- Substantial technical assistance to be made available for support of several IDOs
- Strong administrative back-up for the IDO staff
- Clear procedures for the IDO reporting of activities in the field
- Clear and balanced selection criteria for the appointment of IDOs

SEUPB/INTERREG Research programme

There is clearly a need for greater research into the issues that affect cross-border co-operation and development. First there is a need to establish a benchmark of basic statistical data for the cross-border regions. Ongoing funded research is also required into key cross-border issues. In order to build skills over the medium to long term, a useful tool would be the development of an observatory staffed by academics and policy practitioners who would develop the capacity for strategic programme development.

5th Policy Recommendation

- Benchmark study
- Research observatory
- Ongoing research programme



Introduction

Background

THE early years of the twenty first century provide a new challenge to policy makers and academics alike, if a remarkable set of new institutions are to flourish on the island of Ireland. The conscious design of these new institutions, by the political parties in Northern Ireland and the two sovereign governments, resulted in the 1998 Good Friday Agreement. The agreement's constitutional template, with its three interlocking strands, was complex, elaborate and ambiguous because it was the outcome of negotiations between a variety of political actors with very different preferences. Moreover, the solemnity of the agreement was underlined by the fact that it was the subject of a referendum in Northern Ireland and the Republic. The outcome of the referenda endowed the agreement with a high degree of popular legitimacy. Transforming that popular mandate into a new set of 'living institutions' remains a challenge to all those who are committed to the peaceful management of conflict in a divided society. The constitutional and political model embedded in the agreement accords considerable salience to the role of institutions and formal institutionalised processes in structuring politics and systems of public policy making. The model consciously fragments political and institutional power by creating interdependent institutional layers and multiple processes of public policy making. The expectation is that if these new institutions become embedded, all of the various political actors, regardless of their preferences, will become locked into a co-operative set of institutions in which the costs of exit are very high.

The underlying rationale of the agreement was that new political arrangements would contribute to the management of conflict in Northern Ireland, and perhaps ultimately to the resolution of the conflict. The aim was to create a constitutional framework that would allow for the development of 'normal' politics within Northern Ireland and between the constituent parts of these islands. The big constitutional conflicts, although not resolved, might in time be tamed within a new set of relationships mediated by institutions and process. The agreement was and remains a political and institutional experiment involving Northern Ireland and the two sponsoring states, the UK and the Republic of Ireland. Since the agreement in April 1998, attention has inevitably focused on the 'high politics' of its implementation: on the one hand, on the process of institution building, and on the other on the contentious issues of prisoner release, decommissioning, demilitarisation and policing, as these issues could lead to the collapse of the agreement and its institutional edifice. However beyond the intensity of 'high politics', the new institutions have been established and are engaged in the business of routine public policy making. The focus of this study is on the role of the European programme for cross-border co-operation — INTERREG — in developing and promoting cross-border co-operation in the context of the new institutions. This enables us to delve beneath the 'high politics' of the agreement to analyse the slow and somewhat tortuous creation of radically new political arrangements on this island.

Introduction

The significance of the European dimension of cross-border co-operation within the island of Ireland should not be underestimated. Since joint membership of the EU in 1973, the EU has altered the context of British-Irish relations and has had an impact on North-South relations within the island of Ireland. Following the creation of the Single European Market in 1992, many of the barriers to cross-border trade and economic development have been eroded. The opportunities for enhanced cross-border co-operation for the Republic and Northern Ireland were recognised at an early stage in the respective development plans for the 1994-99 round of EU structural fund allocation. During this programming period, the EU provided valuable financial assistance for the Common Chapter in both development plans and through its cross-border policy initiative — INTERREG. In addition, the EU responded to the cease-fires in 1994 by creating a special programme, the PEACE programme, to assist peace and reconciliation in Northern Ireland and the Southern border counties.

INTERREG in the context of the new institutions

This study utilises one EU programme — INTERREG — as a means of analysing the organisational, procedural and policy networks that are evolving on a cross-border basis, to illustrate the opportunities for and obstacles to cross-border co-operation. The establishment of the executive in Northern Ireland in November 1999 finally opened the way for the setting up of the bodies envisaged under Strand Two (North-South) of the agreement. The North/South Ministerial Council (NSMC) and the Special EU Programmes Body (SEUPB) were established rapidly after the formation of the executive on the 2 December 1999. The SEUPB had a cross-border and all-island mandate. Although suspended for a period in early 2000, the new North-South bodies altered the framework in which EU programmes, particularly those designed to foster cross-border co-operation, would be planned and implemented in Ireland. The aim of this study is to capture the interaction and intersection of four processes of change that have had an impact on the preparation and implementation of INTERREG III. These are:

- the establishment of new North-South institutions with a specific mandate to manage the policy agenda associated with special EU programmes;
- the determination of the Commission to promote genuine cross-border co-operation through INTERREG;
- the mobilisation of sub-national actors, notably the cross-border networks, around INTERREG III;
- the regionalisation of the Republic for the 2000-2006 programming period.

The convergence of these four processes of change ensure that the preparation and drafting of the INTERREG III programme is taking place in an unstable and politicised political and institutional environment. It is unstable because of continuing difficulties associated with the implementation of the Good Friday



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Agreement. Moreover the implementation of INTERREG involves a different set of political and institutional arrangements than heretofore. All actors — the governments, administrations, funding bodies, consultants, civil society, and the networks — are attempting to locate themselves in an advantageous position for the future. The new institutions are striving for recognition and a secure place in the institutional landscape. They must work to become 'living institutions'. There is considerable tension and disagreement about the deployment of INTERREG monies. Many actors are engaged in extensive multilevel lobbying as a means of promoting their preferences about the content of the programme and its delivery mechanisms. The lobbying began during the second phase of INTERREG II and continues as the governments negotiate with the Commission about INTERREG III. All those with a stake in INTERREG III have devoted considerable political and organisational energy to their efforts to influence the next programming period from 2001 to 2006. They are doing so because they have to adjust to the arrival of the new institutions, institutions that have altered the 'rules of the game' in this field.

There are three models for the implementation of cross-border initiatives, each of them with significant implications for those charged with the formulation and implementation of policy. These are:

- back to back implementation;
- joint planning but separate implementation;
- joint planning and joint implementation.

The implementation of EU funded cross-border initiatives has evolved from model one (back to back implementation) in the programming period 1988-93, to model two (joint planning but separate implementation) in the programming period 1994 - 1999. The key question is whether or not the Special EU Programmes Body (SEUPB) will be able to up-grade co-operation by fostering a move to model three for the programming period 2001-2006. In this project we adopt a retrospective and prospective analysis of the process of policy making and implementation of INTERREG. The retrospective dimension consists of an in-depth analysis of the programming period 1994-99 to assess what lessons might be learnt from the management of INTERREG II. The prospective analysis consists of an in-depth analysis of the framing of INTERREG III and the actual programme that is being negotiated between the Commission and the two governments (see appendix 1 for an overview of the methodology adopted in this study; appendix 2 for a list of those interviewed for the research and appendix 3 for a short report on the findings of two focus groups involving the stakeholders in INTERREG III).

Introduction

The study in outline

The study consists of six chapters. **Chapter 1** provides an overview of the development of the INTERREG programme from an EU perspective. INTERREG is one of the EU's Community initiatives, designed to promote EU policies that complement the main spending programmes through the structural funds. INTERREG is specifically designed to promote cross-border co-operation. **Chapter 2** examines the European dimension of co-operation in Ireland and the key obstacles that have been associated with cross-border co-operation on the Irish border in the past. The chapter then outlines the framework of analysis that is used for the remainder of the study. **Chapter 3** analyses INTERREG II during the programming period 1994-99. It examines the key issues that arose during this programming period and assesses what lessons could be learnt for the next phase of INTERREG. **Chapter 4** traces the key dimensions of change, notably the creation of the SEUPB, new Commission guidelines and the mobilisation of the networks, that have influenced the framing of INTERREG III. **Chapter 5** analyses the negotiations on INTERREG III between the Commission and the two governments, in addition to the drafting of the programme complement that establishes how INTERREG will be implemented on the ground. The INTERREG programme and the programme complement are likely to be formally agreed by September 2001. **Chapter 6** draws conclusions from the study of the establishment of the new North-South bodies and the changing EU preferences for INTERREG. We have included appendices in this report in order to provide a set of reference materials on the INTERREG programme.



Introduction

POLITICAL borders are highly significant markers — they denote where the territory, and hence sovereignty, of one state ends and that of another begins. Borders may be geographically defined by a physical barrier such as a river, lake or mountain, or they may be lines on a map, the products of political agreement or disagreement, not of the natural world. The borders of European states have shifted with the rise and fall of states and empires, with the outcome of war, and with the successes and failures of state-seeking nationalisms. Most West European borders are by now accepted both by those living either side and by national authorities — in other words, they have been normalised. Others are contested, and this brings an added challenge to efforts to foster cross-border co-operation. With the prospect of a continental enlargement over the decades ahead, managing Europe's borderlands will remain an important concern of the European Union.

Borders are multifaceted and ambiguous, both conceptually and in lived experience. O'Dowd's four-fold classification of borders as 'barriers', 'resources', 'bridges' and 'symbols of identity' captures their multidimensional character (O'Dowd 2000). The history of European integration in the post-war period has been characterised by efforts to reduce the 'barrier-like' nature of the internal borders of the European Union. This was encapsulated by the notion of the four freedoms—free movement of goods, of services, of capital, and of labour — and in the slogan 'a Europe without frontiers'. In recent years there has been much discussion of the contrast between the diminishing significance of borders as 'barriers' among the member states of the EU and the increased emphasis on strengthening the external EU border as a barrier to immigration and the external threat of cross-border crime. The aim here is to prevent the work of those who would use borders as 'resources' for clandestine purposes.

Despite increased openness and freedom of movement in the EU, the European borders remain salient as 'symbols of identity' and as containers of societies and polities. As long as borders of identity do not become borders of enmity, this is not an inherently negative situation. Thus we come to the concept of borders as 'bridges'. Borders are the critical demarcation lines between states. In the right climate of co-operation, however, border regions may seek to build bridges with the other side of the line, and foster linkages with others in a similar geographical, economic, and social situation to themselves. Transforming borders from barriers to bridges is an essential component of the normative and cognitive framework of the European Union as a political entity.

The impetus for the creation of linkages between neighbouring border regions can come from a number of sources. It may be driven by economic considerations, as people cross borders to work, to shop, and to invest. The drive may be cultural. A common language or shared history may provide the key motivation to building co-operation. There may be a need for reconciliation, such as that after

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World War II, and as this study illustrates, some of the oldest and most developed cross-border co-operative links in Europe are those on the borders of Germany. These arose out of the need to foster understanding among neighbouring states that had fought each other bitterly in the past. The desire for co-operation may come from local or regional level, or it may be driven by national politics and concerns.

Increasingly the EU provides the backdrop and context for cross-border co-operation. The Union's wide range of powers, particularly those arising from EU regulations and monetary policy, have a major impact on the political economy of border regions. The concept of a 'Europe of the regions' provides a rallying cry for those political actors who wish to foster European regionalism. Financial programmes such as INTERREG, the Community initiative specifically designed for Europe's borderlands, provide financial incentives and a model of co-operation designed to transform the barriers into bridges. The empowerment of the regional level of government may stem from bottom-up mobilisation or top-down institutional change. It may come from the demands of a regional community to have a greater say vis-à-vis central authorities in the running of their local affairs, or it may be a strategy imposed by the central state to achieve a particular purpose. Adshead and Bache distinguish between regionalisation— "the process leading to enhanced governing capacity at the regional level", on the one hand; and regionalism — "bottom-up movements seeking to strengthen regional governance in order to develop or support their own political, cultural and/or economic autonomy within the wider state system", on the other hand (Adshead and Bache 2000).

At its most basic, *regionalisation* might simply be the territorial division of states for administrative purposes, where the boundaries of these territories have no defining historical or cultural characteristic. The regionalisation programme in the Republic of Ireland in 1998, which divided the country into the Border Midlands West (BMW) region and the rest, is one such example. The driving motivation behind this was to establish an entity which would encompass those parts of the country still eligible for EU 'Objective One' structural funding. *Regionalism*, by contrast, is a process driven by local aspirations, local capacity and a sense of regional identity. On the island of Ireland and in the United Kingdom there are complex processes of both regionalisation and regionalism in train.

Through its promotion of subsidiarity, the creation of consultative fora such as the Committee of the Regions, and the provision of funds directed not at the state as a whole but specific units within it, the EU has assisted the empowerment of Europe's regions. Vocal demands from Europe's more developed regions with lobbying offices in Brussels have increased the regional presence in the EU. Regions have become players in the dynamic of politics in the European Union. In addition, the Commission has fostered relationships with the regional and sub-regional levels of government in its desire to promote a multileveled form of



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politics that includes but goes beyond the central administrations of the member states. The role of the Commission as a 'policy entrepreneur' can usefully be explored in the context of INTERREG, and shall be developed in the Irish case. This chapter has two main objectives. First, it outlines the history of INTERREG from its beginnings in the late 1980s through the first two programming periods and up to the INTERREG III programme. The objective is to trace the development of ideas about cross-border partnership, as envisaged at European level and promoted by the European Commission. Second, the analysis turns to specific examples of cross-border co-operation in three different European borderlands: Germany/Netherlands, France/Germany and Portugal/Spain. The experiences of these three regions are very different in terms of historical context, purpose and goals, and project administration and management. By looking at the European experience, it is intended to create a framework of partnership styles, against which cross-border co-operation on the Irish border may be assessed.

The development of a European border programme

During the negotiations of the Single European Act in 1985-86, it was argued that those countries and regions with weaker economic development, at the periphery of the Community, would find it hard to compete with the other member states in a single market environment. The focus of this argument was on Greece, Ireland, Portugal and Spain—the four 'cohesion' countries—and on poorer regions in other member states. The poorer member states and regions would require substantial financial assistance to enable them to compete on a level playing field with the core economies. It was in this context that the Delors I package of structural funding from 1988-92 allocated special 'cohesion' monies to aid development of infrastructure and capacity building in Europe's poorer regions. The allocation of additional funding was accompanied by a reform of the manner in which the EU deployed its regional and cohesion monies. A key change was the introduction of multi-annual financial packages and programming, known in the jargon as Community Support Frameworks (CSF).

In tandem with the argument that the weaker EC economies needed financial support in preparation for the Single European Market, there was a debate about the specific requirements of the European border regions. The Single Market programme was designed to increase the competitive pressures on economic actors in Europe so as to improve Europe's overall level of competitiveness. However it was argued that border regions might suffer rather than benefit from a single market. Typically these areas were seen as suffering from their peripheral location, and had more severe problems of unemployment, under-investment and underdevelopment than the less remote regions of the member states. There was also the concern that a border free Europe would be detrimental to the business and employment opportunities created by the existence of borders, i.e. customs and excise. As a consequence, plans were drawn up for a new Community initiative aimed at the border regions — INTERREG. INTERREG was perceived as

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assisting the competitiveness of border regions in the context of the internal market programme. Before commencing an assessment of INTERREG, however, it is useful to look at the development of the Community initiatives.

Non-Quota programmes and Community initiatives

The non-quota special programmes were created to cover areas not addressed under the principal structural funds. They were designed for areas or sectors with specific difficulties, for example the textiles industry, which had been hit by external trade agreements, and coal and shipbuilding, which were suffering due to internal EC policies. Some 65 measures were adopted under the non-quota umbrella between 1981 and the end of 1992.

The development of a non-quota section allowed the EU to develop a programme for the Irish border region akin to a pilot project for INTERREG. In 1980 the European Regional Development Fund (ERDF) Non-Quota Special Border Areas programme for the Irish borderlands was launched, and this was subsequently extended in 1985. It was aimed at the improvement of economic and social conditions in border regions by granting aid to infrastructure projects, such as tourism (DG XVI/215/91). Cross-border co-operation was encouraged under the scheme, but it was not a condition of aid. As a result, where little basis for co-operation existed, projects ran on a 'back-to-back' basis. Projects were run on both sides of the border to improve economic conditions in the region, but were not based on joint ventures by cross-border groups. As part of the ERDF non-quota measures, some ECU16m was allocated to Ireland and the UK under Frontier Zones I, doubling to ECU32m for the second round (see table 1.1). The desire to alleviate the economic and social disadvantage experienced in the Irish border region thus prompted the Commission to begin to develop a borders policy on a pilot basis.

Table 1.1: Objectives of the non-quota measures

- (a) to provide support to certain regions of France and Italy to help them to cope with the 1981 enlargement of the Community, along with certain regions of Greece in respect of the enlargement of 1986;
- (b) to develop new forms of economic activity in certain regions which are seriously affected by sectoral difficulties (steel-making, textiles, shipbuilding, fisheries and energy);
- (c) to improve, by cross-border measures, the situation of certain areas of Ireland and Northern Ireland

Source: EU Court of Auditors, 1993

These programmes were winding down in the early 1990s—the second round, Frontier Zones II, was to be closed by 25 February 1993 (Court of Auditors 1993). Towards the end of the 1980s, however, the launch of the Community initiatives programme brought INTERREG on stream.



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Under the structural funds, the community initiatives were proposed by the European Commission to the member states as a means of combating specific problems. They were complementary to the structural funds' Community Support Frameworks and programming Documents negotiated between the Commission and each member state or region. The Commission had more discretion over the deployment of the financial resources of the Community initiatives and was able to establish the criteria for eligibility through its guidelines on each initiative. The first round ran from 1989 to 1993, and the second from 1994 to 1999. The latter consisted of 13 initiatives, described below, and amounted to some ECU13.45b, or 9% of the total structural funds (www.inforegio.cec.eu.int; see table 1.2).

Table 1.2: Community initiatives 1994-99

INTERREG II	cross-border co-operation (Part A), energy networks (Part B), co-operation in the area of regional planning, in particular management of water supply (Part C). INTERREG II was a continuation and development of INTERREG I (1989-93)
LEADER II	rural development
REGIS II	integration of the most remote regions
EMPLOYMENT	NOW: promote equal employment opportunities for women and access to future-oriented occupations and management positions HORIZON: improve employment prospects for disabled people YOUTHSTART: labour market integration of young people under 20 INTEGRA: integration of people threatened with social exclusion and measures to combat racism and xenophobia.
ADAPT	adaptation of the workforce to industrial change
RECHAR II	conversion of coal-mining areas
RESIDER II	conversion of steel areas
KONVER	economic diversification in regions heavily dependent on the defence sector
SME	strengthening of the competitiveness of small and medium-sized enterprises
URBAN	regeneration of crisis-stuck areas in medium-sized and large towns
PESCA	economic diversification in areas heavily dependent on the fisheries sector
PEACE	Special Support Programme for Peace and Reconciliation (SSPPR) in Northern Ireland and the Southern border counties

Source: www.inforegio.cec.eu.int

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INTERREG I

Following an initial period of pilot projects in 1989, the decision to establish a Community initiative for border areas was taken by the Commission on 25 July 1990. The development aims were stated in the guidelines as follows:

- to assist both internal and external border areas of the Community in overcoming the special development problems arising from their relative isolation within national economies and within the Community as a whole, in the interests of the local population and in a manner compatible with the protection of the environment;
- to promote the creation and development of networks of co-operation across internal borders and, where relevant, the linking of these networks to wider Community networks, in the context of the completion of the internal market of 1992;
- to assist the adjustment of external border areas to their new role as border areas of a single integrated market;
- to respond to new opportunities for co-operation with third countries in external border areas of the Community.

The first aim reiterates the motivations outlined above, i.e. the need to develop border regions by tackling their specific problems of peripherality. A key phrase in the guidelines was that the programme should address the 'interests of the local population.' This was the first expression of a need to concentrate on the local, and is echoed in the second aim of creating and developing linkages and networks across borders and between communities. These are the beginnings of what would later become the emphasis on a 'bottom-up' approach.

The guidelines (CEC 1990) also stressed the importance of genuine cross-border co-operation, as illustrated by the following point:

The Commission will accord priority to proposals which are made in co-operation with regional and local authorities in border areas and which include the establishment or development of shared institutional or administrative structures intended to widen and deepen cross-border co-operation between public agencies, private organisations and voluntary bodies. Where possible, these shared institutional or administrative structures should have the competence to implement jointly determined projects.



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Over the course of INTERREG, these two tenets of 'bottom-up' mobilisation and 'genuine cross-border' evolved and became central to Commission thinking on the use of these funds. In essence INTERREG was perceived in the Commission as the Union's policy instrument to create the capacity within border regions for 'bottom-up' development. The key features of its model of capacity building encompassed the identification of obstacles and limits, multi-annual programming, local mobilisation and institutionalisation.

Schemas for classifying types of cross-border projects developed, in an effort to assess just how much cross-border linkage a programme entailed. The first classification appeared in the guidelines for INTERREG I, in which three types of eligible actions were distinguished:

- the joint planning and implementation of cross-border programmes;
- the introduction of measures to improve the flow of information across borders and amongst border regions, between public agencies, private organisations and voluntary bodies;
- the setting up of shared institutional and administrative structures to sustain and promote co-operation.

Thus at one end of the spectrum lies the joint planning of programmes, and at the other the creation of lasting institutions, which are shared between the border areas concerned. The purpose of such institutions would be to sustain coherence in the approach to development in the European borderlands. A common strategic outlook was deemed to be an important element for evaluating the quality of programmes:

... the presence of a coherent regional strategy for the border areas concerned, seen as a single geographical unit, with a clear statement of the developmental aims into which the aims of the operational programmes have been properly integrated (CEC 1990).

Some 31 operational programmes were financed by INTERREG I, and available funding was in the region of ECU1,082m (DG Regional Policy 2000).

Notwithstanding clear difficulties, the initiative continued during the next round of funding.

Criticisms of the programme were voiced by the European Court of Auditors in its 1994 annual report. It was particularly critical of the 'cross-border' nature of the programmes. According to the court, not enough of the projects being funded were genuinely trans-frontier. Singled out for criticism were the INTERREG programmes in Ireland/Northern Ireland and Portugal/Spain. The Court called for:

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an improved definition of the transfrontier nature of the measure to be financed (...) closer co-operation between the partners in the transfrontier area concerned. The Commission needs to strengthen the role of the joint monitoring committees and encourage the setting-up of joint administration procedures in order to do this (Court of Auditors 1995).

The response of the Commission was to point to the lack of tradition of co-operation in some of the regions concerned, and the fact that it would take time to build this ethos. While acknowledging that, especially in Objective I regions, there had been a prevalence of development work without a cross-border dimension, the Commission pointed out that, under terms of Commission Notice C (90) 1562/3, regions suffering from a lack of infrastructure could use the funds to assist their modernisation and development (Court of Auditors 1995). This reply from the Commission, while valid, should be read in the context of one institution justifying its case in response to the criticism of another. There is evidence to suggest that those in the Commission engaged with the INTERREG initiative were unhappy with some of the programmes and project work being financed by the programme.

INTERREG II

The report of the Court of Auditors was rather too late to have any significant influence on the second round of INTERREG. The Commission decision on INTERREG II was taken on 15 June 1994. The developmental aims were as before, but with an added goal of completing selected energy networks (Portugal, Greece, Italy, Spain). This would bridge gaps in EU cross-border infrastructure (CEC 1994). In 1996 the initiative was developed to include a third strand, INTERREG IIC, concerning transnational co-operation on spatial planning (CEC 1996). The focus of this report is on INTERREG IIA, i.e. the cross-border strand, rather than the other strands in INTERREG. Chapter 3 provides an in-depth analysis of INTERREG II in the context of the Irish border region. This was one of some 59 operational programmes which were implemented under INTERREG II.

In many ways INTERREG II was a continuation of INTERREG I with minor modifications. The guidelines were almost a carbon copy of those from 1990. The thematic areas eligible for funding remained very broad, i.e. development planning, aid to investment, small and medium sized enterprises (SMEs), tourism, infrastructure, environmental protection, rural development, plant and animal health, linking associations of all kinds on a cross-border basis, education, training and unemployment. The INTERREG II guidelines included five additional areas to incorporate large scale infrastructure and spatial planning, but also measures to combat illicit trade.



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Importantly for the task of institution-building, specific reference was also made to 'special measures to relieve the problems arising from the existence of different languages, administrative procedures and legal systems on either side of national borders' (CEC 1994).

To measure the experience of INTERREG II in general would require an assessment of the changes brought to each individual border area, but in a general sense the programme, with available funds of ECU2.6b, was deemed to have achieved 'added institutional value', 'socio-cultural added value', and 'socio-economic added-value' (DG Regional Policy 2000).

The Commission's ex-post analysis was far more sanguine about the achievements of INTERREG. The key difficulties, though not present in all regions, were identified as a lack of experience with co-operation; the obstacles posed by centralised administrations; deficits of mutual trust; and little involvement on the part of local, regional and social partners. Key phrases in the Commission's ex-post analysis were:

- the actual cross-border nature of INTERREG has still not emerged very clearly
- too often border programmes were developed in parallel and in accordance with a national perspective
- national border projects are bundled together in a sort of 'package', 'added up' and declared to be a cross-border measure. (DG Regional Policy 2000)

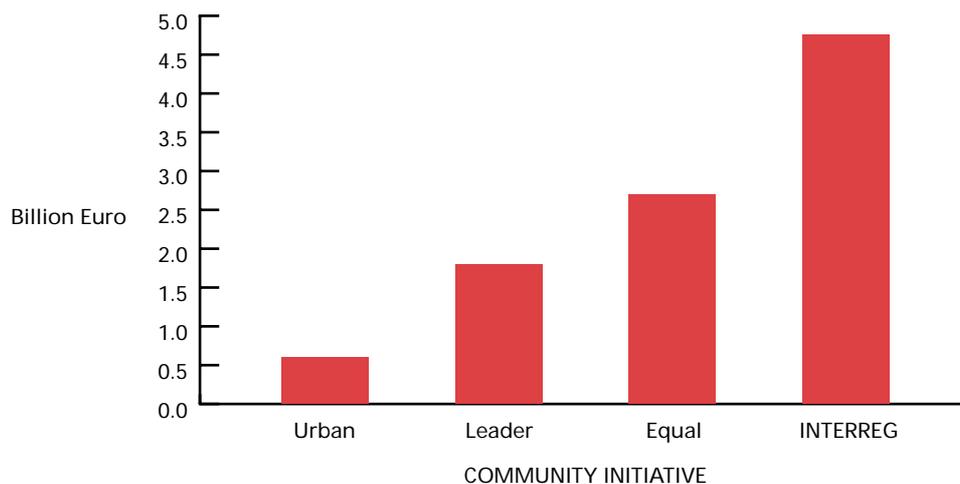
A further round of INTERREG funding would have to entail a significant shift in emphasis, not only to achieve genuine cross-border partnerships, but also as a consequence of more sweeping structural fund reforms for the period 2000-06.

INTERREG III

The plans for the 2000-2006 round of structural funding, of which INTERREG III is a part, fit into the overall context of Agenda 2000 and the aims to restructure Community expenditure in consideration of pre-accession support mechanisms and the eventual enlargement of the EU eastwards. This situation was paralleled by the goal of rationalising the use of Community money. As a consequence of rationalisation, the number of Community initiatives has been reduced to four, of which INTERREG will receive almost half of the EUR10.3b available, increasing its pool of funds from EUR3.6b (1994-99) to EUR4.9b (Poulsen 2000). The financial significance of INTERREG is confirmed by figure 1.1.

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Figure 1.1: Financial allocations for the Community initiatives 2000-2006



Within INTERREG III there are three strands, A, B and C, which will receive at least 50%, 14% and 6% of the funds respectively. They are:

- Strand A promoting integrated regional development between neighbouring border regions, including external borders and certain maritime borders
- Strand B contributing to harmonious territorial integration across the Community
- Strand C improving regional development and cohesion policies and techniques through transnational/interregional co-operation

(CEC 2000)

The guidelines for INTERREG III are highly cognisant of the fact that it has been difficult to establish genuine cross-border activities, such as those seen in the most advanced trans-frontier partnerships. The principles for the programme are therefore very clear in their aims:

(a) Joint cross-border/transnational strategy and development programme

The emphasis here on joint selection and implementation, and compliance with the general guidelines for structural funds i.e. job creation, competitiveness, sustainable development, equal opportunities. It will no longer be adequate to parcel up national projects on separate sides of the border. They must be managed in a genuinely cross-border way, or if taking place on only one side of the frontier, must show significant beneficial effects for another participating state.

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(b) Partnership and a 'bottom up' approach

This aim complies with Article 8 of the General Regulation for funds. This article is repeated here in its entirety because of its significance for the development of INTERREG III. It is relatively easier to visualise what genuine cross-border activity means – i.e. joint institutions, joint plans, joint management etc. – in this context. The guidelines for INTERREG III make specific reference to a joint budgetary structure, receiving “a single contribution from the ERDF without financial breakdown by member state.” The concept of broad-based partnerships and a 'bottom-up' approach, however, needs somewhat more exploration (see table 1.3).

Table 1.3: Complementarity and partnership (Article 8)

1. Community actions shall complement or contribute to corresponding national operations. They shall be drawn up in close consultation, hereinafter referred to as the 'partnership', between the Commission and the member state, together with the authorities and bodies designated by the member state within the framework of its national rules and current practices, namely:
 - the regional and local authorities and other competent public authorities;
 - the economic and social partners;
 - any other relevant competent bodies within this framework.

The partnership shall be conducted in full compliance with the respective institutional, legal and financial powers of each of the partners as described in the first subparagraph.

In designating the most representative partnership at national, regional, local or other level, the member state shall create a wide and effective association of all the relevant bodies, according to national rules and practice, taking account of the need to promote equality between men and women and sustainable development through the integration of environmental protection and improvement requirements.

All the designated parties, hereinafter referred to as the 'partners', shall be partners pursuing a common goal.

2. Partnership shall cover the preparation, financing, monitoring and evaluation of assistance. Member states shall ensure the association of the relevant partners at all the different stages of programming, taking account of the time limit for each stage.

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3. In application of the principle of subsidiarity, the implementation of assistance shall be the responsibility of the member states, at the appropriate territorial level according to the arrangements specific to each member state, and without prejudice to the powers vested in the Commission, notably for implementing the general budget of the European Communities.
4. Member states shall co-operate with the Commission to ensure that Community funds are used in accordance with the principles of sound financial management.
5. Each year, the Commission shall consult the European-level organisations representing the social partners about the structural policy of the Community.

Source: Council 1999

The partnership concept is to be carried through at every level of the programme, from the preparation stages of consultation, right the way through to the monitoring stages, which have always been central to the EU funds. In the particular context of INTERREG III the partners explicitly mentioned in the guidelines are national, regional and local institutional bodies, the economic and social partners, non-governmental organisations, members of the academic world (CEC 2000). This model for co-operation has huge potential to empower local and regional actors, and the intent is to do this in a 'bottom-up' fashion. The INTERREG III guidelines are designed to deliver regionalism rather than simply regionalisation (see figure 1.2 for a summary of the Commission's preferred model for cross-border co-operation). The preferences of the European Commission and the model of cross-border co-operation promoted by INTERREG are implemented in very different political, institutional and economic environments throughout Europe's borderlands. The ability of the Commission to successfully promote its model is highly contingent on the history and tradition of cross-border co-operation in specific border regions.



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Figure 1. 2: European Commission model of cross-border co-operation



Situating cross-border co-operation in a European context

The Commission's border programme — INTERREG — interacts with 'bottom-up' processes of co-operation in Europe's border regions. These processes have been promoted from within Europe's border regions since the Second World War. The promotion of cross-border co-operation and the emergence of cross-border networks have evolved as a normal part of inter-state exchange in Western Europe. Networks of local government and community groups have reached across frontiers to co-operate, often starting from the premise that to understand your neighbours, you must know them, and through knowing them, you may learn to trust them. In order to support such networks, ten border regions came together in Anholt, Germany to found the Association of European Border Areas (AEBR) in 1971. In 1981 the Association produced a *European Charter of Border and Cross-Border Regions*, which described borders as the 'scars of history', scars that had created 'empty spaces' in border regions. The aim of the Charter was to transform 'back-to-back existence' into 'co-existence' (AEBR 1981/1995). From its inception the AEBR developed close links with the Council of Europe and the institutions of the European Union. It was part of a growing transnationalism in Western Europe.

In 1985 AEBR was a founder member of the Assembly of European Regions, the precursor to the European Union's Committee of the Regions. With a current membership of over sixty border regions, the AEBR spans the continent from the border regions of Ireland/Northern Ireland to the Ukraine, and from the Regional Council of Kainuu, Finland, to the region of Eastern Macedonia and Thrace in Greece. The three cross-border networks of the Irish border region, analysed in chapter 4, and Co-operation Ireland are members, as are the Rhine-Waal Euregio and Junta de Extremadura, discussed below. Through seminars and study visits, the Association encourages regions to learn from one another. There was a particular advantage for regions to share experience and best practice in regard to the European funds. The AEBR itself received resources from the EU. In 1987 it produced a 'Proposal for the Establishment of a European Centre for Border Regions', and this was developed in 1990 when Commission funding was made available for the Linkage, Assistance and Co-operation for European Border Regions (LACE) initiative. In the period 1990-95 the EU funds covered two-thirds of the cost of LACE.

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The link between LACE and INTERREG was formalised in September 1996, with Commission approval of LACE-TAP for 1996-2001. The creation of a formal tie signalled the convergence of interests between the EU level of governance and Europe's borderlands. The TAP appendage signified 'Technical Assistance and Promotion of Cross-Border Co-operation related to the Community initiative INTERREG II'. LACE has a second wing — LACE-PHARE, to support cross-border linkages with Central and Eastern European countries. Participation in the Association of Border Regions and LACE enables individual border regions to situate themselves in a transnational framework of co-operation. Such transnational contacts are a source of learning, ideas, best practice and legitimacy. The specificity of each border becomes embedded in the wider experience of borderlands in Europe. Models of co-operation found in one border region may be emulated in others. Successful demands on national governments may lead to similar demands elsewhere. Through LACE-TAP actors in border regions are taken beyond their own borderlands and are exposed to the experiences of their counterparts in other parts of Europe.

It will benefit our analysis of the processes at work in the Northern Ireland/Ireland INTERREG, and cross-border co-operation in general, to situate it within the spectrum of similar developments between other European states. Of course, each set of partners will have their own peculiarities, both advantageous and disadvantageous, but in a certain respect this fact makes comparison even more beneficial. Comparison with other member states may help counteract any perception that if there is a problem with co-operation, it must all be explained by a poor political climate. This is not to negate the effect that political problems of sectarianism and violence have had on efforts to build relationships of trust and co-operation between the two parts of the island of Ireland, but it does help refocus the analysis on the problems that are experienced even in what are considered to be 'normalised' political relations.

Research under the auspices of the European Parliament has identified a number of issues that influence cross-border co-operation (see table 1.4). The Parliament points to the variety of institutional mechanisms that characterise cross-border co-operation. This is highlighted by the following analysis of three non-Irish examples of cross-border co-operation in Europe.



Cross-Border Co-Operation in Europe

Table 1.4: Factors influencing cross-border co-operation

<p>The context of co-operation</p> <ul style="list-style-type: none">• geographic situation• the social, political, historic, cultural and religious context• the level of economic development <p>The actors</p> <ul style="list-style-type: none">• necessity for a dense fabric of relations• political and administrative organisation of the states <p>The organisation of co-operation</p> <ul style="list-style-type: none">• existence and experience of a tradition of co-operation• elaboration of a strategy <p>Limitations</p> <ul style="list-style-type: none">• legal difficulties• financial difficulties• linguistic, cultural and social disparities• disparities in political-administrative organisation• longevity of projects <p><i>Source: EP 1996</i></p>

The three examples differ in terms of the variables influencing co-operation. They are:

- Euregio Rhine-Waal (Germany/Netherlands);
- PAMINA (France/Germany);
- Gabinete de Iniciativas Transfronterizas, Alentejo/Extremadura (Portugal/Spain).

Euregio Rhine-Waal

The partnership between the communities of the Rhine-Waal river region is one part of the so-called Euregio, existing on the borderlands of Germany and the Netherlands. It is frequently held up as an example of best practice in European cross-border co-operation. The European Commission in its guidelines for INTERREG III notes that “the kind of strong co-operation that takes place, for example in ‘Euroregions’ is still the exception rather than the rule” (CEC 2000). It is, however, important to remember that the communities of the Dutch-German Euregio have been building this partnership for over forty years, long before there was any EU funding to kick-start reluctant co-operators. The first formalised co-operation between the two borderlands began in 1958 (EP 1996). This points to the longevity of co-operation in this part of Europe. It now includes the Ems-Dollard region, Euregio Gronau, Rhine-Maas-North and Maas-Rhine. The particular case of the Rhine-Waal dates from the late 1960s (see www.euregio.org).

