
IQ-Net Bulletin - Issue 3

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Fyrstad Hosts the fourth IQ-Net Meeting

Threatened by a blizzard moving down from northern Scandinavia, over 40 participants from Objective 2 regions and Commission services attended the fourth meeting of the IQ-Net network in November 1997 in the Fyrstad - 'four cities' - Objective 2 region in Sweden. As previously, the meeting was dedicated to intensive, informed discussion and exchange of experience among programme managers covering a range of operational and strategic programming topics. The formal sessions covered three important themes:

- *equal opportunities*: how to develop strategies to promote equal opportunities, and distinctive experiences from selected equal opportunities projects supported by the Structural Funds;
- *the contribution of sub-regional partnerships to the implementation of the Funds within Objective 2 programmes*: the use of different partnership arrangements in various programmes and regions to ensure more local involvement in the design and delivery of projects;
- *the evolution of programming*: the lessons for programming from the past 2-3 programming periods, and the prospects and questions for the next generation of programmes in the light of Agenda 2000 proposals.

Supplemented by a local study tour, including visits to local enterprises, the meeting also explored some of the distinctive aspects of the Fyrstad regional development programme. Of particular interest is the use of so-called 'framework projects' - flagship projects to unite partners and deliver large-scale business development initiatives managed by a third party intermediary to encourage new start-ups and SME development. A further feature was the work of the local *Kooperativt Resurs Centrum* which is targeted at female entrepreneurs and provides free advice on all aspects of the formation of co-operatives.

This Bulletin provides more detail on each of the above themes as well as background information on the IQ-Net network. For the first time, the 'IQ-Net Thematic Papers' are being made available to a wider readership; these are research papers prepared by the European Policies Research Centre for the various IQ-Net meetings and which provide a basis for discussion among delegates. Also available are various 'Occasional Papers' on Structural Fund subjects prepared by external contributors. Feedback by post, fax or e-mail is always welcome.

The evolution of Objective 2 programmes

With re-programming now complete and the mid-term reviews drawing to a close, attention is shifting to the fundamental reform of the Structural Funds initiated with the publication of Agenda 2000. A key issue in the evolution of Objective 2 programmes has been the approach to programming. Over the past eight years, most aspects of programming have developed considerably as regions gained familiarity with the principles and operational requirements of designing and implementing programmes. Reflecting the lessons learned, Agenda 2000 makes commitments to simplified and decentralised programme management, with a clearer division of responsibilities between Commission, national governments and regions, although how this will work in practice is not yet clear.

This article provides a brief overview of the learning curve experienced by regions with respect to the programming process, and the future of Objective 2 programming within Agenda 2000. It also highlights key issues for the future direction of programming within the Structural Funds.

The long term evolution of Objective 2 programmes

The progression from the 1994-96 to the 1997-99 programmes can be seen as part of the longer term continuum of programme evolution; it is possible to identify a developmental process of 'learning' about programming. The matrix below identifies how the different aspects of programming appear to be evolving on the basis of experience across the EU, demonstrating a 'learning curve of development'.

The key message is that the learning process is continuous and incremental, and that regions progress over time in the quality of the programming. The 'learning curve' covers all aspects of programming: plan preparation; strategic direction; management and administration; partnership; project delivery; and monitoring and evaluation.

PROCESS	PHASE 1 (1989-93)	PHASE 2 (1994-96)	PHASE 3 (1997 +)
Plan Preparation	Exclusive	Responsive	Interactive?
Strategic Direction	Passive	Active	Intensive?
Management/ Administration	Disjointed	Consultative	Integrated?
Partnership	Exclusive	Semi-exclusive	Inclusive?
Project Delivery	Opportunistic	Pro-Active	Strategic?
Monitoring/ Evaluation	Unsystematic	Systematic	Comprehensive?

Source: EPRC research.

