

# **INTERREG IIIA Southern Finland – Estonia 2000-2006**

## **Programme Implementation by Priorities and Measures**

P.Pelli / 25.4.2006

This background paper sums up the INTERREG IIIA projects by objectives set for the programme priorities and measures. The INTERREG programme results as well as the objectives for the forthcoming EU Structural Funds programme 2007-2013 will be discussed at the INTERREG conference in Turku 18.-19.5.2006.

The material has been compiled of by the INTERREG Technical Secretariat, and it bases on the data from FIMOS Monitoring system and the result descriptions presented in the annual implementation reports of the INTERREG IIIA programme. More detailed information is available e.g. in the annual reports, evaluation reports and project descriptions at [www.interreg-finest.net](http://www.interreg-finest.net)



ERDF European Regional  
Development Fund

**INTERREG IIA Southern Finland Coastal Zone / the Baltic Countries 1995-1999**

(ref.: programme Final Report, March 2003)

- Altogether 148 projects, total financing in Southern Finland 18,17 M€ incl. EU Structural Funds (ERDF, ESF, EAGGR) and national co-financing.
- Funds committed 31.12.1999: 99% of all three Structural Funds and 93% State co-financing
- Funds paid out by closing of the programme: 90% of all three Structural Funds.

**INTERREG IIIA Southern Finland – Estonia (FIMOS 22.4.06)**Implementation rate of the programme ERDF co-financing

Rate of commitment 91 % (total ERDF co-financing still available for new projects 1.7 M€)

Rate of outpayments 37 % ERDF

Total no. of projects approved (140, where of four projects cancelled)

94 SFCZ projects/Finland

12 complementing call (2004) projects/Estonia

34 joint projects

Stage of implementation of projects

80 projects completed by the end of 2005 whereof 49 projects closed (average implementation rate 89% of ERDF committed: 327 098 € ERDF channelled for reallocation)

24 projects at final stage in end of 2006

33 projects at final stage in 2007 (project closure by 31.12.2007)

A targeted call for proposals in 2006.

Programme general objectives

The regional development exercise between Southern Finland and Estonia in 2000-2006 supports evolvement of this cross-border area from an external border of EU to border between two EU member States. This challenge means learning process for both project partners and joint programme management. Sphere of activities is wide including networks, themes of employment and competitiveness as well as environmental questions. All in all, the programme can be summarised to be functioning well, both for the part of the learning processes as well as for the content-wise targets: the financial resources, the projects as well as the joint Steering and Monitoring Committees all head for the universal objective set for the cross-border co-operation between Southern Finland and Estonia in 2000-2006. (ref.: mid-term evaluation update, autumn 2005).

## Priority 1. Interaction and Networks

*The objective* is to create and strengthen the co-operation contacts and networks on different levels and sectors of activity.

*Long-term impact:* ability to face present and future challenges e.g. EU themes, increasing internationalisation, demands for information society and sustainable development.

*Indicators:* increase in intensity of contacts (number/volume of projects with new or extended cross-border contacts and; actual cross-border structures); regional distribution of activities and; impact on employment and job creation, number of participants in training

	Total eligible cost (1=2+3)	ERDF (2)	National public (3=4+5)		Private (6)	Total (1+6)
			State (4)	Local (5)		
<b>Priority 1</b>	<b>9 436 289</b>	<b>5 165 986</b>	<b>3 110 137</b>	<b>1 160 166</b>	<b>450 000</b>	<b>9 886 289</b>
Commitment 22.4.2006	9 090 803	4 538 302	2 241 525	2 310 976	415 399	9 506 202
Outpayment 22.4.2006	4 286 228	1 997 326	1 221 942	1 066 960	173 899	4 460 127

Commitment rate 88% ERDF (funds available for new projects ERDF 627 684 €)

Outpayments rate 39% ERDF

### Measure 1.1 Networks of Local and Regional Administration

(26 projects, total costs 5.5 M€ / ERDF 2.7 M€)

Examples of activities/projects financed in Southern Finland (2001-2004):

- co-operation between Finnish and Estonian municipalities/regions, e.g. Local agenda Lahti–Pärnu; strategic planning training Karjaa–Baltics; immigrant language training Kouvola–Ida-Viru; schools and student welfare Vantaa–Ida-Viru; town twinning in e.g. culture and sports Turku–Tartu/Kuresaare/Viljandi. Typical activities are: meetings, seminars, excursions; civil servant exchange; strategy planning and training; exchange of ideas, learning from each others' methods etc.

