



Meso-level Partnerships and Structural Fund Implementation

IQ-Net Thematic Paper 3(3)

Sandra Taylor and Ruth Downes

***IQ-Net
Improving the Quality of Structural Fund
Programming through Exchange of
Experience***

European Policies Research Centre

University of Strathclyde

Graham Hills Building

40 George Street

Glasgow G1 1QE

Tel: +44-141-548 3339/3955

Fax: +44-141-548 4898

E-mail: j.f.bachtler@strath.ac.uk

sandra.taylor@strath.ac.uk

ISBN 1-87110-31-X February 1998

Preface

IQ-NET: Networking to improve the quality of Objective 2 programmes

Launched in early 1996 and managed by the *European Policies Research Centre* (EPRC) at the University of Strathclyde in Glasgow, the network *IQ-NET* facilitates exchange of experience in the development, implementation and evaluation of Objective 2 programmes. Funded by a consortium of 13 Objective 2 areas and the European Commission (DG XVI), the network meets twice a year to examine issues of practical relevance to programme-makers and share examples of good, innovative and distinctive practice from across the EU. The first three meetings were held in Glasgow, in association with Strathclyde European Partnership (February 1996), in Cardiff, hosted by the Welsh Office and Welsh Development Agency (September 1996), and in Gelsenkirchen, Nordrhein Westfalen, hosted by the Land Government of Nordrhein Westfalen (April 1997). The most recent conference was hosted by the Swedish Objective 2 secretariat in Fyrstad. Meetings provide the opportunity to discuss the results of a structured programme of applied research and debate, steered by the network's partner regions:

- Steiermark and Niederösterreich, Austria
- Nordjylland, Denmark
- Päijät-Häme and South Karelia, Finland
- Aquitaine and Rhône Alpes, France
- Nordrhein Westfalen and Saarland, Germany
- Ångermanlandskusten and Fyrstad, Sweden
- Industrial South Wales and Western Scotland, UK

IQ-NET Thematic Papers

This document contains the third series of thematic papers produced by EPRC in winter 1997 as part of *IQ-NET*'s applied research programme:

- 3.1: The Evolution of Objective 2 Programmes
- 3.2: Integrating Equal Opportunities into Objective 2 Programmes
- 3.3: Meso-Level Partnerships and Structural Fund Implementation
- 3.4: Objective 2 Programming in Fyrstad, Sweden

It supplements the following previous *IQ-NET* papers:

- 1.1: Managing the Structural Funds, Institutionalising Good Practice
- 1.2: RTD/Innovation policies in Objective 2 programmes
- 1.3: Generating Good Projects
- 1.4: Monitoring and Evaluation
- 2.1: Interim Evaluation
- 2.2: Synergy between the ERDF and ESF
- 2.3: The Environment in Objective 2
- 2.4: The Nordrhein Westfalen Objective 2 Programme

Focusing on topics selected by the network's partner regions, each paper places issues in their international context, raises questions for debate and highlights distinctive and innovative practices. For the convenience of readers, executive summaries are included in French, German and English.

Papers are first drafted on the basis of field research (encompassing interviews with Objective 2 programme managers and partners at regional, Member State and Commission levels) and substantial desk research. They are then modified to reflect the discussions of the *IQ-NET*

meeting and the comments of network sponsors. The papers are distributed to a wide group of people nominated by the sponsors. The EPRC welcomes comment and feedback on them.

Readers are reminded that the content of the papers does not necessarily represent the official position of either the partner regions or the Commission, and that errors of fact or interpretation are the responsibility of the authors alone.

Acknowledgements

The research team for Series 3 of the *IQ-NET Thematic Papers* comprised:

John Bachtler	Ruth Downes	Rona Michie
Ross Brown	Rona Fitzgerald	Patricia Noble
Charlotte Damborg	Mikael Jakobsson	Sandra Taylor

Thanks is due to all those - too numerous to mention - who were interviewed by the above as part of the research process, and without whose input, the current research would not have been possible. The contribution of the European Commission, which co-finances the network is also gratefully acknowledged.

Translations were carried out by Ingrid Schumacher (German) and Lexus in Glasgow (French).

Further Information

Additional copies of the papers and further information on *IQ-NET* can be obtained from John Bachtler and Sandra Taylor, managers of the network, at the EPRC. The December 1996, June 1997 and January 1998 editions of '*IQ-NET Bulletin*', a newsletter co-financed by DG XVI and available from EPRC, contain synopses of the papers.

Meso-level Partnerships and Structural Fund Implementation

TABLE OF CONTENTS

EXECUTIVE SUMMARIES

1.	Meso-level Partnerships and Structural Fund Implementation	3
2.	Partenariats de Niveau Intermediaire dans la mise en œuvre des Fonds Structurels.....	7
3.	Der Beitrag von Meso-partnerschaften zur Umsetzung der Strukturfonds	13

THEMATIC PAPER

1.	Introduction	21
2.	Sub-Partnership Mechanisms for Greater Partner Involvement: Case Studies	22
2.1	Case Study: Framework Programmes (Fyrstad, Sweden)	23
2.2	Framework Programmes (Denmark)	25
2.3	Action Plans (England) and Packages (North East England)	26
2.4	Community Initiatives Implemented Through Global Grants to Local Partnerships.....	29
3.	Critique	30
3.1	Sub-partnerships' Contribution to Efficiency	30
3.2	The Contribution of Sub-partnerships to Programme Effectiveness	33
4.	Questions and Issues	37

Executive Summaries

*Meso-level Partnerships and Structural Fund
Implementation*

*Partenariats de Niveau Intermediaire dans la mise en
œuvre des Fonds Structurels*

*Der Beitrag von Meso-Partnerschaften zur Umsetzung
der Strukturfonds*

1. MESO-LEVEL PARTNERSHIPS AND STRUCTURAL FUND IMPLEMENTATION

1.1 Introduction

With scarce public resources, a common challenge of Structural Fund programmes continues to be maximising their impacts. The routes to value for money are twofold: efficient management and effective implementation. Like other aspects of programming, the implementation arrangements have been shifting, with new modes of partnership involvement and responsibility.

In some contexts, the formal involvement of partners is limited and relatively inefficient. Partners are usually involved either in the earliest stages of programming, consulted on the drafting of the SPD, or later on broad decision-making and monitoring committees or acting alone as applicants. These forms of participation may not be optimal for their involvement or the harnessing of their potential contribution, especially given the size, complexity, and wide geographical and thematic scope of many Objective 2 programmes.

Elsewhere, programme authorities have introduced ways to use the expertise of sub-groups of partners for specific programming challenges. The most frequent examples involve panels providing specialist thematic or geographic input into developing strategy, advising potential applicants and appraising and/or selecting projects. Some programmes have gone further, enabling sub-partnerships to propose targeted sub-strategies and to take on new implementation responsibilities including project appraisal and selection, monitoring and financial management. This paper explores two distinctive examples from Sweden and the UK to appreciate the implications of such structures for programme efficiency and effectiveness, and thus their potential to meet the ‘better division of responsibilities’¹ called for in Agenda 2000.

1.2 Framework Programmes (Fyrstad, Sweden)

The framework programmes (FPs) operating in the Fyrstad Objective 2 area are complex projects devised by a group of co-financing partners to implement a given part of the SPD. Proposed FPs are approved by the Monitoring Committee and then allocated an envelope of Structural Fund finance for implementation, which is added to the pooled resources of the co-financing partners. An executive organisation is established to implement each FP, led and overseen by a Steering Group, comprising co-financing partners and chaired by the head of the EU secretariat. Two FPs are currently in operation, each offering ‘one-door’ access to a range of services: *Foretagsstart Fyrstad*, for new business start-ups, and *Foretagsutveckling Fyrstad*, which offers consultancy support to firms to increase their competitiveness.

On balance, the FPs have had positive impacts on both programme efficiency and effectiveness. Establishing an FP is bureaucratic for central programme structures, but once approved, some of the decision-making burden is shifted as the FP’s dedicated executive appraises relevant projects and its Steering

¹ CEC (1997) *Agenda 2000 - Volume 1 - Communication: For a stronger and wider Union*, DOC/97/6 Strasbourg, 15 July 1997

Group takes final decisions². Of course, this devolved decision-making responsibility is an additional ongoing administrative burden for the Steering Group, but the dedicated executive undertaking day-to-day management and implementation mitigates this. FPs have also streamlined firms' access to the Structural Funds: their executives provide a business-friendly interface, liberating companies from the need to understand the intricacies of the Funds, while their dedicated committees deliver the fast decisions required by business.

The FPs have had four main impacts on effectiveness. First, rather than competing, related public sector bodies have pooled their resources and knowledge to devise larger, more integrated, higher quality business support projects. Second, the large size of the projects has made them highly visible, so raising the participation of firms. Third, their structure has enabled programme objectives to be met: in *Foretagsutveckling Fyrstad*, the structure of support has explicitly encouraged networking - a central ambition of the Objective 2 programme. Finally, because the implementers draw seamlessly from the ERDF and ESF, final beneficiaries have not had to make an artificial distinction between the Funds.

1.3 Packages (North East England)

In England, to enhance implementation in 1997-99, programme authorities were invited to take forward their programmes through 'Action Plans'. Sub-partnerships propose geographically or thematically targeted sub-strategies, and implement them using a designated envelope of Funds managed by their nominated 'accountable body'. The North East England partnership decided to pursue an alternative approach - 'Packages' - which maintains the strategic involvement of sub-partnerships but does not devolve decision-making, financial, management and monitoring functions to them. Multi-sector, multi-agency partnerships devise a mini-strategy, including a strategic analysis and project shortlist, for the implementation of part of an SPD priority. Once approved by the programme management, a financial allocation is earmarked to the package. Formal project approval is then given by the Government Office, assuming the applications received follow the shortlist outline in the package application and meet the regulations. (As an additional safeguard, a Regional Application Selection Panel still assesses novel, contentious or large projects and acts as a 'court of appeal'). Several potential effectiveness and efficiency benefits can already be identified.

In terms of strategic effectiveness, project development and implementation are more strategically driven, as key local players have a better overview of other activities and this more complete picture better informs choices. Further, they facilitate dialogue and co-operation between competing partners, eliminating project duplication, enhancing synergies (although not usually encouraging the joint projects enabled by the Swedish frameworks) and identifying projects which fill strategic gaps.