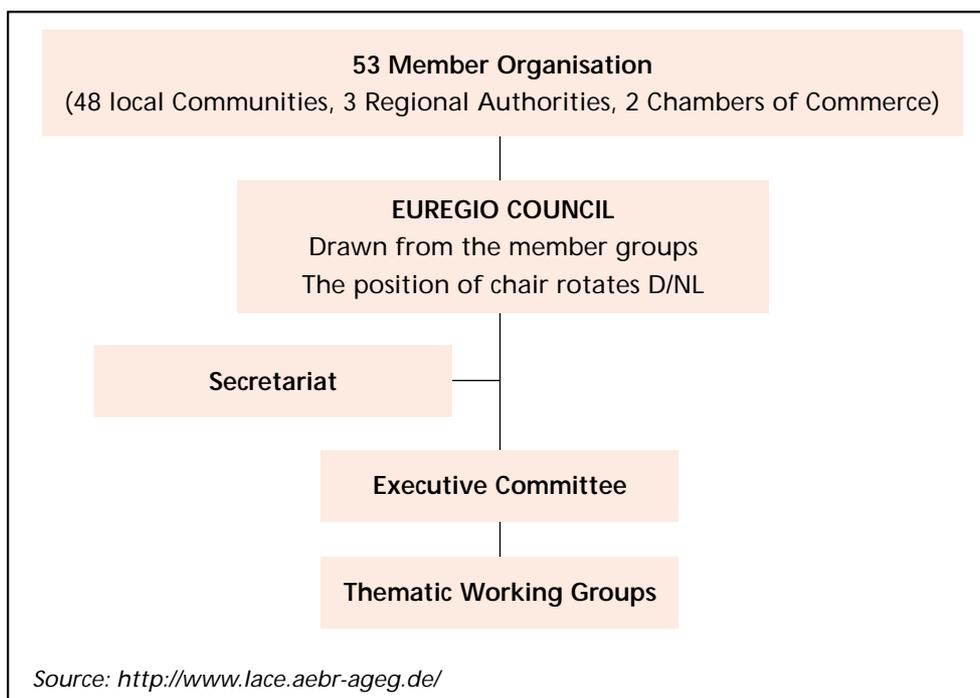
The origin of the Euregio Rhine-Waal joint organisation, established in 1978, began on an informal and voluntary basis. A further step to formalise relations

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came on 23 May 1991, with the “agreement between the Land (State) of North Rhine-Westphalia, the Land Lower Saxony, the Federal Republic of Germany and the Kingdom of the Netherlands pertaining to cross-border co-operation between local territorial authorities and other public authorities”. This laid the foundation for a Constitution of the Euregio Rhine-Waal association of municipalities, which entered into force on 1 November 1993. Giving the cross-border link a legal treaty basis of this kind, which detailed the institutions of co-operation and the areas in which such co-operation could take place, put the Euregio Rhine-Waal on a new footing as an organisation in public law.

The spheres of co-operation covered by the Rhine-Waal association are wide ranging, encompassing economic development, education and training, traffic and transport, town and country planning, culture and sport, tourism and leisure, environmental protection and refuse disposal management, nature conservation and countryside protection, social matters, health, emergency disaster planning, telecommunications, public security and order (see figure 1.3).

Figure 1.3: The structure of Euregio Rhine-Waal



The Euregio is the competent authority in regard to the creation, definition and performance of INTERREG. Proposed projects are assessed by the secretariat, which receives advice from the relevant working group. It sends its deliberations to the Council for a decision. The Council recommendation is then sent by the secretariat to the INTERREG steering committee, which decides the amount of grant to be awarded. The management of INTERREG thus takes place within the border region itself in a highly institutionalised framework.

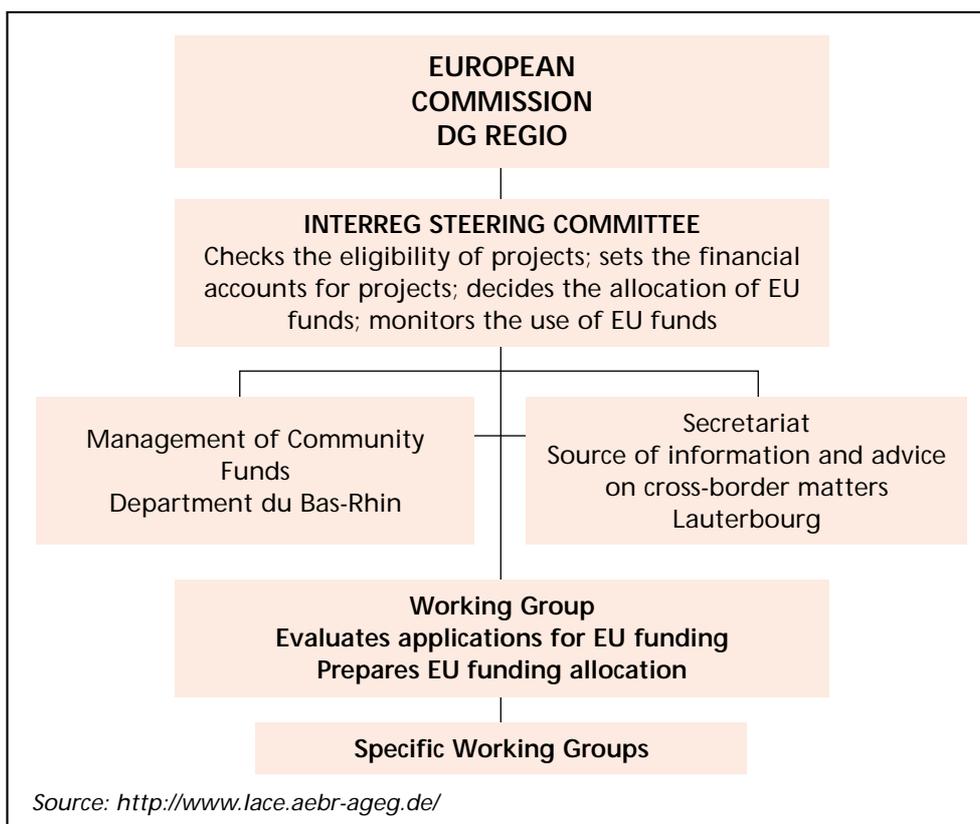
Cross-Border Co-operation in Europe

PAMINA

PAMINA (Palatinate — Middle Upper-Rhine — North Alsace) is an example of co-operation on the Franco-German border. Indeed the turns of war and history have meant that the French region of Alsace, famous today for the city of Strasbourg, and as the home of the European Parliament, has at times been a part of German-governed territory. In living memory, this border has been one dividing opposing sides in the most cruel and bloody conflicts, and yet it is now a symbol of how peace and co-operation can be achieved and sustained. On a more positive note for the context of cross-border co-operation, it is one of the most prosperous regions of the EU, and unemployment is low (5-6% on average) in the whole territory (Saalbach 2000). The creation of the PAMINA network was less inspired by the lure of EU funding than by a 'bottom-up' local mobilisation. The will to co-operate was expressed in a declaration of 1988, and through the formation of a steering group. The European Union came into the picture with funding for projects under the ERDF, and later INTERREG (Saalbach 2000; see figure 1.4).

In 1998 some fifty agencies came together to form a parallel PAMINA Developers' Club to serve enterprise in the region. The current lack of legal status for PAMINA will soon end with the creation of the Regio PAMINA association (www.pamina.org).

Figure 1.4: The structure of PAMINA



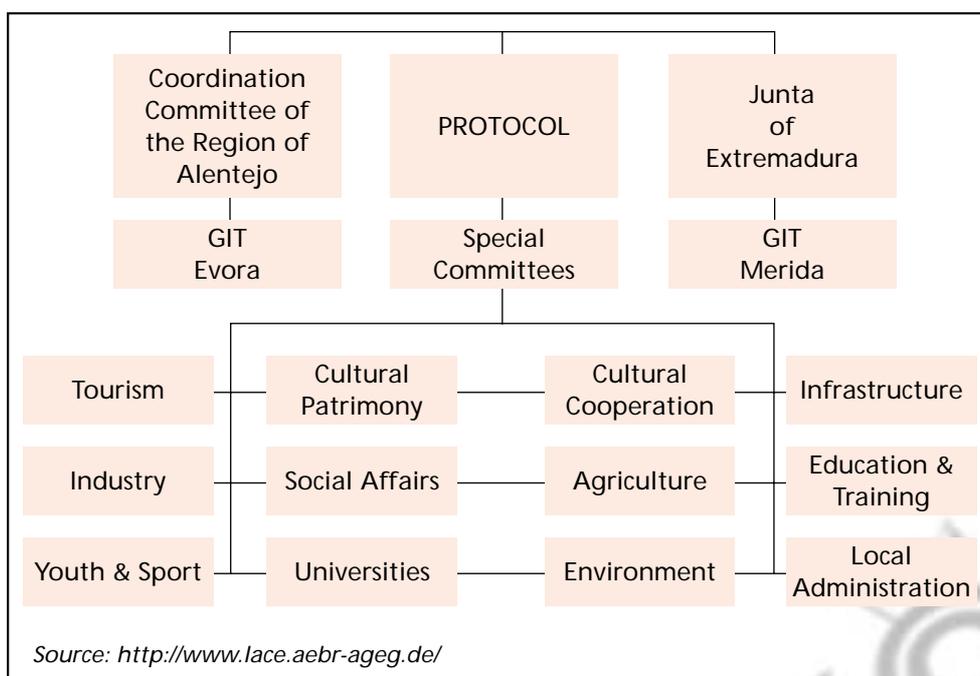
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In relation to INTERREG, the steering committee approves the operational programme, but there is an additional monitoring committee involving national and European Commission representatives. The specific working groups consist of regional and local actors. PAMINA already complies with the INTERREG III guidelines since it maintains a joint account for EU monies.

Alentejo and Extremadura

This linkage in west central Iberia comprises the regional authorities of Alentejo on the eastern frontier of Portugal and the Junta de Extremadura at the western frontier of Spain. The situation here has been compared to that pertaining in the Irish border region—primarily rural, difficult to access and subject to high levels of emigration, with development in the area sluggish (EP 1996). Co-operation between the two regions was almost non-existent until 1989 within the scope of EC Objective 1 funding. The real catalyst, however, was INTERREG I. On 17 January 1992 a 'co-operation protocol' was signed between the two regions (www.ccr-alt.pt). The following year the Gabinete de Iniciativas Transfronterizas (GIT) (cabinet of cross-border initiatives) was established as one of the projects initiated by the Commission (September 1993). The *presidency* of the network alternates every six months between the partners. A permanent working group exists as the strategy-making and decision-taking body. It includes representatives of the special committees for each sector of co-operation, of which there are now twelve (see figure 1.5). It also provides a contact point for other groups and associations. The GIT itself has two centres, Évora (P) and Mérida (ES), which provide technical assistance and foster communication (EP 1996; www.ccr-alt.pt; see figure 1.5).

Figure 1.5: Structure of co-operation in Alentejo/Extremadura



Cross-Border Co-operation in Europe

The nature of the co-operation has been primarily 'back-to-back', with each region running projects on its own side of the border. Under INTERREG I a mere 7.3% of funding went to genuinely cross-border projects (EP 1996). This separation is illustrated physically by the placing of one office on each side of the border. Also, as explained above, there was a strong focus on infrastructure development rather than community based initiatives.

These three examples of cross-border co-operation highlight the diversity of institutional arrangements that have been established across Europe's borders. They range from the highly institutionalised co-operation on the German-Dutch border, to the growing institutionalisation on the Franco-German border, to the weakly institutionalised co-operation on the Spanish/Portuguese border. The longevity of co-operation also differs one from the other. The European Parliament offers a four-fold classification of European structures of transnational co-operation (see also table 1.5):

- Integrated structures with a long history and large experience of co-operation, characterised by diverse partnership and highly developed and common organisational systems. Euregio is the key example of this style.
- Integrated structures, which are primarily linked to the management of INTERREG. These are well developed and organised, but not to the same degree as the Euregios. They are more limited in their partnership and function. PAMINA is an example of this type of co-operation.
- Structures taking the form of networks between existing entities. These comprise national, regional and local representation. They may have separate or rotating secretariats, and their role in INTERREG is linked into that of the monitoring committee. One example given is that of Alentejo and Extremadura.
- Forums for consultation and information are classified as the least developed forms for co-operation across borders, providing a largely supportive and informative resource. The structures are weak, and links with INTERREG are informal, limited to promoting and preparing certain projects. This category is excluded from table 1.5 because it not found in any of the three examples analysed above.

The emerging institutional framework for cross-border co-operation between the Republic of Ireland and Northern Ireland (Strand Two) does not fit easily into any of the four categories identified by the European Parliament because it involves not just the border region but the whole island of Ireland. In this way the Good Friday Agreement's institutional template is very distinctive.

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Table 1.5: Summary of European regional structures

Type of structure	Long-term integrated structures	Integrated structures linked to the management of INTERREG	Networked structures
General characteristics	The highest level of integration: large experience of co-operation, management of numerous cross-border projects, decision-making organ, structures adapted to the management of INTERREG	High level of integration Experience is more recent Orientated to the management of cross-border programmes	Regrouping of existing structures
Composition of partnership	Local and regional representatives from diverse backgrounds	Regional and local representatives — less enlarged partnership	National, regional and local representatives
Organisation	Complex and integrated: <ul style="list-style-type: none"> - political and administrative decision-making organ - common cross-border office with administrative and technical competencies - a common bank account, which can be used for national, regional and European funds - common working groups with all the partners 	Common secretariat with administrative and technical competencies Working group Monitoring committee Common bank account uniquely for European funds	Separate or rotating secretariats Working groups with administrative and technical competencies Sometimes with a common bank account
Functions and competencies	Strategy Programming Implementation	INTERREG programming	Very linked to the INTERREG programme
Relations with INTERREG	Project selection Structure which serves as a basis for the monitoring committee	Structure which serves as a basis for the monitoring committee	Monitoring committee
Examples	EUREGIO Euregio Rhine-Waal, Rhine-Maas-North, Ems Dollard, Rhine-Maas	Pamina Upper Rhine Jutland/Schleswig-Holstein	North-Pas-de-Calais/Kent Cabinet of Transfrontier Initiatives (Alentejo/Extremadura)

Source: adapted from EP 1996, p.64

Cross-Border Co-operation in Europe

Conclusions

This chapter established the context for the analysis of INTERREG as it applies in the case of the Irish border. The analysis of the development of the INTERREG programme highlighted the model of cross-order co-operation that is favoured by the Commission. The EU's emphasis is on the creation of joint strategies and structures for the border regions that evolve from a 'bottom-up' process of partnership. The Commission remains deeply committed to the INTERREG programme because overcoming the obstacles to cross-border co-operation is part of the ideology of the EU and of the dynamic of integration. Notwithstanding this, the Commission is aware of the difficulties of promoting cross-border co-operation and of the limited impact of INTERREG in the past. It must animate local actors and promote the interests of these actors in its negotiations with the member states. In this way it can create a political and policy space for groups working in Europe's border regions.

The second part of the chapter highlighted the 'bottom-up' mobilisation of border regions in Europe and the growing transnationalism evident among those working in Europe's borderlands. Organisations such as LACE-TAP foster linkages among those whose aim is to promote cross-border co-operation. Involvement in a transnational framework links those working in any one border area to those in others, thereby providing ideas, models of best practice and legitimacy. Involvement in LACE-TAP takes cross-border advocates beyond their own border regions. The analysis of cross-border co-operation in three specific border regions in Europe highlights the diversity of institutional and functional co-operation that exists and the multiplicity of models that are on offer. Co-operation on the Irish border is part of a wider transnational process of co-operation in Europe. It is also one of the most experimental because of the elaborate and complex character of the Good Friday Agreement.

Introduction

THE border between the Republic of Ireland and Northern Ireland runs for some 343 kilometres, demarcating the reach and limits of formal Irish and British sovereignty on the island of Ireland. Formal provision for the partition of Ireland was made in the Government of Ireland Act (1920), an act that made provision for two parliaments, one for the people of the 26 counties and a second for those living in the six counties of Northern Ireland. Partition became a political reality with the ratification of the Anglo-Irish Treaty in 1922 and the border was further entrenched with the failure of the Boundary Commission in 1925 to significantly change the territorial limits established by the Government of Ireland Act. The border, running in some places through farms, villages and towns, was drawn in an arbitrary manner depending on pre-established county boundaries. It created not just an international boundary between two states but what political geographers would call a frontier zone or border region. The Irish border region was and remains culturally and ethnically mixed, although it does in some places coincide with lines of cultural and political division (O'Dowd 1992).

The Irish border was consolidated with the separate development of two states on the island. It became a container of two different political systems, legal jurisdictions, systems of public policy making and, some would argue, societies. Although highly permeable, the Irish border was never normalised or fully accepted, unlike most other borders in Western Europe. From the outset the border was contested by nationalists in Northern Ireland, many of whom felt trapped in the wrong state, and by the fledgling Irish state from 1922 onwards. The constitutional claim contained in the Irish constitution of 1937 over the island of Ireland was not superseded until the referendum on the Good Friday Agreement in 1998. Although the remit of the Boundary Commission stipulated that the boundary should be drawn 'in accordance with the wishes of the inhabitants', in reality the boundary was imposed rather than agreed upon and accepted by a majority of those who lived in the border region. The border was violently contested in the 1920s and again with the IRA border campaign of the 1950s. The outbreak of communal conflict in Northern Ireland from 1968 onwards drew attention again to the contested nature of the Irish border as the state authorities on both sides moved to enhance security in an effort to counteract the spread of terrorist violence. This reduced the permeability of the Irish border as many roads were closed and military fortifications multiplied along the border. The history and legacy of cross-border co-operation in Ireland must be seen against this backdrop of conflict (Tannam 1999).



INTERREG and the Irish Border

The genesis of an EU role

The EU's role in cross-border co-operation has evolved on the basis of its policy regimes and functional competence in relation to market integration and regional policy. The development of a European regional policy, outlined in chapter 1, was strengthened by the establishment of the European Regional Development Fund (ERDF) in 1975. The Commission was a strong advocate of an EU role in alleviating obstacles to the economic development of border areas. The Commission's objective, an admixture of the political and the economic, was to transform Europe's borders from barriers into bridges, as we have seen. The promotion of cross-border co-operation formed a central strand of policy in this domain. The Irish government supported Commission preferences from the outset, and argued that the non-quota section of the European Regional Development Fund (ERDF) should be used to finance cross-border projects. Once the possibility of cross-border projects was included in the regulations, the EU had a policy instrument to promote such projects in the context of the Irish border. However their development was slow, tortuous and uneven.

The EU's role began with a series of low-key reports outlining the economic problems of the Irish border region and strategies for its development. In the late 1970s the North West Communications Study (1978) and the Erne Catchment Area Study (1980) were co-financed by the Commission, in addition to a number of programmes for tourism, small business and handicrafts. This was followed by a report on *Irish Border Areas* by the Economic and Social Committee in 1983, which recommended a strengthening of cross-border initiatives and the use of EU budgetary mechanisms to finance such initiatives. Financial transfers became a key and enduring feature of the Union's policy towards the Irish border region. The importance of budgetary instruments owed much to the fact that the EU had a strong treaty mandate for the promotion of economic integration and a set of policy instruments to promote economic development. Financial transfers from Europe came, however, with strings attached in the form of Commission and EU preferences about how its monies should be deployed. Because of its financial resources, the Commission was in a position to negotiate with state authorities about the use of EU monies.

The significance of the 1983 report on *Irish Border Areas* lay in its identification of the serious economic problems experienced in the border region. It confirmed that the border generated particular obstacles to economic development and that the border region, like other border regions in Europe, suffered from economic peripherality (O'Dowd and Corrigan 1995, p. 337). The report highlighted the region's dependence on agriculture and catalogued the impediments to improvements in agriculture such as poor soil, established patterns of inheritance and marriage, and farm size. Furthermore those living in the border area suffered from low incomes, little industrial employment, high unemployment, and significant outward migration (ESC 1983, p. 1). The report argued that a broad development programme should be drawn up for the border

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area and that the Irish border zone should “be given priority for Community assistance” (ESC 1983, p. 9). The report was followed by financial assistance for additional studies and the continuation of the Non-Quota Special Border Areas programme. It was not, however, until 1990 that the EU had a specific policy instrument — INTERREG — designed to overcome the obstacles to development in border regions and to promote cross-border co-operation. By then the context of cross-border co-operation in Ireland was altered by the new institutional mechanisms established under the auspices of the 1985 Anglo-Irish Agreement.

The first *Ireland: Northern Ireland* INTERREG Initiative lasted from 1991 to 1993. It built on the tentative efforts at EU promoted cross-border co-operation in the 1980s. The programme explicitly identified problems of peripherality and the manner in which violence had exacerbated the economic problems of the border area. The programme outlined five areas for functional co-operation:

- tourism;
- agriculture/fisheries/forestry;
- human resource development;
- environmental protection;
- regional development (INTERREG I, EU Commission 1991).

Each sectoral area of co-operation was developed as a sub-programme under the auspices of measure leaders, designated civil service units or state agencies in Northern Ireland and the Republic. The overall programme was the responsibility of a monitoring committee chaired by the Department of Finance (DOF) in Dublin and the Department of Finance and Personnel (DFP) in Belfast. Each sub-programme was managed by the relevant sectoral department in Dublin and Belfast. In each department a measure leader was designated. The monitoring committee and the related civil service networks in both administrations were responsible for the delivery, monitoring and management of the programme. INTERREG I was designed and negotiated in an inter-governmental framework. Although the programme document claimed that there “was extensive consultation with local bodies internally by both governments” in the preparation of the programme and that “both governments took into consideration comments and submissions made at local level”, there was in fact very little involvement by those living in the border area in the design and management of the first INTERREG. Nor did the programme reflect any agreed cross-border strategy for overcoming the obstacles to economic development. By and large, the programme took the “form of parallel rather than related projects on either side of the border with little direct connection between them and was heavily biased towards infrastructural development” (O’Dowd,



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Corrigan and Moore 1995, p. 280). The renovation of the Shannon-erne Waterway remained the one important symbol of genuine cross-border co-operation in INTERREG I. The official evaluation of INTERREG I identified a lack of consultation, the limited local contribution to the programme and problems of matching finance as key obstacles to fostering of cross-border co-operation through the programme (O'Dowd and Corrigan 1995, p. 346).

During the latter half of the 1980s and the early 1990s, there was a growth of cross-border linkages that was driven by business interests in search of a 'one island economy' and by local groups along the border in search of economic regeneration. Cross-border networks expanded among the business sector, public agencies and civil servants (Tannam 1999). However academic analyses of cross-border co-operation in the Irish border region in the 1990s identified continuing and deeply rooted problems hampering cross-border co-operation (Anderson and Goodman, 1994, Anderson 1998, Lyne 1990, O'Dowd 1992, O'Dowd, Corrigan and Moore 1995, O'Dowd and Corrigan 1995, Tannam 1999)¹. Some of these problems were common to all efforts at cross-border co-operation throughout Europe but others arose because of the nature of the Irish and British states and the contested nature of the Irish border. It is necessary to discuss the different obstacles identified in this series of research projects as a backdrop for the later discussion of INTERREG II and III.

The political symbolism of cross-border co-operation

Traditionally, and not unexpectedly, cross-border co-operation has met with very different responses from unionists and nationalists. For unionists, cross-border co-operation could be likened to a Trojan horse, a device to lure them into a united Ireland by stealth. Agreement to any form of cross-border co-operation could be construed as a step towards integration with the Republic and was thus anathema to most unionists (Tannam 1999, p. 6). Unionist concerns were captured by O'Dowd and Corrigan in their study of the attitudes of local councillors towards economic co-operation in the border region. The unionist respondents to the questionnaire asserted that economic co-operation would only be possible if the Republic dropped its claim to Northern Ireland and prevented its territory being used by terrorists. The unionist councillors felt that if these conditions were met improved cross-border co-operation might be possible. One respondent argued that "if the republic relinquished its territorial claim to Northern Ireland, there could be much better cross-border economic co-operation." Another suggested that "some co-operation on a limited form should exist between North and South e.g. in tourism, electricity, road structure and travel, but with the Anglo-Irish Agreement still in existence very little progress will be made" (quoted

¹ An extensive study of cross-border co-operation led by Professor Liam O'Dowd (Queen's University Belfast) in the early 1990s and Dr. Etain Tannam's study published in 1999 both provide a very good benchmark of the obstacles to cross-border co-operation up to 1995.

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in O'Dowd and Corrigan 1995, p. 341-2). For unionists, the key objective in relation to cross-border co-operation was to ensure that it did not in any way dilute British sovereignty in Northern Ireland. Moreover, economic co-operation would remain secondary to political concerns and priorities.

For nationalists, on the other hand, cross-border co-operation was something that was welcomed and perceived as very beneficial for economic and political reasons. For John Hume and the SDLP, EU generated co-operation would dilute the negative effects of the Irish border and would facilitate reconciliation between the two communities in Northern Ireland and between North and South. John Hume became a vocal advocate of a 'Europe of the regions', a Europe in which central state power was weakened. From an SDLP perspective, improved cross-border co-operation in the Irish border area would simply replicate what was happening in other European border regions. Sinn Fein echoed the SDLP's support for cross-border co-operation but without the same enthusiasm for European integration and European supranationalism. All political parties in the Republic supported cross-border co-operation in whatever guise. Successive Irish governments supported the Commission in all of its efforts to diminish barriers to cross-border co-operation.

The centralised nature of the two states

Contrasting political attitudes towards cross-border co-operation was by no means the only obstacle to cross-border co-operation in Ireland. Efforts to design and manage genuine cross-border projects in a delegated and decentralised manner had to contend with the highly centralised nature of the two Irish states. The reform of the structural funds in 1988, with its emphasis on partnership and 'bottom-up' development identified in chapter 1, did not fit easily into the dominant style of public policy making on either side of the border. The authorities in Dublin and Belfast were quick to assert their role as 'gatekeepers' in relations with Brussels. In the Republic, the Department of Finance dominated the design and implementation of the National Development Plan. It engaged in limited and largely cosmetic consultation with sub-national actors. The plan reflected national sectoral imperatives rather than regional and local ones.

However the availability of structural fund monies generated extensive local mobilisation with the result that the sub-national dimension became more significant in the development of the second National Plan (1994-99). Gradually the stranglehold of central government was weakened and a multiplicity of policy instruments evolved that were designed to foster local development. The situation in Northern Ireland was not dissimilar. The Department of Finance and Personnel (DFP) was the key actor in the elaboration of the North's Community Support Framework, with limited consultation of local interests. The cross-border dimension was minor in the plans submitted by both jurisdictions for funding under the first round of financing (1988-93).



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Difficulties of matching up

All efforts at cross-border co-operation face institutional and jurisdictional obstacles. A number have been identified as salient in the context of the Irish border region. First is the fact that there are different sets of public institutions on both sides of the border with different competencies, geographical remits, financial resources and degrees of autonomy. In addition, there has been a high degree of rivalry between some agencies in the past, notably in the areas of industrial development and tourism (Lyne 1990). Second is the perception that "for most government departments in Dublin, as in Belfast, involvement with another jurisdiction is at the very least 'non-standard' and can be seen as upsetting long established procedures and power relationships" (Anderson 1998, p. 83). Garret Fitzgerald in his autobiography acknowledged that parts of the Irish civil service were not particularly enthusiastic in their response to the new institutions mooted under the Anglo-Irish Agreement. He concluded: "Other departments were notably reluctant to concede parts of their responsibilities to this proposed North-South body, which they seemed to see as some kind of external threat to the institutions of the state" (Fitzgerald 1990, p. 203). Third, the powers of local authorities are different on both sides of the border, which can make it difficult to initiate and implement joint strategies.

Differing attitudes towards the EU and its policy regimes

Although an assessment of the impact of joint membership of the European Union on cross-border co-operation is beyond the scope of this research project, it is important to draw attention to the wider EU context of co-operation. From 1973 onwards, the attitudes and policies of successive British and Irish governments have diverged. The Irish political elite was comfortable with the pooling of sovereignty and the fragmentation of political power associated with EU membership, whereas EU membership posed a major challenge to British political culture and state tradition. The EU was not a divisive issue in party politics in Ireland whereas it caused major splits in both the Labour and Conservative parties at different times. Divergent attitudes towards European integration were accompanied by different attitudes towards some of the Union's policy regimes. Successive Irish governments were a key part of the Common Agricultural Policy 'supporters club' whereas successive UK governments were determined to bring agricultural expenditure under control. The policies of Irish governments were much more in line with the interests not just of farmers in the Republic but also in Northern Ireland. Different fiscal policies have had a major impact on the economy of cross-border activity. Furthermore, from January 1 2002, citizens of the Republic will share a common currency with the citizens of 11 other European states, but not Northern Ireland as part of the UK. Although the tone and substance of the UK's EU policy has changed since 1997 under the Blair government, membership of the Euro remains a very divisive issue in UK politics and it is unclear when a referendum on the issue will be held and, if held, whether or not it will be passed. More recently the Euro and the price of petrol

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have created tangible benefits for economic actors on the Southern side of the border, benefits that are arguably far more important than the economic impact of INTERREG programmes.

Regionalism and regionalisation

The centralised and hierarchical nature of the Irish and UK states, highlighted above, has had a major impact on the spatial implementation of public policies and on the role of territory in the system of government in both jurisdictions. Essentially policy was directed from the centre with little sub-national participation. Devolution in Britain and Northern Ireland together with regionalisation in the Republic and the North-South Strand of the Good Friday Agreement are generating processes of regionalisation and regionalism that may have a long term impact on systems of public policy making. Regionalism is being fostered by the growing demands from the local level for participation and from experiments in partnership at different levels of government. The three cross-border groups that are active in the Irish border region represent regionalism at that level but there are also impulses towards regionalism in the poorer parts of the Republic. Northern Ireland itself might be regarded as a region within the United Kingdom and there is the question of all-island regionalism in the context of the Agreement. Rather than one hierarchical centre of public policy making, the system is becoming more layered and unsettled with different spatial areas involved in the planning and delivery of programmes.

Notwithstanding the political, administrative and policy obstacles to cross-border co-operation, changes in British-Irish relations, the evolution of EU regional policy and 'bottom-up' mobilisation altered the context in which cross-border co-operation evolved in the 1990s. North-South co-operation was fostered by the two states and by parallel developments in civil society (Tannam 1999). Although there was clear evidence of more co-operation, Tannam concluded that "cross-border co-operation had altered little up to 1996" (Tannam 1999, p. 204). The key research question in this study is to probe the extent to which the context and the practice of cross-border co-operation through INTERREG has changed with the establishment of the new institutions created by the Good Friday Agreement. This study traces the interaction and intersection of four different processes and dynamics of change: institution building under the auspices of the Good Friday Agreement, changes in EU's INTERREG programme, 'bottom-up' mobilisation in the Irish Border region and regionalisation in the Republic.



INTERREG and the Irish Border

A framework of analysis

The focus of our research is on the manner in which an EU programme designed to promote cross-border co-operation operates in the context of the Irish border. The time frame of the study covers the operation of INTERREG II (1995-2001) and the framing of the INTERREG III programme (2000-2001). The framework of analysis adopted for this study has two components. First, the concepts of multileveled governance and policy networks are used to analyse the role of different actors in the development and implementation of the INTERREG programme. Second, historical institutionalism is deployed in the analysis of the processes of institution-building associated with the Good Friday Agreement.

Multileveled governance and networks

The analysis of public policy making in the European Union has been characterised by the application of a multiplicity of analytical frameworks and approaches (Wallace and Wallace 2000, Peterson and Bomberg 1999, Cram 1997). For the purposes of this study, the concepts of multileveled governance and policy networks are used in the analysis of the key issues that have characterised the design and implementation of the INTERREG programme. Highly differentiated patterns of governance can be found in EU regulatory policy making, redistribution, economic governance, foreign policy, justice and order, and constitutional change. The style of policy making in EU regional and cohesion policy, including INTERREG, is multileveled because this policy reaches into the regions and localities of the member states (Marks 1992). The key actors in European regional policy are the European Commission, national governments, state and regional governments, cities, and cross-border regions. The stakeholders include public agencies, consultants, the social partners and the wider civil society. As outlined in chapter 1, the Commission has developed a very sophisticated programming process governed by the principles of partnership and additionality. Commission officials are part of the national and regional monitoring committees, which gives them a role in national and local deliberations. Moreover, the management of the Union's regional programmes involves shared management between the Commission and state authorities.

The manner in which EU regional policy evolved ensured that no one tier of government could design, implement and monitor a programme on its own. Rather, EU regional programmes emerge from complex and continuing negotiations between a variety of actors at different levels of government and between public agencies and private groups. The actors in multileveled governance are the following:

- the Commission as the designer of the main guidelines and the decision-maker concerning the ultimate financial commitment. The Commission has clear preferences, outlined in chapter 1, concerning how EU monies should be spent;

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- the Council as the arena in which the broad financial envelopes and the key framing regulations are determined;
- national governments and bureaucracies as the designers of national plans and the chief negotiators with the Commission about the content and delivery of programmes;
- regional and local governments/agencies concerned with the territorial and spatial dimension of EU regional policy who seek to ensure that their region/locality gets its share of the cake;
- local groups acting as advocates of their particular interest and locality.

The key argument in the literature on multileveled governance is that national governments no longer monopolise contact between national actors and Brussels. The underlying assumption of this approach is that the Commission and sub-national actors have a margin of manoeuvre in the process of negotiations that enables them to pursue their own preferences, sometimes in opposition to the preferences of central government. The negotiated character of the system was captured by Hooghe when she argued: "The supranational, national, and sub-national authorities play a game in which each tries to gain maximum influence while attempting to avoid being dominated by other players" (Hooghe 1996, p. 17). The Commission's requirement for partnership implies programmed interaction between actors at different levels of government in the design and delivery of EU programmes. Although EU regional policy has created opportunities for sub-national actors, it has not produced a level playing field across the Union (Hooghe 1996, p. 18). The manner in which partnership evolves and is practised depends crucially on the political and administrative relationships between states and border regions. European regionalism remains highly contingent on national, regional and local structures, diverse styles and preferences.

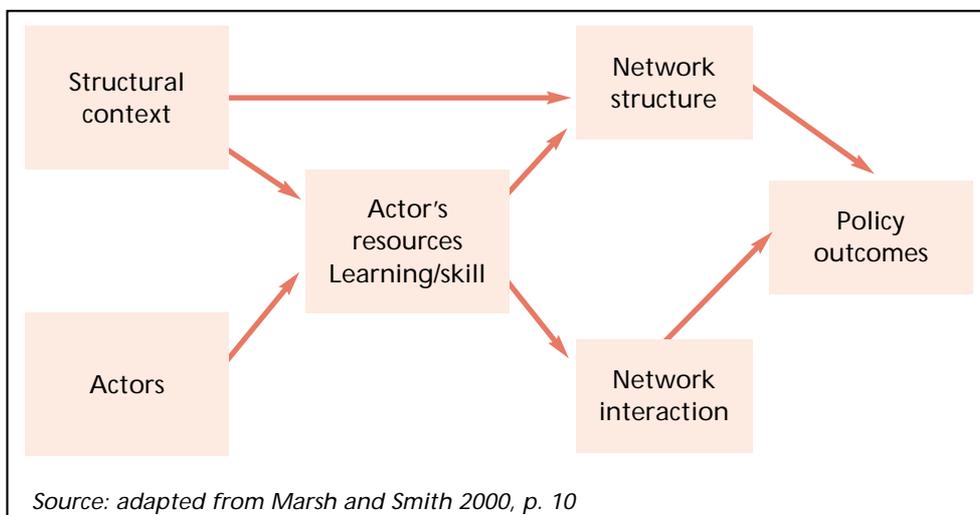
The multileveled governance approach draws attention to the multiplicity of actors involved in regional policy making in the Union and to the need for co-operation and mutual adjustment among actors in the design and delivery of programmes. In this system actors are linked through networks within and across layers of governments. Policy networks and network analysis have been extensively deployed in the analysis of the Union's systems of public policy making because networks play a central role in the development and implementation of EU programmes (Borzel 1997). For the purposes of this study, a policy network is defined as set of resource-dependent organisations that are drawn into a web of interdependent relationships in a particular policy field or programme (Rhodes 1981). The making and implementation of public policy through networks implies interdependence rather than hierarchy, mutual adjustment, patterned resource exchange, and formal and informal rules of



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the game (Peterson and O'Toole 1998). In the design and implementation of the INTERREG programme there is a high degree of resource-dependence and interaction among the organisations involved in the programme. All relevant actors bring different resources to bear on their negotiations, notably political power, money, expertise, local knowledge, bureaucratic capacity and information. Policy networks are political structures within which the roles of different actors are established and issues are discussed and resolved (Marsh and Smith 2000, p. 5). The network approach enables us to chart who are the stakeholders involved in the elaboration and implementation of INTERREG, what are the key issues and how are they resolved. Policy networks are situated within a particular context which in turn affects the structure of a network and the pattern of interaction among actors in the network. This in turn affects the outcome of policy and the extent to which the key objectives of a programme are achieved (see figure 2.1).

Figure 2.1: Policy networks and outcomes



The structural context of the Ireland INTERREG network was changed by the creation of the North/South Ministerial Council, the new North-South 'implementation body' to deal with special EU programmes, by changing Commission guidelines and by the mobilisation of cross-border networks around the EU programmes. This meant that INTERREG III would be framed and developed in a very different context to the earlier programmes. The number of actors involved in the development and implementation of INTERREG has also changed with the establishment of the executive in Northern Ireland, the North/South Ministerial Council and the Special EU Programmes Body. Additional institutional actors have been grafted onto the system of public policy making. Modifications to the structural context and the number of actors will in turn have an impact on the structure of the network and interaction within the network. Furthermore, we can anticipate that those involved in INTERREG II will have learnt from that experience and will want to apply the fruits of that learning to the framing and implementation of INTERREG III. Although this study pays

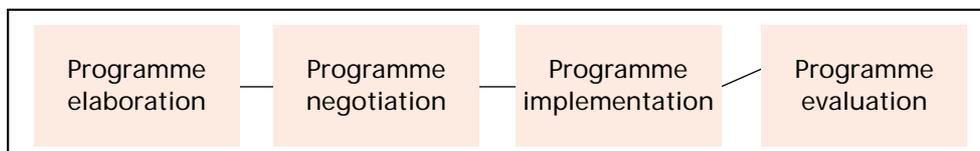
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particular attention to changes in the institutional context of INTERREG, we are conscious of the significance and role of individuals as they use the new institutional framework.

The influence that different actors have within a policy network is dependent not only on their resources and interests but on their role in the different phases of the policy process. The key phases in the development and implementation of specific INTERREG programmes are:

- the *elaboration* of the programme by the responsible authorities. This involves a consultation phase with relevant public and private actors, followed by the drafting of the programme. The key factors are the Commission guidelines, the views of potential beneficiaries both public and private and the preferences of the responsible authorities. Private consultants play an important role in the process of preparation.
- the *negotiation phase* with the Commission. The key factors relate to admissibility, Commission preferences and funding issues that are raised in the Commission's position paper.
- *implementation*: The key issues are the establishment of a management structure (programme complement), funding mechanisms, grant awarding, systems of monitoring and financial accountability, re-balancing of the programme in the light of developments.
- *evaluation*: The EU insists on extensive evaluation of programmes and sub-programmes mid-way through the programme and again once the programme is complete. The results of the evaluation then feed back into the elaboration of the next programme (see figure 2.2).

