

An aerial photograph of a large, white, cylindrical structure, likely a wind turbine tower, being constructed in a harbor. The structure is supported by a complex network of white steel trusses. Several workers in yellow safety gear are visible on a platform near the top of the tower. In the background, there are other ships and industrial structures in the water.

inet ten

1996-2006

TEN YEARS OF IMPROVING THE QUALITY OF STRUCTURAL FUNDS
PROGRAMMING THROUGH EXCHANGE OF EXPERIENCE

iQnet ten

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Glasgow Waterfront, IQ-Net Conference, Glasgow

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Hampden Park, Venue of IQ-Net 10th Anniversary Conference



Oulu Town Hall, Western Finland



Villa Medicea 'La Ferdinanda', Artimino, Toscana

Introduction

Welcome to this special issue of the IQ-Net Bulletin, celebrating 10 years of IQ-Net - Improving the Quality of Structural Funds Programming Through Exchange of Experience!

IQ-Net was established in 1996 with the aim of promoting learning about good practice in the management and delivery of Structural Funds programmes. Originally set up as a network of programme managers from Objective 2 regions in 7 Member States, IQ-Net has progressively broadened its scope and coverage to include both Objective 1 and 2 regional and national managing authorities and programme secretariats from 13 countries.

Structural Funds programmes are complex initiatives to design, manage and deliver. Programme managers and partners face difficult tasks in applying EU regulations and guidance to suit national and regional conditions. Across the EU, there are common challenges in areas such as strategic planning, programme administration, partnership, project selection, financial management and control, and monitoring and evaluation.

The purpose of IQ-Net is to enable programme managers to share experience in meeting these challenges, to find answers and to avoid problems. As a network, IQ-Net is distinctive in underpinning its six-monthly meetings with structured and comparative reports on the practices and procedures of programme management in different countries and regions.

Over the past ten years, IQ-Net has held some 20 meetings in virtually all partner countries/regions. The IQ-Net reports and debates have covered most aspects of the programming cycle – from strategy preparation through publicity and communication, project generation and appraisal, and partnership-working, to monitoring practices and evaluation – as well as covering thematic issues such as innovation, the information society, employment, environmental integration, equal opportunities, tourism and territorial cohesion.

The network publishes a regular IQ-Net Bulletin, disseminating the results of research and discussion to a wider audience. Most IQ-Net output is also available via the IQ-Net website at <http://www.eprc.strath.ac.uk/iqnet/> which provides a rich source of current and reference information for Structural Funds programme managers and partners.

The value of the network is the better understanding of programme management derived by IQ-Net partners, enabling them to reflect critically on their strengths and weaknesses relative to others. IQ-Net reports and debates have also generated new ideas and solutions on the management and delivery of programmes, and the network



has provided individual learning benefits and new contacts for participants.

This anniversary publication has been designed to illustrate the range of IQ-Net activity over the past decade. It includes extracts from IQ-Net reports and meetings, and it highlights some of the programme management practices of different countries and regions.

As secretariat for the network, the European Policies Research Centre would like to take this opportunity to thank current and past members of IQ-Net for their support of the network, for their active engagement in IQ-Net activities and for their commitment to making exchange of experience and mutual learning a reality since 1996.

Looking forward, the launch of a new programme period in 2007 presents new opportunities and challenges. We look forward to IQ-Net continuing to promote better international understanding of how the management and delivery of Structural Funds can effectively exploit the opportunities and overcome the challenges that lie ahead.

Professor John Bachtler
Director

European Policies Research Centre, Glasgow

Innovation in Structural Funds Programmes

Support for R&D and technological innovation has come to play a more important role in Cohesion policy and in Member States' regional policies in recent years. The

draft Community Strategic Guidelines recommend 'innovation and the knowledge economy' should be a significant focus in Structural Funds programmes after 2006. With the renewed Lisbon agenda, it is likely that the innovation component in the new programmes will increase even further.

Most Member States and many regional authorities have developed explicit strategies or policies in support of R&D and innovation. Structural Funds programmes and domestic regional policies are, to varying degrees, part of these strategies. EU support for regional innovation strategies has played an important role in enhancing the strategic focus in some regions.

While most IQ-Net partners have devoted Structural Funds to supporting Research, Technological Development and Innovation (RTDI), some programmes are especially innovation-driven.

Austria - Niederösterreich and Steiermark



Leoben, IQ-Net Conference Steiermark

The two Austrian IQ-Net partners, Niederösterreich and Steiermark, have developed their own innovation strategies, partly EU co-financed, which have been widely incorporated into the Objective 2 programmes. These strategies are often not only directed at specific RTDI interventions, but also at stimulating broader cultural changes towards 'innovativeness'. For example, Niederösterreich defines innovation quite broadly as all actions that stimulate socio-economic change.

A variety of measures such as technology infrastructure and transfer, as well as R&D (in firms and in cooperation with higher education institutes), are directly linked to encouraging an innovation culture. In addition, soft measures such as the 'innovation assistant' scheme, which had previously been funded under an innovative action, have been included successfully in the Objective 2 programme.

One of the development goals and concepts of the Land Steiermark is to stimulate R&D, technology and innovation.



IQ-Net Conference Steiermark

Its overall objective is to improve the performance of the regional innovation system and to raise the intensity of innovation in businesses. Innovation-oriented measures can be found mainly under the programme's first and second priority, and are related to support for innovative start ups, R&D and innovation in enterprises, as well as knowledge transfer. Moreover, the strategy focuses on seven themes or clusters which entail specific Styrian strengths: the automotive industry; environmental engineering; timber; materials; IT medical technologies in health; business support; and nanotechnology.

In spatial terms, new or technology-oriented businesses may be based in so-called impulse centres, technology centres, science parks, innovation centres, and start-up centres. These types of interventions are often co-financed by the federal government, which aims to raise the R&D quota in Austria to 3 percent of GNI by 2010.

Germany – Nordrhein-Westfalen and Sachsen-Anhalt



IQ-Net delegates on study visit to DortmundBioMedicineCentre, Nordrhein Westfalen

The German IQ-Net partners finance a wide range of interventions in the field of innovation. Support for technology and innovation plays a strong role, with both the Nordrhein-Westfalen Objective 2 programme and the Sachsen-Anhalt Objective 1 programme underlining the importance of upgrading technological resources and enhancing the use and creation of technologies as a means

of stimulating structural change, long-run economic growth and employment creation. The encouragement of innovation is also a broader goal and a horizontal objective of both development strategies.



IQ-Net delegates at Nordrhein Westfalen Conference, Dortmund

The Nordrhein-Westfalen economic development strategy has focused on technological innovation since the 1970s. Initially, it funded large, R&D programmes in traditional coal, steel and related sectors. From the early 1980s, it moved towards a more 'bottom-up' strategy, aimed at setting up technology transfer agencies in universities, and establishing new R&D institutes, science parks and innovation centres throughout the Land. From the mid-1990s, the focus shifted to building networks of firms, R&D centres and other actors, not least via the thematic Land Initiatives. In the current programming period, this approach has been complemented by a stronger focus on cluster-building and cluster-support. Support for innovation in the Objective 2 programme thus takes a variety of forms, from funding for R&D projects in businesses, to the construction of science parks and innovation centres, to the provision of technical consultancy services, and the development of regional innovation strategies.



Former Phoenix Steel Works, Nordrhein Westfalen

Innovation also plays an important role in the Objective 1 programme for Sachsen-Anhalt, to help accelerate the Land's growth and catching-up process. Technology is viewed as important to the extent that it contributes to these goals via direct creation of jobs; or indirectly via support for R&D. Significant levels of funding have been made available for innovation-related activities. They are concentrated in Priorities 1 and 2 and support business competitiveness and infrastructure respectively.

Wales

The 1994-99 programming phase in Wales was characterised by innovation strategy development. This has been extremely influential, with its imprint clearly seen on current programmes. The Welsh Assembly's economic development strategy includes a strong emphasis on technological innovation. Some of the most high-profile projects are the "Techniums", thematic or sectoral centres, usually located on university campuses, which provide incubator units for technology-oriented businesses, as well as R&D and advanced technological services to enterprises.

The visibility of RTDI in the current Welsh Objective 1 programme is particularly high and has become more prominent over time. Very significant resources have been made available, which have made it possible to implement many ideas from the Regional Technology Plan. In fact, Priority 2 (Developing Innovation and the Knowledge-based Economy) is effectively a sub-programme for innovation which addresses both RTDI and the development of the Information Society.

Denmark

In Denmark, innovation has always been an important feature of regional development programmes, and its role has increased strongly in this programming period. Funding is available for public sector R&D centres or researchers; science parks, innovation centres and incubators; funding for business e.g. grants, loans or venture capital; and providing technology-oriented services to businesses.



Viking Centre, IQ-Net Conference Nordjylland

In Nordjylland innovation is seen as a precondition for regional development and thus considerable funds are spent on innovation support, ranging from direct support to SMEs to knowledge transfer. Examples of successful and effective projects are the NOVI science park, which provides a physical and organisational focal point for the development of a knowledge-based regional economy, and the Centre for 3D GeoInformation at Aalborg University.

An IQ-Net paper discussing the Structural Funds and RTDI in IQ-Net partner regions was presented at the Artimino conference in November 2004: "Cohesion policy funding for innovation and the knowledge economy" by Dr. Sara Davies, Carlos Méndez and Nina C. Quiogue, IQ-Net Thematic Paper No. 15(2), EPRC, Glasgow.
<http://www.eprc.strath.ac.uk/iqnet/reports2.cfm>

The Added Value of the Structural Funds: A Regional Perspective

Added value and Cohesion policy

During the debate on the future of EU Cohesion policy, the 'added value' of the Structural Funds has been an important issue.

Whatever views are held about budgetary issues, regional eligibility or policy priorities, there is common ground among many Member States, European institutions and regional interests that Cohesion policy programmes in 2007-2013 must seek to maximise the added value of interventions.

This is evident in the European Commission's 2004 proposals which explicitly sought to strengthen the added value of Cohesion policy through a strategic dimension to policymaking (focusing on sustainable growth, competitiveness and employment), as well as through a simplified and more effective implementation system. The need for Cohesion policy to make a distinctive contribution to economic development is also apparent in some of the National Strategic Reference Frameworks (NSRF). The UK draft NSRF, for example, refers to the importance of ensuring that each Operational Programme "provides added value and does not support activities for which other funding streams are more appropriate" (para. 108). The draft Polish NSRF also emphasises the importance of EU support generating "the highest added value at the Community level" (p.45).

Defining and interpreting added value

Added value is, however, a concept with different definitions and interpretations, related variously to the impact, cost or efficiency of Cohesion policy. The Commission has used the term to refer to a broad range of perceived effects associated with the Structural Funds. While the main benefits of EU Cohesion policy accrue through the significant transfer of resources to poorer parts of the EU (measurable in terms of GDP growth, investment and employment creation), the Commission argues that there is an added value from Community intervention associated with the method of implementation of the Structural Funds.

The degree of added value associated with the Funds varies with the size of programmes and the coherence of their eligible area. Small programmes with fragmented spatial coverage may easily find that the financial benefits of the Funds are outweighed by the administrative costs of management. Perceptions of what constitutes added value also vary greatly at different levels of government, between organisations within and outside the EU Cohesion policy system and even between actors involved in the same programme, depending on their position and interests. National civil servants often see the Structural Funds as a complex administrative system, which may

not fit with domestic policy priorities or government spending arrangements. Those working at a strategic level within programmes (programme managers, monitoring committees, project selection committees, etc), tend to be more positive, partly of course because of their vested interest in the financial resources, but also because of the perceived advantages of the implementation system. At project level, views tend to be polarised. Some domestic policy intermediaries and beneficiaries hold a jaundiced view of Structural Funds, based on the bureaucracy of application, project selection and monitoring procedures. Others regard them in a more positive light as having enabled them to improve their understanding of the wider policy environment, to network more widely, to achieve more influence, and to undertake new forms of economic development.