Examples of activities/projects financed in Estonia (2001-2003/Phare CBC and 2004/Interreg):

- Cultural Bridge Tartu-Turku
- Co-operation Lääne-Viru, Ida-Viru, Jõgeva and Finnish partners (3+3)
- KUSTI twinning Uusimaa–Eesti
- Ankkuri/Majakas youth sector project, Hämeenlinna–Rapla/Lääne
- HUUTA drug prevention Helsinki-Tallinn
- Saame kokku twinning of municipalities, parishes and NGOs (Tartu-Turku)

Joint projects (2004–)

- public transport systems in Tallinn and Helsinki metropolitan areas
- health and exercising, Healthy Cities Network activities in municipalities
- sustainable fishery Southwest Finland / Väinämeri
- services for elderly people, cities of Hämeenlinna and Tartu)

Remark for participation of local/regional administration: The number of local administrations involved as project partners (especially in Finland) has decreased in the joint projects compared with the situation in the beginning of the programme. Several projects are continuing activities/partnerships started previously, often stemming back to IIA programme, e.g. 3+3, Turku-Tartu, Helsinki-Tallinn and other twinning contacts. There is a slight contradict between the joint project approach favouring long-term partnerships and, the idea of tempting new, innovative activities and partnerships in the programme. Sometimes the concrete results and benefits from CBC networks and learning from each others are not communicated clearly enough for wider audience – even if the project target groups and participants themselves felt positive about the project. Crystallising of concrete activities and concrete results is necessary. This would also help in collecting the local co-financing and involving the partners in projects; analyses of target group's needs and commitment of participants (incl. local financing) need to be proven already at the stage of project planning.

**Measure 1.2 Social Interaction and Contacts at the Local and Regional Levels**

(i.e. the third sector: 18 projects, total costs 4.0 M€ / ERDF 1.9 M€)

Examples of activities/projects financed in Southern Finland (2001-2004):

- Co-operation between NGOs in sector of culture (artist networks, choirs, theatres, art schools) and in social and labour-related questions (youth, children and family welfare, drug prevention, labour organisations)

Examples of activities/projects financed in Estonia (2001-2003/Phare CBC and 2004/Interreg):

- Folk-Culture networks, Estonian National Folklore Council / Southwest Finland
- youth project Vihti-Tartu
- music schools co-operation

Joint projects (2004- )

- wooden boat tradition and training institutions, museums etc.
- co-operation between regional museums in Southwest Finland and Estonia
- knowhow on traditional methods, restoration and protection of old buildings
- countryside and network of environmental education

Remark for participation of the third sector: The NGOs were very active in the beginning of the programme period. In joint project approach, the definition for eligibility of partners and co-financing rules some NGOs out from the co-operation programme 2004-2006. Even if there are new applications submitted in for the programme, there lacks evidence that partners could handle the financial and project management burden of the Lead Partner approach. The size of joint projects has also increased to an unrealistic scale for small organisations. The needs and prerequisites for NGO's participation in CBC activities require analysing for the forthcoming 2007-2013 so that the activities could be supported with purposeful means.