Figure 2.2: Phases of the policy process



The different phases of the policy process determine who is involved and why they are involved (see table 2.1).



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Table 2.1: Sub-phases of the policy process

<p>Programme elaboration</p> <p>Consultation conferences Consultative advisory groups Drafting of programme with the aid of consultants Agreement to programme by relevant authorities</p>	<p>Programme implementation</p> <p>Programme complement Designation of measure leaders Establishment of monitoring committee Delivery mechanisms Financing decisions Auditing and management</p>
<p>Programme negotiation</p> <p>Internal analysis by Commission Decision on admissibility Commission position paper Negotiation of outstanding issues</p>	<p>Programme evaluation</p> <p>Ex-ante evaluation Mid-term review</p>

The new institutions

The INTERREG programme in the Irish border region for 2001-2006 is being implemented in the context of a major institutional change within Northern Ireland and between North and South. In order to analyse the interaction between INTERREG and the new institutional landscape it is necessary to sketch an analytical approach that enables us to address the new processes of institutionalisation. The approach adopted in this study is based on key insights and arguments from the re-discovery of the significance of institutions in structuring political and social action (March and Olsen 1989, Powell and Di Maggio 1991, Hall and Taylor 1996). First, it is argued that there is a co-evolution between institutions and their environments. Institutions evolve on the basis of continuing interactions between their internal processes and external dynamics. The new institutions established as a consequence of the Good Friday Agreement are evolving in the context of a fluid and unstable political environment. The process of institutionalisation is affected by the crisis-prone nature of the external environment. Second is the argument that although new institutions may be legally established with formal organisational charts, staff and so on, they must fight to become 'living institutions', to gain recognition. It takes time for new institutions to develop standard operating procedures, a stable staffing profile, an esprit de corps, and legitimacy in the eyes of key stakeholders. This is particularly true of the institutions established by the Good Friday Agreement. Their design is deliberately complex and they must find their place in the larger institutional order of the two responsible states. Moreover, the process of institutionalisation itself inevitably involves a continuing process of problem-solving as political and technical issues arise and must be confronted. Third is an emphasis on socialisation, collective learning processes and on the importance of individuals as change agents in the system. Change agents are those who can

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mobilise and persuade others to redefine their interests and work in new ways (Borzel and Risse 2000, p. 2). Individuals might be expected to exercise a critical role in cross-border co-operation because of the need to confront problems and to work around the obstacles that inevitably exist. Fostering cross-border co-operation requires change agents who are able to persuade others to try new things. Fourth, the literature on historical institutionalism places considerable emphasis on path dependency and on the manner in which the legacy of the past moulds the development of new institutions. Path dependency suggests that the institutions created by the Good Friday Agreement will be influenced by the nature of the states that gave birth to them and that this formative period will be crucial in determining their future trajectory. The new institutions are a laboratory for the analysis of institution-building in a contested and unstable environment.

Networks and new institutions

The structural context within which INTERREG is developed and implemented in the Irish border area is characterised by processes of conflict management by the two governments and political parties within Northern Ireland. Second, it is characterised by 'bottom up' efforts at cross-border co-operation among groups in civil society. The scale of such co-operation is a mixture of all-island co-operation and border region co-operation. Third, EU rules concerning the deployment of INTERREG monies are subject to change at the end of each programming period and all EU programmes themselves are subject to evaluation. There are, as noted above, a myriad of actors involved in the design and implementation of the INTERREG programme: EU Commission, central government departments, the EU Special Programmes Body, cross-border networks, interest groups and civil society groups. The extent and character of the interaction among the actors in the network depends on what they bring to the table and on the different phases of the policy process. Policy networks are not static but are subject to change from within and without. Actors learn from their experience of previous efforts at cross-border co-operation and they may well wish to alter the 'rules of the game' and enhance their place in the system.

Conclusions

This chapter analysed the genesis of EU sponsored cross-border co-operation in the context of the Irish border area. It highlighted the gradual, albeit tentative, development of a European role in the 1970s and 1980s. In addition, it highlighted the continuing obstacles to cross-border co-operation: the symbolism of cross-border co-operation, the centralised nature of both states, difficulties of matching up, differing governmental attitudes towards the EU and problems of regionalisation/regionalism on the island of Ireland. Notwithstanding the



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growth of cross-border networks in the 1990s, cross-border co-operation remained weakly institutionalised and INTERREG I achieved limited results.

The chapter established the analytical framework adopted in this study to analyse the development of networks in the context of INTERREG II and III. The analytical framework has two components. First, the framework is based on networks, the actions of actors within networks and the issues that are addressed in the process of negotiation and mutual adjustment. Networks operate with a system of multileveled governance that stretches from Brussels to the national capitals and the border region. Second, insights from 'new institutionalism' are used to analyse the development of the new political arrangements for the management of EU programmes within Strand Two. The Good Friday Agreement could be characterised as a macro-process of learning through experimentation and risk-taking.

The Implementation and Evaluation of INTERREG II

Introduction

THE INTERREG programme 1994-99 was an EU Community initiative designed to promote cross-border co-operation and to stimulate economic development of the regions through the provision of grant aid to individuals, groups and organisations with suitable proposals. INTERREG has the potential to be innovative not only in terms of the types of policy measures that it can support across a range of sectoral policy areas, but also because it specifically calls for collaboration, planning and implementation across borders. In this research we examine the capacity of the INTERREG II programme to facilitate genuine cross-border management of the INTERREG projects. In particular we focus on the implementation of the INTERREG II programme, including the arrangements for evaluation and monitoring. The research findings suggest that for most projects the management process was 'top heavy' as the lead partners were primarily the national level government departments with the key decisions being taken by the working groups established for each measure. There was only limited involvement of other interests from the private sector and from the local and regional levels. On the other hand, the European Commission was an important counterweight in the process, particularly facilitated by its involvement in the monitoring committee. It pushed continuously for a wider and more inclusive implementation process as well as the support of genuine cross-border projects.

In the first part of the chapter, the structure of the INTERREG II initiative is outlined, including an identification of the key policy and expenditure guidelines, both overall and with regard to the particular sub-programmes and measures therein. We examine the management of the INTERREG II programme, paying particular attention to four of the five sub-programmes (1,3,4,5) which comprise INTERREG II. Our selection of these sub-programmes reflects both the prioritisation of INTERREG II funding as well as our particular focus on cross-border action. Our analysis of the management of INTERREG II begins by looking at the process of project development, which consists of three stages: the development of the project proposal, the working group appraisal of the proposal and the monitoring and evaluation of INTERREG II. These three stages involve three sets of actors, with some core actors involved in all three stages of the process. Our analysis focuses on the experiences of these actors in trying to implement the INTERREG II programme, paying particular attention to their capacity to collaborate with others in the process and facilitate cross-border co-operation. Our analysis also explores the impact of the mid-term review on the subsequent implementation of the INTERREG II programme. Following this, we examine similarities and differences in the management of INTERREG which emerged across the different sub-programmes and measures. Our final section summarises the main findings following this analysis of INTERREG II.



The Implementation and Evaluation of INTERREG II

The Structure of the INTERREG II programme

Programme Objectives

INTERREG II allowed a wide choice of eligible measures without any particular priority. INTERREG II also strengthened the provision for technical assistance and for support monitoring and evaluation activities. The guidelines for INTERREG II placed a strong emphasis, in particular in the internal borders, on the condition that measures should involve a high degree of co-operation. It was recognised that the participation of regional and local authorities and other local partners, including those representing SMEs, in devising and implementing such measures was clearly very important for their success.

The programme objectives of the INTERREG II for Northern Ireland/Ireland were:

- to promote the creation of and development of cross-border networks and links within the eligible area;
- to promote the joint planning and implementation of cross-border programmes which will assist in overcoming the region's development problems arising from its isolation within national economies and the European Union as a whole.

Sub-programmes and measures

The INTERREG II programme comprised five sub-programmes²:

- *Regional development*: co-operation links; tourism; local community development technical assistance;
- *Human Resources*: incentives for schemes in education and training; product development; quality control; support for the other sub-programmes;
- *Infrastructure*: transport; energy and telecommunications networks;
- *Agriculture*: fisheries and forestry; production; marketing; health; protection of the marine environment; co-operative forestry projects;
- *Environment Protection*: water quality, tourist development of natural resources.

² See appendix four for a more detailed breakdown of measures and sub-programmes under INTERREG IIa

The Implementation and Evaluation of INTERREG II

The Border

Under the INTERREG II programme as it applied in Ireland, the border counties of the Republic and the border districts of Northern Ireland are NUTS III³, and they became defined as a region in their own right. The areas concerned are homogeneous in many ways, but the border has created a disparity. Donegal and Derry may have much more in common than Donegal and Louth, for example. From the economic perspective the border can be viewed as an artificial line of disruption. For much of its history the border marked off a relatively more prosperous North from a poorer South with much less adequate public service provision. This general statement must be qualified by the peripheral status of both border regions within their respective jurisdictions. The recent Celtic Tiger phenomenon in the Republic has in many, but not all, respects reversed the situation so that more recently the border has come to represent an economic divide between the successful southern and a struggling northern economy. Moreover, the currency differentials between the two areas have had serious implications for funding allocations. In the South the exchange rate is fixed with the Euro whereas in Northern Ireland this stability is lacking. Bradley points to the key differences in the economies of the North and South and suggests that "four interrelated issues stand out for the Northern economy: the decline of manufacturing, the massive expansion of the public sector, problems of high long-term unemployment, and chronic regional trade deficits. Parallel issues in the South concern the rise of foreign-owned high-technology manufacturing, difficulties experienced in striking a balance between the roles of the public and private sectors, the continued role of emigration combined with the emergence of long term unemployment, and a successful recovery from the chronic fiscal and trade imbalances of the 1980s" (1995). The 'reversal of fortunes' between the North and South has all kind of effects on the impetus for cross-border co-operation, including encouraging many unionists in the view that there is real material advantage in co-operation provided there are no big political strings attached. Anderson and Goodman pointed to the beginning of this shift in attitude when they noted that "there has recently developed a remarkably broad consensus that much greater economic co-operation between North and South is needed in order to meet the threats posed by the SEM" (1994).

INTERREG II expenditure

The INTERREG II programme had a budget of 157 MECU available over a five year period. The European Community contributed 59.88% to the overall costs of

³ Analysis of socio-economic problems at regional level requires a definition of region which helps to capture as clearly as possible the issues under examination at Community level. The use of statistical territorial units ('NUTS') provides a uniform frame of reference for regional statistics. In 1988 the European Commission defined 64 regions (NUTS I) in the Community. Within these, it defined 167 basic administrative regions (NUTS II) and 824 subdivisions of NUTS II regions, referred to as NUTS III regions.

The Implementation and Evaluation of INTERREG II

INTERREG II, with the majority of this financial support being provided under the European Regional Development Fund (ERDF) and just over thirteen percent provided by the other structural funds (see table 3.1).

Table 3.1: Percentage contribution of various structural funds to INTERREG II in the Republic of Ireland/Northern Ireland

European Regional Development Fund (ERDF)	86.68%
European Social Fund (ESF)	5.74%
European Agricultural Guidance and Guarantee Fund (EAGGF)	5.92%
Financial Instrument of Fisheries Guidance (FIFG)	1.66%

In table 3.2 the allocation of INTERREG II funding (EU and national governments) is presented with respect to its distribution across the different sub-programmes. As the structure of the INTERREG II programme was quite similar to its predecessor, we can examine the change in allocation and policy priorities over time. It is clear that the highest level of expenditure in INTERREG II is the spend on infrastructure and that this is a substantial increase on the amount allocated to this policy area under INTERREG I. Indeed under INTERREG II infrastructural policy has its own sub-programme, rather than being treated as a component measure as in the previous round of structural funds. The public authorities in the South have been strongly criticised for the use of infrastructural funding under INTERREG II. It seemed that the money was often used to fund the improvement of certain roads, for instance, which were located far away from the border areas. In this respect the INTERREG funding was seen to merely augment the spend under the Republic of Ireland's operational programme for infrastructure, rather than represent real *additional* expenditure on the border areas.

The second two sub-programmes, Regional Development and Environmental Protection also represent relatively substantial expenditure increases on the previous programme. In the case of Environmental Protection, this reflected the wider European Commission level concern with the environmental impact of EU policy. The sub-programme Regional Development comprised three sub-measures, Economic Development, Tourism and Community Economic Development, and a fourth measure, Technical Assistance. Under INTERREG II there was a growing awareness of the need to strengthen support for SME development and to actively assist and promote the local and community level to become involved in the delivery of INTERREG projects.

The management process for INTERREG II

In chapter 2 we presented the various phases of the policy process for the framing, negotiation, programme implementation and evaluation of INTERREG. In our discussion of INTERREG II in this chapter, we primarily focus on the implementation and evaluation phases of the programme. The implementation

The Implementation and Evaluation of INTERREG II

Table 3.2: Sub-programmes and measures under INTERREG II

Sub-programme	INTER-REG I ECUM (%)	INTER-REG II ECUM (%)	Change in emphasis in INTERREG II	The 13 measures
Regional development	34.9 (42.5)	43.7 (27.9)	<p>Increased emphasis on the process of community involvement.</p> <p>Increased funding for economic development measure.</p> <p>Assistance to tourism reduced.</p> <p>Infrastructure is a sub-programme in its own right now.</p>	<p>Economic development</p> <p>Tourism</p> <p>Community economic development</p> <p>Technical assistance</p>
Human Resource development	4.9 (5.9)	14.1 (9.0)	<p>Increased allocation - need to address youth unemployment and the development needs of the relatively high proportion of young people in the workforce.</p>	<p>Training and education (ESF)</p> <p>Human resources development (ERDF)</p>
Infrastructure	11.4 (13.9)	51.0 (32.5)	<p>Increase due to recognition of the fact that a coherent economic development strategy for the border region is dependent upon adequate infrastructural foundations.</p> <p>Aim is still to fund mainly small scale schemes of direct assistance to the local communities.</p> <p>Telecommunications, also energy, transport and especially, road transport.</p>	<p>Roads and transport infrastructure</p> <p>Energy and telecommunications</p>
Agriculture Fisheries Forestry	14.1 (17.1)	14.5 (9.2)	<p>Agriculture and forestry likely to be under various horizontal measures. The scope for further funding was limited and the percentage share of assistance for the agricultural sector reduced accordingly.</p>	<p>Agriculture</p> <p>Fisheries FIFG</p> <p>Fisheries ERDF</p> <p>Forestry</p>
Environmental Protection	16.9 (20.6)	33.6 (21.4)	<p>Increased to protect the natural assets of the area, to build on INTERREG I and to underpin developments in the tourism, agricultural, industrial and service sectors.</p>	<p>Shared and related catchments</p>



The Implementation and Evaluation of INTERREG II

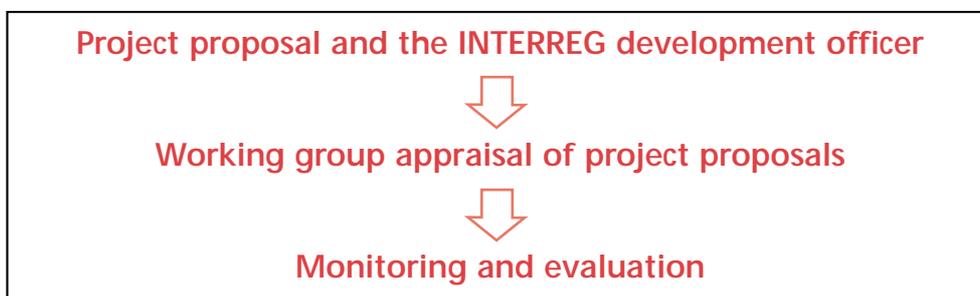
of INTERREG II involved establishing the management structure, which is detailed in the INTERREG programme complement; the funding and grant awarding mechanisms, and the establishment of systems of monitoring and financial accountability. During the monitoring of the programme, external changes may also require that there is a re-balancing of the programme to respond to these changes. Apart from the ongoing monitoring of the programme, a mid-term review is carried out by external consultants to assess how well the programme is being implemented and whether it is likely to reach its pre-designated targets. These targets have already been assigned a set of agreed indicators. In figure 3.1 the arrows indicate that the evaluation stage, and in particular the mid-term review, can have an impact on the ongoing implementation of the current INTERREG programme. Moreover, as part of the evaluation stage, an ex-post evaluation of the programme is also carried out and together with the mid-term review, these feed into the elaboration and negotiations for the follow-on INTERREG III programme.

Figure 3.1: Implementation and evaluation phase for INTERREG II



In our analysis of the management of the INTERREG II programme, we first trace the steps and actors involved in the development of a project proposal, the appraisal of the project proposal and the monitoring of the delivery of projects and policy measures (see figure 3.2).

Figure 3.2: Management and implementation of INTERREG II



Key actors involved in this process include the INTERREG development officer, the measure level working groups and the monitoring committee established under the programme complement.

The Implementation and Evaluation of INTERREG II

- The INTERREG development officer has an office on both sides of the border. His activities included animation and technical assistance to support organisations or individuals in preparing proposals, and assisting with the creation of links between cross-border groups and the promotion of the programme more generally.
- Various joint working groups were established for the sub-programme measures whose purpose was to assess and agree whether or not to fund proposed projects under the INTERREG II programme.
- A monitoring committee is responsible for overseeing the implementation of the programme and consists of representatives of government departments, the European Commission, statutory agencies and the local social partners.

Project proposal and the 'Border Santa'

In the negotiations leading to the INTERREG II programme and its subsequent programme complement, the Commission looked for a more decentralised management structure for the implementation of the programme. The Commission sought to appoint three INTERREG development officers (IDOs), whose role would be to animate and enhance the capacity of potential beneficiaries 'on the ground' to participate in the INTERREG II programme. The Department of Finance in Dublin had already experienced considerable 'downsizing' of its administrative resources and so opposition to the Commission proposal was not a real option. The Department of Finance and Personnel in Belfast opposed in principle any diminution of central control of the INTERREG II programme. Moreover it objected to the appointment of three officers and looked for the appointment of two development officers instead, one for each side of the Border. The Commission responded with a counter proposal of funding for either three development officers or just one overall development officer. In the end, only one INTERREG development officer, Eamonn Naughton, was appointed⁴, and on his appointment, the *Irish Times* likened him to the 'Border Santa'. The IDO was to have the use of two offices, one on either side of the border in Monaghan and Armagh. However the amount of resources made available to the IDO was quite minimal and indeed, for the first eighteen months at least, the IDO's office consisted of two rooms in the courthouse in Monaghan only. Administrative support was later seconded from Monaghan County Council.

Subsequent to the appointment of the IDO under INTERREG II, the EU Special Support Programme for Peace and Reconciliation (PEACE) came into operation in 1995. Unlike the INTERREG II programme at that time, it actively

⁴ At the time of the negotiations for INTERREG II, the Commission also looked to make available block grants (global) for the support of cross-border networks. This was opposed by DFP.



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sought the involvement of the private sector and organisations such as the Area Development Management Ltd (ADM), the Combat Poverty Agency (CPA), and the Northern Ireland Voluntary Trust as Intermediary Funding Bodies to administer the programme. The PEACE programme offices were located with INTERREG in Monaghan because of its central location and the complementarity of the two programmes. Following the mid-term review, which was critical of the low level of cross-border projects compared with 'stand alone' projects, one of the key requirements for the Commission was a more focused approach for the IDO in terms of facilitating the strategic planning and development of cross-border projects.

At the time of the appointment of the IDO, Eamonn Naughton, the concept of cross-border co-operation was very underdeveloped and various agencies felt threatened by Naughton's appointment. Naughton came to the post having already worked extensively as a development officer with the Integrated Rural Development and LEADER programmes. The role of the IDO was set out in the INTERREG II programme for Ireland and Northern Ireland 1994-1999. It included the following responsibilities:

- Actively promoting and publicising the INTERREG programme and liaising with personnel responsible for other EU funded programmes, so as to avoid duplication of funding and effort;
- Serving as a filter for enquiries regarding eligibility of proposals and providing other general information on the programme;
- Giving practical assistance to groups, organisations or individuals in preparing proposals;
- Assisting with the creation of links between cross-border groups;
- Contributing to consistency of approach on implementation and to the exchange of information between local groups and central administrations through close liaison with various sectoral working groups and implementing agencies. The officer may make representations to the working groups, either in person or in writing, but will not be part of the decision making process.
- The officer will attend monitoring committee meetings to report on the office's activities.

In terms of liaising with the various government departments and agencies, the reaction to the newly appointed IDO tended to be quite negative, and in particular support from the key government departments such as DFP and DOF was mixed and weak. There were probably a number of reasons for this reaction. First, in the early stages of the INTERREG II there was a strong proclivity to large

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scale, 'stand alone' projects and, as a result, there was only limited support for small scale, cross-border projects. The IDO argued strongly that there was very little technical support available to those local level interests wishing to put forward a project proposal (interview, Dublin 2000, Belfast 2001). Moreover, he also recognised that "partner development, especially inter-regional, was difficult to establish although agents found it very easy to propose projects for either side of the border". Given the scale of the task coupled with the relative scarcity of resources at his disposal, the IDO decided to focus his work on the development/support of new/existing networks. His work primarily involved bringing individuals together to discuss future co-operative ventures, and providing technical assistance for the development of projects.

The IDO prepared regular reports which provided details of his office's activities over six month periods and these were presented to the monitoring committee for the INTERREG II programme. A number of these reports were examined for the purposes of this research and a summary of two of the reports is provided in appendix 5. Each of the IDO reports is presented in similar fashion, with issues arising under the four headings, which are listed in table 3.3.

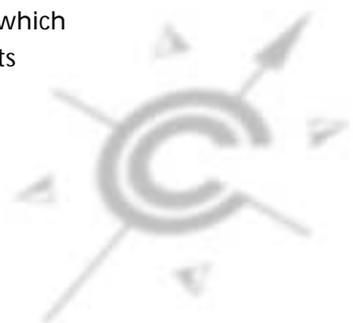
Table 3.3: INTERREG development officer reports to monitoring committee

- | |
|--|
| <ul style="list-style-type: none">• Promotion and publicity of INTERREG II Programme• Liason with personnel• Technical support in the development of project proposals• Assisting the creation of cross-border linkages |
|--|

Drawing on the findings of our analysis of the IDO monitoring committee reports, as well as interview material, we can identify a number of general issues with regard to the work of the IDO.

First, there was an ongoing difficulty resulting from the lack of adequate administrative support. In particular, while the DFP and DOF held the joint secretariat and were therefore expected to co-ordinate their work, the reality was that they worked to very separate agendas. This was also reflected in the day to day operation of the joint working groups. While the working groups were officially joint cross-border groups, in reality their work was generally of a piecemeal nature on either side of the border.

Second, the IDO found that there were a number of difficulties which arose with regard to negotiations between the different interests involved. In some instances the IDO's own position as interlocutor did not help as he could be perceived as being responsible to no one.



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Another difficulty was the differences in the ethos of the two departments, DFP and DOF, vis-à-vis cross-border co-operation. While DOF accepted, however superficially, the role of the IDO as a constituent part of the implementation process, the DFP was clearly opposed to any substantial role for the IDO under INTERREG II (interview, Dublin 2000). The varying reactions to the role of the IDO and the call for greater partnership reflect a number of key historical differences between the North and South:

- the impact of the earlier downsizing of government departments in the South compared with the expansive character of Northern Ireland government departments;
- the varying experiences of the two administrations with regard to 'working with Brussels' and in the experience of partnership and decentralised decision making;
- public policy making and the involvement of societal interests in the context of the 'Troubles' in Northern Ireland.

As already mentioned above, the earlier downsizing of government departments in the South left the DOF more open to accept whatever extra resources the Commission was prepared to make available for the implementation of the INTERREG II programme. The Northern Ireland administration did not face the same pressures on resources and was well placed to resist the Commission's calls for a greater role and resources for the IDO. The application of the partnership method as applied in the South over the course of the nineties was not reflected in the Westminster model (Anderson and Goodman 1997; Tannam 1995). Moreover unlike their Dublin counterparts, the experience of the Northern Irish administration of dealing directly with Brussels and the European Commission was relatively limited. Finally, the varying reactions of the DFP and DOF to the Commission's calls for resources to support the partnership model and the role of the IDO should also be placed in the specific context of public policy making in Northern Ireland with regard to the history of the Troubles. It is widely recognised that the relationship between business and politics at regional and local level is quite problematic in Northern Ireland — partly as a consequence of the Troubles, partly as a result of the UK central government policy towards public-private partnerships. One effect of ongoing terrorist violence in Northern Ireland was to undermine the necessary basis of trust and mutual understanding required for successful public-private partnerships, and particularly where this involves the joint management or delivery of publicly funded projects. All this is likely to impact on the prospects of local partnerships across the border and the provision of policy resources such as IDOs which support these.

These differences also led to tensions in the working groups and their day-to-day operation as the expectations of the individual officials involved varied considerably. Generally the Belfast approach was to evaluate proposals in terms

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of 'value for money' whereas the officials in Dublin had a much broader agenda in terms of enhancing overall socio-economic development. This lack of understanding reflected the fact that there was no training provided to the members of the working group to help them resolve the differences between the two administrative centres, North and South of the border.

Another issue was the lack of real support for strategic and focused planning for the border regions in particular. For instance there existed "no baseline study of the 12 counties, which meant that strategic planning was very difficult as there was no clear starting point" (interview, Dublin 2000). Moreover no support was forthcoming for the establishment of a cross-border observatory. Likewise the cross-border networks were not immediately provided with secretariat support under INTERREG II, and indeed their subsequent bid to become more influential in the INTERREG planning and decision making process proved to be highly controversial.

Despite the difficulties faced, the research findings would suggest that there have been significant benefits from the operation of the INTERREG II programme. Its implementation has enhanced the capacity for facilitating network development across the border. While the economic returns have been as yet quite minimal, Naughton has suggested that "overall the main issue was not the availability or otherwise of financial resources. The real challenge was the attempt to build a cross-border institutional structure for policy co-ordination" (interview, Dublin 2001). In this respect the most successful networks were those that evolved out of existing networks already in place. INTERREG II served as an important learning curve for many local actors both with respect to dealing with the European Commission and working with agents on both sides of the border. These agents have developed a self awareness that is being reflected in the calls for more autonomy and local level control of cross-border development. Moreover the European Commission, especially those officials involved with the management of the INTERREG programme, continue to support increased local capacity and establishment of policy processes which facilitate a real and influential voice for a range of actors from different levels of the INTERREG policy network.

Joint working groups

Under INTERREG II both the Department of Finance in Dublin and the Department of Finance and Personnel in Belfast held the overall lead responsibility for the implementation of the programme, with each taking responsibility for the implementation of the programme in their jurisdiction. As a core part of this management structure, joint working groups were established which comprised the relevant sectoral government department officials from the Belfast and Dublin administrations. While one of the key tasks of the IDO was to facilitate the development of project proposals, the central task



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of the joint working groups was to appraise and decide on whether or not to approve these proposals. The INTERREG II programme was sub-divided into various sectoral sub-programmes and measures. This structure reflected the general internal organisation of the government departments involved and some interviewees have pointed out that “the cynical view of this arrangement would suggest that INTERREG is only a top-up for departmental budgets” (interview, Belfast 2001). Normally, there was a departmental working group for each of the sub-programme measures. For example the sub-programme for regional development was divided into a number of measures, one of which was economic development which had its own joint working group (see table 3.4). Most working groups were comprised of central departmental officials only. However in a small number of cases, such as the tourism measure, the working groups also included the semi-state agencies such as Bord Fáilte and the NITB. Other members of the working groups came from different departments.

Table 3.4: Working groups established under INTERREG II (sub-programme 1)

Sub-programme 1	Measure	Working Group
<i>Regional Development</i>	Economic Development	Yes
	Tourism	Yes
	Community Economic Development	Yes
	Technical Assistance	Yes

A general difficulty reported on by the Commission and others was the reluctance of the working groups to provide adequate reporting procedures and in particular the use of genuine *joint* reporting. This reflected the fact that for many of the working groups, the element of joint appraisal and award was very limited. For the most part, the joint working group was effectively two working groups, one on either side of the border, who reported to each other the type of projects they had agreed, rather than engaging in any kind of real consultation and strategic cross-border decision making and implementation. The working group for the tourism measure was an exception to this general trend. This is illustrated by the capacity of the group to develop joint progress reports for the monitoring committee meetings, rather than two separate reports, one from the Belfast working group and the other from its Dublin counterpart. The frequency with which the working groups met together varied across the sub-programmes but on average the joint working groups would meet at least 4 or 5 times per year and in some cases much more regularly. Apart from the full joint working group meeting, smaller joint meetings on specific measures were also arranged on a regular basis. These joint meetings took the form of plenary sessions and were used for reporting on the progress of different initiatives. Commission officials regularly attended the working group meetings, particularly in the early start-up phase of the INTERREG II initiative.

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PROJECT APPRAISAL AND AWARD

Project applications for funding were assessed and agreed by the working groups established for the various measures under INTERREG II. The main task of the working group was to assess the various applications and this process was generally facilitated by a set of criteria, which the working group had initially agreed for assessment of projects. Each working group could apply a particular set of criteria for assessment of project proposals, which need not replicate other sets of criteria for the other working groups. Likewise working groups differed in terms of the time involved to appraise the projects. In appendix 6 is presented a flow chart of the various stages of assessment in the appraisal of projects submitted under measure 1 (agriculture). Also included are the criteria agreed in the Department of Agriculture working group in Dublin as to how to appraise new project proposals submitted for funding under INTERREG II. In general the process of project appraisal followed the following steps:

- the applications could initially arrive at either the Department of Finance in Dublin or the Department of Finance and Personnel in Belfast. As the INTERREG II initiative progressed, new proposals were increasingly sent initially to the EU House in Monaghan;
- from Monaghan, the proposal was then sorted and sent to the relevant lead government departments;
- once the proposal had been assigned to the relevant lead authority, the assessment stage began. Alongside the working group assessment of the project on paper, a site visit was usually required before the money could be approved.

From interviews with a range of government officials and non-government organisations, it is clear that the experience of submitting or assessing a proposal was not very satisfactory. In particular the application forms required to be submitted as part of the proposal were generally unsuitable, particularly to the needs of the voluntary and community sector. The proposal required a substantial amount of initial research as well as an elaborate business and marketing plan. This effectively put the bidding process beyond the reach of small local and community groups whose budget was minimal and certainly did not stretch to cover the costs associated with this kind of initial proposal preparation, particularly as there was no guarantee of success at the end. The technical requirements of the project application forms required that many potential applicants had to be guided through the process of application. Some of these difficulties were highlighted in the IDO's reports to the monitoring committee as well as in the mid-term review evaluation.



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THE MONITORING COMMITTEE

As part of guidelines governing the agreement for the INTERREG II programme for Ireland and Northern Ireland 1994-1999, a programme monitoring committee was established. Representation on the monitoring committee was initially very restricted. The committee comprised representatives from all of the relevant government departments and public agencies on either side of the border. The European Commission was also a full member of the monitoring committee. The only non-governmental organisation which was initially allowed to be a member of the monitoring committee was Co-operation Ireland. At the time of the INTERREG II negotiations, the European Commission had sought wider representation of the social partners on the committee. National authorities in the Republic were willing to extend the INTERREG monitoring committee membership to reflect the kind of broad partnership model being widely adopted in the Republic. However in Northern Ireland the case for wider monitoring committee membership was strongly rejected by a number of the government departments and in particular by the Department of Finance and Personnel. The Commission continued to look for wider representation, and after substantial pressure the membership of the INTERREG II monitoring committee was extended to facilitate a wider range of social partners. The key dynamic for change came about as a result of the establishment of the monitoring committee for the EU Special Support Programme for Peace and Reconciliation (PEACE) in 1995. Unlike INTERREG, the monitoring committee for PEACE was very representative of all the key social partners as well as the public authorities. The relative success of PEACE, compared with INTERREG II, in attracting and promoting cross-border projects, was identified in the mid-term review of INTERREG and with this came the Commission's call for wider partnership in the decision making and implementation of the INTERREG programme. Membership of the INTERREG II programme monitoring committee was eventually widened to include private sector business interests, as well as the local social partners.

Under the guidelines, the programme monitoring committee was to oversee and monitor the implementation of the INTERREG programme and to assess the success of the programme in reaching its performance indicators. The lead departments, DOF and DFP, jointly chaired the monitoring committee and provided the secretariat for the committee. The joint working groups, and in particular the measure leaders, prepared regular progress reports on the developments in their measure. The monitoring committee met regularly at six monthly intervals to discuss the joint working group reports, the IDO's report and any other relevant material presented to the committee at the time. For the purposes of this research, we examined the minutes of the monitoring committee meetings up until the end of 1999.

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Table 3.5: Operation of the INTERREG II monitoring committee

Sub-programme and measures	Type of key issues discussed, during the monitoring committee meetings
General issues	<ul style="list-style-type: none"> • Financial indicators of percentage funds committed and spent over time annually. • Transfer of funding between measures and sub-programmes. • Numbers of applications received and approved. • Plethora of agencies and role of IDO. • Confusion with other programmes: PEACE. • Length of time required to appraise and approve projects. • Breakdown of projects in terms of cross-border status (a-c type) or stand alone projects. • Presentation of non-financial indicators for different measures. • Identification of key new projects approved in six months prior to monitoring committee meeting. • Integrated areas plans and sectoral measures .

We identified a number of key types of issues that were discussed regularly at these meetings and these are presented in table 3.5. A more detailed presentation of these issues is presented in appendix 7. In this section we present and discuss two of the more controversial issues which arose regularly during the monitoring committee meetings. Many of the other issues were also controversial but will be discussed in relation to the findings of the mid-term review, which are presented in the following section.

Cross Border networks and integrated area plans

In 1995 the PEACE programme was launched and was perceived as having stronger potential for facilitating a wider partnership, particularly at the local community level. The Commission was anxious to see a comparable widening of the policy process for the INTERREG programme and called in particular for a greater role for local actors. It encouraged local actors to form cross-border networks and to develop strategic plans for cross-border policy. The Commission call served to support and strengthen the mobilisation of three *cross-border local authority networks*: the North West Region Cross Border Group (NWRCBG), the East Border Region Committee (EBRC) and the Irish Central Border Area Network (ICBAN). These three local authority networks received INTERREG funding to establish a full time secretariat which would facilitate them to develop integrated area plans.

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However the level of support from the national central authorities for the local authority networks was at best weak. At the monitoring committee meeting in January 1996, the central authorities pointed to the practical difficulties in implementing the concept of the local authority integrated area plans, as the format of the INTERREG II programme did not allow for this. The Commission pointed out that it had received complaints from the local authority networks that there was general lack of co-ordination between various funding agencies on the ground. A compromise was reached and it was provisionally agreed with DGXVI that each sectoral element of the local authority plans would be examined by the relevant joint working group. Moreover, the Commission asked that in future groups which had submitted integrated plans be invited to present their proposals before the working group. Many of the members expressed disquiet at setting such a precedent, coupled with the dangers of allocating globalised grants to groups who neither had the expertise in the sectoral area, nor the statutory powers to deliver such services. At the monitoring committee meeting in December 1996 it was reported that there was still no progress in discussing the integrated area plans and a further request was made as to whether it would be possible to allocate block grants to the local authority networks. This was rejected by the DOF, which pointed to the modus operandi already agreed with DGXVI.

At the monitoring committee meeting in June 1998, the measure leaders reported on a meeting with the three cross-border local authority networks, which had been on a study visit facilitated by the LACE-TAP. The local authority networks sought clarification on what kind of role they would have in the decision making process for the forthcoming INTERREG III programme. The Commission encouraged them to broaden their sphere of interest and to embrace regional priorities in order to better position themselves as focal points within their respective delivery regions, and forge the type of partnership arrangements which would be a prime factor in the post 1999 delivery mechanisms for the structural funds. In June 1999 it was reported to the monitoring committee that consultants had been appointed on behalf of the three local authority networks (ICBAN, NWRCBG and EBRC). The consultants were to provide sub-regional integrated area plans for the ICBAN and NWRCBG regions and an overarching strategy for the border corridor.

Community Economic Development and cross-border projects

The implementation of the Community Economic Development measure, as part of the sub-programme for regional development, proved to be one of the more controversial measures of the INTERREG II programme, particularly with regard to the number of cross-border projects approved. In June 1996 the progress report to the committee pointed out that a high number of applications had fallen short of meeting the aims and objectives of the measure. The situation was to be discussed with the IDO and remedial action taken immediately. The progress report also indicated that there was a possibility that some potential INTERREG

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applications were being directed to other initiatives, such as PEACE and LEADER. The measure leaders assured the Commission that the slow progress had not been due to administrative difficulties, or the failure to receive quality applications. In December 1996 it was pointed out that local community group infrastructure was relatively weak, both North and South, and the measure leaders, assisted by the IDO, had to invest much time and effort in developmental work. The Department of Agriculture in Northern Ireland pointed to the need for thorough economic appraisals to be undertaken on many of the projects. Moreover it was argued that local community groups sometimes had difficulty in providing matching funding. DOF advised that there was the facility to assist local groups with matching funding, but only as a last resort. Following the mid-term review and strong criticism of the low level of cross-border projects, as well as the small size of the projects that were funded, the Commission proposed to transfer a proportion of money out of the measure altogether. The national authorities sought to keep the funding but to transfer it elsewhere. In June 1997, some funding was transferred out of the measure to measure 1 (agriculture) of sub-programme 4, Agriculture, Fisheries and Forestry.