In order to understand the concept of added value better, EPRC undertook research, in consultation with IQ-Net partners during Spring/Summer 2003, which was published in an IQ-Net report "The Added Value of the Structural Funds: A Regional Perspective". This research identified five aspects of added value – cohesion, political, policy, operational and learning – associated with the Structural Funds, each of which is now discussed in turn.

Cohesion added value

Cohesion added value is most evident in the largest programmes geographically and financially. Structural Fund interventions in the Cohesion countries and other major Objective 1 regions have had the most significant and tangible net economic impacts. Recent evaluations demonstrate the significant effects attributable to the Structural Funds in terms of GDP growth, investment and employment. The ex post evaluation of the 1994-99 Objective 1 programmes concluded that, while the impact varied significantly between programmes, the overall picture was a reduced gap in various economic development indicators between Objective 1 regions and the rest of the EU over the programming period.

Outside these larger programmes, quantitative impacts have been harder to capture due to the small proportion of Structural Funds interventions relative to total public expenditure, as well as problems associated with inadequate monitoring indicators and poor data quality. Consequently, the macroeconomic effects are uncertain and disputed. However, even with respect to such programmes, Structural Funds co-finance has enabled projects to be undertaken which are bigger, better and/or have been implemented sooner than would otherwise have been the case. Programmes have also influenced the distribution of resources for economic development. They have enabled a wider range of organisations to engage in economic development, focused intervention on the needier areas, and underlined the region as a strategic level for coordinating regeneration policies.

Political added value

From a political perspective, an important intangible effect of the Structural Funds has been to make the European Union more visible to citizens, communities, businesses and public authorities. Among the perceived benefits is stronger support for European economic and political integration. The Structural Funds can be represented as a more positive aspect of European integration, a concrete expression of EU solidarity and commitment to cohesion at the level of citizens and communities. The visibility of EU co-funded initiatives also reminds citizens that they are part of a wider Europe.

There are tangible outcomes in terms of the encouragement given to regional and local organisations to become involved in European political and policy debates and to internationalise their operations. Typically, programme areas organise themselves to understand and engage in European political and policy processes, for example by establishing European offices, appointing European officers and developing European contacts. In the process, they gain a voice in wider debates. This has spin-offs in other fields and sectors of activity, such as the establishment of political and commercial links and networks.

Policy added value

A defining feature of the Structural Funds is the programming approach. There is evidence from several countries that this approach has promoted a strategic dimension in regional development policymaking. Regional development has become more decentralised, integrated and coherent through the multi-sectoral and geographically-focused approach of programmes. Further, multi-annual programming periods have provided a more stable policy environment in which to develop projects, giving partners the necessary certainty to undertake longer-term planning.

Structural Funds have also provided 'space' for policy innovation in two main ways. First, some programmes have been able to dedicate a proportion of funding to activity in novel or emerging policy areas. In many cases, EU resources have been allocated to innovative actions on a pilot basis, introducing 'good practice' from other regions or experimenting with new instruments, which subsequently have been mainstreamed within programmes or more broadly within national regional development policies. A second type of innovation is associated with the application of new economic development principles in the allocation of resources. This is most apparent in the integration of the 'horizontal themes', where programme managers have been encouraged to take a broader view of project quality, taking into account criteria of environmental sustainability, inclusion and equality. The stable policy environment provided by Structural Funds has enabled such principles first to be piloted, then applied more broadly, and ultimately 'embedded' within programming.

However, the potential of Structural Funds programmes to embrace innovation has potentially been hindered by some aspects of the programming environment. In the past, the rigid boundaries of the eligible area maps have inhibited some regions from pursuing certain economic development initiatives, such as cluster and network development and connections between growth poles and lagging areas. In addition, Structural Funds programmes may be too risk averse. Innovative ideas take longer to develop and get through decision-making processes. Even if they are approved, they have to be implemented to a strict timetable that may be at odds with their novelty or complexity.

Operational added value

EU Cohesion policy has been associated with several institutional or operational innovations in the management of regional development. The most frequently cited area of added value is partnership. This fundamental principle of Structural Funds programming is considered to have brought enhanced transparency, co-operation and co-ordination to the design and delivery of regional development policy, and better-quality regional development interventions as a result. The partnership principle is implemented in different ways across the EU, but its commonly perceived benefits are improved vertical coherence, stronger involvement of local actors, a greater awareness of the 'bigger picture', collaborative working on economic development initiatives, and improved decision-making in the management of economic development interventions.

A further significant operational contribution of the Structural Funds has been to embed mechanisms into economic development which support effectiveness, accountability and transparency. In particular, extensive monitoring and evaluation activities generate feedback on progress which can then be used to inform implementation decisions at every level. This has been accompanied by the introduction of positive and negative incentive mechanisms to drive timely and effective implementation, notably the performance reserve and the 'n+2' decommitment rule.

There are also problematic aspects of operating the Structural Funds that can significantly detract from their operational value. In particular, there has been widespread concern that the bureaucracy associated with programming is excessively complex, demanding and costly. In addition, some well-intentioned mechanisms for effective programming have had perverse effects in their current form. The pressure to spend on time and to profile, for example, has made some programmes risk averse and undermined their ability to promote high quality, coordinated or innovative economic development interventions. Likewise, the emphasis placed on monitoring and evaluation has not always delivered sufficient operational benefits.

Learning added value

The final dimension of added value associated with Structural Funds is that of 'learning', which can be regarded as an integral and ongoing ingredient of programming. The Structural Funds have provided an exceptionally stable yet adaptable policy framework, which has promoted a dynamic of learning and innovation. In some regions, programmes have helped to institutionalise a 'learning reflex' as part of the routine delivery of regional economic development policy. This learning culture is not confined to individual programmes; as a pan-European instrument, the Structural Funds have provided exceptional opportunities for networking and exchange at different levels, broadening horizons and facilitating the dissemination of best and distinctive economic development practices. Analysis, reflection and learning have been encouraged through regulatory requirements placed on programmes to monitor and evaluate their activities.

Many structures have been established at programme, national and international level to facilitate the process of ongoing learning and capacity building. This has been promoted through significant communication efforts and dedicated resources to encourage learning, disseminate good practice and build capacity (e.g. through guidance, websites, newsletters, seminars, conferences, exhibitions and one-to-one meetings, national and cross-national networking).

Added value in 2007-2013

The 2007-2013 period offers considerable potential for developing further the added value of the Structural Funds, building on the lessons of the preceding three periods of programming since 1988. The NSRFs should provide more coherence to the programming process, and the measures to decentralise and rationalise Structural Funds management should provide scope for more flexibility and efficiency in the implementation of programmes.

Adding value does, however, require a preparedness to be innovative in the use of Structural Funds, and to create flexible funding streams and implementation mechanisms that are responsive to new economic development thinking and support projects outside the mainstream. Crucially, it also requires managing authorities and programme secretariats to be open to learning from other regions, and to invest in networking and the exchange of experience.

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"The Added Value of the Structural Funds: A Regional Perspective" (IQ-Net Special Report, June 2003) by John Bachtler and Sandra Taylor can be downloaded at: <http://www.eprc.strath.ac.uk/iqnet/reports.cfm> A German review of the report has been published as: "Der Mehrwert der Strukturfonds", Raum - Österreichische Zeitschrift für Raumplanung und Regionalpolitik, September 2004, Vol. 55, 44-49.

A Strategic Approach to Cohesion: 2007-2013 Structural Funds Strategies

With the deadline of 1 January 2007 approaching, the current period is a time of intense activity in the Member States for the finalisation of 2007-13 Structural Funds strategies and programming arrangements. The past few months have witnessed significant developments in this process, such as the agreement reached on the EU budget, the progress made with the negotiations of the Cohesion policy Regulations for 2007-13 and the work of the Member States to produce national strategies in line with the draft Community Strategic Guidelines. In the light of these developments, this article tracks the latest progress in the preparations of the 2007-13 strategies in the Member States.

The new policy context

In December 2005 the European Council reached agreement on the 2007-13 Financial Perspectives. The new financial framework was finalised in April 2006, following negotiations with the European Parliament. For Cohesion policy (Heading 1b of the European Budget) this foresees a global allocation of just over €308 billion, an unprecedented level of resources, in absolute terms, but a substantial reduction from the Commission's original proposal of €336.12 billion. The agreed resources mark a shift in the relative allocations to the three Objectives, in favour of Convergence, the retention of a sizeable budget for Regional Competitiveness and Employment and considerable cutbacks to the proposed allocations to Territorial Cooperation.

To have their programmes ready for the beginning of 2007, the Member States have been working on their new Cohesion strategies since well before the agreement on the EU budget. Starting points of this work were the Commission's Third Cohesion Report of February 2004 and the initial texts of the Structural Funds Regulations.

The principle of future Cohesion policy is that it should involve a more 'strategic approach' placing emphasis on economic growth, employment and on the objectives of the reformed Lisbon and Gothenburg agendas. This involves a new architecture for Cohesion policy, with a set of Community Strategic Guidelines, agreed at the European level, which guide the preparation of National Strategic Reference Frameworks (NSRFs) and national and regional Operational Programmes (OPs). The new approach abolishes the differentiation between the two-tiered programming approach applied to Objective 1 (based on Community Support Frameworks and OPs) and the single-tiered approach adopted for Objective 2 (based on Single Programming Documents); these are replaced by a single, two-tier approach common for all Objectives (based on a NSRF and regional/national OPs). The new approach also generally provides for mono-fund OPs (except for the OPs financed by the Cohesion Fund and with some, limited scope for cross-financing).

Preparing the National Strategic Reference Frameworks

All Member States are working on their NSRFs and OPs, but

at varying rates of progress. Generally, the process of strategy preparation has been directed by more-or-less formalised timetables (as in France, Germany, Italy, Poland, Spain and the UK), but which have not always been able to prevent delays. A few countries have reached the final stages of NSRF preparations and submitted final or semi-final drafts to the Commission (e.g. Austria, Latvia, Malta and France). The majority of countries, however, seem to be at an intermediate stage in which technical (sometimes incomplete) drafts have been finalised and disseminated for consultation (e.g. Hungary, Italy, Poland, UK).

In certain countries - notably new Member States, but also Ireland - the NSRF is derived directly from National Development Plans. Where these have already been finalised (e.g. Czech Republic and Poland) the adoption of the NSRFs could be expected to be rather straightforward. Overall, it would seem that the majority of Member States are aiming to finalise their NSRFs and submit final versions to the Commission in the autumn.

As in 1999, the process of strategy development is complex and, to an extent, country-specific. In many respects, the arrangements in place are similar to those used to prepare the current programmes. Some countries have approached the task of developing the NSRF in a more 'top-down' way - e.g. Denmark, Ireland, Luxembourg, Greece and the Netherlands - others, in particular Belgium and Germany, have a more 'bottom-up' approach. The majority of countries lie in between, having adopted a mix of central and sub-national inputs to the process (e.g. Austria, Finland, France, Italy, Spain, Sweden and the UK).

2007-13 Strategies

Much of the content of future Structural Funds strategies is inspired by the goals set out by the draft CSGs: making Europe and its regions more attractive places to live and work; improving knowledge and innovation for growth; and creating more and better jobs. The CSGs also place strong emphasis on the alignment of Cohesion policy strategies with the goals of the Lisbon Agenda, and on the linkages between the NSRFs and the Member States' National Reform Programmes. This is reinforced by the draft Regulations which introduce a new requirement: the earmarking of a set percentage of resources - 60 percent for Convergence and 75 percent for Competitiveness and Employment programmes - to interventions contributing to the Lisbon goals (a requirement not compulsory for the new Member States). Interview and documentary evidence supports the statement that the main strategic shift from the 2000-06 to the 2007-13 programmes will indeed involve an increased incorporation of Lisbon-related goals.

Leaving aside these EU-level requirements, the strategic orientation and content of the new programmes will be shaped also by important factors at the domestic level, such as the extent and scope of regional problems and, related,

the overall weight attached to regional policy in each Member State. Other factors include: domestic policy priorities and institutional practices; the availability of co-financing; and the implementation capacities available at national and sub-national levels.

