

**How to use EU Pre-Accession Funds: Guide
for the Sub-National Authorities from the
Former Yugoslav Republic of Macedonia**

**The file note was written by
Aston Centre for Europe - Aston University.
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Plan of the File note

This file note is a practical guide, designed for use by local and regional authorities in order to maximise their uptake of EU Pre-Accession funds in the Former Yugoslav Republic of Macedonia. It is structured as follows. It first details the main EU funding instrument of relevance, the Instrument for Pre-Accession (IPA) and the fund management system currently in place for the Former Yugoslav Republic of Macedonia. Second, it identifies the main barriers that exist to sub-national authorities making full use of the funds. Third, it suggests how these barriers might be overcome in the next programming cycle. Fourth, it looks at how sub-national authorities can maximise their participation in this funding instrument. Fifthly, the file note looks at some inspirational examples of successful projects of relevance to local and regional authorities in the Former Yugoslav Republic of Macedonia. Finally, the article makes some recommendations for consideration on steps to improve the uptake of EU funds.

1. Instrument for Pre-Accession in the Former Yugoslav Republic of Macedonia: An Overview

The Instrument for Pre-Accession (IPA) is the main EU funding instrument of relevance to local and regional authorities in the Former Yugoslav Republic of Macedonia. IPA was brought into existence by Council Regulation (EC) 1085/2006 on 17 July 2006 and its implementation provisions in Commission Regulation (EC) 718/2007, and replaced all the previous diverse funding streams available for pre-accession countries, such as PHARE, ISPA, SAPARD, CARDS, etc., with one single scheme. IPA is available to pre-accession countries, that is to say, candidate and pre-candidate countries, not European Neighbourhood Policy (ENP) countries.

IPA funds have two main aims.

1. First, they are designed as a means of co-financing the expensive and difficult reforms that all candidate countries must undertake in order to prepare themselves for membership of the EU, and the consequent full participation in all EU policy fields.
2. Second, they aim to prepare countries for the post-accession receipt of the Structural and Cohesion funds that will help modernise their infrastructure and support long-term economic and social convergence within the Union in line with the Europe 2020 strategy.

The IPA programme is intended to mirror the EU Structural Funds and help countries that are on the way to joining the European Union to learn how to manage them, and develop the institutional capacity to manage EU funds appropriately. IPA therefore provides experience for successful participation in Cohesion Policy and for full uptake of the funds upon accession to the EU. Much of the added value of IPA funds is therefore to be found in the process of implementation itself; project ownership and management is regarded as an important means by which to strengthen and enhance decentralised governance capacity in the IPA recipient countries.

The IPA programme is made up of the following five components:

1. IPA I – Transition Assistance and Institution Building;
2. IPA II - Cross-Border Cooperation (both with EU Member States and fellow candidate / pre-accession countries eligible for IPA);

3. IPA III – Regional Development (providing support for transport, environment infrastructure and enhancing competitiveness and reducing regional disparities);
4. IPA IV – Human Resources Development (strengthening human capital and combating exclusion);
5. IPA V – Rural Development.

Components I and II are open to all beneficiary countries, whereas Components III, IV and V are open to the Candidate Countries. All five of these areas of funding are therefore available to the Former Yugoslav Republic of Macedonia as a candidate country. The overall budget for funding in the Former Yugoslav Republic of Macedonia during the current Multi-Annual Financial Framework (MFF) is EUR 622.5 million, with EUR 320.3 million available in 2011–13 alone. This is likely to rise in the upcoming MFF, thus a considerable amount of money is available. IPA is just one of the funding sources available to the Former Yugoslav Republic of Macedonia (FP 7 funding is also available, for example, together with the Competitiveness and Innovation Programme, or CIP funds), but it is the largest and also the most suitable source of funding for the needs of local and regional government.