- During early stages, plan preparation was often undertaken by small groups or committees, frequently within an individual government department, and often with limited discussion and consultation. Second phase plans were more carefully prepared and participative. There is now evidence of a more on-going, interactive process of analysis, consultation and feedback among a wide range of partners, with more sophisticated planning techniques.
- Early programmes had little or no strategic direction, being viewed essentially as mechanisms for drawing down EU funding. Often they were relatively traditional, related to pre-existing priorities and structures. In the second phase, programmes moved to a more coordinated approach, displaying greater integration and policy innovation. The most recent developments continue the process of innovation and experimentation, and also incorporate a multi-level approach, focusing more on specific issues and regions.
- First stage programmes were disjointed in management and administration; they were essentially department or agency based, with little cross/inter-departmental communication. Although departmental barriers still exist, implementation systems have matured, with the use of secretariats, advisory groups and local delivery mechanisms.
- Partnership was often token or non-existent initially and is still limited in many places. Early programmes were characterised by the exclusion of key groups, limited participation of public bodies and limited public awareness. There is now an increasing commitment to the value of partnership, with regions setting up systems which formalise partnership arrangements.
- Initial approaches to project delivery were opportunistic. Project delivery has increasingly become more pro-active, with a more integrated, developmental approach. The processing of applications has become more professional, and formal and systematic selection procedures have been introduced in many regions.

- Monitoring and evaluation represented one of the least developed aspects of early programming. Data was poor or non-existent, there was an absence of targets and indicators, and monitoring systems (for physical indicators at least) were rudimentary and unsystematic. A considerable amount of development work has been undertaken, and in the longest-running programmes, there are ambitions of creating fully integrated physical and financial reporting systems, and comprehensive monitoring and evaluation frameworks. A positive commitment to evaluation and monitoring is now evident, and increased regional involvement in overseeing and developing guidelines has improved the practical relevance of evaluation results.

Which way next?

The future direction of programming depends on the outcome of the debate over the reform of the Structural Funds initiated by the publication of Agenda 2000 in July 1997.

Under the Commission's proposals for improved programme management, single, multi-annual programmes would be prepared for each Objective 2 region. With a clearer division of responsibilities, Commission and national/regional/local authorities would identify priorities and targets, and programmes would be implemented with decentralised management and simpler financial administration. There is universal agreement among Member State authorities at all levels that the management of programmes needs to be overhauled with significant rationalisation of administrative procedures. There is scope for simplification at every stage of programming.

Issues for future programming

Three key issues should be addressed when considering the future of programming under the Structural Funds.

- Simplification: the Structural Fund regulations need to be rationalised, eliminating the overlaps between the framework, coordination and Fund-specific regulations. Priorities and eligibility rules should be clearly stated, and financial management procedures should be simplified, providing greater flexibility. The Commission's approach to determining the eligibility of expenditure should be consistent across Member States.
- Decentralisation: a way should be found of adapting the implementation of Funds to suit different national conditions, potentially with different degrees of decentralisation e.g. by developing a system of

'implementation agreements' determined bilaterally between the Commission and each individual Member State.

- Accountability: with greater decentralisation, the challenge of accountability will increase for the Commission, and for Member State authorities nationally and regionally. One way to promote good performance would be to ensure a clearer division of responsibilities and accountability between the Commission services and Member State authorities at national and regional level. Member State audit arrangements should have a greater role in monitoring, control and the use of sanctions. The Commission's role should be to work with and through national institutional arrangements for audits and evaluation to secure the required information flows.

JOHN BACHTLER AND RONA MICHIE

The challenge of integrating equal opportunities into Objective 2 programmes

The involvement of the European Communities in the issue of equal opportunities dates back to the Treaty of Rome in 1957. Since then, the focus has changed from the demand for equal pay for equal work, enshrined in Art. 119, to equal opportunities. In the 1997-1999 round of Objective 2 programmes, the EC has placed a high priority on incorporating equal opportunities into regional economic strategies. Targets have been set to raise the participation of women in the labour market and overall to raise the skill and competence levels of the workforce. In setting the agenda for these changes, the EC is particularly concerned to promote good practice in this area. The article concentrates on the challenge of integrating equal opportunities into broad economic regeneration strategies from the perspective of both the Commission and the regions. It concludes by highlighting some issues and questions which can form the basis for future discussion in this complex area of policy.

