

# THE TERRITORIAL COOPERATION POLICY OF THE EU WITH THE COUNTRIES OF SOUTH EAST EUROPE: AN INTERIM EVALUATION

**Angelos Kotios**<sup>1</sup>, University of Piraeus, Department of International and European Studies, Piraeus, Greece  
**Spyridon Roukanas**, University of Piraeus, Department of International and European Studies, Piraeus, Greece  
**George Galanos**, University of Piraeus, Department of International and European Studies, Piraeus, Greece

*During the programming period 2007–2013 the Cohesion Policy of the EU was adopted and the policy of territorial cooperation with third countries was implemented. Within this framework, the EU co-finances (through the European Regional Development Fund, the pre-accession instrument and the instrument of European Neighbourhood Policy) a series of cross-border, interregional and transnational cooperation programmes in Southeast Europe. The South East European countries are eligible for all these programmes, but the only programme that includes all countries in the region is the South East Europe Programme 2007–2013. The aim of this study is to conduct an interim evaluation of these programmes and present suggestions for the new programming period for the Cohesion Policy 2014–2020. Section 2 describes the EU policy of territorial cooperation with non-EU countries. Section 3 reviews the framework of EU policies and programmes fostering regional integration and territorial cohesion in Southeast Europe. Section 4 presents the area, aim, objectives and priority axes of the programme, while Section 5 offers an assessment of the implementation and effectiveness of the programme. Section 6 also includes some critical observations and policy proposals.*

**Key words:** European Union, South East Europe, Regional Integration, Cohesion Policy.

## INTRODUCTION

Territorial cooperation (cross-border, interregional or transnational cooperation) is an important driving instrument for economic and social integration among different countries. This is of great importance for the fragmented space of Southeast Europe. For the countries of the region, which are characterized by small internal markets, inefficient cross-border infrastructures and to some extent trans-border political tensions and conflicts, the elimination of the economic and political 'border-effect' will enable the interaction of the integration between regions or sub-regions belonging to different countries and strengthen the stability of the whole area (Petrakos, 2001). Cross-border trade and investment activities, which promote economic interdependence and political stability between neighbouring states, need a proper institutional framework and a policy supporting cross-border infrastructure, custom

facilitations, business cooperation, technology transfer, human resource development and economic, social and territorial cohesion (Kotios, Galanos, and Roukanas, 2010). There are supplementary reasons in favour of regional economic integration in Southeast Europe (Wittkowski, 2000).

To reduce the cost of adaptation and to enable the smooth harmonization between the socio-political and economic systems of the countries in Southeast Europe and those of the West, the EC has developed and, since 1989, applied a number of support measures (Kotios, 2001a and 2001b). In order to assist the transition countries of the Balkans, the EC first implemented the Phare and OBNOVA programmes, since 2000 the CARDS Programme and since 2007 the Instrument for Pre-Accession Assistance (IPA) for countries engaged (candidate or potential candidate countries) in the accession process to the EU (Kotios *et al.*, 2010). For the countries of East Europe (and the Mediterranean countries), the EU applies the European Neighborhood and Partnership Instrument (ENPI), which is the

successor of MEDA and Tacis. The aim of the IPA, but also of the ENPI instrument, is to provide financial assistance and support for transition and institution-building, cross-border cooperation, regional development, rural development and human resource development. The EU's cross-border cooperation policy supports the beneficiary countries in the area of cross-border cooperation between themselves, with the EU Member States or within the framework of cross-border or interregional or transnational actions. This policy is part of the new European Territorial Co-operation Objective for the programming period 2007–2013 and seeks the full participation of non-Member States in the Southeast Europe area that benefit from the external Pre-Accession Assistance and the European Neighbourhood Policy funding (Thoidou, 2011, Foutakis and Thoidou, 2009).

<sup>1</sup>80, Karaoli & Dimitriou St., 185 34 Piraeus, Greece  
akotios@gmail.com

The EU's territorial cooperation policy in the macro-region of Southeast Europe includes bilateral or multilateral cross-border cooperation programmes as well as transnational cooperation programmes. The South East Europe (SEE) Programme Area is the most important of these, with the largest cooperation area, and the only transnational programme with such a large number of non-EU countries. The SEE Programme consists of 16 countries with a total population of ca. 200 million people. Half (eight) of the participating countries are member states of the EU, one is an acceding country (Croatia), three are candidate countries (FYROM, Montenegro and Serbia), two are potential candidate countries (Albania, Bosnia and Herzegovina) and two are countries participating in the European Neighbourhood Policy (Moldova and Ukraine). The large number and the diversity of the participating countries and areas, as well as the complexity of the programme due to the funding from different instruments, differentiate it from other territorial programmes.