IPA funding programmes are an important element in fostering capacity building in candidate countries, and the ability of local and regional authorities in the Former Yugoslav Republic of Macedonia to draw on all five components of the IPA programmes will make a substantial impact on the country's ability to meet the Union's accession requirements. This is particularly the case at the local and regional level, the level of political authority which is closest to the citizens. IPA projects can help to facilitate the strengthening of local, participatory governance in candidate countries, from the grass roots up. As noted in the Opinion of the Committee of the Regions on 'The added value of participation by local and regional authorities in the enlargement process' (2009/C76/10), if the political and administrative structures at local and regional level are to have a sound political and administrative base, it is important to develop, in cooperation with civil society, a local democracy that citizens can trust and in which they feel they have a say.

IPA projects also illustrate the reality of multi-level governance in practice, providing a framework for locally-driven and managed projects, in co-operation with multiple stakeholders. IPA projects therefore drive forward the concept of subsidiarity, a founding element of European Union governance, in the candidate countries.

2. The Funding System in Place

Priorities for funding in the Former Yugoslav Republic of Macedonia for the current MFF are set out in the Multi-Annual Indicative Planning Document (MIPD) for the period 2011–13.¹ This is due to be updated for the next MFF. The document is based both on the needs identified in the Accession Partnership of the Former Yugoslav Republic of Macedonia and in Macedonia's own national strategy. The document contains elements that apply to local and regional administrations, such as the establishment of a Local Administration Facility to help prepare LRAs in FYROM for accession to the EU. However, local and regional administrations do not appear to have been consulted on the content of the document. This is a point that should be rectified. A recommendation could be made to the Commission that the opinion of LRAs should be sought before the next MIPD is drawn up.

The main priorities identified in the current MIPD for 2011–13 are as follows:

- Support for the economic and social development of Macedonia;
- Improving good governance and reducing corruption;
- Promoting non-discrimination and respect for human rights.

Clearly, all of these areas fall within the remit of sub-national actors; indeed the EU has identified support for decentralisation as a key IPA aim. Assistance under IPA can take the following forms:

- Investment, procurement contracts or subsidies;
- Administrative cooperation, involving the secondment of experts from EU Member States (twinning);
- Participation in EU programmes or agencies;
- Measures to support the implementation and management of EU integration-linked programmes;
- Budget support.²

¹ This can be found at: « http://ec.europa.eu/enlargement/pdf/mipd_multibeneficiary_2011_2013_en.pdf.

² Budget support is a controversial element of development assistance since it essentially allots a certain sum to a national budget and requests that the recipient spend the money in a certain way, for example, in reforming the energy sector. Under this form of aid, donors have little or no say in defining how the money should be used, and the sums handed over frequently disappear into the system with little tangible benefit. At best, budget support is an excellent means of *disbursing* development assistance since it requires no costly implementation of a results-oriented management system. However, in the opinion of the authors, the mere fact of spending development assistance is not valuable; what matters is the positive impact that such assistance actually has. The impact of budget support is all too often highly limited.

Until 2009, all coordination for implementation of IPA was centralised through the EU Delegation in Skopje. Since that date, a centre has been created called the Central Financing and Contracting Department (CFCD) within the Ministry of Finance (<http://cfcd.finance.gov.mk/>), and it is this organ that is principally in charge of making sure that IPA tender procedures are properly managed and compliant with Commission rules. CFCD has sole responsibility for all tendering, contracting and payment activities related to IPA projects; it draws up contracting agreements, makes payments, produces accounts and ensures the overall supervision of the implementation of IPA projects. Calls for tenders are published on this website, as well as on the website of the Ministry of Local Self Government (<http://www.mls.gov.mk/>) and on the website of the EU Delegation to the Former Yugoslav Republic of Macedonia. http://eeas.europa.eu/delegations/the_former_yugoslav_republic_of_macedonia/funding_opportunities/grants/index_en.htm

As of mid-June 2011, the absorption of IPA funds had advanced steadily, with about 85% of the allocation for 2011–13 programmed and around 60% of funds actually disbursed.

An introductory guide to the funds in Macedonian can be found on the website of the Ministry of Local Self Government, at: <http://www.mls.gov.mk/mk/cha/?v=703D7B362F3FA12F6F134A644A7C12D8943C4A87> . However, the information provided here on how IPA works in practice is limited, and there is no practical step-by-step guide for local and regional authorities looking to access IPA programmes. This information could clearly be improved.