<p><u>Specific indicators of the Priority 1:</u></p> <p>There are a wide variety of sectors covered both in the local administration and in the third sector co-operation. Also the regional coverage of projects in Southern Finland and in Estonia is extensive.</p> <p>The Priority 1 (Interaction and Networks) got better start in the beginning of the programme 2001-2004, but has not tempted as many new project activities during 2004-2005. There are several reasons for this. On one hand, NGOs have been active in applying for funds, but the project proposals have not been viable either because of the eligibility of project partners, overoptimistic plans, lacking national co-financing or rather profound shortcomings in application documents. On the other hand, the projects by municipalities and bodies of local administration have found their place in other priorities/measures than in Priority 1. Thus, the local administrations participate in activities within a specific sector rather than networking and developing administrative or other structures as such.</p>
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## Priority 2. Employment and Competitiveness

*The objective* is to strengthen the programme area as a market area and improve the preconditions for employment and competitiveness.

*Long-term impact* is to contribute to strengthening the Baltic Sea economic region (a balanced regional development, good employment conditions, competitiveness of the region)

*Indicators:* number (and volume) of projects where firms participate in cross-border co-operation; regional distribution of activities and; impact on employment and job creation, number of participants in training

	Total eligible cost (1=2+3)	ERDF (2)	National public (3=4+5)		Private (6)	Total (1+6)
			State (4)	Local (5)		
<b>Priority 2</b>	<b>13 701 497</b>	<b>7 505 287</b>	<b>4 546 815</b>	<b>1 649 395</b>	<b>1 550 000</b>	<b>15 251 497</b>
commitment 22.4.2006	12 307 842	6 704 061	3 567 398	2 036 383	1 293 210	13 601 052
Outpayment 22.4.2006	5 116 206	2 552 005	1 868 675	695 526	872 021	5 988 227

Commitment rate 89 % ERDF (funds available for new projects ERDF 801 226 €)

Outpayments rate 34% ERDF

### Measure 2.1 Expertise and Know-how

(20 projects, total costs 5.4 M€ / ERDF 2.6 M€)

Examples of activities/projects financed in Southern Finland (2001-2004):

- co-operation between vocational training units: seminars, training, exchanging ideas and know-how; testing e-learning methods for media education and for training of trainers; vocational networks together with SMEs incl. contacts to Russia; science centres co-operation Vantaa-Tallinn-Tartu; utilising each others expertise e.g. in know-how of traditional building methods Saaremaa-Kotka/Hamina; data gathering and distribution on e.g. Northern Dimension expertise; co-operation of agricultural universities; Helsinki-Tallinn Science twin city e.g. brokerage events and joint resources for high-tech businesses; rheumatology expertise networks Päijät-Häme-Northern Estonia

Examples of activities/projects financed in Estonia (2001-2003/Phare CBC and 2004/Interreg):

- 3+3 vocational education co-operation between Lääne-Viru, Ida-Viru, Jõgeva and Finnish partners
- immigration policy and training Vantaa/Tallinn

Joint projects (2004– )

- co-operation of vocational education institutions and working life
- co-operation of education institutions and sub-contracting SMEs
- student entrepreneurship
- agricultural research and testing (cold cowsheds)
- new EU education policy in Finland and Estonia
- information professionals of polytechnic and university libraries Turku/Tallinn

Remarks for participation of the education and training sector: this measure has been very popular throughout the programme period 2001-2006. Some of the projects base on existing structures / contacts dating back to previous IIA programme, e.g. 3+3 and several other vocational education twinning. Some activities show only modest attempt to develop the activities from excursions and joint meetings/seminars towards investigating possibilities for actual joint activities or e.g. utilisation of joint resources. Sometimes also the more or less same activity could have been financed from EU programmes for education and training, if only there were other international partners involved in the activities. Strengths of this sector are that there are many good project writers and experienced co-ordinators. Usually the organisations are also big enough that the Lead Partner's financial burden can be handled.