Table 1. Eligible countries and regions of the SEE Programme

Eligible Country	Eligible area
Albania	Whole territory
Austria	Whole territory
Bosnia-Herzegovina	Whole territory
Bulgaria	Whole territory
Croatia	Whole territory
FYROM	Whole territory
Greece	Whole territory
Hungary	Whole territory
Italy	Lombardia, Prov. Autonoma Bolzano/Bozen, Prov. Autonoma Trento, Veneto, Friuli-Venezia-Giulia, Emilia Romagna, Umbria, Marche, Abruzzo, Molise, Puglia Basilicata
Republic of Moldova	Whole territory
Montenegro	Whole territory
Romania	Whole territory
Serbia	Whole territory
Slovakia	Whole territory
Slovenia	Whole territory
Ukraine	Chernivetska Oblast, Ivano-Frankiviska Oblast, Zakarpatska Oblast, Odessa Oblast

Source: European Commission, 2010

## THE EU POLICY OF INTERNATIONAL TERRITORIAL COOPERATION

The objectives and strategies of territorial cooperation programmes (territorial cooperation) should correlate to the superior goals set by the EU under the policies of enlargement (enlargement) and good neighbourliness (good neighbourhood) developed with the countries of Southeastern Europe, the Mediterranean Basin and the Black Sea. Also, the framework of objectives and strategies of the individual programmes is directly related to the objectives and strategies of the cohesion policy for 2007–2013 (European Commission, 2010).

In particular, the territorial cooperation programmes may contribute to territorial cohesion with a view to the harmonious development of the whole EU (Article 174 TFEU). During the programming period 2007–2013, the strengthening of territorial cohesion was adopted as a distinct third goal – the goal of territorial cooperation. The aim is to strengthen cross-border cooperation through joint local and regional initiatives, strengthening transnational cooperation through actions that are conducive to the integrated territorial development associated with the Community's priorities and strengthening interregional cooperation and the exchange of experience at the appropriate territorial level (see Article 2 of Reg No1083/2006 of the Council of the EU).

Article 6 of the ERDF Regulation (Regulation 1080/2006 of the EU Council) defines the thematic priorities for assistance in cross-

border, transnational and interregional cooperation. Sustainable cross-border territorial development activities are pursued in the fields of economy, society and environment, with priority programmes encouraging cross-border business (SMEs, tourism, culture, cross-border trade), reducing isolation through improved access to all types of networks and supporting links between urban and rural areas and the development of common infrastructure in the fields of environment, health, culture, tourism and education. In addition, the thematic priorities are the promotion of legal and administrative cooperation, the integration of cross-border labour markets, local employment initiatives, gender equality and equal opportunities, training and social inclusion and sharing of human resources and RTD facilities.

The thematic priorities of transnational cooperation include the creation and development of scientific and technological networks and the enhancement of regional RTD and innovation, the establishment of networks between higher education and research institutions and SMEs, technology transfer between RTD facilities and international centres of RTD excellence, the twinning of technology transfer institutions and the development of joint financial engineering instruments for supporting RTD in SMEs, water management, energy efficiency, risk prevention and environmental protection activities with a clear transnational dimension. Also included are the protection and management of river basins, coastal zones, marine resources, water services and wetlands;

prevention of fires, droughts and floods, the promotion of safety of navigation and protection against natural and technological hazards and the protection and improvement of natural heritage in support of socio-economic development and sustainable tourism activities to improve access to transport and telecommunications services and the quality of these services, when such activities have clear transnational dimensions; border sections of trans-European networks; improved local and regional access to national and transnational networks; improved interoperability of national and regional systems, promotion of advanced information and communication technologies, strengthening polycentric development at transnational, national and regional level with a clear transnational impact; creation and improvement of urban networks and urban-rural strategies to tackle common urban-rural difficulties; conservation and promotion of cultural heritage and the strategic integration of development zones on a transnational basis.

To enhance the effectiveness of regional policies for interregional cooperation, the focus is on innovation and the knowledge economy, the environment and risk prevention, exchange of experience concerning the identification, transfer and dissemination of best practice including sustainable urban development, studies, data collection and monitoring and the analysis of development trends in the Community.

The above objectives of cross-border, regional and transnational cooperation are promoted in third countries that are candidates or potential

candidates for membership through the Instrument for Pre-Accession Assistance (IPA; Reg. 1085/2006) and to countries of the Mediterranean basin and Eastern Europe through Neighbourhood and Partnership (ENPI). This collaboration aims to promote good neighbourly relations, strengthen stability, security and prosperity in the mutual interest of all countries and promote harmonious, balanced and sustainable development (Article 9, Regulation 1085/2006). It also provides financing programmes for the development of regional policies to prepare candidates for membership regarding the implementation of cohesion policy and the development of human resources in regional policy and to support rural development policies. Neighbourhood and Partnership programmes fund bilateral and multilateral transnational and cross-border cooperation (Article 6, Regulation 1638/2006).