THE MID TERM REVIEW OF INTERREG II

As part of the evaluation process for the analysis of the implementation of the INTERREG initiative, Coopers and Lybrand were commissioned to carry out the mid-term review of the programme, which was published in May 1997. The terms of reference of the mid-term review are presented in table 3.6 below. This report presents the main findings of the mid-term review and links this discussion with the kinds of issues being raised in the monitoring committee meetings.

In this report we review the findings of the mid-term review first in terms of the overall administration of the programme. An overview of the findings with regard to sub-programmes and measures is also presented, with several of these issues returned to in more detail in the following section. As regards the overall administration, the consultants noted that in the case of both the Department of Finance and Department of Finance and Personnel, there was a lack of resources dedicated to the management of the INTERREG II programme. In the case of the DFP, this was compounded by a high turnover of staff. While noting that the monitoring committee had successfully established criteria for identifying the extent to which projects were genuinely cross-border or 'stand alone', the consultants pointed out that there were inconsistencies between the approaches taken in respect to recording project application details in the departments. As regards the level of co-operation at measure level (between measure leaders), they said the level of contact was good but that there had been no effective joint project selection for a substantial number of the measures. Moreover only a minority of the projects were genuinely cross-border projects.



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Table 3.6: Terms of reference of mid-term review

The evaluation should also address the special features of the Programme, notably:

- The arrangements for cross-border co-operation, with a view to reporting on the efficacy of the existing channels/networks of co-operation and providing data on the extent to which patterns of co-operation between organisations, both official and non-official, have been enhanced/reinforced/changed through participation in the Programme.
- The extent to which development of linkages and understanding between the two administrations has been progressed.
- The extent to which local control and contribution to the Programme has been achieved through harnessing locally based needs and the ambition of local communities.
- Examine and review the specific difficulties associated with implementation of integrated area plans under criterion (iv) of Sub-Programme 1; Measures 1 and 3 (Economic Development and Community Economic Development) and propose remedial action.
- The extent to which INTERREG II has achieved a specific identity, as distinct from other EU Programmes in operation in the island of Ireland.
- The Programme makes provision for a review of the post of INTERREG Development Officer. The evaluator is expected to undertake this duty as a discrete element of the overall mid-term review.

A key difficulty of the process of appraising and approving projects was the length of time involved in the appraisal of the project proposals. The consultants suggested that this was the result of a number of factors:

- a desire to postpone decisions because the potential resource constraints in the future could result in the rejection of potentially better projects;
- resource constraints;
- inadequate initial project applications.

In general and across all the INTERREG sub-programmes and measures there were a number of common difficulties identified with the application process for prospective proposals:

- there was a huge range of agencies and government departments involved with no clear structure for the potential applicant as to who was responsible for individual applications;
- applicants commonly held the belief that the programme was only available if there was no other potential source of funds;

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- there was insufficient 'hands on' assistance with the completion of application forms/application process. This was compounded by insufficient feedback and availability of information.

Many of the points raised in the mid-term review reflect the various concerns expressed in the monitoring committee meetings. In particular the low level of cross-border projects compared with 'stand alone' projects was an issue of huge importance for the Commission as it went to the heart of the INTERREG approach. In the case of some measures, notably community economic development, the Commission sought to transfer money out of the low performing area. This was coupled with a call for greater attention to be placed on the role of the IDO in fostering capacity and resources at the local level so as to deliver cross-border projects. Likewise the importance of developing cross-networks at the local level was supported and the Commission actively pursued the strengthening of these networks, most notably in the case of the cross-border local authority networks.

Measures and policy making under INTERREG II

In this section we examine a number of the sub-programmes and measures in some more detail and explore some of the reasons for difficulties that arose in the implementation of the INTERREG II programme. However our research findings also suggest that INTERREG II was a very important learning tool, for national and sub-national level actors alike, as to how cross-border co-operation may be facilitated in a very real and practical way. To this end we have identified and present a number of 'best practice' examples of INTERREG II projects, for which we have found widespread agreement across the range of interests involved in the implementation of the programme (see tables).

Sub-programme: Regional development

Economic development. The delivery of the economic development measure was helped considerably by the work of the IDO, who played a key role in facilitating the development of successful proposals for projects. In general our research suggests that there were good working relationships between the two lead authorities and in particular the working groups of the Department of Enterprise, Trade and Investment in Belfast and its counterpart, the Department of Enterprise and Employment in Dublin. During the course of the implementation of the measure the cross-border local authority networks began to play a much stronger role than initially envisaged. The initial reaction of the government departments on both sides of the border was one of considerable scepticism as to the capacity of the networks to be able to deliver the integrated area plans which they were developing. It was suggested that the lack of capacity of the networks was reflected in the reliance they placed on external consultants to



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develop these plans (interview, Belfast 2001). It was also pointed out that there were significant differences in the roles and responsibilities of local authorities on either side of the border which could eventually undermine the co-operation.

Table 3.7: Best practice: ACUMEN Inter-Regional Business Development Programme

This project involved the practical implementation of an in-company action programme designed to assist participating companies to exploit market opportunities on a cross-border basis. The project implements a programme designed to assist identified companies to improve sales and profits by increasing cross-border trade. The project identifies suitable *facilitators* who work intensively with companies on a part-time basis.

Through this consultancy support, ACUMEN assists with the development of a cross-border business opportunity with a non-Irish partner. Each assignment is monitored to show increasing sales, impact on job growth and new product or new market developments.

<http://www.lacetap-monaghan.org/html/projectexamples.htm>

Tourism. This measure was quite unusual in terms of its management structure, as the arrangements in Belfast and Dublin differed considerably. In Dublin, the lead department was the Department of Tourism, Sport and Recreation with some involvement of the semi-state agency, Bord Fáilte and the Irish Tourism Industry Confederation (ITIC). With regard to some measures, the Department of Arts, Heritage, Gaeltacht and the Islands was also involved. In Belfast the situation was quite different with DETI taking a 'hands off' approach and being replaced instead by the Northern Ireland Tourist Board (NITB). Moreover in Northern Ireland the NITB consulted widely on the measure and amongst the various private sector interests contacted there was strong representation from the NI Hotel Confederation, the B&B sector and the Visitor Attraction Association (VAANI). This consultation process was not mirrored in the Republic. Another difference between Belfast and Dublin was the involvement of the South's county councils in funding tourism promotion at the regional level. Despite the different types of consultative processes, the national authorities in both Belfast and Dublin suggested that the best delivery mechanism was at central government level, albeit with greater community involvement at certain points in the management processes. Under the INTERREG II initiative, the working group was comprised of government department officials with some ad hoc involvement of sectoral and community interests.

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Table 3.8: Best practice: promoting the North West Passage project

The North West Passage is a public sector marketing consortium comprising regional tourism organisations in the Republic of Ireland and the district councils of Armagh, Dungannon, Strabane and Omagh. The aim of the project is to develop a marketing plan over three years. It is also designed to increase awareness of the initiative and the advantages of travelling along the route. Bednights and spend will be increased along the route, increasing tourism and economic development in the areas concerned.

In terms of the specific issues which arose in relation to the tourism measure under INTERREG II, there was general agreement that there was substantial co-operation at official level across the border and indeed a strong commitment to a joint approach. Nevertheless the level of genuine joint projects was limited by the nature of the product. It was argued that the promotion and marketing of tourism attractions was the most successful form of joint action and indeed the impetus for this approach was primarily from Belfast. Overall the tourism projects were carefully planned and managed and this reflected the strong management of the overall structure. This was reflected in the mid-term review of the tourism measure under INTERREG II, which was generally positive.

Community Economic Development. The management of the Community Economic Development measure was led by the Department of Agriculture Northern Ireland (now Department of Agriculture and Rural Development) in Belfast, and the Department of Enterprise and Employment in Dublin. With regard to some of the projects, the Department of the Environment in Belfast was involved, as was the Department of Agriculture and Food in Dublin. Other actors such as the IDO, Eamonn Naughton, had a formal advisory role at the joint working group meetings. Interviews with Northern Ireland officials suggest that they viewed the role of the IDO as primarily assisting their Southern counterparts while they relied primarily on their own Rural Development Co-ordinators (RDCs). The RDCs were based in Newry, Ballymena and Omagh and generally did not attend meetings of the working group, except in the case of a particular project. The RDCs have a similar role to the County Enterprise Boards in the South. There was relatively little involvement by private sector level actors. A real exception to this trend was the NIIPA/IIPA childcare scheme (see table 3.9) which was genuinely cross-border and involved substantial sectoral involvement. However in general there was hardly any involvement of community level actors, including the cross-border local authority networks.



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Table 3.9: Best practice: cross-border rural childcare project (NIPPA/IPPA)

The key partners in the delivery of this project were NIPPA (The Early School Years Organisation) and IPPA (Irish Pre-School Playgroup Association).

The project aims to improve the range, level and quality of daycare opportunities for young children as an aid to rural regeneration and economic development within disadvantaged border areas in Northern Ireland and the Republic of Ireland. The development of such services will play an important part in increasing female participation rates in the rural economy.

The management group is made up of representatives from statutory and voluntary agencies from NI and the ROI who meet monthly. They are responsible for guiding and directing the project and the management of the project funding. Six local project steering groups are established in target areas. All actions of the project within these areas are based on a community development approach. The underlying philosophy is that these communities are best placed to identify their own needs and projects which meet these. Links are encouraged between the six steering groups (three in the Republic and three in Northern Ireland) through common seminars and study visits.

<http://www.lacetap-monaghan.org/html/projectexamples.htm>

Our research has identified that the primary difficulties in managing the implementation of this measure primarily related to the speed at which projects could be agreed and set up. Partially this reflected the difficulty of finding matching funds for projects. Sourcing this funding was the responsibility of the IDO and RDCs. Some of the difficulties faced on the Northern side were the lack of familiarity and experience of the department officials, such as those in the Department of Agriculture and Rural Development, with this type of programme. As we have already seen, the result of the slow spend of funding in this measure resulted in some of the funding being transferred out of the CED measure and into other areas.

Sub-programme: Infrastructure

Roads and Transport. Under INTERREG II the infrastructure sub-programme was broken into two parts: first, transport and roads and second, energy, communications and telecommunications technology. The lead government authorities for the first measure were Department of Regional Development in Belfast and the Department of Public Enterprise and the Department of the Environment in Dublin. Under the INTERREG I programme there had been very little official contact between the two administrations and this style of management continued under INTERREG II for the infrastructure sub-programme. Essentially each of the lead departments would decide their own priorities and initiate projects accordingly. Consultation between the two administrations was

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of a very limited nature. The joint working group met every six months. The authorities recognised the joint working group as a very useful networking exercise, but the level of communication consisted of information exchange rather than consultation and joint management. A good example of this lack of joint management was the simple production of the working group report for the monitoring committee. Following strong criticism from the Commission in the monitoring committee, the joint working group moved from the production of separate monitoring committee reports to joint reports, which incorporated the work in both Northern Ireland and the Republic. However essentially this joint report was two individual reports, one for the South and one for the North.

Government officials suggested that the lack of joint projects or indeed substantial consultation was not due to an unwillingness on the part of those involved. Instead it reflected the very real differences existing between Northern Ireland and the Republic in terms of how infrastructure projects were managed and delivered. In the North, the main agency with responsibility for roads infrastructure was the Northern Ireland Roads Service, which had sole responsibility for the planning for roads infrastructure on a five year plan basis. In the Republic, there is a separation of responsibilities across different agencies. The National Roads Authority primarily deals with the main routes and the county councils with minor roads. Moreover the county councils agree their plans on an annual basis with the Department of the Environment which results in a flexible planning schedule which is quite different to that used in Northern Ireland. Apart from the improvement of the roads infrastructure, there was also some INTERREG II money spent on improving public transport facilities, namely the provision and renovation of various bus stations. Apart from the Commission complaint about the 'stand alone' nature of the infrastructure sub-programmes measures, there was a general question about the additionality of the spend in the Republic. Many of the infrastructure projects under the INTERREG II appeared to be an extension of the existing National Development Plan as opposed to being truly focused on the border and cross-border development.

Table 3.10: Best practice: Energy Challenge

Energy Challenge is a joint Republic of Ireland/Northern Ireland initiative aimed at attracting worthwhile proposals to increase energy efficiency and/or to develop renewable energy sources. The objectives of the project are to promote energy efficiency, to encourage development of indigenous energy resources and to foster cross-border energy networks within the INTERREG region. In particular, this initiative aims to encourage local entities in the INTERREG region to assess their energy supply and demand situation and to seek local solutions to their energy problems. Examples are energy efficiency in buildings or industrial processes; community or district heating systems; wind energy; hydro power; biomass (including energy crops, biofuel and biogas) and energy from waste and solar power.

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Energy and Communications. This measure is managed by the Department of Public Enterprise and Department of Economic Development (Energy Division). Possibly the most innovative of projects supported under this measure was Energy Challenge (see table 3.10). Unlike the majority of other energy projects and indeed the wider infrastructure sub-programme, this project was characterised by real collaboration across the border at central government department level and to a lesser extent at the local community level. This project is set to continue under INTERREG III with greater involvement of actors from the community and local levels.

Sub-programme: Agriculture, Fisheries and Forestry

Agriculture/Fisheries (FIG & ERDF)/Forestry. The lead authorities were the Department of Agriculture and Rural Development (DARD) in Belfast and the Department of Agriculture and Food in Dublin. While there was regular contact between the national authorities across the border, either by telephone, fax or visits, the contacts related primarily to monitoring and accountability issues rather than the development of joint strategic planning implementation. Our research indicates that while this contact has fostered a greater understanding and appreciation of cross-border issues, it is unlikely that such regular contact would have taken place in the absence of the INTERREG funding. There was also a question of additionality as many of the projects were 'stand alone' and did not involve any cross-border element in their design, so may have gone ahead even in the absence of the EU funding (interview, Belfast 2001). It was also pointed out that one of the main difficulties faced by the lead departments in administering the INTERREG II sub-programme was the ambiguity of the regulations and guidelines. Moreover it was very difficult to react flexibly to changes in circumstances over time and to move money to areas where good projects were presenting themselves.

One of the apparent success stories of this sub-programme has been the Ballyclough Suckler Calf Scheme. While it was a good project in terms of the concept, its involvement of actors at the community grass roots and its genuine cross-border character, it also had some serious management problems. On reflection, the project suffered primarily because it had grown very quickly and had become too big and unwieldy. This was unfortunate as there were many lessons which could be learnt from the project regarding successful cross-border collaboration. One of the key difficulties with the Ballyclough project was the variation in funding sources, each with particular requirements which could not all be met simultaneously. Moreover, the lead departments in Belfast and Dublin made the mistake of taking a too active role in the day to day management of the project whereas this was properly the role of the board of management. One of the key lessons of this project and others like it is that there should be a much higher level of involvement and investment from the private sector.

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Under INTERREG II, part of the funding under the sub-programme Agriculture, Fisheries and Forestry was allocated from the FIFG structural fund and the remainder from the ERDF. As regards the Fisheries measures, there was only limited number of projects that were cross-border and jointly managed. Projects such as the Foyle Fisheries Commission and the Erne salmon management projects, both of which received substantial funding from ERDF, were more genuinely cross-border. In terms of the assessment of proposed projects, in the South this was primarily the responsibility of the sea fisheries division of the Department of the Marine and Natural Resources, who on occasion would also consult with the BIM and Enterprise Ireland. The counterpart in the North was DANI, now renamed the Department of Agriculture and Rural Development (DARD).

Sub-programme: Environmental Protection

The lead Department of the Environment (Belfast) and its counterpart, the Department of the Environment in Dublin, enjoyed a successful working relationship over the course of INTERREG II, and indeed earlier with its predecessor, INTERREG I. However while the working relationships between the two administrations on these policy issues have been very successful, there was apparently limited opportunity for either stronger joint management of cross-border projects or for an enhanced role for the local community. Interviews with department authorities suggested that the differences in the official capacity of the local authority structures on the two sides of border, as well as their differing roles and responsibilities, weighed against real joint management. Nevertheless they defended the level of existing co-operation as being very effective in terms of information and expertise exchange and improved planning. As for the involvement of the local community in the policy process for this sub-programme, this was effectively non-existent. Interviews with national level officials suggested that this probably reflected the 'highly technical nature' of the policy decisions being taken during implementation. It was recommended that the community should better participate in the earlier planning and programme elaboration stage.



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Table 3.11: Best practice: water treatment works — Belleek

Belleek Water Treatment Works (WTW), constructed by the Water Services (NI), supplies water to 1,500 properties, some located within the Republic of Ireland, with a total equivalent population of 5,000 people. The Belleek WTW has to comply with EC Directive on Drinking Water Quality (EC Directive 80/778/EEC). Because of its location, a new design was needed to accommodate the exposed location of the works. Also at times when the Ballyshannon hydro electric power station is at maximum output, the level of the river can fall. Accordingly, special intake arrangements needed to be included in the new water works. This project will benefit people on both sides of the border, protect the waters of Donegal Bay and River Erne, and also demonstrates how co-operation can ultimately benefit the environment and future of the island of Ireland.

This sub-programme included measures related to environmental management, for example sewerage treatment and water quality. These measures were also covered under the earlier INTERREG I initiative and in many ways the projects under the second INTERREG initiative were an extension of this work. Interviews with officials have indicated that the projects were not cross-border or necessarily joint action projects, although each authority consulted with the other in drawing up plans for development. The officials were more concerned that projects on either side of the border would match and complement each other. For example, instead of building a separate treatment plant in Muff, Donegal, a pipe was constructed to take the effluent to an existing plant in Derry. Another important scheme was the Ballyconnell sewerage scheme, which had a huge social impact on Cavan.

Summarising the key management issues for INTERREG II

There are five main issues, which arise from the previous discussion. The main points from this discussion are summarised below:

- the centralised management of INTERREG II;
- few genuine cross-border projects;
- the role of the IDO;
- the role of the Commission;
- capacity to deliver.

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The most common feature of the management structure for the majority of the sub-programmes and measures under INTERREG II is the highly centralised nature of the decision making. The vast majority of key strategic decisions were taken in the working group, which usually comprised a small number of department officials and technical experts involved in the delivery of the project. There was generally no involvement from wider societal interests, who perhaps were also interested in and affected by the decisions taken in the working group. It is recognised that this may partially reflect the differences across different policy measures regarding the level of technical expertise needed to be an effective participant in the process. However even in those areas of policy making, such as the measures under sub-programme 1 regional development, where we would expect a much greater involvement of community interests, the process of decision making and consultation was very closed. A key exception to this pattern was the particular management structure in place in Northern Ireland for the implementation of the tourism measure. In this instance the policy process was highly consultative and decentralised and reflected the interdependence between the different actors involved which was needed to ensure the successful delivery of the measure.

One of key criticisms of the mid-term review was the very low level of cross-border projects, relative to the number of stand alone projects for INTERREG II. This problem is undoubtedly complex and required a policy response on several fronts. However the most important blockage to the successful facilitation of genuine cross-border co-operation was the lack of joint management at the working group level. Projects tended to be appraised and agreed within the department working group and according to the policy priorities for that administration. Then occasionally the two working groups from the two administrations (Dublin and Belfast) would form a joint working group, at which information was exchanged regarding projects but involving relatively little overall joint planning and management. With such a system of management, even the most determined cross-border project would be threatened by the administrative difficulties this lack of real joint management structures poses.

A key lesson from INTERREG II is the absolute necessity for INTERREG development officers on the ground and particularly with regard to those policy measures which sought the local community to deliver projects. The IDO plays an important liaising role between the community level and central bureaucratic level, giving voice to the needs and concerns of those involved on both sides. In the case of the voluntary and community sector, the IDO was an important resource both in terms of information about possible co-funding sources as well as how to tackle different types of administrative hurdles. Given the broad experience of the IDO, this actor was also central to the development of strategic planning for a measure or sub-programme. In many ways the role of the European Commission complements that of the IDO in the policy process. The Commission's role during the implementation and evaluation phase of the INTERREG



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programme is primarily one of prodding and pushing the authorities to implement the INTERREG programme as closely as possible to the Commission guidelines. It plays an important role in the monitoring committee, consistently pushing an agenda which seeks wider consultation and participation for local level.

Finally, the potential to deliver genuine cross-border projects is dependent on the relevant organisations' capacity to deliver. At the local level, business interests need good information sources about potential opportunities and access to a facilitator who can help them with the obvious administrative challenges in trying to do business in two different jurisdictions. The local community level is in a similar position but also requires very practical support, such as an amount of co-funding, at least in the initial start-up phase of a project. Likewise the issue of capacity is also important for the public authorities. Joint management and strategic planning can be facilitated by a common understanding of the other administrative structures and their culture.

Framing INTERREG III

Introduction

INTERREG III is being developed and implemented in a changing political, institutional and policy environment. Arising from the interaction and intersection of these changes, all actors are developing their preferences about how INTERREG III monies should be spent and on what in an unstable and unpredictable political and institutional environment. The stakes are high for all actors as they seek to influence how INTERREG is being framed and how it will be managed over the coming years. The objective of this chapter is to outline the key dynamics of change that are involved and to trace the institutional and policy implications of such changes.

There are four different processes at work. First, the Good Friday Agreement made provision for an executive within Northern Ireland and for cross-border implementation bodies including a Special EU Programmes Body (SEUPB). Second, the Commission through its guidelines altered the 'rules of the game' with regard to INTERREG by placing particular emphasis on cross-border co-operation. Third, the cross-border networks are attempting to re-position themselves in the policy process so that they are given a much more central role in the implementation of INTERREG III. Fourth, the Irish government opted for a regional approach to the implementation of the 2000-2006 National Development Plan with the establishment of the Border Midland and Western Region (BMW region). These four dynamics, but particularly the first three, have altered the environment within which INTERREG is being developed by creating 'top-down' and 'bottom-up' impulses for change. In order to assess the trajectory of this change, all four dimensions are analysed in turn. What is at issue is whether there is a clear path for the development of INTERREG or whether there are conflicting interests and views about the substance and process of policy.

Institution-building

The Good Friday Agreement sought to tackle communal conflict in Northern Ireland by establishing a complex set of institutions at three levels: within Northern Ireland, between North and South, and between East and West. This institutional model was deliberately multi-layered, with consociational and intergovernmental features, as it sought on the one hand to satisfy unionist demands for the protection of British sovereignty in Northern Ireland, and, on the other hand, to dilute the hard edges of that sovereignty (Cox, Guelke and Stephen 2000). Paradoxically, the agreement re-affirmed formal sovereignty but altered the institutional environment within which it is exercised. Strand Two of the Good Friday Agreement dealt with North-South institutions, a particularly sensitive strand for the unionists. Unionist opinion had reacted angrily to the 1995 Framework



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Document that had included a strong reference to North-South Bodies. The framework that emerged from the tough bargaining among the participants in the talks has at its apex the North/South Ministerial Council (NSMC). The remit of the council is to:

bring together those with executive responsibilities in Northern Ireland and the Irish government, to develop consultation, co-operation and action within the island of Ireland—including though implementation on an all-island and cross-border basis—on matters of mutual interest within the competence of the Administrations, North and South (Good Friday Agreement 1998, p. 12)

The duality of the focus of the NSMC—all-island and cross-border—is captured in this formula. Provision was made for three council formats under the umbrella of the North/South Ministerial Council. First, the council meets in plenary format twice a year, which in practice means the ministers in both governments. Second, the council may meet in different sectoral formations depending on the policy area in question. For the purposes of INTERREG, the relevant ministerial formation involves the finance ministers, Charlie McCreevy and Mark Durkan, in addition to a shadowing minister from the North. Third, the agreement made provision for a council format to consider institutional or what were called cross-format matters. This format has to date never been convened and it is thus unclear what its remit might be. Those who designed the NSMC model had in mind an institutional format that would deal with horizontal issues not requiring a full plenary.

There is a striking similarity between the Strand Two institutions and the structure of the Council of Ministers in the European Union. The plenary could be likened to the European Council, the sectoral formats to the sectoral councils of ministers and the cross-format council to the General Affairs Council of Foreign Ministers. The significance of the North/South Ministerial Council is that it provides a formal institutional channel, supported by a secretariat in Armagh, for the office holders in both jurisdictions to 'develop consultation, co-operation and action' on an all-island and cross-border basis. The provisions relating to Strand Two clearly identify the NSMC as a decision-making body rather than a consultative one.

The agreement went on to establish the broad parameters of the work programme of the North/South Ministerial Council (NSMC) as it specified a number of areas of co-operation and implementation with a cross-border and all-island remit. The extent of cross-border co-operation was one of the most sensitive and difficult issues for the Ulster Unionist leader David Trimble during the last week of the negotiations on the agreement. The first draft of the agreement named about 100 cross-border bodies, which from a unionist perspective was far too many as it could have been represented as a united Ireland in all but name (McDonald 2000, p. 203). The Taoiseach, Bertie Ahern,

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essentially conceded on his preference for a large number of cross-border bodies — a central feature of the earlier Framework Document. This meant that the experience of the remaining bodies would be watched by all of the actors involved in the agreement.

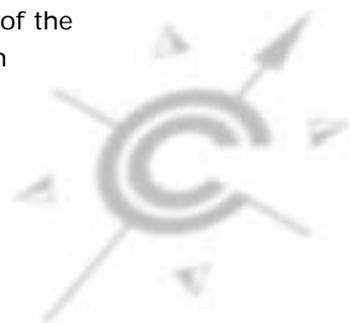
The Special EU Programmes Body

On 18 December 1998, agreement was reached on the establishment of six North-South Implementation Bodies (British-Irish Agreement Act 1999; Government of Ireland, North-South Co-operation (Implementation Bodies) Northern Ireland Order 1999):

- Waterways Ireland (inland waterways);
- The Food Safety Promotion Board (food safety);
- The Trade and Business Development Body (trade and business development);
- The Special EU Programmes Body (EU budgetary programmes);
- The North/South Language Body;
- The Foyle, Carlingford and Irish Lights Commission (aquaculture and marine matters).

Given the history of EU programmes in the border region, the establishment of the Special EU Programmes Body was not unexpected although it was not universally welcomed. There was a well-established bureaucratic apparatus in the two finance departments and within other departments for the development and implementation of EU programmes in both jurisdictions. The introduction of a new body would inevitably disturb established processes and norms in the policy cycle. It implied that civil servants from different administrative cultures would have to work in a co-operative process. Moreover, the SEUPB as an organisation would be beyond the direct control of either jurisdiction. The timing was also problematic as the new body was set up at a critical moment towards the end of one European programming period and at the beginning of another. The new body would have to come to terms quickly with the Union's programming timeframes.

It emerged from the INTERREG Consultation Conference in June 2000 that "there was a lack of awareness amongst a number of delegates of the existence, role and functions of the North-South implementation bodies" (SEUPB 2000). Uncertainty about the future role of the Body among civil servants permeated the interviews undertaken for this study during the latter half of 2000. One



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interviewee argued that “the SEUPB is very new. They have been dropped in at the deep end and face a lot of uncertainty” (interview material). Another claimed that his organisation “are trying to conceptualise what change the SEUPB will bring. If it is engaged in selecting the projects, where will that leave the department? If it isn’t engaged in selection will it just be another layer of bureaucracy?” (interview material). Other officials, however, welcomed the body.

One suggested that “the new Body in Belfast is a welcome addition. There has been a democratic deficit, with officials doing what might otherwise fall to elected representatives. In the Ireland/Wales INTERREG there was more involvement of elected representatives” (interview material). Another had a clear vision of the potential role of the Body as “the glue that holds the whole thing together. It will be giving advice to whoever is charged with the delivery of the programme. It is permanent and a font of knowledge on cross-border matters, so that in this way it goes beyond the current Departments of Finance. However, there is no sign of it shaping up like this yet” (interview material). This latter comment illustrates the challenge facing the Special EU Programmes Body as it strives to carve out a niche for itself. There was a clear expectation of an important role for the Body but acknowledgement that it had not shaped up yet. The Special EU Programmes Body was formally established under the agreement between the two governments in March 1999, which came into effect on 2 December 1999. The functions of the new Body were laid out in the relevant legislation (see table 4.1).

Table 4.1: Legislation establishing the role and functions of the Special EU Programmes Body

The British-Irish Agreement (10 April 1998)
The Agreement Establishing Implementation Bodies (8 March 1999)
North-South Co-operation (Implementation Bodies) Northern Ireland Order 1999 (10 March 1999)
British Irish Agreement Act (10 March 1999)

A distinction was drawn between the role of the Body concerning the pre-1999 programming period and its future role in relation to the various programmes. The Departments of Finance and Finance and Personnel transferred their joint roles as the central secretariat, monitoring, research, evaluation, technical assistance and development elements with respect to INTERREG and PEACE to the new body. In addition, the Body was given responsibility for the administration of certain sub-programmes under INTERREG and PEACE. The Act made a series of provisions for the post-1999 structural funds. The Body was given responsibility (under Annex 1, Part 4, British Irish Agreement Act 1999, Government of Ireland) for:

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1. advising the North/South Ministerial Council and the two Departments of Finance on negotiations with the Commission concerning the post-1999 Community initiatives and the Common Chapter;
2. preparing programme proposals under the new Community initiatives;
3. acting as the central secretariat, monitoring, research, evaluation, technical assistance and development roles in respect of Community initiatives;
4. grant-making and other managerial functions in respect of INTERREG and the North-South elements of programmes under other Initiatives;
5. monitoring and promoting implementation of the Common Chapter.

The functions assigned to the Body under the agreement embody an all-island as well as a border region dimension. The all-island dimension encompasses the Common Chapter in the development plans of both jurisdictions covering the period 2000-2006, and Community initiatives such as Leader III, Equal and Urban. The Body has a role in all phases of the policy process identified in chapter 2, including the preparation of programmes and their subsequent implementation (see figure 4.1).

Figure 4.1: The role of the Special EU Programmes Body in relation to INTERREG III

Programme Elaboration	Programme Negotiation	Programme Implementation	Programme Evaluation
Consultation process	Advisory	Secretariat	Evaluation
Drafting of Programme		Monitoring	
		Payments	
		Grant making	

The Body has an advisory role concerning negotiations with the Commission. Given that the Body has a relatively broad remit, it is as yet unclear just where it will direct its energies. It is institutionally better placed to exercise an important role in relation to those Community initiatives with a strong cross-border dimension — INTERREG and PEACE — than it is in relation to initiatives such as Leader III, Urban and Equal. The latter initiatives are administered by a well established bureaucratic apparatus in both jurisdictions. The Body has an opportunity to carve out a significant role for itself in promoting the Common Chapter in the development plans of the two jurisdictions. It is responsible for monitoring and promoting the implementation of North/South co-operative

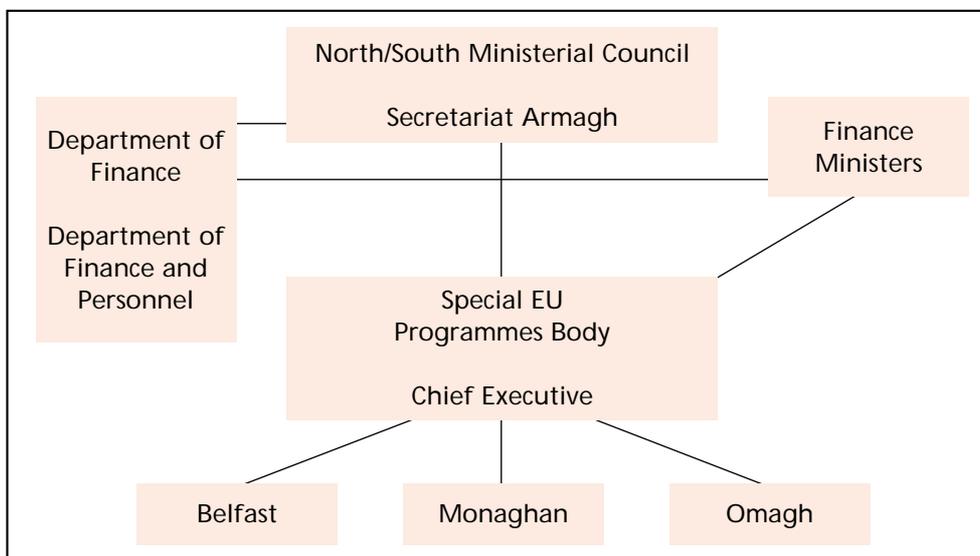
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actions in the Common Chapter and may commission studies to identify and alleviate constraints affecting such co-operation. In this way it can develop a role as an analyst and advocate of cross-border and all-island co-operation.

The Special EU Programmes Body reports directly to the North/South Ministerial Council through its chief executive (see figure 4.2). Its relationships with the administrations of both jurisdictions and the Commission are mediated by its formal relationship to the NSMC. Given that EU programmes are dealt with in the North/South sectoral council consisting of finance ministers, its relationship with both finance ministers and ministries is crucial to the fledgling body

The Department of Finance in Dublin and the Department of Finance and Personnel in Belfast adopted a different approach to the Body from the outset. The Irish Department of Finance seconded its key INTERREG personnel to the Body and felt that this domain was delegated to the new institution. The INTERREG initiative had always been considered as of secondary importance to the Community Support Framework in the Department of Finance. This department adopted a 'hands-off' delegated approach. Its Northern Ireland counterpart, on the other hand, wished to keep a close eye on the development of the Body and issued it with a large number of guidance notes which reflected a 'steering' rather than 'hands off' model of the relationship. The differing approaches adopted by the parent departments led to considerable unease among the beneficiaries of INTERREG. A number of them formally wrote to the Taoiseach's Department in Dublin suggesting that the Department of Finance take a more active role to counter-balance what they saw as the weight of the Department of Finance and Personnel in the new Body. The beneficiaries were concerned that the Department of Finance and Personnel would try to ensure that nothing much changed with the establishment of the new Body, whereas they expected a new environment for cross-border co-operation.

Figure 4.2: Institutional framework of the Special EU Programmes Body



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The acts establishing the Body made a number of provisions that influence the relationship between the Body and the two departments. First, both ministries remain the primary interlocutors with the EU Commission. The role of the Body, in relation to negotiations with the Commission, is at the discretion of the two ministries and can only be advisory. This does not preclude officials in the Body from building up very strong informal relationships with the Commission. Second, internal audit and financial control remains with the departments. Third, in the development of programme proposals, it is envisaged that the Body will work in 'close consultation' with the finance departments and that before matters go to the North/South Ministerial Council, there will be 'consultation and agreement' between the Body, the Departments of Finance and the appropriate lead departments (Annex II, Part 4, Special EU programmes, British-Irish Agreement Act, 1999). Fourth, the thrust of the legislation is to ensure that the 'accountability obligations' of both jurisdictions are fulfilled. The legislation ties the Body into the administrative systems of both jurisdictions with whom the Body will need to develop co-operative rather than competitive relations. Just where on the spectrum between 'hands off' and 'steering' the relationship between the SEUPB and the two departments will settle remains to be seen. In the formative period Finance and Personnel clearly asserted a 'steering' approach that was not counterbalanced by Finance in Dublin.

The Body is a new institution and there are inevitably expectations of its role and influence in the wider civil society. The Body faces demands for change from groups who would not like to see a Finance approach to the programmes continue into the next programming period. The Body will thus have to mediate between the sponsoring departments and the wider civil society. In the evolution of its role, the dynamic created by the creation of an executive in Northern Ireland and the NSMC will be crucial. The addition of a political dynamic to what was traditionally an administrative framework will have profound influence on the evolution of the programme.

The law establishing the Body made provision for an organisation headed by a chief executive appointed by the NSMC. Unlike most of the other implementation bodies, the Special EU Programmes Body does not have a board to oversee its activities. It was felt that the monitoring committees established under EU structural fund regulations would carry out the role of a board. This was misconceived as the monitoring committees are programme driven and not concerned with institutional development. Moreover, the monitoring committees have a very partial and fragmented view of the work of the Body and no one monitoring committee would be capable of assessing the totality of the work undertaken by the Special Programmes Body. There will have to be a monitoring committee for all of the programmes under the auspices of the SEUPB. Those involved in negotiating the structure of the new Body had a narrow managerial conception of its future role rather than a developmental one. Moreover, they wished to tie the Body tightly into the administrations of the two jurisdictions.

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The Body has offices in three locations which emphasises its all Ireland and cross-border dimension. The headquarters were established in Belfast and the Monaghan INTERREG office was subsumed into the new Body. A third office was opened in Omagh. The Monaghan office was originally opened as the INTERREG office, the first EU office to be situated outside Dublin. The significance of the office was underlined by its formal opening in May 1999 by the Taoiseach, Bertie Ahern. All three offices have lead responsibility for different facets of the mandate. Essentially the Belfast office leads on PEACE, Monaghan on INTERREG, and Omagh on the Common Chapter and the cross-border sub-programme of PEACE II. Monaghan and Omagh have a strong cross-border remit whereas Belfast acts as the corporate centre (see table 4. 2).

Table 4.2: Special EU Programmes Body — offices

Belfast Administration of PEACE I and II Corporate Services
Monaghan INTERREG II and III Other Community initiatives
Omagh Common Chapter Cross-border component of PEACE

In the formative period of its development, the Special EU Programmes Body was dependent on seconded staff from the two administrations. The Department of Finance in Dublin seconded all the staff involved in INTERREG to the Body and the Department of Finance and Personnel seconded an even larger number. From January 2000 to February 2001, when a full-time chief executive took up office, the Body had two seconded chief executives from the Department of Finance and Personnel in Belfast. The appointment of a chief executive was scheduled for the first half of 2000 but this was delayed due to the uncertainty about the institutions following the suspension of the executive. By October 2000 the Body had 18 staff, of whom 11 were assigned to the headquarters, 5 to Monaghan and 2 to Omagh. This number was clearly inadequate for the range of tasks specified for the Body in the legislation. The first acting chief executive resigned as did the head of the Monaghan office responsible for INTERREG. The resignations and the seconded status of most of the staff meant that the Body had not, by the end of its first year, achieved a stable organisational or staffing profile. In fact the SEUPB had difficulty in its first year in becoming a 'living institution'. It was faced with the new EU programming period without permanent staff or a permanent chief executive. It was happy to let the departments take the lead on programmes such as Leader and Equal, because it did not have the staff with the expertise to play a meaningful role.

