

III BEN-roundtable arranged at the Nordic Council of Ministers' Office in Tallinn 29. November 2006

The roundtable was arranged by the NCM's Office in Estonia in cooperation with the Estonian partners of the BEN-project and the Ministry of Foreign Affairs and Ministry of Internal Affairs.

The aim of the roundtable was to exchange information on CBC-matters, to discuss the experiences, gained in the BEN-project 2005-2006, and to discuss the future development of BEN and CBC in the Baltic Sea region after 2007.

The roundtable was opened by the Director of the NCM's Office Carita Pettersson. Discussions were moderated by the Adviser of the NCM's Office Madis Kanarbik.

The representatives of the Ministry of Foreign Affairs (II Secretary Andres Traat, Adviser Tiiu Viljasaar) and Ministry of Internal Affairs (Head of Department Ene Padrik and Head of Bureau Krista Kampus, Adviser Kadri Teller-Sepp) gave an overview of CBC-issues in the coming years.

The Estonian BEN-partners informed about their activities in the BEN-project. Adviser of the Valga County Government Rainer Kuutma informed about the nearest BEN-events in Valga in cooperation with the Pskov region in March 2007. The representatives of the Ministry of Foreign Affairs and the Ministry of Internal Affairs confirmed that their information on BEN is sufficient and that the cooperation with the project partners is highly appreciated and useful for the ministries. Krista Kampus also mentioned the future Baltic Sea Region programme as a possibly suitable programme for applying support for BEN II.

The following discussion concerned the future of the BEN network and the preparation of the **BEN-strategy for 2007-2017**.

Managing Director of Tallinn-Helsinki Euregio Katri-Liis Lepik gave an overview of the content of the strategy:

- shortly about BEN project;
- Partners in the network, map of partners with list of which CBC regions they represent to demonstrate the broad variety of different types of organizations involved;
- why was the network created: strengthen Euroregions/CBC regions through exchange of experience; establish pan-Baltic platform for dialogue between CBC actors; social-economic development of border region; transnational aspect of this network;
- why this strategy is needed: identify common strategic perspective for CBC; put focus on common challenges of CBC in the future; plan the future of the network;

The strategy would tackle the developments or euroregions in the coming 10 years and the state of the art of CBC in the BSR today. Why is CBC important? Added value of the CBC; CBC should be recognized as supplement to national/foreign policies; CBC contributes to balanced and sustainable development, competitiveness, growth and integration in BSR on a long term basis; the strategy will underline that Euroregions are distinguished players of regional sustainable economic and social development on national and international level.

Katri-Liis Lepik explained that a questionnaire has been prepared in the strategy working group based on the common understanding of the BEN network members of the problems of the euroregions. The statements concerning the various issues relevant for euroregions are listed and the network members are asked to comment what kind of problems they particularly face if any in connection with the statements, what solutions they could offer and what role for the BEN network they suggest in connection with that. The answers are expected to be received in the beginning of December. Resulting from the problems and solutions, the members of BEN are also asked to think about the appropriate future model for the cooperation.

They could choose the model from the suggested models or propose a totally new approach. The models could be:

- The network is included into work of one of existing organizations (for example AEBR, AER, BSSSC, Baltic Development Forum)

- The network remains as an informal platform chaired and coordinated by partners on the principle of rotation.
- An informal network coordinated and partly-financed by one of pan-Baltic/European organizations (like NCM, CBSS etc.).

Katri-Liis Lepik Lepik also addressed the **problems of BEN project regarding accounting and auditing issues.**

One of the main issues concerns the reporting of personnel costs because if reporting e.g. period from January to June, the salary costs of June must be included. Presently as the taxes are paid out only in August, it is not possible to report them in the same period. As the average salary per day is then calculated according to the salary reported, it will be actually smaller due to the fact that the taxes are omitted. The same average salary is bases for calculation of overhead costs too, which will then be wrong.

The ministry's auditor told that the system has been changed and would be different in the next reporting period.

Another problem concerned sending people belonging to partners' network to various BEN events. The auditor had claimed once that it can only be done if the person works in the partner organisation or if a contract is made between the partner organisation and the institution which the person represents who goes to the seminar. This makes it impossible to enlarge the network and send more people because it is not possible for example to make a single contract with Tallinn City government to send somebody to a seminar.

One of the solutions was that the lead partner has to prove that the person attending the seminar belongs to the partner's network.

As to attending various events related to the project, it was decided that the lead partner should send a list of all project events which he approves involving Estonians to the Estonian auditor so that he could understand what are exactly the project events.

Katri-Liis explained the situation with the present budget lines. The line for coordination and auditing was initially meant for overall coordination costs and auditing. As Estonian partners don't have to pay for auditing, it was not allowed to report the overall coordination costs in this line either. There is a line for personnel costs that can be only used to report the costs related to concrete work packages. This means that all reporting, overhead and financial management costs of the partner cannot be reported. The Rostock secretariat and the lead partner would allow the partners to report those costs under the 1st budget line of coordination costs but the ministry's opinion is not known. This issue remained to be solved later.

Katri-Liis concluded by claiming that it became clear in the steering committee meeting of BEN that Estonians and Latvians who have centralised auditing have biggest problems with fulfilling the budget and delays. She explained that actually Euregio had fulfilled the budget 100% but the Ministry's auditor considered most of the costs ineligible and only 61% remained as eligible fulfilment. She claimed that all costs were justified by her but it is just the absurdity of the Estonian auditing decisions based on auditor's own opinion and not any regulations.

Chariman of the Board of Peipsi CTC Gulnara Roll gave an overview on the **experience gained from the BEN-project**, including problems concerning auditing and made following proposals for future cooperation:

1. Reports could be sent to the ministry, following a specified timetable, so that each project would have a concrete deadline for sending in the report. This would avoid all reports coming in for auditing to the ministry at one time, thus overloading the ministry with too much work in a very short period of time.
2. Travel expenses of BEN – all travel expenses concerning participation in CBC development activities and promoting BEN in Tallinn, Moscow etc should be accepted by auditing. Auditing should consider the value of the activities for the BEN-project as something useful for BEN and CBC and not exclude the mentioned travel expenses only because they are not listed in the application and do not directly belong to the BEN-project's region of activities (Moscow etc).
3. The Ministry of Interior could consider arranging courses and seminars with the aim of bringing together different Interreg project managers for exchange of information and experiences from the various projects and thus gaining know-how for best results in reporting.
4. The NGO-s would be thankful for any help concerning support for the self-financing part in the projects through loans, special granting/supporting financial instruments etc.

The auditor of Ministry of Internal Affairs Joel Kook and Head of Bureau Krista Kampus answered the questions and gave their proposals for a better future cooperation. The Lead Partner was suggested to take more responsibility in reporting by confirming the costs of the BEN-partners for travel etc, not mentioned in the application, but needed for promoting BEN in external events, and for travel expenses of the employees of the BEN partner organizations, not mentioned in the application, but taking part in BEN-events.

The **next roundtable** was planned to 2007, Adviser of Hiiumaa County Government Reet Kokovkin informed by mail, that the roundtable is welcome in Hiiumaa 25-26. April 2007.

Minutes by Gulnara Roll, Katri-Liis Lepik, Madis Kanarbik
8.12.06, Tartu-Tallinn