



BSR INTERREG III B NEWSLETTER No 8 • 12.2006-1

INTERREG IIIA Priorities

Content:

- 5th Call results
- N+2 – What is it?
- Financial control – how does it work?
- INTERREG IIIA website in Russian
- Development of the territorial cooperation Programmes 2007-2013

Development of the territorial cooperation Programmes 2007-2013

It has been some time since we informed you about the development of the territorial cooperation Programmes 2007-2013 in our Programme area so in this Newsletter we provide updated information:

- Baltic Sea Region

Programme: the Programme promotes cooperation among the eleven countries of the Baltic Sea Region. It supports the development towards a sustainable, competitive and territorially integrated Baltic Sea Region by connecting potentials over the borders. Its four thematic priorities will deal with: fostering of the innovations across the BSR, improving its internal and external accessibility, management of the Baltic Sea as a common resource, and finally – with promoting of attractive and competitive cities and regions. The budget of the Programme is roughly 208 million EUR from the ERDF; in addition 6 million EUR have been allocated from the Norwegian state budget and 22,6 million EUR from the ENPI. The Programme will be managed by Investitionsbank Schleswig-Holstein located in Kiel, Germany. A trans-national Joint Technical Secretariat will be established for the day-to-day Programme management with two locations: in Rostock, Germany, and Riga, Latvia. Further information available on www.bsrinterreg.net

- Cross-border cooperation programme Central Baltic: the Programme deals with cross-border cooperation between Sweden, Finland, Estonia and Latvia. Programme envisages three sub-programmes: (1) Central Baltic thematic sub-programme, (2) South-Finland and Estonia sub-programme, and (3) Archipelago and Islands sub-programme; and will concentrate on the following priorities: safe and healthy environment, economically competitive and innovative region, and good living conditions. The total programme amount is ca 100 million EUR from the ERDF. The programme will be managed by Varsinais-Suomi Regional Council in Finland. Joint Technical Secretariat will be located in Turku, Finland; sub-secretariats will be located in Tallinn (for South-Finland and Estonia sub-programme), Marienhamn (for Archipelago and Islands sub-programme) and Stockholm (for Thematic sub-programme). An Info Point is envisaged in Riga. Further information available on <http://www.varsinais-suomi.fi/Default.aspx?id=459654>

- Cross-border cooperation programme Estonia – Latvia: the programme deal with cooperation on the borders between Estonia and Latvia; the total Programme amount is ca 38 million EUR from the ERDF and it will concentrate on the following priorities: increased cohesion of the border regions; higher competitiveness of the border regions, and active, sustainable and integrated communities; Programme will be managed by Estonian Ministry of Interior; the JTS will be located in South Estonia.

- Cross-border cooperation ENPI programme Estonia – Latvia – Russia: the Programme will deal with cross-border cooperation between Estonia, Latvia and Russia; Programme priorities: economic and social development, addressing the common challenges, promotion of people-to-people cooperation; estimated Programme funding – ca 47,7 million EUR from ENPI. Programme will be managed by Latvia; JMA will be Ministry of Regional Development and Local Governments; JTS to be located in Riga; Information Points will be located in Estonia (two locations) and Russia (ST Petersburg and Pskov).





BSR INTERREG III B NEWSLETTER No 9 • 12.2006-2

INTERREG IIIA Priorities

- Cross-border cooperation ENPI programme Latvia – Lithuania – Belarus: the Programme will deal with cross-border cooperation on the external border between Latvia, Lithuania and Belarus; programme priorities are in elaboration process; Programme funding – ca 41,7 million EUR from ENPI. The decision on responsibility for Programme management has not been made yet. Both Latvia and Lithuania have expressed their interest.

- Cross-border cooperation programme Latvia – Lithuania: the Programme deals with cross-border cooperation between Latvia and Lithuania. The priorities of the Programme shall be economic and business development for encouraging the competitiveness of the region and attractive living environment and community development; the funding available to the Programme – ca 65 million EUR from the ERDF. Programme will be managed by Latvia, MA and CA shall be Ministry for Regional Development and Local Governments, JTS shall be located in Riga; one Information Point shall be located in Lithuania.

N+2 – What is it?

