

**How to use EU Pre-Accession Funds:
Guide for the Serbian Subnational
Authorities**

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the Aston Centre for Europe - Aston University.
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Plan of the Filenote

This filenote is a practical guide, designed for use by local and regional authorities in order to maximize their uptake of IPA funds in Serbia. It is structured as follows. It first describes the fund management system currently in place for Serbia. Second, it looks at how subnational authorities can maximize their participation. Third, it identifies the main barriers that exist to subnational authorities making full use of the funds. Fourth, it provides an advice on how to go about applying for IPA funds and looks at examples of how similar barriers have been overcome in other countries in the pre-accession phase, drawing on a wide range of examples. Finally, it makes concrete policy recommendations and suggestions how Serbian LRAs can best prepare themselves for the moment when the country achieves candidate country status, which will unlock a significant amount of new resources for EU integration projects.

Instrument for Pre-Accession Funds in Serbia: An Overview

The Instrument for Pre-Accession (IPA) was brought into existence by Council Regulation (EC) 1085/2006 on 17 July 2006, and replaced all the previous diverse funding available for pre-accession (i.e. candidate and pre-candidate, not ENP) countries with one single scheme. IPA funds have two main aims. 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 full participation in all EU policy fields that comes with this. Second, they aim to prepare countries for the post-accession receipt of the Structural and Cohesion Funds that will help modernize their infrastructure and support long-term economic and social convergence within the Union in line with the Europe 2020 strategy.

IPA funds have five main components. These are:

- I. Transition Assistance and Institution-Building
- II. Cross-Border Cooperation (with both EU Member States and fellow candidate/pre-accession countries)
- III. Regional development
- IV. Human Resources Development
- V. Rural Development

IPA is the largest source of funding available to Serbia to assist on its European integration path, and it is also the source of funding most suitable for the needs of local and regional government in that process.

While Serbia holds potential candidate country status, it is eligible for the first two of these components. When it achieves candidate country status, it will become eligible for all five components. **Achieving candidate country status will have a significant impact on the level of EU funding available to local and regional authorities in Serbia.** According to the Commission's opinion presented to the Council on Serbia's membership application, candidate country status should be granted to Serbia once it progresses further in normalizing relations with Kosovo¹. The overall budget for funding in Serbia during the current Multi-Annual Financial Framework (MFF) is €1.4 billion, between 2007 and 2013. This is likely to rise in the upcoming MFF, thus a considerable amount of money is likely to be available.

¹ 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

IPA funding programmes are an important element in fostering capacity building in candidate countries, and Serbia's ability to draw on all five components of the IPA programmes will make a substantial impact on the country's ability to meet the accession requirements of the Union. 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.

1. The Funding System in Place

Priorities for funding in Serbia for the current MFF are set out in the Multi-Annual Indicative Planning Document (MIPD) for the period 2011–13. This is due to be updated for the next MFF. The document is based both on the needs identified in Serbia's European Partnership, the Stability and Association Agreement, the Multi-Annual Planning document and the annual Commission progress report and Serbia's own National Programme. The main priorities identified are as follows:

- Strengthening the rule of law and public administration. Particular attention is to be paid to judicial reform and the fight against corruption and organized crime. The Serbian public administration is also to be supported in becoming professional, efficient, meritocratic and capable of implementing the acquis.
- Overcoming the economic crisis by improving competitiveness and the business environment in order to stimulate growth and foreign direct investment.
- Social inclusion, in particular support for the integration of vulnerable groups like the Roma, as well as refugees, displaced persons and so on.

In order to meet these objectives, the Commission will focus its IPA funding on seven sectors:

1. Justice and Home Affairs;
2. Public Administration Reform;
3. Social Development;
4. Private Sector Development;
5. Transport; Environment;
6. Climate Change and Energy; and
7. Agriculture and Rural Development.

Decentralization and improving local government are key targets for the Commission and are included under the 'Transition Assistance and Institution-Building' of the IPA funding available to Serbia as a potential candidate country.