3. Barriers to Sub-National Authorities' participation in IPA programmes

A number of questions have been raised about how efficiently and effectively the Former Yugoslav Republic of Macedonia has used IPA funds.³ In particular, the national administration has been criticised for the uncoordinated nature of its planning process and its execution of projects.⁴ Policy is incoherent and there appears to be no overall strategy for coordination in place; there is a lack of focus on strategy to encourage greater uptake of funds in line with national priorities. As devolution of the responsibility for different areas of IPA funding occurred at different times, confusion amongst stakeholders has been reported⁵ over lines of responsibility in the framework for management of IPA funds in the Former Yugoslav Republic of Macedonia. This problem is reinforced by the fact that government communication on that framework and its operationalisation is felt to be lacking⁶. Too much information is distributed without focus or encouragement as to which projects should or could be applied for; targeted information would be more helpful.

Moreover, civil society organisations have not been used for the effective coordination and disbursement⁷ of IPA funds. Weak administrative capacity and a lack of both national ownership of, and political support for projects remain key barriers. Indeed, whilst IPA projects are meant to stimulate institutional learning and build project management capacity, there is still a long way to go in developing the level of institutional absorption capacity that the EU requires. In its latest assessment of barriers to successful EU enlargement, the European Commission noted that in the Former Yugoslav Republic of Macedonia, “adequate human and financial resources for full implementation of the acquis are lacking⁸”. Local and regional authorities would clearly be well placed to overcome these issues.

A further major barrier to local and regional authorities' engagement in IPA funding schemes is a lack of institutional capacity to engage in IPA funding programmes.

³ See Analytica (2009) “Macedonia's lagging behind in efficient usage of EU funds”.
«<http://www.analyticamk.org/files/ReportNo34.pdf>.

⁴ Ibid.

⁵ Ibid.

⁶ Ibid.

⁷ This is not to imply that NGOs are making grants of IPA funds, rather that they participate in managing projects funded by IPA.

⁸ European Commission “Enlargement Strategy and Main Challenges 2011-2012”, COM (2011) 666 final. Available at http://ec.europa.eu/enlargement/pdf/key_documents/2011/package/strategy_paper_2011_en.pdf (page 40).

Overall, this picture is reflected in the assessment of the European Commission in 2011. Regarding the implementation of IPA in the Former Yugoslav Republic of Macedonia, the Commission finds that “inadequate expertise and insufficient institutional coordination has led to considerable delays. It is necessary to strengthen ownership of the programme implementation by the authorities⁹”.

⁹ European Commission “Enlargement Strategy and Main Challenges 2011-2012”, COM (2011) 666 final - http://ec.europa.eu/enlargement/pdf/key_documents/2011/package/strategy_paper_2011_en.pdf (page 43).

4. Overcoming Barriers to Sub-National Actors' participation in IPA Programmes

In line with the above assessment of barriers that prevent sub-national authorities in the Former Yugoslav Republic of Macedonia, the following proposals for overcoming these in the forthcoming programming cycle can be made.

1. Better communication from the CFCD, the Contracting Authority for IPA in the Former Yugoslav Republic of Macedonia.

Information on IPA funds needs to be more comprehensive, more suited to the needs of the partners who will be eligible to apply for IPA funding (including local and regional authorities), and full clarification is needed as to where lines of responsibility for various aspects of the tendering, contracting and payments procedures lie. There is too much confusion in the system; a better and more prominent framework for communication on IPA funding thus needs to form a core element in the next programming cycle.

2. An enhanced focus on communicating IPA funding opportunities.

There needs to be more interactive communication of new funding calls for proposals under elements of the IPA programmes, rather than simply posting lists of proposals on websites. Interactive communication could take the form of regular workshops hosted by the Contracting Authority or the EU Delegation to the Former Yugoslav Republic of Macedonia, outlining the funding opportunities presented by the latest calls for proposals, and showcasing successful bids. Regular communication with interested partners and other potential bidders would also be useful in this regard. Finally, the information provided on the Ministry of Local Self Government website in Macedonian could be enhanced, and tailored to the specific needs of local and regional authorities seeking to operationalise IPA projects. The Ministry could draw on the experience of local and regional authorities, both individually and through their representative association *ZELS*¹⁰, in drafting a more effective information portal. The CoR and its members should also use their

¹⁰ ZELS is the the Association of the Units of Local Self-Government of the Former Yugoslav Republic of Macedonia.

political weight to highlight the problem of poor information and communication in this regard and to support the development of a more effective funding information portal.

