



Annual report 2007

ESPON 2006 INTERREG III Programme

(Presented for the consideration of the Monitoring Committee for discussion and approval in view of its submission to the European Commission by 30 June 2008)

Annual implementation report
(In accordance to article 37 of Council Regulation (EC) No 1260/99)
Approved by the ESPON Monitoring Committee on 30 April 2008

Preface

In accordance with article 37 of Council Regulation (EC) no. 1260/99 an annual implementation report has to be submitted by the Managing Authority of ESPON to the European Commission within six months of the end of each full calendar year of implementation.

The annual report shall include the progress in the implementation of priorities and measures, the financial implementation of the assistance, steps taken by the Managing Authority and by the Monitoring Committee to ensure the quality and effectiveness of implementation as well as steps taken to ensure compatibility with Community policies.

This annual report includes progress made with the ESPON 2006 programme during 2007

Table of content

1. THE PROGRAMME YEAR 2007	4
2. CHANGES IN THE CONDITIONS RELEVANT TO THE IMPLEMENTATION OF THE ASSISTANCE	4
3. PROGRESS IN THE IMPLEMENTATION OF PRIORITIES	5
3.1 PRIORITIES 1-3	5
3.1.1 Approval of new projects.....	7
3.1.2 Progress on the implementation of approved projects	7
3.1.3 Changes in operations.....	8
3.1.4 Financial Reporting	9
3.1.5 Analysis of the projects' performance.....	10
3.2 PRIORITY 4.....	14
3.2.1 Implementation of measure 4.1: Data navigator: preparatory surveys on data access.....	14
3.2.2 Implementation of measure 4.2: ESPON briefing and scientific co-ordination of ESPON Contact Points (ECP).....	14
3.2.3 Implementation of measure 4.3: ESPON briefing and scientific co-ordination of Transnational Project Groups	16
3.3 TECHNICAL ASSISTANCE.....	17
4. FINANCIAL IMPLEMENTATION OF THE ASSISTANCE.....	18
4.1 PRIORITIES 1-4.....	18
4.2 TECHNICAL ASSISTANCE.....	19
4.3 CERTIFICATION OF EXPENDITURE.....	20
4.4 PAYMENTS RECEIVED FROM THE EUROPEAN COMMISSION	22
4.5 INTERESTS.....	22
5. STEPS TAKEN BY THE MANAGING AUTHORITY AND THE MONITORING COMMITTEE TO ENSURE THE QUALITY AND EFFECTIVENESS OF IMPLEMENTATION.....	22
5.1 MONITORING AND EVALUATION	22
5.2 FINANCIAL CONTROL (ACCORDING TO ARTICLE 13 OF REGULATION (EC) 438/2001)	22
5.3 SUMMARY OF SIGNIFICANT PROBLEMS.....	24
5.4 MEASURE TO ENSURE PUBLICITY OF THE ASSISTANCE	25
5.5 PREPARATION OF THE NEW ESPON 2013 PROGRAMME.....	29
6. STEPS TAKEN TO ENSURE COMPATIBILITY WITH COMMUNITY POLICIES AND TO ENSURE COORDINATION OF ALL COMMUNITY STRUCTURAL ASSISTANCE	29

ANNEXES

ANNEX I: FINANCIAL TABLES

ANNEX II: APPROVED ESPON WORK PROGRAMME 2007

ANNEX III: MINUTES OF MC MEETINGS 2007

ANNEX IV: AGENDAS OF ESPON SEMINARS 2007

ANNEX V: MINUTES OF ECP MEETINGS 2007

ANNEX VI: MINUTES OF THE ESPON FINANCIAL CONTROL GROUP

ANNEX VII: PUBLICATIONS PUBLISHED IN 2007

1. The programme year 2007

During the year 2007 the programme intensified the discussion on and dissemination of the results achieved by the concluded applied research projects, the monitoring of remaining ongoing projects. In addition, in accordance with the work plan for 2007 approved by the Monitoring Committee, major efforts were continued in relation to the financial implementation of the assistance and the audit activities in accordance with the timetable approved by the ESPON Financial Control Group.

The four major activities in 2007 can be summarised as follows:

- assessment of the final deliveries of the remaining projects
- strengthening of the capitalisation of the results obtained by improving the communication activities
- support to some key policy developments, such as the Territorial Agenda of the EU in order to prove the usefulness of ESPON results
- the financial management of the programme and in particular the administrative and financial closure of the majority of the approved operations and the implementation of the second level financial control

In content terms, the year 2007 has been characterised by the delivery of last 7 Final Reports. The ESPON Coordination Unit has been deeply involved in the assessment of the final project deliveries so to assess their compliance with the projects terms of reference, subsidy contract, the latest CU response on the Interim Report and as well the different Guidance papers that have been elaborated in the framework of the scientific guidance provided to the project by the ESPON Programme.

The phasing out from the projects research activities corresponded as well to increased inflows of reimbursement claims from the projects side and increased intensity of communication activities to widely disseminate the results of the ESPON Programme.

In addition, during 2007 the second level financial control continued, in particular with the follow up of the system audit and the TA and MA expenditures as well as with the on-the-spot-checks. The results of the audit, that were generally positive as only minor problems were detected, did however require quite substantial attention. Following the result of the contradictory procedure and follow up procedures €11.498,87 of ineligible ERDF has been detected. The majority of the irregularities relates to staff costs and the corresponding overheads.

2. Changes in the conditions relevant to the implementation of the assistance

No changes have been implemented in 2007 in the conditions relevant to the implementation of the assistance.

3. Progress in the implementation of priorities

3.1 Priorities 1-3

In the framework of Priorities 1, 2 and 3 are financed the core activities of the ESPON 2006 Programme, the applied research projects. During 2007 there were no new calls launched for selecting projects. The financial resources available for Priorities 1, 2 and 3 were practically entirely committed by the end of 2006. Within the framework of Priorities 1, 2 and 3, thirty-two projects have been approved during the lifetime of the CIP, of which fifteen under Priority 1, eleven under Priority 2 and six under Priority 3.

Table 1 – Overview of projects approved during the ESPON Programme

NUMBER	TITLE	ABBREVIATION	CONTENT CLOSURE	FINANCIAL CLOSURE
Project 1.1.1	The role, specific situation and potentials of urban areas as nodes in a polycentric development	POLYCENTRISM	Final report in 2004	Closed
Project 1.1.2	Urban-rural relations in Europe	URBAN-RURAL	Final report in 2004	Not closed
Project 1.1.3	Particular Effects of enlargement of the EU and beyond on a polycentric spatial tissue with special attention on discontinuities and barriers	ENLARGEMENT	Final report in 2005	Closed
Project 1.1.4	The spatial effects of demographic trends and migration	DEMOGRAPHY	Final report in 2005	Closed
Project 1.2.1	Transport services and networks: Territorial trends and basic supply of infrastructure for territorial cohesion	TRANSPORT TRENDS	Final report in 2004	Not closed
Project 1.2.2	Telecommunication services and networks: Territorial trends and basic supply of infrastructure for territorial cohesion	TELECOM TRENDS	Final report in 2004	Closed
Project 1.2.3	Identification of spatially relevant aspects of the Information Society	INFORMATION SOCIETY	Final report in 2006	Closed
Project 1.3.1	Territorial effects and management of natural and technological hazards in general and in relation to climate change	NATURAL HAZARDS	Final report in 2005	Closed
Project 1.3.2	Territorial trends in the management of natural heritage	NATURAL HERITAGE	Final report in 2004	Closed
Project 1.3.3	Role and spatial effects of cultural heritage and identity	CULTURAL HERITAGE	Final report in 2006	Not closed