IQ-Net analysis of the available NSRF drafts and related documentation, and interview evidence gathered through field-research in IQ-Net partner countries/regions allow some preliminary conclusions to be drawn on the content of future Structural Funds strategies. With few exceptions (e.g. Austria, Denmark and, perhaps to a different extent, Finland) the NSRFs appear rather general and broad. This is either a deliberate choice to allow flexibility (e.g. in France, Germany and the UK) or is the consequence of the need to reach consensus, across an increased number of regions and actors.

The **main goals** set out by the draft NSRFs can be summarised as follows:

- the Lisbon goal of increased competitiveness, through innovation and the knowledge economy (virtually everywhere);
- increased growth and productivity, often linked to the themes of environmental sustainability and social inclusion/cohesion (e.g. Greece, Germany, Hungary, Italy, Lithuania, Sweden, the UK);
- more jobs (e.g. Denmark, Greece, Hungary, Lithuania, Poland, Sweden) and/or the qualification of human capital (e.g. Austria and Italy);
- European or national convergence (e.g. Poland and Germany respectively); and
- territorial attractiveness, quality of life and overcoming specific spatial challenges, such as those associated with peripherality (e.g. Austria, France, the Nordic countries, Italy and Malta).

Within these main goals, the **strategic approaches** adopted in each country vary, with three, often co-existing, strategies. The first is a focus on innovation, R&D and SME competitiveness. This approach can be found in virtually all Member States (consistent with the coherence of the NSRF documents with the Lisbon goals). Second, some countries - such as Austria, France, Greece, Hungary, Italy and Poland - the focus on innovation, R&D and the competitiveness of the productive fabric is matched with a growth pole/competitiveness pole strategy. This seems to underline a shift in the policy focus - and a likely concentration of resources - from areas in need to areas of potential (even

if within areas in need), as allowed by the new 'thematic' approach to Structural Funds programming. A third strategic approach entails a focus on 'contextual interventions', such as the improvement of services of General Economic Interest (and, also, of collective services more generally), institutional reforms and market reforms. This approach features particularly in Greece, Hungary, Italy and, especially with reference to the condition of the northern, sparsely-populated areas, in Finland and Sweden.

As regards the **basis for policy**, domestic regional policy and/or more general policy for economic development seem to be the basis for the NSRFs in countries such as Denmark, Finland, The Netherlands, Sweden and the UK. It appears that it is mostly in countries retaining a considerable level of funding from the Structural Funds - like Greece, Italy and the new Member States - that a substantial, ex novo reflection of needs is taking place. In Hungary and Poland, this work is aimed at overcoming the weak link between assessed needs and funding priorities that characterised the 2004-06 strategies.

There is considerable variation across countries in the **number and type of priorities** anticipated for the NSRF. From the preliminary information available, the number of priorities would be expected to range from two in Denmark up to a maximum of possibly ten in Italy. In the UK, the NSRF specifies different priorities for each one of the constituent nations (England, Northern Ireland, Scotland and Wales).

Lastly, decisions on the **number of OPs** that will be contained within the NSRFs are still not finalised in some countries. In Hungary, for example, whilst initial talks between the national government and the regions anticipated the creation of OPs for each region, the Cabinet has recently moved towards one single OP for all Convergence regions, with regional priorities within the programme. In Italy, it is the number and thematic coverage of multi-regional/national OPs that has not yet been decided. Overall, uncertainties on the number of OPs relate mainly to the budgetary allocations (where less funding may also imply a reduced number of programmes), the status of 'statistical effect' regions, and the number of multi-regional ERDF OPs (but early evidence, for example from Portugal, would suggest a reduction in this number). Also, for this reason, the preparation of future OPs is being carried out at different rates. In a number of cases, it is still too early to predict the final content of future OP strategies.

Implementing the new programmes

The process of preparing future strategies is being accompanied by preliminary consideration of the changes to programme organisation and management that will be necessary in the new programming framework. Current concerns seem to relate mainly to the following aspects:

- the appropriate level of programme management, i.e. whether it should be devolved or centralised. In Greece, for instance, the national government is considering a move from the current 13 regions towards 5 macro-regions;
- the mechanisms that can be put in place to increase coordination between the implementation of Cohesion policy and the implementation of domestic policies, for example to take account of administrative/local government reforms (being introduced in countries such as Hungary, Denmark and Belgium);
- the identification of procedures to increase the efficiency of financial execution and to maximise the leverage effect of Cohesion policy funding (e.g. Italy); and
- the setting up of new and more efficient partnership arrangements (e.g. in Estonia and Hungary).

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An IQ-Net paper discussing the new Structural Fund strategies was presented at the Alsace conference in November 2005: "A Strategic Approach to Cohesion? Developing the 2007-13 Strategies" by Laura Polverari, Irene McMaster and Frederike Gross, IQ-Net Thematic Paper No. 17(2), EPRC, Glasgow. <http://www.eprc.strath.ac.uk/iqnet/reports2.cfm>

After Accession: Cohesion Policy in the New Member States

In the ten new EU Member States, the first round of Cohesion policy programmes (2004-2006) are now reaching their final stages. Much of the funding has been committed, and attention is focused on making selective use of the remaining funding, as well as ensuring that commitments are translated into spending within the required timescale. At the same time, policy-makers are focusing on the challenge of preparing for the 2007-2013 programme period, with the prospect of implementing much larger volumes of Structural and Cohesion Funds resources, and the associated demands on management and delivery systems. It is therefore an opportune moment to take stock of progress to date in the development of Structural Funds programming, institutional frameworks and implementation in the new Member States, and to look forward at how future opportunities and challenges will be addressed.

Structural Funds in the New Member States

Of the 41 NUTS II regions in the new Member States, 38 currently qualify for Objective 1 support; only the regions of Prague and Bratislava and the southern part of the Island of Cyprus have Objective 2 status. In 2004-2006, the scale of resources and number of programmes clearly vary between the smaller new Member States, (Estonia, Latvia, Lithuania, Malta and Slovenia), which have Single Programming Documents (SPDs), and Hungary and Poland, which have Community Support Frameworks (CSFs) and Operational Programmes (OPs) and the Czech Republic and Slovakia, with CSF, OPs and SPDs for Objective 2 and 3 support.

Structural Funds in the new Member States

Country	NUTS II regions	Programmes (2004-2006)	2004-2006 Cohesion Policy Resources (€billion, including INTERREG and EQUAL)
Cyprus	1	SPDs (2 & 3) SPD Objective 3	2621.19
Czech Republic	8	CSF & 5 OPs Prague region SPDs (Obj. 2 & 3)	695.06
Estonia	1	SPD (Obj. 1)	3207.36
Hungary	7	CSF and 5 OPs	1164.29
Latvia	1	SPD (Obj. 1)	1537.70
Lithuania	1	SPD (Obj. 1)	12809.70
Malta	1	SPD (Obj. 1)	1757.39
Poland	16	CSF & 6 OPs	456.31
Slovakia	4	CSF & 4 OPs Bratislava region SPDs (Obj. 2 & 3)	24451.18
Slovenia	1	SPD (Obj. 1)	2621.19

Looking forward, the new Member States will receive a substantial increase in Cohesion policy funding, around €157 billion between 2007 and 2013. The majority of regions continue to be eligible for support under the Convergence Objective, but, linked to Cohesion policy reform, the number and structure of OPs are likely to change. For instance, the introduction of Regional OPs is an option in the Czech Republic, Hungary, Poland and Slovakia. Separate OPs will be introduced in Estonia, Latvia and Lithuania, as opposed to a Single Programming Document.

Whatever the difference in terms of the scale of the resources and the allocation mechanism agreed, there are common, fundamental strategic and operational issues facing policy-makers in designing and implementing programmes. It is the similarity in the issues faced by Member States that makes it possible to highlight shared experience, common challenges and opportunities for learning across programmes, regions and Member States.

Programming

A strategic approach to economic development is one of the fundamental principles underlying EU Cohesion policy, which implies making strategic policy choices and trade-offs. The need to take difficult strategic decisions on funding priorities is particularly pronounced in the new Member States. In 2004-2006, the limited amount of funds provided, the short programming period, the challenges of implementing Cohesion policy and the range of development challenges placed particular demands on the programming process. So far, Cohesion policy in the new Member States generally has shown a strong focus on investment in public infrastructure, not least due to the decision to channel a significant share of EU funding through the Cohesion Fund and thus to trans-European transport networks and major environmental infrastructure.

However, for the 2007-2013 period, greater resources, more time, the benefit of experience and shifting national and EU development priorities raise new opportunities and challenges. Politically and financially there is more at stake, particularly as EU programmes are linked to public investment strategies for a prolonged period. Future programmes have to respond to economic and social development in each Member State and, at the same time, reflect the Commission's new priorities. With these issues in mind, key themes in the development of future strategies are:

- **balancing continuity in programming with the need to respond to new policy priorities and to lessons learned from the current round of programming;**
- **developing strategic, coherent and focused programmes, while responding to diverse regional and national development needs;**
- **enhancing strategic links and coordination with domestic development policies;**
- **effectively pursuing national economic growth, against a background of increasing domestic regional development disparities; and**
- **combining 'high-road' development strategies with the need to continue improving basic infrastructure and services.**

Related, many new Member States have used the opportunity of planning National Strategic Reference Frameworks to undertake extensive analysis, reflection and consultation on these key issues. For instance, in some cases, the process of preparing the NSRF is being accompanied by reviews of domestic policy, with a view to achieving better alignment of EU and domestic regional development policies.

Institutions

In the lead-up to EU accession, the new Member States implemented substantial institutional reform in preparation for managing Cohesion policy funds. Existing organisations prepared to undertake new tasks and new organisations and frameworks were established. Among the new Member States, the overall responsibility for EU Cohesion policy (2004-2006) is currently allocated to several different types of ministry:

- **Ministries of finance – Estonia, Latvia, Lithuania**
- **Ministries or government offices for regional development – Czech Republic (Ministry of Regional Development), Hungary (National Development Office), Poland (Ministry for Regional Development), Slovak Republic (Ministry of Construction & Regional Development), Slovenia (Government Office for Structural Policies & Regional Development)**
- **Prime Minister offices or agencies – Cyprus (Planning Bureau), Malta (Office of the Prime Minister)**

So far, sub-national participation in the management and implementation of EU Cohesion policy has been limited to a few key areas, including inputs during programme development and activities as end beneficiaries of funds. Notable exceptions are the Czech Republic, Hungary and Poland, which have some form of joint or integrated Regional Operational Programmes. In Slovakia, the OP for Basic Infrastructure also incorporates a regional element. In these cases, regional administrations have a slightly greater involvement in programming activities.

Experience of the current programmes and the reform of EU Cohesion policy are likely to result in modifications to the institutional infrastructure of EU programmes. In line with new programming frameworks, ministerial responsibilities could change. At the sub-national level, greater responsibility for the management and implementation of EU Cohesion policy will be delegated to regional levels. For instance, in the larger new Member States, Poland, Hungary, the Czech Republic and Slovakia, self-governing regions or regional agencies could take more responsibility for programme management.

Linked to the partnership principle and efforts to ensure efficient and effective use of the funds, consultation, co-operation and coordination are increasingly important elements of the institutional infrastructures of the new Member States. For instance, considerable efforts have been made to take up the 'partnership principle' and address some of challenges that are inherent in the partnership approach. New structures and national legislation are in place, and a range of activities have been undertaken to build partnership activities. In Hungary, a variety of partner organisations were involved in working groups that participated in the development of the 2007-2013 programmes. In other cases, partner organisations are included in management and monitoring committees at various levels. In Estonia, the Union of Cities is an active partner in programme implementation and monitoring.

The variety of institutions involved in the development and implementation of Cohesion policy programmes places particular demands on institutional cooperation and coordination. New systems to facilitate coordination in the development and delivery of EU Funds have been established, e.g. in Malta and the Slovak Republic, coordination committees are responsible for harmonising the activities of sectoral ministries in the field of regional policy. However, such mechanisms do not necessarily guarantee effective coordination, particularly as many coordination arrangements and practices are not yet sufficiently formalised or well-embedded.