3. A greater drive for project-focused institutional capacity.

What is lacking is a regular forum for the peer-to-peer exchange of experience and good practice, particularly between local authorities which have been involved in IPA programmes and their counterparts who are interested in developing project proposals for financing under an IPA scheme. There are a number of possible venues where this exchange could take place. A local authorities' association such as *ZELS*, the Association of the Units of Local Self-Government of the Former Yugoslav Republic of Macedonia, would be one suitable venue. Equally, the EU Delegation could play a role here. Both forums could also serve as a means by which to conduct partner searches, whereby local authorities could connect with potential project partners even in other candidate countries and in EU Member States.

5. How Subnational Actors within FYROM Can Increase their Participation in IPA Programmes

Unfortunately, sub-national actors in FYROM have not been at the forefront of disbursing IPA funds until now. This is a situation that can be remedied. In many cases, clear guidelines are needed on the practicalities of drafting a bid for IPA funding. In that spirit, this segment of the file note sets out a wide range of points for consideration when writing an application for IPA funding.

Applicants should take the following points into account when brainstorming and then drafting the overall guiding idea for a bid:

- First, make sure that the concept matches the funding call. Another strategy is to look at the funding call – i.e. what is being funded – and then brainstorm ideas about what kinds of proposals could be made that meet the criteria.
- Second, make sure that the concept matches both the objectives listed in the funding call as well as the geographical context indicated and the topic indicated. Extensive evidence of this will need to be provided throughout the proposal. There is no need to fear repetition in this respect: what is important is that the claims made are evidenced, and this is what is assessed.
- Third, the EU aims to provide funding for projects that will make a difference, therefore proposals should be ambitious (i.e. stating how and why a given project is original or innovative and what essential outputs it will deliver) whilst not promising unrealistic deliverables that are impossible to provide. In other words, the criteria that the project should be judged against when it is completed should be clearly set out, in the knowledge that this can be delivered. Evidence from other countries shows that programmes that build long-term relationships between local and regional authorities across national boundaries are supported. Project proposals should demonstrate real significance in meeting an immediate cross-border problem, but should also provide concrete steps towards building a long-term partnership that will in future be able to collaborate on meeting further challenges.
 - Two areas in particular can be highlighted here. The first is protection of cultural heritage, where there is significant scope for

project development in FYROM, and one local authority is already engaged in a programme in this field (see section V). The second is the related aspect of tourism development, showcasing this preserved heritage to an increasingly wide audience (see also section V for examples of where this has successfully been operationalised under existing EU cross-border funding programmes).

- Fourth, it may be advisable to think about bringing in a professional consultant with a track record of putting proposals together. This should ensure that the bid will be much more likely to succeed and need not be excessively costly.

There is an attraction¹¹ for the EU in funding projects that are put forward by a consortium of actors, because it is seen as adding weight to the proposal by aggregating the experience and expertise of a diverse group of individuals. If this is possible, it will add weight to the proposal, but the following points are highly advisable. It will be necessary to:

- Nominate a clear project coordinator with experience, credibility and standing in the eyes of the partners.
- Ensure that there are an optimal number of partners, which will depend on the project to be implemented. Large consortiums (of more than five partners) can be difficult to manage but too small a group (i.e. two or even one) will make implementation of an IPA project too difficult when resources become too thinly stretched. Obviously this will depend on the capacity of the implementing organisations.
- Make use of all opportunities afforded to establish contacts with potential project partners in both EU member states and in other candidate countries. If possible, efforts should be made to demonstrate “legacy capture” and develop further projects together with existing partners at the local and regional level showing that there is an ongoing relationship emerging, and demonstrating the potential that this network offers for solving problems on the ground.
- Ensure that everyone involved in the project has a clear role and this should demonstrably match their capabilities and experience.