Transnational cooperation (South - Eastern European Space and Mediterranean Basin) is pursued by choosing strategic projects aimed at the promotion of common development prospects of these two spatial units. The thematic priorities set, in terms of transnational cooperation, include environmental protection, combined with the strengthening of the development of coastal areas and islands of the Mediterranean; improving accessibility and interoperability through the transport systems and advanced information and communication technologies; management of water and protection from risks (prevention of environmental and technological risks); research and technological development and transfer of technology and the management of cultural heritage in the spatial aspects of migration, mobility and social participation.

### **CURRENT EU POLICIES AND PROGRAMMES FOSTERING REGIONAL INTEGRATION AND TERRITORIAL COHESION IN SOUTH EAST EUROPE**

Regional initiatives and cooperation in the Balkans, which emerged only at the end of the 1980s and over the course of the 1990s (Lopandic, 2001), have been linked to three processes:

The first wave of Southeast Europe cooperation initiatives appeared over the period 1988–1992, directly resulting from the dissolution of the Eastern Bloc and the Council for Mutual Economic Assistance. There was an urgent need to replace these organizations by new modes of interstate cooperation, in order to help integration

into the European Community. So the Central European Initiative (November 1989), the Black Sea Economic Co-operation (June 1992) and the Central European Free Trade Area (CEFTA; December 1992) were launched.

The second wave of Southeast Europe's cooperation initiatives is linked to the former Yugoslavia's disintegration and the end of the war in Bosnia-Herzegovina, and the need to redefine the pattern of mutual relations in the region, as well as in the wider Balkan area (Conference of Southeast European Countries, 1996; Royaumont Process, 1996).

The third wave, which led to the current status of the area, started after the war in Kosovo with the Stability Pact for SEE. The Stability Pact, adopted at the International Conference of Cologne on 10 June 1999, was the first comprehensive regional approach to SEE by the international community (Kotios, Galanos, and Roukanas, 2010). The Pact was a long-term programming framework for cooperation, not just one more autonomous international institution. It aimed at mobilizing and co-ordinating existing agencies in the international community. Regional economic integration in SEE was one of the most important aims of the Stability Pact. The Trade Initiative of the Stability Pact focused its efforts on the liberalization and facilitation of trade through the reduction and elimination of tariffs and non-tariff barriers to trade in the SEE region. Further aims of the Trade Initiative of the Stability Pact were the accession of all SEE countries to the WTO and the signing of Stabilisation and Association Agreements (SAAs) with the EU in order to promote trade and investment cooperation between the EU and the SEE region. Regional integration in the region was an essential condition for closer relations between the Western Balkan countries and the EU, and therefore a part of European conditionality (Bechev, 2006; Papadimitriou, 2001; Sklias and Roukanas, 2007).

Infrastructure, in the sense of roads, railways, waterways, airports, energy and telecommunication, is considered a further key factor in facilitating cross-border trade cooperation among SEE countries and economic growth in the region.

The Stability Pact processes, the Regional Approach for the Western Balkans and the New Neighbourhood Policy of the EU have resulted in closer transnational cooperation in the region and in more intensive regional and territorial integration. Table 2 summarizes the current status of the institutional relations between the EU and the countries of the SEE Programme

area, as well as the main regional agreements in the fields of politics, trade, investments, transport, energy and environment.

Concerning territorial cooperation, in 1994 the EU implemented a programme for cross-border cooperation (CBC) between countries in Central and Eastern Europe and member states of the Community within the framework of the Phare programme (Commission Regulation No 1628/94 of 4 July 1994). In the period 1995–1999, stronger coherence between the INTERREG and the CBC Programme was achieved. The EU's cross-border cooperation initiative was extended to encompass cooperation between the CEECs and the New Independent States (NIS). The Credo programme aimed at supporting cooperation between 'east-east' border regions and contributing to economic development in these border areas.

The new target of Territorial Cooperation of the Cohesion Policy 2007–2013 has enhanced and enlarged the scope of the territorial cooperation both within the EU and with non-EU countries. The new generation of territorial cooperation programmes consists of four kinds of programmes (see Table 3): transnational, interregional, multinational and bilateral cross-border cooperation.