Mainstreaming

The concept of *mainstreaming* is central to the Union's policy for equal opportunities. This more global approach to equality calls for the development of a gender perspective and gender analysis of all policies, programmes and actions. 'Mainstreaming' is defined as: 'the systematic consideration of the differences between the conditions, situations and needs of women and men in all Community policies, at the point of planning, implementing and evaluation, as applied to Europe, the industrialised countries and the developing countries'. The communication on mainstreaming adopted in February 1996, assesses the ways in which equal opportunities have been taken into account to date in EU policies. It also contains suggestions for future action. The communication identifies the important role for the Structural Funds in achieving equal opportunities, underlining the potential of Objective 2 programmes in general, and the ERDF in particular, to promote the contribution of women in regional economic strategies.

Equal opportunities in Objective 2 areas

Commission services underline the various factors that must be considered in the integration of equal opportunities provision into Objective 2 strategies.

- The national context is influential. The position of equal opportunities on the agenda of the different Member States reflects different socio-economic and cultural priorities and institutional structures.
- The complexity of needs in this area means that a clear analysis of the situation in the region is crucial. Survey work carried out by the Commission in a small number of regions underlined the range of different women's needs with regard to participation in the labour market and in enterprise development. Some require capital and skills investment, and others skills training with support such as childcare, flexible working hours and expert advice.
- The crucial starting point is the collection and analysis of baseline information which can provide the basis for realistic targets and enable benchmarking of the process of achieving equal opportunities in programmes.
- The task of integrating equal opportunities strategies into Objective 2 programmes is complex. One way would be to focus on measures, while another would be to provide that a proportion of beneficiaries must be women.
- The Action Programmes and Community Initiatives such as URBAN are useful, flexible instruments for targeting women's exclusion. Objective 2 Programmes are much more rigid, but it is important that women are seen as part of regeneration strategies and part of the solution to promoting regional economic development.
- Monitoring and evaluation are an important tool in this process, yet most regions do not have effective systems in place or the requisite methodology for this purpose.

The Commission's approach to overcoming these factors is threefold. The first stage is to gather reliable information about the starting position in the regions and the second to evaluate their needs - a process that is difficult and time-consuming. The third stage involves identifying the barriers to integration in the different systems and developing coherent policies and strategies to overcome them. Lastly, there is a need for a system of ongoing monitoring and evaluation at relevant stages. Commission services report that the draft of a tailored

methodology for the evaluation of equal opportunity projects and initiatives is being circulated with a view to finalisation in early 1998.

Regional experience of management, implementation and evaluation

Research on this theme focused primarily on the integration of equal opportunities issues into Objective 2 programmes. The paper prepared for the Fyrstad meeting sets out the experience of the regions, underlining the range of projects being undertaken and identifying distinctive and innovative practice at different stages in the programming process, from strategy development, through to implementation, monitoring and evaluation. Successful integration of equal opportunities strategies in Objective 2 programmes requires active consideration and incorporation at all stages of the process. It is notable that there is a range of experience between and within Member States with regard to how equal opportunities considerations have been integrated into Objective 2 programmes and to what extent. Nonetheless, a number of common issues merit further discussion.

Issues

Objective 2 as a vehicle for equal opportunities

The central question relates to the suitability of Objective 2 programmes as a vehicle for the promotion of equal opportunities. Equal opportunity has been a priority for longer in Objective 3 and under the NOW (New Opportunities for Women) Community Initiative, and it has proved easier to define actions under these programmes. Among the difficulties in Objective 2 programmes is identifying what the Objective 2 programme can do which does not duplicate Objective 3 and NOW actions.