¹¹ This should not be confused with a legal requirement, which does not exist.

- Ensure that everyone involved has some input in writing the proposal, in order to make sure that as many of the criteria as possible are met. Nonetheless, the project coordinator should undertake the bulk of the drafting and make the final decision.

When writing the core text of the proposal, the following should be used as a check-list:

- Show how IPA funding will help catalyse and support convergence with the EU, in line with the call text and the guidelines.
- Make clear from the beginning what the objectives are, state clearly how these are to be achieved and measured (i.e. what will be the signs of a fully implemented and successful project), and what the outputs are to be. Make clear and demonstrate that these objectives are in line with best practice and the state-of-the-art in the area. It is best to select outputs that can be clearly measured.
- Show how and why all of the team was selected and demonstrate that the value of the team is greater than the sum of its parts.
- Be brief, concise and to the point, providing what detail is needed but not over-extending.
- Check the proposal repeatedly against the call text and the guidelines. It is on this basis that the bid will be judged. It is essential to make sure that as many bases as possible are covered.

On the budgetary part of the proposal:

- EU rules are highly prescriptive and very strict. It is imperative to follow the standard means of presenting the budget set out in the terms of reference in order to be considered for funding (a surprisingly large number of bids are rejected for not including separate revenue and expenditure sheets).
- Ensure that the request is reasonable. If too much is requested, the project will be rejected. If too little is requested, it will also be rejected since it will lack credibility as regards achieving its aims. Seek guidance from examples of past successes in order to get a feel for what best practice is and what is likely to find favour with the evaluators.

- Match the budget to the workplan, objectives and deliverables. It must be clearly stated why the quoted amount of money is needed to deliver a certain objective or output.
- Check the financial guidelines very carefully. Nearly all projects will require co-funding, although this can be in kind (i.e. staff time etc.). Make sure that all partners know what their share of resources allocated is likely to be and agree this in advance to avoid quarrels and disputes at a later stage.

Overall points for consideration in drafting the proposal:

- Nothing works as well as the ability to be able to show a strong track record of success in carrying out similar projects in the past. This will provide credibility. Not everyone will have experience in undertaking IPA-style projects, but someone in the tender team should have credibility in this area. For this reason, it is sensible, where possible, to team up with a partner or partners from an EU Member State.
- Bear in mind that a great deal of time is needed to complete the proposal. Allow a minimum of 4 months from start to finish, with around 6 months as an ideal period. With this in mind, regularly monitor what is coming up for tender on the IPA project webpages.

Summary: Steps on preparing an IPA funding application

- 1) Identify an open call for proposals on one of the relevant websites¹²
- 2) Establish the proposal: what would the authority like to do with EU financial assistance?
- 3) Make contact with relevant project partners and establish jointly the aims and objectives of the project
- 4) Calculate the cost of the project, together with project partners
- 5) Download all the relevant funding application paperwork and make sure that each of the sections is filled in appropriately
- 6) Return all of the necessary application documentation to the relevant funding authorities within the time frame set out in the call for proposals.

¹² Ministry of Finance - <http://cfcd.finance.gov.mk/>; Ministry of Local Self Government <http://www.mls.gov.mk/>; EU Delegation to the Former Yugoslav Republic of Macedonia. http://eeas.europa.eu/delegations/the_former_yugoslav_republic_of_macedonia/funding_opportunities/grants/index_en.htm.

6. Examples of the Use of IPA Funds at Local and Regional Level

The most effective means of understanding what IPA funds can be used to achieve is looking at past projects funded either by IPA or by the EU in previous pre-accession countries, such as the Member States that joined in 2004 or 2007. In many instances, the projects undertaken are inspirational and deliver long-term, deep impacts, both socially and economically. The following three examples are from real projects in three very different sectors – transport, public health and tourism – and should provide would-be applicants with an idea of the sheer breadth of project funding available.

6.1. Cross-Border Programmes

The cross-border elements of the IPA funding programme consciously mimic existing funding schemes within the EU Member States, which aim to establish good working practices across the internal borders of EU Member States. These focus on three thematic areas: European Territorial Cooperation, focusing on jobs and growth strategies, Transnational Cooperation in “macro regions” such as the Baltic Sea area, the Mediterranean Area, the Alpine Space or South East Europe and joint challenges like flood management, and Interregional Cooperation, a framework for the exchange of experiences between LRAs from across Europe.