Efficiency benefits may be modest, but include improvements in the speed and flexibility of administration. Projects in the agreed package are effectively pre-approved (subject to compliance with quality criteria), streamlining

² The Monitoring Committee is still kept informed and has an input on large projects.

appraisal and approval circuits. In addition, the approach enables the improved management of overbid situations as the meso-partnerships use mutually agreed priorities to rank potential projects at an early stage, thus saving the time of probably unsuccessful applicants and lightening the case-load of the Government Office. There are potential efficiency *losses* too, however, especially for the package partners, who are not directly compensated for the resources required to draft and monitor packages and manage sub-partnerships.

1.4 Critique

The case study meso-level partnership structures differ in their potential contribution to programme efficiency and effectiveness. On balance, the efficiency benefits of devolving additional implementation responsibilities to sub-partnerships may only be modest for three reasons. First, they *redistribute* rather than *rationalise* tasks. Second, the fragmentation of programming tasks among meso-partnerships sacrifices administrative economies of scale. Third, the potential lack of detailed Structural Fund expertise at the meso-partnership level may cause delays. There *are* distinct benefits for the central programme committees, eg reducing the decision-making case-load, but even here, the gains may be offset by new obligations, including the prior appraisal of framework proposals and their management arrangements.

The main impact of active meso-level partnerships on Structural Fund programmes - and what makes them worthwhile - is more likely to be on effectiveness. Four examples of contributions can be raised. First, they deepen the strategic orientation of programmes by providing the missing link between abstract region-wide strategies and the projects designed and implemented. Second, they facilitate the locally-led regeneration which is desired in increasing numbers of region-wide development strategies. SPDs are too distant to *directly* promote 'local development', but provide a framework for partnership groups of local actors to devise individual and specifically targeted approaches which enjoy greater local 'ownership'³. Third, they can help raise project quality - the route through which value for money is really achieved - through, for example, the pooling of resources for joint projects and better serving business needs (Fyrstad⁴). Equally the packages provide the applicants with the context for their project as well as better information for those selecting projects. Fourth, the structures have facilitated the integrated use of the different Structural Funds, enabling opportunities for integration to be identified at a scale between the programme and the project.

The fact that the effectiveness benefits of meso-level strategies are probably greater than the efficiency ones justifies and obliges efforts to mitigate the 'inherent' inefficiencies of such approaches. The administrative disadvantages of devolving responsibilities can be minimised through mechanisms including appropriate training, the design of common administrative systems, the clear allocation of responsibilities and the provision of appropriate timely support to

³ CEC (1996) *Social and Economic Inclusion through Regional Development*, Commission of the European Communities, Brussels - p15.

⁴ Ekberg T (1997) Fyrstad's new sense of identity and purpose, *North*, Vol 8, 1997 p 16.

sub-partnership structures. It is also possible to disaggregate policy and management responsibilities and consider how *each one* can be most effectively distributed. The decentralisation of strategic or policy functions to sub-partnerships seems to offer most scope for them to contribute to programme effectiveness, while efficient management responds instead to a centralising dynamic. This illustrates that it is not necessary, nor even desirable, to devolve all programming functions to the same extent to enhance partners' contribution to programme implementation.

1.5 Conclusions

Structural Fund partnerships are increasingly large and diverse, with differing partner involvement creating inner and outer circles. More inclusive and practically engaging organisational structures can be formed to harness better the potential of a wider partnership. The particular option of meso-level partnerships explored in the paper illustrates that their impact on programmes depends on the management of the mechanisms and the exact appropriation of programming functions and responsibilities. To maximise their benefits, and minimise their disbenefits, programming tasks should be disaggregated, and the optimal allocation of each between the sub-partnerships and central programming structures explored. It appears that the optimal distribution of management functions (leading to *efficiency*) responds to a logic of centralisation and consolidation, while strategic functions (leading to policy *effectiveness*) seem to respond to an opposite force, entailing greater decentralisation to focused meso-groups. This said, the detailed allocation of responsibilities still has to be determined on a case by case basis, in full consultation. Total centralisation of management functions may deny meso-partnerships the sense of ownership and responsibility required for momentum, while total decentralisation of strategic responsibilities may lead to a fragmented patchwork of unrelated, independent actions, compromising the overall programme's regional consistency and coherence.

2. PARTENARIATS DE NIVEAU INTERMEDIAIRE DANS LA MISE EN ŒUVRE DES FONDS STRUCTURELS

2.1 Introduction

Les ressources publiques étant faibles, l'optimisation de leurs impacts reste un défi auquel doivent faire face tous les programmes de Fonds Structurels. Le rapport qualité-prix passe par deux aspects: une gestion compétente et une mise en œuvre efficace. Comme les autres aspects de la programmation, les dispositifs de mise en œuvre sont en changement, et de nouveaux modes de participation et de responsabilité des partenariats émergent.

Dans certains contextes, la participation officielle des partenaires est limitée et relativement inefficace. Les partenaires interviennent généralement au début de la programmation, lorsqu'ils sont consultés sur la rédaction du DOCUP, ou plus tard dans le cadre de comités de prise de décisions générales ou de suivi, ou seuls en tant que candidats. Ces formes de participation peuvent ne pas être optimales pour favoriser leur implication ou pour exploiter leur contribution potentielle, spécialement étant donnée la taille, la complexité et le large domaine géographique et thématique de nombreux programmes d'Objectif 2.

Ailleurs, les administrations chargées des programmes ont introduit des façons d'utiliser l'expertise des sous-groupes de partenaires pour relever des défis spécifiques de programmation. Les exemples les plus fréquents font intervenir des panels apportant une contribution spécialisée thématique ou géographique dans les domaines de la stratégie de développement, les conseils aux candidats potentiels et l'évaluation et/ou la sélection de projets. Certains programmes sont allés plus loin, et permettent aux sous-partenariats de proposer des sous-stratégies ciblées et d'assumer de nouvelles responsabilités de mise en œuvre, y compris l'évaluation et la sélection, le suivi et la gestion financière des projets. Cet exposé examine deux exemples distincts en Suède et au Royaume-Uni pour permettre de comprendre les implications de ces structures sur la rentabilité et l'efficacité des programmes, et donc leur potentiel s'agissant d'assurer la "meilleure division des responsabilités"⁵ préconisée dans Agenda 2000.

2.2 Programmes-cadres (Fyrstad, Suède)

Les programmes-cadres de la zone d'Objectif 2 du Fyrstad sont des projets complexes élaborés par un groupe de partenaires de cofinancement pour mettre en œuvre une partie donnée du DOCUP. Les programmes-cadres proposés sont approuvés par le comité de suivi puis reçoivent une enveloppe de financement pour la mise en œuvre au titre des fonds structurels, laquelle est ajoutée aux ressources mises en commun par les partenaires de cofinancement. Un organisme central est établi pour mettre en œuvre chaque programme-cadre, dirigé et supervisé par un groupe de direction comprenant les partenaires de cofinancement et présidé par le directeur du secrétariat de l'UE. Deux programmes-cadres sont en cours, offrant chacun un guichet unique permettant d'accéder à divers services: *Foretagsstart Fyrstad*, pour les

⁵ CEC (1997) *Agenda 2000 - Volume 1 - Communication: For a stronger and wider Union*, DOC/97/6 Strasbourg, 15 July 1997

nouvelles entreprises, et *Foretagsutveckling Fyrstad*, qui conseille les sociétés désireuses d'accroître leur compétitivité.

Globalement, les programmes-cadres ont eu des impacts positifs sur la rentabilité et l'efficacité des programmes. L'établissement d'un programme-cadre est bureaucratique pour les structures centrales responsables des programmes, mais une fois le programme approuvé, une partie de la responsabilité de prise de décisions est déplacée vers l'organisme central du programme-cadre qui évalue les projets pertinents et vers son groupe de direction qui prend les décisions finales⁶. Pour le groupe de direction, cette responsabilité est bien sûr une tâche administrative supplémentaire, mais l'organisme central spécialisé chargé de la gestion et de la mise en œuvre vient alléger cette tâche. Les programmes-cadres ont aussi simplifié l'accès des entreprises aux Fonds Structurels. Leurs organismes centraux assurent une interface facilement utilisable par les entreprises, qui ne sont plus contraintes de comprendre les détails complexes des fonds, tandis que leurs comités spécialisés prennent les décisions rapides qu'exigent les entreprises.

Les programmes-cadres ont eu quatre impacts principaux sur l'efficacité. Premièrement, au lieu d'être en concurrence, les organismes des secteurs publics connexes ont mis leurs ressources et leurs connaissances en commun pour créer des projets de soutien des entreprises plus grands et plus intégrés. Deuxièmement, du fait de leur envergure, les projets sont très connus, d'où participation accrue des entreprises. Troisièmement, la structure des programmes leur a permis d'atteindre leurs objectifs: dans *Foretagsutveckling Fyrstad*, la structure de soutien a explicitement encouragé l'établissement de réseaux de contacts, une des ambitions principales du programme d'Objectif 2. Enfin, les chargés de mise en œuvre puisent indifféremment dans le FEDER et le FSE, et les destinataires finaux n'ont donc pas eu à opérer de distinction artificielle entre les Fonds.

2.3 Formules (Nord-Est de l'Angleterre)

En Angleterre, les administrations des programmes ont été invitées à faire avancer leurs programmes par le biais de "Plans d'action", afin d'en améliorer la mise en œuvre en 1997-99. Les sous-partenariats proposent des sous-stratégies ciblées géographiquement ou thématiquement qu'ils mettent en œuvre en utilisant une enveloppe de Fonds spécifique dont la gestion est confiée à leur "organisme responsable" nommé. Le partenariat du nord-est de l'Angleterre a opté pour une autre démarche, c'est à dire des "Formules" qui maintiennent la participation stratégique de sous-partenariats, sans pour autant décentraliser les différentes fonctions: prise de décision, financement, gestion et suivi. Des partenariats regroupant secteurs et agences multiples mettent au point une mini-stratégie, qui comprend une analyse stratégique et une présélection de projets, pour la mise en œuvre d'un aspect d'une priorité du DUCUP. Une fois approuvée par la direction du programme, une allocation financière est réservée pour la formule. Le projet est alors officiellement approuvé par le ministère, à condition que les candidatures reçues suivent les indications fournies au stade de la présélection et soient conformes aux

⁶ Le comité de suivi continue à être tenu informé et apporte sa contribution dans le cadre des grands projets.

réglementations. (Pour plus de sûreté, un Panel de sélection des demandes régionales évalue encore les projets originaux, contentieux ou de grande envergure et joue un rôle de “cour d’appel”. Plusieurs avantages potentiels en termes d’efficacité et de rentabilité se dégagent déjà.