**Measure 2.2 Operative Environment of Enterprises:**

(19 projects, total costs 2.6 M€ / ERDF 1.3 M€)

Examples of activities/projects financed in Southern Finland (2001-2004):

- Business incubators Lahti-Narva and Helsinki-Tallinn; surveys on business environment and possibilities (several on East Estonia both from Kymenlaakso and SW Finland); co-operation of SME organisations (Uusimaa-Estonia; SW Finland - Estonia; metal sector firms; wooden products sector firms; tourism etc.). Typical activities B-to-B meetings, excursions, trade fairs and training for SMEs, surveys and feasibility studies

Examples of activities/projects financed in Estonia (2001-2003/Phare CBC and 2004/Interreg):

- several Phare projects in SME networking: Business Opportunities Development III (Tartu city administration); IT business incubators Tallinn-Helsinki (Tallinn Technical University); INNOCLUS I-II for Metal-Machine-Apparatus cluster (Tallinn City Enterprise Board); Women Skills, Women Entrepreneurs (SME Network System NGO); wooden product sector businesses FIN EST Wood Network (Järva county government)
- Pärnu County Design & Interior Network co-operation Lahti-Pärnu

Joint projects (2004– )

- business networks in co-operation of business development agencies Uusimaa/Ida-Viru
- co-operation of business incubators Helsinki-Tallinn
- Training, Testing and Developing Centre in mechatronics and electronics Lahti-Tartu

Remarks for the business sector activities: problems of finding suitable national co-financing schemes for participation of the private sector in CBC projects were apparent already in the previous IIA programme and, now 2004-2006 in Estonia the businesses are not eligible INTERREG project partners. CBC financing programme is not a tool for SMEs, unless it is specifically designed as a tool for financing private businesses. So far typical activities e.g. contacting businesses with potential counterparts on the other side of the border have been exercised both in INTERREG IIA, IIIA and in Phare projects. Some of the projects repeat same structure and activities from one project to another. However, basing on monitoring data from project co-ordinators themselves there have been many firms participating in the activities. Project practitioners see very optimistic about the long-term importance of these events and contacts, especially for the sector of small and medium-sized enterprises.

**Measure 2.3 Tourism**

(13 projects, total costs 3.3 M€ / ERDF 1.5 M€)

Examples of activities/projects financed in Southern Finland (2001-2004):

- Tourism development, new products and promotion of existing services and products (SPA cities Naantali-West Estonia; cultural themes Mäntsälä-Pornainen – Lahemaa; common history Porkkala-Paldisk or pre-historical sites Mynämäki, Mietoinen and Paikuse; Baltic Sea coastal traditions; environmental programmes in tourism sector. Typical activities are: training and networking of tourism services providers; joint brochures; testing new products/services; trade fairs; media visibility etc.

Examples of activities/projects financed in Estonia (2001-2003/Phare CBC and 2004/Interreg):

- Järva/Harju Manor House Tourism and King's Road in Southern Finland
- Virtual Experience tourism promotion via means on internet (e.g Saaremaa)

Joint projects (2004– )

- yachting tourism in the archipelago
- spa and culture tourism
- developing tourism companies by design of tourism Lahti / Tartu
- tourism in the themes of fortresses Kotka-Hamina and East part of Ida-Viru

Remarks for the tourism sector activities: For previous INTERREG IIA programme the tourism projects were evaluated very concrete and providing potential for especially rural and coastal livelihood. 2001-2005 this measure has not been very attractive for new project applicants. A number of projects base on experiences / contacts from previous IIA programme. It is not always apparent that the co-operation specifically with the Estonian partners is providing value added for the activities and development of the sector in Finland. Among the SFCZ projects in the beginning of the programme, there were some examples where the INTERREG project activities were more or less all activity of the co-operative responsible for the project and, this was not without problems, when e.g. personnel changes during the project duration left the organisation struggling with requirements of reporting.