The current territorial cooperation programmes relevant to the countries of the SEE region are:

- The SEE Transnational Programme, which includes all countries in the region.
- The MED Transnational Programme, with partners from 13 countries, including Greece, Italy, Slovenia, Albania, Montenegro, BiH and Croatia.
- The IPA Adriatic IPA, a multilateral cross-border cooperation programme, which covers regions in eight SEE countries (Greece, Italy, Slovenia, Albania, BiH, Montenegro, Croatia and Serbia).
- The ENPI CBC Med Programme for multilateral cross-border cooperation. Part of the new European Neighbourhood Policy, it reinforces cooperation between the eight EU Mediterranean countries and six Arab countries, including the Palestinian territories.
- The multilateral Black Sea CBC programme, with participation from Bulgaria, Greece, Romania, Moldova and Ukraine.
- Bilateral CBC Programmes for all 16 countries which are partners of the SEE Programme.

Table 2. The relations between EU and SEE countries and regional initiatives in SEE

	Stabilization and Association Agreement	Candidate Status	European Neighbourhood Partnership	Eastern Partnership	CEFTA Membership	Regional Cooperation Council	Western Balkans Investment Framework-WBIF	South East Europe Transport Observatory-SEETO	Energy Community	Regional Network of Accession-RENA
Croatia	Into force (2005)	Acceding country (2013)			-	+	+	+	+	+
Montenegro	Into force (2010)	Candidate			+	+	+	+	+	+
Serbia	Into Force (2012)	Candidate			+	+	+	+	+	+
FYRoM	Into force (2004)	Candidate			+	+	+	+	+	+
Albania	Into force (2009)	Potential candidate			+	+	+	+	+	+
BiH	Signed (2008)	Potential Candidate			+	+	+	+	+	+
Kosovo	-	Potential candidate			+	UNMIK	+	+	+	+
Moldova			Partnership and Cooperation Agreement	Association Agreement (under negotiation)	+	+	-	-	+	-
Ukraine			Partnership and Cooperation Agreement	Association Agreement (under negotiation)	-	-	-	-	+	-

Table 3. Membership of the SEE countries in Territorial Cooperation Programmes

Countries	Transnational Cooperation Programmes		Multilateral CBC programmes			Bilateral CBC Programmes	Interregional Cooperation-INTERREG VI C) (29 countries)
	SEE Programme	MED Programme	Adriatic IPA CBC (8 countries)	MED ENPI CBC (14 countries)	Black Sea Basin (8 countries)		
AT	+					SI, SK, CZ, HU, GE, IT	+
BG	+				+	GR, RO, FYROM,	+
GR	+	+	+	+	+	IT, CY, BG, FYROM, AL	+
HU	+					SI, SK, CZ, AT, RO, HR	+
IT	+	+	+	+		SI, AT, GE, FR	+
RO	+				+	BG, MD, UA, HU, RS	+
SI	+	+	+			AT, HR, HU, IT, GE	+
SK	+					RO, HU, AT, CZ, PO	+
AL	+		+			MN, KO, FYROM, GR	
BiH	+		+			HR, MN,RS	
MN	+	+	+			HR, AL, BiH, RS	
HR	+	+	+			RS, BiH, MN, HU, SI,	
FYROM	+					GR, AL, BG, KO	
RS	+		+			HR, BiH, MN	
MD	+				+	RO, UA	
UA	+				+	RO, MD, PO, HU, SL, BL	
Total Budget (EU + national co-financing)	277,160 Mio Euro	263,025 Mio Euro	288,955 Mio Euro	173 Mio Euro	28, 118 Mio Euro (ENPI)		321 Mio Euro (ERDF)

## THE SOUTH EAST EUROPE TRANSNATIONAL COOPERATION PROGRAMME

### Main characteristics of the programme area

The Southeast Europe area comprising the 16 heterogeneous partner countries is one of the most diverse areas in Europe (Figure 1). This diversity refers to a complex mosaic of existing specific political, economic, cultural, religion, ethnical, social and historical characteristics of the participating countries and regions (European Commission 2010) – countries with different historical experiences, transition stages, development levels and systemic organization. The region consists of countries which are characterized by a variety of stages of institutional relations and proximity to the EU. Additionally, there are disparities and diversities in infrastructure, cross-border connections, technological development, administrative and institutional structures and relations with neighbouring countries. This great diversity, in conjunction with the lack of spatial cohesion and the fragmentation caused by new states offers the foundation for cross-border cooperation and territorial cohesion policy.

The programme area is characterized by strong divergence in national and regional development. The western regions of Italy and Austria and some regions in Greece are the richest in the programme area and dispose better factors of competitiveness. The poorest regions are in the western Balkans and in eastern countries such as Moldova and Ukraine.