En termes d’efficacité stratégique, le développement et la mise en œuvre sont plus stratégiquement motivés, car les acteurs principaux locaux ont une meilleure perception globale des autres activités et peuvent ainsi choisir en connaissance de cause. En outre, ils facilitent le dialogue et la coopération entre les partenaires concurrents, éliminent le redoublement de projets, accroissent les synergies (sans en général encourager les projets communs comme le font les cadres suédois) et permettent d’identifier les projets qui combleraient des lacunes stratégiques.

Les avantages en termes de rentabilité sont peut-être modestes, mais on décerne des améliorations dans la rapidité et la souplesse de l’administration. Les projets s’inscrivant dans la formule convenue sont en fait préalablement approuvés (sous réserve de satisfaire aux critères de qualité), ce qui simplifie les circuits d’évaluation et d’approbation. En outre, cette démarche permet de mieux gérer les cas de candidatures trop nombreuses puisque les partenariats intermédiaires classent dès le début les projets potentiels en fonction de priorités convenues d’un commun accord, ce qui évite aux candidats peu susceptibles d’être retenus de perdre leur temps et allège la tâche du ministère. Cependant il y a aussi des risques de diminution de rentabilité, surtout pour les partenaires dans le cadre d’une formule, car ils ne sont pas directement compensés s’agissant des ressources nécessaires à la préparation et au suivi des formules et à la gestion des sous-partenariats.

2.4 Critique

Les structures de partenariat de niveau intermédiaire examinées dans l’étude de cas diffèrent quant à leur contribution potentielle à l’efficacité et à la rentabilité des programmes. Globalement, les avantages en termes de rentabilité de la délégation de responsabilités supplémentaires de mise en œuvre à des sous-partenariats risquent de rester modestes, ce pour trois raisons. Premièrement, il s’agit plus d’une *redistribution* que d’une *rationalisation* des tâches. Deuxièmement, la fragmentation des tâches de programmation entre les partenaires intermédiaires se fait au détriment des économies d’échelle administratives. Troisièmement, l’absence potentielle d’expertise détaillée relativement aux Fonds Structurels au niveau des partenariats intermédiaires risque d’être source de retards. Il existe bel et bien des avantages nets pour les comités centraux de programmes, par exemple la diminution de la tâche de prise de décision, mais même alors, ces avantages risquent d’être annulés par de nouvelles obligations, y compris l’évaluation préalable des propositions cadres et la nécessité de prendre des dispositions pour leur gestion.

Le principal impact des partenariats actifs de niveau intermédiaire sur les programmes des Fonds Structurels - et ce qui fait leur valeur - est plus susceptible de s’exercer sur l’efficacité. On peut donner quatre exemples de cette contribution. Premièrement, ils renforcent l’orientation stratégique des programmes en fournissant le maillon manquant entre les stratégies abstraites à l’échelle régionale et les projets élaborés et mis en œuvre. Deuxièmement,

ils facilitent la régénération promue au niveau local, qui est souhaitée dans un nombre croissant de stratégies de développement à l'échelle régionale. Les DOCUP sont trop distants pour promouvoir *directement* le 'développement local', mais ils fournissent un cadre au sein duquel les partenariats d'acteurs locaux peuvent élaborer des démarches individuelles et spécifiquement ciblées caractérisées par une plus grande implication locale⁷. Troisièmement ils peuvent aider à améliorer la qualité des projets, facteur primordial d'un bon rapport qualité-prix. Ceci peut passer par exemple par la mise en commun de ressources de projets communs et par une réponse plus appropriée aux besoins des entreprises. (Fyrstad⁸). En outre, les formules fournissent un contexte de projet aux candidats et de meilleures informations à ceux sélectionnant les projets. Quatrièmement, les structures ont facilité l'utilisation intégrée des différents Fonds Structurels, et ont permis d'identifier les occasions d'intégration à une étape se situant entre programme et projet.

Le fait que les avantages des stratégies de niveau intermédiaire soient sans doute plus grands en termes d'efficacité qu'en termes de rentabilité justifie et exige des efforts pour atténuer obstacles à la rentabilité inhérents à ces démarches. Les inconvénients administratifs de la délégation de responsabilités peuvent être minimisés par le biais de mécanismes comme une formation appropriée, la mise au point de systèmes administratifs communs, l'attribution claire de responsabilités et la fourniture d'un soutien opportun aux structures de sous-partenariat. Il est aussi possible de dissocier les responsabilités politiques et celles de gestion, et d'examiner la façon de les répartir le plus efficacement possible. La délégation des fonctions stratégiques ou politiques à des sous-partenariats semble offrir à ceux-ci le maximum d'opportunités de contribuer à l'efficacité du programme, tandis qu'une gestion compétente répond, elle, à une dynamique centralisatrice. Ceci montre qu'il n'est ni nécessaire, ni même souhaitable de déléguer toutes les fonctions de programmation dans la même mesure pour accroître la contribution des partenaires à la mise en œuvre des programmes.

2.5 Conclusions

Les partenariats dans le cadre des Fonds Structurels sont de plus en plus larges et diversifiés, les différents niveaux d'implication des partenaires formant comme des cercles concentriques. Des structures d'organisation plus complètes et plus étroitement liés sur le plan pratique peuvent être mises en place pour mieux exploiter le potentiel d'un partenariat plus large. L'option spécifique que représentent les partenariats intermédiaires, examinée dans cet exposé, montre que leur impact sur les programmes dépend de la gestion des mécanismes et de l'exacte affectation des fonctions et responsabilités de programmation. Pour optimiser leurs avantages et minimiser leurs inconvénients, les tâches de programmation doivent être dissociées et l'attribution optimale de chacune aux sous-partenariats et aux structures centrales de programmation doit être explorée. Il semblerait que la répartition optimale des fonctions de gestion (propice à la *rentabilité*) réponde à une logique de centralisation et de consolidation, tandis que les fonctions

⁷ CEC (1996) *Social and Economic Inclusion through Regional Development*, Commission of the European Communities, Brussels - p15.

⁸ Ekberg T (1997) Fyrstad's new sense of identity and purpose, *North*, Vol 8, 1997 p 16.

stratégiques (propices à *l'efficacité* de la politique) répondent à une force inverse, allant dans le sens d'une plus grande décentralisation vers des groupes intermédiaires. Ceci étant dit, l'attribution détaillée des responsabilités reste à déterminer cas par cas, dans le cadre d'une pleine consultation. La centralisation totale des fonctions de gestion risque de priver les partenariats intermédiaires du sentiment - propice à l'élan - d'implication et de responsabilité, tandis que la décentralisation totale des responsabilités stratégiques risque d'aboutir à un patchwork fragmentaire d'actions indépendantes et dissociées, et de compromettre la cohésion et l'unité régionale du programme dans son ensemble.

3. DER BEITRAG VON MESO-PARTNERSCHAFTEN ZUR UMSETZUNG DER STRUKTURFONDS

3.1 Einführung

Angesichts der Knappheit öffentlicher Mittel stehen die Strukturfondsprogramme auch weiterhin vor der Aufgabe, ihre Wirkung maximal zu nutzen. Eine kosteneffektive Nutzung kann auf zweierlei Weise erreicht werden: durch effektives Management und durch effektive Umsetzung. Wie andere Programmaspekte haben sich auch die Umsetzungsstrukturen gewandelt, mit neuen Engagements und Zuständigkeiten der Partner.

In einigen Kontexten ist das formelle Engagement der Partner begrenzt und relativ ineffektiv. Die Partner sind gewöhnlich entweder in den frühesten Phasen der Programmierung beteiligt, bei der Erstellung der EPPD oder werden später in allgemeinen entscheidungsfällenden oder Begleitausschüssen zu Rate gezogen oder allein als Antragsteller. Diese Arten der Beteiligung sind vielleicht für ihr Engagement oder die Sicherung ihres potentiellen Beitrags nicht optimal, besonders im Hinblick auf die Größe, Komplexität und den großen geographischen und thematischen Umfang vieler Ziel 2 Programme.

In anderen Ländern haben die Programmbehörden Mittel und Wege gefunden, um die Expertise von Untergruppen von Partnern für spezifische Programmaufgaben zu nutzen. Zu den häufigsten Beispiele gehören Gremien, die thematische oder geographische Spezialistenbeiträge zur Entwicklungsstrategie liefern, potentielle Antragsteller beraten, Projekte prüfen und/oder auswählen. Einige Programme ermächtigen Unterpartnerschaften darüber hinaus, gezielte Unterstrategien vorzuschlagen und neue Umsetzungsverantwortung zu übernehmen wie Projektprüfung und -auswahl, Begleitung und finanzielles Management. Diese Arbeit untersucht zwei unterschiedliche Beispiele aus Schweden und dem Vereinigten Königreich, um die Auswirkungen solcher Strukturen auf Programmleistung und -effektivität und somit ihr Potential festzustellen, der in Agenda 2000 geforderten besseren 'Verteilung der Verantwortung'⁹ gerecht zu werden.

3.2 Rahmenprogramme (Fyrstad, Schweden)

Die Rahmenprogramme, die im Fyrstader Ziel 2 Gebiet gelten, sind komplexe Projekte, die von einer Gruppe kofinanzierender Partner geplant wurden, um einen bestimmten Teil der EPPD umzusetzen. Vorgeschlagene Rahmenprogramme werden vom Begleitausschuß gebilligt und ein abgestimmtes Paket Strukturfondsmittel wird ihnen dann zur Umsetzung zugewiesen, die dann zu den gemeinsamen Mitteln der kofinanzierenden Partner hinzukommen. Zur Umsetzung der einzelnen Rahmenprogramme wird eine exekutive Organisation gegründet, die durch eine Steuergruppe geleitet und überwacht wird, die wiederum aus den kofinanzierenden Partnern besteht und bei der der Vorstand des EU-Sekretariats den Vorsitz führt. Derzeit sind zwei Rahmenprogramme in Operation, die beide über eine einzige Stelle

⁹ CEC(1997) *Agenda 2000 - Band 1 - Communication: For a stronger and wider Union*; DOC/97/6 Straßburg, 15. Juli 1997

Zugang zu einer Reihe von Dienstleistungen bieten: *Foretagsstart Fyrstad*, für Unternehmensneugründungen, und *Foretagsutveckling Fyrstad*, die Beratungshilfe für Unternehmen bietet, die ihre Wettbewerbsfähigkeit erhöhen wollen.