Examples of projects funded elsewhere, both within the EU and in candidate countries, under cross-border programme financing arrangements, can therefore showcase how it is possible for local and regional authorities in the Former Yugoslav Republic of Macedonia to develop similar projects under IPA funding calls.

Example Project 1: Transportation

“A way to gather: construction of the road Zlatograd – Termes – Xanthi/Zlatex”.

This project was carried out as a co-operation exercise between a local authority in Bulgaria (Zlatograd Municipality) and a regional authority in Greece (Region of East Macedonia and Thrace). The overall budget for the exercise was EUR 1 887 403, financed under the Greece-Bulgaria Territorial Cooperation Programme 2007-2013.

This project aimed to facilitate enhanced transport co-operation across the Bulgaria-Greece border. The overall objective was to improve the road network as a means of powering forward social and economic development, thereby strengthening the attractiveness of the cross-border region by improving accessibility and the physical infrastructure.

In detail, the project was created to improve the infrastructure to allow a greater level of traffic to flow across the border, and to ensure both speed and reliability. It aimed to improve accessibility and mobility through the construction of modern infrastructure, built to international standards for reliable high-speed transportation. It also allowed for the further integration of new infrastructure in the overall transport network in the cross-border region, including the main Pan-European Transport Corridor that this route falls under. The new scheme aimed to reduce the isolation of the region by improving accessibility to key roads, and thus improve the general attractiveness and business potential of the region, limiting migratory outflows.

Example Project 2: Public Health

A further cross-border project financed under the Greece-Bulgaria Territorial Cooperation Programme 2007-2013 was the project “Actions Promoting Health Access and Protection of Roma Population”, managed by a 7-partner coalition of NGOs, local authorities and educational institutions in both EU member states (Greece and Bulgaria). LRA participation came in the form of the Municipality of Delta (Greece), the Local Authorities Union of Xanthi District (Greece) and the Municipality of Dimitrovgrad (Bulgaria). This project ran with a sizeable global budget of EUR 1 098 945, for 24 months.

This project set out to foster better cooperation on health protection issues between the two countries at national level, and also between local authorities, and national health systems. More specifically, the project aimed to establish a network for the health control of emigrating Roma who move between the two countries, to raise public awareness and to improve the health conditions and life quality of Roma people. A further key aim of the project was to thoroughly inform and train the Roma citizens on health issues, medical care, nursing and treatment so as to help prevent epidemics, as well as familiarising Roma citizens with national health system procedures.

A further aim of the project was to bring Roma populations in both countries closer to the Public Health Structures and to motivate Health Structures to efficiently include the Roma population in the National Health System through guidance, prevention, education and information actions. The project focused on publicity actions as well as a Current Situation Analysis of health issues in

Roma settlements. Questionnaires were also developed to extract useful conclusions for the development of appropriate action plans in the field.

Example Project 3: Tourism

IPA cross-border funding can also encourage the development of joint tourism strategies for a cross-border area. A project called the “Regional Tourism Product Plan of the Hungary-Croatia IPA Cross-Border Co-Operation Programme 2007-2013” has provided EUR 349 994 to local and regional authorities on both sides of the Hungary–Croatia border. Project partners included the Regional Development Agency of Slavonia and Baranja, the Centre for Regional Studies of the Hungarian Academy of Sciences and the University of Pannonia, which gives an idea of the wide diversity of partners that can form a consortium to bid for EU funding.

The principal aim of the project was to develop, through local and regional co-operation on both sides of the border, a regional tourism product plan for sustainable tourism in the Mura-Drava-Danube River area. This involved devising an overall strategy, setting up a GIS database, collecting data on visitor attractions, developing a comprehensive marketing strategy and specialised product plans and developing concrete tourism projects for the future.

The project ran for one year, from March 2010-March 2011, and was well evaluated.