At the present time, Serbia does not have a Decentralised Implementation System (DIS) in place, which means that the award of IPA funding has not been delegated the Serbian authorities, rather it remains with the EU Delegation in

Belgrade. Having said that, gaining DIS recognition is a crucial aim of the Serbian authorities and the EU and it can only be a question of time as to when it comes into force. Nonetheless, it is clear that further political pressure may be needed to ensure that the government focuses on this necessary goal, particularly since it is mandatory for a candidate country to have a Decentralised Implementation System in place.

Thus for the time being, all coordination for the implementation of IPA is administered directly by the Commission, through the EU Delegation. Under decentralised management, the responsibility will be taken over by the following collection of bodies:

- The National IPA Coordinator (Deputy Prime Minister for European Integration);
- The Strategic Coordinator for regional development;
- The Competent Accrediting Officer;
- The National Authorising Officer;
- The National Fund;
- The Operating Structures;
- The Audit Authority.

Furthermore, extensive efforts, particularly in the strengthening of administrative capacities, are necessary before Serbian actors will be in a position to take over the decentralized responsibility for IPA programme management. Elements of programme responsibility may, however, be centralized gradually. A similar process was undertaken in the Former Yugoslav Republic of Macedonia, where the framework for decentralized IPA programme management was set up over a period of a number of years. A number of questions have been raised about how efficiently and effectively Serbia has used IPA funds. In particular, the national administration has been criticized for the delay in setting up a decentralised implementation system. This situation has jeopardized the efficient use of IPA funds in Serbia and slowed down the disbursement of money.

Local authorities have also not been sufficiently used for the effective coordination and disbursement of IPA funds. Weak administrative capacity and a lack of both national ownership of, and political support for, projects, remain key barriers. Local and regional authorities would clearly be well placed to overcome these issues.

Local self-government bodies are also supposed to take part in the IPA planning process, which is not the case at present, and their role includes defining priority project proposals for financing. This is to be coordinated by the competent

ministries working under the direction of the Serbian European Integration Office.

IPA tenders are advertised on the website of the Delegation of the European Union to the Republic of Serbia <http://www.europa.rs/en.html>.

Local and Regional Authorities in Serbia are eligible to participate in the full range of cross-border co-operation programmes funded under the IPA financial instrument. Each of these programmes maintains a website detailing calls for proposals and opportunities to connect with potential partners. These websites should be monitored closely by local and regional actors seeking to operate similar projects in the future.

- Hungary-Serbia IPA Cross-border Co-operation Programme
<http://www.hu-srb-ipa.com/>
- Romania- Serbia IPA Cross-border Co-operation Programme
<http://www.romania-serbia.net/>
- Serbia-Montenegro IPA Cross-border Co-operation Programme
<http://www.cbcsrb-mne.org/>
- Bulgaria-Serbia IPA Cross-border co-operation Programme
<http://www.ipacbc-bgrs.eu/eng>
- Croatia-Serbia IPA Cross-border co-operation Programme
<http://www.croatia-serbia.com/>
- Serbia – Bosnia Herzegovina Cross-border co-operation Programme
<http://www.srb-bih.org/index.php?lnk=vesti&lng=en&ID=5>

2. How Subnational Actors Can Increase their Participation

A number of questions have been raised about how efficiently and effectively Serbia has used IPA funds. In particular, the national administration has been criticized for the uncoordinated nature of its planning process and its execution of projects. Policy is incoherent and there appears to be no overall strategy for coordination in place. Civil society organizations have also not been used for the effective coordination and disbursement of IPA funds. Weak administrative capacity and a lack of both national ownership of, and political support for, projects, remain key barriers. In particular, it is clear from our contacts with SKGO and elsewhere that there has been no systematic evaluation of the use of IPA funds from a quantitative and qualitative standpoint. Local and regional authorities would clearly be well placed to overcome these issues and should be consulted as a matter of urgency.