NUMBER	TITLE	ABBREVIATION	CONTENT CLOSURE	FINANCIAL CLOSURE
Project 1.4.1	The role of small and medium size towns	SMALL AND MEDIUM SIZE TOWNS	Final report in 2006	Closed
Project 1.4.2	Preparatory Study on Social aspects of EU territorial development	SOCIAL DIMENSION	Final report in 2006	Closed
Project 1.4.3	Study on Urban Functions	URBAN FUNCTIONS	Final report in 2006	Not closed
Project 1.4.4	Preparatory Study on Feasibility on Flows Analysis	FLOWS	Final report in 2006	Closed
Project 1.4.5	Preparatory study on spatially relevant aspects of tourism	TOURSIMS	Final report in 2006	Closed
Project 2.1.1	Territorial impact of EU transport and TEN Policies	TRANSPORT IMPACTS	Final report in 2004	Closed
Project 2.1.2	Territorial impact of EU research and development policy	R&D IMPACT	Final report in 2004 ¹ - Revised final report in 2005	Not closed
Project 2.1.3	The territorial impact of CAP and rural development policy	CAP IMPACT	Final report in 2004	Closed
Project 2.1.4	Territorial trends of energy services and networks and territorial impact of EU energy policy	ENERGY	Final report in 2005	Closed
Project 2.2.1	Territorial effects of EU Structural Funds	STRUCTURAL FUNDS IMPACTS	Final report in 2005	Closed
Project 2.2.2	Territorial effects of the “Aquis Communautaire”, Pre-accession Aid and Phare/Tacis/Meda Programmes	ACCESSION AID	Final report in 2005	Closed
Project 2.2.3 ²	Territorial effects of Structural Funds in urban areas	STRUCTURAL FUNDS URBAN IMPACT	Final report in 2004	Not closed
Project 2.3.1	Applications and effects of the ESDP in Member States	ESDP	Final report in 2006	Closed
Project 2.3.2	Governance of territorial and urban policies from EU to local level	GOVERNANCE	Final report in 2006	Closed
Project 2.4.1	Territorial trends and policy impacts in the field of EU Environment Policy	ENVIRONMENT	Final report in 2006	Closed

¹ The Final report of this project was not deemed acceptable by the Monitoring Committee and a revised Final report was requested and submitted by the project team in December 2005.

² This project was closed before the delivery of the Final report. Detailed information has been provided with the Annual report for 2004.

NUMBER	TITLE	ABBREVIATION	CONTENT CLOSURE	FINANCIAL CLOSURE
Project 2.4.2	Integrated analysis of transnational and national territories based on ESPON results	ZOOMING	Final report in 2005	Closed
Project 3.1	Integrated tools for European spatial development territorial	SPATIAL TOOLS	Final report in 2004, additional final delivery in 2006	Closed
Project 3.2	Spatial Scenarios and orientations towards ESDP and the Cohesion Policy	SCENARIO	Final report in 2006	Not closed
Project 3.3	Territorial dimension of the Lisbon / Gothenburg process	LISBON	Final report in 2006	Closed
Project 3.4.1	Europe in the World	EUROPE IN THE WORLD	Final report in 2006	Not closed
Project 3.4.2	Territorial impacts of EU economic policies and location of economic activities	ECONOMY	Final report in 2006	Not closed
Project 3.4.3	The modifiable areas unit problem	MAUP	Final report in 2006	Not closed

3.1.1 Approval of new projects

There were no new calls launched in the course of 2007, consequently new projects were not approved neither.

3.1.2 Progress on the implementation of approved projects

With regards to the content side, taking into account that the programme received all the Draft Final and Final Reports by the end of 2006, only the requested clarifications on the already delivered Final Reports were submitted in 2007. In total 7 projects were supposed to deliver additional clarifications and modifications in order to be approved by the Monitoring Committee.

It has to be recalled that according to the procedure in force within the ESPON 2006 Programme, the ESPON CU shall assess the contractual compliance of the final deliveries of the operations and integrate in the final recommendation to the MC, Member States comments and blunder-checks undertaken by the ECP network. According to the results of the assessment the MC decides of the formal approval of the final deliveries. In most cases, projects are requested to revise the Final Report according to the remarks made. During the lifetime of the programme, reduction of the subsidy initially granted have been also decided due to the lack of compliance with the minimum requirements set in the subsidy contract.

The Monitoring Committee, on the basis of the evaluation of the final deliveries made by the ESPON Coordination Unit, decided on the formal closure of the following projects, after the submission of revised Final Reports according to a series of comments and requests for clarifications.

Table 3: Overview of final deliveries formally approved by the MC

PROJECT	DELIVERY OF REVISED REPORT	DATE OF APPROVAL BY THE MC
1.2.3 – INFORMATION SOCIETY	November 2006 January 2007	February 2007
1.4.3 – URBAN FUNCTIONS	March 2007	September 2007
1.4.4 – FLOWS	March 2007	April 2007
1.4.5 – TOURISM	January 2007	February 2007
2.3.1 – ESDP	November 2006 January 2007	February 2007
3.1 – COORDINATION	October 2006	February 2007
3.2 – SCENARIOS	March 2007	April 2007

In relation to project 1.4.3 it has to be noted that the final report did not fully comply with the contractual requirements set out in the subsidy contract, as it had not been able to capitalise sufficiently on the results provided by ESPON project 1.1.1/Polycentricity. Nevertheless, it is obvious that new valuable insights had been provided, in particular in delineating polycentric cross-border agglomerations. Consequently the Monitoring Committee decided to reduce the subsidy awarded by 10%. The reduction was agreed in good terms with the Lead Partner of the project.

Concerning projects 1.2.3 Information Society, 1.4.4 Flows, 1.4.5 Tourism and 2.3.1 ESDP, following the assessment of the revised final report, the CU requested additional clarifications as some of the improvements requested had still not been implemented. A new revised version of the final report was therefore requested to the Lead Partner with a set deadline for its submission in January 2007 for 1.4.5 and 2.3.1 and in March 2007 for 1.2.3 and 1.4.4. Following the re-submission of the final reports, the Monitoring Committee could formally approve the final deliveries of these projects as indicated in the above table.

An important milestone for the year 2007 was the closure of two projects with the highest budgets - 3.1 Coordination and 3.2 Scenarios. Project 3.1 has developed the ESPON Atlas which is one of the main final and synthesis products of the ESPON 2006 Programme. Project 3.2 has due its strategic nature been closely followed and discussed by the Monitoring Committee during its implementation.

With the closure of project 3.2 in April 2007, all projects had been formally approved by the ESPON Monitoring Committee on the content side.

3.1.3 Changes in operations

In 2007, following the closure of the content implementation phase, close to their financial closure many projects realised the necessity of the adjustment of their budget. Minor changes are managed directly by the Coordination Unit and - if the reallocation exceeds 20% of a certain budget line – by the Managing Authority (following a decision of the Monitoring Committee in 2005).

Twelve projects requested a budget reallocation before the submission of their final financial claims of which in 10 cases the Managing Authority was involved in the decision. The big number of reallocation requests is not to surprising, as it is extremely difficult to foresee exactly the amount of financial resources needed for each budget category at the proposal moment. The changes requested were mainly due to under spending in the travel and meeting budget lines and over spending in the staff and subcontracting budget line. No major changes were implemented neither in relation to the activity foreseen nor in relation to the composition of project partnerships.

3.1.4 Financial Reporting

In the framework of the ESPON programme, projects have two different reporting deadlines. The first associated to the reporting of the content results of the applied research work, and therefore the submission of the projects' Interim and Final Reports, the second one related to financial reporting accompanied by an overview of the general activities undertaken within the partnership.

From the financial point of view, by 2007 all funds were already committed. Following the finalization of their content implementation, projects entered into the closing phase of their financial activities in 2007. In total 35 progress reports were submitted by the Lead Partners and assessed by the ESPON CU in 2007. Together with the financial claims submitted to progress reports as clarification documents 57 reimbursements released to the Lead Partners.