Insgesamt hatten die Rahmenprogramme positive Auswirkungen sowohl auf die Leistung als auch die Effektivität der Programme. Die Festsetzung eines Rahmenprogramms ist für zentrale Programmstrukturen etwas bürokratisch, doch wenn es erst einmal gebilligt ist, wird dadurch ein Teil der Entscheidungsaufwand verlagert, da die Exekutive des Rahmenprogramms relevante Projekte begutachtet und seine Steuergruppe die endgültigen Entscheidungen trifft¹⁰. Diese dezentralisierte Entscheidungszuständigkeit ist natürlich ein zusätzlicher ständiger Verwaltungsaufwand für die Steuergruppe, die jedoch durch die tägliche Management- und Umsetzungsarbeit der Exekutive erleichtert wird. Rahmenprogramme haben auch den Zugang der Unternehmen zu den Strukturfonds vereinfacht: ihre Exekutiven bieten unternehmensfreundliche Kontaktstellen und befreien die Unternehmen von der Notwendigkeit, die Feinheiten der Fonds zu verstehen, während ihre Ausschüsse die schnellen Entscheidungen liefern, die für Unternehmen erforderlich sind.

Die Rahmenprogramme wirken sich in viererlei Hinsicht auf die Effektivität aus. Erstens, haben die betreffenden Organe des öffentlichen Sektors, statt gegenseitig zu konkurrieren, ihre Ressourcen und ihr Wissen zusammengeworfen, um größere, mehr integrierte und qualitativ bessere Unternehmensförderungsprojekte zu planen. Zweitens sind die Projekte aufgrund ihrer Größe nun recht auffällig, was die Teilnahme von Unternehmen erhöht. Drittens hat ihre Struktur dazu geführt, daß Programmziele eingehalten werden: in *Foretagsutveckling Fyrstad*, hat die Förderungsstruktur ausdrücklich Verbindungsnetze unterstützt - ein zentrales Ziel des Ziel 2 Programms. Schließlich brauchten die letztlich Begünstigten keine künstliche Unterscheidung zwischen den Fonds zu treffen, da die Umsetzer ihre Mittel nahtlos von EFRE und ESF beziehen.

3.3 Pakete (Nordost-England)

In England wurden die Programmbehörden zur Verstärkung der Umsetzung im Zeitraum 1997-99 dazu eingeladen, ihre Programme durch 'Aktionspläne' voranzubringen. Unterpartnerschaften schlugen geographisch oder thematisch gezielte Unterstrategien vor und setzen sie durch Verwendung eines bestimmten Fondsbetrags um, der durch ihre nominierte 'verantwortliche Stelle' verwaltet wird. Die Partnerschaft Nordostengland beschloß einen alternativen Ansatz - 'Pakete' - zu verfolgen, der das strategische Engagement von Unterpartnerschaften beibehält, jedoch die Entscheidungsfällung, das finanzielle Management und die Begleitfunktionen nicht an sie dezentralisiert. Partnerschaften aus mehreren Sektoren und mit mehreren Organisationen planen eine Ministrategie, einschließlich einer strategischen Analyse und einer Auswahlliste der Projekte, zur Umsetzung eines Teils einer EPPD Priorität. Ist sie erst einmal durch das Programm-Management gebilligt, so wird eine

¹⁰ Der Begleitausschuß wird auch weiterhin informiert und hat ein Mitspracherecht bei großen Projekten.

finanzielle Zuweisung für das Paket bestimmt. Daraufhin wird durch das Regierungsamt eine formelle Projektbilligung gegeben, in der Annahme, daß die eingegangenen Anträge der Auswahlliste im Paketantrag entsprechen und die Vorschriften einhalten. (Als zusätzliche Sicherung beurteilt ein Regionales Antragsauswahlgremium auch weiterhin neue, umstrittene oder große Projekte und agiert als 'Berufungsgericht'). Mehrere potentielle Leistungs- und Effektivitätsvorteile können bereits identifiziert werden.

Was strategische Effektivität anbelangt, so sind Projektentwicklung und -umsetzung mehr strategisch ausgerichtet, da wichtige lokale Akteure einen besseren Überblick über andere Aktivitäten haben und dieses vollständigere Bild bei der Wahl nützlicher ist. Außerdem erleichtern sie den Dialog und die Kooperation zwischen konkurrierenden Partnern, verhindern Projektverdoppelung, stärken Synergien (obwohl sie gewöhnlich keine gemeinsamen Projekte unterstützen, die im schwedischen Rahmen möglich sind) und identifizieren Projekte, die strategische Lücken stopfen.

Die Leistungsvorteile sind vielleicht nur bescheiden, doch beinhalten sie Verbesserungen der Geschwindigkeit und Flexibilität der Administration. Die in dem vereinbarten Paket enthaltenen Programme sind effektiv von vornherein gebilligt (sofern sie den Qualitätskriterien entsprechen), was die Bewertungs- und Billigungskreise vereinfacht. Außerdem ermöglicht dieser Ansatz das verbesserte Management von Überbietungssituationen, da Meso-Partnerschaften gegenseitig vereinbarte Prioritäten verwenden, um potentielle Projekte in einer frühen Phase einzustufen, und somit wahrscheinlich nicht erfolgreichen Antragstellern Zeit sparen und die Arbeitsaufwand des Regierungsbüros erleichtern. Es gibt jedoch auch potentielle *Leistungsverluste*, besonders für die Paketpartner, die nicht direkt für die Ressourcen entschädigt werden, die zur Erstellung und Begleitung der Pakete und Leitung der Unterpartnerschaften notwendig sind.

3.4 Kritik

Die Meso-Partnerschaftsstrukturen der Fallstudie liefern unterschiedliche potentielle Beiträge zu Programmleistung und -effektivität. Insgesamt können die Leistungsvorteile aus einer Dezentralisierung zusätzlicher Umsetzungsverantwortung auf Unterpartnerschaften aus drei Gründen nur bescheiden sein. Erstens bewirken sie eher eine *Neuverteilung* als eine *Rationalisierung* der Aufgaben. Zweitens gehen durch die Stückelung von Programmaufgaben auf Meso-Partnerschaften eventuelle Einsparungen in der Verwaltung durch die Größe verloren. Drittens kann der potentielle Mangel an detaillierter Strukturfondsexpertise auf Meso-Partnerschaftsebene zu Verzögerungen führen. Es *gibt* deutliche Vorteile für die Zentralprogrammausschüsse, z.B. durch Reduzierung der Anzahl von Entscheidungsfällungen, doch auch hier werden die Gewinne eventuell durch neue Verpflichtungen ausgeglichen, wie die vorherige Bewertung von Rahmenvorschlägen und ihre Managementstrukturen.

Die Hauptwirkung der aktiven Meso-Partnerschaften auf Strukturfondsprogramme - und warum sie es wert sind - betrifft wohl eher die Effektivität. Dafür gibt es vier Beispiele. Erstens vertiefen sie die strategische Orientierung der Programme, indem sie das fehlende Verbindungsglied

zwischen abstrakten regionalen Strategien und den geplanten und umgesetzten Projekten bilden. Zweitens erleichtern sie die lokal geleitete Regeneration, die in einer wachsenden Anzahl regionaler Entwicklungsstrategien erwünscht ist. EPPD sind zu entfernt, um 'lokale Entwicklung' *direkt* zu fördern, doch bilden sie einen Rahmen für Partnerschaftsgruppen lokaler Akteure, um individuelle speziell abgezielte Ansätze zu planen, die größeres lokales 'Besitzertum' genießen¹¹. Drittens können sie bei der Anhebung der Projektqualität helfen - wobei tatsächlich eine Kosteneffektivität erzielt wird - durch z.B.: die Zusammenlegung von Ressourcen für gemeinsame Projekte und bessere Bedienung von Unternehmensbedürfnissen (Fyrstad¹²). Die Pakete liefern den Antragstellern auch den Inhalt ihres Projekts sowie bessere Informationen für diejenigen, die die Projekte wählen. Viertens erleichterten die Strukturen den integrierten Gebrauch der verschiedenen Strukturfonds, so daß Gelegenheiten für eine Integration zwischen dem Programm und dem Projekt identifiziert werden können.

Die Tatsache, daß bei der Verwendung von Meso-Strategien die Vorteile für die Effektivität wahrscheinlich größer sind als für die Leistung, rechtfertigt und fordert Anstrengungen zur Schwächung inhärenter Leistungsmängel solcher Ansätze. Die administrativen Nachteile der Delegation von Verantwortung kann minimal gehalten werden, durch Mechanismen wie geeignete Ausbildung, die Planung gemeinsamer Verwaltungssysteme, die klare Zuweisung von Zuständigkeiten und die Bereitstellung geeigneter rechtzeitiger Unterstützung für Unterpartnerschaftsstrukturen. Es ist auch möglich politische und Managementzuständigkeiten zu trennen und zu überlegen, wie *beide* am effektivsten verteilt werden könnten. Die Dezentralisierung strategischer oder politischer Funktionen an Unterpartnerschaften scheint ihnen den größten Spielraum zu geben, um zur Programmeffektivität beizutragen, während ein leistungsfähiges Management eher auf eine zentralisierende Dynamik reagiert. Es ist nicht notwendig und keineswegs wünschenswert, alle Programmfunktionen in gleichem Ausmaß zu dezentralisieren, um den Beitrag der Partner zur Programmumsetzung zu verstärken.

3.5 Schlußfolgerung

Strukturfondspartnerschaften werden immer größer und diverser, wobei unterschiedliches Engagement der Partner innere und äußere Kreise schafft. Es können mehr inklusive und praktisch engagierende Organisationsstrukturen gebildet werden, um das Potential einer größeren Partnerschaft zu nutzen. Die besondere Möglichkeit der in der Arbeit erforschten Meso-Partnerschaften zeigt, daß ihre Wirkung auf die Programme vom Management der Mechanismen und der genauen Zuweisung von Programmfunktionen und Zuständigkeiten abhängt. Um ihre Vorteile zu maximieren und ihre Nachteile zu minimieren sollten Programmaufgaben getrennt werden, und die optimale Zuweisung jeder einzelnen auf Unterpartnerschaften und zentrale Programmstrukturen erforscht werden. Es scheint, daß die optimale Verteilung der Managementfunktionen (die zu *Effizienz* führt) auf eine Logik von

¹¹ CEC (1996) *Social and Economic Inclusion through Regional Development*, Commission of the European Communities, Brüssels - p15.