3. Barriers to Subnational Actors and Overcoming These

There are two principal barriers to the participation in IPA programmes by local and regional authorities in Serbia.

3.1 Lack of capacity within local and regional authorities

This problem has a number of wider implications for engagement in IPA programmes. Lack of human resource capacity within local and regional authorities in Serbia means that there is only minimal opportunity to monitor the various calls for funding which are published under the IPA funding strands. Being able to produce an effective project bid demands timely preparation of the necessary documentation; it is therefore imperative that local and regional authorities are well informed about programme funding opportunities, but this is very often not the case.

Lack of human resource capacity within local and regional authorities in Serbia also means that there is limited capacity available to define a project, to produce the necessary materials that would support a project bid, and to identify suitable project partners in other candidate countries or in EU member states with whom they could, collectively, put forward a tender.

3.2 Poor communication in IPA funding opportunities

One of the major problems hampering the take-up of IPA funding opportunities by local and regional authorities in Serbia is the low level of awareness of the IPA programmes and their content. Given that management of IPA funding is not yet decentralized in Serbia, information and communication is channelled through the main actor in the funding allocations and contracting process, the EU Delegation. As a result, communication on IPA programmes, their implementation and their potential to engage a greater number of actors also remains centralized through the Delegation. With so few actors involved in the communications process, there is limited use of information multipliers and potential channels for increasing awareness of programmes and funding opportunities. The upcoming programme cycle should consider making more strategic use of networks of local and regional authorities such as the Standing Conference of Towns and Municipalities (www.skgo.org) or indeed the Network of Associations of Local Authorities of South-East Europe (NALAS – www.nalas.eu) as a means to connect with as wide a number of local and regional authority actors as possible on future IPA programming.

3.3 A lack of suitable projects

The experience from some of the newer EU member states suggests that local and regional authorities should be encouraged to develop strong projects suitable for funding under the IPA programmes, in order to help the country as a whole to take full advantage of the potential benefits that these programmes have to offer. Selecting and establishing a strong, appropriate project framework, which then needs to be supported fully by the project documentation is fundamental, and local and regional authorities in Serbia need to be encouraged to do this in a timely fashion. Evidence from Slovakia, for instance, a country which joined the EU in 2004, shows that similar pre-accession funding schemes financed under the former ISPA programme in Slovakia suffered substantial setbacks, largely because of a lack of suitable projects. As a result, it took up to two years to launch some of these projects². Similar time delays in the implementation of IPA programmes in Serbia would have a costly impact, and would hold up the longer-term development potential of the country on its path to EU membership. Local and regional authorities should therefore be supported in their drive to develop projects to be financed under the IPA programme.

² Pontis Foundation / Centre for Democracy Foundation (2010) “Absorption Capacity of Serbia for Use of EU Funds: Practical Lessons from Slovakia”, p. 6

4. Recommendations for Subnational Actors

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

- First, make sure that your idea 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 idea matches both the objectives listed in the funding call as well as the geographical context indicated and the topic indicated. You will need to provide extensive evidence of this throughout your proposal. Do not be afraid of repetition here: what is important is that the claims you make are evidenced, and this is what is assessed.
- Third, the EU wants to provide funding for projects that will make a difference, therefore you should be ambitious in your proposal (i.e. state how and why a given project is original or innovative and what essential outputs it will deliver) whilst not promising unrealistic deliverables that you know you will not be able to provide. In other words, you should make it clear what the criteria are that you think your project should be judged against when it is completed, and make sure that you think 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 offer concrete steps towards building a long-term partnership that will in future be able to collaborate on meeting further challenges.
 - Cross-border projects in the EU often focus on thematic areas, such as regional tourism, cross-border infrastructure development or waste management solutions, and develop future projects that build on the legacy and investment supported by the EU for an initial project. This demonstrates evidence of a long-lasting and effective partnership that can be mobilized to meet specific challenges.