Looking to the future, the next round of Cohesion policy programmes raises new challenges for policy and institutional coordination, cooperation and partnership. For instance, the integration of domestic and EU policy measures demands greater coordination in planning and delivering policy. Increased regionalisation could place particular demands upon vertical co-ordination between levels of government. Related, a range of activities are in place to widen and deepen partnership working and coordination efforts, but at the same time efforts continue to develop clear and efficient systems for programme management and implementation. Some new Member States have attempted to 'streamline' and focus 'external' input, others have attempted to engage in more wide-ranging and intensive processes of consultation, partly reflecting an increased awareness of the value of incorporating stakeholders' perspectives to successful programme implementation, and also as a pragmatic response to the increase in funding available and the proposed structure of Operational Programmes.

Implementation

Considerable effort has gone into developing appropriate Cohesion policy implementation structures, and reducing risks and bottlenecks to implementing the first round of programmes. For the next round of programming, project generation, implementation and monitoring and evaluation systems will continue to be refined and developed, based on experience of operating the current round of programmes and taking into account the new Structural Funds regulations.

In the lead-up to accession, major concerns were expressed about potentially poor project submission rates and low project quality in the new Member States. Despite these concerns, problems with low application rates have generally failed to materialise, according to many authorities.

There are, however, common problems, which have to be taken into account in finalising the current programmes and preparations for the next round of programmes:

- **there is a common difficulty in transforming good quality ideas into good-quality project submissions;**
- **some programmes, priorities and measures suffer from poor-quality applications and low application rates;**
- **participation rates amongst key groups can vary substantially. For instance, the number and quality of applications can differ considerably between programmes, interventions, regions and interest groups for a number of reasons including lack of resources and experience; and**
- **project selection systems have to be refined and reinforced, as part of an on-going process to increase the accountability, efficiency and effectiveness of project selection.**

Tackling these issues may involve a range of activities. Additional publicity measures and support can be targeted at specific applicant groups in order to boost project submission, as is already underway in (for example) Latvia. Refining selection criteria can improve the quality and efficiency of project selection systems. The simplification and rationalisation of project appraisal and selection systems is an objective in a number of new Member States. Recognition may need to be given to strategically important and innovative projects, in order to ensure that the sum of the projects adds up to more than their parts and contributes to programme objectives. Lastly, there may be a need to address bottlenecks and delays in project selection.

As the first round of Cohesion policy programmes near completion, the work of implementing projects and drawing down funding is a priority. Related, pressure on project implementation structures and systems is considerable. As this

pressure increases, there is an opportunity to review the efficiency and capacity of the structures that are involved, with a view to refining systems in the future. One key issue to emerge is that implementation structures can easily become overly complex and, in many cases, hopes have been expressed that structures can be simplified. Another problem is that resource shortages and high rates of staff turnover are weakening the capacity of key institutions to manage and implement projects and programmes effectively. For instance, implementing bodies are increasingly expected to take on a pro-active role in promoting economic and social development, but lack of experience and resources can mean that they often limit themselves to purely administrative functions or well-established areas of activity. Consequently, in the 2007-2013 period, continuing European Commission support for capacity building will form an important part of Cohesion policy programmes and practice.

The monitoring and evaluation of EU programmes have been some of the most challenging aspects of EU Cohesion policy implementation for all Member States. In the new Member States, the focus of programme monitoring committees and monitoring systems has been on financial management issues, in particular to ensure adequate oversight of the absorption of funding. Although there has been substantial investment in monitoring, programming authorities face a range of challenges, notably: delays in establishing effective monitoring systems; problems with IT; lack of human resources; indicators with insufficiently clear definition and focus; and weak coordination and data-gathering systems.

Policy evaluation is a relatively recent phenomenon in most of the new Member States; however, techniques and skills have developed and become increasingly embedded in the programming process. Some valuable experience of the evaluation of EU programmes has already been gained through pre-accession aid programmes and the ex-ante evaluations of National Development Plans. Many countries have now established special evaluation units and adopted extensive programmes of evaluation activity, in order to learn as much as possible from current programmes and to prepare for the next round of programming, as in the Czech Republic. In a number of cases, evaluations and evaluators already provided valuable inputs into the development of programming documents, by working alongside programme developers during the ex ante evaluations of National Strategic Reference Frameworks. Thus, even during the comparatively short programming period between 2004-2006, evaluation has a particularly important role to play in the new Member States, by enabling lessons to be learnt, providing feedback, and improving transparency and accountability.

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EPRC presented a paper at DG Regio's Open Days in October 2005 on "Implementing Structural Funds in the New Member States: 10 Policy Challenges"; by Irene McMaster and John Bachtler, EPRC, Glasgow.
http://www.eprc.strath.ac.uk/eprc/publications_Y_recent.cfm

The Structural Funds Helping to Mitigate Territorial Challenges

EU Cohesion policy is territorially discriminating in that it traditionally supports economic and social development in lagging regions or regions affected by specific challenges, such as industrial and rural decline, peripherality and urban deprivation.

To a certain extent, all of the IQ-Net partners face some of these challenges. However, some countries/regions must surmount additional territorial problems like remoteness, sparsity of population, challenging geography or unfavourable climates.

Sweden - Norra Norrland and Norra



Lulea, IQ-Net Conference Norrbotten

The Norra Norrland Objective 1 Programme covers the two northernmost counties of Sweden, Norrbotten and Västerbotten. More than half of Norrbotten is situated north of the Arctic Circle. The programme area is characterised by a low population density, with the population and the economy concentrated in the coastal areas. Travel costs are high, and the region is peripheral in Swedish and EU terms.

The Norra Objective 2 programme area also suffers from a declining population, with low population density and concentration of settlements and the economy in four centres on the coast. The area is also relatively peripheral, with associated high travel costs.

The aim of both Structural Funds programmes is to improve the living conditions and opportunities for their inhabitants, combating the typical problems associated with peripherality. In both areas, the overall development strategy is based on the desire to take full advantage of local endogenous potential, tackling the spatial and social challenges associated with the remote character of the territories. The main

territorial challenges are, on the one hand, to connect the regions to the rest of the country (especially to the main cities) and, on the other hand, to develop closer interrelations between the regions' main centres and their surrounding communities. This means focusing policy intervention mainly on accessibility, service provision and economic diversification (also by means of supporting education, entrepreneurship and innovation). Further, in Sweden innovation and R&D are endorsed as the key instruments for achieving long-run (sustainable) economic growth. RTDI thus plays an important role in the programmes. In Norra Norrland, there are two RTDI-related measures, and they account for 19.0 percent of the total EU programme budget. Norra has also two RTDI measures and financial allocations account for 40.7 percent of the total programme budget.

The National Strategic Reference Framework for the next period emphasises that the maintenance of an adequate level of services throughout the country is paramount, especially in consideration of the peripheral parts of the country. Future strategies will focus on the improvement of material and immaterial infrastructure, improved accessibility and "sustainable regional" expansion (i.e. the creation of functional regions).

Finland – Western Finland

As with the other EU Finnish programmes, there is a strong territorial component to the Objective 2 programme for Western Finland. The Western Finland Objective 2 programme area covers all or part of seven regions (i.e. groupings of municipalities) in western and central Finland – the regions of Satakunta, Central Finland, Pirkanmaa, South Ostrobothnia, Ostrobothnia, Central Ostrobothnia and North Ostrobothnia. Each region is charged with developing and implementing its own strategic regional programme which draws together a variety of funding possibilities within the region (both domestic and EU). These regional programmes,



Oulu Study Tour to Technopolis, Western Finland



Oulu, IQ-Net Conference Western Finland

in turn, feed into the Objective 2 programme which was developed on the basis of regional inputs and reflects regional needs and priorities. Funding within the Objective 2 programme is allocated in a relatively complex way reflecting territorial elements – first to each of the seven regions within the programme area, and then to sub-regional organisations within each region (i.e. the funding bodies, in most cases five or six). In practice, each region included in the Western Finland Objective 2 programme area has its own individual strategies, but these are closely linked to the Objective 2 programme.

Given its geography, the Western Finland programme aims to respond to the challenges of peripherality and sparse population and, in particular, the need to have effective regional centres that are well-networked with their hinterlands. Allied to this focus, there has been a growing competitiveness element to the Western Finland programme (and to regional development programmes generally in Finland), an aspect which should be taken forward strongly in the next programme period.

Innovation and technology support are central to Western Finland's current overall development strategy. This is likely to continue into the coming programme period, in line with the Lisbon Agenda. Learning and networking will also be at the centre of the new strategy. There is a general belief within Finnish regions that the way forward is through knowledge and information - aspects which are seen as key to technological development and future strategic goals.

Italy - Lombardia

The strategy of the SPD of Lombardia, in Italy, is also closely related to the territorial challenges faced by the programme area. Considered as a whole, Lombardia is one of the most prosperous regions in Europe. The programme however, operates within small, scattered fractions of the regional territory, involving less than seven percent of the total regional population and areas that are mostly at the margins of the region's economic processes (with the exception of the industrial decline municipalities of the so-called Sempione Axe): alpine and pre-alpine areas; rural lowlands in the provinces of Mantova and Pavia; and coastal areas around the lakes with a predominantly tourist vocation.

In a region with a population density amongst the highest in Europe, almost half of the municipalities included in the programme area have less than 1,000 inhabitants and a further third less than 2,000.

The programme's strategy has been orientated towards the creation of competitive

economic systems (business aid schemes and services), the realisation of investments for the modernisation of the territorial infrastructure, and the support of environmental investments, e.g. for the full exploitation of the natural and landscape resources of the programme areas. In the mountainous territories, efforts are made to maintain population settlements and to develop a level of economic activities (e.g. tourism-related) and services adequate to allow good standards of living. Key to the strategy is also the modernisation of the public administration and the building of capacity and cooperation amongst the local authorities of the programme areas. This objective – achieved through an implementation method based on "integrated projects" (PISL, Progetti Integrati per lo Sviluppo Locale) – will leave a legacy for the future development of these territories. This is considered even more important in the view of the 2007-13 Structural Funds programme which will see a considerable shift in the territorial focus, from the mountainous/rural areas at the margins of the region's economy to areas that drive the regional economy (through innovative aids and the support of European level excellence centres).



IQ-Net delegates on Lombardia study tour

An IQ-Net paper discussing territorial cohesion and Structural Funds programmes was presented at the Newcastle conference in May 2005: "Territorial cohesion and Structural Funds programmes: Urban development and territorial cooperation" by Laura Polverari, Nina C Quiogue, Frederike Gross and Vít Novotný, IQ-Net Thematic Paper No. 16(2), EPRC, Glasgow.
<http://www.eprc.strath.ac.uk/iqnet/reports2.cfm>

The Structural Funds: Building Partnership

The partnership principle – one the most important areas of ‘added value’ of EU Cohesion policy - has been implemented differently across the EU, but there are common benefits through stronger involvement of local actors and collaborative working on economic development interventions. Two IQ-Net partners, Western Scotland and Hungary, illustrate different experiences of implementing the partnership principle – one with over 20 years experience of Structural Funds programming, the other relatively new to the Funds, but having to plan for managing increasing levels of funding over the coming period. As both programmes operate in environments which will be changing significantly in preparation for the 2007-13 programming period, it has yet to be determined how best to carry forward the added value generated by application of the partnership principle.

Western Scotland

Western Scotland has benefited from Structural Funds for over 25 years, with the region of Strathclyde being one of the first areas to receive specific Community support for steel and shipbuilding areas. Indeed, among the first seven National Programmes of Community Interest (NPCIs) approved in 1986, Glasgow received the largest funding allocation. Implementation of the Structural Funds programmes in the West of Scotland has been distinctive for two main reasons: for the creation of large, inclusive partnership structures at the regional level; and for the establishment of separate secretariats to administer the programme. This distinctive ‘Scottish model’ of programme administration originated in the approach taken to managing the Strathclyde Integrated Development Operation in 1988, and involved the creation of the first ‘Programme Management Executive’ (PME) in 1989.

The PMEs, which are currently used for the five main Structural Funds programmes in Scotland, undertake all programme management functions (with the exception of payments) under authority delegated from the Scottish Executive. Crucially, they not only undertake administrative functions associated with the processing of EU expenditure, but they seek to ‘add value’ to the process by actively engaging with partner organisations within the programme area to encourage and facilitate the submission of ‘good quality’ projects, in line with the strategic objectives of the programme.