6.2. Other sources of EU funding for local and regional authorities in the Former Yugoslav Republic of Macedonia

Cross-border funding schemes are clearly not the only source of IPA funds available to local and regional authorities in FYROM, but were highlighted above because of the obvious benefits that can be gained from working with a newer Member State.

Local and regional authorities from the Former Yugoslav Republic of Macedonia are also eligible to engage in the South-East Europe Transnational Programme (www.southeast-europe.net/en). This programme supports transnational partnerships within the South East Europe region in four thematic areas:

1. Development of innovation capacity;
2. Improvement of accessibility;

3. Promotion of sustainable development of metropolitan areas and regional systems of settlements;
4. Protection and improvement of the environment.

The funding for these projects is supported jointly by both the IPA programme and the EU's European Regional Development Fund (ERDF).

Project Examples

To date, there has been limited engagement in projects financed under the South East Europe Transnational Programme by local and regional authorities from the Former Yugoslav Republic of Macedonia, even though these actors are eligible to form part of the broader coalitions of stakeholders who manage and operate such programmes. There is therefore scope for much greater local and regional involvement in future calls for project proposals under this scheme, as the following inspirational examples illustrate.

Example Project: Cultural Value

“Cultural Value for Sustainable Territorial Governance and Marketing” (CULTEMA) is a multi-partner project which aims to develop a joint marketing strategy to increase and improve cultural heritage investments, establish new institutional capabilities, improve innovative governance patterns for sustainable heritage marketing and to reduce social and economic barriers between the region's cultural heritage and potential investors. Given FYROM's rich cultural heritage and the economic benefit to be derived through increased tourism, these kinds of projects are to be particularly encouraged. This project fell under the priority of “Development of transnational synergies for sustainable growth areas” and the promotion of the use of cultural values for development.

The project received EUR 1 212 525 from ERDF funding and an IPA contribution of EUR 331 500. The project runs from February 2011 until July 2013.

The project brings together a wide range of partners from Greece, Romania, Austria, Italy, Bulgaria, Serbia and the Former Yugoslav Republic of Macedonia. However, whilst the interests of local and regional authorities from some of the EU member states are represented (for instance, the City of St. Veit/Glan in Austria is a project partner; the lead partner is a regional actor, the Department of Public Works of the Regional Administration of Veneto, Italy), the partner from the Former Yugoslav Republic of Macedonia is the *national* Ministry of Culture. Even in a smaller state like FYROM, there is no reason why an entrepreneurial and attentive local authority cannot participate actively

in similar projects in the future. In other words, there is no reason why the Macedonian partner needs to be a national level institution rather than a skilled, competent and ambitious local institution.

Example Project: Cultural Heritage

A second project in the area of the promotion of the use of cultural values for development “Enhancement of Cultural Heritage through Environmental Planning and Management” (CHERPLAN) also brings together a group of stakeholders from the South East Europe Region, and offers scope for local and regional authorities to play a major role in the promotion of cultural heritage. This particular project aims to foster the use of a modern environmental planning approach throughout the South East Europe region to ensure cultural heritage preservation. It aims to integrate traditional urban and spatial planning concepts with the concerns of environmental protection, so as to ensure the long-term sustainable development of cultural heritage sites.

This project, which runs from January 2011 to December 2013, is funded by an ERDF contribution of EUR 1 668 150 and an IPA contribution of EUR 339 651.

The lead partner of this project is a regional authority, the Autonomous Region of Friuli Venezia Giulia, Italy, through its Rural Development Unit. Other local and regional authorities are engaged in this multi-stakeholder project, including the Municipality of Hallstatt, Austria, and the Region of Western Greece. The involvement of the Former Yugoslav Republic of Macedonia is once again through the Ministry of Culture.

There is no reason why in future, local and regional authorities from the Former Yugoslav Republic of Macedonia should not act as full project partners themselves in calls for proposals under the terms of the South East Europe programme, as the following example shows. Would-be applicants should note that calls for proposals are published on the South East Europe Transnational Cooperation Programme website (www.southeast-europe.net).