The ESPON projects have to submit progress report according to a tailor made calendar defined in the subsidy programme, which takes into account the starting date of the projects and the time needed for the certification of the expenditures by the 1st level financial controller.

It shall be clearly stated that the programme has faced delays with the submission of the Progress Reports from Lead Partners. In 2006, the Managing Authority decided to postpone the deadlines for the submission of the final progress reports of the ongoing projects. The reason for this was to ensure a better flow and sufficient time to process a proper closure of the content of the project as well as the certification and preparation of the final claim closing the project in financial terms. Unfortunately, some projects could not keep the new extended deadlines. The delays are partly related to problems inside the project partnership and partly related to the certification procedure. This situation required a close follow-up of the financial status of the programme in order not to incur in any de-commitment according to the N+2 rule.

The ESPON CU has therefore been forced to invest more and more resources in order to ensure that impeccable reimbursement claim were forwarded on time to the Paying Authority for processing.

The majority of the progress reports submitted in 2007 were final ones, however there were still some weaknesses found in the progress reports including:

- lack of detailed information in relation to the expenditures incurred, such as the description of the expenditures and the date of expenditure (these information are part of the reporting requirements)
- application of the wrong exchange rate
- unclear calculation of the staff and administration costs, which required additional clarifications
- lack of knowledge of the procedures in place for the certification of the expenditures (1st level financial control)
- need for further information, requested in some cases in relation to the independence and qualification of the delegated 1st level financial controller

In order not to incur in any de-commitment, the Managing Authority and the ESPON Coordination Unit have taken a proactive approach and have been active providing information, additional guidance not only to Lead Partners but also directly to Project Partners and to the national and delegated 1st level Financial Controller. This approach has turned out to be successful and the ESPON Programme has succeeded in certifying a sufficient amount of expenditure to the Commission to avoid de-commitment.

However, the workload generated was hardly sustainable for the ESPON Coordination Unit and even stronger measures will have to be taken in future in order to ensure that all external actors involved assume entirely their respective responsibilities.

3.1.5 Analysis of the projects' performance

The Programme complement agreed by the MC in February 2006 and approved by the Commission in January 2007 provides quantified performance indicators for priority and measures level for the period 2002 – 2006 showing generally higher expectations than those defined for 2002-2004. The projects have been required to provide a list of outputs corresponding to these performance indicators for their final reports, as most of them are only fully quantifiable at the final stage of project groups' work. Below the performance indicators of the ESPON Programme reached by the end of 2007 are presented.

Taking into account that all projects have delivered Final results, the following tables present the final overall results for the ESPON 2006 Programme for Priorities 1-3:

Table 4 - Indicators achieved for measure 1.1

Indicators 2002-2006	1.1.1	1.1.2	1.1.3	1.1.4	Total achieved	Total envisaged (2002- 2006)
Number of spatial indicators being developed	43	6	9	3	61	15
Number of spatial concepts defined	4	12	13	10	39	4
Number of spatial typologies tested	3	4	6	13	26	10
Number of maps produced	35	60	26	101	222	10
Number of ESDP policy options addressed	7	28	3	11	49	20

Table 5 - Indicators achieved for measure 1.2

Indicators 2002-2006	1.2.1	1.2.2	1.2.3	Total achieved	Total envisaged (2002-2006)
Number of spatial indicators being developed		41	2		15
Number of spatial concepts defined		6	1		7
Number of spatial typologies tested		18	1		10

Number of maps produced		78	5		12
Number of ESDP policy options addressed		4	5		15

Table 6 - Indicators achieved for measure 1.3

Indicators 2002-2006	1.3.1	1.3.2 *	1.3.3	Total achieved	Total envisaged (2002-2006)
Number of spatial indicators being developed	32		30		10
Number of spatial concepts defined	2		3		5
Number of spatial typologies tested	2		3		10
Number of maps produced	33		52		10
Number of ESDP policy options addressed	5		5		17

* This project's report was not considered sufficiently reflecting the specification of the project therefore a reduction of payment has been decided.

Table 7 - Indicators achieved for measure 1.4

Indicators 2004-2006	1.4.1	1.4.2	1.4.3	1.4.4	1.4.5	Total achieved	Total envisaged (2004-2006)
Number of spatial indicators being developed	1	0	-	26	-	27	5
Number of spatial concepts defined	2	0	-	0	-	2	3
Number of spatial typologies tested	0	0	-	0	-	0	3
Number of maps produced	5	15	-	18	-	38	5
Number of ESDP policy options addressed	6	2	-	35	-	43	5

Table 8 - Indicators achieved for measure 2.1

Indicators 2002-2006	2.1.1	2.1.2	2.1.3	2.1.4	Total achieved	Total envisaged (2002-2006)
Number of spatial indicators being developed	9	8	80	57	149	10
Number of sectoral policies fully addressed	1	-	1	N	6	5
Number of charts on the institutional structure of	0	-	2	0	2	3

sector policies						
Number of maps produced	56	12	27	44	113	20
Number of ESDP policy options addressed	5	8	All	4	All	All

Table 9 - Indicators achieved for measure 2.2

Indicators 2002-2006	2.2.1	2.2.2	2.2.3	Total achieved	Total envisaged (2002-2006)
Number of spatial indicators being developed	2	51	-	-	7
Number of funds fully addressed	6	4	-	-	6
Number of charts on the institutional structure of sector policies	14	0	-	-	6
Number of maps produced	9	29	-	-	10
Number of ESDP policy options addressed	10	4	-	-	All

Table 10 - Indicators achieved for measure 2.3

Indicators 2002-2006	2.3.1	2.3.2	Total achieved	Total envisaged (2002-2006)
Number of countries investigated	29 (25 Member states + BU-RO-NO-CH)	29 (25 Member states + BU-RO-NO-CH)	-	15
Number of funds fully addressed	-	4	-	-
Number of charts on the institutional structure of special planning, both in urban and territorial policies	-	93 figures 37 tables	-	3
Number of maps produced	18	31	49	-
Number of ESDP policy options addressed	13	4	All	All aims

Table 11 - Indicators achieved for measure 2.4

Indicators 2002-2006	2.4.1	2.4.2	Total achieved	Total envisaged (2002-2006)
Number of spatial indicators being employed	32	47	79	12
Number of typologies tested	5	7	12	-

Number of maps produced	38	57	95	20
Number of ESDP policy options addressed in that field	4	23	27	-

Table 12 - Indicators achieved for measure 3.1

Indicators 2002-2006	3.1	Total envisaged (2002-2006)
Number of spatial indicators being developed	89	40
Number of maps produced	89	10
Number of ESDP policy options addressed in that field	15	-

Table 13 - Indicators achieved for measure 3.2

Indicators 2002-2006	3.2	Total envisaged (2002-2006)
Number of spatial indicators being developed	241	45
Number of spatial concepts defined	0	3
Number of maps produced	217	10
Number of ESDP policy options addressed in that field	All	all

Table 14 - Indicators achieved for measure 3.3

Indicators 2002-2006	3.3	Total envisaged (2002-2006)
Number of spatial indicators being developed	116	n.a
Number of spatial concepts defined	20	n.a
Number of maps produced	133	n.a
Number of ESDP policy options addressed in that field	49	n.a

Table 15 - Indicators achieved for measure 3.4

Indicators 2002-2006	3.4.1	3.4.2	3.4.3	Total envisaged (2002-2006)
Number of spatial indicators used	24	8	n.a	n.a

/ developed				
Number of spatial typologies applied	14	8	n.a	n.a
Number of maps produced	228	67	86	n.a
Number of ESDP policy options addressed in that field	15	n.a	n.a.	n.a

3.2 Priority 4

The measures specified under priority 4 are performed by a mix of project activities and CU led initiatives.