¹² Ekberg T (1997) Fyrstad's new sense of identity and purpose, *North*, Vol 8, 1997 p 16.

Zentralisierung und Konsolidierung reagiert, während strategische Funktionen (die zu *Effektivität* führen) auf eine entgegengesetzte Kraft zu reagieren scheinen, mit größerer Dezentralisierung auf bestimmte Meso-Gruppen. Allerdings muß eine genaue Zuteilung der Zuständigkeiten fallweise mit voller Konsultation noch bestimmt werden. Eine totale Dezentralisierung der Managementfunktionen nimmt Meso-Partnerschaften vielleicht das für ihre Dynamik notwendige Gefühl des Besitzertums und der Verantwortung ab, während eine totale Dezentralisierung der strategischen Zuständigkeiten zu einem fragmentierten Patchwork unzusammenhängender, unabhängiger Aktionen führen könnte, die die Konsistenz und Kohärenz des gesamten Programms in Frage stellen würde.

Thematic Paper

Meso-level Partnerships and Structural Fund Implementation

Meso-level Partnerships and Structural Fund Implementation

1. INTRODUCTION

Over time, Structural Fund programmes have become increasingly complex in terms of their content and implementation structures. The recent Agenda 2000 proposals are likely to exacerbate this situation further, particularly within the new, broader Objective 2 category proposed for the post-1999 period. A common challenge, now and in the future, is that of gaining maximum benefit from programmes in a context of increasing public sector resource constraints at all tiers. There are two routes to achieving value for money: enhancing the *efficiency* of management systems and the *effectiveness* of the projects implemented.

Against this background, the regional partnerships developing and implementing Structural Fund programmes have an important role to play. Although all programmes have to operate 'in partnership', this being one of the underlying principles of the Structural Funds, the partnership is also a positive resource in its own right. In many countries, the practice of partnership has proved an important external stimulus for co-operation and co-ordination of regional development actors at national, regional and local level. However, with an ever wider group of partners involved in Structural Fund programming, the practical functioning of partnerships has become increasingly problematic. The inclusion of locally driven economic development within the Structural Funds remit further exacerbates the issue, widening potential partnerships to more and smaller organisations with ever less familiarity with Structural Fund programming.

In this context, an important issue for the future efficiency and effectiveness of the Structural Funds is how to use the partnership resource better. Improved approaches to partnership management are needed which involve more partners more actively at more stages of the programming process. Echoing a recurring theme, a recent German paper on partnership arrangements concludes that 'the formal involvement of partners in the policy process is not very efficient - partnership bodies are taking part in formal decision-making exactly in the very period and moment when it is difficult to nearly all partners to contribute in a really substantive way'¹³. Partners tend to be principally involved either in the early stages, consulted on the drafting of the SPD, or later by participation in broad decision-making and strategic committees, or as applicants themselves. These may not be the phases which fulfil the optimum potential for partner participation.

It is no longer possible to view the partnership as a single entity whose operation ensures the adequate participation of all relevant partners. Sub-regional disparities and characteristics in the programming area, as well as the demands of thematic development priorities, all point to the need for more

¹³ Wollmann, H, Lang, J and Schwab, O (1996) *Partnership Arrangements within EU Structural Fund Programmes - case study on Germany*, Humboldt-Universität zu Berlin, Berlin

targeted participation of sub-partnership groupings in order to increase the quality of partnership input at the most effective points. In designing such approaches to participation, it is important to identify the most effective 'division of regional policy functions among [the] different jurisdictions in a multi-jurisdictional system'¹⁴. Agenda 2000 echoes the need for a 'better division of responsibilities'¹⁵. The challenge is clear - identifying which partners, or groups of partners, can most effectively contribute which functions at what stage of the programming process. Meeting this challenge could provide a critical step towards the aim highlighted by the German partnership paper that of a 'reformed structure of regional policy with full involvement of the partners and gains in efficiency and effectiveness of measures'.

In fact, as a result of the issues mentioned above, many programming authorities have explored ways in which the specialist expertise of sub-groups of partners can be better harnessed to address specific programming issues. The most frequent examples are:

- (a) the establishment of groups providing specialist input to project appraisal or selection (eg. all projects in the West of Scotland are appraised by thematic Advisory Groups which also make an input to strategy formulation, specialist groups of civil servants assess technology projects in France, and Business Aid Working Groups in Finland assess business development applications);
- (b) spatially defined decision-making or advisory groups (some programmes such as Midi-Pyrénées devolve decision-making powers for projects of local relevance to sub-regional committees, the regional conferences in Nordrhein Westfalen provide a sub-regional input to strategic issues and so help the main programme committees to prioritise between projects); and
- (c) groups established to advise potential applicants (eg in Sweden and Finland).

Some programmes have gone further, enabling meso-level partnerships to propose and then to pursue sub-strategies within Objective 2 programmes. This paper aims to examine the potential of such mechanisms to engage partners more actively in Structural Fund implementation and so increase the efficiency and effectiveness of the Funds. It draws on a number of case studies of initiatives currently underway in Objective 2 regions. These show prevailing practice and draw out the advantages and disadvantages of these approaches. This analysis is then used to draw out some common themes and key challenges for consideration and discussion.

2. SUB-PARTNERSHIP MECHANISMS FOR GREATER PARTNER INVOLVEMENT: CASE STUDIES

The following sections detail a range of active meso-level structures. They focus on approaches which involve the proposal and agreement of sub-

¹⁴ Armstrong, H (1993) Subsidiarity and the Operation of the European Community Regional Policy in Britain, *Regional Studies*, Vol. 27:6 pp 575-606

¹⁵ CEC (1997) *Agenda 2000 - Volume 1 - Communication: for a Stronger and Wider Union*, DOC/97/6 Strasbourg, 15 July 1997, p18.

programmes by appropriate groups of programme partners. The initiatives differ in the responsibilities they carry, but can be divided in broad terms into two groups:

- those where strategies are proposed and implemented by sub-partnerships with wide responsibilities devolved from central programme level;
- those where strategies are proposed and implemented by sub-partnerships, but with fewer or more selective devolved responsibilities.

2.1 Case Study: Framework Programmes (Fyrstad, Sweden)

The Swedish framework programmes (FPs) operating in the Fyrstad Objective 2 area comprise complex projects devised by a group of co-financing partners to implement a given part of the SPD. They were developed partly as a bottom-up response to two specific difficulties being experienced in implementing measures targeting business. The first was the difficulty in encouraging networking among individual companies; the second was that municipalities were precluded from supporting individual businesses, but wanted to support networks. A new mechanism had to be devised to enable company networking and ensure the involvement of all potential partners in the effective use of the Structural Funds for business development in the region.

FPs are approved by the Monitoring Committee and they are then allocated an envelope of finance for implementation. This is added to the agreed pooled resources of the co-financing partners. The responsibility for this overall package of finance is delegated to the executive organisation put in place to manage each FP. Oversight comes from a Steering Group comprised of the co-financing partners and chaired by the head of the EU secretariat. Steering Group members include the municipalities, the county councils, the county labour market boards, social partners and the business development agency 'ALMI'. Political involvement is limited; the only political representative in *Foretagsstart Fyrstad*, for example, is the head of Uddevala municipality.

Two framework programmes currently operate in Fyrstad: *Foretagsstart Fyrstad* and *Foretagsutveckling Fyrstad*. The former aims to stimulate new business start-ups by operating a 'one-door' approach to start-up advice. The project is co-ordinated by ALMI and overseen by the Steering Committee which meets four times a year. The project also operates local Steering Committees in the four Municipalities covered by the Objective 2 programme which meet every month - viewed as an effective method of involving the partnership in the project. The project's budget is SEK 100 million¹⁶, 60 percent of which is financed by national and EU resources. The project began at the start of 1997 with a guaranteed year of funding and a possible extension for a further two years which has now been approved.

The project draws on both ERDF and ESF expenditure, the administrative burden being significantly reduced by the active involvement of Fyrstad's programme managers in the formulation of the project. It is hoped that, through the project, consultancy advice will be given to ten percent of the corporate sector in the region and that this and future projects will generate

¹⁶ SEK 100 million = 11.6 M ECU

350 new jobs and lead to improvements in other areas (turnover, quality certificates etc).

The *Foretagsutveckling Fyrstad* project aims to increase the competitiveness of existing firms by offering consultancy support in five main areas, each of which is managed by a full time co-ordinator: product development; general business development; marketing and internationalisation; environmental technology; and competence development. The first four are supported through the ERDF and the last through ESF. The project attracts SMEs through a ‘one-door’ approach and then introduces them to development projects in which they operate as part of a network. Eligible firms are initially entitled to ten hours of free consultancy, resulting in a short report detailing the firm’s strengths and weaknesses. Following intensive discussions between the firm and the project co-ordinators, firms with high growth potential can then be offered an additional 30 hours of analysis at a nominal cost and a meeting with the project’s specialist co-ordinators. The aim is to identify potential growth areas for the firm and to establish whether common projects could be developed with other SMEs to raise competitiveness. In the final phase, the steering group of the *Foretagsutveckling Fyrstad* decides whether or not to fund the collaborative project. Assistance can take the form of up to 50 percent of the total project’s development costs, up to a maximum of SEK 800,000¹⁷. Decisions in this final stage are taken every three weeks to ensure that collaborative projects can proceed quickly. The project’s budget for the first year was SEK 34 million¹⁸, of which 17 percent was to be drawn from EU co-financing, 39 percent from other public sector sources and 44 percent from the private sector.

The Fyrstad framework programmes have offered some improvements in the *efficiency* of programme delivery.

- The design and development of the FPs is an intensive process, but once the Monitoring Committee has approved a framework programme, some of the decision-making burden from the central programme administration passes to the FP executive. Project appraisal and financial responsibilities for an agreed range of projects are devolved to the executive organisation while final decision-making on these projects passes to the dedicated Steering Group of co-financers. While the Monitoring Committee is still required to monitor overall progress and have an input on large projects, the case load of the main decision groups in particular is reduced.
- The administrative burden among the co-financers on the Steering Group increases in that they have an ongoing active responsibility to oversee the project. However, the establishment of dedicated executives to undertake day-to-day management and implementation mitigates this considerably.
- For firms, the FPs have significantly streamlined access to the Structural Funds. The FPs provide an effective, business-friendly interface for companies, which now no longer have to comprehend the ‘behind the scenes’ intricacies of the Structural Funds in order to benefit. There is ‘one door’ access to a range of support instruments thanks to the FPs, and firms

¹⁷ 800,000 SEK = 92,754 ECU

¹⁸ 34 million SEK = 3.9 MECU

can apply for them by making a single application rather than two, as would otherwise be the case (one for national or regional support and one for Structural Fund co-financing). Firms receive the support of the dedicated executive when putting together applications - preventing the main programme secretariat from having to undertake this role.