For territorial cooperation and cohesion, factors related to topography and territorial structures are very important. Topography determines territorial cohesion and accessibility, and therefore the cross-border infrastructure. The establishment of new countries and of new frontiers has upset pre-existing relations, created new spatial entities, prolonged external borders and put up new obstacles for economic and territorial integration. Since 1990, the area has undergone fundamental political, social and economic changes. Through successive enlargements of the EU, Austria, Slovenia, Slovakia, Hungary, Romania and Bulgaria have become part of unified Europe. The dissolution of Yugoslavia was accompanied by the creation of new independent states. These changes altered the physiognomy of the programme area and made the border situation more complex. The management of the new border complexity is an important aim of the territorial cooperation policy (Vujošević, 2007).



Figure 1. South East Europe (SEE) Programme area  
Source: (South East Europe Transnational Cooperation Programme, 2014)

### Objectives and priority axes of the Programme

Through intensification of regional and cross-border economic cooperation, the SEE countries can expect more intra-regional market integration, increasing returns and economic growth. The implied regional increase in trade and investments can enforce the dispersal of ideas, know-how and technology and greater understanding between people. It can also support political cooperation and contribute to political stability in the region. Further expected effects of regional and cross-border cooperation in SEE include the promotion of spatial integration and revitalization of remote areas, as well as more employment and better social development in these areas. This is the general aim of the Transnational Co-operation Programme South East Europe, as part of the new European Territorial Co-operation Objective for the programming period 2007–2013. The SEE Programme concentrates on a limited number of priority areas in line with the European strategies for growth and sustainable development (Lisbon and Gothenburg strategies): Innovation, Environment, Accessibility and Sustainable Urban Development. These priority

areas constitute the four priority axes of the programme (Table 4). The priority axes of Accessibility and Environment have a stronger transnational dimension than the priority axes of Innovation and Sustainable Urban Development. The four priority axes are specified and instrumentalized in 13 areas of intervention.

### Financial resources

The total budget of the SEE Programme is 277.16 million Euro and is co-financed by EU funding instruments (ERDF, IPA and ENPI) and by national public funding (Table 5). There is no private funding because the beneficiaries of the programme are public authorities and public entities. The EU contribution is about 85% of the total budget. The European Regional Development Fund (ERDF) is the main funding source for the programme. It has a total available ERDF budget of Euro 206.7 million for the 2007–2013 period. The financial resources provided are significantly higher than was the case for the predecessor programme, INTERREG IIB CADSES 2000–2006.

Table 4. Objectives, priority axes and areas of intervention

Global objective	Specific objectives	Priority axes (P)	Areas of Intervention (Aoi)
Improvement of the territorial, economic and social integration process and contribution to cohesion, stability and competitiveness through the development of transnational partnerships and joint action on matters of strategic importance	1. Facilitation of innovation, entrepreneurship, knowledge economy and information society through concrete cooperation action and visible results	P1: Facilitation of innovation and Entrepreneurship	1. Develop technology & innovation networks in specific fields 2. Develop the enabling environment for innovative entrepreneurship 3. Enhance the framework conditions and pave the way for innovation
	2. Improvement of the attractiveness of regions and cities taking into account sustainable development, physical and knowledge accessibility and environmental quality through integrated approaches and concrete cooperation action and visible results	P2: Protection and improvement of the environment	4. Improve integrated water management and flood risk prevention 5. Improve prevention of environmental risks 6. Promote cooperation in management of natural assets and protected areas 7. Promote energy and resource efficiency
	3. Foster integration by supporting balanced capacities for transnational territorial cooperation at all levels	P3: Improvement of accessibility	8. Improve co-ordination in promoting, planning and operation for primary & secondary transportation networks 9. Develop strategies to tackle the 'digital divide' 10. Improve framework conditions for multi-modal platforms
		P4: Development of transnational synergies for sustainable growth areas	11. Tackle crucial problems affecting metropolitan areas and regional systems of settlements 12. Promote a balanced pattern of attractive and accessible growth areas 13. Promote the use of cultural values for development
		P5: Technical assistance to support implementation and capacity building	14. Secure the core management for the implementation of the programme 15. Implement accompanying activities to support the generation and implementation of high quality, result oriented transnational projects and partnerships

Source: European Commission, 2010

Table 5. Financial resources of the SEE Programme

Priority Axes	EU-ERDF (a)	National Public Funding – EU Members (b)	Total (a+b) (c)	IPA (2010-13) (d)	National Public Funding IPA Countries (e)	Total (d+c) (f)	Total (c+f)	IPA 2007-2009	ENPI-total	TOTAL
P1 Innovation	44,051,157	7,773,734	51,824,891	3,366,922	594,163	3,961,085	55,786,066	10,436,461	2,200,000	277,160,289
P2 Environment	56,739,828	10,012,911	66,752,739	4,336,743	765,307	5,102,050	71,854,789			
P3 Accessibility	43,160,834	7,616,618	50,777,452	3,298,872	582,154	3,881,026	54,658,478			
P4 Sustainable Growth	50,338,329	8,883,234	59,221,563	3,847,463	678,964	4,526,427	63,747,990			
P5 Technical Assistance	12,401,497	4,133,832	16,535,329	1,650,000	291,176	1,941,176	18,476,505			
TOTAL	206,691,645	38,420,329	245,111,974	16,500,000	2,911,764	19,411,764	264,523,828	10,436,461	2,200,000	277,160,289