3.2.1 Implementation of measure 4.1: Data navigator: preparatory surveys on data access

In 2007 new updated versions of the Hyperatlas and of the WEB-based GIS were delivered. The new versions of tools have been made available for public use on the ESPON website. During 2007, the tools have been updated with the new and last version of the ESPON 2006 database, which includes data from all finalised ESPON 2006 projects.

In addition, the two tools were updated in relation to the representation of Cyprus, as requested at the MC meeting in November 2007. In the particular case of the HyperAtlas also some improvements in addition to the contractual obligations have already been implemented.

Following the decision of Monitoring Committee of asking the Lead Partner of project 3.2 to undertake additional work on the elaboration of a Handbook on data collection, harmonisation and quality control, a separate volume to the final report of project 3.2 comprehending the referred Handbook was delivered by the Lead Partner and approved by the MC at its meeting on 18-19 April 2007.

The preparatory project on Monitoring Territorial Development based on ESPON key indicators, under Priority 4.1, lead by the German Lead Partner BBR was developed along 2007 and the final report approved during a MC meeting on 25-26 September 2007. The final delivery was to a certain degree less developed as an outline of a future Territorial Monitoring report. However, in general the project approached all the elements mentioned in the terms of reference, and in particular a last effort to revise the Part A of the report was undertaken, as requested in a previous MC meeting.

Table 16 – Indicators achieved for measure 4.1

Indicators 2003 - 2005	Achieved 2003	Achieved 2004	Achieved 2005	Achieved 2006	Total envisaged (2002 – 2006)	Total achieved
Number of national data access surveys	18	-	10		27	28

3.2.2 Implementation of measure 4.2: ESPON briefing and scientific co-ordination of ESPON Contact Points (ECP)

Measure 4.2 is not a project activity, but an action carried through including ECP co-ordination and meetings. Basically, ECPs undertake a multitude of tasks.

At national level, ECPs contribute to the programme implementation in Member States, in particular by providing support to Transnational Project Groups in the project development process in cooperation with the ESPON Coordination Unit (tendering procedures, access to data and information). They also play an important role in the promotion and dissemination of ESPON results towards national stakeholders and manage a national network of researchers.

As a network, they also support Transnational Project Groups by fostering exchanges with other projects and with the Coordination Unit, and finally, by commenting on the Interim and Final reports, bringing national perspectives to the results achieved at EU level.

Taking into account that the ECP transnational activities were implemented and closed by the end of 2006, during its meetings held on 12 June 2007 the CU informed the ECP network about the outcome of the ECP Transnational Networking activities under the ESPON 2006 programme.

The following table provides the final performance indicators achieved for this measure within the ESPON 2006 programme.

Table 17 – Indicators achieved for measure 4.2

Indicators 2003 - 2006	Achieved 2003	Achieved 2004	Achieved 2005	Achieved 2006	Total envisaged (2002 – 2006)	Total achieved
Number of ESPON Contact Point briefings	3	4	5	4*	6	16

* Including 1 ECP closing event in 2007

3.2.2.1 Implementation of the ECP financial mechanism

The ECP financial mechanism has been set up by the programme to support ECPs in developing further their networking activities at transnational level. The last round of transnational networking activities were implemented in 2006. New rounds have not been launched in 2007.

ECP Transnational activities contracted under the ESPON 2006 Programme:

The following 10 ECP Transnational ECP Networking Activities via three rounds of calls have been contracted during the lifetime of the ESPON 2006 Programme:

- COMPILING 1: to structure and consolidate the process of ECP commenting in each national context; providing a coherent scientific overview on results of the first 10 ESPON projects' Final reports
- YOUNGSTARS 1: making ESPON results known among the young European scientific community, students and young professionals; providing a platform for new innovative ideas related to ESPON research; develop a scientific debate on the progress and results achieved by ESPON
- SEEP, a follow-up activity of the SEEP seminar aiming at disseminating widely SEEP results over South Eastern Europe, submitted by ECP Greece
- GOING REGIONAL: to disseminate ESPON findings to research and policy communities and to foster greater understanding of the trans-scalar aspects of spatial planning; focus on North Western Europe as macro-region, but include ECPs from outside this region so as to ensure that there is a discourse that looks beyond the region
- YOUNGSTARS II: transnational seminar directed towards young academics and professionals in the fields of geography, regional development, spatial planning, submitted by ECP Hungary.

- COBALT: Organisation of a transnational seminar on Territorial Cohesion and Coordination in the Baltic Sea Region to discuss how best to achieve territorial cohesion, balanced polycentric development and increased competitiveness of the region and within individual national country strategies, in particular with regards to the recent enlargement process.
- WESTERNBALKANS: The collection of minimum set of data (statistical data and hard core indicators) and combination layers between selected data/indicators and map production in the study area to cover the Knowledge gap of important aspects in the field of spatial development concerning the “white hole” of Western Balkans.
- REVEUROPE: Organisation of an International Conference on an international level, to debate around the results of ESPON on cities, networks and polycentric development issues and to confront them with other works from the European scientific community.
- SSE: Organisation of a transnational seminar covering Southern Europe, focusing on specific issues related to Southern Europe territorial context and situations, in the scope of reflection around sustainability and sustainable development in Southern Europe Confronting different European perspectives on the issue of sustainability, focusing in particular on critical aspects of territorial sustainable management addressing demography, tourism, migration, land use, rural/urban development, forestry.
- MONTESPON: proposal for a transnational seminar focused on mountainous regions and addressing ESPON results from this perspective, submitted by ECP Switzerland.

Progress with the implementation of the activities previously contracted

In February 2007 the final results from the 1st round of ECP transnational activities, namely “ESPON Going Regional” led by ECP UK, “Youngstars 1” led by ECP Germany and “South Eastern Europe Perspective – SEEP” led by ECP Greece, received at the end of 2005, were formally approved by the Monitoring Committee. For all the three activities positive appreciations were given, considering the undisputable results achieved and the objectives met.

In September 2006 the ESPON Coordination Unit received the draft final reports for the projects MONTESPON, Youngstars 2, SSE and COBALT. Following the assessment of the ESPON Coordination Unit, the Lead Partners of the above mentioned projects were requested to submit improved revised version of the final reports by the end of November 2006. The revised final report for MONTESPON and Youngstars 2 were approved in December 2006, while additional clarifications were requested for the other two projects with a new deadline set for March 2007 for the SSE and COBALT. The revised final reports of were finally approved by the Monitoring Committee in February 2007 and March 2007 for COBALT and SSE respectively. With the closure of these two projects all the ECP transnational networking activities have been finalized from the content side.

With regards to the financial reporting of these activities, serious delays in the submissions of the financial claims have to be mentioned. However, with a close follow-up of these projects, with the exception of Compiling 1, the ESPON CU managed to close all activities from the financial point of view during 2007. Some minor clarification needs to be forwarded in Compiling 1 from the German ECP in order to be able to finalize this last pending financial claim.

3.2.3 Implementation of measure 4.3: ESPON briefing and scientific co-ordination of Transnational Project Groups

Measure 4.3 is being handled in a similar way to measure 4.2 and is a measure carried out through ESPON seminars and Lead Partners meetings, both held usually twice each year. However, taking into account that the majority of the projects have been finalized by 2007, there

were no Lead Partner seminars organized in 2007. However in order to keep the former Lead Partners involved on the use of their results, they were invited for the ESPON Seminars.

3.2.3.2 ESPON seminars

The tenth ESPON Seminar took place in Bonn, Germany, on the 12-13 June 2007. During the seminar two set of parallel workshops discussed the implementation of Priority 2. The discussion focussed on the following two thematic issues: Firstly the content of possible project themes for targeted analyses, secondly the organisation of the cooperation between the actual stakeholders and the Transnational Project Groups.

The Seminar aimed at brainstorming sessions, with about 110 participants altogether coming from European organisations, EU programme secretariats, European-wide interest groups, countries, regions and research organisations discussing the results of the ESPON 2006 Programme.