Regional information

It is difficult to integrate equal opportunities strategies into regional development programmes without a clear picture of what is happening in the regions. There is an obvious need for comparable data and reliable information. The Commission is working on guidelines for data collection in this area, but the impetus must also come from the regional partners and managers.

Vive la différence

The differential levels of activity and incorporation must be situated within the different social, economic and cultural contexts. Recommendations and guidelines must take into account these practical differences when designing policy.

Co-financing and partnership

The question of *co-financing and partnership* needs to be addressed. The widespread insistence by many Member States that the membership of partnerships should be drawn from the programme's co-financers militates against the participation of women. The fact that women are not present in a representative and forceful capacity in the partnerships pushes them one step away from programme design and management.

Timescales

The primary focus of programme managers in overseeing the implementation of complex economic development programmes has to be achieving job creation. Complex horizontal priorities such as environmental sustainability and equal opportunities have to compete for time, expertise and resources. The hectic pace of programming periods exacerbates the problem.

Good practice and exchange of experience

Regional actors differ in their response to the provision of more guidelines by the Commission. Concern was expressed that programmes are becoming increasingly rigid and that regional distinctiveness is being eliminated. However, most regional managers underline the need to identify good practice, and to exchange information and experience on all stages of the process from the design of programmes and regional strategies through to the monitoring and evaluation of programmes and projects. The IQ-NET Conference held in Fyrstad provided an opportunity for this information exchange to take place.

RONA FITZGERALD AND PATRICIA NOBLE

Profile: Fyrstad in Sweden

The Objective 2 area of Fyrstad- the 'four cities region' - is located in the West of Sweden, 100km north of Göteborg and comprises the municipalities of Lysekil, Uddevalla, Vänersborg and Trollhättan. Although Fyrstad is a multi-polar region with short internal distances, the Objective 2 area is divided in two by county administrative boundaries: Uddevalla and Lysekil belong to the County of Göteborg and Bohus, while Trollhättan and Vänersborg are part of the County of Alvsborg. The region has a total of 154,000 inhabitants and is densely populated compared with the rest of the country - 81 inhabitants per square kilometre (compared with an average of 20 in Sweden as a whole).

The challenge

Fyrstad's economy is characterised by a high degree of dependence on a small number of industrial sectors. With virtually one-third of the region's jobs in manufacturing, Fyrstad is significantly more manufacturing-oriented than the Swedish economy as a whole (25 percent). It is dominated by a small number of major firms - a factor which in part explains the relatively weak base of SMEs and poor entrepreneurial climate. Owing to shortcomings in local transport infrastructure, the region suffers from a poorly integrated labour market and significant intra-regional unemployment disparities. The region is further hindered by a relatively weak further and higher educational system. As a consequence of this, competence gaps exist within local companies, where a number of qualified tasks are carried out by personnel without appropriate qualifications.

The opportunities

The Fyrstad region also has a number of inherent economic strengths. Fyrstad has several world class manufacturing companies, including Volvo Aero and Saab Automobile, which undertake leading-edge R&D. In addition to its manufacturing sector the region also has a healthy maritime sector which includes oil refineries, important ports and strong aquatic research centres. Fyrstad's close proximity to the dynamic industrial region of Göteborg also provides opportunities for local enterprises to gain access to important regional markets and producer services. Other regional advantages include good housing and a pleasant physical

environment, the latter making the development of the tourism industry a further opportunity for the region.

The strategy

The main objective for the Fyrstad Objective 2 Programme is to 'contribute to the creation of a robust region with strong competitive capacity and a higher level of employment in an integrated and efficient labour market'. To achieve this, the programme has the following six objectives:

- *diversify* enterprises and competencies in order to reduce dependence on large companies and one-sidedness;
- encourage greater *flexibility* in enterprises and the labour force in order to achieve greater long-term competitive strength;
- improve *access* to knowledge, competence and markets to secure greater competitive capacity and stability;
- preserve *cohesion* and participation in the life of the community as this is the base of a stable and robust society;
- develop local and regional *co-operation* in order to create a stable region with a viable labour market; and
- preserve and further enhance the attractive natural and man-made *environment*.