Around 200 public organisations are involved in the Western Scotland partnership. Apart from the European Commission and the Scottish Executive, they include: 12 local authorities; Scottish Enterprise and five Local Enterprise Companies; universities and further education colleges; Enterprise Trusts and Local Economic Development Initiatives; Area Tourist Boards; national and regional bodies involved in economic development; voluntary bodies and charitable organisations and communities involved in economic development; environmental agencies and equality agencies. Partners have a central role to play in the administration of the programme through their participation in Advisory Groups. These groups comprise representatives of partner bodies with expertise in particular development themes. They are responsible for appraising project applications and recommending to the Programme Management Committee whether the projects should be approved for assistance.

Evaluations of the PMEs highlight examples of programme management and delivery encouraging a more strategic approach to the programme area and its objectives, and facilitating greater integration and links between the different projects funded by the programme, and between different measures. The programme partnership has provided a new, regional forum for those involved in economic development in Western Scotland. It has been argued that the Scottish



IQ-Net Conference, Western Scotland

model has helped to ensure a more open, transparent and participative process of project selection, giving the programmes more strategic and operational leverage in meeting EU priorities than has been the case in other systems.

Hungary

Hungary's experience of the Structural Funds 'partnership principle' spans a much shorter period of time than in the West of Scotland. However, considerable efforts have been made to take up the partnership principle, with new structures in place and a range of activities undertaken to build partnership activities.

The National Territorial and Regional Development Office and the National Development Office are both supportive of the partnership principle and, in particular, its contribution to capacity building. Extensive consultations with partners were undertaken as part of the preparation of the current Structural Funds programmes, including the Integrated Regional Operational Programme. For instance, 'Preliminary Monitoring Committees' were set up in the second half of 2003 at the level of the CSF and each Operational Programme. Besides the central government institutions, there was the aim of ensuring that at least 50 percent of those involved were regional, economic, social and other partners (eg. employer organisations, trade unions, women's organisations, Roma organisations, organisations representing the disabled, environmental institutions, etc.). Additionally, the



IQ-Net delegates visit Ibrox, Glasgow, New Lanark Conference



Ross Priory, Loch Lomond, venue of the first IQ-Net Conference

CSF Managing Authority in Hungary established a database of information on partner organisations, partnership events and the opinions and recommendations expressed by the partners in the framework of the consultations.

In the lead-up to the next round of programmes, key issues include refining and developing partnership consultations and partnership working in practice, taking into account the potential challenges that are inherent in the partnership approach. Efforts to build partnership reflect increased awareness of the value of incorporating stakeholders' perspectives in successful programme implementation. This is also, in part, a pragmatic response to the increase in funding available, with a range of partners involved in the development of programmes for which they will be the ultimate beneficiaries. Additionally, partnership working is viewed as an important channel for exchange of experience, the transfer of know-how and capacity building.

Related, the Hungarian authorities have stated their intention to continue to consult the partners on major national strategic choices and development policies. In this spirit, a wide debate was launched on the National Development Plan for the 2007-13 period. Initial consultations on the draft NSRF involved partner organisations in a series of workshop debates (which were grouped around 13 themes and involved 400 participants). A second consultation phase, completed in April 2006, involved partners submitting written comments on a draft document.

The Structural Funds as a Motor for Experimentation on Policy Methods and Governance

The Structural Funds are considered to have brought about considerable changes in the policy governance, culture and methods of Member States and regions.

Across subsequent programming periods, the rules of Structural Funds programming have permeated national administrative traditions and affected the way in which policy is implemented, often beyond the remits of regional development policy.

Amongst the IQ-Net partner programmes, numerous examples can be found of the innovations introduced by the Funds in domestic policy-governance and implementation methods. The examples of Poland, Greece, France and Italy (Toscana and the OP Local Entrepreneurial Development) have been chosen to illustrate some of the aspects of Structural Funds-driven innovation: regionalisation of policy responsibility, simplification, bottom-up policy development and increased policy-efficiency.

Poland – the Structural Funds as an engine for regionalisation

The impact of EU Cohesion policy on the governance on Member States is particularly evident in the new Member States. Poland is a good example of a country where the implementation of EU pre-accession aid and Structural Funds programmes has provided an important impetus to the recent process of regionalisation and the evolution of new modes of governance. Developing a mechanism for the implementation of Structural Funds programmes based on the principles of subsidiarity and partnership has increased the profile of the regional level and influenced the evolution of policy coordination models in the regional policy field. Structural Funds provide strong incentives for the regional level to become active in steering regional economies and regional projects.

Following successive reforms which have taken place from the end of the 1990s, Poland now has 16 regions with NUTS II status and a 'dual' structure that combines a centrally-appointed governor with a regionally elected board, headed by the Marshal's Office, which exercises important programming responsibilities.

The reforms mean that responsibilities for the management of EU regional programmes map directly onto Poland's new framework for the governance of regional policy. The Ministry for Regional Development is the current Managing Authority for Structural Funds programmes but Regional Boards and Marshals' Offices also have important powers in the field of regional economic development, including the responsibility for regional programming under the Structural Funds system. In financial terms, the integration of the Structural Funds with domestic regional funding streams boosts the amount of funding flowing through regional governments and increases the scale of spending and revenue possibilities. Each Regional Board submits regional

development strategies and Operational Programmes that inform the National Development Plan and the National Strategy for Regional Development.

The regionalisation trend is still very much evolving and the changes to policy responsibilities have sometimes been ambivalent. For the 2004-2006 programming period, the 16 Regional Operational Programmes (ROPs) prepared by regional self-government were brought together into an "Integrated Regional Operational Programme" (IROP) which is currently managed by the Ministry of Regional Development. Thus, one document covers 16 regions, with diverse development needs. However, the demand for funding under the IROP from the regional level, and the experience gained by Regional Boards in the current programming period, mean that preparations for the next programming period include plans for 16 regionalised ROPs. Under the proposed model, Marshal's Offices will exercise more independent programming responsibilities. As a result, the role of regional self-governments in programming EU funds, producing more detailed, 'region-specific' development strategies and specifying detailed criteria for the selection of appropriate regional development projects, should be further boosted, along with their broader role in steering regional economic development.

France – the Structural Funds as drivers for simplification and greater involvement of local authorities

In France, Structural Funds implementation is closely linked to national regional policy instruments and procedures, and takes place in a context of varying degrees of deconcentration and decentralisation. This institutional framework can lead to complex actor-relations, involving a wide range of regional stakeholders under the supervision of the Préfet and other state services, as well as methods of cross-financing.

This complexity has resulted in delays in the implementation and financial execution of Structural Funds programmes. This triggered major reforms of the system in 2002 to simplify procedures, enhance project support and promote greater involvement of local authorities. The reforms were also meant to bring about a cultural change and strengthen strategic orientation of projects.

The main elements of the reforms are as follows. First, the direct transfer of Commission funding to the local level





Strasbourg, IQ-Net Conference Alsace

was introduced, together with a simplification of programming and financial procedures. Second, a system of regional “animation” was developed, to support project generation. Based on contact persons within the programme area, well-resourced organisations and a network of experts, the system is proving effective in stimulating project generation and development. Third, two main developments can be observed regarding the division of tasks between the state representatives and the local authorities. On the one hand, the delegation of competencies through global grants was encouraged beyond the former threshold of 25 percent of the programme budget. Many regions made use of this opportunity, ranging from the delegated management of certain relevant projects to taking over the bulk of the programme (e.g. in Auvergne). On the other hand, a transfer of competencies towards the regional authorities has also taken place with respect INTERREG III projects and URBAN programmes.

An exceptional example of such a transfer has been the experimentation taking place in the Alsace region. Since 2003, the region has been the only French sub-national authority to manage an entire Objective 2 programme. However, it was decided not to extend this model to the rest of France in the next programme period; instead a strong collaboration between state services and local authorities will be vital if the successful use of Structural Funds is to be guaranteed.



Strasbourg, IQ-Net Conference Alsace

Italy: Toscana and the OP Local Entrepreneurial Development – the Structural Funds as a laboratory for experimentation with new implementation methods

In Italy, the Structural Funds have contributed exceptionally to raising the capabilities of local administrators and partners in the design and implementation of strategies and projects. Apart from extensive investment in capacity building (especially in the South of the country), Structural Funds programmes have also provided fertile ground for the experimentation of new implementation methods.

In Toscana (and also in the Lombardia SPD, as mentioned earlier), the 2007-13 programme has introduced a new method of project generation and selection, the so-called PISL, Progetti Integrati per lo Sviluppo Locale (Integrated Projects for Local Development). This method foresees the bottom-up generation, by local authorities and socio-economic partners, of composite “PISL” proposals, made of a plurality of projects for which funding is sought from different measures of the SPD. The projects – both infrastructural and business aids – have to involve a considerable level of “integration” and synergy, i.e. generate an added value in their anticipated impacts, vis-à-vis the achievements that would be produced by the implementation of single projects undertaken individually. This, and the stringent selection process established for the PISL, have considerably improved the qualitative level of the projects funded, and it is hoped, will result in the expected impacts.



Artimino, IQ-Net Conference Toscana

A further, different form of “integration” of interventions was introduced by the 2000-06 OP Local Entrepreneurial Development. A multi-regional OP for Objective 1 regions, this programme provides aids to businesses together with consultancy-style support, funding for training and other forms of services to the business sector. The innovation

introduced by the OP consists in providing forms of support based on “packages”. Through these packages, entrepreneurs can access a combination of support (e.g. pre-industrial research, training of staff, purchase of machineries etc.) via a single application and selection process.

Integration can perhaps be considered the key-word of Structural Funds programming in Italy in the current period. Indeed, this concept will also be a strong element of the implementation of future Cohesion policy. One of the main elements of 2007-13 programming will be the alignment of European and domestic Cohesion policy, in a unique financial and programming framework.

Greece – ongoing learning through Structural Funds programming

As in other countries, the Structural Funds in Greece have also been a strong driver for policy innovation and learning. This is most evident in the preparations underway for the 2007-13 programming period. Taking stock from the experience gained in the three previous programming periods, the debate over future Structural Funds programmes has involved a considerable rethinking of implementation responsibilities and methods.

At present, the Structural Funds programmes in Greece are implemented through 13 Managing Authorities, one for each of the 13 NUTS II administrative regions. In order to lead to increased efficiency and simplify management, the national government is currently proposing a reduction of the number of regional OPs to 5, one for each of the five largest urban centres of the country. The creation of five “super” regions is considered conducive to the creation of a critical mass, able to sustain regional development policies through the development of economies of scale, and to increase efficiency in the management, monitoring and implementation of the programmes.

A further proposal which is being discussed is that of a pre-emptive “certification” of potential final beneficiaries. This sort of pre-selection would reduce the current number of beneficiaries and, at the same, time increase the profiles and quality of project applicants. Forms of cooperation between the certified applicants are also under study, intended to support the formulation of synergic, larger, joint projects as opposed to the fragmentation that has characterised the current programming period and been at the root of the implementation delays which have been problematic in the current period.

Urban Development and Innovation through Structural Funds Support: Cities and Towns as Centres of Social and Economic Development Programmes

Urban centres are increasingly seen as engines for economic growth. This and the increased emphasis now placed on growth and competitiveness as goals for Cohesion policy have led to a renewed attention being placed within the Structural Funds programmes on urban centres, to support economic dynamism, social progress and environmental quality.

Amongst the IQ-Net partner regions, the SPDs for Pais Vasco, North East England and Western Scotland present some interesting examples of the use of the Structural Funds for urban development.

Pais Vasco

Urban regeneration plays an important part of the economic development strategy of the Pais Vasco. The Objective 2 SPD includes a priority dedicated to urban development, "Local and urban development". This accounts for almost 10 percent of the total public spending of the programme and includes interventions with a focus on urban renewal and the regeneration of degraded urban spaces.