Table 18 – indicators achieved for measure 4.3

Indicators 2002 - 2006	Achieved 2003	Achieved 2004	Achieved 2005	Achieved 2006	Total achieved	Total envisaged (2002 – 2006)
Number of conferences with Transnational Project Groups	4	4	4	4	16	12

3.3 Technical Assistance

The technical assistance activities focused on implementing and monitoring the operations and promoting the programme and its results. These tasks were mainly implemented by the Coordination Unit in its role of support to the Managing Authority.

The ESPON Coordination Unit focused its work on the following elements:

- Organisation and running of programme Monitoring Committee and ECP meetings
- Assess compliance and closing activities under measure 4.2
- Implementing activities under measure 4.3 such as ESPON Seminars
- Implementing activities under measures 5.1 on Technical Assistance and 5.2 on publicity and promotion
- Finalisation and submission of Annual Control Report for 2006 for the ESPON 2006 Programme to the European Commission (following Art. 13 of the Commission Regulation (EC) No 438/2001 of 2 March 2001)
- Implementing the decisions of the Monitoring Committee
- Monitoring the implementation of the ongoing projects
- Assess the contractual compliance of the final project deliveries and follow-up the implementation of project formal closure

- Provide projects with further assistance, in particular in relation to the financial closure and the elaboration of reimbursement claim
- Support the Financial Control Group and the Winding-up Body for the implementation of second level financial control and in particular the system audit and the implementation of the audits on operations
- Coordination activities with the Managing and Paying authorities
- Elaboration of the programme publications
- Communicate the programme results at a series of events during the year

In total €11.340,00 were committed for the implementation of Priority 5 in 2007 and €294.552,23 were spent by 15 December 2007. These amounts correspond to both measures 5.1 and 5.2.

4. Financial implementation of the assistance

For the Forecast Application of Payment for 2007 to the European Commission, a total expenditure of €4.758.504, of which €2.379.252 ERDF funds, was expected to be spent and reported. The actual total expenditure reported to the European Commission represented a bit more than the half of the indicated amount. This was due to the already reported delays in the submission of the progress reports and the insufficient level of the quality of the reported expenditures from the projects which extended the delays for their approval. It has to be said that the ESPON Programme only declares to the Commission expenditures that have been reported by the operations and that have been successfully assessed and evaluated by the ESPON Coordination Unit.

Although the amount reported in 2007 was smaller than the forecasted amount, the programme managed to meet the 2007 expenditure target and avoid de-commitment in 2007.

4.1 Priorities 1-4

The total level of expenditure declared to the Commission in 2007 for Priorities 1-4 amounted at €2.442.169,15.

The financial allocations for Priorities 1-4 have been committed up to more than 99% and the level of payments has constantly increased in 2007. However, some over commitment due to under spending has to be underlined in Priority 5, in particular under Measures 5.1. The reason of this is the reallocations of the under spend budget lines which were not able to absorb the amounts allocated.

The following table provide detailed indication of the level of the commitments and expenditures during 2007 and reached by the end of the year.

Priority / Measure	Available in CIP (A)	Commitments (B)	% of Commitments (B/A)	Payments in 2007	Cummulative payment until March 2008 (E)	Execution rate (E/A)
1.1. - Polycentric development and urban-rural relations	€1,602,000.00	€1,533,400.11	95.72%	€319,780.54	€1,526,518.59	95.29%
1.2. Access to infrastructure and knowledge	€1,027,000.00	€1,019,116.78	99.23%	€90,420.60	€1,002,499.49	97.61%
1.3. Natural and cultural	€1,196,000.00	€1,191,224.45	99.60%	€330,729.02	€1,045,206.78	87.39%
1.4. Natural and cultural	€425,000.00	€409,368.13	96.32%	€261,083.59	€309,618.13	72.85%
P.1 Thematic projects on important spatial developments	€4,250,000.00	€4,153,109.47	97.72%	€1,002,013.75	€3,883,842.99	91.38%
Total 2.1. The territorial effects of sector policies	€1,495,500.00	€1,483,406.08	99.19%	€0.00	€1,088,506.08	72.79%
Total 2.2. Structural Funds and related Funds	€1,011,824.00	€969,923.63	95.86%	€38,243.89	€778,598.63	76.95%
Total 2.3. Institutions and instruments of spatial policies	€762,000.00	€756,769.76	99.31%	€395,816.37	€756,769.76	99.31%
Total 2.4. Filling gaps and new projects	€450,000.00	€444,017.38	98.67%	€170,882.96	€444,017.38	98.67%
TOTAL P. 2 Policy impact projects	€3,719,324.00	€3,654,116.85	98.25%	€604,943.22	€3,067,891.85	82.49%
Measure 3.1. Integrated tools for European spatial development territorial	€1,140,000.00	€1,117,510.51	98.03%	€117,635.69	€1,117,510.51	98.03%
Measure 3.2. Spatial Scenarios	€1,521,502.00	€1,517,000.00	99.70%	€215,885.45	€805,112.78	52.92%
Measure 3.3. Lisbon	€431,000.00	€336,976.26	78.18%	€187,611.71	€336,976.36	78.18%
Total 3.4. Filling gaps and new projects	€649,000.00	€649,000.00	100.00%	€0.00	€0.00	0.00%
TOTAL P. 3 Co-ordinating cross-thematic projects	€3,741,502.00	€3,620,486.77	96.77%	€521,132.85	€2,259,599.65	60.39%
Measure 4.1 Datanavigator preparatory surveys on data access	€350,000.00	€340,724.34	97.35%	€33,444.24	€226,724.34	64.78%
Measure 4.2 Briefing and scientific coordination: ECPs	€446,500.00	€416,777.08	93.34%	€244,513.27	€345,064.85	77.28%
Measure 4.3 Briefing and scientific coordination: LPs	€194,500.00	€181,848.84	93.50%	€36,121.82	€166,300.54	85.50%
TOTAL P. 4 Research briefing and scientific	€991,000.00	€939,350.26	94.79%	€314,079.33	€738,089.73	74.48%
Measure 5.1	€1,270,494.00	€1,269,073.37	99.89%	€229,176.01	€1,091,680.53	85.93%
Measure 5.2	€492,368.00	€491,407.39	99.80%	€65,376.22	€491,407.39	99.80%
TOTAL P. 5 Technical Assistance and Communication	€1,762,862.00	€1,760,480.76	99.86%	€294,552.23	€1,583,087.92	89.80%
TOTAL	€14,464,688.00	€14,127,544.11	97.67%	€2,736,721.38	€11,532,512.14	79.73%

4.2 Technical Assistance

The budget for Technical Assistance for 2007 approved at the beginning of the year by the Monitoring Committee, amounted at €206.100,00 and the level of commitment reached €192.300,00. By the end of December 2007 the expenditures amounted at €229.176,01.

The relatively low level of expenditures is mainly due to the fact that the hosting institution of the ESPON Coordination Unit anticipates all the running costs (including staff costs) which are then reimbursed by the Managing Authority at a later stage.

Measure 5.1. Management, monitoring and implementation	Allocations 2007	Budget implementation 2007	
		Commitments	Payments
CU Travel	€12,000.00	€12,000.00	€20,799.55
MC EU Member travel	€10,000.00	€25,000.00	€41,404.69
Project Expert	€82,600.00	€50,000.00	€58,123.22
Financial and administrative support expert 6 months	€44,000.00	€44,000.00	€30,022.41
Trainee	€5,000.00	€5,000.00	€8,028.85
Training of CU staff			
Office rent and other related costs (taxes, heating, cleaning, etc.)	€34,500.00	€34,500.00	
Miscellaneous	€10,000.00	€13,800.00	€11,739.80
Site costs for FCG meetings	€8,000.00	€8,000.00	€1,239.96
Costs for 2nd level control and winding			€46,757.72
External experts (legal advice, project evaluations, etc.)			
Staff selection interviews and installation costs			
Other meetings (1st level FC, New MS, etc.)			
VAT			€16,453.47
Sending of Promotion Material			
TOTAL	€ 206,100.00	€ 192,300.00	€ 234,569.67

Concerning measure 5.2, due to the lower costs of some of the foreseen publications, the level of commitment and expenditure registered so far allowed for some additional activities during 2007 which resulted in the production of additional promotional material (e.g. production of CD-Rom compiling electronic versions of all project reports produced under the ESPON 2006 Programme).

