

Institute for Systemic Management
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University of St.Gallen

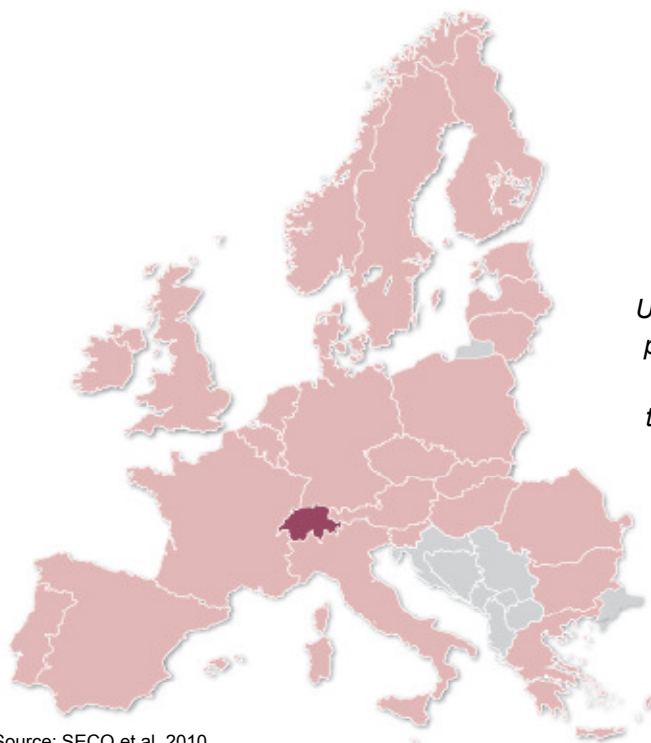
Integration- or Innovation-Policy?

**The Swiss Participation in ETC-Programs Challenged by
the New Swiss Funding Regime NRP**

Dr. Kristina Zumbusch

"What future for cohesion policy?- An academic and policy debate"

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"With its involvement over many years in hundreds of cooperation projects, Switzerland is a highly valued partner for the European Union, and I am pleased that Swiss partners are continuing their active involvement in the European territorial cooperation programmes for 2007-2013."

(Danuta Hübner 2008).

Source: SECO et al. 2010

Good experiences with the Swiss participation in previous INTERREG-programs

Programs	Funding Periods	European Funding	Swiss Federal funding *
INTERREG I	1990-1993	1,1 Bn. Euro	-
INTERREG II	1994-1999	3,5 Bn. Euro	24 Mio. CHF
INTERREG III	2000-2006	5,0 Bn. Euro	39 Mio. CHF
INTERREG IV (ETZ)	2007-2013 (CH: 2008-2011)	8,7 Bn. Euro	appr. 40 Mio. CHF

Sources: SECO et al. 2010 according to Inforegio N°. 24, December 2007; Schnell et al. 2006, SECO 2010.

* without cantonal funding!

Changed Conditions: The New Regional Policy in Switzerland

- traditional approach: the Investment Aid Act for the mountain regions (IHG) of 1974 with a strong cohesion focus :
 - the financing of basic as well as development infrastructure,
 - the drafting of regional development concepts and
 - the establishment or improvement of a regional management.
- Paradigmatic change by introduction of the "New Regional Policy" (NRP) in Switzerland in 2008 – new funding philosophy
 - approach of economic growth,
 - emphasize of the export basis theory for regional development in Switzerland,
 - focus on active support for innovation and entrepreneurial actors.

Changed Conditions: The New Regional Policy in Switzerland

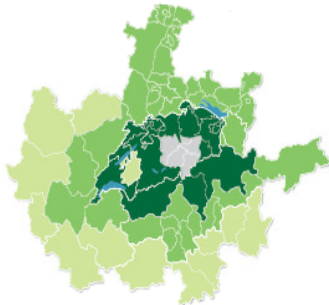
- Eight year funding period subdivided in two parts
 - definition of the strategic guidelines at the federal level
 - the current basis is the federal government's program for 2008-2015
- Implementation (of the main strand 1 of the NRP) by the cantons
 - formulation of cantonal implementation programs for four years defining the specific cantonal priorities and strategies
 - outcome-orientation: performance agreements of the federal level with the cantons
 - in consequence, the cantons themselves are fully responsible for the implementation of the NRP in their area (administration, selection process, controlling, monitoring, performance agreements with the regions etc.)