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The appointment of John McKinney in December 2000 as the chief executive of the SEUPB from February 1 2001 came at an important juncture in the development of the Body. The choice of McKinney was very significant as he was not a civil servant but came from local government management. He had extensive experience in building partnerships for community development in Omagh and was active in building broader networks with other local authorities. The perspective and experience he brings to the post is very different from that of a civil servant, who would be more process driven. He has the independence, local knowledge and the contacts to take the Body in a strategic direction that gives it a significant cross-border and all-island role. The North/South Ministerial Council of 9 April 2001 debated and agreed his strategic plan for the Body. It is likely to be a much larger organisation in staffing terms than originally envisaged. The outcome of that meeting is analysed in chapter 5.

The NSMC approved the first corporate plan for 2000-03 produced by the body in November 2000. The corporate plan will be updated and revised to incorporate the strategy of the new chief executive. Its mission statement clearly established its responsibility to "further the level and quality of co-operative actions between Northern Ireland and Ireland" and to achieve this by providing:

- a dynamic and productive framework within which co-operation can take place;
- a focus within and between Northern Ireland and Ireland for the encouragement and development of cross-border projects which lead to closer socio-economic co-operation;
- encouragement and leadership in a participative partnership related approach (Special EU Programmes Body 2000).

The objectives and strategies of the Special Programmes Body appear to go with the flow of Commission thinking on how its wants to see INTERREG develop.

Commission thinking on INTERREG

In April 2000 the Commission issued its guidelines for INTERREG III, establishing in broad outline its preferences about the development, management and evaluation of INTERREG III. In addition to the guidelines, a change in the internal organisation of the Regional Directorate is likely to influence its decision making on INTERREG. Instead of responsibility for Community initiatives being added on to the desk responsibilities of those responsible for individual countries, a new INTERREG division headed by Esben Poulsen, who had been responsible for the Community Support Frameworks for Ireland, was established. Esben Poulsen is a very experienced Regional Policy official with extensive knowledge of Ireland and has had extensive interaction with officials on both sides of the border.

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Deliberations on INTERREG III programmes will now take place in a specialised division, which will enable Commission officials to assess INTERREG programmes coming from different border regions of the EU. It will allow them to compare the content of programmes and the processes by which they are developed and implemented across the Union.

In its guidelines, outlined in Chapter 1, the Commission sets out in clear terms the key principles underpinning INTERREG III. Programmes seeking EU finance must be based on a joint strategy, joint priorities and joint programming. In addition, the operations selected to implement the programme must be “clearly cross-border/transnational in nature” (EU Commission, Guidelines INTERREG III 2000, p.4). Admissibility will be determined by compliance with these principles. In addition, the Commission underlines its well established preference for partnership and a ‘bottom up’ approach to developing the programme. The Commission requires a ‘wide partnership’ involving not only public partners but economic and social partners and non-governmental bodies. The Commission guidelines for INTERREG promote a model of cross-border co-operation that is buttressed by a capacity for the joint planning and implementation of the programme following a participative and ‘bottom-up’ approach to programming. Reference to the guidelines runs through all deliberations on INTERREG. Different actors at national and local level attempt to use the guidelines to legitimise their preferences about the content and delivery of the programme. The cross-border networks, in particular, have clear preferences about the future of INTERREG and are prepared to use the Commission guidelines to buttress their demands.

Bottom-up networks

In the process of framing INTERREG III, considerable attention has been paid to the three cross-border networks, two of which were established in the 1970s and the third in 1995. The three networks are the North-West Region Cross Border Group (1975), the East Border Region Committee (1976) and the Irish Central Border Areas Network (ICBAN) (1995). The establishment of ICBAN in the centre completed the coverage of the border area and opened up the prospect of a joint border strategy (see table 4.3 for an overview of the county councils and district councils involved in the networks). Donegal is involved in both the North-West group and ICBAN and Monaghan is a member of both ICBAN and the East Border Region Committee. The argument is that both these counties are large with different parts of the county linked to different sub-regions. The networks involve co-operation between the local government tier—county councils in the Republic and district councils in Northern Ireland—on both sides of the border. A total of 18 councils constitute the membership of the three networks. Although not without difficulty, the networks have managed to embrace unionist dominated councils or councils with a large unionist minority. For example the East Border Region Committee (EBRC) includes Newry and Mourne, which is dominated by nationalist parties, and Banbridge and Craigavon, which are

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dominated by unionist parties. The North West Region Cross Border Group (NWRCBG) comprises nationalist Derry as well as Limavady and Strabane, once unionist but now more evenly balanced (see appendix 8 for the results of the local elections in 1993 and 1997). Alleviating unionist fears has not always been easy and political problems have spilled over into the work of the networks on occasions (Greer 2000).

Table 4.3: Composition of the cross-border networks

North West Region Cross Border Group	
Derry City Council	Leitrim County Council
Donegal County Council	Monaghan County Council
Limavady Borough Council	Omagh District Council
Strabane District Council	Sligo County Council
Irish Central Border Area Network	East Border Region Ltd
Armagh City & District Council	Banbridge District Council
Cavan County Council	Craigavon Borough Council
Cookstown District Council	Down District Council
Donegal County Council	Louth County Council
Dungannon & South Tyrone Borough Council	Monaghan County Council
Fermanagh District Council	Newry & Mourne District Council

The motivation for establishing the networks was both political and economic. Politically, there was a desire to promote cross-border co-operation to help alleviate the impact of violence and communal conflict in these areas. For those councils on the northern side of the border with nationalist majorities, cross-border co-operation was always regarded as a political good in itself. Unionist councillors, on the other hand, were willing to embrace functional co-operation that did not have political overtones. Second, there was a pronounced sense of remoteness from the centres of government in both Dublin and Belfast. Running through the policy documents prepared by the groups was a sense of distance and peripherality from the centres of power in Dublin and Belfast. The lack of influence over public policies in their areas was a major grievance. It was felt that mutual benefits could flow to both sides of the border if they co-operated within a geographic area that provided a natural hinterland. The individual council areas were simply too small as developmental zones. For each network, the development of their sub-region is the key goal and all three have developed integrated area plans for their areas.

Although the networks have slightly different structures, they operate on the basis of a calendar of meetings between the councillors representing the member councils, meetings of the chief officers of the councils and a manager who co-ordinates the networks' activities. Each council is represented by four nominated



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councillors, and the chairman and chief executive or county manager of the different participants. It was not until the 1990s that all the networks had full time secretariats, which are located respectively in Derry, Newry and Enniskillen. INTERREG money financed the secretariats from technical assistance monies during the INTERREG programming period. It could be argued that INTERREG provided the resources that have enabled the networks to enhance their capacity and presence in their respective regions. Each network has a manager or development officer who is assisted by an administrator. The network managers form the central node of the partnership that links the councillors and the officers of the participating councils. Without permanent secretariats and network managers, the networks could not have become players in the INTERREG process.

The effectiveness of the networks relies on their capacity to leverage the political capacity and administrative resources of the participating councils. They work on the basis of encouraging partnership between the bodies responsible for different functions within the participating councils and co-ordinating with statutory agencies within their geographical areas. Inevitably this is a patchy process because not all politicians in these areas are committed to this model, and not all senior officials in local government give it priority. However a critical mass of internal support for the networks seems to have developed, fuelled partly by the changing opportunity structure in their political environment. The networks want to create a wider regional identity and regional sensitivity among the participating councils. A statement from ICBAN captures this aim when it claims that "ICBAN transforms these individuals into partners, bringing each authority into a matrix of greater influence and power, whilst still retaining the unique character of each within a new regional identity" (ICBAN Mission, www.lacetap-monaghan.org). The aim is to get the politicians who are territorially bound by their constituencies to see the advantages of a larger regional framework. The day to day work of the networks includes project management, financial management, servicing committees and task forces, preparation of papers and reports, networking within other organisations in the region, developing a strategy for the region and liaising with government departments, the European Commission and the media.

The networks had minimal involvement in the preparation of the INTERREG II programme but participated in the programme as beneficiaries (see table 4.4). As a result of this involvement, and prompted by the Commission official who sat on the monitoring committee, the networks became much more ambitious about their role within their own regions and in relation to the INTERREG programme. The Commission official, Eddie Hartog, acting as a policy entrepreneur, strongly encouraged the networks to begin to adopt a programme approach and a border corridor strategy. He wanted to push them beyond narrow local agendas towards a concept of co-operation that embraced the entire border region. According to Greer, "the Local Authority Networks have been on a sharp learning curve

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leading to their greater maturity and importance as actors for development in the border region” (Greer 2000, p. 63; see table 4.4).

Table 4.4: INTERREG II subvention for the cross-border networks (GBP)

East Border Region	ICBAN	NW Region Cross Border Group
210,918	166,638	301,500
44,103		
255,021	166,638	301,500

Source: DETI, Belfast.

The experience of the networks during INTERREG II contributed to this learning. The North West Region Cross Border Group submitted an Operational Programme to the value of £150 million sterling to INTERREG II. However the programme as such was not funded because the group had developed it within a local authority framework only and did not consult widely with other development agencies, government departments and community groups (Greer 2000, p. 60). According to an interviewee in a government department, the “problem with the strategy was that it was effectively a wish list. It included a number of pet projects some of which did not make economic sense whatsoever” (quoted in Greer 2000, p.61). INTERREG funded a number of projects from that region but was not convinced by the overall strategy and the processes by which it was developed.

A key challenge for the networks was to develop a strategy within their own areas and for the Border region as a whole that was based on a wide consultation with government officials and local stakeholders. A second challenge was to convince the central governments that they had the capacity to develop and manage programmes at the regional level. The networks, in the past, have been frustrated at the lack of central government support for their initiatives. The central governments, on the other hand, have been reluctant to give the networks greater autonomy and funding power as they were concerned that the networks were not competent enough “to administer funds and lead regional development” (Greer 2000, p. 62.). The networks have to convince the governments and the Special EU Programmes Body that “they can act responsibly and can formulate and implement an integrated strategic plan” (Greer 2000, p. 62). In reply to a questionnaire for this study, one of the networks concluded that the main lesson learnt from INTERREG II “was that in order to attain greater cohesion and impact for the region, a programme as opposed to a project led approach is vital” (questionnaire response 2000). The networks adopted a programme led approach to the preparations for INTERREG III.⁵

⁵ Appendix nine provides a copy of the questionnaire issued to the networks for this study.

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Regionalisation in Ireland

Prior to 1999 all of Ireland was regarded for the purposes of EU regional funding as an Objective One area, which meant that its GDP per capita was at or below the EU threshold of 75%. In the lead-up to the negotiations on Agenda 2000, it became clear that Ireland would lose its Objective One status if all the state was considered as one unit for the purposes of structural funding. Following a heated and vigorous debate, the government decided to adopt a strategy of regionalisation. In opting for this strategy, the government was responding to demands from those regions in the west and border areas that were likely to benefit in financial terms from regionalisation. In November 1998 the government decided to apply to Eurostat for a change in Ireland's status as a single region. This was eventually granted but only after hard bargaining between the government and Eurostat. Following the conclusion of the negotiations on Agenda 2000, the country was divided into two NUTS II regions⁶ comprising of the Border Midland and Western Region (BMW) on the one hand and the Southern and Eastern Region on the other. Two new regional authorities were established. Although prompted by the desire to maintain a high level of EU funding, regionalisation in the Republic responded also to bottom-up demands from the West for more devolved management of the structural funds in Ireland. INTERREG III on the border will be implemented in the context of the Border Midland and Western Region. INTERREG III must gel with the development plans for the BMW region and for the Republic and Northern Ireland as a whole (see table 4.5).

Table 4.5: Context of INTERREG III

Development plans for Northern Ireland and the Republic of Ireland 2000-2006
- Plan for the Border, Midlands and Western Region
- Common Chapter
Peace II
Other Community initiatives
INTERREG III

The trajectory of change

The four different processes outlined in this chapter provide the context within which INTERREG III was developed and will be implemented. The key changes are the establishment of the executive in Northern Ireland and the Special EU Programmes Body, the vigorous lobbying that is being conducted by the cross-border networks for an enhanced role in the implementation of INTERREG, and

⁶ See page 45

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the demands by the Commission for partnership and genuine cross-border co-operation. Commission preferences and the demands of the networks would tend to push the implementation of INTERREG towards a delegated and decentralised model rather than the civil service dominated model of the past. The establishment of the executive in Northern Ireland re-introduces a political layer of decision making and influence to the politics of implementation, a layer that was missing for all earlier funding periods. The presence of a local minister in DFP, after a gap of 25 years, establishes a political dynamic that alters the policy process in a very significant way. The establishment of the Special EU Programmes Body modifies the political and administrative environment by providing a joint North-South implementation body for the EU's Community initiatives and the Common Chapter. The Body and the Northern Ireland executive and the Dublin government must mediate between the demands of a large number of interests with different preferences about the future of INTERREG.

INTERREG III: the preparatory phase

'Bottom-up' positioning by the networks

The networks began to re-position themselves during the latter half of INTERREG II as they sought a more significant role in the design and implementation of INTERREG III. They learnt from their experiences of the past and wanted to ensure that this time they would be taken more seriously. Eddie Hartog, the EU Commission official on the INTERREG monitoring committee, had been prompting the networks to develop area based plans and a spatial approach to the Border region. In order to change their approach and re-position themselves in the policy process, the networks had to address a number of key issues:

1. Area based plans and a strategic approach to the Border region;
2. Expansion of the partnerships;
3. Lobbying for support;
4. Analysing just what role they could or wished to play in relation to INTERREG.

The networks had to address all of these issues in an unstable and changing political and institutional environment. The network co-ordinators began to maintain extremely close contact with each other on preparations for INTERREG III so that they would have the enhanced influence of 'one voice'. They undertook many joint delegations on matters that were common to the border area and began to emerge as major players in the lead-up to INTERREG III.



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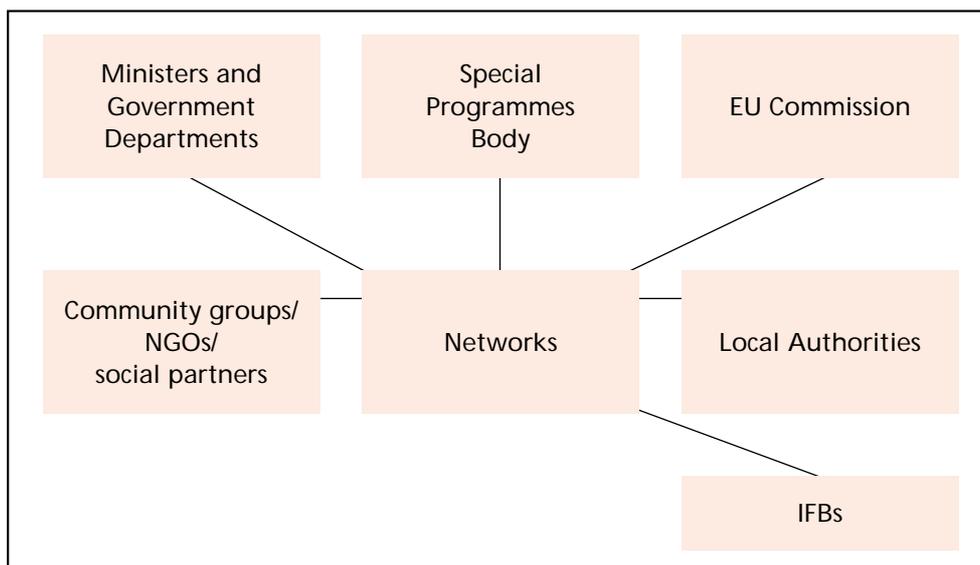
In 1998, the three networks decided to prepare a report on a 'Border Corridor Strategy' as their contribution to how INTERREG III should be deployed. The report was researched and written by a Belfast-based consultant, Colin Stutt, with KPMG, and refined in consultation with the groups. The report had three main aims. First was the aim to insert into the policy debate the spatial concept of a 'Border Corridor'—a distinctive region in an all Ireland context. Second was an analysis of the changing strategic context within which the networks were operating and an exploration of the role they might play in the future. Third was an assessment of the needs of the three sub-regions in the Border Corridor area based on integrated area plans. The report was endorsed by a joint meeting of the three Border Corridor groups in July 1999. The report provided the groups with the broad outline of a shared vision of what they wanted to achieve and how they might achieve it in the context of INTERREG III. The new programming period was defined in the report as 'an opportunity for a new approach' (Border Corridor Strategy 1999, p. 4). The report was welcomed by the Commission as an example of how countries in East/Central Europe could integrate with one another and with the EU (Irish Times, June 30 1999). There was a distinct emphasis in the report on the changes that would be needed to implement a Border Corridor Strategy. The key recommended changes were:

- the extension of partnership structures to include wider civil society groups;
- the establishment of working groups and technical committees;
- the development of an ability to receive, assess and approve funding applications and to monitor project implementation;
- an enhancement of the existing staff and other resources of the groups.

In addition, the report addressed changes in relationships among the Border groups, with other local organisations, the two governments and with the EU (Border Corridor Strategy, 1999). See figure 4.3 for an outline of the key relationships for the networks. The ability of the groups to persuade the two governments to give them a greater role would depend in some measure on the capacity for internal change in the partnerships involving wider civil society. The provision in the Commission guidelines on partnerships involving social groups and the wider civil society posed a considerable challenge to the Border networks. They were originally established as local authority networks and all of their experience was in the local tier of government. Moreover, with the growth of local employment and economic development initiatives in Ireland, North and South, a tension emerged between the claims of councillors based on representative democracy and the associative model of democracy promoted by participation of the wider civil society. An EU official suggested that the lack of partnership in the border region stemmed from "conflict between local elected councillors and wider groups in civil society based on a clash of legitimacy" (interview, Brussels 2000).

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Figure 4.3: Key relationships for the networks



Although this tension has not been resolved, the experience of the EU PEACE Programme exposed local councillors to a partnership model involving civil society groups. The cross-border groups appear willing to restructure their boards to reflect a 50:50 split of elected members and social partners but would want to retain the chair of such a board. Notwithstanding their commitment to a broader model of partnership, none of the groups have actually implemented the changes. Their argument is that until they know precisely what their role is under INTERREG III, change would be premature.

The groups have engaged in an extensive, co-ordinated and impressive lobbying campaign to ensure a central role in INTERREG III. In October 1998 the three groups organised an official visit of 40 councillors to Brussels and its region. They engaged in considerable dialogue with the Commission officials and have since followed this up with joint delegations to the Commission. The groups maintained close relationships with the two governments concerned and have met with ministers McCreevy and Durkan to argue their case. In addition, they established close liaison with the Monaghan INTERREG office and with the Belfast office of the Special EU Programmes Body.



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The aim of the groups is to play a strategic role in the implementation of INTERREG III. But how they could use this strategic focus as leverage to increase their influence appears less-clear cut. The networks see their role as follows (cross border focus groups, 1 February 2001):

- providing a strategic focus for cross-border development;
- influencing decisions on spend based on the Border Corridor Strategy;
- a direct role in approving some projects;
- acting as the initial point of contact on cross-border issues.

They envisage a role ranging from authoritative consultation to direct spend (see table 4.6). In the focus group conducted as part of this research, there appeared to be a difference of perspective between the councillors and the co-ordinators. The former see the need to develop a direct spending/approval role as critical to the future power of the networks. The co-ordinators recognise their capacity limitations and think a major role is unrealistic. Just what role the networks will be given will be determined by late spring/early summer 2001.

Table 4.6: Different options for the involvement of the cross-border groups in INTERREG III

Authoritative Consultation	Influence	IFB Project Approval	Direct Funding (relatively small % of the total INTERREG spend)
All spending agencies to consult network	Firms decisions to locate in cross-border areas	Below a certain level networks to approve IFB's projects	Approve projects
Networks should also be consulted on local government reform	Key transport infrastructure development—essential for access to cross-border regions		All cross-border projects below a certain threshold
	North/South co-operation—should be consulted by government depts.		A key question (not fully considered) is what constitutes a genuine cross-border project?

Source: Options identified by the participants in the focus group in Cookstown, 1 February, 2001 (see appendix 3 for a report on the focus groups).

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Countervailing Pressures

The demand by the networks for an enhanced role has not gone uncontested by other actors in the policy frame. Reservations have been voiced by civil servants, local groups and other funding bodies. A selection of views illustrates the prevailing attitudes of civil servants, particularly those in the Northern Irish civil service:

- It is unclear whether the use of the cross-border groups would remove, replace, or even add a layer of bureaucracy. The department would be reluctant to relinquish overall responsibility (interview material)
- The cross-border groups might want to take control, but what if their plans conflict with government policy? (interview material)
- If delivery is handed over to ICBAN and the other networks, would they end up conflicting with other programmes/national priorities? It would be ok if they were to bid into the steering group, but one wonders about their capacity and the key of complementarity..... there are risks in using untried groups (interview material)
- There is a time problem. The networks will not be able to decide early enough what projects to do. This is a weakness of the new set-up, despite it being good for cross-border. The flexibility, which is the key, will be lost (interview material)
- They never produced plans until they got consultants like Colin Stutt involved last year (interview material)

These comments, which were illustrative of attitudes towards the networks among Northern civil servants in particular, highlight concerns about capacity, control and the interaction between national policy and cross-border policy. There was also concern that the networks might follow a narrow local authority agenda and not represent the wider societal interest in their regions. The role of the networks was also contested by the Intermediary Funding Bodies (IFBs) and other beneficiaries who would not like to find themselves having to compete for INTERREG III funding via the networks. They were concerned about losing their direct link to the governmental policy makers.

Consultation process

All EU Community initiatives are subject to a formal process of consultation prior to the drafting of the actual programme. The consultation process tends to follow a well-established format involving consultation documents, and a major conference which may or may not be followed-up by the establishment of an advisory group (see table 4.7 for a time-line on the INTERREG consultation process).



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Table 4.7: INTERREG III consultation process

<p>April- June 2000</p> <p>Consultation Document issued, advertisements placed in the three daily Northern Ireland newspapers and provincial newspapers in the Border counties, appointment of consultants to undertake the ex-ante evaluation, appointment of consultants to draft programme proposals.</p> <p>21 June 2000</p> <p>Large Consultation Conference, Monaghan</p> <p>26 June 2000</p> <p>Debriefing meeting of the workshop facilitators</p> <p>July-September 2000</p> <p>Advisory group — INTERREG III</p> <p>Continuous informal and formal liaison with interested actors throughout this time</p>
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The Special EU Programmes Body, under its first acting chief executive, issued a consultation document to over 800 organisations in April, 2000. The document consisted of a series of questions designed to get the views of the relevant organisations on INTERREG III (see appendix 10 for the list of questions. Over 100 organisations replied to the questionnaire).

The cross-border networks reacted to the questionnaire with some concern as they felt that the content and tone of one question in particular was designed to generate opposition to an enhanced role for them. Question number 9 read as follows:

Question 9: The cross-border networks, ICBAN, North West and East regions, were funded under INTERREG II to produce high level strategic development plans and have expectations of grant awards under the INTERREG III programme. These networks include representatives from only 12 of the 26 District council areas in Northern Ireland. Allocating an amount of grant to these networks would therefore reduce the total grant available to projects from the remaining 14 District council areas. In your opinion, how should this issue be addressed?

Question 9 raised a clear tension between the demands of the cross-border region and the rest of Northern Ireland, which is also eligible for INTERREG

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finance. The cross-border groups clearly felt that the lion's share of INTERREG funding should go to the border region and not be spread too thinly throughout Northern Ireland. In May 2000 the cross-border networks jointly replied to the consultation document in a highly critical manner. They argued that the Document "fails to ensure the fullest understanding of the significance of the efforts of the border region in preparing for INTERREG III" and that there was only "limited recognition in the consultation document of the work of the Border Corridor groups and the wider community in the border region" (Cross-Border Networks, May 2000). They went on to argue that the document "fails to clearly articulate the guideline requirements of new mechanisms for the delivery of the programme through truly cross-border structures" (Cross Border Networks, May 2000). Throughout their document, the networks make extensive reference to the Commission guidelines and to their role in developing a strategic planning process for INTERREG III. Shortly after the consultation document was issued, the acting SEUPB chief executive resigned.

The main event in the consultation process was a large conference involving 224 participants held on 21 June in Monaghan. The participants fell into four distinct categories and a further disparate group (see table 4.8 for a breakdown of the participants):

- Central government departments in Belfast and Dublin;
- State agencies, North South Bodies, EU Commission;
- Local and regional government, partnerships and networks;
- Civil Society groups — business, trade unions, voluntary sector, enterprise projects;
- Miscellaneous — consultants, university lecturers, cross-border researchers.

Table 4.8: Participation at the Monaghan Conference by sector

Central government	Para-State	Local/Regional	Civil society	Misc
12%	16%	27%	31%	17%

Large conferences like this are show cases for consultation as participants can only make a limited contribution during the course of one day. The format of the conference included keynote interventions from the Special EU Programmes Body, the EU Commission and the economic consultants who had been appointed to evaluate INTERREG II and prepare INTERREG III. The main participative element in the conference was the six workshops. Each workshop was

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asked to address a total of 10 questions. Given that the questions all dealt with complex issues, the time given to any one aspect was limited. Moreover, each workshop consisted on average of over 30 participants which is far too large for meaningful discussion. Feedback from each workshop was delivered to a plenary session. The deliberations of the conference were recorded and later published by the Special EU Programmes Body. For most of the participants at the Monaghan Conference, this was their main and perhaps only involvement in the INTERREG consultation process. Those with an active interest in trying to influence the process would have to adopt a far more proactive lobbying strategy.

As part of the follow-up to the Monaghan Conference, an INTERREG advisory group was established consisting of 52 people drawn from the civil service, the networks, the social partners, intermediary funding bodies and a number of others. The composition of the advisory group differed significantly from the Monaghan Conference in that over half of the members came from the government departments and state agencies in Belfast, Dublin and Monaghan (see table 4.9).

Table 4.9: Composition of the advisory group

Civil service/ Public service	Networks	Social partners	Funding bodies	Other
50%	6%	13%	10%	21%

The advisory group met on two occasions. A draft report was sent to the two departments in September 2000. In the period September to November the focus of the two Departments of Finance, the Special Programmes Body and the consultants employed to assist with drafting of the programme was on preparing a draft document for the North/South Ministerial Council in time for its submission by November 22 to the Commission in Brussels. The final document submitted to the NSMC on 18 November 2000 was the responsibility of the Departments of Finance in Dublin and Belfast. Right up to the end of the preparatory period, there was conflict about the content of the programme and the delivery mechanisms. However it was now in the hands of the Commission.

Conclusions

This chapter analysed the changing political and institutional context within which INTERREG III will evolve. The key changes are the re-emergence of executive politics in Northern Ireland, the establishment of the Special EU Programmes Body, and the demands by the Commission and the cross-border networks for a more devolved and developmental approach to the implementation of INTERREG. All of these changes combined to alter the structural context and the opportunities for interaction in the INTERREG network.

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New political and policy space has opened up and all of the interested actors want to influence the direction of change and their likely influence on the operation of INTERREG. In addition to an unstable institutional environment, INTERREG had to compete for political and policy attention. PEACE II was undoubtedly regarded as a larger and more important programme and it consequently received more sustained political and official attention. The development of INTERREG was the responsibility of a relatively small cadre of officials in the Special EU Programmes Body assisted by external consultants. The two Departments of Finance and the North/South Ministerial Council did not get particularly involved until shortly before the programme was sent to Brussels in November. The consultation process was more extensive than for previous programmes although it continued to have somewhat of a symbolic character. This is particularly true of the large consultation conference in June. There was considerable lobbying surrounding the drafting of the INTERREG programme from the cross-border networks, the voluntary sector and the intermediary funding bodies. The focus of the lobbying was on the content of the programme and on the delivery mechanisms. Although the NSMC signed off on the draft INTERREG programme in November 2000, no decisions had been taken on the crucial question of delivery.



The Negotiations for INTERREG III and Programme Complement

Introduction

IN this chapter we focus on the chain of events which has unfolded following the submission of the draft INTERREG III document to the European Commission in November 2000. We examine the policy process which has characterised the negotiation of the new INTERREG III programme as well as the development of the programme complement. The programme complement sets out the specific measures under each part of the INTERREG programme agreed with the Commission, as well as the specific implementation and monitoring arrangements for INTERREG in Northern Ireland and the Republic. One of most striking characteristics of the INTERREG III negotiations is the extent to which the network of actors has widened to include several new actors. These new actors are either completely new to the INTERREG policy process or else they were involved in previous INTERREG negotiations, but in a relatively minor capacity. They include the local social partners, not least the cross-border networks, but also the social partners and other organisations at the national level. Moreover, the establishment of the new institutions, following the Good Friday Agreement, has also opened up the EU INTERREG cross-border policy process to include both a new ministerial level of involvement, such as that represented by the North's Finance Minister, Mark Durkan, the North/South Ministerial Council, and also an entirely new body, the Special EU Programmes Body. Apart from widening the network of actors beyond recognition, there has also been a re-balancing of power within the network, and indeed the current protracted negotiations for INTERREG III represent the ongoing struggle of the different actors to stabilise this new distribution of power.

In this chapter we first provide an overview of what has happened since the draft INTERREG III programme submission in November 2000, as this helps to locate the rest of the material presented in this chapter. In the following section, the structure of the INTERREG III programme as presented in its draft form is outlined. We also review the main points raised by the external consultants in their ex-ante evaluation of the draft INTERREG III programme. Following this we analyse the reaction of the Commission to the draft document as well as the subsequent reaction of the national authorities on both sides of the border. We also examine the likely impact of the appointment of the new permanent chief executive of the SEUPB on the ongoing negotiations for INTERREG III. Finally, we turn our attention to the cross-border networks, which are actively seeking a more extensive role in the implementation of the INTERREG III programme. We explore the views of a number of different actors on this issue and draw some preliminary conclusions about what likely role they will have. Moreover we also explore what are the main challenges which face the networks if they are to be able to effectively deliver on INTERREG III.

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INTERREG III: the story unfolds

In mid-November 2000 the draft INTERREG III programme was submitted to the European Commission for consideration. In early December the Commission made known to the national authorities in Dublin and Belfast that the draft INTERREG III programme submitted was inadmissible (see pages 116 - 118). At about this time the vacancy for the permanent position of chief executive was advertised and John McKinney was appointed to the post with a start date of 1 February 2001. In the interim period, the national authorities agreed to make a number of changes to the original INTERREG draft. By early February the new re-draft of the INTERREG programme was declared admissible by the European Commission.

Table 5.1: The unfolding of events during the INTERREG III negotiations

Draft INTERREG III Programme Document submitted in November 2000
Draft INTERREG III Programme declared inadmissible by Commission in December 2000
Revised Draft INTERREG III Programme submitted and declared admissible on 1 February 2001
New permanent chief executive (John McKinney) takes up post 1 February 2001
European Commission prepares position paper on draft INTERREG III programme
New chief executive prepares plan for the development of the SEUPB in March 2001; proposal presented for ratification at the NSMC on 9 April 2001
Action Team meets ministers Durkan and McCreevy during March 2001 and provisionally agree 'authoritative' role for the networks. This is ratified at the NSMC on 9 April 2001.
Programme and complement likely to be agreed by end September 2001

Having formally accepted the draft INTERREG III document as admissible, the Commission began to prepare its formal response in its position paper. At about this time the new chief executive of the SEUPB took up his post and immediately set about the task of developing the capacity of the SEUPB. An Action Team was established by Minister Durkan and organised under the chairmanship of the Special EU Programmes Body to define and report on the future roles of the Border Corridor groups in the context of the new round of structural funds support. Moreover the Action Team was to propose an appropriate model which would achieve the effective implementation of those roles. Meetings with the South's Finance Minister, Charlie



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McCreevy, and Minister Durkan were secured. The Action Team (see appendix 12) supported giving the cross-border networks “a substantial allocation of funds” and recognised “the role of the groups as a source of authoritative consultation” for the INTERREG programme. This was subject to consideration by the NSMC on 9 April 2001 and to final agreement on the INTERREG Programme Complement.

The draft INTERREG III programme: an analysis

Ex-Ante Evaluation of INTERREG III

As part of the preparation of the draft INTERREG III programme, an ex-ante consultation was carried out by Peter Wood of DTZ Peda Edinburgh and Jim Fitzpatrick of Fitzpatrick Associates Dublin. One of the key difficulties faced by the consultants in the preparation of their SWOT analysis was the lack of availability and compatibility of statistical data on a cross-border basis. Instead the consultants had to use separate sources for statistical data, but attempted to use this data in a systematic way in order to define the priorities of the INTERREG intervention. The consultants focus their analyses on various sectoral policy areas and on the rationale for identifying three sub-regions which span the Republic and Northern Ireland border: the North West region, the Mid-Border Region and the East Border region. Their analysis draws on the previous reports such as the KPMG and Colin Stutt document *Border Corridor Strategy and Integrated Area Plans for Border Corridor Groups* (Stutt 1999).

The ex-ante evaluation also provides an assessment of the draft INTERREG programme in terms of the relevance and consistency of the programme and its objectives, as well as a prior appraisal of the implementation arrangements, including evaluation and monitoring. The consultants were satisfied that the draft INTERREG programme recognised and responded to the same border needs as identified in the consultants' analysis. Given the lack of specific measures and detailed expenditure allocation, it was not possible for the consultants to assess in detail or indeed quantify the expected outputs of the programme.

INTERREG III: Consultation and strategic focus

Before we focus on the policy objectives of the new INTERREG III document, it is also revealing to examine the importance placed on documenting the consultation process for the preparation of the INTERREG III document. In a separate chapter, the entire consultation process is extensively documented. It is argued that following consultation, a general consensus was built around the priority areas for substantive policy. The consultation process also showed that there was a good level of interest in participating in the programme by those who were not close to the Border and that there was some provision for support of these non-border areas under INTERREG III. In the discussion of the

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consultation process the three cross-border networks are identified as examples of cross-border co-operation at the local authority level. The document also records the opposition of different interests to their involvement in the new programme in any substantive way. The report suggests that the networks are reportedly moving to a position which is more inclusive of local interests in these sectors, and supports a 50:50 balance on network management boards as between the local authorities and the social partner/community/voluntary sectors. On the other hand, the concerns from central government departments suggest that their main opposition is based on the issue of how accountable the networks will be under the INTERREG III programme. Overall the chapter is effective in that it serves to stress that the consultation process reflected one of partnership and a bottom up approach. The draft INTERREG III programme also pays particular attention to the strategic context of INTERREG III and its links to other programmes. It identifies the main structure and priorities of other programmes which complement the INTERREG III initiative, as well as identifying the main bodies and organisations which are impacting on, although not directly related to, the work under INTERREG III. The document notes that INTERREG III cannot exist in a vacuum and that existing EU and government policies should be taken into account.

INTERREG III: draft priorities and objectives

An initial needs analysis for the INTERREG III programme identifies four areas of needs, including economic, social, physical and rural/agriculture needs. In the draft document, a number of strategic considerations are identified, including a brief discussion on each of the following points

- the distinctiveness of INTERREG III in the Ireland/Northern Ireland context;
- the particular geographical focus of INTERREG III;
- whether what is proposed will meet the requirements set out in the INTERREG guidelines.

The primary focus of the discussion on the programme objectives is the promotion of integrated regional development in the geographical regions and sub-regions which have contributed to cohesive socio economic development in the past. The document suggests that there are four sub-regions within the eligible area which may form a useful strategic focus for activity, and include the three sub-regions which form the Border Corridor referred to earlier and the CORE region (see page 127). The draft programme suggests that the three sub-regions known as the Border Corridor merit special attention under INTERREG III. Within the four sub-regions it is proposed that further subsets with discrete characteristics and needs can be recognised, for example the river catchment areas. The rest of



The Negotiations for INTERREG III and Programme Complement

this section draws directly on the previous work undertaken for the Border Corridor strategy and integrated area plans. This earlier work heavily informs the identification of strategic themes for INTERREG III which include

- the promotion of competitiveness, inclusiveness and sustainability;
- the call for exchanges of experiences such as those facilitated by the island of Ireland LACE TAP observatory;
- the strengthening of integration across different policy areas and networks, and the need to embed cross cutting themes in relation to gender, equality, new TSN and the environment.

The programme priorities and indicative measures are also identified. The draft document comprises four sub-programmes with the following proposed allocations of ERDF and national exchequer funding. Under each of the various sub-programmes a number of indicative measures are also identified.

Table 5.2: Draft INTERREG III programme allocation of EU and national funding (November 2000)⁷

Sub-programmes	Overall allocation	ERDF	National
Economic Cohesion (SME based)	40	50.4	16.8
Social/Community Cohesion (people based)	25	31.5	10.5
Supporting physical infrastructure	10	16.2	5.4
Agriculture, Rural Development and Natural Resources	20	25.2	8.4
Technical Assistance	5	6.3	2.1

⁷ The figures for overall allocation in this table are percentages, while the second and third columns refer to actual allocations in Euros.

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Table 5.3: Draft INTERREG III Sub-programmes and indicative measures (November 2000)

Sub-programme	Measure	Policy areas
Economic Cohesion	Measure 1	Economic development
	Measure 2	Knowledge Economy
	Measure 3	Entrepreneurship and Small Firms
Social/Community Cohesion	Measure 1	Social/Community infrastructure
	Measure 2	Health and Well being
	Measure 3	Human Resources
Supporting Physical Infrastructure	Measure 1	Physical development
	Measure 2	Environmental Protection
Agriculture, Rural development and natural resources	Measure 1	Development of the Rural Economy
	Measure 2	Rural development
	Measure 3	Natural Resources
Technical Assistance	Measure 1	Supporting the running of the programme
	Measure 2	Support for implementation mechanisms
	Measure 3	Capacity building.