Source: European Commission, 2010 (Own Calculation)

### The implementation of the Programme

After four calls 121 have been approved. Regarding the thematic distribution of the projects, Figure 2 shows the division of the approved projects over the four priority axes. The distribution of projects over the priority axes PA1, PA2 and PA4 is rather equal concerning the number of projects. The

number of projects in the axe PA3 (Accessibility) is smaller. The division of partners over the priority axes varies. PA3 projects have the most partners (589) and PA1 projects the fewest (405).

There is a rather balanced distribution of the priority axes over the countries (Table 6 and Figure 3). All countries are involved in all priorities. Some countries have a strong

concentration in one PA (Slovakia and Croatia in PA3); others are underrepresented in some other axes (Austria in PA4, Slovakia and Albania in PA1, Moldova in PA3 and PA4).

Another interesting point of the project evaluation is its geographical scope. Table 6 summarizes the division of partners over the priority axes and participating states. EU Member States have the stronger

participation (ca 80% of the project partners). Most member states have an average contribution. Italy has the stronger contribution and Slovakia the weakest. Of the IPA countries, Serbia and Croatia participate most strongly in the programme. The contribution of FYROM and BiH is the weakest among the IPA countries. Of the ENPI countries, Ukraine participates more than Moldova.

Concerning the distribution of lead partners, Italy has the stronger position, followed by Greece, Austria, Hungary and Slovenia. Bulgaria, Slovakia and Romania are not strongly involved as lead partners, scoring below average.

The picture is very different for some countries when one relates the number of lead partners and project partners to the population. Table 7 shows that Italy scores below average in having projects with a lead partner. On the other side, Slovenia scores much higher than average. Greece, Hungary and Austria score average or above average on all aspects, both in number of lead partners and project partners and also when related to population.

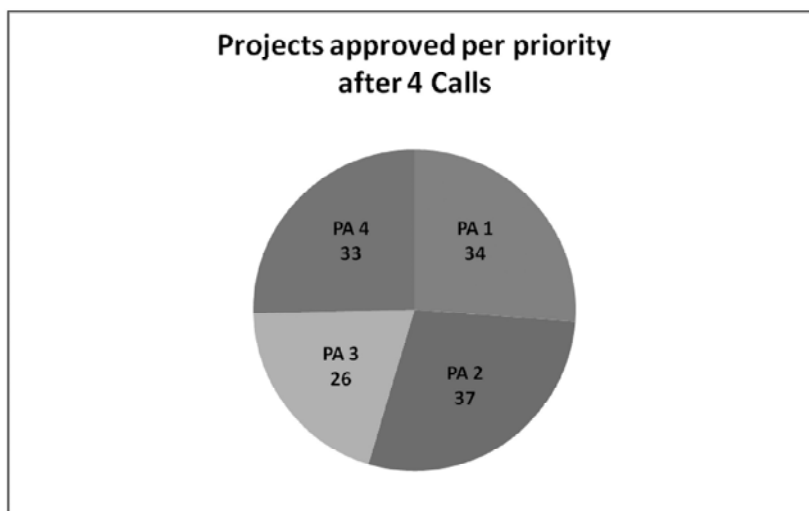


Figure 2. Division of the approved projects over the priority axes (PA) after four calls  
Source: South East Europe, Transnational Cooperation Programme, 2013, (Own Calculation)

Table 6. Division of partners over the priority axes and participating countries after 4 calls

Priorities Axes	AT	BG	GR	HU	IT	RO	SI	SK	AL	BiH	MN	HR	FYROM	RS	MD	UA
Innovation-entrepreneurship	35	37	42	45	69	46	32	10	6	11	6	20	6	34	3	9
Environment	73	49	58	57	80	62	45	19	16	12	13	36	8	44	6	8
Accessibility	65	47	50	66	89	48	42	41	16	8	15	45	9	35	1	12
Sustainable Growth areas	28	42	45	51	84	60	46	21	14	8	6	23	6	33	1	7
total	201	175	195	219	392	216	165	91	52	39	40	124	29	146	11	36

