

## **Summary of the audit report on the Interreg IIIA Slovenia-Austria project selection procedure in the programming period 2004- 2006**

The purpose of Interreg IIIA Community Initiative is to promote permanent growth and connection of cross-border regions by eliminating the existing social and cultural obstacles and consequences of the marginal position of border regions. In the programming period 2000-2006 the Republic of Slovenia participated in three programmes, namely in the bilateral programmes with the Republic of Austria and the Republic of Italy and in the trilateral programme with the Republic of Hungary and the Republic of Croatia. The performed audit refers to the cross-border cooperation programme between the Republic of Slovenia and the Republic of Austria.

Between 2004 and 2005 coordination, programming and performing of the Interreg IIIA Community Initiative in the Republic of Slovenia were under the authority of the National Agency for Regional Development, which performed advisory, promotional and other development and professional tasks to set up the Interreg III implementation system and to provide professional support in preparation of the implementation programming documents. From 2006 onwards in the frame of its internal organizational unit, the tasks of the National Agency for Regional Development are performed by the Government Office for Local Self-Government and Regional Policy.

In the frame of the Slovenia-Austria 2000-2006 Interreg IIIA Community Initiative Programme for the period 2004-2006 Republic of Slovenia had on disposal EUR 6,163 thousand for the cross-border cooperation with the Republic of Austria, Funds available to Republic of Slovenia intended for the cross-border programme with the Republic of Austria in the programming period 2004-2006 represented only 3 percent of the European Regional Development Fund and will arise approximately seven times more in the programming period 2007-2013. Considering higher amount of available funds and the characteristics of the Interreg projects, which are smaller by their scope but with great local-border importance, it is realistically to expect that their number shall significantly increase, both the number of those which will apply for the programme's funds and those which will be actually co-financed. In the Republic of Slovenia is a large interest to carry out the cross-border projects of cooperation with the Republic of Austria, because in the programming period 2004-2006 three times more project applications were submitted than approved with regard to available funds. In addition, the Court of Audit determined in the survey conducted with final beneficiaries of the programme's funds in the Republic of Slovenia that most of them plan to apply for the funds again.

The new programming period brings also greater competencies and responsibilities to the Government Office for Local Self-Government and Regional Policy, which in the field of cross-border cooperation of the Republic of Slovenia and the Republic of Austria will not perform just the task of a national body, but will assume the role of a managing authority for the entire programme and will be responsible for the use of EUR 67,000 thousand of available funds for the cross-border cooperation programme with the Republic of Austria.

Due to significant increase of available funds and more responsible role of the Government Office for Local Self-Government and Regional Policy in carrying out cross-border programmes, the Court of Audit audited the efficiency of the project selection procedure in the Republic of Slovenia in the frame of the Slovenia-Austria 2000-2006 Interreg IIIA Community Initiative Programme for the programming period 2004-2006. The Court of Audit assessed whether the Slovenian selection procedure ensured that quality projects were selected, namely transparently and ensuring equal treatment of project applicants or projects, whereby the project quality criteria was the most important for the assessment of efficiency. According to good practice in the field of Interreg IIIA, the quality project was the project, which was carried out

without any major administrative and financial difficulties, where a cross-border partnership really existed and which had a cross-border effect.

The Court of Audit believes that the Slovenian project selection procedure in the frame of the programme in the programming period 2004-2006 was successful, because it enables a selection of quality projects and provides conditions for an objective assessment and transparent selection of project applications. The Court of Audit determined that the conditions, which enable a professional consideration of project applications, were partially established, because integration of appropriate knowledge from the programme areas in a pair or a group, which assesses the project application's quality, was only partially assured. The Government Office for Local Self-Government and Regional Policy was issued a recommendation to provide this kind of knowledge integration in the frame of project assessment in the 2007-2013 period.

The Court of Audit did not submit a request to the auditee to provide a response report, because no irregularities/under-performances were disclosed during the audit procedure, which would require preparation of a response report.

The Court of Audit conducted a web survey among final beneficiaries of the programme funds, with which it obtained a view of the project applicants on the project selection procedure and programme implementation.

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