When touching the topic of the financial implementation of any INTERREG programmes one of the key topics of 2006 were definitely the so called “n+2 rule” and the risk of de-commitment. What does it actually mean and what are the consequences for the projects?

For explanation we should remind that the Structural Funds are not allocated to the individual programmes in one amount for the whole programme period but in shares for each year. At the same time the regulations on these funds gives a certain time period for their spending – in case of the European Regional Development Fund (ERDF), the financial source of all INTERREG programmes, all funds have to be spent within two years after the year of the allocation (year n plus 2 years = n+2 rule). For example the allocation to our programme for the year 2004 was 29.1 MEUR and this means that these funds have to be requested from the European Commission by end of 2006 at latest. In case the programmes do not request the allocated amount within this given time frame the not requested funds are automatically de-committed and are lost for the programme and for the projects. The European Union wants to achieve by



INTERREG IIIA Priorities’ web-site available also in Russian!

BSR INTERREG III B Joint Secretariat Riga office is launching the Russian language version of the INTERREG IIIA Priorities’ web-site.

The Russian version is aimed at facilitating project development and implementation for Russian and Belarusian applicants and project partners, as well as at increasing awareness of the Priorities with the Russian speaking audience.

The Russian version is a copy of the English version of the INTERREG IIIA Priorities’ web-site. It is presenting all relevant information about the INTERREG IIIA Priorities North and South, topics and measures supported, project development and implementation procedures in the Russian Language. The documents and presentations in Russian are available for download. News and announcements are published in Russian.

The Russian version can be found at www.bsrintereg3a.net by clicking on Russian version link. Visit us at the Russian version of the INTERREG IIIA Priorities!



BSR INTERREG III B NEWSLETTER No 8 • 12.2006-3

INTERREG IIIA Priorities

this rule the fast and evenly spread implementation of the funds during the programme period however the challenging time limit makes the risk of de-commitment in the majority of the INTERREG programmes very high.

As you know the INTERREG IIIA cross-border programmes Estonia-Latvia-Russia and Latvia-Lithuania-Belarus are integrated as individual priorities ("North" and "South priorities) into the transnational BSR INTERREG IIIB Neighbourhood Programme. Therefore the de-commitment risk is not calculated for each cross-border programme separately but for the whole programme inclusive the transnational priorities. The advantage is that eventual de-commitment risk in one priority can be balanced by a surplus in the other priority.

The calculation of the payment requests to the European Commission base normally on the costs reported in the audited project reports so in the consequence the programme fully depends on the actual project implementation as well as on the reporting of the generated costs in time. In exceptional cases the European Commission allows also to base a part of the request on project reports without an auditor confirmation (so called interim reports).

Different factors like delayed project implementation and capacity problems of the centralized first level auditors lead in our programme in 2006 to a significant de-commitment risk as the actually reported amounts reached less than 60 % of the planned expenditure. For this reason the Joint Secretariat was active from the begin of the year and tried to rise the awareness about the

problem among all stake holder – the involved Member States, the first level auditors and of course among the implementing projects. Even if this already improved the situation still the main tool against the de-commitment remains the interim reporting round for all projects in all priorities. All together the Joint Secretariat has received 114 accountable interim reports (64 from IIIB projects and 50 from IIIA projects).

The Joint Secretariat would like to thank to all the project who have made the additional efforts and contributed with their interim reports and to the first level auditors for their high engagement as well as to all others who have contributed to the challenging task of de-commitment avoiding. The Joint Secretariat is looking forward to the further successful co-operation in the next year.

Financial control – how does it work?

According to Art. 4 and Art. 10 of the EC Financial Control Regulation No. 438/2001, the Baltic Sea Programme has established two systems of control for the assistance granted to the projects, first level controls and second level controls.

The **first level controls** are performed by first level auditors appointed by the Lead Partner and Project Partners. The auditors check goods/services that have been purchased, the management system and the

bookkeeping lists (invoices included) related to the expenditures in the project. These checks are performed on-the-spot. Only after the auditors have certified the expenditure, the LP is allowed to submit a progress

report on the costs incurred within each milestone of the project.

The **second level controls** are also called "sample checks" and are performed on selected sample projects.