- Fourth, you may wish to think about hiring in a professional consultant with a track record of putting proposals together. This should make your bid much more likely to succeed and need not cost a fortune.

There is an attraction³ 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 you can do this, you will add weight to the proposal, but the following points are highly advisable.

- Nominate a clear project coordinator with experience, credibility and clout in the eyes of the partners, ideally someone with experience of putting together IPA bids.
- You will need to make sure that you have an optimal number of partners, which will depend on the project that you are planning to implement. 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 organizations.
- 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, 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 demonstrate the potential that this network offers for solving problems on the ground.
- Everyone involved in the project should have a clear role and this should demonstrably match their capabilities and experience.
- Everyone involved should have some input into writing the proposal, in order to make sure that as many of the criteria are met as possible. Nonetheless, the project coordinator will undertake the bulk of drafting and will have the final say.

³ This should not be confused with a legal requirement, which does not exist.

When writing the core text of the proposal, you should use the following 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 your 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. Ideally, you want to commit to 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. Provide what detail is needed but do not over-extend.
- Check the proposal repeatedly against the call text and the guidelines. It is on this basis that the bid will be judged. You need to make sure that you cover as many bases as possible.

On the budgetary part of the proposal:

- EU rules are highly prescriptive and very strict. You must follow the standard means of presenting your budget set out in the terms of reference if you wish to be considered for funding (a surprisingly large quantity of bids are rejected for not including separate revenue and expenditure sheets).
- Make sure that your request is reasonable. If you ask for too much, your project will be rejected. If you ask for too little, it will also be rejected since it will lack credibility in being able to achieve 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. You must state clearly 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 your 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 you will need a lot of time to complete the proposal. Allow a minimum of 4 months from start to finish, with around 6 months as an ideal time. With this in mind, keep a regular eye on what is coming up for tender on the IPA project webpages.

4.1 Summary: Steps on preparing an IPA funding application

- 1) Identify an open call for proposals on one of the relevant websites⁴.
- 2) Establish the proposal: what would your 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. These must have wider aims which support a sustainable vision of European integration and in particular, address issues relating to the accession criteria.
- 4) Calculate the cost of the project, together with your 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.

⁴ In particular, and as noted previously, it is worth monitoring consistently the website of the Delegation of the European Union to the Republic of Serbia <http://www.europa.rs/en.html>.

4.2 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 – waste management, tourism and regional economic development – and should provide would-be applicants with an idea of the sheer breadth of project funding available.

4.2.1 Project Example: Waste Management

IPA Project “Towards recycling societies in Croatia and Serbia”; funded under the Croatia-Serbia IPA Cross-Border Cooperation Programme

This IPA-funded project allowed for cross-border co-operation between local and regional authorities in both Croatia and Serbia. Financed with an EU grant of €249 986, this project was financed under IPA component II allocations for 2007-2008 in the area of environmental protection. The project runs for 2 years, from January 2011–January 2013.

In essence, this project aims to protect and improve the cross-border environment (air, groundwater and nature areas) around the border areas of Eastern Croatia and North-Western Serbia. Specifically, the project is directed at developing sustainable waste management systems run by the two partner local authorities: Osijek – Baranja county (Croatia) and North Bačka District (Serbia). The project allows for the exchange of experience and mutual cooperation between a range of stakeholders in both areas, including the local governments, public waste companies, and NGOs.

One of the first actions funded by the project is to improve waste minimization and increase recycling levels. To achieve this, waste collection and separation will be facilitated through a door to door collection service for citizens in a small trial area. This project will be used as a pilot project which may potentially be rolled out more widely in the area. In addition, the project will run a new public awareness campaign in the region which will encourage the adoption of new waste management plans to reduce the amount of rubbish that needs to be landfilled and / or incinerated in both Osijek-Baranja County and North Bačka District.

4.2.2 Project Example: Tourism

“Adventure, recreation, entertainment” – Dissemination of tourism supply of Hajdú-Bihar (Hungary) and Bihor (Romania) counties.