**Measure 2.4 Transport, Communications and Development of Interlinked Services**

(9 projects, total costs 2.3 M€ / ERDF 1.2 M€)

Examples of activities/projects financed in Southern Finland (2001-2004):

- Themes of maritime administration: maritime vessel traffic, risk management and simulation models for hazards in the Gulf of Finland and co-operation of voluntary lifeboat organisations. Themes of information society: survey on possibilities of joint resources in telemedicine Helsinki-Tallinn and surrounding regions; wireless services in the tourism sector.

Joint projects (2004– )

- web-based database for follow-up of energy and water consumption
- marine risk management network in the Gulf of Finland (project with linkage to another INTERREG IIIA project in South-East Finland / Russia)
- ICT training co-operation and qualifications/certificates in Uusimaa, Southwest Finland and Estonia

Remarks for the transports and communication sector activities: Maritime transport is natural, concrete and almost inevitable theme for co-operation in this cross-border area. It has been more difficult to define common themes for the information society projects, especially bearing in mind a realistic financial scale of activities. In order to continue with the theme "information society" in CBC activities, the targets and possible activities should be defined more in detail. For forthcoming 2007-2013 co-operation, also the possibilities and scale of investments in infrastructure could be investigated; in 2001-2006 these were excluded from financed activities.

Specific indicators of the Priority 2:

Even though the employment factor is not seen a major indicator for cross-border activities, the projects themselves tend to set rather high targets for both job creation and establishment of new firms as a result from the CBC activities. Priority 2 is the programme priority where expectations for impact on employment are at highest. According to the FIMOS monitoring data up until 31.12.2005, the projects themselves have set a target for 343 new jobs, 746 sustained jobs and 93 new enterprises (realisation according to the monitoring data was: 80 new jobs, 463 jobs sustained and 21 new firms). Even if the private firms are not project Lead Partners or Project Partners, they are a target group for several projects: according to the FIMOS monitoring data by the end of the year 2005, altogether 38 projects had involved almost thousand mainly small and medium-sized firms in their activities (possible overlaps have not been checked from the data). Monitoring the concrete results of these contacts and activities would require a longer time perspective – thus, a follow-up study targeted for the projects' target groups and participants a few years after the conclusion of the project.

### Priority 3. Common Environment

*The objective* of this priority is to protect and improve upon the common environment: to secure the ecological bases of the programme area and to preserve its valuable cultural environment.

*Long-term impact* will be securing a sound living and operating environment.

*Indicators:* number of environment and nature protection projects and projects supporting the realisation of the Natura network; regional distribution of activities and; impact on employment and job creation, number of participants in training.

	Total eligible cost (1=2+3)	ERDF (2)	National public (3=4+5)		Private (6)	Total (1+6)
			State (4)	Local (5)		
<b>Priority 3</b>	<b>9 825 165</b>	<b>5 394 874</b>	<b>3 348 917</b>	<b>1 081 374</b>	<b>1 200 000</b>	<b>11 025 165</b>
commitment 10.3.2006	9 144 594	5 084 087	2 096 061	1 964 446	806 129	9 950 723
Outpayment 10.3.2006	3 059 002	1 531 835	943 799	583 368	374 455	3 433 457

Commitment rate 94 % ERDF (funds available for new projects ERDF 310 787 €)

Outpayments rate 28 % ERDF

#### Measure 3.1 Co-operation in Environmental Protection and Monitoring

(11 projects, total costs 4.3 M€ / ERDF 2.3 M€)

Examples of activities/projects financed in Southern Finland (2001-2004):

- raising the environmental awareness (target groups e.g. school children, boat travellers in harbours of Helsinki and Tallinn and local inhabitants); developing methods and plans for nature protection areas Lahti-Hämeenlinna and Baltic counterparts; developing tourism in nature protection areas Archipelago and West Estonia. Typical activities: information materials, internet pages, exhibitions for public, training sessions, studies and surveys etc.