The priority includes interventions for the restoration and equipping of urban areas, the improvement of the urban transport systems (e.g. through multi-modal links), the creation of social infrastructure, of job centres and of tourist and cultural infrastructure, as well as actions for the conservation and restoration of the artistic and cultural heritage.

Of particular significance are the projects implemented by Bilbao Ria 2000, a non-profit-making company created in 1992 to manage the urban regeneration of specific areas of Bilbao through the recovery of run-down and disused industrial sites. The management structure incorporates public sector organisations involved in urban regeneration at various territorial levels, with shares owned equally by the central government and Basque authorities (regional, provincial and local). In the current Pais Vasco Objective 2 SPD, Bilbao Ria 2000 has been allocated a total of €34.5million, 2.6 percent of the total financial allocation of the Pais Vasco programme and almost one third of all resources within the "Local and urban development" priority.

Bilbao Ria 2000's main flagship project is centred on the area of 'Abandoibarra', which runs alongside the river Nervion, covering approximately 345,000 sq.m. between the Guggenheim Museum and the Euskalduna Music and Conference Hall. A number of interventions carried out by Bilbao Ria 2000 (the construction of roads, parks,

gardens and general public infrastructure for leisure use) are transforming the area, which had previously been used for industrial activities (principally shipbuilding), into the cultural and business centre of the city.

In addition to the interventions funded by the SPD, a regional programme for urban development and regeneration has been implemented in the Pais Vasco solely via domestic resources since 2000. The IZARTU programme, which was partly inspired by the Urban Community Initiative (which only applies to one Basque city, San Sebastian), supports "integrated programmes of urban revitalisation" which contribute to advancing "territorial, social and economic cohesion" in the region. It was allocated €90.2 million over 2001-05 and a further €109 million for the 2004-08 period.

North East England



The Millennium Bridge, IQ-Net Conference Newcastle

In England, urban policy has been a mainstay of public policy since the early 1980s and is currently gaining in importance. For example, two recent English strategies - "City-regions" and the "Northern Way" - emphasise the role of the urban cores of cities as bases for the service sector which is now perceived as a major driver of the regional economy.

The increased role of cities in economic and social development is reflected in the strategic approach of the SPD for North East England. The programme has funded a range of urban regeneration activities, the most relevant of which can be found under Priority 3, Measure 1 (Strategic spatial developments) which funds high profile urban regeneration initiatives, i.e. large projects involving a grouping of sites in a defined geographical area. Such mutually supporting investments have been vital in raising the profile of Newcastle, and are considered as "iconic investments".

An example of an "iconic investment" is the Gateshead Quays project. This is an urban area near the centre

of Newcastle where groups of activities, including site preparation, access/infrastructure works, the development of tourist attractions and the construction of premises for business, combine to create a wider strategic impact on the urban area. This type of activity supports a coordinated approach to tackling urban problems, such as dereliction associated with former industrial activity. During the first phase of the programme, a series of projects under the heading 'Gateshead Quays' was funded under Priority 3. Strategic sites across the region were identified for investment based upon their potential to tackle economic decline and increase the number of jobs in a particular area. Support is focused on those areas with the ability to create the greatest number of direct jobs by the earliest date. Funding is available for all aspects of site development, including reclamation, infrastructure and construction work. The aim was to create a major international resource, providing an economic and cultural stimulus to the whole of the North East through large, related projects such as: the £46 million Baltic Centre for Contemporary Art, opened in July 2002 as one of the largest spaces for temporary exhibitions in Europe (£3.7 million EU funding); the Sage Gateshead music centre, opened in December 2004 (£7.2 million); the Gateshead Millennium Bridge, opened in 2002, linking developments on both sides of the river (£2.9 million); the Hilton International Hotel and the Baltic Quay mixed-use development, and £2.5 million of infrastructure work.

The current plan is to integrate Newcastle University's museum collections, which are potentially important but up to now have been underdeveloped and fragmented, into a cultural centre. This fits the strategic approach outlined above and will hopefully balance the spatial focus of funds between the riverside 'quays' part of the city and the city centre. The aim is to surround this with infrastructure projects to help this spatial rebalancing.

Angel of The North, Gateshead



Developing Evaluation Capacity in the Member States: the Case of the Structural Funds

Evaluation is today part of the administrative culture in Europe. Although progress is still uneven across Member States, there is a widespread belief that evaluation activities should be conducted in an appropriate manner, and with sufficient analytical rigour, to allow a proper use of evaluation results. In doing so, significant benefits can be achieved for the whole institutional system: a contribution to improved management of EU programmes; increased transparency and accountability; and enhanced cost-effectiveness of public investments.

EU regulations as a driver for the development of evaluation

Until recently, systematic evaluations of regional policy were either not undertaken or often were not considered as a priority. The emphasis was placed rather on the monitoring and control of EU expenditure. In many EU regions, it was difficult to demonstrate how the Funds were used or the impact of large EU transfers. The 1988 Structural Funds reform introduced ex ante evaluation as part of the new programming approach together with monitoring based on quantified targets. As a result, Member States started to develop monitoring systems, although focusing mainly on financial data.

The Maastricht Treaty (1993) gave Cohesion policy a higher profile with the doubling of Structural Funds appropriations, particularly for Objective 1 regions. In consequence, the Edinburgh Council called for more accountability for the Funds. New Regulations introduced enhanced provisions for monitoring, with the greater use of indicators and more powers to monitoring committees. Ex ante and ex post evaluation activities were introduced for all programmes, to assess the degree of consistency between the aid allocated and the expected (or actual) socio-economic benefits in the medium term. The Commission prepared guidelines to ensure some consistency in evaluation procedures and methods. A Commission meta-evaluation of interim evaluations noted that they had become more systematic and methodologically robust. One factor of note was the progressive building of evaluation capabilities through steering groups or in some cases through the setting up of formal evaluation units.

The Agenda 2000 initiative called for fiscal discipline by capping EU budgetary resources. This explains why the Structural Funds Regulations adopted in 1999 put a stronger emphasis on accountability, in particular with the designation of programme Managing Authorities in order to counterbalance the greater demand for decentralised management. Monitoring systems were further developed through the introduction of indicators and quantified targets within programmes. Mid-term evaluations became mandatory and were to be subject to an update by the end of 2005 to help in the preparation of new programmes.

At the same time, the Regulations provided for a clearer division of responsibilities between the Commission and Member States. More rigorous management was introduced with the so-called 'n+2 rule' (a provision for automatic decommitment) and the introduction of the performance reserve (amounting to four percent for each programme).

Growth in evaluation practice

The Regulations have given an impetus to the development of evaluation practice in all Member States and regions. In most countries, ex ante evaluations were launched in the early 1990s to appraise the quality and relevance of Regional Development Plans, although they have not always been effective in providing a genuine contribution to the formulation of objectives and resource allocation. Substantial progress was made in the subsequent round of interim evaluations (1994-1999), which were able to benefit from previous experience and were therefore better prepared (and were widely undertaken). In addition, thematic and in-depth regional studies were conducted for smaller Objective 2 and Objective 5b programmes. In general, the quality of the evaluations significantly improved, and greater attention was paid to the evaluation questions and criteria.

Over the period 2000-2006, the Commission based its evaluation approach on more formal requirements, in line with international practice. The ex ante evaluation framework involved a discussion of the rationale for public intervention and an assessment of the internal consistency of the strategy and its external coherence, as well as the expected impact and the quality of the implementation systems. A systematic evaluation of national and regional development plans was conducted, in particular in Italy and Ireland, where specialised evaluation units operate within public administrations. This approach contributed to improving programming documents, particularly in the quantification of targets and impacts.

Key actors in evaluation

In parallel to the development of evaluation practice, the Commission has undertaken a series of initiatives, in cooperation with Member States, to strengthen evaluation systems. These initiatives led to the interim evaluations of 1997 – although these were not required by the Regulations – and later to the performance reserve.

The search for greater effectiveness has become a key objective for the management of all EU programmes within the Commission in the context of the Sound and Efficient Management initiative. The Commission has taken steps to ensure systematic evaluation of all Community programmes, and the creation of specialised evaluation functions. Cohesion policy has been among the most active policy areas to promote an evaluation culture, notably with the launch of the MEANS programme (1993), and the creation of an EU-wide Evaluation Network made up of representatives of Member States to exchange experience and good practice.

Member States have seen significant evolution in evaluation practice despite differences in their institutional and administrative systems. In most countries, evaluation units are being set up and play an increasing role in policy and budgetary planning as well as in developing evaluation frameworks (as in the Netherlands or United Kingdom). National administrations tend to retain responsibility for the evaluation of programmes, but, in most cases, this is tending to become a shared responsibility between national and regional administrations. The increasing role of regional authorities in the design and management of programmes has also led, in some cases, to the development of evaluation capacity at the regional level. Partnerships have been formally set up in monitoring committees and tend to extend to social partners and other organisations. It is also important to stress the importance of the partnership with the Commission with regard to the elaboration of guidelines, the drafting of terms of reference, quality assessments, and technical support.

Another aspect worth mentioning is the spectacular development of the evaluation market and the evolution of public and private actors dealing with evaluation. The development of evaluation activities has also given rise to a growing professionalism and expertise in a range of fields and techniques (e.g. macroeconomic models, cost-benefit analysis, control groups). There are however, strong limitations in current practice: evaluators tend to use ad hoc techniques with the exception of standard approaches like cost-benefit and cost-effectiveness techniques.

The dynamic of evaluation and the 'acquis' of Cohesion policy

In the EU context, decision-making processes are complex, with a strong political character. Evaluation cannot be a substitute for political decisions, but it can influence these decisions. There are, however, a number of factors to be taken into account in the evaluation of complex programmes such as those supported by Structural Funds: the decentralised character of the management of most EU programmes, which tends to create a potential information gap; the need to demonstrate the added value of EU intervention; and the life-cycle of EU programmes linked to the progressive further development of their legal base.

To a large extent, the institutional situation determines differences in adopting evaluation procedures and the use of evaluation results. In fact, there are differentiated patterns between regions and types of interventions (e.g. between regional and rural development policies). In most Member States, EU requirements have provoked an important cultural change, which will have important effects on administrative systems, especially in the least developed countries and regions.

In the new Member States, EU Regulations – being part of the 'acquis' communautaire – had unexpected effects in terms of evaluation capacity development. The need to comply with legal requirements since 2004 has contributed to the development of an evaluation market, which is increasingly supported by the development of internal evaluation capabilities. This trend is particularly evident in Poland, the Czech Republic and Hungary which have set up formal evaluation units which actively contribute to the dissemination of evaluation tools (e.g. translation of Commission's documents into national languages, training and dissemination events).

Most Member States have developed an evaluation culture which is inspired by the 'managerial' model, in which evaluation is mainly used to improve programme management. Evaluation is associated with an active partnership in the management of Structural Funds programmes, as an instrument to develop information flows among partners as well as for strategic thinking.

International experience on evaluation capacity-building tends to focus on the importance of awareness-raising and training as key determinants for the development of an evaluation culture. National evaluation societies already exist in most countries. The Spanish society set up in 2001, and more recently the Polish Evaluation Society, are closely linked to the widespread use of evaluation activities in the context of the Structural Funds. Training programmes and specific teaching activities also tend to develop as a result of a growing demand for evaluation, especially at regional level.

Issues and challenges for the future

The development of evaluation capacity in Member States constitutes an essential aspect of the value added of the Structural Funds. However, its success depends on a number of factors. First, ownership is a necessary condition for an effective evaluation process and needs to be based on trust and independence. Second, there is a need for an integrated approach and effective co-ordination of evaluation activities across and within programmes. Third, evaluations should be designed and planned so that the output can be of use for decision-making. Fourth, it is recognised as good practice to establish early evaluation frameworks and practical arrangements for making the best use of evaluation results. Fifth, essential pre-requisites of good evaluation are clear objectives and regular monitoring based on agreed indicators.

There are no golden rules for evaluation which could be applied for all Member States. This means that evaluation is not just about the choice of methods and techniques, but it is rather about institutionalisation. In this regard, there are different ways of doing evaluation depending on specific institutional, cultural and social contexts.