Measure 5.2.	TOTAL BUDGET 2007	TOTAL COMMITMENTS 2007	TOTAL EXPENDITURE 2007	Comments
Website and Intranet		€31,162.50	€31,162.50	
Datanavigator		€28,773.72	€28,773.72	
Mid-term evaluation		€48,500.00	€48,500.00	
Mid-term evaluation update		€15,000.00	€15,000.00	
ESPON Publications		€245,285.30	€245,285.30	
Graphic identity for ESPON		€20,356.50	€20,356.50	
Communication Strategy & Media Bureau		€75,680.00	€36,065.65	Including Chelgate VAT - not closed yet
Scientific Conference		€8,573.16	€8,573.16	
Website and Intranet 2007		€5,550.00	€5,550.00	
Collaterals		€13,486.00	€12,518.90	Reserved to collaterals according to specific needs
TOTAL	€492,368.00	€492,367.18	€433,716.83	

4.3 Certification of expenditure

Two statements of expenditure/applications for payment were submitted to the European Commission during 2007. They were based on accounts closed on the 15 December 2007 and included certified expenditures that were already assessed and recommended for payment to the Paying Authority of the ESPON Programme.

Statement of expenditure towards the European Commission by 15 December 2007

	2002	2003	2004	2005	2006	2007	Total
	Expenditure	Expenditure	Expenditure	Expenditure	Expenditure	Expenditure	Expenditure
Priority 1		328.538,60 €	674.918,75 €	957.346,24 €	921.025,65 €	1.002.013,75 €	3.883.842,99 €
Measure 1.1.	-	80.017,45 €	407.780,10 €	283.530,43 €	435.410,07 €	319.780,54 €	1.526.518,59 €
Measure 1.2.	-	205.613,52 €	62.011,70 €	592.084,42 €	52.369,25 €	90.420,60 €	1.002.499,49 €
Measure 1.3.	-	42.907,63 €	205.126,95 €	81.731,39 €	384.711,79 €	330.729,02 €	1.045.206,78 €
Measure 1.4.	-	-	-	-	48.534,54 €	261.083,59 €	309.618,13 €
Priority 2		215.361,64 €	369.491,04 €	1.085.265,96 €	792.829,99 €	604.943,22 €	3.067.891,85 €
Measure 2.1.	-	147.280,28 €	18 607,57	620.073,75 €	139.544,48 €	-	906.898,51 €
Measure 2.2.	-	68.081,36 €	18 883,47	406.754,15 €	77.635,76 €	38.243,89 €	590.715,16 €
Measure 2.3.	-	-	-	32.115,69 €	328.837,70 €	395.816,37 €	756.769,76 €
Measure 2.4.	-	-	-	26.322,37 €	246.812,05 €	170.882,96 €	444.017,38 €
Priority 3		358.373,39 €	-	617.851,64 €	762.241,67 €	521.132,85 €	2.259.599,55 €
Measure 3.1.	-	358.373,39 €	-	537.420,80 €	104.080,63 €	117.635,69 €	1.117.510,51 €
Measure 3.2.	-	-	-	80.430,84 €	508.796,49 €	215.885,45 €	805.112,78 €
Measure 3.3.	-	-	-	-	149.364,55 €	187.611,71 €	336.976,26 €
Priority 4	61,13 €	126.328,85 €	68.113,56 €	132.275,78 €	97.231,08 €	314.079,33 €	738.028,60 €
Measure 4.1.	-	84.763,08 €	28.109,87 €	59.633,54 €	20.773,61 €	33.444,24 €	226.724,34 €
Measure 4.2.	-	12.713,90 €	16.105,86 €	33.911,43 €	37.820,39 €	244.513,27 €	345.064,85 €
Measure 4.3.	61,13 €	28.851,87 €	23.897,83 €	38.730,81 €	38.637,08 €	36.121,82 €	166.239,41 €
Priority 5	41.881,59 €	98.329,27 €	357.833,84 €	249.722,12 €	510.162,88 €	294.552,23 €	1.510.600,34 €
Measure 5.1. (TA)	41.881,59 €	53.346,82 €	236.286,72 €	171.602,47 €	352.046,72 €	229.176,01 €	1.042.458,74 €
Measure 5.2.	-	44.982,45 €	121.547,12 €	78.119,65 €	158.116,16 €	65.376,22 €	468.141,60 €
Total	41.942,72 €	1.126.931,75 €	1.470.357,19 €	3.042.461,74 €	3.083.491,27 €	2.736.721,38 €	11.501.906,05 €
Total ERDF Related	20.971,36 €	563.465,88 €	735.178,60 €	1.521.230,87 €	1.541.745,64 €	1.368.360,69 €	5.750.953,03 €

4.4 Payments received from the European Commission

In 2007 the Paying Authority received €1.561.287,52 from the European Commission. These amounts consist of the following two payments:

- €847.775,15 received on 25 January 2007 corresponding to the request dated 12 December 2005
- €713.512,37 received on 1 June 2007 corresponding to the request dated 28 April 2006.

4.5 Interests

The account used to manage the advance payment received on the EU funds, do not produce any interest.

5. Steps taken by the Managing Authority and the Monitoring Committee to ensure the quality and effectiveness of implementation

5.1 Monitoring and evaluation

The ESPON Monitoring Committee had three meetings during 2007. Following Article 6 of the Rules of Procedure, several decisions were also taken in a written procedure. The meetings of the Monitoring Committee were chaired in the first half of 2007 by Germany and in the second half of 2007 by Portugal, as according to Article 4 the chair person is a representative of the Member State holding the EU Presidency. The co-chair is a representative of the Managing Authority.

During 2007, the Monitoring Committee was involved in both the closure of the ESPON 2006 Programme and the setting up of the ESPON 2013 Programme.

Following the approval of the Operational Programme on 7 November 2007 the preliminary Monitoring Committee of the ESPON 2013 Programme has released several documentations related to the new programming period.

Besides the drafting and approval of documents, the Monitoring Committee were required to take decisions on procedural issues such as the results of the second level financial control. By the second half of 2007, the on-the-spot checks (according to Article 13 of Regulation (EC) 438/2001) entered into the follow up phases, in which the concerned Monitoring Committee members needed to play an active role with their decisions.

5.2 Financial control (according to Article 13 of Regulation (EC) 438/2001)

After the approval of the methodology and the sample in June 2006 by the FCG, E&Y undertook the System Audit and the checks of the Technical Assistance and MA expenditures according to the timetable at the end of 2006. The Final Protocol was issued on December 13 2006. The follow-up forms and the relevant supporting documents have been sent by the MA to E&Y on the 30 January 2007.

On the third FCG meeting of 5 February 2007, the final audit findings of the System Audit and the checks of the Technical Assistance and MA expenditures were presented. On the basis of the follow-up documentations E&Y has concluded that the follow-up procedure already carried through by the responsible authorities and all outstanding issues had been solved and clarified.

E&Y presented final recommendations on the basis of the results of the System Audit for improvement for the management of the ESPON 2006 Programme to be considered. The

recommendations made include points such as: the implementation of Quality Assurance of first level control systems by the Member States; the proactive participation of FCG member in the different phases of the audit procedure; the improvement of preparation phase and successive steps by Ernst & Young.