BSR INTERREG III B NEWSLETTER

No 7 • 09.2006-4

INTERREG IIIA Priorities

Projects are selected according to a method that is approved by the European Commission (the so-called "Art. 5 Communication"). This method is based on risk criteria chosen by the Member States. These checks have to verify the effectiveness of the control and management system in place, and the expenditure declarations made at the first level. The Regulation 438/2001 requires each Programme to check at least 5% of the total eligible expenditure at Programme level. At the moment, the second level auditors are working on projects selected in 2004 and 2005. Checks are complex and can take a long time, also because all project partners have to be checked in their respective countries. There is a huge amount of documents that must be provided and checked to make sure that the project is based on a sound control and management system.

Second level auditors and the Secretariat co-operate closely. If there are any negative findings, the Secretariat must take necessary actions, which might lead, in the worst case, to a situation where the project does not receive the ERDF funds claimed, or to a recovery of the ERDF funds granted to the project.

But who is controlling the controllers? Who is controlling the Joint Secretariat, the Managing and Paying Authority and their management and control systems? The German Federal Office of Economics and Export Control (BAFA) is the institution responsible for closing down the Programme at the end of the implementation period – that is at the end of 2008. BAFA, therefore, is obliged to check the performance of the Programme bodies and reports upon this to the Commission. These checks, performed at Programme level, are called "system-checks" and do not involve projects, but Programme bodies.

The Baltic Sea Programme will undergo a system check in early 2007. Some minor system checks have been already performed in 2005, and resulted in mainly positive findings about our management and control system.



New part-time employee

Liga Abika

Part time expert

Liga graduated University of Latvia in Economics and has a Master in International Business and Law from the University of Rostock. During her postgraduate studies in Rostock she worked as a part time assistant for the INTERREG III B Joint Secretariat and her main task was to organise the BSR INTERREG III B project conference "Setting regions in motion" in Malmö/Sweden. At the moment Liga is working as a part time expert for Joint Secretariat in Riga and her main responsibility is to organise the INTERREG IIIA project conference. Additionally, she is assisting with the INTERREG IIIA project compendium.

Tel: + 371 735 73 68

Mob: + 371 26593835

Fax: +371 735 73 72

E-mail:

liga.abika@bsrinterreg3a.net



BSR INTERREG III B NEWSLETTER

No 8 • 12.2006-5

INTERREG IIIA Priorities

News from III B

The 13th Steering Committee meeting of the BSR INTERREG III B Neighbourhood Programme took place on 7-8 December 2006 in one of the actively growing city - Wroclaw, Poland.

Among many issues on the Steering Committee Agenda there were decisions concerning the applications received in the 9th application round. SC approved nine project proposals and committed all available Tacis funding – 3,325,000 Euro. The two projects were approved on the Reserve list. The submitted proposals required three times more funding than actually was available.

The 9th call was opened from 21 July – 16 October 2006. In total 33 applications were received. The call was opened only for two measures under the priority 3 – transnational and bilateral capacity building in the BSR. The highest amount of proposal were in the field of economic development, however also other themes were represented as for example environment, energy, sustainable development transport, etc. As the projects should have special focus on the partner countries – Russian and Belarus, the highest amount of project partners came from Russia - in total 119, also Belarusian partners were quite active although with 14 project partners in received applications.

Approved projects (9th call) are: SPb InnoReg (FI), EastWest Window (LV), BEN-EAST (DK), MATRUSCHKA (FI), DaGoRus (FI), Matryoshka (LV), EastWind (DE), MunEM (DE), JOCCOW (SE). In reserve list: Greenhouse (NO), HinterlandXP (DE).

At the moment there are no funds left in the running Baltic Sea INTERREG III B programme, therefore no more calls for project proposals will be organized. The first call under the new Baltic Sea Programme 2007-2013 (territorial cooperation) is planned for the 2nd half of year 2007.

Altogether there are 129 projects approved in the Baltic Sea INTERREG III B programme.