While remembering that the figures presented in table 5.2 are draft proposals, it is immediately interesting to compare the distribution of funding under the previous INTERREG II programme with these. First, the types of sub-programmes and measures are different under INTERREG III. For instance, the community economic development measure has been subsumed under the economic cohesion measure and also rural development. There is no separate sub-programme for human resources and this is now a measure under the sub-programme for Social and Community Cohesion. In terms of proposed expenditure, there is a distinct shift away from large scale infrastructural investments towards more flexible funding of economic and social/community development. In the draft proposals economic and social/community measures, including human resources, account for over 60% of the expenditure compared with less than 40% in the past. Likewise there is an increased emphasis on rural development measures and measures for environmental protection. These various changes suggest that there is a real attempt to facilitate greater local level actor involvement in the management and delivery of the INTERREG III programme.



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The European Commission rejection

By early December the European Commission had met to discuss and decide on the admissibility of the Ireland/Northern Ireland draft INTERREG programme. The key members of the group were Commission officials, primarily line managers responsible for programme evaluation, financial management and co-ordination. In particular, the group included Esben Poulsen, Eddie Hartog and Ritva Sallmen, all of whom had extensive experience and knowledge of Ireland. At the meeting it was decided that the draft programme for Ireland/Northern Ireland submitted in November 2000 should be declared inadmissible. A formal letter was drafted and was to be sent to the chief executive of the Special EU Programmes Body and the two responsible central government departments, the Department of Finance in Dublin and the Department of Finance and Personnel in Belfast.

The Commission identified a number of problems with the draft programme. First, it pointed out that the ex-ante evaluation (SWOT analysis) was unsatisfactory in its use of non-compatible sources of statistical data for Northern Ireland and the Republic. It did not accept that the use of these two data was systematic and pointed to the fact that categories for analysis were quite distinct for each area. The SWOT analysis was in effect not one, but two separate ex-ante reports coupled together.

Second, it was disappointed that little attention was paid to the development and discussion of indicators, despite the fact that a number of indicative measures had been developed for each sub-programme. In this respect they did not accept that the entire discussion of appropriate indicators for the measurement of programme impacts could be left to the drafting of the programme complement. The Commission also expressed frustration with the lack of attention paid to the elaboration of more concrete plans for enhancing cross-border co-operation and to a clearer identification of the types of cross-border activities which would be supported under the programme. In the draft programme, the key focus for cross-border activity is the Border Corridor and the integrated area plans. The report on these was already widely available well in advance of the draft programme and it is likely that the Commission expected a substantial development of this broad strategy document in terms of well elaborated sub-programmes and policy measures.

A third difficulty identified by the Commission was the unclear nature and apparently inappropriate range of responsibility of the Special EU Programmes Body. The Commission sought the appropriate technical secretariat to have responsibility for ensuring that the programme was monitored and evaluated, including the auditing of expenditures under INTERREG III. In the draft programme, the SEUPB is the designated managing authority for the Ireland/Northern Ireland INTERREG programme. However the two central departments, the Department of Finance and the Department of Finance and Personnel, are identified as the paying authorities and the relationship between

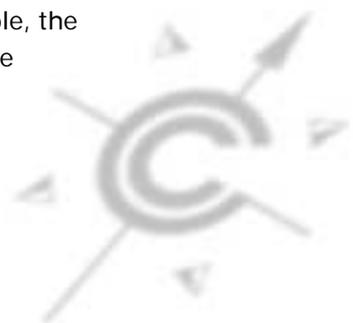
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these government departments and the SEUPB is unclear. In particular the Commission was concerned about the possibility of an inappropriate overlap in the responsibilities of the SEUPB as regards the implementation and monitoring of the INTERREG III programme. It was particularly anxious that the INTERREG III programme would be much more decentralised in its approach and an important mechanism in achieving this decentralised approach was the use of the SEUPB as the key 'paymaster'. Government officials in the two finance departments, and in particular in Belfast, had consistently expressed their reservations about the role of the SEUPB in this regard.

Alongside its criticism of the monitoring and implementation arrangements as set out in the draft programme, the Commission also pointed out that there was little evidence to suggest that a single funding approach was being adopted by the two central finance departments. In particular the Commission pointed to the inclusion of financial tables in the draft programme which distinguished between Northern Ireland and the Republic. It suggested that the level of co-operation between Dublin and Belfast around the drafting of the INTERREG programme had been especially weak and that there was little practical support for the work of the SEUPB.

A further concern raised by the Commission was the lack of a clearly specified role for cross-border bodies in the implementation of the programme. As this was an issue for the programme complement, this did not strictly belong to the negotiations of the INTERREG III programme itself. The Commission pointed to the work of the cross-border networks and the development of the Border Strategy and integrated area plans. They suggested that this work should be recognised and supported through genuine delegation of power, managing authority and joint implementation of the programme. They recognised the fears of the national authorities who argued that grassroots bodies such as the cross-border networks lacked the capacity and the credibility to manage the INTERREG programme or indeed some substantial part of it. The Commission suggested that they had demonstrated the capacity to develop a strategic approach for joint cross-border action and that they should now be given at least some INTERREG III responsibility to be able to develop their capacity in this respect. The Commission pointed out that while the networks had been involved in the early consultation process for the drafting of the INTERREG III programme, they had been left out of the latter stages of the process. Moreover in the draft document itself, while there were several clear references to the Border Strategy and how it had informed the objectives and priorities of the INTERREG programme, there was no clear role identified for the networks in its implementation.

In declaring that the draft INTERREG programme was inadmissible, the Commission was cognisant of the difficulties that this would pose for national authorities both in Northern Ireland and the Republic, as well as for both the British and Irish governments. Indeed the Commission delayed for some time the issue of the



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formal letter declaring the inadmissibility of the draft programme, and instead first made its views known in confidence and on an informal basis to the relevant interests. While the declaration of inadmissibility came as some surprise and embarrassment to the two central government departments, the delayed approach used by the Commission allowed the national authorities the time to prepare their response to the formal letter. By the time of the formal issue of the Commission letter of inadmissibility, the difficulties raised by the Commission were being referred to as 'purely technical' and easily resolved.

Reaction of the Irish government and the Northern Ireland executive

In our analysis of the process of negotiation around the INTERREG III draft document, we have pointed to the relevance of the changing institutional structures. At about the same time as the draft programme was being finalised, the position of chief executive of the SEUPB was advertised. The timing of this changeover in key staffing for the SEUPB was critical and was well recognised by the Commission. In rejecting the draft programme, the Commission indicated that it was keen to give the national authorities a clear signal as to the type of INTERREG programme that would be admissible. However its delay tactic also indicated that it was cognisant of the difficulties faced by the various domestic actors in striving to put in place the appropriate institutional structures and staffing requirements which would be capable of implementing the INTERREG programme and other EU programmes relevant to the Ireland/Northern Ireland border regions under the third round of the structural funds 2000-2006. The Commission recognised the important role being played at ministerial level in Northern Ireland and in particular the keen interest of Minister Durkan in ensuring that the INTERREG III programme moved towards a decentralised, cross-border approach. However in our interviews with Commission officials they also suggested that this reliance on the political ministerial level of involvement, while proving to be hugely important at this critical juncture, could not form part of a more permanent strategy for a more decentralised INTERREG programming approach in Ireland/Northern Ireland. Instead they looked for the appropriate monitoring and implementation structures to be put in place to ensure a decentralised approach to INTERREG III policy making in the Republic and Northern Ireland.

Draft INTERREG III programme acceptance

By early February 2001, the Commission had received and accepted a re-drafted version of the INTERREG III programme. The various issues raised by the Commission had been tackled in one way or another and the Commission was satisfied that its concerns had been taken on board by the national level authorities. The national authorities accepted that the SWOT analysis was unsatisfactory in so far as the statistical data underlying the study were not

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collected on a cross-border basis. The national authorities recognised that the use of two quite distinct sets of statistics, using differing indicators and collected in the two different jurisdictions, could not easily facilitate a well designed and coherent cross-border development strategy. The national authorities suggested that these difficulties were not unique to the border between the Republic and Northern Ireland. They pointed to the role of the SEUPB as a body which will organise the collection of appropriate cross-border statistical data as part of its wider role in facilitating research into cross-border issues. The national authorities assured the Commission of their commitment to a single budgetary approach and, indeed, the practical arrangements have since been put in place to establish this.

As regards the Commission concerns regarding the technical secretariat, the national authorities suggested that there was some confusion about the structure and functions of the Special EU Programmes Body. They sought to clarify the misunderstandings and assured the Commission that the appropriate technical secretariat arrangements were being put in place for the purposes of the implementation and evaluation of the INTERREG III programme. As regards the lack of indicators, they accepted that this was an error on the part of those ultimately responsible for drafting the INTERREG III document and sought to rectify the situation.

The SEUPB — creating a successive, sustainable organisation?

John McKinney took up the post of permanent chief executive of the SEUPB on 1 February 2001. His objective is to move the body from its current embryonic status, established in the legislation, to a 'successive, sustainable organisation' (interview, Dublin 2001). The SEUPB should be essentially seen as a North-South body rather than a cross-border body. This reflects the fact that the remit for the SEUPB is much wider than its particular responsibilities with regard to the management of the INTERREG III programme. The appointment of McKinney clearly illustrates the political desire to drive the organisation in a new and more dynamic direction. His personal experience with local authorities and community development work and his commitment to decentralised, partnership-led policy making gives clear signals as to the direction in which he will strive to take the INTERREG III programme.

The new SEUPB chief executive's first priority is to develop the organisational structure of the SEUPB and to ensure that it has access to the appropriate resources to facilitate both its responsibility to the ongoing management of EU programmes such as INTERREG and the development of strategic planning so as to take account of the changing policy environment. His staff complement should be in the region of approximately 50, comprising a number of programme directors and executive assistant staff for the management of various EU programmes,



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a corporate services sector and a secretarial and administrative support structure for the organisation itself. McKinney's strategy document for the development of the SEUPB was due to be presented to the NSMC on 9th April 2001 for agreement (McKinney 2001).

In appendix 11 an organigram representing the proposed new management structure and process for the SEUPB is presented (McKinney 2001). The role of IDOs and the cross-border networks are clearly defined in the McKinney strategy and in particular with regard to the delivery of the INTERREG III programme. He suggests that the cross-border networks will enjoy a much more autonomous role in the implementation of the forthcoming INTERREG programme. The networks are well placed to provide a range of services which range from the provision of information and advice to local community and business interests to the development of strategic and integrated area plans for their own areas and the border corridor region. He sees them as significant and equivalent participants in the strategic planning arenas involving national and Commission authorities and the SEUPB itself with regard to INTERREG implementation. He envisages that the SEUPB can facilitate this new role for cross-border networks by the provision of technical support and staff resources, such as the appointment of at least three IDOs for each of the cross-border networks (interview, Dublin 2001).

McKinney recognises that there are some important actors whose support is key to the achievement of these institutional and policy objectives: the development of the SEUPB as a credible and formidable organisation and the more specific policy plans for the management and delivery of EU programmes such as INTERREG. Within Ireland McKinney looks to the support of Minister Durkan and the leverage offered by the NSMC. He also recognises that the Commission can play a role in supporting the drive towards decentralised delivery structure for the INTERREG programme.

Cross-border networks: carving out a role in programme implementation

In the intervening period since the draft INTERREG III programme was submitted to the European Commission, the cross-border networks continued their efforts to pursue a role in the implementation of the INTERREG programme. They welcomed the appointment of John McKinney as chief executive of the SEUPB, given his background in Omagh district council and community development. Following the appointment of McKinney, Minister Durkan established an Action Team to consider the appropriate role for the Border Corridor groups in the context of the new round of structural funds support (see appendix 12).

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In carrying out this remit, the Action Team was to give due consideration to the following factors:

- the legal, operational competencies and remit of local authorities, North and South;
- EU structural funds regulations;
- the role of the member states, government departments, Special EU Programmes Body and other delivery agents;
- accountability;
- efficiency and effectiveness; and
- transparency and inclusiveness in EU funds management and delivery.

The Action Team comprised the following members:

- the chief executive of the Special EU Programmes Body and the head of the body's INTERREG programme Unit;
- Border Corridor groups: two members from each group comprising balanced representation from North and South at chief executive/county manager level, or their representatives together with the officer from each group;
- two representatives from each Department of Finance.

The Action Team met on three occasions, while a working group prepared more detailed proposals for consideration by the Action Team. Its report "is strategic in nature; it sets out a proposed model for the involvement of the Border Corridor groups which provides a framework for the accountable, effective and efficient delivery of relevant parts of the structural funds programmes in the Border Corridor, particularly INTERREG IIIA and the cross-border priority of the PEACE programme" (Action Team, 2001). In parallel with the work of the Action Team, the cross-border networks met on a number of occasions with Minister Durkan. The networks also met with Minister McCreevy in early March 2001. At these meetings with the ministers, and in particular with Minister McCreevy, the networks were keen to show the wide spread of political representation across the elected councillors who participated in the cross-border networks (interview, Dublin 2001). In mid-March 2001 the Action Team, in agreement with Minister Durkan and McCreevy, recommended that a number of principles



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should underlie future arrangements for the cross-border networks. Drawing on the material presented in the executive summary (see appendix 12), these are identified as follows:

- in the context of government policies North and South, the role of the groups should be maximised to bring practical benefits to communities on both sides of the border;
- the ethos of partnership working should be established between all those involved in the delivery of the structural funds in the Border Corridor;
- arrangements need to be compatible with EU structural funds regulations and national policies, North and South, and need to achieve complementarity with other structures and programmes;
- within this context, a substantive allocation of funds will be made to the Border Corridor groups and decentralised decision making structures put in place for those funds;
- structures and processes for decision making at local level need to be inclusive and transparent;
- recognition of the role of the groups as a source of authoritative consultation for the INTERREG III programme and its priorities and for cross-border components of PEACE II, as well as a more general recognition in relation to the Common Chapter and the principles which it establishes in relation to cross-border funding.

The Action Team sought to provide the framework within which the role of the networks and indeed their relationship with the agencies and national authorities could be developed. It recognised that its current work could not be 'prescriptive', as the final form would reflect the outcomes of the current negotiations with the European Commission on the INTERREG III programme and its programme complement. As stated, "the focus of this report is on the principles which should govern the role of the Border Corridor groups. Further work will be required on the implementation of those principles—the drafting of the programme complement for the INTERREG IIIA programme, in particular, will provide the opportunity for finalising the details of our proposed model" (Action Team, 2001). However the Action Team indicates that it supports and recommends the following roles for Border Corridor groups:

- forming an important part of the INTERREG III development team;
- being the decision making bodies for defined parts of the INTERREG III programme where decision making would be delegated to the groups;

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- being an authoritative source of consultation on the needs and priorities of the Border Corridor in the context of INTERREG III and other EU funds for cross-border development;
- representing the Border Corridor on the INTERREG III monitoring committee through local authority and social partner memberships.

The Action Team document suggests that in order to facilitate the Border Corridor groups in these various new roles identified above, there must be a substantial re-organisation of the existing cross-border networks. The Action Team report suggests that "planning for these changes is now in hand. The new INTERREG IIIA partnership structures will be in place by end June 2001" (Action Team, 2001). While the report suggests that the precise details of the structural changes will vary between the three groups, at a minimum each group needs to form an inclusive, 50:50 local authority/social partner body, and the processes by which social partner representation is achieved must also be inclusive. It is pointed out that "the need for these changes was identified, in the first instance, by the Border Corridor groups and has been agreed in principle by them" (Action Team, 2001). It is also proposed that the Border Corridor groups will participate in the INTERREG IIIA programme monitoring committee and in whatever sub-committees and structures are established for the overall management and delivery of the programme, subject to this participation being consistent with other roles the groups make undertake in the programme. The Action Team report points out that each INTERREG IIIA partnership could be supported by a number of sectoral committees. The sectoral committees would have an advisory role to the partnership and would draw in wider representation including specific sectoral knowledge and representation from appropriate public bodies and government departments (Action Team, 2001).

The report suggests that "procedures could be put in place to enable the views of departments and public bodies to be expressed to the sectoral committees and, where there is not agreement, to the partnership as a whole" (Action Team, 2001). It is also interesting to note that the report suggests that in exceptional circumstances "procedures could provide for the Special EU Programmes Body to become involved where a difference of view continued to exist between a partnership and a statutory agency or department" (Action Team, 2001). The role of the Special EU Programmes Body would be to determine the matter, taking into account the views expressed within the framework of the relevant overall policies of the Irish government and Northern Ireland ministers respectively, and subject to the expenditure allocations agreed between the two administrations and specific INTERREG III programme priorities. The report also proposes that in the event of the Special EU Programmes Body setting up a programme advisory committee, it would draw on the membership of the INTERREG IIIA partnerships as well as having wider representation from other organisations involved in the delivery of the programme.



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As regards the process of implementing the INTERREG III programme or some part therein, the report proposes that "each Border Corridor group would prepare a strategic plan, which will be submitted to and subject to the approval of the Special EU Programmes Body. The Special EU Programmes Body will consult with relevant government departments and agencies North and South before agreeing to the strategic plans" (Action Team, 2001). The strategic plans would be prepared to a common format, agreed in advance with the Special EU Programmes Body. The strategic plans need to be prepared in sufficient time to permit the new INTERREG IIIA partnership structures to be in place by end June 2001. Each strategic plan will identify the measures/sub-measures in the INTERREG IIIA programme which the groups propose to implement and the activities the groups intend to undertake as part of the INTERREG development team. The strategic plan will be rolled forward by annual operating plans which will be subject to the approval of the Special EU Programmes Body.

In appendix 13, a diagram summarises on a schematic basis how the main features of the relationship between the Special EU Programmes Body and one Border Corridor groups might be structured under this model. The detailed structures and resources required for the implementation of the roles of the Border Corridor groups would be a matter to be dealt with after the strategic plan for each group is completed. It is envisaged that the INTERREG IIIA programme will be supported by a development team to be funded out of the technical assistance measure of the programme. This development team will operate under the auspices of the Special EU Programmes Body. It is envisaged that each Border Corridor group will form part of this team. The INTERREG development team will be an important resource for the successful implementation of the programme. The Action Team report states that applications to the INTERREG IIIA programme will be made at any office of the Special EU Programmes Body or to the appropriate measure leaders for the programme. Measure leaders may be government departments or public bodies (working together on joint North-South teams), implementation bodies appointed by the Special EU Programmes Body for their expertise, or Border Corridor groups.

Decisions on which organisations will be measure leaders and for which measures will be taken in the context of the preparation of the programme complement. The box on the next page lists the sub-programmes and measures in the draft INTERREG IIIA programme, as submitted to the European Commission. These may be subject to change in the course of negotiation of the programme with the European Commission. The Border Corridor groups have a clear interest in all measures to the extent that they affect the areas they represent. Without prejudice to decisions to be taken in the programme complement, the report suggests that it is likely that the Border Corridor groups' strongest interests in terms of a decision-making role will relate to sub-programme 1, measures 1 and 2 and parts of measure 3 and sub-programme 2, measure 1. The Border Corridor groups have also expressed an interest in sub-programme 4, measures 1 and 2,

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and may also have a useful role to play in relation to the co-ordination of sub-programme 3. In relation to the other measures, the role of the Border Corridor groups is likely to be mainly that of being an authoritative source of consultation on the priorities for the measures.

The report suggests that it is not possible to specify precisely what role the groups will play in relation to each measure because the structure of measures and their associated financial allocations may change as a result of negotiations with the Commission and development of the programme complement. Indeed, the negotiations and the development of the programme complement may provide an opportunity to restructure the measures to further facilitate the involvement of the Border Corridor groups in delivery of the programme (Action Team, 2001)

Interreg IIIA Priorities

- Sub Programme 1 - Economic Cohesion
 - Economic Development
 - Knowledge Economy
 - SMEs
- Sub Programme 2 - Social & Community Cohesion
 - Social/Community infrastructure
 - Health & well being
 - Human Resources
- Sub programme 3 - Supporting Physical infrastructure
 - Physical Development
 - Environmental Protection
- Sub Programme 4 - Agriculture, Rural Development & Natural Resources
 - Rural Economy
 - Rural Development
 - Natural Resources
- Sub Programme 5 - Technical Assistance

Source: Action Team (2001)

The consultative role of the Border Corridor groups is an important aspect of the programme — this extends not only to the measures for which they may have a decision-making role, or to individual projects within their areas, but also to the broad strategy for the programme, its sub-programmes and measures. This consultative role has already been demonstrated in practice by the way in which the INTERREG IIIA programme is built around the Border Corridor Strategy, which was prepared on the initiative of the Border Corridor groups, acting jointly.



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The report argues that the programme complement should provide an authoritative consultative role for the Border Corridor groups and that this can be achieved through the following mechanisms:

- through their membership of the monitoring committee, if this role is consistent with other roles in the programme;
- as measure leaders, by contributing to the drafting of relevant material for measures;
- by participating in the programme advisory committee, and by participating in the development of the programme complement in advance of it being submitted for adoption.

The report also suggests that the groups also have a role in identifying required changes in measure implementation plans where circumstances have changed, and in identifying cases where a measure deviates significantly from the agreed implementation plan. The authoritative consultative role of the Border Corridor groups would be strongly reinforced by the groups' representation on the programme monitoring committee, which is the decision-making body for the programme complement and which approves any changes to the programme in consultation with the member states. The Border Corridor groups have an important role in being the source from which Border Corridor local authority and social partner representation on the monitoring committee is drawn (Action Team, 2001).

Next Step -Agreeing the INTERREG III Programme and Complement

On the 9 April 2001 the NSMC agreed in principle the strategy proposed by the Action Team for the Cross Border groups as well as the strategy document presented by McKinney for the development and expansion of the SEUPB (NSMC 2001). At the time of writing there were two key policy decisions yet to be taken:

- European Commission decision on the INTERREG III operational programme
- INTERREG monitoring committee agreement on the programme complement

Our research suggests that these decisions are likely to be taken by the end of September 2001 (Interview, Dublin 2001). At the time of writing the PEACE programme complement was being finalised. The European Commission was anxious that there would be no overlap between the measures under PEACE II and INTERREG III, so there was a possibility that in the final version of the INTERREG III programme some of the measures originally proposed under the draft INTERREG III programme would not be funded. It was hoped that by the end of September 2001, the draft INTERREG Programme Complement could be also agreed. This would mean that the programme would be ready to run once the European Commission 'signed off' on the INTERREG Programme itself.

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In negotiating the INTERREG III programme, one of the issues that has arisen is the amount of funding that should be allocated to the border region itself, as opposed to the remainder of the North which is also eligible for INTERREG III money. The Action Team suggests that at least 80% of the INTERREG funds be allocated to the border region. This is a position that would probably be favourable to the European Commission, which is anxious to enhance the genuine cross-border action under the programme. However our research suggests that the authorities in Belfast, and in particular the Department of Finance and Personnel, may have difficulty with this approach (interview, Dublin 2001). There is a general recognition that the cross-border networks tend to have a majority base of nationalist oriented councillors (see appendix 8). The active support of Minister Durkan for the cross border networks has tended to enhance this perception. The Action Team was sensitive to the issues involved, and recognised and included a fourth group of local authority councillors (CORE), who represent the remainder of Northern Ireland eligible for INTERREG III funds. Nevertheless the issue remains as to how much funding will be allocated to the Border Corridor region as opposed to the remainder of Northern Ireland also eligible. There are also a number of other more practical difficulties facing those non border groups and organisations which are interested in engaging in cross border projects under INTERREG III. Not least of these is the challenge they face in finding cross border partners and being able to demonstrate that the proposed project is genuinely cross border in nature.

Capacity issues for cross-border networks

The cross-border networks have recognised that they are working within a dynamic and evolving network of actors. While proving to be effective in positioning themselves for a substantial role in the INTERREG policy process, they are salient to the interdependence that exists between their position and those of others such as the SEUPB, the European Commission and not least, Minister Durkan. The establishment of the Action Team has proved an effective mechanism through which they forge support from these other actors. Minister Durkan gained ratification of the decisions reached in the Action Team report at the NSMC on 9 April 2001. The networks will use their membership of this Action Team to strengthen their case for an 'authoritative role' on INTERREG, particularly in their informal contacts with the Commission over coming months. The SEUPB also states in the executive summary that "it is committed to examining the best means to provide funding for the continuing work of the secretariats of the Border Corridor groups, including the provision of INTERREG IIIA development officers". Despite the amount of work that has yet to be done in formally agreeing the Programme and its Complement, the evidence suggests that the cross-border networks will be successful in their call for a more substantial role in the forthcoming INTERREG policy process. Likewise there is sufficient support for the SEUPB, particularly at the ministerial level, to suggest that McKinney will get the resources to establish most, if not all, his plans for the



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organisation. If this scenario is accurate then the implementation of the INTERREG III programme will look quite different to its predecessor.

It is likely that the key policy decisions identified above will be agreed by the end of September 2001 (interview, Dublin 2001). Apart from the key policy decisions relating to the INTERREG programme and complement, and the level of responsibility to be given to the cross border groups, there is the question of time. There is enormous pressure on the SEUPB and the Border Corridor groups to be ready to operate and assume their responsibilities. A key question then is whether these bodies have the indeed sufficient time and capacity to be ready in time for the implementation of INTERREG III.

For the networks there are some important issues ahead, not least their capacity to deliver those parts of the INTERREG programme they are committed to. Drawing on our research findings, the following points emerge:

- It is the case that the networks, and in particular the network co-ordinators, have played an important role in successfully negotiating for the increased authority and responsibility of the Border Corridor groups under INTERREG III. However they have as yet paid only limited attention to the internal organisational changes needed for them to participate effectively in the process. There is clear agreement on the strategic role of the networks in terms of providing a strategic focus/framework for spending decisions under INTERREG III. How the networks can use this strategic focus/perspective as leverage to increase their power and influence is less clear. They see their role ranging from authoritative consultation to direct spend. However the perception of some of the other key interests, not least the central national authorities in both Dublin and Belfast, is that the networks still need to develop a substantial level of competence, particularly in the financial management of projects.
- Our research suggests that the capacity problems of the networks are acknowledged by both the network co-ordinators and the political representatives, the councillors. This is recognised as a constraint in developing a significant role in implementing INTERREG III. However there appears to be a slight difference in perspective between the councillors and the co-ordinators who comprise the border networks. The former see the need to develop a direct spending/approval role as critical to the future power of the networks while the co-ordinators recognise the capacity limitations and think a major spend role is unrealistic. Our research suggests that this latter view is mirrored by the Finance department officials on both sides of the border (Interview, Dublin 2001). These central authorities are very supportive of the Border Corridor groups' case to have a real and meaningful role in the project selection phase as well as the wider strategic planning for INTERREG III. However they suggest that the Border Corridor

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groups may not be in a position to be able to provide adequate technical assessment of proposed projects and that this might be better left to the existing specialised agencies in these areas.

- The local authorities in the Border counties have varying levels of commitment to the networks. There is a clear problem in communication between the networks. This needs to be addressed as the local authorities are the most important power base of the networks.
- On the basis of our research, it would appear that the networks have not engaged local politicians as fully as they might in considerations about strategy and processes. The agenda of the network meetings tends to be tight, with insufficient time to consider the 'bigger picture' including strategy and relations with local authorities. The difference in perspective of the networks compared to the NGOs was striking—the networks tend to take a broader perspective, are very conscious of co-operation in the context of disparate interests, and see the networks as the foundation for further co-operation and real political progress. Their awareness of specific projects is quite different to that of the NGOs.
- While the networks are committed to working with partners, there was little evidence from discussion that they have fully thought through what this actually means for the networks.

Conclusions

The research findings presented illustrate the dynamic nature of network interaction and the importance of the juxtaposition of institutional change and individual agency. The success of the networks in carving out a role for themselves in the implementation of INTERREG III reflects their own growing capacity to negotiate on a multilevel basis and use their limited resources to the best effect. However their eventual success is also dependent on the outcome of other factors, such as the need for the networks to re-organise so as to involve a wider societal interests, and the capacity of the SEUPB to establish and organise itself quickly enough to be an effective actor for both the management and the development of the INTERREG and other EU programmes. A key finding in this research is the importance of the political ministerial level in Northern Ireland, both with regard to the singularly determined contribution of Minister Durkan, and the ongoing leverage facilitated by the NSMC's function in the political process in underpinning the negotiations for the INTERREG III funds for Ireland/Northern Ireland and the programme complement. In particular, the SEUPB and the networks, both still in relatively embryonic institutional form, remain dependent on ongoing



The Negotiations for INTERREG III and Programme Complement

intervention and support at this political level. The Commission, while recognising the importance of the ministerial level in Northern Ireland, is also cognisant of the vagaries of fortune at this 'high level' of politics there. It continues to argue for the need to secure and embed stable institutional structures and decision making processes which can facilitate genuine and ongoing cross-border action as well as wider partnership and multilevel participation in the INTERREG policy process.

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introduction

THIS study of the development and implementation of the Irish Border INTERREG programme captures the dynamic of change involved in the establishment of new political institutions within Northern Ireland and between North and South. It does so though the rather narrow lens of one EU programme and over the short time period since the institutions were established. It was thus limited in terms of its coverage and timeframe. The findings of the study, however, enable us draw conclusions about the impact of the new institutions on routine public policy and to identify the faint outline of a new zone of politics. Furthermore, we identify changes in the INTERREG programme itself, as the Commission seeks to enhance the cross-border nature of the programme it finances. The change processes are at a very embryonic stage characterised by fluidity and uncertainty.

Multilevel Governance at work

In this study we trace the interaction between different levels of government—the European, the national, the regional and the local. The multileveled nature of the system creates space for lobbying and networking outside the narrow confines of any jurisdiction. The Commission has from the outset played a role as advocate, facilitator and negotiator of new forms of cross-border co-operation. Its officials, sitting on monitoring committees, or negotiating programmes with national authorities, attempt to influence the manner in which EU finances are spent and how the programmes are delivered. Its preferences concerning the deployment of INTERREG monies have been very stable through the 1990s. It is an advocate of multi-annual programming, partnership, 'bottom-up' mobilisation and genuine cross-border co-operation. The Commission does not have the power to impose its preferences. Rather it cajoles, nudges and encourages domestic actors in new directions. By meeting with and advising local government and community groups, the Commission provides an external source of legitimacy to their demands. It also provides them with ideas, such as area based strategies, that encourage them to go beyond narrow local concerns. The Commission is, not expectedly, most effective if the political and institutional dynamic at national level goes with the grain of its programmes. Prior to the establishment of the Strand Two institutions, the political and institutional dynamic in the Irish border region did not go with the grain of Commission preferences.



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The new institutions

The institutions created by the Good Friday Agreement and the processes that they have generated are designed to enhance co-operation on an all-island and cross-border basis. Notwithstanding the crisis prone nature of the process and the continuing intractability of issues such as decommissioning and policing, the findings of this study suggest that the new political institutions can bed down and become 'living institutions'. The risk taking and experimentation involved in establishing new political arrangements and channels of politics have the capacity to deliver the objective of routine public policy making between North and South. The allocation of public monies and arcane battles about delivery mechanisms can become the stuff of politics. Low key functional policy co-operation and processes of institutionalisation may progress even in an unstable and crisis prone political environment. However, the process of institutionalisation remains fragile so long as the key political actors do not as yet feel locked into the process.

The new system of public policy making, which exists only in a faint outline, is driven by a number of critical institutional and political factors. Moreover, a number of individuals have made a difference by exercising new institutional roles. Three drivers of change stand out. The re-introduction of devolved executive government in Northern Ireland is of immense importance. The presence within departments of a 'political head' transforms the internal hierarchy, on the one hand, and relationships between the department and the wider civil society, on the other. The political head becomes the mediator between the bureaucracy and social groups. In departmental deliberations, well-established bureaucratic logic must now interact with a political logic. The bureaucratic dynamic is no longer supreme. Mark Durkan, as Finance Minister in the executive, adopted a very proactive role in negotiating the delivery mechanisms for Northern PEACE and INTERREG. He was determined to provide a political impulse to the process of managing EU funds. He achieved his aim by entering into debate and negotiation with local government networks and groups in civil society, adopting a very 'hands on' approach. He held consultation meetings with the various stakeholders and set up Action Teams to work out the details of a new approach. In the absence of a political head, the networks could not have secured their ambition for an enhanced role.

The second key development was the appointment of John McKinney as chief executive to the Special EU Programmes Body. His background in local government and his knowledge of the border region encourages him to adopt a strong leadership approach to the task of embedding the SEUPB. He comes to the role with a vision for the body that embraces its all-island and cross-border mandate. His track record in Omagh, where he established a multiplicity of community development companies, enables him to be comfortable with a

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delegated, participative, bottom-up approach. However even with his track record and vision, he will face continuing challenges as he tries to foster the kind of role for the SEUPB endorsed by the North/South Ministerial Council in June 2000.

The third component of the changing political and institutional environment is the North/South Ministerial Council. Functional North-South bodies are crucially dependent on a political layer to give them direction and legitimacy. The direct line of authority between the NSMC and the cross-border bodies creates an institutional space for North-South politics. Although the new institutions are tied into the administrations of both jurisdictions, they also have a degree of independence and autonomy. Just what flows into the newly created space depends on the area concerned, the pre-disposition of the office holders in both administrations and the willingness to experiment.

Bottom-up demands

The political and institutional changes that flow from the Good Friday Agreement go with the warp and weave of 'bottom-up' demands for a more decentralised approach to the implementation of INTERREG III. During the course of INTERREG II, the cross-border networks began to re-position themselves in terms of their future role. Prompted by the Commission they began to adopt a spatial and programme perspective on the geographical areas they represent. The twin elements of their approach were area based plans and the Border Corridor Strategy.

The dual approach enabled them to highlight the needs of their own areas in addition to the combined weight of the Border Corridor. This led them to pool their lobbying strength and to co-operate on enhancing their role for the future. The depth of co-operation, particularly among the network co-ordinators, was striking. The effort to re-position the networks involved a very sophisticated approach that extended from Brussels to Belfast and Dublin. Armed with the Border Corridor report, the networks pursued all opportunities for influence and repeatedly asserted their claim to an enhanced role under INTERREG. A combination of new Commission guidelines and the existence of the SEUPB ensured that the networks will have an enhanced role.

The changing political and institutional dynamics have altered the manner in which INTERREG III will be managed. As the programme goes into the implementation phase in the latter half of 2001, the SEUPB and the networks will have to deliver on the expectations of new ways of animating cross-border co-operation. Having been described as 'slow learners' with regard to cross-border co-operation by a senior Commission official, the evolving institutional system in Ireland is now potentially



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stronger than that existing in other border regions in the EU (see table 6.1, which uses the categorisations adopted by the European Parliament to illustrate the different dimensions of the North-South institutional set-up).

Table 6.1: Different dimensions of North-South institutional structures

	Integrated Structures	Integrated Structures linked to INTERREG	Networked Structures
General Characteristics	North/South Ministerial Council Decision-making organ	Special EU Programmes Body Management of cross-border and all-island programmes	Various cross-border networks particularly the local authority networks
Composition	Ministerial/Official	Official	Local authority/wider civil society groups
Organisation	Three formats Plenary Sectoral Institutional <i>Joint Secretariat</i> Involvement of all ministries of state	Chief Executive Multiple locations Belfast Monaghan Omagh <i>Monitoring committees</i> Common Bank Account	Small secretariats Network co-ordinators
Relations with INTERREG	Sign off on INTERREG programme	Grant awarding, payments monitoring, evaluation. Chair of the Monitoring committee	Role to be decided
Functions	Political decision making Management of cross-border bodies and areas of co-operation	Management of all EU programmes	Animate cross-border co-operation Development of the Border Corridor Strategy

Recommendations

Our recommendations arise from two different levels of analysis relating to the strategic/institutional direction of change on the one hand, and the policy/process level of change on the other. The recommendations are both discursive and prescriptive as it is our intention to highlight the kinds of issues that need to be addressed at the strategic/institutional level and the policy/process level.

Strategic/institutional issues

The Special EU Programmes Body: Following a rather difficult and uncertain beginning, the SEUPB can, with the arrival of a permanent chief executive, begin to plan on a medium term basis. It can recruit staff rather than relying on seconded staff from the departments. It will need to have its full staffing complement in place by the time the key EU programmes — PEACE and

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INTERREG — begin their implementation phase. The SEUPB needs to become far more visible with the stakeholders at local and community level who are the likely beneficiaries of EU funding. With government departments, it must establish itself as the central node in the network for EU programmes. It potentially faces a number of tensions about its future role.

- **Management versus development:** This is a crucial question for the new body. The laws establishing the SEUPB endow it with a very wide-ranging mandate concerning a series of EU programmes. This extends from acting as the secretariat for the programmes, to preparing programme proposals, monitoring, research, evaluation, grant making and payments. In other words, its mandate embraces the entire programme cycle of EU programmes. The Body will clearly have to put in place the structures and processes to manage the programmes through the policy cycle, but must combine this with an ability to animate, foster and promote cross-border co-operation on a Border region and all-island basis. The Body must guard against becoming overwhelmed with the management of systems to the detriment of its wider mandate. Neither a developmental nor a managerial logic should be allowed to dominate the Body. Combining a developmental and managerial role, however, is not that straightforward in any organisation. Careful attention must be paid to the different skills and organisational structure that can deliver both management and cross-border development. The absence of a board or one overarching monitoring committee for its programmes may mean that the Body becomes driven by the different programmes and initiatives. The creation of some overarching mechanism, either an advisory board or a macro-monitoring committee, should be considered.
- **All-island versus cross-border:** The Body was given a dual mandate relating to its all-island role and its Border region role. Balancing the dual role will require a careful assessment of just how its all-island mandate should be fostered. Although it has a role in relation to Leader, Urban and Equal, its greatest potential for an all-island role lies in the Common Chapter contained in the development plans for both jurisdictions. The Body has the financial resources to study the obstacles to the creation of a seamless border in public policy terms. Moreover, the chief executive will be well placed as a member of the CSF monitoring committee in both North and South to act as the advocate of seamless public policy making in both jurisdictions. Finally, the chief executive will have to attempt to extract from the British Exchequer matching funding for the 650 million IEP committed by the Dublin government to the Common Chapter. How this can be done is far from clear, as the Body's institutional and political influence is based on its link to the North/South Ministerial Council. The Body's role in relation to PEACE and INTERREG will give it a natural cross-border focus but one that must be balanced by an all-island dimension.