Examples of activities/projects financed in Estonia (2001-2003/Phare CBC and 2004/Interreg):

- building capacity for agri-environmental measures, Centre for Ecological Engineering
- Creation of Alatskivi Nature Centre and training of teachers

Joint projects (2004– )

- environmental project of 3 Finnish and 3 Estonian regions
- ecological values in planning activities in the case of oil hazards at the sea
- development of geological data for education and tourism
- inventory and protection of cultural heritage in forestry in Harjumaa, Raplammaa, Läänemaa and Uusimaa

#### Measure 3.2 Co-operation on Improving the Environment:

(17 projects, total costs 5.6 M€ / ERDF 2.8 M€)

Examples of activities/projects financed in Southern Finland (2001-2004):

- developing water sewage plans and systems in municipalities; developing waste management in boat harbours; testing antinutrient techniques for agriculture in river basins Southwest Finland – West Estonia; consulting in environmental plans for SMEs; activities targeted for schools and local inhabitants; etc.

Examples of activities/projects financed in Estonia (2001-2003/Phare CBC and 2004/Interreg):

- water supply, restoration of surface waters and environmental education in Jõgeva, Ida-Viru, Lääne-Viru and Finnish partners (3+3)
- methods of improving contaminated soil Lahti – Uusimaa and South Estonia: EAU
- networking the environmental sector businesses Estonia and Southern Finland
- theatre for youth in themes of environment (various schools in both countries)

**Joint projects (2004– )**

- recycling of plastic waste
- co-operation of recycling centres
- strategy for utilisation of common reed in the coastal areas
- preparedness of voluntary organisations for oil hazards in the Gulf of Finland
- Finnish-Estonian development and training project in real estate sector

Remarks for the environment sector activities: Approximately one third of the whole programme financing is now allocated for environmentally positive activities (understood widely, thus, themes of sustainable development). These projects are financed also in other programme measures than Priority 3. The two measures within the Priority 3 are overlapping and the division of projects in one or another measure is somewhat artificial. Some of the activities and partnerships continue from one project to another, and these CBC projects would benefit from analyses of work carried out so far before continuing a – in many cases, very similar – follow-up activity. Projects in the environment sector are concrete, and also the realisation rate of planned activities has been high. Especially in the beginning of the programme (SFCZ) the logic of realising some of the project activities in cross-border projects was not always apparent. This was especially the case for projects that applied for Phare funds for activities in Estonia but failed; what was then left of the original project plan, were actually rather local oriented activities on the Finnish side only. However, environment is also the sector, where activities on either side of the Gulf of Finland are finally found affecting the whole maritime environment as well as the state of environment in the Baltic Sea region in general. For future CBC activities defining a few but very concrete co-operation themes would help to target the resources for joint activities – this might also help focusing the activities into value added attainable from CBC in the environmental sector. What comes to the forthcoming 2007-2013 co-operation in the environmental sector, also the possibilities and scale of investments in infrastructure could be investigated; in 2001-2006 only some pilot-type activities including small investments were financed.

**Specific indicators of the Priority 3:**

Questions relating water protection are handled, quite naturally, in several projects in this maritime border. The regional coverage of projects in Southern Finland and in Estonia is extensive. There have been three environmental protection projects and one of them with regard to the Natura areas. Most of the environmental CBC projects include quite extensive information activities, thus, aiming at influencing also the awareness of the public and attitudes towards the environment.

## **INTERREG IIIA Southern Finland – Estonia**

Conference in Turku, Finland

Theme Groups on 19.5.2006

### Questions for Theme Groups

#### **INTERREG Co-operation has been exercised between Southern Finland and Estonia since 1995:**

- 1) What are the most important results from the co-operation between Southern Finland and Estonia? Among the results so far, are there results that could not have been reached without INTERREG projects?

#### **Co-operation between Southern Finland and Estonia will continue also in the EU Structural Funds programme in 2007-2013:**

- 2) What are the most important themes of cross-border co-operation between Southern Finland and Estonia that should be supported in the future: what should be financed in 2007-2013?
- 3) What are the main results to be expected if the programme financing was targeted in the activities mentioned above?



ERDF European Regional  
Development Fund