**New Year Greetings to all
INTERREG friends!**





BSR INTERREG III B NEWSLETTER

No 8 • 12.2006-6

INTERREG IIIA Priorities

27 applications received in the 5th Call for Applications for INTERREG IIIA Priority South

The 5th Call for project applications for the INTERREG IIIA Priority South was closed on 4th December 2006. Altogether 27 applications have been received. 6 of the received projects have Latvian Lead Partners, 6– Lithuanian Lead Partners and 15 Lead Partners from Belarus. Due to the fact that the ERDF funds have been fully committed by now, projects of the 5th round could only apply for financing from the EU Tacis funds. A special focus of the 5th Call is kept on Belarus, therefore, most of the activities to be supported within a project, should be mainly in Belarus or be for the benefit of Belarusian partners. In this Call the minimum project size for the projects of Priority South is 500,000 EUR.

Tacis funding currently available for the Priority South is 2.805 million EUR - 0.43 million EUR from the Tacis Action Programme (AP) 2004 and 2.375 million EUR from the Tacis AP 2005.

The total amount of funding requested from the Tacis in the 5th Call for Proposals is 17,3 million EUR.

Decisions on projects to be funded shall be made by the INTERREG IIIA South Steering Committee on 1-2 February 2007.

29 Applications received for the 5th Call for Applications for INTERREG IIIA Priority North

The 5th Call for project applications for the INTERREG IIIA Priority North was closed on 4th December 2006. Altogether 29 Application Forms were received. 3 of the received projects have Latvian Lead Partners, 14 – Estonian Lead Partners and 12 Applications has a Russian Lead Partner.

The 5th Call was focused on cooperation with Russia, taking into account that all projects approved in the current round will be financed from the EU Tacis Programme. All project proposals in 5th Call have been submitted for Measure 2 – cooperation on the EU external borders with Russia which is aimed at balancing the overall development conditions and eliminating development hindrances caused by geographical location through integrating the border regions.

The total amount of funding requested from Tacis funds is approximately 6,7 million EUR. The total amount of funds available for projects to be implemented is 1.9 million EUR from the Tacis Action Programme 2005.

Decisions on projects to be funded shall be made by the INTERREG IIIA Priority North Steering Committee on 30th January, 2007.

Info points in Russia

In order to support the Programme implementation and to assist potential applicants in project proposal development, two Info Points were established in February 2006 in Saint-Petersburg and Pskov. The Info Point in Saint-Petersburg is hosted by the Leontief Centre (St. Petersburg, per. Antonenko 6; +7 812 570 3626), in Pskov the Info Point is located in the premises of the Pskov region Administration (Pskov, Nekrasova str. 23, outhouse, room 37; +7 911 3889406). The main tasks of the Info Points are the following:

- Translation of the main Programme documents and relevant information materials in Russian;

- Updating information in Russian on the website;
- Publishing announcements of the calls in media
- Organization of information events for potential beneficiaries and approved projects in Russia.

- Providing general information and advice to potential beneficiaries.

The major task of the Info Points is to arrange information seminars in Russia, for example, Info seminar devoted to the 4th Call for Proposals within IIIA North Priority were held in Pskov and St. Petersburg; Info seminars for the 9th III B Call were organized in Kaliningrad and St. Petersburg and other seminars are scheduled for 2007.



BSR INTERREG III B NEWSLETTER No 8 • 12.2006-7

INTERREG IIIA Priorities

SOUTH PROJECT PRESENTATION

Ball -Border-Basket

Organising Latvian-Lithuanian cross-border basketball championships and streetball tournaments

Basketball and street ball as team games have become one of the most popular sports in Latvia and Lithuania however on local level organization of tournaments is very limited and potential of such events for involving local people in active sports life is underutilized.

The main aim of the project is to establish a tradition of regular basketball championships and street ball tournaments with participation of teams from border area municipalities.

The project results of the project shall be: 10 sport halls and 5 street ball fields renovated and 126 basketball sets and 90 balls procured; border Basketball League established with participation of 6 LV and 4 LT teams and the first joint championship organized; 2 street ball tournaments organised in the partner municipalities and project website with all the information about basketball championship and street ball tournaments developed.

Total budget: 764 212.00 EUR

ERDF: 573 159.00 EUR

Duration: 19 months (2.2006 - 8.2007)

Lead Partner:

Daugavpils District council

Contact person: Olga

Lukasevica

Tel.: +371 5422238

Fax: +371 5476810

Email: ddmc@drp.lv

Partners: National and regional public authorities, municipal centre, school and agency in Latvia and Lithuania

<http://ballborderbasket.net/>



SOUTH PROJECT PRESENTATION

IN AWARE

Cross-border cooperation on integrated nature and water resource management between Bauska and Biržai districts

Due to implementation of the EU nature conservation and water management policies, Latvia and Lithuania face similar challenges today.