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- **Managing networks rather than hierarchies:** The SEUPB is classically a network organisation, crucially dependent on the quality of its relationships with government departments, the Commission, state agencies, cross-border networks, intermediary funding bodies, and local community groups. Its work spans the two jurisdictions and has a significant EU dimension. It cannot manage INTERREG in the manner in which it was managed in the past through tight central hierarchical control. The old model cannot be pursued by the Body given its mandate and its staffing levels. Rather the SEUPB will have to work with and through other organisations. It will have to ensure that its operational responsibilities are performed to a high standard. The SEUPB will also have to ensure that the operational responsibilities that are contracted out to other actors are achieved. If not, the old hierarchies will point to deficiencies and may try to undermine the network approach. Considerable attention should be paid in the formative period to the design and management of systems for managing the multiple relationships through which the SEUPB will have to work. The management of networks requires careful attention to issues of co-ordination, participation and strategic coherence.
- **Building capacities and fostering change agents:** In addition to the tensions faced by the SEUPB because of its mandate, it faces the challenge of building capacities for cross-border co-operation. How to build such capacities is in the first instance a cognitive/informational challenge⁸. It requires identification and recognition of the opportunities for and obstacles to cross-border co-operation. In other words, it demands the development and dissemination of a store of knowledge on cross-border co-operation. It means taking obstacles seriously and adopting a problem solving approach to them. Second, there is a very important political-institutional dimension to capacity building. The SEUPB, through the North/South Ministerial Council, must foster the commitment of both jurisdictions to all-island and cross-border co-operation. The practice of co-operation must become diffused throughout the governmental systems. The importance of change agents in fostering cross-border co-operation was highlighted in chapter 2. Change agents are those who set out to animate, to persuade and to build capacity for collective action. The SEUPB needs to have a number of such agents on its staff to complement those who are responsible for management. The role of change agents is to mediate between the Body and the potential beneficiaries on the ground, and to build the capacity of local actors to identify, develop and manage cross-border projects. In addition, change agents are an important source of collective learning as they can share their knowledge of what

⁸ Capacity building has become a very fashionable term in the literature on development and on institutions. Concerning capacity building in the environmental area, Janicke (1996) has identified the importance of the cognitive/informational, the political-institutional and the economic-technological framework conditions for capacity building. Of these, the first two would appear crucial with regard to capacity building on cross-border issues.

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works and what amounts to best practice with other actors. The INTERREG development officer (IDO) clearly acted as a change agent for INTERREG II. There should be a number of IDOs for the next programming period. One of the most important development tasks for the SEUPB is to develop a cadre of people who are experts in cross-border co-operation.

The networks: One of the most vigorous debates concerning the implementation of INTERREG III was the role of the cross-border networks. Notwithstanding the opposition and scepticism of some actors, the networks will be given an important role in the implementation of INTERREG III. This indicates just how successful the cross-border networks have been in developing a plausible strategy for the Border Corridor and in persuading other actors of their capacity to play an enhanced role over the next programming period. The success of the networks comes with challenges but also opportunities attached.

- **Partnerships:** The cross-border networks must become more inclusive if they are to exercise an enhanced role in future. From the outset the networks were aware that the Commission's model of partnership involved elected politicians and social groups. The networks will have to cease to be exclusively local authority based and will have to embrace a 50:50 distribution of representation. Given that the networks have evolved within a local authority context, adapting to the new partnership model is unlikely to be smooth at the outset. There has been little internal preparation for the new form of partnership in the cross-border bodies. There is still tension between councillors' sense of legitimacy as elected representatives and those who represent the wider civil society. Both sides will have to work to make the new partnerships operate effectively for their local areas. Their new responsibilities for INTERREG will provide a powerful incentive to both sides to achieve a workable partnership.
- **Capacity:** Building capacity is not simply an issue for the SEUPB. The networks face a challenge of transforming themselves from loosely coupled networks into networks that are capable of delivering on their likely role under INTERREG III. The networks have very limited staffing resources at the centre to service the work of the networks. If their role expands, this implies that they will be given additional financial resources to build up the capacity of their secretariats and to have a number of development officers on their staff who will assist in the preparation of good cross-border projects. In addition, the networks will need the support of the elected representatives in the local authorities and of the county managers and chief executives if they are going to mature further.



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Key policy issues

During the course of our research, one of the most interesting overall findings was the level of policy learning that was taking place in the arena of INTERREG policy making. However this policy learning can only be effective if it is reflected upon and indeed actively applied by those engaged in the policy making process. In this section we identify a number of specific policy recommendations which build upon the INTERREG policy lessons of the past.

The European Commission as animator of cross-border co-operation

The role of the Commission in animating and encouraging the cross-border networks to develop a strategic cross-border strategy cannot be underestimated. This role has already been pointed to in a number of other studies of Commission action under the structural funds and in particular in relation to the Commission's Community initiatives. We recommend the development and encouragement of networks of informal communication between the domestic sub-national level actors and Commission officials. Exchange visits prove effective as opportunities for learning and communication. It is probable that direct contact with Commission officials may prove difficult at times, given the resource constraints of both the Commission and other actors involved in the process. In the case of the cross-border networks, significant lessons were learnt through their involvement with organisations such as LACE-TAP, as well the involvement of local councillors in various European regional authority networks set up around the Committee of the Regions. In practical terms this is best promoted through a multi-action approach, which could be funded under the technical assistance sub-programme.

1st Policy Recommendation

- Technical assistance to support short study visits to the European Commission
- Ongoing support for LACE-TAP
- Exchange visits with other European regional border networks

Facilitating cross-border understanding: a multi-level approach

In our interviews with the various sectoral government departments involved in the INTERREG II programme, it became clear that the relative success or otherwise of government departments in facilitating genuine cross-border activity under the INTERREG programme depended to a large degree on the type of relationship that existed between the departments and to some extent the personal qualities of officials involved. The opportunity to work together on joint projects, where both parties were dependent on the others' particular expertise and resources in key areas, was the key mechanism for developing greater understanding of each others' priorities and concerns. However under the previous INTERREG programmes the recognition of opportunities for joint action

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seems to have been left to chance. We suggest that the process of joint understanding and real recognition of each others' strengths and weaknesses can be animated by the use of short cross-border exchange programmes between officials at similar levels in the policy process (i.e. department to department and local authority to local authority) and also between levels (i.e. local authority to department).

2nd Policy Recommendation

- Cross border exchange programmes at government department level
- Cross border exchange programmes at local authority level
- Cross border exchange programmes between department staff and local authority staff

Use of focus groups for facilitation of communication

One of the difficulties facing the cross-border networks is the need to develop their internal organisation. It was apparent that while the network co-ordinators and councillors shared a common vision in terms of the role of the networks in the INTERREG policy process, they differed in their understanding as to what that might entail and whether they had the capacity to pursue their new role. These issues are difficult to discuss in the context of the general business of the local authority or the busy network meetings. It is important that the networks carve out some time, perhaps one or two full days, to consider these issues in full and without distraction. A useful method for facilitating this kind of work is the use of focus groups, using an independent facilitator to co-ordinate the group.

3rd Policy Recommendation

- Focus groups consisting of councillors and network co-ordinators
- Focus groups of councillors and social partners
- Focus groups of social partners

Role of the IDO critical for capacity building

The research has shown the central importance of the INTERREG development officer in assisting and facilitating the development of good quality cross-border projects. Moreover the IDO is an important conduit of information between the many different kinds of interests involved in the policy process. The IDO will prove a hugely valuable resource to the cross-border networks in the implementation phase of the INTERREG III. However the IDO needs sufficient back up to effectively carry out the role assigned to him/her. The use of systematic reporting procedures, such as the IDO reports developed for the monitoring committee meetings during INTERREG II, are essential to ensure adequate communication exists between the different levels within the policy process. The individual skills, training and



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experience of the IDO should be appropriate to the role and responsibilities of the position. In the selection of the IDO staff, attention to the North/South balance should be given.

4th Policy Recommendation

- Substantial technical assistance to be made available for support of several INTERREG development officers
- Strong administrative back up for the IDO staff
- Clear procedures for the IDO reporting of activities in the field
- Clear and balanced selection criteria for the appointment of IDOs.

SEUPB/INTERREG research programme

There is clearly a need for greater research into the issues that affect cross-border co-operation and development. First there is a need to establish a benchmark of basic statistical data for the cross-border regions. Ongoing funded research is also required into key cross-border issues. In order to build skills over the medium to long term, a useful tool is the development of an observatory staffed by academics and policy practitioners who develop the capacity for strategic programme development.

5th Policy Recommendation

- Benchmark study
- Research observatory
- Ongoing research programme

Outline of the methodology

The focus of the research was on INTERREG II and the framing of INTERREG III (1994-2001) in order to capture different facets of the policy process. A combination of research methods were used in this study for the collection and analysis of the research data. The INTERREG process was divided into a number of phases — programme elaboration, programme negotiation, programme implementation and programme evaluation. The focus of the research on INTERREG II was on the implementation and evaluation of the programme from 1994 to 2000. The focus on INTERREG III was on the elaboration of the programme (2000) and the negotiations with the Commission on the content and delivery mechanisms (first half 2001).

The conceptual framework used in the study was based on networks, actors and issues. The goal was to analyse the context, structure and interaction among actors who are the stakeholders in INTERREG. In addition, an 'institutionalist' approach was used to trace the establishment of the EU Special Programmes Body. The substantive content of the research involved an in-depth analysis of the programming period 1994-99 (INTERREG II). We undertook a benchmarking analysis of the operation of INTERREG II, which focused on the INTERREG II sub-programmes and the processes of implementation and monitoring. This part of the research required:

Secondary literature: collection and assessment of the available academic literature;

Documentation analysis: programme content, mid-term evaluation, reports of the monitoring committees, INTERREG processes in other parts of Europe.

Elite interviews: key policy makers, practitioners, beneficiaries of INTERREG II in Belfast, Dublin, Monaghan, Brussels.

Focus groups: two focus groups were held with the three cross-border networks and civil society groups to get qualitative material about their experience of INTERREG II.

The second phase of the research—the framing of INTERREG III—required a similar combination of research methods for the collection of the research data:

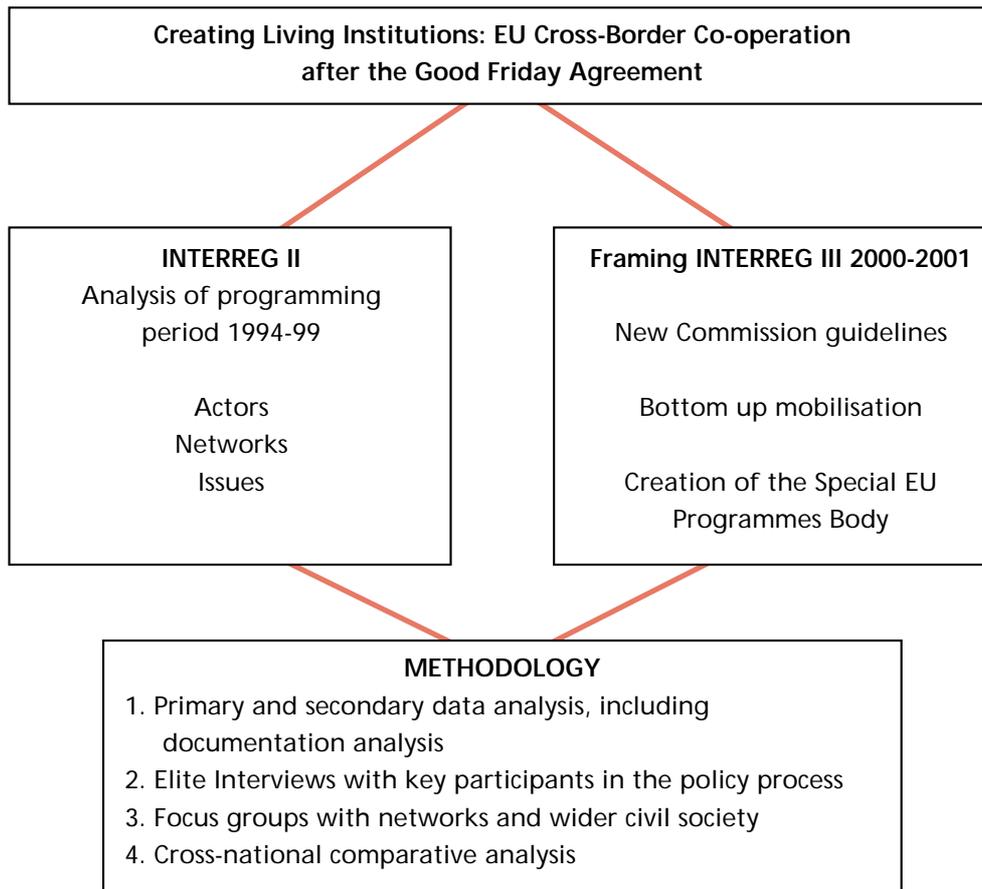
Documentation analysis: Commission guidelines, Consultation Document, responses to the Consultation Document, report of the Consultation Conference, INTERREG III programme.

Elite Interviews: officials in the Special EU Programmes Body, EU Commission, government departments, beneficiaries, cross-border networks.



Methodology

Focus groups: the two focus groups were used to probe the expectations of the different actors concerning INTERREG III and their role in implementation



List of interviews Conducted for this Research

Appendix 2

- Interview with:** Aidan Byrne
Post: Department of Public Enterprise, Dublin
Date: 31 July 2000
- Interview with:** David Clarke
Post: Network Manager, ICBAN
Date: 5 October 2000
- Interview with:** Eddie Hartog,
Post: Regional Policy EU Commission,
Date: 24 May 2000
- Interview with:** Alan Morton
Post: Department of Agriculture and Rural Development, NI
Community Economic Development Measure, INTERREG
Date: 13 September 2000
- Interview with:** Brian McSharry
Post: Dept. of the Marine and Natural Resources (Fisheries),
Dublin
Date: 31 July 2000
- Interview with:** Angela Jackson and colleagues
Post: Department of Enterprise, Trade and Investment, Belfast,
responsible for Measure 1.1 Economic Development
Date: 14 September 2000
- Interview with:** Tim O'Sullivan, Dermot Keane
Post: Department of Finance, Dublin, INTERREG and former
programme and measure leader respectively.
Date: 9 October 2000
- Interview with:** Eamonn Molloy
Position: North West Region Cross-Border Group (NWRCBG)
Date: 23 October 2000
- Interview with:** Edwin Gallagher
Post: Department of Agriculture and Rural Development, Belfast,
Measure Leader, Sub-Programme 4, Agriculture, Fisheries,
Forestry.
Date: 14 September 2000
- Interview with:** Gearoid Mathews
Post: Commission of the EU, formerly in DG XVI
Date: 29 June 2000



List of interviews Conducted for this Research

- Interview with:** **Ivor Jones**
Post: Department of the Environment (NI), Water Services, retired
Date: 14 September 2000
- Interview with:** **Wally Kirwan**
Post: Department of the Taoiseach, Dublin.
Date: 2 February 2001
- Interview with:** **John Loughheed**
Post: DG VI — Agriculture
Date: 30 June 2000
- Interview with:** **John Walsh**
Post: INTERREG, Department of Arts, Heritage, Gaeltacht and the Islands
Date: 8 June 2000
- Interview with:** **Mairtin O'Fainin**
Post: Anglo-Irish Division, Department of Foreign Affairs, responsible for PEACE and INTERREG
Date: 18 July 2000
- Interview with:** **Eamonn Naughton**
Post: Former INTERREG development officer
Date: 17 October 2000
- Interview with:** **Gareth Kirk and Caroline Bell**
Post: Northern Ireland Tourist Board
Date: 13 September 2000
- Interview with:** **Pamela Arthurs**
Post: East Border Region
Date: 26 October 2000
- Interview with:** **Paul Kenny**
Post: Water Services, Department of the Environment, Belfast
Date: 17 July 2000
- Interview with:** **Pauline Moreau**
Post: Department of Tourism, Sport and Recreation, Dublin
Date: 27 June 2000
- Interview with:** **Phil Hopkins, Dennis McDonald**
Post: Department of the Environment and Local Government, Dublin
Date: 24 August 2000

List of interviews Conducted for this Research

- Interview with:** **Ritva Sallmen**
Post: DG Regio, Community Initiatives
Dates: 28 June 2000, 6 December 2000.
- Interview with:** **Sandra Foster**
Post: Department of Regional Development (formerly DoE, NI)
Date: 13 September 2000
- Interview with:** **Sean O'Broin**
Post: Department of Agriculture, Dublin
Date: 10 July 2000
- Interview with:** **Sean O'Sullivan**
Post: INTERREG Office, EU House, Monaghan,
Dates: 17 May 2000, 19 January 2001
- Interview with:** **Tom Ferris**
Post: Department of Public Enterprise, Dublin
Date: 25 August 2000
- Interview with:** **Tommy Murray**
Post: Responsible for INTERREG (ESF) Department of Enterprise,
Trade and Employment, Dublin
Date: 21 June 2000
- Interview with:** **Esben Poulsen**
Post: EU Commission INTERREG Directorate
Date: 6 December 2000
- Interview with:** **Tony Kennedy**
Post: Co-operation Ireland
Date: 2 February 2001
- Interview with:** **Jim Higgins**
Post: Department of Finance, Dublin
Date: 19 April 2001



Report on Focus Groups on the role of the Cross-Border Networks in the management and implementation of INTERREG III

Appendix 3

Group 1 — 31 January 2001

Participants:

Terry Carlin	ICTU
Jim Dennison	Cookstown District Partnership
Betty Duignan	Leitrim Partnership Board
Carrie Duffy	Training for Women's Network
Siobhan Grant	Donegal County Enterprise Board
Ciaran Lynch	Tyrone Economic Development Initiative
Seamus McAdams	Tyrone Economic Development Initiative
Ronald Murray	Blackwater Catchment Scheme

Examples of successful projects

Successful Projects	Success Factors
Optima - a project delivered by Tyrone Economic Development Initiative (TEDI) for ICBAN	<p>Responded to identified need (which was well researched)</p> <p>Started off with a pilot project (PEACE funded), then full project funded under Interreg</p> <p>Successful partnership with Donegal Enterprise Board at horizontal level and with owner managers vertically</p> <p>Partnership works because TEDI and Donegal Enterprise Board have similar purpose, structure...</p> <p>It has delivered results in terms of quantitative indicators (employment...) and qualitative indicators (management development of owner managers identified by them as key benefit). Other qualitative factors include psychological barriers to setting up business and the challenging of assumptions in terms of what is possible</p> <p>ICBAN's role is channelled through an active steering committee that not only monitors and evaluates applications but ensures fair representation of projects on a geographic basis</p>
Ballyclough (suckler cows)	<p>Responded to a clearly identified need - the decline in agricultural incomes</p> <p>Clear outcome - 3 producer groups set up that were community-based</p> <p>Partnership and LEADER supported the project</p>

Report on Focus Groups on the role of the Cross-Border Networks in the management and implementation of INTERREG III

Successful Projects	Success Factors
Cross-border Child Care project	<p>Targeted disadvantaged areas</p> <p>Meeting social, transport and economic opportunity needs</p> <p>Introduced mobile play bus - highly visible</p> <p>Active participation of parents and community</p> <p>Has stimulated further activity e.g. introduction of development officer</p>
North/West Area Access Consortium	<p>Key problem in relation to access</p> <p>Now daily flights to London and Dublin</p> <p>Sponsored by Derry City and Donegal County Council</p>
Blackwater Catchment Scheme	<p>Clear need - the key question is how to best deliver solution. Who is best placed to meet the need?</p> <p>Project was sustainable in financial and other terms</p>

Some points about successful projects identified:

- All successful projects were need as opposed to grant driven — they responded to clearly identified, researched needs
- A central point of discussion was what constitutes sustainability? There are two components, both important:
- Sustainable in terms of inputs — will the project be able to continue if funding is withdrawn?
- Sustainable in terms of outputs/benefits — are the benefits such that the project needs to happen even if there are questions about resources in the longer term? Some schemes have benefits even though they may not be self-financing e.g. in terms of political/social development which can be nurtured by the project process, not just the outcomes
- The consensus was that all projects involve an element of risk and uncertainty in the future. Decisions to proceed with projects should not only be taken on the basis of financial indicators.

Some key lessons from INTERREG II:

- Only 15% of projects had a genuine cross-border element. There was insufficient evidence of real working together and more evidence of back to back programmes. This was partially due to lack of joint management structures
- Representation on the monitoring committee was unbalanced — 23 government officials and only three non-government. In addition there was a focus on quantitative indicators at the expense of qualitative progress measures



Report on Focus Groups on the role of the Cross-Border Networks in the management and implementation of INTERREG III

- Projects were forced to fit into INTERREG remit and restrictions — some projects were down-sized for unknown reasons but probably to fit into financial criteria
- It is worth taking risks on flagship projects that seem unsustainable e.g. Erne/Shannon project
- Project evaluators should have more experience of non-governmental sector

Operational issues:

- In terms of cash flow, Belfast seen as more efficient than Dublin — latter not in the same timeframe
- Quarterly reporting easy to administer but claims auditors and back up national auditing caused some confusion — rationale not clear
- The gap between INTERREG 2 and 3 a key problem — review should have been timed to ensure that there was an overlap
- Public awareness and PR were weak—with low visibility throughout the counties. Monaghan office improved. They felt that the INTERREG Development Officer was a good role and needs to be fully re-instated.
- Dublin and Belfast have become better at administering INTERREG — concern that if Networks were to be given IFB status, the wheel would have to be re-invented. They also do not have the capacity to be effective delivery mechanism because of weak staff base
- Confusion between different funders e.g. role of PEACE and INTERREG and duplication of funding
- Confusion between agencies
- Allowed margin of independence for local projects and initiatives
- Has generated an increased outward looking focus — across the border, and throughout Europe
- INTERREG more accessible to NGOs — not community groups. It wasn't sufficiently visible on the ground and too centrally focused. It wasn't clear whether the lack of visibility was by omission or by design.
- INTERREG procedures more flexible than PEACE.
- How they see their role under INTERREG III depends on IFBs put in place, whether the organisation is operating at macro or micro level, and what sub-programme of INTERREG applies. ICTU anticipate increased role because of partnership principle while projects anticipate that core functions will still be the same but will be concerned how new arrangement will impact on them. There is a particular concern about the proposed joint cross-border boards and in particular that they will introduce too much rigidity in the system.
- A key question relates to what constitutes a 'genuine' cross-border project. The group agreed that some mechanism needs to be put in place to ensure that there is real partnership — not nominal lead partners as is often the case now. Rather than imposing one structure, the group suggested that there should be an interview at the application stage with the partners to evaluate the proposed partnership mechanism in terms of its workability and acceptance by the partners. Optima and Source projects both have a working steering committee that are very productive. New partnership structures

Report on Focus Groups on the role of the Cross-Border Networks in the management and implementation of INTERREG III

need to take account of the practical needs of the project and the need to copper-fasten the cross-border element. In other words, there should be flexibility and discussion with the evaluators on the precise mechanism rather than adopting a formula, one size fits all. Does the cross-border mechanism have to be statutory?

- A further question was the role of NGOs in project appraisal. The Monitoring Committee focuses mainly on financial indicators now. INTERREG should differentiate between strategy and operations in terms of its Monitoring Framework:
- A strategy group consisting of the four pillars
- A specialised operational group composed of civil servants to look at quantitative indicators
- Qualitative indicators should also be developed and evaluations should include interviews with key stakeholders as well as reports

Obstacles to Cross-border Co-operation:

- Mindset of players and constituents
- Incompatible structure and practices
- Time — competing with national programmes
- More perceived powers at local level within Republic

Obstacles to Partnership:

- Agencies that do not have compatible remit
- Absence of national framework in NI similar to RoI to support and underpin partnership
- Role of the SEUPB — does it make a difference to them?
- Should have a board similar to the other implementation bodies
- Engages in consultation — but no feedback since Monaghan consultation. Also consultative meetings too large, and feeling that they are being driven by a specific agenda

Role of the Networks:

- Overlap in representation e.g. Donegal is a member of the North West Network and ICBAN
- There are serious misgivings about their capacity to take on substantially enhanced role in implementation of INTERREG III due to capacity problems. This should be determined on the basis of appropriate sub-programmes.
- A positive attribute is that there is a cross-border structure in existence
- This has been to the neglect of seeing the North-East in its entirety

Final issue

Need to look at current IFBs—ADM/CPA/Co-operation Ireland — possible model for INTERREG.



Report on Focus Groups on the role of the Cross-Border Networks in the management and implementation of INTERREG III

Group 2 — 1 February 2001

Participants:

Pamela Arthurs	East Border Region Committee
David Clarke	Irish Central Border Areas Network
Eamonn Molloy	North West Region Cross-Border Group
Willie O'Connell	Derry City Council, North West Region Cross Border Group
Gerard Lynch	Limavady Borough Council, North West Region Cross Border Group
Ian Grant	Limavady Borough Council, North West Region Cross Border Group
Tom McBride	Strabane District Council, North West Region Cross Border Group
Jim McCammick	Craigavon Borough Council, East Border Region Committee
Peter Fitzpatrick	Down District Council, East Border Region Committee
Peter Savage	Louth County Council, East Border Region Committee
Rosaleen O'Hanlon	Monaghan County Council, East Border Region Committee
William McCracken	Banbridge District Council, East Border Region Committee
Gerry McGee	Leitrim County Council, Irish Central Border Areas Network
Paddy Conaty	Cavan County Council, Irish Central Border Areas Network
Joe Leonard	Sligo County Council, Irish Central Border Areas Network

Some key points arising from the focus group:

There is clear agreement on the strategic role of the Networks in terms of providing a strategic focus/framework for spending decisions under INTERREG III. How the Networks can use this strategic focus/perspective as leverage to increase their power and influence is less clear to them. They see their role ranging from authoritative consultation to direct spend. How it will actually emerge will be determined in late spring/early summer 2001.

The capacity problems of the Networks were acknowledged by the participants. This is recognised as a constraint in developing a significant role in implementing INTERREG III. However, there appears to be a slight difference in perspective by the politicians and the co-ordinators. The former see the need to develop a direct spending/approval role as critical to the future power of the Networks — the co-ordinators recognise the capacity limitations and think a major spend role as unrealistic.

The local authorities in the Border counties have varying levels of commitment to the Networks. There is a clear problem in communications between the Networks. This needs to be addressed as the local authorities are the most important power base of the Networks.

Report on Focus Groups on the role of the Cross-Border Networks in the management and implementation of INTERREG III

On the basis of the focus groups, it would appear that the Networks have not engaged politicians as fully as they might in considerations about strategy and processes. The agenda of the Network meetings tends to be tight with insufficient time to consider the 'bigger picture' including strategy and relations with local authorities.

The difference in perspective of the Networks compared to the NGOs was striking — the Networks tend to take a broader perspective, very conscious of cooperation in the context of disparate interests and see the Networks as the foundation for further cooperation and real political progress. Their awareness of specific projects is quite different to that of the NGOs.

While the Networks are committed to working with partners, there was little evidence from discussion that they have fully thought through what this actually means for the Networks.

Examples of successful projects

Successful Projects	Success Factors
Cross-Border Networks	<p>Responded to genuine need — understanding of issues and integrated approach to solving them</p> <p>Common interests and common problems</p> <p>Disparate backgrounds</p> <p>Only forum for cooperation — helped to position the region</p> <p>The political dimension of cooperation essential</p>
Wider Horizons programme	<p>Clear benefits evident</p> <p>Target group (18-28) clearly defined</p> <p>Have to engineer participation initially but involvement then stimulated</p>
<p>Transport—5 strategic routes</p> <p>Key for North/South economic co-operation</p>	<p>Regional dimension — helped to position the region</p> <p>Only forum for cross-border co-operation on transport</p>



Report on Focus Groups on the role of the Cross-Border Networks in the management and implementation of INTERREG III

Successful Projects	Success Factors
Health Services	<p>Co-operation at political and official level to provide access for those living in border areas to nearest services</p> <p>Shaping our future — networks were not consulted initially but through negotiation influenced the final policy document</p>
Bringing communities together (Limavady and Westport)	<p>Twinning initiatives — co-operation developed across sectors and significant benefits</p>
Ferry Service	<p>Initiative emerged from people with different backgrounds but common interests</p> <p>Sense of laying foundation for future co-operation</p>

Obstacles to Cross-Border Co-operation

- Central government departments
- Two jurisdictions—different government policies
- Different currency—taxes etc.
- Political situation
- **Three levels:** High political
- Inter departmental
- Executive level—county council
- Should be more local authority co-operation (at all levels). There are different levels of commitment to the Networks which may be problematic in terms of their future development
- Wider: Business — currency, taxes etc.
- Element of fear — both sides
- Obstacles to partnership: Defined function — role and function
- Lack of integration/knowledge. Who is doing what?
- Remove obstacles: Use funding — integrate

Role of Networks

- The main role of the Networks is to provide a forum for regional development for cross-border co-operation
- The Networks see their role as follows:
- Key body under INTERREG III in terms of:
- Providing a strategic focus for cross-border development
- Influencing decisions on spend based on the Border Corridor Strategy
- Having a direct role in approving some projects

Report on Focus Groups on the role of the Cross-Border Networks in the management and implementation of INTERREG III

- Initial point of contact on cross-border
- Because of their democratic status, the Networks also see themselves as providing responsibility and accountability.
- The focus groups considered the role of the Networks in terms of strategy and operational issues.

Strategy

- The strategy of the Networks will be used to influence:
- Development of North/South cooperation
- Putting across the big picture on cross-border issues
- Decisions on INTERREG III: operational

Options in relation to future role of Networks

Authoritative Consultation	Influence	IFB Project Approval	Direct Funding (relatively small % of the total INTERREG spend)
All spending agencies to consult network	Firms decisions to locate in cross-border areas	Below a certain level Networks to approve IFB's projects	Approve projects
Networks should also be consulted on local government reform	Key transport infrastructure development - essential for access to cross-border regions		All cross-border projects below a certain threshold
	North/South co-operation - should be consulted by government depts.		A key question (not fully considered) is what constitutes a genuine cross-border project?

While INTERREG III will have a budget of approx. £120m, the Networks anticipate that they will be directly responsible for only a small proportion of the budget. A key concern of the politicians present is how the Networks can develop their role without a significant input into project approval. They felt that the bigger picture of how to develop the Networks role in cross-border cooperation should not be lost in the current negotiations. It was acknowledged that the development of a significant role in terms of project approval would have substantial resourcing implications for the Networks given their current capacity.



Report on Focus Groups on the role of the Cross-Border Networks in the management and implementation of INTERREG III

Views on the SEUBP

- The SEUBP will have a key role in determining the implementation rules and arrangements. The Networks are currently engaged in trying to secure a role by negotiating with a working group. The outcome of this working group will be essential in terms of determining the future role of the Networks.
- Concept of those best placed to deliver could facilitate strengthening of Networks role.
- A question considered by the Networks is how important is it for their role to have a role in direct spend? The key points that emerged were:
 - Not either funding or consultative role but some combination of both
 - There are serious capacity limitations in terms of evolving a role in direct spend
 - There is a strong feeling among the politicians that the Networks need to have a substantial role in project approval to give them power and legitimacy. Having a direct spend is the catalyst for further development.
 - The Networks should have a role on the monitoring committee
 - INTERREG Development Officer — they would support 1 person per network who would be answerable to network

Joint INTERREG Programme for Northern Ireland and Republic of Ireland, 1994 - 99

Appendix 4

Sub-Programme 1: Regional Development

Measure	Economic Development	Tourism	Community Economic Development	Technical Assistance
Financial Summary in MECU	Total Cost 23.562 Pub. Exp. 14.977 Of which ERDF 10.836 Private Funds 8.585 EU aid rate 75%	Total Cost 32.025 Pub. Exp. 19.830 Of which ERDF 17.036 Private Funds 12.195 EU aid Rate 75%	Total Cost 22.892 Pub. Exp. 15.668 Of which ERDF 15.240 Private Funds 7.229 EU aid rate 75%	Total Cost 0.834 Pub. Exp. 0.834 Of which ERDF 0.625 Private Funds - EU aid rate 75%
Objective	To establish and develop cross-border linkages for cooperation and economic development of eligible areas.	To develop and market the region as a quality holiday destination.	Develop local area action plans for joint cross-border co-operative economic action. Support community-based initiatives (esp. those submitted on a cross-border basis) for the regeneration of the local economy.	Publicise and provide info. Provide additional funding
Type of Action	Development of linkages between trade associations professional associations, local authorities etc. Studies of a multi-sectoral economic nature undertaken by those bodies. Development of SMEs in part through development agencies. Where cross-border groups have achieved a degree of maturity ... may be a package to facilitate implementation at the local level by the group.	Natural Resources and Activity Tourism/Supporting Facilities Heritage/Cultural Tourism Joint/Cooperative Marketing/Visitor Services	Enable local community groups to take forward projects. Studies relating to locally based integrated multi-sectoral area plans. Support community partnership initiatives for the regeneration of the local economy. Where cross-border groups have achieved a degree of maturity ... may be a package to facilitate implementation at the local level by the group.	Evaluation Publicity IT systems Appointment of INTERREG Development Officer
Responsible Authorities	Department of Finance Department of Economic Development for NI	Department of Tourism and Trade, Dublin Department of Economic Development, Belfast	Department of Agriculture (NI), Department of the Environment (NI) Department of Enterprise and Employment, Ireland	Department of Finance and Personnel (NI) Department of Finance
Final Beneficiaries	Trade associations Professional associations Local authorities SMEs	Public/similar bodies Private sector	Community groups Local voluntary bodies Statutory development bodies Local authorities Local enterprise agencies and co-operatives.	Government Departments Outside bodies Experts

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Sub-Programme 2: Human Resources Development

Measure	Training and Education		Human Resources Development - Capital	
Financial Summary in MECU	Total Cost Public Expenditure Of which ESF Private funds EU Aid Rate	13.757 13.757 9.066 - 65% (of pub. exp.) 75% of total	Total Cost Public Expenditure Of which ERDF Private funds EU Aid Rate	7.502 7.502 5.002 - 75%
Objective	To improve the skills of the people Develop opportunities through co-operation in education and training. To complement activities in other sub-programmes.		To promote and support economic growth and the generation of self-sustaining jobs. To support the region's business, industrial and agricultural community through the provision of specialised facilities for training, research, product development and quality control. To facilitate the institutions in becoming more active partners in co-operation and support for the widest economic development of the border region.	
Type of Action	Co-operation in the planning and/or delivery of actions in the area of education and training, including the training of trainers and the sharing of resources and facilities where appropriate. Tourism training (languages etc) IT training Economic development training needs of SMEs, including R&D. Vocational training in craft skills and related industries. Adult education and training Training for the forestry industry Complementary actions in support of the initiative		To expand research, campus incubation and product development infrastructure at a number of strategic centres ... to support new SME development. To support human resources and tourism development through the provision of infrastructure to accommodate new courses.	
Duration	1994-99		1994-99	
Responsible Authorities	Department of Enterprise and Employment - Ireland Department of Economic Development - Northern Ireland		Departments of Education	
Final Beneficiaries	Providers of training and education approved under this sub-programme		Fishermen, fish producers, food product manufacturers, SMEs - manufacturing, marketing and quality control, tourism, environment, infrastructure, quality control, students.	

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Sub-Programme 3: Infrastructure

Measure	Roads and Transport Infrastructure		Energy and Telecommunications	
Financial Summary in MECU	Total Costs	43.247	43.460	43.460
	Public Expenditure	43.247	40.209	40.209
	Of which ERDF	30.320	20.706	20.706
	Private funds	-	3.251	3.251
	EU aid rate	75% of total	75% of total	75% of total
Objective	To improve and upgrade regional and local roads in order to improve accessibility to the strategic transport networks including the Trans-European road network or to make a direct contribution to other objectives of the INTERREG programme. To improve transport infrastructure affecting border areas. To enhance facilities for people travelling to or through border areas.		To encourage the development of indigenous energy resources and stimulate investment in renewable technologies To promote energy efficiency within the region's business sector to improve the competitiveness of small firms. To assist the extension of a digital telecommunications network throughout the border area and thereby enhance other measures in support of the economic development of the area. To undertake appropriate action in the energy sector e.g. by the development of cross-border energy networks.	
Type of Action	The improvement and upgrading of regional and local roads of direct importance to economic, cross-border and rural community development. The provision of handling equipment and storage facilities at ports having a cross-border hinterland. Improvements to passenger facilities e.g. upgrading of rail and bus on cross-border routes, the provision of essential equipment of any sub-regional airport serving border areas.		Studies, training, demonstration projects etc to develop/exploit renewable or energy efficient technology and practices. Support for energy efficiency in SMEs and the establishment of energy agencies and producers co-operatives in rural communities. Biomass development Energy linkages Replacement and upgrading of existing telephone exchanges to provide ISDN facilities. Feasibility Study to examine the possibility of providing natural gas supply to the border areas.	
Duration	1994-99		1994-99	
Responsible Authorities	The Departments of the Environment (NI) and (ROI), and the Department of Transport, Energy and Communications		The Department of Economic Development and the Department of Transport, Energy and Communications	
Final Beneficiaries	NI and Ireland Government Departments, ports, airports, local authorities, and providers of public transport 'utilities'		NI and ROI government departments, public and private bodies such as district council, SMEs and community associations.	