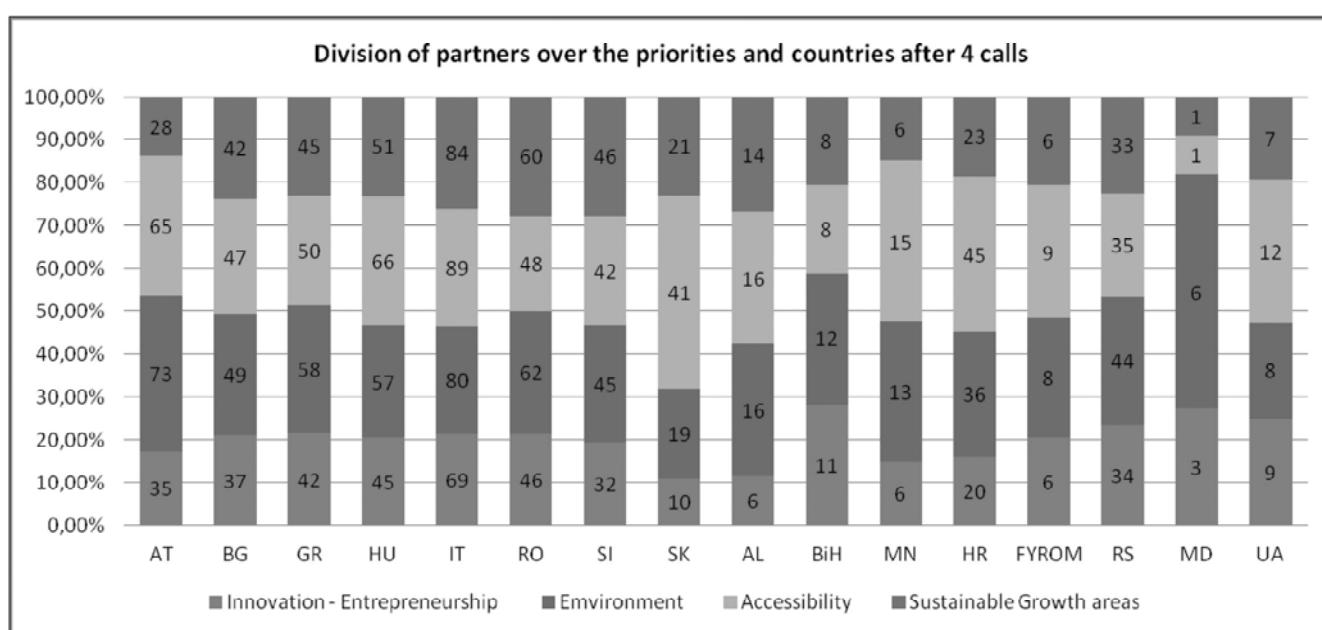


Figure 3. Division of partners over the priorities and countries after four calls  
Source: South East Europe, Transnational Programme, 2013, Own Calculation



Table 7. The geographical distribution of lead partners in actual numbers and numbers per million inhabitants after 4 calls

COUNTRIES	LEAD PARTNER	Population (millions)	LP/million population	PARTNERS	Project partners/million Population
AT	17	8.4	2.0	201	23.9
BG	1	7.3	0.1	175	23.9
GR	17	10.8	1.6	195	18.0
HU	17	9.9	1.7	219	22.1
IT	44	60	0.7	322	5.3
RO	7	19	0.3	216	11.3
SI	15	2	7.5	165	82.5
SK	3	5.4	0.5	91	16.8
AL	0	3.6	0	52	14.4
BIH	0	3.8	0	39	10.2
MN	0	0.625	0	40	64
HR	0	4.3	0	124	28.8
FYROM	0	2	0	29	14.5
RS	0	7.1	0	146	20.5
MD	0	3.5	0	11	3.1
UA	0	44.8	0	36	0.8
TOTAL	121	192.5	0.6	2061	10.7

Source: South East Europe, Transnational Cooperation Programme, 2013, Own Calculation

Table 8. Distribution of EU funding over priority axes and intervention areas

PRIORITIES	Number of projects All calls	ERDF	IPA	ENPI	EU FUNDING (ERDF+IPA+ENPI)	% of projects	% of total EU Funding
1.1	7	11,030,443	1,018,902	106,722	12,156,067	5.8	5.3
1.2	13	18,276,753	1,938,860	0	20,215,613	10.7	8.9
1.3	11	17,013,360	2,183,029	0	19,196,389	9.1	8.8
Total 1	31	46,320,556	5,140,791	106,722	51,568,069	25.6	23.0
2.1	5	13,279,700	1,217,326	0	14,497,026	4.1	6.4
2.2	10	17,170,819	2,641,459	100,350	19,912,628	8.2	8.8
2.3	6	11,333,719	875,154	0	12,208,873	5.1	5.4
2.4	13	18,894,249	2,164,182	0	21,058,431	10.7	9.4
Total 2	34	60,678,487	6,898,121	100,350	67,676,958	28.1	30.0
3.1	11	21,136,419	1,112,341	105,076	22,353,836	9.1	10.0
3.2	8	9,691,070	1,583,358	108,240	11,382,668	6.6	5.0
3.3	6	14,249,066	2,809,662	166,345	17,225,073	5.0	7.6
Total 3	25	45,076,555	5,505,361	374,661	50,956,577	20.7	22.6
4.1	11	18,979,461	1,664,324	0	20,643,785	9.1	9.1
4.2	9	15,997,177	1,618,891	0	17,616,068	7.4	7.8
4.3	11	15,359,327	1,445,604	0	16,804,931	9.1	7.5
Total 4	31	50,335,965	4,728,819	0	55,064,784	25.6	24.4
TOTAL EU Funding	121	202,411,563	22,273,092	491,733	225,176,388	100	100