In terms of *effectiveness*, the framework programmes demonstrate a number of advantages.

- The co-operation of several partners working in the same field within a single framework programme has led to more integrated and higher quality business development projects than might otherwise have been the case. Partners have pooled their resources and knowledge, and co-ordinated efforts, avoiding potential duplication between their activities.
- The co-ordinated and focused approach for a particular thematic area has enabled targeted and effective delivery of measures. This has a knock-on effect on the visibility and accessibility of the Funds to business, which in turn has raised the participation of firms in the programme.
- The simplicity of the 'one door' approach has provided a mechanism to draw in individual companies and then build them into networks. It has, therefore, enabled the programme's ambitious objective of network-building among firms to be achieved.
- The framework programmes have also proved an effective vehicle for co-ordinating ERDF and ESF resources. The implementers of the framework programmes can draw rapidly and easily from the envelopes of resources they have from each Fund. Firms do not have explicitly to make the artificial distinction, but can be encouraged to undertake training as an integral part of a wider development initiative.

The amount of effort entailed in establishing and operating FPs is considerable. In addition, their outcome is more to redistribute than reduce the overall administrative load. This being the case, such mechanisms are clearly only worthwhile if they offer verifiable added value. The above discussion indicates that, in this case, this lies to some extent in the efficiency of programme delivery - and in particular the ability to streamline programme delivery for applicants. It also arises from the benefits offered in terms of programme effectiveness, helping specific objectives to be achieved in the field of business development which might otherwise not have been realised.

Among the potential risks of these mechanisms is the danger of fragmentation, losing an overview of what the whole programme is undertaking and achieving. However, the fact that Fyrstad is so small means that it is possible to guard against this.

2.2 Framework Programmes (Denmark)

The Danish framework programmes are similar in nature to the Fyrstad examples and have been developed by the North Jutland Development Fund (NUF), which acts as the Regional Steering Committee of the Structural Fund programmes. They apply across the whole region and did not arise directly from the Objective 2 programme. However, the three which are most closely

aligned to the aims of the Objective 2 strategy have received a contribution from the programme to support more intensive activities within the Objective 2 area and so facilitate the achievement of specific SPD objectives:

- *The Internationalisation Programme (IP)* aims to establish networks of 15-20 firms in three specified sectors, all of which focus on the development of international activities;
- *The Enterprise Development Programme (EDP)* provides consultancy advice for specific management requirements of firms and the corresponding potential implementation of recommendations; and
- *The Environmental Management Programme (EMP)* supports the analysis of environmental management requirements of firms, as well as any project implementation, training requirements and growth groups in this area.

As with the Swedish examples, each framework programme is treated as an individual project within the Objective 2 programme. They are each overseen by a Steering Group, but administered by a nominated implementing organisation - the North Jutland Business Service in the case of IP and EDP, and the NOVI for the EMP. The North Jutland Business Service, for example, has a professional, advisory role *vis-à-vis* the firms and undertakes all the practical implementation of the programme from direct contact with the firm to advice on project content and appraisal of project applications. The Objective 2 programme secretariat still appraises potential co-funded projects, principally to ensure that they comply with Objective 2 regulations. There were difficulties devolving this function because of specialist skills issues. This means that the administrative advantages of the Danish approach are less significant than in the Fyrstad FPs, with little impact on the project appraisal case load in particular. The main impact of these mechanisms is on programme effectiveness, facilitating company networking, environmental projects, etc.

2.3 Action Plans (England) and Packages (North East England)

In England, to enhance programme implementation in the 1997-99 round, Programme Monitoring Committees are being encouraged to take forward all or part of their programmes through 'Action Plans'. Detailed Guidance Notes were drafted and circulated by the Department of the Environment, Transport and the Regions (DETR) outlining how the Action Plan (AP) approach would operate. Sub-partnerships would be formed to propose geographically or thematically targeted 'Action Plans' (APs), designed to implement specific parts of the SPD. Once approved, the sub-partnerships concerned would take responsibility for appraising and approving individual projects within their Action Plans, and for achieving the Plans' objectives, using the designated envelope of Funds for which their nominated 'accountable body' becomes responsible. The sub-partnerships require effective project appraisal and financial management systems to meet Structural Fund requirements and ensure the wise use of public money.

The main anticipated benefits of the 'AP' approach are: enhanced co-ordination, both between the ERDF and ESF and between European and domestic economic regeneration policy, enhanced partnership at regional and

local level (strengthening ownership, commitment and decision-making), streamlined and simplified programme delivery (including reduced delays in project approval) and a more strategic approach to implementation.

There have been varying reactions to the Action Plan approach from partnerships and Government Offices. Some objections to the approach include the difficulties of securing the participation of the so-called 'accountable bodies' and the risk that tensions between various actors could impede the effective and fair operation of mini-partnerships. The AP approach was not made compulsory for the implementation of Objective 2 programmes in England. The result has been that different English Objective 2 areas have adopted this, or similar, approaches to different degrees for the current round. Some programmes will be implemented predominantly through APs (eg. Greater Manchester), some partially, and some will not employ them at all. Others will encourage the drafting of 'Action Plans' among major involved partners which will then inform decision-making through the former established channels. Possibly the best developed example of this is North East England, where the partnership has opted for what they have called a 'Package' approach.

The North East England Objective 2 area has opted to implement its new programme mainly through so-called 'packages' - which adopt the strategy-building aspects of Action Plans but do not then devolve management and financial responsibilities to the sub-partnerships. The package approach involves a sub-group of partners in a particular geographical area devising a form of mini-strategy for the implementation of a particular Priority within the SPD. The package-partnership, which has to be multi-sector and multi-agency in nature, compiles a document including a strategic analysis of the requirements for that particular priority theme in the relevant geographical area and a list of projects which aim to meet the outlined strategic aims. In some cases, package applications have been based on existing county economic development strategies in an attempt to reinforce on-going development themes.

Once a package has been approved by the programme management, a financial allocation is earmarked for it. Projects included (in outline form) in the package application are virtually guaranteed support providing the full application meets central quality criteria. A Regional Application Selection Panel still assesses any novel, contentious or very large projects and also act as a 'Court of Appeal', but most individual project applications arising from packages will simply be appraised by the Government Office secretariat and approved by them if they meet the basic eligibility criteria and follow the format which was proposed in the package. Thus, projects are effectively worked out by the sub-partnerships but a simplified formal appraisal and approval system, as well as the payment and monitoring of approved projects, is retained by the central programme management. The package approach, therefore, is effectively the 'front-end' of the Action Plan proposal but subsequently using the existing system of appraisal and award pay-out, rather than creating new financial and operational structures at local level.

North East England's package approach has arisen from a track record of experience with similar initiatives during previous Objective 2 programming

periods (the Local Area Partnerships or LAPs), as well as within the Objective 5b programme (the Local Implementation Plans) and the Rechar Community Initiative. The initiative also benefits from the insight provided by an external evaluation of the LAPs in 1996. The various initiatives stem from a desire to increase the local 'ownership' of the Structural Fund programmes, to make the implementation more specific to local conditions and to address the problem of overbid by introducing prioritisation mechanisms.

There are potential efficiency benefits from the packages in that the speed and flexibility of administration should be improved once packages are approved. The fact that projects included in an approved package application are themselves effectively approved (subject to compliance with quality criteria) should speed up the implementation process. Reserve lists of projects should also make reaction to either changing circumstances or the loss of other projects more feasible.

However, there may be efficiency losses which counteract the gains. In particular, the sub-partnerships gain additional responsibilities associated with the drafting and later the implementation of a package. There may be need to identify sources of funding for these additional administrative requirements.

There are two key potential benefits of the package approach for strategic effectiveness:

- *A more strategic approach to bidding and implementation.* Packages represent a move towards a broad-based, strategic approaches to development, taking local conditions into account. They enable key local players to gain an enhanced overview and awareness of initiatives in their area and increases the degree of local ownership of programme implementation.
- *Mechanisms to eliminate duplication and enhance co-operation between project sponsors.* The requirement to draft a package brings project sponsors and local partners together and facilitates a process of co-operation and project refinement. This can help avoid duplication as well as allowing the development of projects to meet specific strategic gaps. Co-operation between local partners can be enhanced through the process eg. where packages are submitted by a number of local authorities working together.

Whether the strategic potential of packages will be realised is not certain. There is always a danger that package strategies could be fitted around the projects being proposed rather than preceding and influencing projects. In turn, the fact that partnerships are working together to prioritise projects could diminish the direct competition between a large number of partners which acts to drive up project quality. The requirement within the package approach for some geographical accommodation in the approval of packages could mean that lower quality projects are approved within packages which might otherwise not have received assistance.

The potential of partnerships to achieve their potential for either efficiency or effectiveness might also be limited by inner partnership tensions. This is particularly true of (sub-)partnerships not used to working together in this kind of co-operative framework. The package approach requires all partners to

recognise and work towards a common goal and be willing potentially to sacrifice their own projects for others of greater strategic importance. The danger may increase in larger areas where greater diversity and demand exists and the need for compromise is higher. A further risk is the loss of transparency due to the greater degree of devolved decision-making.

2.4 Community Initiatives Implemented Through Global Grants to Local Partnerships

The global grant mechanism was derived from the system of global loans for financial intermediaries applied by the European Investment Bank and the ECSC and introduced in the 1988 Structural Fund reform. Under the global grant system, an intermediary organisation proposes a mini-programme of actions for a specific geographic area or under a specific development theme - either within or outwith a community support framework. Once the proposal is approved, the intermediary enters into a direct agreement with the Commission (approved by the Member State), and becomes responsible for an envelope of Community funds, to be used to support specific projects through which the mini-programme will be implemented.

The global grant mechanism has the potential to support sub-programmes which are more independent from their parent programmes than the UK Action Plans and the Swedish Framework Programmes. Greater responsibility for the implementation of mini-strategies is devolved to the local level through the signature of a direct contractual agreement between the Commission and the local partnership.