The overall project objective is to strengthen cooperation among Bauska and Biržai regions for better nature and water management through integration of the issues in planning processes.

The project activities shall be organized in Bauska and Biržai regions. The project outputs shall be exchange of expertise and integration of nature and water resource management requirements in spatial planning documents. Development of the case/feasibility studies: Management Plan for Nature Park "Bauska", 4 demonstration sites for a clean up of river banks in Bauska City, Ceraukste parish, Rundale parish and Biržai municipality to prevent tourism pressure, reconstruction of lock-gate in Ceraukste parish on improving of conditions for fish and flood prevention, restoration of lake Širvėna habitats in Biržai municipality and promotion of participation of local society.



Total budget: 382 513.44 EUR

ERDF: 286 885.08 EUR

Duration: 22 months
(3.2006 - 12.2007)

Lead Partner: Bauska District Council

Contact person:

Egija Udrena

Tel.: +371 3922233

Fax: +371 3924522

Email:

egija.udrena@bauskarp.lv

Partners: Regional and local public authorities in Lithuania and Latvia



NORTH PROJECT PRESENTATION

Est Rus Fort Tour

Unique Estonian- Russian fortresses ensemble development as a single tourist product and conservation of cultural and historical heritage

On Estonian–Russian border in Narva-Ivangorod there is a unique complex of two fortresses of great cultural and historical value. Their historical and cultural potential is not used in full extent and the fortresses require further renovation works.

The main objective of the project is to develop unique Narva-Ivangorod fortresses ensemble as a single tourist product and to conserve the cultural and historical heritage.

The main results of the project are a single tourist product (tour around Ivangorod and Narva fortresses) and its promotion, improved information infrastructure and preparation of documentation for UNESCO World Heritage Committee.



Total budget: 307 504 EUR
ERDF: 84 428,25 EUR
Tacis: EUR
Duration: 24 months
(7.2006 - 6.2008)

Lead Partner: Narva City Government, Department for Development and Economy
Contact person: Anne Veevo
Tel.: +372 35 99080
Email: anne.veevo@narva.ee

Project manager

Natalia Orava
Tel.: +372 35 99085
Email:

natalia.orava@narva.ee

Partners: Regional and local public authorities, public fund, committee and agency in Estonia and Russia.





BSR INTERREG III B NEWSLETTER No 8 • 129.2006-10

INTERREG IIIA Priorities

NORTH PROJECT PRESENTATION

Remote Access

New Spatial Development Zone for Border Regions of Latvia and Russia - Connecting Potentials of Two Countries

The Eastern and North-Eastern part of Latvia (Latgale region and part of Vidzeme region) and Western part of Russia (Pskov oblastj and Leningrad oblastj) is seen as a favourable region for transit traffic but it lacks economic integration and dynamics due to low-quality transport links, dominance of traditional economic structures and poor quality of physical infrastructure (road surface, services).

The main objective of the project is to promote sustainable spatial development in the entire project area by creating new common spatial development zone and introducing new ideas for development of remote regions on both sides of the BSR/EU external border thereby contributing to balanced polycentric development of the Baltic Sea Region.

The major results of the project shall be a common Spatial Development Strategy for all project partners, a large scale study on regional potential, a study tour to Finland-Russia border area, a study on selection and establishment of technological parks and logistic centres in Latgale region, Leningrad and Pskov oblastj and consultations.

Total budget: 579 389 EUR

ERDF: 282 873 EUR

Tacis: 202 225 EUR

Duration: 14 months
(11.2006 - 12.2007)

Lead Partner: Latgale Regional Development Agency

Contact person: Maris Bozovics

Tel.: +371 5428111

Email:

maris.bozovics@latgale.lv

Partners: Latgale Regional Development Agency (LV), Vidzeme Development Agency (LV), Administration of Pskov Region (RUS), JSC "Region Expo" (RUS), North-Western Russia Logistics Development Centre (RUS).



European
Union