The amounts involved were just above € 2.000 over more than €180.000 of checked expenditures. At the end of the follow-up procedure only €772,80 were not accepted by the external auditor. This recommendation was approved by the Financial Control Group at its meeting in February 2007. According with the provisions of the Agreement, the Paying Authority has launched the recovery procedure in March 2007 and has deducted the amount of €772,80 from the payment application submitted on the 4 April 2007.

The audit plan for 2007 was also discussed during this meeting. As agreed in June 2006 a total of 11 audits were implemented in May and June 2007 including 5 Lead Partners and 6 Project Partners of 7 operations from 9 Member States and 2 Partner States from the following countries: Belgium, Cyprus, Germany, Italy, the Netherlands, Slovenia, Spain, Sweden, United Kingdom, Switzerland and Norway.

Ernst & Young provided the draft protocol after the conclusion of the on-the-spot checks. In order to ease the procedure, the FCG member had to validate the report ensuring that it is sufficiently clear and detailed. Only after this validation the draft protocols were provided to the Lead and Project Partners who had to provide answers and additional supporting documents with the concerned FCG member and E&Y in order to clarify the findings of the audit. During this period the ESPON CU were in close contact with the operations.

In general it can be stated, that the several findings have been clarified during this phase of the procedure. Of the seven audited operations two – Data Navigator Slovenia and 2.1.1 Catch Up contract Norway financed under Partner State Budgets) - could clarify all their irregularities ending up without any findings.

Following the validation of the feedbacks by the FCG members, as the end of this process, E&Y reviewed and delivered the final audit protocols by the 15th of December at the latest.

As the conclusions of the final audit protocols, E&Y has detected several findings during the implementation of the on-the-spot checks. The majority of the irregularities relate to staff costs and the corresponding overheads, which has been calculated on estimates and lump sums in two cases. In one case no staff timesheets could be obtained and the invoices and bank account statements of the overhead costs were missing.

Audit findings has been detected also in relation to the First Level Financial Control, which was considered insufficient in two countries, while in an other the independency of the controller was not guaranteed.

Besides the above mentioned irregularities some other findings has been listed which have no significant financial effects such as using incorrect exchange rates, submitting progress reports with slight delays.

Following the publishing of the final audit protocol the procedure entered into the follow-up phase. The follow-up forms had to be delivered to Ernst & Young in due time, according to the timetable specified in the Rules of Procedure. The concerned FCG members needed to act as facilitators and had to judge on the follow-up launched by the MA and the CU with the auditee. In case of disagreement between the national FCG member and E&Y the WUB is involved.

Taking into account its complexity, detailed information needs to be given on the follow up procedure of the operation ESPON Coordination 1. Ernst & Young has found six irregularities occurred at BBR. The majority of the findings are in relation to the calculation of staff costs, independency and quality of the first level financial control and the insufficient audit trial

(missing supporting documents) for a total ineligible expenditure of 261.973,14 euro. However, due to the lack of documentation, the auditors of Ernst & Young could not define the final financial impact of the findings.

FCG Germany informed the FCG that in order to verify the calculation of the staff costs in all the fourteen projects where BBR had been involved within the ESPON Programme BAFA have conducted an on-the-spot check on BBR. The results of the on-the-spot checks implemented by BAFA were received and considered by the Coordination Unit and the Managing Authority on 6th February 2008 and have been validated by the FCG members, and discussed, reviewed and agreed on by Ernst and Young and the Winding-up Body of the Programme.

E&Y has concluded that none of the six findings have been cleared so far. However it has to be mentioned that with the help of BAFA the final decision has been taken regarding all findings and the deduction procedure is in process and going to be finalized until the 15th of February 2008.

Apart from the above mentioned operation, 3.1 Coordination 1, most of the findings detected during the on-the-spot checks have been cleared during the follow up procedure. With the cooperation of the FCG member the amounts of the final financial corrections have been calculated.

The procedure then entered into the recovery phase where, following the decision of the Managing Authority about the necessary cut or recovery, information has been sent to the Monitoring Committee members. Those members whose countries were directly involved in the audit were requested to accept the findings of the on-the-spot checks. With the agreement of the concerned MC members the recovery of one operation for €129,60 has already been finalized in 2007 while in an other case the repayment is in process.

In case there was no need for recovery the MC members were asked to accept to cut the ineligible amount from the final payment claim of the operations.

It has to be mentioned that besides the findings with financial effects some other irregularities had also been detected however they had no financial consequences. In order to clear these findings as well, official communication has been sent to the lead and project partners as well as to the first level controllers according to the recommendations given by E&Y.

A total amount of €995.673,02 of ERDF and €41.683,75 of the Partner States budget has been checked. Following the result of the follow up procedures €11.498,87 of ineligible ERDF has been detected of which €9530,20 is still to be recovered. With regards to the findings of the Partner States Budget, a total of €1.007,85 has been detected which amount is still subject of the recovery procedure.

Summary of the results will be included in the Annual implementation report for 2007 and detailed in the Article 13 Report for 2007.

5.3 Summary of significant problems

Since the start of the programme, the Managing Authority, the Paying Authority and the Coordination Unit have been aware of the possible financial implications of the de-commitment risk. Therefore, also in 2006 the efforts were focused on the reduction of the de-commitment risk without lowering the quality requirements and putting the good functioning of the ESPON 2006 Programme management and control system at risk. In this perspective, the correct implementation reporting requirements by all involved actors (as improved in 2004) has been the most important challenge for the programme during this year.

Specific measures were taken toward assisting projects in implementing the activities as planned and in reporting costs on time and in full (e.g. through consultation meetings, email, phone

assistance). In addition, special attention was given to the quality assessment of the 1st level financial control certifications. The Managing Authority is aware that the quality level of the 1st level financial control can be considerably improved and has asked the ESPON Coordination Unit to carefully check and assess the certification provided so not to risk the reimbursement of expenditures based on wrong or misleading certification.

In line with this requirement, the Paying Authority has proceeded with the release of payments to the final beneficiaries only upon positive assessment of the ESPON CU of the financial reports and certifications provided and only of the amount that were considered fully in line with the regulation, as recommended by the ESPON CU.

Withheld amounts, were released only upon submission of the requested clarifications and/or submission of a revised certification from the 1st level financial control. In some cases, following the clarification process, the amount were not accepted as eligible and therefore not reimbursed to the beneficiaries. It has to be underlined that none of the Lead Partners or 1st level financial controller has questioned the remarks made by the ESPON Coordination Unit.

5.4 Measure to ensure publicity of the assistance

In December 2007 the Media Bureau contracted by the ESPON Programme submitted its Final Report and their contract was closed.

During 2007, the activities undertaken by the Media Bureau included:

- production of promotional material, such as additional memory sticks and an additional exhibition stand
- organisation of a press briefing day in Bruxelles where the ESPON director met several European magazines
- production of four additional press releases
- support in organising a Regional Offices briefing on ESPON in Bruxelles

In addition to the activities of its Media Bureau, the ESPON CU conducted in parallel a series of promotional activities.

During 2007, ESPON produced a compilation of all ESPON reports (project reports and ESPON Programme publications) the digital format of a CD-Rom which was widely disseminated during events and via the national networks.

ESPON took part in two sessions during the “Open Days” in October 2007 were the ESPON Programme gave five presentations on the “Territorial evidence for policy-making – highlights of ESPON results” and the “Territorial futures for Europe – Scenarios, policies and cooperation”. Both sessions involving ESPON registered full booking with around 100 participants.

ESPON was also present at the EU working level meeting on the ‘Territorial Agenda of the EU’ in Berlin on the 29 January 2007 and at the Informal Ministerial Meeting on Urban and Spatial Development held in Leipzig on 24 and 25 May 2007. Both events were organised under the umbrella of the German EU Presidency.

The Portuguese EU Presidency also invited ESPON to attend the General Directors Meeting in Lisbon on 16 October 2007 and the Informal ministerial meeting on territorial cohesion and regional policy held in Ponta Delgada on 23 November 2007.