Global grants have not been widely used within Objective 2 programmes - although they could have been - being much more common in Objective 1 areas and under the Community Initiatives. The Irish Peace and Reconciliation Programme and Leader in France provide examples of how the mechanism can work. A broad framework for development is designed at national level in the case of the Irish programme and at regional level for Leader. Then local partnerships (and/or specialist organisations in the Irish case) are invited to submit mini-programmes. When these have been agreed, their implementation is entirely devolved to the relevant partnerships.

The global grant mechanism is efficient in the sense that responsibilities can be allocated clearly. However, there are considerable skills implications in ensuring that organisations or groups of organisations which may be inexperienced in using the Structural Funds manage them efficiently. Whether or not the skills issue is addressed effectively will help determine whether these approaches can be efficient - or indeed effective. Further, to be realised, locally targeted strategies need considerable local publicity and promotion before projects begin to come forward. This implies the need for animators able to communicate effectively to a diverse audience and to motivate them.

In terms of programme effectiveness, global grant funded sub-programmes, proposed by local partnerships offer several advantages.

- They have proved effective in facilitating the local strategy and partnership building required for locally-driven economic development.

- They have enabled organisations which would never previously have become involved in Structural Fund programming to make a real contribution to local employment generation, and to join forces in new or strengthened local partnerships. These bodies have gained skills in economic development which will bring longer term benefits.
- The global grant mechanism means that, in a formal sense, local partnerships have gained full responsibility for implementing their mini-programmes. Due to the contractual agreement with the Commission, the role of intervening - regional and national - tiers is reduced to a minimum. The responsibility involved is considerable, giving local communities a sense of self-determination which can lead to a sense of empowerment and ownership, in turn bringing commitment and momentum. This can translate into the quality of results obtained. The OECD is currently studying the Irish local partnership model which the Structural Funds have helped to strengthen. It is seen as a good example of how local regeneration can be promoted through local involvement. A key question concerns the extent to which it is necessary to allocate all management functions to local implementing groups to mobilise local actors. Under their main programme's community economic development priority, some English Objective 2 areas have asked local partnerships to prepare and agree local development strategies as a condition for gaining access to Structural Funds support, but without earmarking funding directly to them or devolving envelopes of finance.

3. CRITIQUE

The above case studies illustrate several arrangements through which sub-programmes are being implemented by mini-partnerships within wider Structural Fund programmes. They differ in several important respects, most notably in the responsibilities which are devolved to the sub-partnerships - and thus their degree of independence from the programme proper. A broad divide can be made between strategic and management functions. Most of the above cases involve the decentralisation of both groups of functions whereas the Packages, in particular, involve decentralisation of strategic functions, but with markedly less decentralisation of administrative and financial functions.

The following discussion uses the above examples to explore the potential contribution of sub-partnership mechanisms to successful Structural Fund programming - measured in terms of efficiency and then effectiveness.

3.1 Sub-partnerships' Contribution to Efficiency

The above case study profiles indicate that the ability of sub-partnership mechanisms to enhance the efficiency of programmes by decentralising 'management' functions may be limited, and this for three reasons. First, they entail the *redistribution* rather than the *rationalisation* of tasks - leading to little if any *net* reduction of workloads. Second, the reallocation of tasks (such as project appraisal, issuing payments or compiling monitoring data) among a range of sub-partnerships tends to lead to fragmentation and the loss of economies of scale which would be obtained if these tasks were undertaken by a more centralised organisation or committee structure. Third, the potential of

sub-partnership structures to enhance efficiency may be further impeded - in the short term at least - by the lack of specific Structural Fund expertise and management resources among some sub-partnerships and the organisations providing their secretariat.

If responsibilities are decentralised, then programming authorities should benefit most. Their administrative load should diminish in favour of the sub-partnerships. However, these advantages can be offset by new obligations: the process of establishing and agreeing the meso-strategies described in this paper has been extremely intensive for the central programming authorities. In part, this is because of the relative novelty of most of these mechanisms, but also because of the complexity of appraising strategies (including their management arrangements) rather than isolated projects and the importance of rigorous assessment at this stage to ensure a good foundation is in place for successful implementation. The situation is no easier when the EC is appraising the sub-programmes: there have been examples of global grants taking longer to approve than SPDs.

At the implementation stage, secretariats and monitoring committees must continue to oversee how implementation is progressing, involving detailed analysis of financial and monitoring information, in order that timely action can be taken in case of problems. Except where global grants are being used, the main programming authority remains responsible for the proper use of the Funds. Even if an 'accountable body' has been appointed for a sub-programme, this *final* accountability limits the relinquishing of central responsibilities. The safeguards of accountability and good practice which have to be built in have their own resource implications.

A full and clear allocation of powers to sub-partnerships may involve least duplication and the greatest efficiency gains, but even here the issue is not clear cut. Global grants formally devolve implementation responsibilities to mini-partnerships for mini-programmes, yet there are also resource implications. In France under Leader II, the government offices in the regions established regional frameworks for Leader II bids and offered their expertise to assist in the development of appropriate bids - a function made necessary by the inexperience of many rural local actors. To ensure successful implementation, these offices continue to monitor Leader implementation groups (GALs) and provide technical support for them. The Aquitaine Structural Funds programme manager has appraised their administrative implications - which should have been minimal - as extremely heavy.

In spite of what could be termed the 'inherent inefficiencies' of sub-partnership mechanisms, they do offer potential for some modest but worthwhile gains in terms of efficiency. A key area is in facilitating the development, appraisal and approval of numbers of small projects, including those proposed by businesses. The workload generated by these projects can be devolved to agencies or groups which are more appropriately structured to process them - to the benefit of both the final applicants and the central programme management structures. In illustration, *Foretagsutveckling Fyrstad* has enhanced firms' access to the Objective 2 programme in three ways: simplifying the applications process, shortening decision-making times, and reducing delays in delivering tranches of project co-financing.

Further potential efficiency benefits are exhibited by the ‘packages’, which are helping to address overbid - obliging sub-regional and/or thematic partnerships to prioritise between potential projects themselves on the basis of their mutually agreed priorities and thus to reduce the potential overbid at an early stage. Again, this is more efficient for the central programme managers and committees - whose case load will be significantly lighter - and for applicants, fewer of whom will waste time fully developing proposals which are then rejected.

The case studies also indicate four main ways in which the inefficiencies of sub-partnership mechanisms can be mitigated.

- *Ensuring the provision of appropriate training.* New skills and knowledge are required to equip those taking on programming responsibilities, especially where they have not been closely involved in Structural Fund programming before. It also takes time for those involved to come up to speed. There may be medium term benefits which repay the efforts as a wider partnership will be better informed about economic development matters and Structural Fund regulations and approaches, and so able to use the Funds more effectively and creatively.
- *Designing common systems.* To minimise the loss of economies of scale in administration where responsibilities are being decentralised, main secretariats could assist sub-programmes in establishing appropriate and mutually compatible systems.
- *Dividing responsibilities clearly.* Duplication of functions could be reduced by clearly defining and agreeing where final responsibility lies for specific issues. If the identity of the final accountable organisation for any given programme or sub-programme is agreed between all tiers from the EC down, then there is less need for higher order organisations and groups to duplicate functions such as monitoring and project appraisal in order to ‘cover themselves’ should mistakes be made or differences of opinion occur.
- *Responding effectively to the additional needs of sub-partnerships.* A co-ordinating authority could be established to support the activities of sub-partnerships, as in Ireland where the local partnerships across the territory are co-ordinated by central partnership bodies.

A final approach to minimising the diseconomies which seem inherent in sub-partnership mechanisms is to disaggregate policy and management responsibilities and consider how *each one* can be most effectively distributed. Decentralising policy functions seems to offer most benefits in enabling partners to contribute to effective programming, while efficient management responds instead to a centralising dynamic. Many partners agree that dispersing ultimate financial responsibility is the most problematic area - not only for central programme managers but also sub-partnerships. Some are strongly opposed to this, for reasons including the difficulties allocating financial accountability to coalitions of individual organisations. Others argue that devolving financial responsibilities to local partnerships gives them a strong sense of self-determination which would not otherwise emerge. The differences of opinion underline the need to consider each responsibility in

relation to the context in which it is being distributed in order to devise the most effective solution. The ‘packages’ provide a good illustration of how sub-partnerships can be involved in strengthening the strategic orientation of programmes without necessarily needing to take on formal responsibility for managing programme implementation. This arrangement might be preferred to situations where Structural Fund management functions are devolved but final responsibilities are ambiguous, or where few potential ‘accountable bodies’ want to assume accountability (which entails risk for no tangible reward).

3.2 The Contribution of Sub-partnerships to Programme Effectiveness

Active sub-partnerships contribute in several ways to effective programme implementation - although again, the benefits are often not entirely clear cut. Four principal areas are highlighted here, namely their capacity to deepen programmes’ strategic orientation, facilitate locally-driven regeneration initiatives, enhance project quality and improve co-ordination between the Structural Funds.

3.2.1 Strategic Orientation

In spite of wide consultation at the strategy drafting stage, region-wide strategies, drawn up under tight time constraints and aiming to define common objectives to which a wide range of actors can adhere, can be too abstract or general for applicants to translate easily into their own projects. They tend to reflect too little of the sub-regional diversity and to address specialist economic development areas such as technology and innovation in too little depth. The design of sub-strategies by meso-partnerships offers a valuable means to address this strategic deficiency. Sub-strategies feed into more effective programme implementation by providing additional guidance to future applicants and/or better informing the project appraisal and selection process.

Among the potential risks of encouraging programme implementation through sub-strategies is a loss of overall coherence in what are, after all, intended to be *regional* development programmes. Where sub-groups carry the main responsibilities for implementing their sub-programmes independently, they have few reasons for detailed vertical communication with the main programme structures. They are also unlikely to have well-developed horizontal links with other sub-groups undertaking similar functions. Without intensive vertical or horizontal communication, the mechanisms can be lost through which regional coherence might be most easily maintained - eg. in the consistency of decision-making and the strategic orientations which are being followed in implementation. One way to address this is to focus the role of sub-groups on their strategic input, but ensure that central structures, including the main secretariat and decision-making committees retain more of the ongoing responsibilities of implementation.

3.2.2 Locally Driven Economic Regeneration

The issue of locally-driven development is growing in importance for the Commission as it harnesses the energy of a wider range of actors - many of whom would never previously have been involved with the Structural Funds -

in ways which can contribute to grass-roots regeneration. The territorial employment pacts, which aim to 'establish enlarged regional or local partnerships to enable a more effective co-ordination of actions'¹⁹ have provided the EC and the pact partnerships themselves with opportunities to explore how the objective of employment creation²⁰ can be achieved from the bottom up. The success of the pact initiative would appear to indicate that the Commission's interest in local development will continue.