Conversion priorities and measures

In order to attain the above objectives, the Fyrstad SPD sets out the following conversion priorities:

- Priority 1 *SME investment and company start-ups*. The purpose is to create new companies and to boost investment in existing SMEs and, as a result, to create new jobs in the region.
- Priority 2 *Competence and skills*. The objective is to make enterprise more competitive and to make better use of and develop human resources. This priority will play a pivotal role in raising the competitive capacity of the region and improving its flexibility.

- Priority 3 Business environment. The purpose is to supplement and increase the return on infrastructure in the region. Action under this priority will help Fyrstad to meet the necessary conditions for durable growth.

Implementation of the Fyrstad Objective 2 Programme

To implement the Structural Funds in Sweden, a new and complex structure was established, combining decentralised decision-making on project selection with highly centralised financial management. In Fyrstad, a small independent secretariat was set up to implement the programme. Part of the reason for Fyrstad's autonomy from the County Administration Boards (CABs) was the fact that the region crossed two CAB boundaries, Alvsborg and Bohus, which traditionally had little experience of working together on regional development. From 1 January 1998, local government re-organisation in the West of Sweden will see a merger between all three County Administration Boards. This will then be followed by the merger of the three County Councils on 1 January 1999. This is expected to have a significant impact on the operation of Fyrstad's Objective 2 programme.

Fyrstad has its own Project Management Committee (PMC) or Decision Group which decides on project applications. In Fyrstad, this body, which is chaired by the local County Governor of Alvsborg, comprises local partners including the four local Municipalities, two County Councils, two County Administration Boards and the County Labour Market Board. PMC decision-making is supported by various sub-committees and advisory groups.

Innovative Practice in Fyrstad

One of the most novel and innovative features of the Objective 2 programme in Fyrstad is the so-called 'framework programmes'. These flagship projects are large-scale business development initiatives which are managed by a third party intermediary who co-ordinates the delivery of support under the programme. The intermediary manages all aspects of the programme and offers eligible firms a straightforward 'one-door' approach to various types of assistance.

There are three framework programmes in Fyrstad.

- *Foretagsutveckling Fyrstad* is a business development programme designed to develop the competence levels in SMEs.
- *Foretagsstart Fyrstad* is a small business start-up programme designed to boost the number of new companies in Fyrstad.
- *Expandera i Fyrstad* is a project which aims to attract inward investment into the region.

Two of these programmes are discussed in more detail in the next article. Further information on all the Fyrstad framework programmes is available from Pär Löwenlid, Foretagsutveckling Fyrstad, Kurödsvägen 1, 451 55 Uddevalla, Tel: + 46 522 19595, Fax: + 46 522 32810, Email: par_lowenlid@west.almi.se

ROSS BROWN

All for one, and one for all: A common response to shared challenges in France

France has 19 Objective 2 areas - the largest number of any EU Member State - each implementing its own programme of industrial reconversion. Until now, they have adapted largely in isolation to the challenges of Structural Fund programming, albeit within a broad framework of national guidance. In September 1997 this situation changed, with the launch of a *national programme of technical assistance*, to be co-financed by the EU and managed by DATAR in Paris.

This programme, which is worth just over 2 MECU (half of which will come from the ERDF) aims to provide a horizontal response to some of the common tasks and difficulties of Objective 2 programming. In particular, the programme will promote the dissemination of innovative and best practices (including through inter-regional networking), and will permit an efficient and effective lead to be taken on management issues best addressed at the macro level. Initiatives will be supported under three measures:

- **Measure 1: Information, improvements and expertise** - including improving the supply of information on technical aspects of Structural Fund implementation and on rapidly changing and specialised policy areas such as new product development.
- **Measure 2: Exchange of experience and transfer of expertise** - aiming to disseminate best practice tools and approaches, through seminars and other information channels, including those which increase inter-regional networking.
- **Measure 3: Evaluation, studies, overall monitoring of Objective 2 and programme marketing** - to encompass the establishment of a national monitoring system, and evaluation initiatives addressing both the impact of programmes and their treatment of horizontal themes such as equal opportunities and the environment.