The ESPON Coordination Unit and Managing Authority were as well involved in the dissemination of ESPON results in a series of other events during 2007:

11 January 2007	ECOSOC Hearing of the Study Group on European metropolitan areas	Bruxelles
25 January 2007	Prospective seminar on Research in Spatial Development Towards a Next Step	Paris
29 January 2007	Territorial Agenda of the EU: EU Working Level Meeting	Berlin
2-6 February 2007	URBACT II Seminar: Consequences, Organisational Terms and New	Paris
21 Feb 2007	Editorial Group Mtg Territorial State & Perspectives of EU	Bruxelles
5-6 March 2007	OSE Seminar 'Reunion de Trabajo ESPON' & Financial Mtg SSE Activity	Madrid
08 March 2007	Euromontana Conference: Territorial Authorities and Stakeholders - Creating Success together	Torino
15 March 2007	Eurostat Mtg on Geographical Info systems for statistics	Luxembourg
14-16 March 2007	DG Mtg Territorial Agenda EU	Berlin
23 March 2007	Press briefing day in Bruxelles with Chelgate ltd (Media Bureau)	Bruxelles
29-30 March 2007	Interact Conference on "European Territorial Cooperation Programmes 2007-2013"	Budapest
2-4 April 2007	RSA Congress	Lisbon
4 April 2007	Meeting with Gerhard Stahl Committee of the Region	Bruxelles
16 April 2007	Ile de France Association Workshop: Spatial Planning and the Regional Scheme of development of Ile de France	Bruxelles
17 April 2007	Eurostat Meeting	Bruxelles
26 April 2007	COMMIN Conference: The integrative power of Common Mindscapes	Berlin
03 May 2007	Lincoln Institute Seminar	Luxembourg
09 May 2007	National committee on Territorial & Urban matters	Rome
04 May 2007	Meeting with C. Wolfe of DG Regio on ESPON 2013 programme	Bruxelles
10 May 2007	Forum Regions-Latvia's development: The role of cities in regional growth - European trends and scenarios of regions and cities	Riga
22 May 2007	Regional Offices Briefing	Bruxelles

24-25 May 2007	Informal Ministerial Meeting on Urban and Spatial Development (German EU Council Presidency)	Leipzig
01 June 2007	Meeting presenting ESPON at Eurochambers	Bruxelles
05 June 2007	Meeting on the presentation of "Tequila Model" at DG Regio	Bruxelles
11-13 June 2007	Coordination Meeting of the Structural Funds Network Programmes INTERREG IVC, URBACT, INTERACT, ESPON + ESPON Seminar: Use of Results from Applied Territorial Research in Policy Making	Bonn
14-15 June 2007	Kick off Conference for the Territorial Cooperation Objective	Bucharest
19 June 2007	TCUM meeting	Bruxelles
22 June 2007	Lisbon Monitoring Platform 3rd Workshop: Regional and Local Contributions to Council Priorities Innovation-Employment	Bruxelles
27 June 2007	Presentation ESPON to G-4 Urban Development delegation/Physical Planning institutes/Dutch Metropolis	Bruxelles
29 June 2007	Inauguration/Presentation of European Information Center	Luxembourg
02 July 2007	Seminar: Poland, European Territory, ESPON Programme 2007-2013	Warsaw
5 July 2007	Meeting on preparation of 1st Actions of Territorial Agenda of EU	Bruxelles
12 July 2007	URBACT Inter-Programme Cooperation Working Group Capitalisation Meeting No 1	Paris
18-20 July 2007	Seminar on Territorial Agenda for EU - A Mediterranean Vision	Valencia
03 August 2007	EEA Meeting	Copenhagen
20 August 2007	EUGEO 2007 conference	Amsterdam
04 September 2007	Conference on POLY.DEV Project: Common Best Practices in Spatial Planning for the Promotion of Sustainable Polycentric Development	Bruxelles
6 September 2007	ARL Conference: Regional planning in European context	Gera
11 Sept. 2007	EESC Study Group on the 4th Report on Economic and Social Cohesion	Bruxelles

21 September 2007	EU Interregional Cooperation Forum 2007: Celebrating INTERREG IIIC - Launching INTERREG IVC	Lisbon
24-25 September 2007	EEA expert meeting: Towards the EEA Land Use Data Centre	Copenhagen
28 September 2007	XXVIII Annual Scientific Conference of AISRe: Regional Development in the EU: Objectives, Strategies, Policies	Bolzano
01 October 2007	Conference on territorial knowledge and observatory models	Barcelona
04 October 2007	NASC Conference: Innovation and Sustainable Development on the Atlantic Periphery	Cork
04-05 October 2007	Transnational territorial cooperation 2007-2013 - Alpine Space, Central Europe, S-E European Space, Mediterranean Programme: Joint Partner Search Seminar	Ljubljana
8 October 2007	Helsinki Metropolitan Area Council Meeting on European regional and city regions development in the light of latest research projects in ESPON	Bruxelles
10 October 2007	DG Regio Open days	Bruxelles
11 October 2007	Seminar: The territorial Coordination Plan of the Veneto Region	Venice
15-16 October 2007	ECOTEC meeting on ESPON projects 2.1.2 and 2.2.3	Birmingham
16 October 2007	DG Mtg Territorial Agenda EU & CC Mtg	Lisbon
23 October 2007	TCUM meeting	Bruxelles
25 Oct. 2007	Eurochambers Annual Congress: Business and Regional Development - Growth will come from the ground	Paris
02 November 2007	URBAN Meeting 'Comitato Nazionale di Sviluppo Spaziale - Rete della città URBAN'	Rome
07 November 2007	Territorial Agenda of EU (PT Presidency Mtg)	Bruxelles
12-14 November 2007	ESPON Seminar & MC Mtg	Evora
23 Nov. 2007	Informal ministerial meeting on territorial cohesion and regional policy	Ponta Delgada
27 November 2007	TCUM meeting	Bruxelles
03 December 2007	Workshop Terr. Cooperation Programmes 2007-13: Programme Management Database	Vienna

14 December 2007	OSE conference presenting the ESPON 2013 Programme to Spanish stakeholders	Madrid
14 December 2007	ESPON ECP workshop on the Latest results from ESPON 2006 – Possibilities of participation in ESPON 2013	Luxembourg

5.5 Preparation of the new ESPON 2013 Programme

During 2007, the Managing Authority and Monitoring Committee of the ESPON 2006 programme have been also deeply involved in the preparation of the new ESPON programme for the programming period 2007-2013. The first version of the ESPON 2013 Programme was submitted to the European Commission for approval on 15 January 2007. Following some clarifications requests from the Commission, the fourth modified version of the Programme Document submitted for approval 12 September 2007. This version was finally approved of by the European Commission with its decision of 7 November 2007. (CCI 2007 CB 163 PO 022)

6. Steps taken to ensure compatibility with community policies and to ensure coordination of all community structural assistance

The following measures are in place in the framework of the ESPON 2006 Programme to ensure the compatibility of activities financed with Community policy:

During the first level financial control carried out for each operation in principle for every six months period, or at least every time a progress report is submitted to the ESPON Coordination Unit, the independent auditor of the Lead Partner sign a statement confirming the compliance of the implementation of all relevant EU and national legislation and policies.

In addition to the above, and taking into account the nature of the activities financed under the ESPON Programme, the Coordination Unit has issued specific guidance on the respect of the publicity requirements that have to be respected by financed operations. The CU perform additional checks to the one implemented by the 1st level financial controller in relation to the compliance with the publicity requirements.

Annexes:

Annex I: Financial tables

Annex II: Approved ESPON work programme 2007

Annex III: Minutes of MC meetings 2007

Annex IV: Agendas of ESPON seminars 2007

Annex V: Minutes of ECP meetings 2007

Annex VI: Minutes of the ESPON Financial Control Group

Annex VII: Publications published in 2007