ETC in the framework of the NRP

- Since 2008 the Swiss participation in ETC-programs has fallen under the Swiss New Regional Policy (NRP). Therefore the NRP gives also room for the funding of INTERREG projects.
- INTERREG IV-A has to be integrated in the cantonal implementation programs. For INTERREG IV-B and IV-C a specific NRP-budget is earmarked at the federal level.
- INTERREG projects that receive financial support from the Confederation (NRP) therefore must fully meet the objectives and funding criteria of the NRP. If these criteria are not met, no federal funding is available.
- In this case, the cantons themselves can finance INTERREG projects with other funding budgets, or Swiss organizations may become involved on their own initiative in projects which do not receive any public funding at all.

Swiss participation in the current ETC-programs

INTERREG IV-A



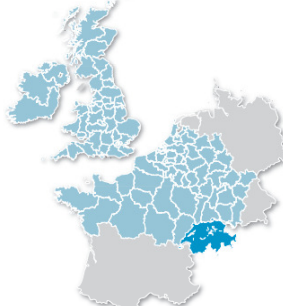
Source: SECO et al. 2010.

- (i) Italy – Switzerland,
- (ii) France – Switzerland,
- (iii) Upper-Rhine,
- (iv) Alpine-Rhine - Lake Constance - High-Rhine

INTERREG IV-B



The Alpine Space Program



Source: SECO et al. 2010

The Program "North West Europe"

INTERREG IV-C

Swiss participation in interregional co-operation like network activities, transfer of good-practices or a strong co-operation in the framework of small programs

Analogies between the European and the Swiss funding regime

- a strong emphasis on economic growth instead of the former cohesion focus ;
- innovation and knowledge as the main driving forces for regional economic development;
- the formulation process as a mixture of bottom-up and top-down initiatives, requiring an intensive dialog about regional development between the different policy levels involved;
- an increasing division of tasks in a way that the upper levels concentrate exclusively on strategic issues and delegate all tasks concerning the operative implementation process to lower levels;

Discrepancies between the European and the Swiss funding regime

Differences in the funding philosophy



→ Strategies for handling these contradictory foci in the programs:

-) Swiss partners are left aside in "traditional" INTERREG projects (in trinational programs),
-) pure cantonal funding (single cantonal decisions impeding a common strategic approach),
-) intensified involvement of other public institutions for co-financing;

Discrepancies between the European and the Swiss funding regime

Financial differences

- The level of Swiss funding for INTERREG projects is far below that of the European cofinancing.
 - This imbalance has already existed in former funding periods, but with the strong increase of European funding for ETC the imbalance has aggravated.
 - But a higher flexibility on the Swiss side due to the mixture of different funding possibilities;

Consequences of this imbalance in the programs:

- Swiss partners as junior partners,
- but stronger selection according to quality and strategy,
- low risk of deadweight effects;

Discrepancies between the European and the Swiss funding regime

Formal and administrative differences

- Different administrative requirements
 - Swiss partners have to fulfill both the Swiss as well as the European requirements. NRP requirements are to be seen as an additional task.
- Different time scales
 - different time scales of ETC and the NRP:
 - NRP currently defined until 2015,
 - cantonal implementation programs for the NRP 2012-2015 are actually in the formulation process,
 - no planning security after 2015;

Reflections about a common future of ETC and NRP

Altogether, there is a high satisfaction to be found in Switzerland that

- Swiss partners can participate in ETC at all and
- that all programs have so far generated interesting and successful projects.

This positive appreciation is challenged by the new funding conditions.

Especially in the framework of the INTERREG IV-A programs the discrepancies between the two funding regimes collide.

- The cantons as well as the program administrations have to deal with an immense complexity and an additional workload to overcome these discrepancies and to guarantee successful outcomes of the Swiss participation even under the given circumstances.

Reflections about a common future of ETC and NRP

→ In consequence, many cantons even recommend a separation of European Territorial Co-operation and the NRP in the long run.

→ But it is quite uncertain, that in this case a federal ETC-budget would be allocated once more.

Reflections about a common future of ETC and NRP

BUT:

European Territorial Co-operation is a program that was explicitly formulated to work on discrepancies between different national states and to coordinate and to bridge such differences between specific characteristics of national states.

BUT:

Developments in Europe take a similar direction like the NRP (stronger focus on economic growth, outcome orientation) – will there be less discrepancies in the funding philosophy in future?

Thank you for your attention!

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