Further information on this programme can be obtained from Madame Sophie Guilbot-Christaki, at DATAR (1 avenue Charles Floquet, 75007 Paris, France. Tel: +33 1 40 65 11 58. Fax: +33 1 40 65 12 39).

The contribution of Meso-level partnerships to structural fund implementation

With scarce public resources, a common challenge of Structural Fund programmes continues to be maximising impact. The routes to value for money are twofold: efficient management and effective implementation. Like other aspects of programming, 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.

Increasingly, programme authorities have introduced ways to harness 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 article 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 - in these contexts - to meet the better division of responsibilities called for in Agenda 2000.

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. The first two FPs both offer 'one-door' access to a range of business development services: Foretagsstart Fyrstad, for new business start-ups, and Foretagsutveckling Fyrstad, which offers consultancy support to firms to increase their competitiveness through networks.

On balance, the FPs have had positive impacts.

- Establishing an FP is bureaucratic for central programme structures, but once approved, some of the decision-making burden is shifted - the FP's dedicated executive appraises relevant projects and its Steering Group takes final decisions. Of course, this devolved decision-making responsibility is an additional ongoing administrative burden for the Steering Group, but the 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 business needs.

The FPs have had four main impacts on effectiveness.

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

Packages (North East England)

In England, to enhance implementation in 1997-99, programme authorities were invited to take forward 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'. These involve the sub-partnerships in a strategic role but do 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. Henceforth, when project applications come forward, they are approved by the Government Office, on condition that they follow the outline given 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.
- 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: (i) improvements in the speed and flexibility of administration. Projects in the agreed package are effectively pre-approved (subject to compliance with quality criteria), streamlining appraisal and approval circuits. (ii) 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.

Experience with the Framework Programmes and Packages shows that, 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. 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'. Third, they can help raise project quality - the route through which value for money is really achieved - by pooling resources for joint projects and, for example, better serving business needs. Equally the packages provide applicants with the context for their projects and better inform 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 meso scale.

The fact that the effectiveness benefits of meso-level strategies are probably greater than the efficiency ones justifies and obliges efforts to mitigate their 'inherent inefficiencies'. 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 and timely support to 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. A key conclusion is that it is not necessary, nor even desirable, to devolve all programming functions to the same extent to enhance partners' contribution to programme implementation.

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 article illustrates that their impact on programmes depends on how they are managed 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.

SANDRA TAYLOR AND RUTH DOWNES

What is IQ-Net?

IQ-Net is a network whose aim is 'Improving the Quality of Objective 2 Programmes through Exchange of Experience'. It involves a structured programme of debate and applied research through a network of Objective 2 areas in Austria (Niederösterreich, Steiermark), Denmark (Nordjylland), Finland (Päijät-Häme, South Karelia), France (Aquitaine, Rhône-Alpes), Germany (Nordrhein-Westfalen, Saarland), Sweden (Ångermanlandskusten, Fyrstad) and the United Kingdom (Industrial South Wales, West of Scotland). Launched at the start of 1996, and managed by the European Policies Research Centre at the University of Strathclyde in Glasgow, the network exchanges experience on programme development, management and evaluation, bringing together ideas from across the EU and sharing information on 'good practice'. Part-funded by the European Commission (DG XVI), the network meets twice a year, the first four meetings having been held in Glasgow and Cardiff (UK), Gelsenkirchen (Germany) and Fyrstad (Sweden). The next meeting is planned for Bordeaux (Aquitaine) in May 1998.

Published twice a year, the IQ-Net Bulletin provides topical information for programme managers, partners, policy-makers and researchers on international experiences of implementing EU structural policies in industrial areas undergoing reconversion.

Further information about IQ-Net

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