This project was funded under the European Regional Development Fund (ERDF) Hungary-Romania Cross-Border Co-operation Programme 2007-2013, under Priority 2, which focuses funding support on the development of tourism, with investments in tourism attractions and tourism infrastructure.

The project was awarded an ERDF grant of €422 942 and ran from 1 November 2009 until 30 April 2011. It was jointly implemented by the Hajdú-Bihar County Council, Megyegazda Nonprofit Kft., Oradea City Hall, and Bihor County Council.

The project emerged after joint discussions between partners highlighted the fact that there was scope to work collaboratively in order to attract tourists to the regions. Both Hajdú-Bihar and Bihor counties have rich and attractive tourist attractions to offer; however, preparing a database of tourist attractions and a guide to the region can be very expensive. Co-operation offered a solution for joint, large-scale promotion of the two counties and the Euroregion.

Experts from both regions worked together to identify the key priority common development opportunities of the two counties, and discussed a number of common tourist packages which could be put together and marketed. Tourist information offices were also to be established in a range of important locations, and these would act as marketing leads on the new tourism offers that the project was promoting. It was very much felt that the creation of this particular ERDF cross-border cooperation project was important, as it uncovered fully the tourism development potential of the two counties.

The objective of this cross-border co-operation funding was to boost tourism in both the counties of Hajdú-Bihar in Hungary and Bihor in Romania, on an international scale. A number of tourist packages were put together to encourage visits to the region and to both sides of the border. These packages were thematically structured, focusing on the attractions of the region, such as cultural heritage and monuments, folklore, national parks, gastronomy, as well as complementary therapies and wellness retreats. Guides were produced to detail these packages, in a number of different languages. All of these tourist packages aim to increase the level of tourism in the cross-border region, and to increase revenues from tourism.

In order to market the new approach to tourism in the area, a multi-dimensional marketing campaign was launched in early 2011, with large outdoor posters, advertisements in the print media, on TV, the radio and internet. The project was also presented at a number of European tourism fairs and exhibitions, and the local authorities in both countries together organised one-day study tours for journalists and tour operators.

Participants had the opportunity to immerse themselves into the local culture, and visiting places ideal for a pleasant holiday or for sampling specific gastronomy products.

The project website (www.bihar-bihor.eu), is available in seven languages (Romanian, Hungarian, English, German, French, Slovak, Polish and Russian), and offers visitors an insight into the history and culture of the two counties, a calendar of forthcoming events and local tourist attractions.

The project brings a significant added value to the development and operation of existing tourism-related investments in the region. This project is regarded as having generated long-term investment results for the region, both for further tourism development and the improvement of tourist accommodation facilities.

4.2.3 Project Example: Regional Economic Development

Funded under the Hungary-Croatia IPA Cross-border Co-operation Programme. This project – “Joint Economic and Regional Development Strategy Along the Border”, funded under the co-operative economy and intercommunity human resource development priority of the IPA programme, was funded with a total project budget of €184 364, and ran from 1 January 2011 to 31 December 2011.

The project partners were three local and regional actors:

- **Szigetvári Kultúr-és Zöld Zóna Egyesület** (Hungary, Baranya megye);
- **VIDRA - Agencija za regionalni razvoj Virovitičko-podravske županije** (Croatia, Virovitičko-podravska županija);
- **Grad Slatina** Croatia, Virovitičko-podravska županija

This project was established as a means of improving economic development strategies in the border region. The project began by monitoring and evaluating social, economic and environmental processes in the region, and on that basis, formulating a set of necessary interventions in the short and medium term.

These actions were then taken forward in the development of broader regional development strategies for the area, and helped to shape further actions that

would help to achieve longer-term regional economic development strategies, in line with overarching European strategies.

As a result, this project was regarded as having improved the decision-making process on regional economic development in a border region, and having established a new collaborative network for interaction on regional economic development issues in the cross-border area. This new network is expected to have a lasting positive impact on economic growth in the region over the longer term.