This idea has been fully recognised in the regulatory provisions for the next programming period. There is a shift away from a mandatory approach which set rigid deadlines for the delivery of evaluation towards a more flexible approach based on 'on going', focused evaluation activities aiming to meet the needs of decision makers. This will no doubt require greater development of evaluation capacity development to enhance accountability. The objective is not only to deliver good evaluations, but to use them to improve programmes. By doing this, it will be possible to achieve better socio-economic impacts.

At the same time, evaluation practices have to adapt to a changing environment where regional policy tends to shift towards a regional competitiveness approach in the light of the revised Lisbon agenda. This raises new challenges for evaluation which will require new thinking and a renewed set of techniques but above all, an increased participation of key stakeholders to fully reflect the increased complexity of the new policy framework.

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Territorial Cooperation in the European Union - INTERREG Lessons for the New Programming Period

This review aims to draw lessons from the current INTERREG programmes for the next generation of programmes, particularly the regional OPs, which must now dedicate resources to interregional cooperation. The 15 years of experience gathered in INTERREG is an extremely valuable source of know-how. Despite some organisational changes for the new period, most of the lessons are still valid. The review starts with a brief discussion of the *raison d'être* for territorial cooperation and a description of the EU financial tools to support this. Following this, some lessons from INTERREG are illustrated, grouped around four main themes: thematic orientation; management structures; implementation processes; and monitoring and evaluation. The article draws heavily on the 2005 EPRC study of the INTERREG mid-term evaluations. It also takes into account INTERREG II evaluations, external CBC programmes ex-post evaluations and the wider scientific literature devoted to interregional cooperation issues.

1. Setting the context - *Raison d'être* for cooperation and the EU toolbox

Why cooperate?

The main objective of territorial cooperation is to overcome the negative effects of borders as barriers, to promote joint solutions to common problems and, as a result, to promote further harmonious and balanced integration of the EU territory.

Behind this, the reasons to cooperate within EU territorial programmes can be as follows: to use available EU funding; to continue previous cooperation, using new (EU) resources; to overcome common problems (e.g. to overcome peripherality, isolation); and to multiply common gains (e.g. improve the comparative advantage of the border region). The experiences of INTERREG show that the first of these

reasons, the availability of EU funding, can create a sense of identity and common interests in areas where it was previously absent. The second reason has been relatively common. EU programmes became an additional (and, over time, the main) platform for continuing cooperation (e.g. in the "Euroregions"). The last two reasons are the essence of territorial cooperation. They rely on the sense of unity between regions divided by borders. Cooperation starts as awareness of common problems (negative sense of unity) and moves to the highest level – sharing benefits (positive sense of unity). This level requires a common vision of development, i.e. common, integrated, strategic planning.

EU toolbox – History of INTERREG

The main EU tool for supporting territorial cooperation is the INTERREG Community Initiative, which has a history of over 15 years. Throughout this time, its objectives and internal organisation have been changing. The main observations are:

- There is a continuity between strands – the longest in the case of cross-border-cooperation (Strand A).
- The number of programmes has changed, with decline evident, though programmes have been integrated rather than dissolved totally. Enlargement has brought new borders on which to cooperate.
- In 2000, umbrella programmes appeared – they try to grasp fragmented but growing experiences and visions from multiple programmes into one Europe-wide perspective.

Over time, interregional cooperation has been extended to the external (non-EU) neighbouring regions and additional tools have been created for non-EU participants. However, these are very different from INTERREG (see table below), causing a number of problems.

Differences between EU territorial cooperation tools

	INTERREG	PHARE-CBC	TACIS/CARDS-CBC
Policy and responsible DG	Regional policy DG-Regio	Enlargement policy DG-Enlargement	External Policy DG-External, EuropeAid
Main addressees	Regions from EU Strand A: EU Border regions Strand B: regions from selected mezo-regions (partners from outside EU allowed) Strand C: all EU & accession country regions	Border regions of accession countries (now: Romania & Bulgaria)	Border region from neighbouring countries (Belarus, Moldova, Ukraine, Russia, Balkans)
Programmes orientation	Cross-border cooperation Transnational cooperation Interregional cooperation	Cross-border cooperation	Cross-border cooperation
Planning & financing cycle	Multiannual	Multiannual / annual	Multiannual / annual
Budget	Assigned to each programme not partner	Assigned to each programme – in practice for programme partners	Part assigned for each programme, part for all participating countries
Management	Decentralised	Decentralised after 1999	Centralised
Years of history	15 years	11 years	9 years

EU tools for the new programming period

For the new programming period, territorial cooperation has become one of the three main objectives of EU regional policy. Thus, its importance has been recognised (although in financial terms it remains limited). Continuity in orientation has been maintained from the previous period - all three types of territorial cooperation (cross-border, transnational and interregional) remain.

Some changes have been made in the toolbox of territorial cooperation with third countries. A New Neighbourhood Instrument has been established with the objective of facilitating and integrating INTERREG and TACIS/CARDS financial tools. First experiences show that, at the programme level, asymmetry in finances and competencies across borders remain a crucial obstacle to cooperation despite changes in the Regulations.

2. Thematic orientation

Experiences

In existing INTERREG programmes, cooperation covers topics similar to the mainstreamed Structural Funds programmes,

such as (cross-border) physical infrastructure; balanced spatial development; preservation of natural heritage and the environment; economic development; business activities and human capital; and networking and innovation.

However, there are three main differences between INTERREG and the regional Structural Funds programmes:

- since resources are more limited, INTERREG focuses more on softer projects, and less on infrastructure;
- the process is different and more complex, as it is based on “doing things together” which requires more negotiation;
- the spatial aspect of the projects – treating both sides of the border as an integral, functional space - is underlined.

Nevertheless, the intensity and form of this integration process can vary. In practice, projects can share five different characteristics, shown in the table below.

Projects character and programme types

Programme type	IIIA external borders & NMS internal borders	IIIA internal borders (incl. LI, CH)	Strand B - transnational	Strand C - interregional
Project type				
“Close to border” projects – doing own business but taking into account the other partners (e.g. development of a water treatment plant on a border river)	X			
Parallel projects - doing own business in parallel (conceived as a single cbc project but delivered as two or more projects)	X	X		
Cross-border projects - doing the business together with one vision (targeting, contained, spatially contiguous areas)	X	X		
Narrow joint transnational and interregional projects. Limited number of partners. Thematic focus.	X	X	X	X
Broad joint transnational and interregional projects. As above but more partners. Thematic focus. Could be shallow (limited to conferences and know-how exchange within the project) or durable (with follow up activities and continued cooperation after project closure).		X	X	X

Source: Based on Bachtler, Taylor and Olejniczak 2005

The above project types depend mainly on two factors. First, the condition of the border area: when there are major differences in development between two sides of the border, the investments focus on equalling infrastructure potential; when both sides are well developed, the focus is on business, human resources and joint strategies. Second, the longer the tradition of cooperation (usually in the framework of Euroregions), the higher the number of projects.

Looking more closely, some content similarities can be observed. The projects from advanced, well established INTERREG IIIA programmes focus on the development of shared strategic frameworks – similar to those in Strand B. Learning & knowledge exchange, the main issue of Strand C, has also become a key activity of the umbrella programmes (in particular, INTERACT).

Lessons for the future

Taking into account the limited resources for territorial cooperation over the 2007-13 period, it seems reasonable to move away from infrastructure development and focus on soft, intangible projects. INTERREG could become a tool for developing integrated visions and strategic frameworks for border regions, while the implementation of these strategies (including infrastructure development) could be followed up under the mainstream Structural Funds programmes.

The key issue for cross-border cooperation (Strand A) is the integrated management of all regional resources. Innovation and the development of the comparative advantage of border regions will be also on the agenda. Border infrastructure projects will be present only under the NNI and with limited resources.

Future strategies, especially those developed under Strand B, will have to move towards the integration of implementation modes into projects (e.g. strategy presentation and dissemination policy as part of the project).

Strand C will continue to focus on know-how exchange between regions from across the EU but on a partner-to-partner basis (contrary to the umbrella programmes which were more complex, with EU-wide patterns being identified).

Umbrella programmes are still required. However, their practical value-added should be closely evaluated (e.g. the utility of ESPON typologies of regions and of know-how transfer and generation by particular INTERACT points).

3. Management structures

Experiences

INTERREG experiences show a surprising variety of management solutions, despite the unified model laid down in the Regulation (Managing Authority, Paying Authority, Technical Secretariat, Steering and Monitoring Committees). Some options include: MA in one country and PA in another; MA and PA in one country but in two separate institutions;

MA and PA in different departments of the same institution; single JTS for the whole programme; mirror structures in external programmes and other bodies with assisting functions (e.g. promotion and animators, coordination nodes, assisting/linking bodies, cooperation platforms).

The chosen arrangements depend to large extent on past co-operation experiences and administrative cultures. Despite the different solutions, all institutions faced problems with communication and decision-making, mainly due to differences in legal and administrative regulations in the countries concerned. Additionally, new institutional frameworks and changes in management structures during the programmes usually led to delays.

Lessons for the future

For the new programming period, European Groupings for Cross-Border Cooperation (EGCBC) are being introduced. Equipped with legal personality, they are supposed to overcome common problems experienced during the 2000-2006 period. Experiences show that the introduction of new solutions always takes time and can cause delays. Thus, a quick identification of responsibilities and competencies between the institutions involved will be crucial.

The EGCBC is not necessarily the cure for all problems. Issues such as incompatibilities between national funding regimes and differences in management cultures are not directly addressed. Despite the introduction of EGCBC, the role of additional bodies should not be underestimated. They will remain crucial for the programme's promotion and day to day assistance to applicants and project managers.

4. Programme implementation

Experiences

The programme implementation process can be divided into four stages: publicity and communication, project generation, project appraisal and selection, and project implementation.

The challenges faced by programmes depended on their maturity: newer programmes had basic problems such as establishing their strategy and starting the promotion process. More advanced programmes faced challenges in the improvement of their on-going operations. The main publicity and communication difficulty was inconsistency of information (published for different audiences in different languages by different institutions). At project generation stage, programmes usually had problems attracting a sufficient volume of eligible applicants. The main challenge from the applicants' perspective was the formation of the partnership. At the project appraisal and selection phase, underdeveloped programmes had difficulties in developing transparent procedures. Finally, in the project implementation stage, problems with payments were common, due to inconsistent procedures and differences between national systems.

Lessons for the future

INTERREG III experiences show that effective publicity is crucial for programme success. Integrated communication plans (multi-language, standardised information packages), combined with clear information on the specifics of INTERREG and targeted promotion, are key to a high response rate.

Clear, simple and unified procedures help applicants at the project generation stage. Other solutions include small project funds for smaller organisations, guidance for applicants with practical examples, standardised information packages, and lengthy calls for projects.

In project appraisal, good practice includes a standardised, two-stage selection procedure (first technical assessment, then project merit) with clear selection criteria (to avoid political influences), or differentiation of procedures according to projects types (micro-projects, preparatory projects and main projects).

5. Monitoring & Evaluation

Experiences

Monitoring systems include three elements: databases and data collection procedures, systems of indicators and data exchange and communication procedures.

Regarding the databases, three options were common: national/multi-programme INTERREG databases; national Structural Funds databases for Objectives 1 and 2, and the Community Initiatives; and programme-specific databases. Common challenges included the integration of: finances (different currencies), geographic data from different countries, languages and access by multiple partners.

As for indicator systems, classical output-result-impact chains were not as suitable for INTERREG. Cooperation and sustainability require qualitative tools and training for project actors. Programmes faced problems with collecting context indicators, capturing the intangible effects of INTERREG and measuring Community value added, as well as relating programme-measure-project indicators.

Finally, the quality of the evaluations was good although there were surprisingly few INTERREG-specific approaches. The range of methods included desk research and interactive research (stakeholder interviews, surveys of managers). Evaluation practices showed substantial advantages accruing from interactive techniques, which generated new information and strengthened partnership within programmes.

Lessons for the future

The monitoring and evaluation of INTERREG requires a unique approach, different from that taken for the mainstream Structural Funds programmes. Addressing cooperation, sustainability and intangible outcomes calls for qualitative and interactive tools. The emphasis should lie on the processes,

i.e. how the programmes are implemented and the extent of cooperation and networking created.