Example Project: Cultural Protection

One successful project financed under the South East Europe Transnational Cooperation Programme does showcase how local and regional authorities from the Former Yugoslav Republic of Macedonia can successfully become involved in similar multi-stakeholder cross-border co-operation projects. The SUSCULT project, “Achieving Sustainability through an integrated approach to the management of Cultural Heritage” focuses on developing and improving the effectiveness of cultural site management. The project’s actions aim to introduce

strategies for cultural heritage management into wider planning and development agendas for urban settlements and territories. The aim is therefore to improve the effectiveness of heritage site management through the creation of a holistic approach, capable of recognising and taking into account the complexity of cultural heritage in South East Europe.

The SUSCULT project is funded by an ERDF grant of EUR 1 240 864 and an IPA contribution of EUR 209 760. The project will run from January 2011 until December 2013.

The SUSCULT partnership includes universities as well as local and regional authorities. The consortium is led by the City of Venice, Italy, and includes partners such as the University of Nova Gorica, Slovenia, the National Institute for Heritage of Romania, the Local Development Agency of Bacau, Romania and Cultureopolis – the Europe of Cultures Forum, Greece. One local authority from the Former Yugoslav Republic of Macedonia is also taking part in this consortium: the Municipality of Ohrid. **This is a model of local authority engagement in EU funding programmes that could be expanded.** Other local and regional authorities in the Former Yugoslav Republic of Macedonia could learn from their participation in the SUSCULT programme and develop similar project partnerships to apply for future calls. It would be of immense help if the Municipality of Ohrid could be encouraged to share its experiences of the project with other Macedonian LRAs in order to encourage a much wider uptake of IPA funding available at the local level.

7. Further Improvements to the Uptake of Funds

This file note pointed out earlier that there are a number of barriers to the full absorption of EU funds by local and regional authorities in the Former Yugoslav Republic of Macedonia. However, none of the existing barriers need be insuperable and a number of relatively straightforward actions could be undertaken.

- First, a series of in-depth training seminars could be organised by ZELS and the EU Delegation, targeted at local and regional authorities. Not only would this boost administrative capacity by providing an opportunity for LRAs to learn much more about how best to design, draft, bid for, implement and report back on IPA projects, it would also provide an invaluable networking opportunity for building consortiums of applicants. The EU and other bi-lateral donors might consider supporting ‘training the trainers’ events in which Macedonian civil society organisations could be equipped with the know-how and expertise to disseminate knowledge about how EU funding works.
- Second, it is clear that more work needs to be done in increasing awareness of the funding opportunities available to Macedonian LRAs, beyond simply listing tenders on the EU website. An EU funding roadshow could be organised to travel to a large number of LRAs across FYROM in order to raise public awareness of the opportunities available. The expertise of the CoR and its members in implementing cross-border projects in other contexts could be invaluable in this regard.
- Third, a national IPA funding bids database could be organised by ZELS containing anonymised copies of successful and unsuccessful bids for EU funds, in order to help applicants identify the projects which could best be used as templates to be tailored to their own funding bids.
- Fourth, local and regional authorities who have successfully bid for project funding under an IPA programme call should be encouraged to spread awareness of their projects through peer-to-peer networking. Using successful IPA applicants as examples to encourage further uptake of IPA programmes could therefore have a significant multiplier effect across the country. The exchange of know-how and expertise between local authorities who have successfully won and implemented IPA projects and

other local and regional actors looking to make a first project bid would help to further stimulate engagement in these programmes.

- Fifth, it would be important to involve local and regional authorities at an early stage in the planning of the Multi-Annual Financial Framework (MFF) which will affect the level of IPA funding available for the Former Yugoslav Republic of Macedonia in the coming years, and hence will determine the availability of project funding to support significant initiatives at the local and regional level. The national authorities in the Former Yugoslav Republic of Macedonia should work to include a local and regional delegation within their overall strategic planning prior at an early stage.
- Sixth, evaluations of the impact of IPA projects in the Former Yugoslav Republic of Macedonia should illustrate clearly the engagement of local and regional authorities in the funding programme, and note the contribution made by these initiatives to meeting the global criteria for the country's longer-term bid to achieve EU membership. At present, no such evaluation of the role played by local and regional authorities is available, and this imbalance should be addressed as a matter of priority.