4.3 Additional sources of EU financial assistance available to local and regional authorities in Serbia

In addition to IPA funding programmes, local and regional authorities may also be able to draw down financial support from further EU programmes which cover the area. The extent of funding from these programmes is not as extensive as IPA schemes, which are specifically designed to help actors in Serbia and other pre-candidate and candidate countries to meet the requirements for EU accession. Nonetheless, these schemes offer valuable opportunities to local and regional actors in Serbia and will help to facilitate exchanges of experience with other project partners involved, as well as building capacity and understanding of EU funding mechanisms in operation. **It is therefore imperative that local and regional authorities in Serbia monitor the websites of these funding schemes and maximize their participation in these programmes.**

4.4 The EU Strategy for the Danube Region

The EU Strategy for the Danube Region, endorsed in June 2011 by the European Council, is the second EU macro-regional strategy, formed after the EU Strategy for the Baltic Sea Region. This strategy complements the EU's wider competitiveness agenda, known as the Europe 2020 Strategy, as well as the European Sustainable Development Strategy. The aim of the EU Strategy for the Danube Region is to foster collaborative, cross-border approaches to common challenges in the region, such as flood risk, transportation and energy links, environmental protection and challenges to security.

The strategy addresses four main objectives, known as “Pillars”

- 1) Connecting the Region
- 2) Protecting the Environment
- 3) Building prosperity in the Danube Region
- 4) Strengthening the Danube Region

The programme aims to provide a more focused approach to the wider, cross-border challenges faced by the region. One of its principal goals is to create closer synergies between authorities at all levels to maximize the impact of actions and funding. **The EU Strategy for the Danube Region therefore presents significant new opportunities for local and regional authorities in Serbia.**

The programme is financed from a number of existing EU sources, including the European Regional Development Fund, transnational funding programmes as well as IPA, and further funding is available for projects developed in line with this programme's objectives from international financial institutions such as the European Investment Bank.

Local and regional authorities in Serbia should monitor the website of the EU Danube Strategy in Serbia at:

- <http://www.dunavskastrategija.rs/en/>.

Funding opportunities are also published on the programme's website at:

- <http://www.danube-region.eu/pages/funding-opportunities>.

4.5 Transnational Cooperation Programmes

The South-East-European Transnational Cooperation Programme (SEE Programme), aims to develop transnational partnerships on matters of strategic importance, in order to improve the territorial, economic and social integration process and to contribute to the cohesion, stability and competitiveness of the region.

The SEE programme promotes cooperation between member countries, EU candidate and potential EU candidate countries, as well as neighbouring countries.

The SEE programme has four priorities:

- Priority 1: encouraging innovation and entrepreneurship
- Priority 2: protection and improvement of the environment
- Priority 3: accessibility improvements
- Priority 4: sustainable regional development through international synergy

Local and regional authorities will also be 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).

4.5.1 Project Examples

To date, there has been some engagement in projects financed under the South East Europe Transnational Programme by local and regional authorities from the Serbia, but it is very limited. **Further engagement in this programme by Serbian local and regional authorities is to be encouraged.** Open calls for proposals can be monitored at the SEE Programme website: <http://www.southeast-europe.net/en/>.

Local and regional authorities are eligible to form part of the broader coalitions of stakeholders who manage and operate such programmes. There is however scope for much greater local and regional involvement in future calls for project proposals under this scheme, as the following inspirational examples illustrate.

Project Example: Environmental Protection

The “Better management and implementation of NATURA 2000 sites” (BE-NATUR) project is managed by a wide consortium of stakeholders in the South East Europe region, including local and regional authorities. The lead partner is the Nimfea Environment and Nature Conservation Association (Hungary); local and regional authorities making up part of the project consortium include the Province of Ravenna in Italy, Timis County in Romania and the City of Cacak in Serbia.