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Sub-Programme 4: Agriculture/Fisheries/Forestry

Measure	Agriculture		Fisheries I (FIGF)		Fisheries II (ERDF)		Forestry	
Financial Summary in MECU	Total Cost	7.321	Total Cost	6.993	Total Cost	3.779	Total Cost	10.657
	Pub. Exp.	4.285	Pub. Exp.	3.809	Pub. Exp.	3.779	Pub. Exp.	9.150
	Of which		Of which FIGF	2.604	Of which		Of which	
	EAGGF	2.936	Private Funds	3.184	ERDF	2.644	EAGGF	6.332
	Private Funds	3.036	EU Aid rate	75%	Private Funds	-	Private Funds	1.507
	EU Aid Rate	75% of pub.ex			EU Aid Rate	75% of pub.ex	EU Aid Rate	75% of pub.ex
Objective	Encourage cross-border co-operation Contribute to the economic development of area		Encourage co-operation in the sector Assist in the development conservation and/or protection of fisheries		Encourage co-operation in the sector Assist in the development conservation and/or protection of fisheries.		Encourage the sustainable development of forestry on both sides of the border by public and private sector bodies	
Type of Action	Studies/projects on animal/plant health control and monitoring, on alternative enterprises, on improved quality of agricultural produce, on marketing and processing of agricultural produce, on improving management systems for the agri-food sector.		Acquaculture development Development of fishery harbour facilities		Research and development in marine and inland fisheries Conservation and development of marine and inland fisheries Management and development of marine and coastal environment Infrastructure development of fishery harbours		Encouragement of co-operative and/or collective action on planting Environmental improvement and harvesting R&D Pilot projects on silviculture, protection, marketing etc	
Duration	1994-99		1994-99		1994-99		1994-99	
Responsible Authorities	Department of Agriculture, NI Department of Agriculture, Food and Forestry, Ireland		Department of Agriculture, NI Department of the Marine, Dublin		Department of Agriculture, NI Department of the Marine, Dublin		Department of Agriculture, NI Department of Agriculture, Food and Forestry, Ireland	
Final Beneficiaries	National, regional and local organisations. co-operatives, companies and associations and individuals involved in the agrifood industry.		National, regional and authorities, fishermen, fish and shellfish producers and processors, scientific bodies, the angling public, consumers,		National, regional authorities, fishermen, fish and shellfish producers and processors, scientific bodies, the angling public, consumers,		Farm forestry co-operatives and associations, companies and individuals involved in the production of forest-based products, those-involved in forestry related tourism and recreation, agricultural/rural communities, Forest Service	

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Sub-Programme 5: Environmental Protection

Measure	Shared and related catchments - Water Quality, Pollution Abatement and other Environmental Action										
Financial Summary in MECU	<table> <tr> <td>Total Cost</td> <td>45.670</td> </tr> <tr> <td>Public Expenditure</td> <td>44.295</td> </tr> <tr> <td>Of which ERDF</td> <td>33.630</td> </tr> <tr> <td>Private Funds</td> <td>1.375</td> </tr> <tr> <td>EU Aid Rate</td> <td>75%</td> </tr> </table>	Total Cost	45.670	Public Expenditure	44.295	Of which ERDF	33.630	Private Funds	1.375	EU Aid Rate	75%
Total Cost	45.670										
Public Expenditure	44.295										
Of which ERDF	33.630										
Private Funds	1.375										
EU Aid Rate	75%										
Objective	<p>To develop, enhance and/or implement water quality management strategies.</p> <p>To promote the environment and to improve sewage treatment and conveyance facilities.</p> <p>To create additional specific environmental databases and extend monitoring and data collection systems.</p> <p>To increase the amount of waste recycled and decrease the amount disposed of through landfill.</p> <p>To bring contaminated land back into economic use, and</p> <p>To improve compliance with EU Environmental Directives.</p>										
Type of Action	<p>The construction, improvement and expansion of sewage treatment works and sewerage systems.</p> <p>The development of water quality monitoring techniques.</p> <p>The development of environmental databases.</p> <p>The development of water management strategies.</p> <p>The development of water treatment and water distribution networks.</p> <p>Environmental studies and research projects.</p> <p>Site reclamation schemes.</p> <p>Promotion of innovative collection, disposal and recycling of waste.</p> <p>Action to protect the environment.</p>										
Duration	1994-99										
Responsible Authorities	DOE (NI) and DOE (Ireland)										
Final Beneficiaries	Local authorities - Ireland, Department of the Environment (Ireland), Department of the Environment (Northern Ireland), Research Institutes, Universities, District Councils, Environmental Organisations and the Private Sector										



Areas of Responsibility of the INTERREG Development Officer

Appendix 5

(Data based on reported submitted to monitoring committee, 14th June 1996 and 6th December 1996)

Area of IDO Responsibility	Detailed Report of Activities	Key Issues and Proposed Actions
<p>Promotion and Publicity of Interreg II Programme</p>	<p>On average the IDO used 160 contact hours for the promotion and publicity of the INTERREG programme; the office received more than 4000 telephone calls; the IDO visited about 60 groups and attended about 20 seminars as well organising about 400 meetings. During the same period about 75 new groups indicated that they would lodge applications.</p>	<p>In association with other development actors the IDO developed a number of information manuals; however there remained a critical need for sectoral targeted information which is developed on a cross-border basis.</p> <p>In the experience of the IDO, there is a lack of recognition at the local level of the contribution INTERREG has made to local development and indeed the distinct identity of an INTERREG supported project tends to be subsumed in the overall remit of the handling Departments.</p> <p>Short Term Objectives: Information bulletin - to highlight distinct identity of Programme Information Fact Sheets - these will be distributed to a targeted range of strategic economic development actors with the potential to develop 'SMART' projects. Funding Information Manuals Ongoing liaison with measure leaders. Certain measures are heavily subscribed - this may mean a moratorium on certain measures (Ireland's part of the Tourism measure for example) or the targeted provision of key information to attract particular local groups/initiatives (HRD, for example)</p>
<p>Liaison with Personnel</p>	<p>The IDO used nearly 200 contact hours in meetings with a range of organisations, at local/ regional, national and European levels. These meetings would also have included meetings with the working groups and chairpersons.</p>	<p>Ongoing development of the local networking arrangements on a county basis - County Strategy Groups, County Strategy Measure WGs, Rural Development Networks, Cross Border secretariats etc</p> <p>Participation in the Inter-Departmental Steering Group (IRL), Concern had been expressed regarding the possibility of confusion and competition arising from what has been termed the 'plethora' of funding mechanisms in the Border Region.</p> <p>Ongoing participation at Measure Working Group meetings and reporting to the Measure leaders, especially CED and more recently HRD.</p> <p>The approach to date has been to work intensively with the Measure Leaders, local groups, economic development officers at Local Authority Level and with the respective officers of the Rural Development Division (DANI) and county enterprise boards. This liaison will continue but will be focused and guided according to the specific priority needs and objectives of the Measure Leaders.</p> <p>Ongoing involvement on priority areas will be maintained with the Cross Border secretariats and the relevant area based partnerships under LEADER, ADM, IFI etc</p> <p>The IDO will liaise closely with the project officers under the IBEC/CBI and Chamberlink initiatives to maximise their potential as animators for relevant project ideas.</p> <p>In various areas, no clearly articulated cross-border strategy has been developed between the handling Departments which would focus on different areas of sectoral activity.</p> <p>The IDO will contribute to the development of a more strategic approach which will highlight the areas, on a cross-border basis, where the development opportunities converge and where projects can be developed.</p>

Areas of Responsibility of the INTERREG Development Officer

<p>Technical Support in Development of Project Proposals</p>	<p>In terms of the provision of technical support in the development of project proposals, the IDO reports indicate that an average 280 contact hours were provided; nearly 4,500 telephone calls/queries as well as the provision of nearly 300 information packs and over a 100 referrals to measure leaders. Nearly 90 applications followed these initial queries.</p>	<p>Programmes 1,2 and 4 taking most time. The IDO office has realigned its activities in light of recent development under CED and Economic Development. In liaison with the Measure Leaders, there has been a singular commitment to developing and improving the profile and volume of project submissions. Continued to redirect submissions, where appropriate to PEACE, LEADER etc. The Cross-Border secretariats are becoming increasingly important in creating a sub-regional development context against which individual projects can be initially assessed. They also provide a consultative forum which provide a focus and a strategic direction for cross-border projects. Sub-programmes 1,2 and 4 are the areas which create the greatest demand on the IDO resource. The IDO will refocus its activities in the light of recent discussions with the CED team. Close and ongoing contact with the Rural Development Co-ordinators (DANI) and the CEOs of the county enterprise boards (ROI). HRD training projects have been redirected, where appropriate, to PEACE given the heavy subscription of the existing resources under INTERREG and the inherent features of the projects which may more properly realise the objectives of PEACE. The emergence of local development support under the IFBs will facilitate the referral of specific projects directly for consideration under the PEACE and the emergence of area based strategies under the cross-border secretariats will provide a sub-regional development context and a consultative forum which will focus the strategic direction of certain local cross-border projects. This will provide the IDO with greater space for manoeuvrability in terms of concentrating exclusively on a narrower range of development projects under the sub-programmes.</p>
<p>Assisting the creation of Cross-Border Linkages</p>	<p>The reports identify approximately 100 new potential linkages and over 100 projects to which IDO support was given.</p>	<p>Some of the partnerships may not present proposals for funding immediately under the current INTERREG or PEACE funds. This may have to do with inter alia the early stage of project development, the mismatch in terms of institutional or technical/management capacities and balance of funding requirements on both sides of the border, and sectoral or jurisdictional remits and responsibilities. The lead in time for some partners is considerable and the complexity of the local funding environment presents many and complex options which need careful consideration. The IDO role has quite clearly no prejudicial role in determining whether or not any proposed submissions are ultimately going to be 'successful' or not in attracting funding.</p>



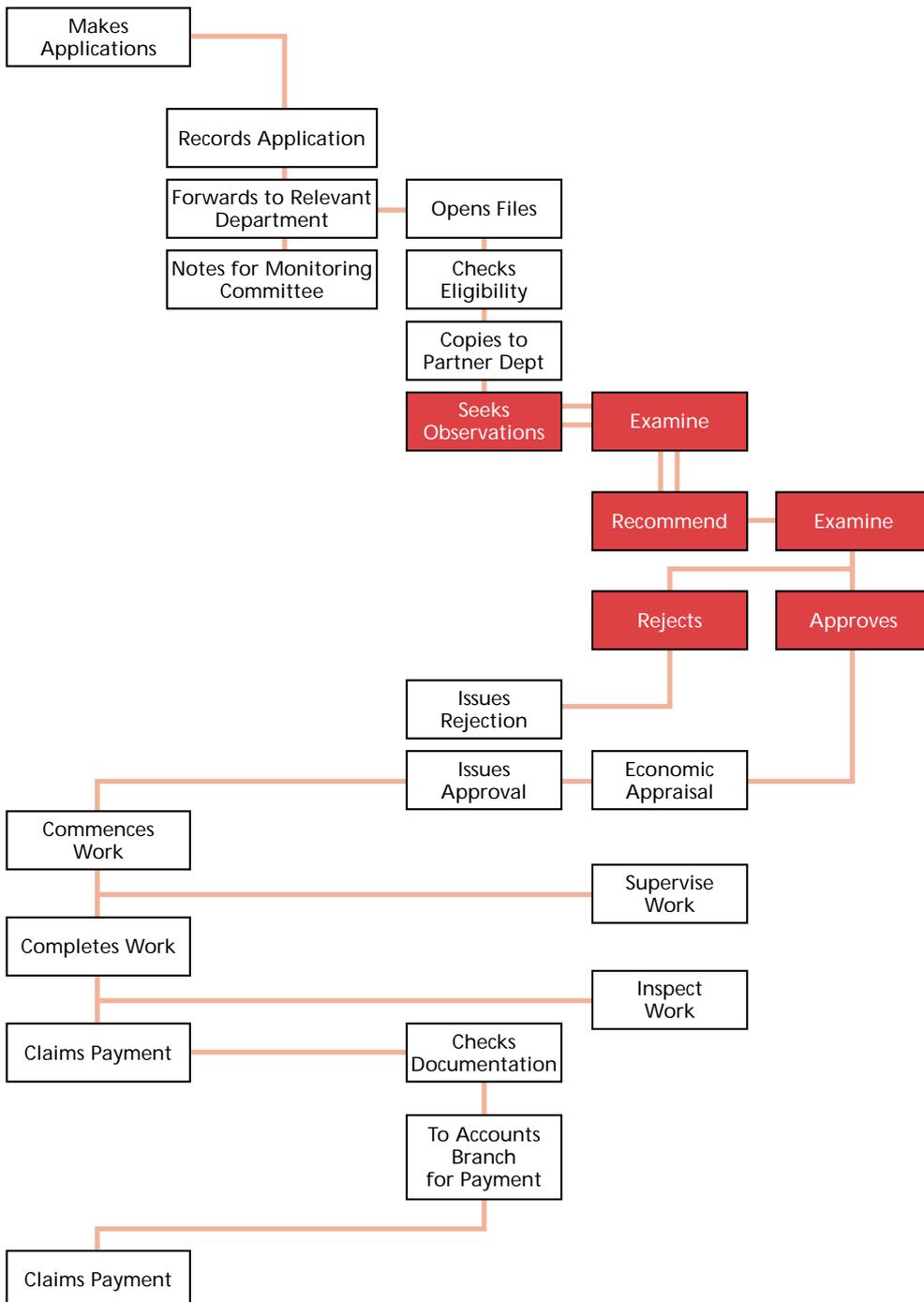
Working Group Progress and Project Evaluation Criteria Under INTERREG II

Appendix 6

Joint Interreg programme for Northern Ireland and Ireland 1994-1999

Sub-programme 4 Measure 1 Project Flow Chart

Applicant	Dept. of Finance and Personnel	DARDNI DAFRD	Experts	S. P. Working Group
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Hatched Actions indicate Duplicate or Joint Actions

Working Group Progress and Project Evaluation Criteria Under INTERREG II

Interreg II Sub-Programme 4

Project Eligibility Check

Programme

- Does the project conform with and advance the aims and objectives of the Interreg II Programme?
- Is the project compatible with National and EU Sectoral and other policies?
- Is the applicant an eligible financial beneficiary under Interreg II?
- Does the application relate to an eligible activity within the area eligible for assistance under Interreg II?

Yes	No

N.B. If the answer to any of the above questions is NO the project is not eligible under Interreg II

Administrative Issues

- Is the project clearly more suited to Interreg than to another EU programme?
- Are the management arrangements clear from the application
- Are the management arrangements convincing and satisfactory?
- If the applicant has applied before, does it have a good track record in the management and delivery of previous projects?
- Does it seem likely that the applicant will be able to raise the matching funding?
- Have steps been taken to minimise the risks associated with the project.
- Is the proposed project likely to make a reasonably cost effective contribution to the aims and objectives of the Interreg II Programme?

Yes	No	Not Clear

Working Group Decision

Signed: _____

Date: _____

Sub-Programme/Measure Leader



Working Group Progress and Project Evaluation Criteria Under INTERREG II

Interreg II Sub-Programme 4 Measure 1 Agriculture

Project Selection Criteria

	Weighting	Score	Total
1. PROGRAMME LEVEL			
• Contribution to development of lasting networks of Cross-Border Co-operation	10		
• Contribution to sustainability of rural incomes and population	10		
• Removal of identified constraints to economic development and realisation of identified opportunities for economic development	10		
• Innovative nature of the Project	10		
2. MEASURE LEVEL			
• Cross Border	5		
• Benefit to local agricultural community	5		
• Contribution to local economic development	5		
• Prospect of viability	5		
• Compliance with CAP and other EU Regulations	5		
3. MANAGERIAL			
• Administrative strength	5		
• Value for money	5		
Total	75		

Signed: _____ Date: _____

Sub-Programme/Measure Leader

Type of key issues discussed during the Monitoring Committee meetings Appendix 7

Sub Programme (and measures)	Type of key issues discussed during the Monitoring Committee meetings
<p>Regional Development</p> <p>Measure 1: Economic Development</p>	<p>Commission calls for greater role for local actors, for example the networks, in the implementation of INTERREG II. <i>In January 1996</i> the INTERREG office pointed to the practical difficulties in implementing the concept of integrated area plans, as the present format of the programme does not allow for this. It is provisionally agreed with DGXVI that each sectoral element be looked at by the relevant working group. The Commission pointed out that it had received complaints from the aforementioned groups (networks) and that there was the general feeling of a lack of co-ordination between various funding agencies on the ground. The INTERREG office accepted that there was a plethora of agencies operating in the eligible region and it was the function of the newly appointed IDO to liaise with them and ensure that no double funding occurred. The Commission asked that in the future groups who have submitted integrated plans be invited to present their proposals before the working group. Many of the members expressed disquiet at setting such a precedent coupled with the dangers of allocating globalised grants to groups who neither had the expertise in the sectoral area, nor the statutory powers to deliver such services. <i>In December 1996</i> it was reported that there was still no progress in discussing the integrated area plans and a request was made as to whether it would be possible to allocate block grants to the networks. This was later rejected by the DOF, who pointed to the modus operandi already agreed with the DGXVI. <i>In June 1998</i> the measure leaders report on a meeting with the three cross-border groups, who have been on a study visit facilitated by the LACE-TAP. The groups expressed some concern as to their status post 1999. They were encouraged to broaden their sphere of interests to embrace regional priorities in order to better position themselves as focal points within their respective delivery regions and forge the type of partnership which would be a prime factor in the post 1999 delivery mechanisms for the structural funds. <i>In June 1999</i> it is reported to the Monitoring Committee that consultants have been appointed, on behalf of the three local authority networks (ICBAN, NWRCBG and EBR) to provide sub-regional integrated area plans for the ICBAN and NWRCBG regions and an overarching strategy for the border corridor covered by all three networks.</p> <p>Commission points to slow rate of project appraisal and approval.</p>



Type of key issues discussed during the Monitoring Committee meetings

<p>Measure 2: Tourism</p>	<p>Rate of progress in project approval was initially slow, but improved over time. Spend a little slow, but nevertheless compared well with other Programme measures. Need to encourage genuine cross-border projects Good complementarity of projects with PEACE Plethora of agencies: Role of IDO to clarify situation for project proposer. Implementation slower in the initial phase resulting from delay in agreeing standard selection criteria with government departments - DOF and DFP Recommendation of tourism progress report as a model for future progress reports from the working groups to monitoring committees.</p>
<p>Measure 3: Community Economic Development</p>	<p>This measure proved to be one of the more controversial measures of the INTERREG II Programme, particularly with regard to the number of projects approved in the early phase of implementation. In <i>June 1996</i> the progress report to the Committee pointed out that a high number of applications have fallen short of meeting the aims and objectives of the Measure. The situation would be discussed with the IDO and remedial action taken immediately. The progress report also indicated that there was a possibility that some potential INTERREG applications were being directed to other initiatives, such as PEACE, LEADER. The measure leaders assured the Commission that the slow progress had not been due to administrative difficulties, or the failure to receive quality applications. In <i>December 1996</i> it was pointed out that community group infrastructure was relatively weak, both North and South, and the measure leaders, assisted by the IDO, had to invest much time and effort in developmental work. DANI foresaw the need for thorough economic appraisals to be undertaken on many of the projects. Community groups sometimes had difficulty in providing matching funding. DOF advised that there was the facility to assist local groups with matching funding - but only as a last resort. In <i>June 1997</i> some funding was transferred out of the measure to Measure 1 (agriculture) of sub-programme 4, Agriculture, Fisheries and Forestry. The Commission pointed to the small number of projects that could be classified as cross-border, compared with numbers of approved stand-alone projects. Moreover those projects which were cross-border were small in nature, whereas under the PEACE initiative many comparable cross-border projects were large. The Commission suggested that the INTERREG measure 3 (CED) leaders should communicate with their PEACE counterparts.</p>

Type of key issues discussed during the Monitoring Committee meetings

Measure 4: Forestry	<p>Difficulties in bringing forward appropriate project proposals. The measure leaders pointed out that when the Programme was initially devised, planting and harvesting had been a major component of spending plans under the Measure. Shortly before the Programme was launched the projects were ruled as ineligible by the European Commission. Money to be transferred to Measure 1.</p> <p>Slow rate of project appraisal and approval: need for extra resources for adequate economic appraisal of projects.</p>
Environmental protection	<p>Reclassification of projects from type C to type A</p> <p>Good working relationships, reflecting genuine joint management, between relevant Departments North and South of the border.</p> <p>Spend of funds was slow throughout.</p>

Political Composition of District Councils in the Cross-Border Networks 1993/1997

Appendix 8

1993

Council	Dup	Loy	UUP	Con.	All	DL	WP	SDLP	SF	IN.	Oth	Tot	Dominant
1 Armagh	2	0	10	0	0	0	0	9	1	0	0	22	Unionist
2 Banbridge	2	0	10	0	1	0	0	3	0	0	1	17	Unionist
3 Cookstown	3	1	5	0	0	0	0	5	2	0	0	16	Unionist
4 Craigavon	4	1	10	0	2	0	1	6	2	0	0	26	Unionist
5 Derry	5	1	2	0	0	0	0	17	5	0	0	30	Nationalist
6 Down	3	0	7	0	0	0	0	13	0	0	0	23	Nationalist
7 Dungannon	3	0	8	0	0	1	0	4	5	0	1	22	Unionist
8 Fermanagh	2	0	10	0	0	0	0	5	3	0	3	23	Unionist
9 Limavady	1	0	6	0	0	0	0	7	1	0	0	15	Nationalist
10 New/Mourne	1	0	6	0	0	0	0	15	5	0	3	30	Nationalist
11 Omagh	3	0	4	0	1	0	0	5	6	1	1	21	Nationalist
12 Strabane	3	1	4	0	0	0	0	5	2	0	1	16	Balance

1997

Council	Dup	UDP	OU	UUP	All	SDLP	SF	IN.	Ind	Oth	Tot	Dominant
1 Armagh	2	0	0	10	0	7	3	0	0	0	22	Unionist
2 Banbridge	3	0	0	9	0	3	0	0	2	0	17	Unionist
3 Cookstown	2	0	1	4	0	4	5	0	0	0	16	Nationalist
4 Craigavon	3	0	0	11	1	7	2	2	0	0	26	Unionist
5 Derry	4	0	0	3	0	14	8	0	1	0	30	Nationalist
6 Down	2	0	0	6	0	12	2	0	0	1	23	Nationalist
7 Dungannon	3	0	0	8	0	4	5	0	1	1	22	Unionist
8 Fermanagh	2	0	0	9	0	4	5	1	1	1	23	Balance
9 Limavady	1	0	0	6	0	7	1	0	0	0	15	Nationalist
10 New/Mourne	1	0	0	5	0	12	8	0	4	0	30	Nationalist
11 Omagh	3	0	0	4	1	6	6	0	0	1	21	Nationalist
12 Strabane	3	0	0	3	0	5	4	0	1	0	16	Nationalist



General Information

Date of formal establishment:

Motivation for establishment of cross border group:

Membership

Others

Please indicate what groups other than council members are involved:

At what point were these other interests invited into the process? Why?

How often does the network meet?

What practical difficulties arise from the different functions of Northern Ireland District Councils and County Councils in the South?

What contacts are maintained with the other two cross-border networks?

Organisation

How many staff are employed by the network:

At what grade/function:

What does the day-to-day management of the network's business entail:

INTERREG I

What involvement did the network have with INTERREG I?

INTERREG II

What input did the network have to the preparation for INTERREG II?

What projects did the network put forward under INTERREG II? Please indicate which projects received funding, and which did not.

What lessons did the network learn from INTERREG II?

INTERREG III

How do you see the role of the cross-border networks developing in the new round of programming?

What sort of projects would you envisage putting forward under the new round?

Would you see a role for the networks on the monitoring committee? Why?

Would you see a role for the networks as intermediary implementation bodies? Why?

Do you see a role for the networks as payment bodies? Why?

What changes, if any, do you see arising from the creation of the EU Special Programmes Body?

What is the role of the INTERREG Office?

Additional Comments:

Summary of Consultation Questions for INTERREG III

Appendix 10

Question 1

Do you think the analysis of the strengths, weaknesses and potential of the eligible areas is sufficient? Is there any additional information available which could assist with the development of the new Programme?

Question 2

Programme Content - priority topics. Are there any additional topics which would further contribute to the objectives of the Programme?

Question 3

The actions under INTERREG Programme must be complementary to the actions under PEACE. How should we distinguish between the two programmes?

Question 4

How do you think INTERREG III should be implemented?

Question 5

What priorities should specifically be addressed by the Programme? List these in order of priority.

Question 6

District Council areas which are adjacent to the border are generally perceived to have been most affected by its existence. Should projects within these areas be given a selection preference weighting?

Question 7

The functions of District Councils in Northern Ireland and County Councils in the South are different. Does this cause problems with any of the suggested topics?

Question 8

Does the definition of a cross-border project set out under paragraph 2.11 suffice? If not please provide a definition.

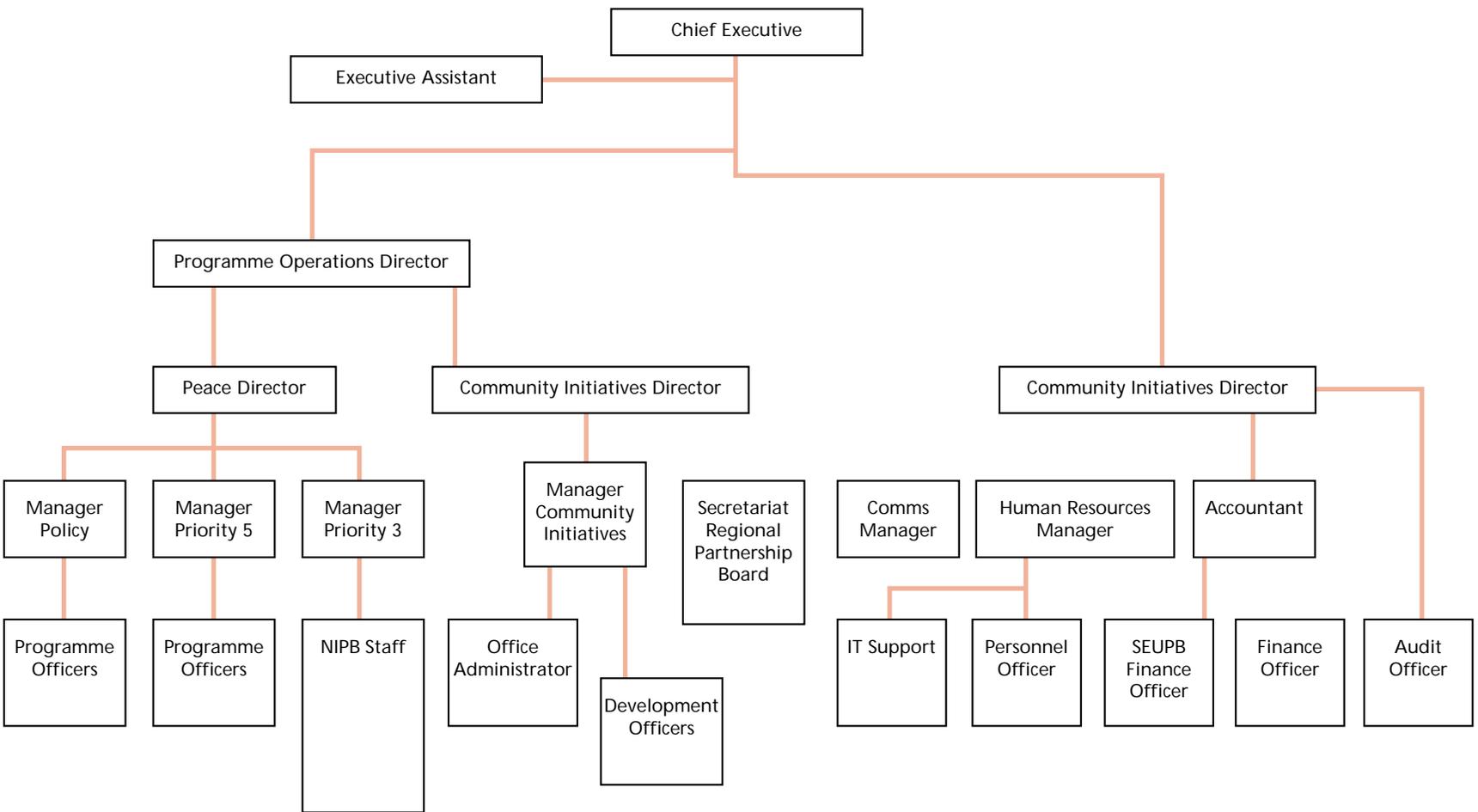
Question 9

The cross-border networks were funded under INTERREG II to produce high level strategic development plans and have expectations of grant awards under the INTERREG III programme. These networks include representatives from only 12 of the 26 District Council areas in Northern Ireland. Allocating an amount of grant to these networks would therefore reduce the total grant available to projects from the remaining 14 District Council areas. In your opinion, how should this issue be addressed?

Question 10

The new structural funds regulations require that attention be paid to environment, employment, equality and rural development factors. They are intended to form cross-cutting or horizontal themes throughout. In the context of the proposals put forward have you an opinion as to how these issues might be addressed?





Executive Summary

1. Introduction

This Report has been prepared by an Action Team established under the Chairmanship of the Special EU Programmes Body to define and report on the future roles of the Border Corridor Groups in the context of the new round of appropriate model which will achieve the effective implementation of those roles.

The Action Team was to consider

- Maximising the role of the Border Corridor Groups to bring maximum benefits to the communities on both sides of the Border
- The potential for a performance indicator which will optimise the outcome of spend on the Border Corridor regardless if spending authority
- Complementary with existing structures North and South and with related expenditure programmes
- Linkages with other District Councils/sectoral representatives within the eligible area for INTERREG IIIA and Peace II.

The composition of the Action Team and its detailed terms of reference are set out in Section 1.

2. Principles

The Action Team has set out the principles which it believes should apply to the roles of the Border Corridor Group and illustrated its approach by detailing a model by which those principles might be implemented.

Following Ministerial consideration in the context of the North South Ministerial Council and a decision on the principles which should apply to the roles of the Groups, further more detailed work will be carried out on the precise arrangements which would apply.

The principles which the Action Team recommends should underline future arrangements are:

- In the context of Government policies, including legal and administrative frameworks North and South, the role of the Groups should be maximised to bring practical benefits to communities on both sides of the Border;
- The ethos of partnership working should be established between all those involved in delivery of the Structural Funds in the Border of Corridor;
- Arrangements need to be compatible with EU Structural Funds Regulations and legal and administrative frameworks, North and South, and need to achieve complementary with other structures and programmes;
- Within this context, a substantive allocation of funds will be made to the Border Corridor Groups and decentralised decision-making structures will be put in place for its administration;
- Structures and processes for decision-making at local level need to be inclusive and transparent;
- Recognition of the role of the Groups as a source of authoritative consultation for the INTERREG IIIA Programme and its priorities and for the cross-border components of Peace II, as well as a more general recognition in relation to the Common Chapter and the principles which it establishes in relation to cross-border funding.

This report provides a framework of principles and partnership which requires further development, discussion and agreement and cannot, at this time, be a final and prescriptive model until negotiations between the Commission and the Member States on the INTERREG IIIA Programmes are complete and the Programme Complement is finalised.

The EU Programmes' Body is committed to examining the best means to provide funding for the continuing work of the Secretariat of the Border Corridor Groups including the provision of INTERREG IIIA Development Officers.

Executive Summary of Action Team

Recognition of these principles by Government Department, the Special EU Programmes Body, and public agencies involved in programme delivery and by the Border Corridor Groups will provide the basis for implementing meaningful roles for the Border Corridor Groups through more detailed development of the Programme and of the Programme Complement.

3. Roles in INTERREG IIIA

Section 3 of our Report sets out a model by which the following roles can be operationalised for the Border Corridor Groups in the INTERREG IIIA Programme.

- Forming an important part of the INTERREG IIIA Development Team
- Being the decision-making bodies for defined parts of the INTERREG IIIA Programme, where decision-making would be delegated to the Groups
- Being an authoritative source of consultation on the needs and priorities of the Border Corridor in the context of INTERREG IIIA and other EU funds for cross-border development
- Representing the Border Corridor on the INTERREG IIIA Monitoring Committee

Section 3 of the Report sets out a model by which the Border Corridor Groups could play a substantive role in INTERREG IIIA, through application of the principles set out above. The details of these roles require further work following Ministerial consideration of this Report and in the light of the Commission response to the draft Programme and work on the Programme Complement.

4. Complementary & Linkages

Local authority-based structures have increasing leadership and strategic planning roles North and South and are increasingly based on social partnership models. This experiences can be brought to bear at the level of the Border Corridor by the creation of accountable INTERREG IIIA Partnerships for cross-border development.

There is a particular opportunity for the Border Corridor Groups, working jointly, to play a role in identifying and facilitating the emergence of high-quality co-operation projects between local authorities on both sides of the Border to take advantage of the funding provided by Priority 5 of the Peace II Programme.

More generally, the Border Corridor Groups have a role in observing and commenting on the deployment of Structural Funds programmes generally and the extent to which they are meeting the evolving needs of the Border Corridor. The most appropriate frame of reference for this is the Common Chapter.

5. Expenditure Performance Indicator

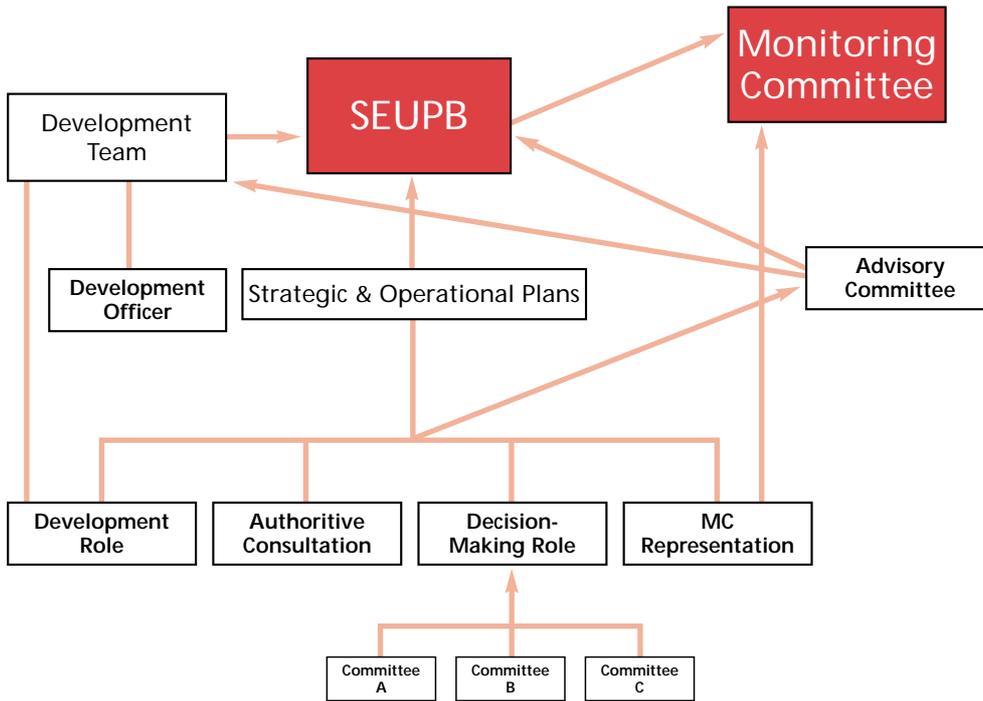
The Border Corridor Groups have proposed that a performance indicator should be established for the INTERREG IIIA Programme based on the % of total expenditure across the Programme which is committed to the Border Corridor.

The rationale for this proposal lies in the INTERREG IIIA Guidelines and in the Common Chapter.

The Border Corridor accounts for the 76% of the population of the eligible INTERREG IIIA region. The Border Corridor Groups suggest that an expenditure outcome less than its population share would mean that the principles in the Guidelines and the Common Chapter had not been realised and propose a target to be monitored that 80% of all INTERREG IIIA fund should be committed within the Border Corridor.

The Action Team considered that this proposal required further examination.

Structure and Strategy



Source: Action Team (2001)



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<http://info regio.cec.eu.int> European Regional Development Fund and Cohesion Fund

<http://www.eu-peace.org/> PEACE fund database

Government Servers

Republic of Ireland

<http://www.irlgov.ie> Government of Ireland homepage, with links to all Departments

<http://www.irlgov.ie/finance/defaultbody.htm> Department of Finance



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<http://www.euregio.org> Euregio Rhine-Waal

<http://www.pamina.org> PAMINA

<http://www.juntaex.es> Junta de Extremadura

<http://www.ccr-alt.pt> Comissão de Coordenação da Região do Alentejo

Organisations

<http://www.cpa.ie/> Combat Poverty Agency with links to ADM and local partnerships

<http://www.co-operation-ireland.ie/> Co-operation Ireland

<http://www.heanet.ie/agrilink/> Agrilink

Centres for Research

<http://www.ucd.ie/~ibis> Institute for British-Irish Studies, UCD

<http://www.qub.ac.uk/ccbs/> Centre for Cross-Border Studies, Armagh

<http://www.qub.ac.uk/ss/ssp/cibr/> Centre for International Borders Research, QUB

<http://www.democraticdialogue.org/> Democratic Dialogue

Media

<http://www.ireland.com> The Irish Times

<http://www.irishnews.com> The Irish News

General Interest

<http://explorers.whyte.com/default.htm> Northern Ireland election results

<http://www.discovernorthernireland.com> Northern Ireland Tourist Board

<http://www.travel.ireland.ie> Bord Fáilte Éireann



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The Centre for Cross Border Studies, based in Armagh, was set up in September 1999 to research and develop co-operation across the Irish border in education, health, business, public administration, communications and a range of other practical areas. It is a joint initiative by Queen's University Belfast, Dublin City University and the Workers Educational Association (Northern Ireland), and is financed by the EU Special Support Programme for Peace and Reconciliation. Between February and June 2001 the Centre will publish research reports on cross-border telecommunications, cross-border health services, all-Ireland co-operation to tackle disadvantage in education, EU cross-border funding before and after the Good Friday Agreement and a number of other areas of practical North-South co-operation.

Other Reports in This Series

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Ireland's Learning Poor: Adult Educational Disadvantage and Cross-Border Co-operation. Paul McGill and Mark Morgan. April 2001.

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