Source: South East Europe, Transnational Cooperation Programme, 2013, Own Calculation

Table 8 shows that there is rather an equal split in EU funding over the priority axes and the areas of intervention. PA2 (Environment) absorbs 30% of the total funds, but is the only axe with four areas of intervention. The highest percentage of the distributed funds in the area intervention 3.1 (Improve integrated water management and flood risk prevention). The weakest contribution is in the areas of intervention 3.2 (Develop strategies to tackle the 'digital divide'), 1.1 (Develop technology and innovation networks in specific fields) and 2.3 (Promote cooperation in management of natural assets and protected areas).

## MAIN RESULTS OF THE PROGRAMME

The main results and the output indicators of the SEE Programme may be considered very

sufficient (Ecorys 2011; and 2012). The programme motivated and involved more than 2000 beneficiaries in 121 projects, more or less covering all eligible countries and regions and all priority axes. It promotes cooperation and dialogue among different types of countries (member states, IPA and ENPI countries). All important public institutions (ministries, regional and local authorities, universities, research centres and NGOs) participate in the approved projects, and in this way they build a wide network of cooperation in the region. The exchange of experiences, the dialogue between representatives from different nations and cultures, the solution of cross-border problems and the creation of alliances have increased the transnational added value of the programme. Through partnership, exchange of good practices, innovative and integrated approaches, institutional changes and

harmonization, the projects are contributing to transnational integration and supporting national policies in the fields of innovation, investment, environment, accessibility, and urban and regional development. The programme enables harmonization of structures and the tackling of common problems. It also enables candidate, potential candidate and associated countries to become familiar with EU funds and procedures and helps them prepare for accession. It is difficult to assess the exact output of the programme and its contribution to transnational cooperation because very few projects are finished. For better integration of the SEE countries, it is necessary to encourage better involvement of IPA and ENPI countries and the implementation of macro-regional strategies and projects.

The programme management system is



working properly, but there are some problems in implementation, such as complex procedures, delays in contracting, complicated procedures for the funding of IPA and ENPI countries and different first-level control processes in each country (Ecorys, 2012). Changes of partnership, budget reallocation and project extensions have a negative influence on the implementation.

Different levels of experience, knowledge, cultures and technical backgrounds cause delays in contracting and starting projects. The most experienced member states have stronger participation as lead partners. The financial crisis has had a negative impact on ensuring national co-financing and the involvement of stakeholders forms the administration and the economy.

## CONCLUSIONS AND RECOMMENDATIONS

The SEE Programme is the most complex transnational programme in Europe. The programme covers the largest cooperation area of all programmes and promotes the cooperation of sixteen (16) very diverse countries. The above analysis has shown that the programme motivated and involved more than 2000 beneficiaries in 121 projects. But certain countries, especially IPA and ENPI countries have a weak contribution. The countries which are involved in most projects are Romania, Hungary, Italy, Bulgaria, Greece, Slovenia, Austria, Croatia and Serbia. Regarding the thematic scope of the programme, the presentation of the projects demonstrated a rather balanced allocation of the projects over the four priority axes. In general, the bodies of the programme management system are working well and the results of the programme are as expected. There is an important added value in transnational cooperation and geographical links.

According to the proposals and policy recommendations of the European Commission for the Cohesion Policy 2014–2020, transnational cooperation programmes will continue to exist in order to strengthen cooperation by means of actions conducive to integrated territorial development linked to the Union's cohesion policy priorities and its strategy of smart, sustainable and inclusive growth (Europe 2020). Transnational cooperation may cover regions from third countries covered by the external financial instruments of the Union, such as ENI and IPA (Article 3 of draft ETC regulation). The thematic objectives shall be concentrated on a maximum of four objectives and the investment priority for transnational cooperation is the 'development and implementation of macro-

regional and sea-basin strategies (within the thematic objective of enhancing institutional capacity and an efficient public administration)' (Article 6 of draft ETC regulation).

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