Supported by an ERDF grant of €2 021 215 and an IPA grant of €141 950, this project runs from February 2011 until January 2014.

This project helps to facilitate SEE countries in their implementation of EU framework legislation relating to biodiversity, in particular the Habitats and Birds Directives (92/43/EEC). A strong EU legal basis for nature conservation provides the foundation for the preservation of natural heritage in the EU

member states and in candidate countries. This project aims to facilitate the exchange of knowledge and best practice within the consortium in relation to biodiversity and together to draft a Transnational Joint Strategy for the better management and improvement of biodiversity policy actions. The cross-border co-operation element of the project aims to both allow all actors to learn how to improve the proper management of protected areas, as well as to raise public awareness of the environment as a cultural resource, leading to improved conservation activities and policies in the future.

Project example: Transportation networks

The South East Transport Axis (SETA) project is an innovative example of improving the competitive accessibility of regions in the South East Europe region. It is delivered through a wide consortium of actors in the region, and is managed by the Austrian Regional Government of the Land Burgenland. Other local and regional actors involved in this project partnership include the City of Vienna, Austria, the West-Transdanubian Regional Development Agency, Hungary and the municipality of Monfalcone, Italy.

The project is supported by an overall ERDF contribution of €2 410 101. As no IPA partners are involved as implementing agencies, there is no IPA contribution to this innovative project. Some local and regional authorities from the candidate countries are, however, observers in the project consortium, namely Varazdin and Karlova counties in Croatia. The project runs from January 2011 until December 2013.

This project focused on developing transport corridors in the region, as a means to improve the competitive accessibility of regions. Easy transportation of passengers and goods is one of the crucial preconditions of the competitive accessibility of regions. The project aims to reduce greenhouse gas emissions in the regions through the development of a better and more competitive railway transport network, reducing the dependency on road vehicle transportation in the region. Cross-border co-operation partnerships will develop joint solutions to the major challenges of bottlenecks in transportation corridors in the region. Furthermore, a Platform of Regions (PoR) will provide a forum for information exchange between representatives of the groups affected at different levels during the project implementation phase. This forum will also serve to foster longer term cooperation between relevant actors in the field of transport network development beyond the project's implementation.

5. Further Improvements to the Absorption of Funds

This filenote noted above that there are a number of barriers to the full absorption of EU funds by local and regional authorities in Serbia. However, none of the existing barriers need be insuperable and a number of relatively straightforward actions could be undertaken.

It is worth also reiterating at this point that true Europeanisation occurs only when LRAs are fully engaged in the process. Local and regional authorities must and will be the driving force in Serbia's European integration. As explained throughout this note, once Serbia secures candidate country status, the opportunities to undertake inspirational IPA-funded integration projects will multiply. To ensure that Serbian LRAs hit the ground running when this begins, the following steps could be undertaken:

- First, it is clear that more work needs to be done in increasing awareness of the *value* of the funding opportunities available to Serbian LRAs, beyond simply listing tenders on the EU website. This should be coordinated with SKGO, who have an excellent idea of what works and what messages are likely to appeal to LRAs. According to SKGO, the interest of LRAs in applying for funding from the EU appears to be very low. They have already organized training seminars and roadshows and their experience is that these have not attracted much interest. Therefore, more needs to be done to raise awareness of what, concretely, can be achieved with EU funds. To this end, it seems that an appropriate strategy might be to target mayors directly and explain to them what has been achieved with IPA funds in other countries. If mayors from pre-accession or even EU states could be persuaded to act as ambassadors for this project, that would add weight to the power of the argument.
- Second, a national IPA funding bids database could be assembled 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 in their own funding bids.
- Third, 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.

- Fourth, it is vital that local and regional stakeholders should be consulted when the priorities for funding are being drawn up jointly by the EU and the national authorities in Serbia, and that their ideas should feed into the final document produced.
- Fifth, it is clear that there is an urgent need for quantitative and qualitative evaluations of the impact of IPA projects in Serbia. These 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 urgency.