Among the economic development themes pursued by Structural Fund programmes, locally targeted regeneration presents specific challenges. Here, the active involvement of locally defined partnerships in developing and carrying out regeneration initiatives is imperative. Regional development strategies as embodied in SPDs are in many ways an inappropriate vehicle to act as *direct* catalysts for locally driven regeneration. They are too broad and distant to directly identify specific local issues or mobilise local potential. Rather, the co-financing and policy frameworks they present open the opportunity for the required *intervening* stage in which local actors come together to devise their own approaches, relevant to local conditions and 'owned' by local activists²¹.

There are several examples of existing mechanisms which facilitate the emergence of local partnerships addressing specific locally-based economic development problems in an integrated and relevant way. Among the Commission actions have been several of the Community Initiatives including Peace and Reconciliation in Ireland. By funding the local development proposals of a nation-wide network of local partnerships, the Irish Peace and Reconciliation Programme is considered to have 'opened up new channels for the representation of excluded groups in the decision-making process and ... facilitated the involvement of grass roots community organisations and trade unions in the development of cross community and cross border projects'²². The devolution of responsibility through the global grant mechanism has led to a sense of local self-reliance and a high degree of professionalism in implementation.

Leader offers further examples. Aquitaine's dozen Leader II projects are judged to have made a valuable contribution to rural development in the region, in particular by strengthening pre-existing local partnerships and engendering new ones. This has led to locally relevant debate about economic development priorities and then to successful actions which the Objective 5b programme, with its more established partnerships and larger scale of intervention, would not have brought about. A programme manager has argued that they add a further, welcome dimension to 5b rural development actions, and could usefully be incorporated into the provisions for the new Objective 2.

¹⁹CEC (1997b) *EC Structural Funds Fact Sheet 13.6.1997 EN - Territorial Employment Facts*, Commission of the European Communities, Brussels

²⁰For further, constantly updated details see the Internet site - <http://europa.eu.int/comm/pacts/>

²¹CEC (1996) *Social and Economic Inclusion through Regional Development*, Commission of the European Communities, Brussels - p15.

²²McCarthy, A (1997) Report on development problems and structural interventions in the UK in the period 1994-99, *Session document A4-0126/97 to the European Parliament Committee on Regional Policy*

Again, there are skills implications for both the design and implementation of local strategies. Capacity building has to be an integral part of many sub-partnership initiatives if the relevant groupings are to operate effectively in a specialist, often somewhat abstract and complex area. The diffusion of economic development skills and knowledge among a much wider community - and in particular of specialist knowledge of the Structural Funds - may strengthen the overall ability of systems to deliver a high quality and quantity of outputs. The fact that the local partnerships in Ireland are co-ordinated by a central body provides a structure which can efficiently assume a developmental role among the partnerships. A further need is for locally based sub-programmes to be strongly promoted in their locality.

3.2.3 *Project Quality*

A constant preoccupation of those implementing Structural Fund programmes is project quality. Programmes achieve their direct outputs and impacts through projects, and thus it is here that value for money is really achieved. The sub-partnerships under discussion in this paper make different contributions to project quality.

In developing 'packages', sub-partnerships draft mini-strategies and undertake the prior selection of projects which will enable their objectives to be realised. The fact that potential projects are presented and compared at an early stage permits informed discussions which can lead to material improvements in the projects, in particular by identifying duplication and opportunities for synergy. There are also two elements of competition which can help raise project quality. First, in a context of high overbids, the various partners compete for their projects to gain a place on their own sub-programme project shortlist. Then, the sub-programmes for each SPD priority go into competition with each other to gain a higher earmarked allocation from the overall SPD priority budget.

It is hoped that the packages will also lead to greater strategic effectiveness by permitting a more rounded assessment of project 'quality'. Projects will be assessed for their contribution to a mini-programme of actions - rather than as stand-alone projects in a bigger programme. Proposals which offer limited direct outputs and impacts, but which are important structuring initiatives for future economic development will be seen in a more positive light.

The Swedish Framework Programmes have provided a mechanism for complex joint project development which has considerably enhanced the strategic effectiveness of the actions supported under specific measures. Rather than funding a number of potentially overlapping and competing initiatives, a range of co-financing partners 'pooled their knowledge and resources'²³ to establish an integrated programme of actions. This approach to providing services to business is much more strategic than the proliferation of small support initiatives - and likely to lead to enhanced outcomes. The approach taken in *Foretagsutveckling Fyrstad* (for business development) also enabled a key strategic question to be answered - how the SPD could encourage firms to network. Company networking is notoriously difficult. The FP addressed it through a three-stage structure in which firms are

²³ Ekberg T (1997) Fyrstad's new sense of identity and purpose, *North*, Vol 8, 1997 p 16.

supported first as individuals and then progressively encouraged to join into networks to access further support. The expertise of the dedicated sub-partnership - and, ultimately, the co-financing resources they had to bring - made this possible.

There are several reasons why sub-partnership mechanisms may not reach their potential for improving project quality. First, in the case of the package development process, a process of strategic questioning may in reality not precede the selection of projects. Instead, the compilation of a list of projects may come first and the strategic framework be constructed around them - to the detriment of project quality. Second, in the decision-making process, some partners may gain undue influence, perhaps because of their larger co-financing contribution, or their role in providing a sub-partnership's secretariat. Third, there is a risk that sub-partnerships which are particularly independent from the programme proper may begin to pursue priorities and apply measures of quality which diverge from those the main programme committees would use. A safeguard here is the attendance of a representative of the main Monitoring Committee on the Framework Programme steering groups.

3.2.4 Fund Integration

Co-ordinating training with other economic development actions within the framework of an Objective 2 programme is difficult, not least because the two funds must be drawn on (the ERDF and ESF) which are significantly different in terms of the way they must be managed²⁴. Sub-programme structures offer two ways to improve integration.

First, rather than seeking integration across the whole of a programme, or between individual projects, they enable routes to integration to be identified at a mid scale. The mechanisms under discussion establish a mini-strategic framework which incorporates both the ERDF and ESF (and in the case of Leader projects the EAGGF also). Mono-fund proposals were made for Action Plans and Packages, but rejected on the basis that they failed to address Fund integration. The focused discussion which sub-strategy building entails about how training relates to other proposed activities helps to focus on practical areas in which synergies might be achieved, and to communicate this to potential applicants.

At the implementation stage, where structures receive devolved financial responsibility for envelopes of ERDF and ESF (as in the Swedish FPs) there is no longer a need for applicants to be aware that two funds are in operation and differ in their rules and set-up. Where technical issues do not impede project development, projects can be formed in a more straightforward and integrated way on the basis of economic development needs - potentially leading to enhanced outcomes.

Devolving financial responsibility to sub-programmes is not a panacea for the difficulties faced using the Funds in an integrated way, however, as the case of Leader illustrates. Leader II had less potential to use the Funds in an

²⁴ Taylor S (1997) Structural Fund Synergies - the ERDF and ESF in Objective 2 Programmes, *IQ-NET Thematic Paper*, 2 (2), EPRC, Glasgow.

integrated way in France than Leader I. Under Leader I, the partnerships' global grant consisted of a single financial envelope, while in Leader II, they receive three envelopes - for the ERDF, the ESF and the EAGGF. As such, the Leader partnerships (GALs) have had to impose the somewhat artificial logic of the funds onto projects. Previously, they would have been able to accommodate integrated projects without question.

4. QUESTIONS AND ISSUES

Structural Fund Partnerships are increasingly large and diverse. Inevitably, some partners are more active than others, leading to inner and outer circles emerging. To harness the potential of a wider partnership, there is a need to find ways to make organisational structures more inclusive and practically engaging. The above has explored how some programmes are doing this by inviting sub-partnerships to propose their own strategies for the implementation of parts of the SPD. It has been shown that the potential impact on programmes depends on how the new mechanisms are managed and the exact appropriation of programming functions and responsibilities between them and the main programme structures.

There are arguably two primary motivations for most public sector organisations getting involved in sub-partnerships: first, the wish to directly secure additional resources on behalf of those they represent, and second, the desire to influence economic development priorities and thus indirectly gain greater access to resources. It is these resource benefits which ultimately give sub-partnerships their momentum. However, effective participation in sub-partnerships as well as in the overall partnership has commitment implications for everyone.

The commitment issue means that for sub-partnership mechanisms to be worthwhile, they must bring net benefits to programme implementation, and possible drawbacks must be minimised. Successful implementation of programmes requires the optimal distribution of a range of functions and responsibilities between a range of actors. A crude division has already been made between management and strategic functions: the optimal distribution of management functions (leading to efficiency) appears to respond to a logic of centralisation and consolidation, while strategic functions (leading to policy effectiveness) seem to respond to an opposite force entailing the greater involvement of sub-groups. Optimal proposals involve each function finding its appropriate level or levels.

It is possible that parts of future Structural Fund programmes will be implemented by mini-partnerships proposing their own strategic frameworks within wider regional programmes - especially if the EC's emphasis on locally driven regeneration and employment creation continues. In view of this, and as part of a more current debate, a number of key questions arise:

- Is there a need to improve the operation of partnership in Objective 2 programmes, now and in the future?
- What is the potential for 'sub-partnership structures' to contribute to better Structural Fund programming? What are the main issues to which they may provide an effective response? Among the policy areas where they

appear to be particularly valuable is locally driven economic development. They also appear to respond to the problem of maintaining strategic focus in large programming areas. To what extent can they contribute elsewhere?

- What is the optimal allocation of responsibilities between sub-partnerships and central programming structures? The examples above have highlighted the need to recognise the possibility of disaggregating functions, decentralising them to different extents as appropriate. Sometimes, optimal solutions may go against the push towards decentralisation. The examples also illustrate the need to design responses *in partnership*. Imposed solutions go against the ethos of partnership and may not succeed.
- If sub-partnership structures are to achieve their potential, then the special skill and management issues they pose need to be dealt with effectively. Otherwise, improved effectiveness may be cancelled out by greater inefficiencies. How can these issues best be addressed?
- Finally, how can a balance be maintained between the regional and local scales of programming? Regional consistency and coherence could be sacrificed in favour of a fragmented patchwork of independent actions if too much responsibility is devolved to sub-partnerships and functions are not retained centrally which permit coherence to be maintained.