INTERREG monitoring should be limited to the main financial and progress indicators. The question of effects should be addressed by evaluation. INTERREG evaluation should be integrated more into monitoring processes, e.g. through on-going evaluation approaches.

Territorial cooperation requires the development of a distinctive evaluation toolbox. This could include elements such as: contextual, integrated analysis (facilitated by the establishment of border region observatories); use of qualitative methods; process analysis (interactions, cooperation and learning process); case studies; interviews; surveys; and, last but not least, stakeholder involvement (workshops, panels, self-assessments).

This development of monitoring and evaluation practices should be facilitated at the EU-level by the European Commission or INTERACT.

Finally, as for data storage and exchange, the simplest solutions - simple software, separate databases with a limited number of administrators - proved to be the best.

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EU State Aid Control and the Reform of the Structural Funds

As described previously, the new Structural Funds architecture has significant implications for the future design and conduct of EU Cohesion policy. At the same

time, key EU Competition rules on State aid are currently being overhauled; several of the new codes and guidelines are likely to impinge on how Structural Funds monies are spent. Most important among these are the Guidelines on National Regional Aid. These were adopted by the European Commission at the end of 2005 and run concurrently with the new Structural Funds planning period – ie. 2007-13.

Regional aid guidelines 2007-13

The regional aid guidelines regulate the use of general investment incentives to large firms in the EU and the availability of 'top-ups' for aid to small and medium-sized enterprises (SMEs). Large firms can only qualify for general investment aid if located in an assisted area; SMEs are eligible for investment aid throughout the EU, but the Commission authorises higher award rates in designated areas.

In many ways the 2007-13 Guidelines are a continuation of the present (2000-06) Guidelines. However, there are some important changes: assisted area coverage is lower overall and reduced by as much as half in some countries; and maximum rates of award are also reduced. An interesting development is the provision of aid for enterprise, to encourage start-ups in the problem regions. Last, at an administrative level, compliance with the State aid rules should be eased with the proposed introduction of a block exemption regulation for regional aid.

Assisted areas

As in the past, the 2007-13 guidelines distinguish two types of assisted area: those eligible on the basis of Article 87(3)(a) – the 'a' areas; and those eligible under Article 87(3)(c) – the 'c' areas.

Echoing the Structural Funds approach, the 'a' areas comprise the convergence regions (ie. regions with GDP per head of less than 75 percent of the EU25 average) and the phasing-out or 'statistical effect' areas (ie. regions which would have qualified as Convergence areas had it not been for enlargement). The 'c' areas are selected by the Member States, subject to Commission approval, and are likely to comprise the phasing-in areas, sparsely-populated areas (broadly, NUTS III areas with fewer than 12.5 persons per km²) as well as areas chosen according to national priorities. The process of redrawing the national assisted area maps is currently underway, but the outcomes are not likely to be known for some months.

Coverage of the national assisted areas for 2007-13 is significantly lower than for 2000-06 for many EU15 countries; however, for most of the new Member States coverage is unchanged.

National Assisted Areas (% of population) 2007-2013

	'a' areas	Statistical effect 'a' areas	'c' areas	TOTAL
Austria		3.4	19.1	22.5
Belgium		12.4	13.5	25.9
Cyprus			50.0	50.0
Czech Rep	88.6			88.6
Denmark			8.6	8.6
Estonia	100.0			100.0
Finland			33.0	33.0
France	2.9		15.5	18.4
Germany	12.5	6.1	11.0	29.6
Greece	36.6	55.5	7.9	100.0
Hungary	72.2		27.8	100.0
Ireland			50.0	50.0
Italy	29.2	1.0	3.9	34.1
Latvia	100.0			100.0
Lithuania	100.0			100.0
Luxembourg			16.0	16.0
Malta	100.0			100.0
Netherlands			7.5	7.5
Poland	100.0			100.0
Portugal	70.1	3.8	2.8	76.7
Slovakia	88.9			88.9
Slovenia	100.0			100.0
Spain	36.2	5.8	17.7	59.6
Sweden			15.3	15.3
UK	4.0	0.6	19.3	23.9
EU25	27.7	3.6	11.8	43.1
EU15	15.0	4.3	13.2	32.5
NMS10	92.9	0.0	4.3	97.1

Source: Regional Aid Guidelines and author's calculations.

Rates of award

The amount of aid that the Commission will authorise varies by type of eligible area and firm size; this is summarised below.

Maximum rates of award by firm size (% of eligible investment)

	Large	Medium	Small
'a' areas < 45% of EU25 GDP per head	50	60	70
'a' areas < 60% of EU25 GDP per head	40	50	60
'a' areas < 75% of EU25 GDP per head	30	40	50
'a' areas statistical effect	30->20	40->30	50->40
'c' areas	15	20	30
Non-assisted	0	10	20

Note: Aid can also be calculated as a proportion of wage costs over two years in relation to jobs created as a result of an investment project.

Source: Summarised from the Regional Aid Guidelines 2007-13.

For the most part, these award rates are significantly lower than at present. This is partly because the nominal amounts have been reduced, but also because the values are expressed in gross rather than after tax terms (net grant-equivalent), as previously.

Aid for new small enterprises

The 2007-13 Guidelines include a new model for aid to promote entrepreneurship in the assisted areas. Aid is restricted to new small firms and linked to expenses incurred in the first five years of business. Eligible expenditure includes finance costs, rent, running costs, depreciation and wages. Maximum amounts of aid are €2 million per firm (up to 35 percent of costs) in the 'a' areas and €1 million (up to 25 percent of costs) in the 'c' areas.

Block exemption regulation

In order to ease compliance and reduce administration, the Commission proposes to adopt a Regulation on regional aid. This will enable national and sub-national authorities to introduce new aid schemes without the need for prior approval by the Commission, provided that the Guidelines are complied with and the aid proposed falls within the assisted areas map approved by the Commission.

Other recent State aid developments – the State aid action plan

The past 18 months or so has been a very active period in State aid control. The adoption of the 2007-13 Regional Aid Guidelines is arguably the single most important State aid development of relevance to the Structural Funds, but a number of other issues are worth mentioning.

At a formal level, in 2005 the Commission presented its State aid action plan (SAAP)¹ which sets out a 'roadmap' for changes envisaged over the next five years or so. To some extent, the SAAP 'repackages' a number of elements that were already in hand (such as the reform of the Regional Aid Guidelines) into a broader strategic framework. As such, much of it is not new, but it signals a determination on the part of the Commission to address inconsistencies and omissions in the State aid rules. Moreover, the SAAP identifies a number of substantive priorities to which the reform of State aid control can contribute:

- targeting innovation and R&D;
- creating a better business climate and stimulating entrepreneurship;
- investing in human capital;
- providing high quality services of general economic interest;
- focusing regional aid policy;
- encouraging an environmentally sustainable future; and
- establishing modern transport, energy, information and communication technology infrastructure.

Clearly a number of these priorities are relevant to the implementation of the Structural Funds. In concrete terms, the main outputs so far (the Regional Aid Guidelines aside) concern texts on aid for services of general economic interest and consultations on aid for R&D and innovation and State aid to risk capital. In addition, the Commission has proposed to increase the de minimis aid threshold (the level below which aid need not be notified to the Commission in advance) from €100,000 over three years to €150,000. A new text on environmental aid is also anticipated.

A key objective in these texts has been to orient State aid policy towards the so-called Lisbon agenda; there had been criticism that the existing rules did not facilitate the design of aid schemes that contributed to enterprise and innovation. To this extent, there is evidence of increased flexibility in areas such as support for innovation. On the other hand, there is less regional orientation apparent in 'horizontal' texts – the proposal for R&D and innovation aid do not include the 'bonuses' that were previously available for projects located in the 'a' and 'c' areas.

Fiona Wishlade

European Policies Research Centre, Glasgow

An EPRC paper on the evolution of the Draft Guidelines on Regional Aid was prepared for the EoRPA (European Regional Policy Research Consortium) meeting in autumn 2005: "Plus ça change, plus c'est la même chose? Recent developments in EU competition policy and regional aid control" by Fiona Wishlade, European Policy Research Paper No 58, EPRC, Glasgow. http://www.eprc.strath.ac.uk/eprc/publications_eprp.cfm

What is IQ-Net?

IQ-Net is a network of Objective 1 and 2 regions actively exchanging experience on applied and practical programming issues. It involves twice-yearly meetings of members, and a programme of research and debate on topical themes relating to programme management and delivery. With enlargement of the EU, IQ-Net is now inviting new partners to join the network.

IQ-Net was established in 1996. After successfully completing two, three-year periods of operation (1996-1999 and 1999-2002), IQ-Net is now engaged in a third phase of activity, running from July 2002 to June 2006, designed to meet the challenges confronting all those engaged in Structural Fund management and administration in the current programming period.

The aim of IQ-Net is to improve the quality of Structural Fund programming through exchange of experience.

Specifically, the project has four objectives:

- (i) to assess the range of experience among Objective 1 and 2 programmes, identifying 'good practice' and innovative approaches on selected issues;
- (ii) to facilitate the transfer and exchange of experience among Structural Fund programme partners;
- (iii) to support the training of personnel administering Structural Fund programmes; and
- (iv) to disseminate information on good practice more widely among programme partners.

Benefits of membership

Structural Fund programmes are complex initiatives to design, manage and deliver. Adapting EU regulations and guidance to suit national and regional conditions presents difficult tasks for programme managers and partners. Across the EU, there are common challenges in areas such as strategic planning, programme administration, partnership-working, project selection, financial management and control, monitoring and evaluation.

The purpose of IQ-Net is to enable programme managers to share experience in meeting these challenges, to find answers and to avoid problems. The network is distinctive in the emphasis that it places on:

- (i) structured, comparative assessment of the practices and procedures of programme management in different countries and regions;
- (ii) the preparation of detailed and comprehensive reports on international experience; and
- (iii) the organisation of well-prepared and structured meetings to facilitate formal discussion and informal networking.

The activities of the network are evaluated periodically. The evaluations conducted have highlighted that membership of the network provides the following main benefits:

- (i) **Better understanding of programme management** - the network enables programmes to critically reflect on their strengths and weaknesses relative to others. It facilitates understanding how a programme, and its management arrangements, compare with others across the EU and how other programmes are interpreting and exploiting Structural Fund regulations.
- (ii) **Identifying organisational improvements** - IQ-Net reports and debates have generated new ideas and solutions in areas such as project selection systems, monitoring systems, management arrangements, and the treatment of the horizontal themes. There are examples from several partner regions where specific organisational changes originated in the network.
- (iii) **Individual learning benefits** - programme managers benefit individually from the opportunity for strategic reflection, sharing experiences with peers and learning from others.
- (iv) **Contact generation** - IQ-Net meetings provide opportunities to make new contacts, some of which have led to deeper relationships through opportunities for bilateral study visits and other exchange

IQ-Net partners

The network currently comprises four sets of partners: regional programme authorities; Member State administrations; the European Commission; and the European Policies Research Centre.

Regional programme authorities

IQ-Net was originally established in 1996 by 13 regions from seven countries: Austria (Niederösterreich, Steiermark); Denmark (Nordjylland); Finland (Päijät-Häme, South Karelia); France (Aquitaine Rhône-Alpes); Germany (Nordrhein-Westfalen, Saarland); Sweden (Ängermanlandskusten, Fyrstad); and the United Kingdom (South Wales, Western Scotland).

In Phase 2 (1999-2002), a broader range of regions (including both Objective 1 and 2 areas) from nine Member States participated in the network, from: Austria (Niederösterreich, Steiermark); Belgium (Vlaanderen, Wallonie); Denmark (Nordjylland); Finland (Satakunta); Germany (Bremen, Nordrhein-Westfalen, Sachsen-Anhalt, Saarland); Italy (Lombardia, Toscana); Spain (Cataluña, País Vasco); Sweden (Norra, Norra Norrland); and the UK (Wales; Western Scotland).

For Phase 3 (2002-06), the membership of the network was reviewed again. The following regional partners are currently participating in Phase 3:

- Niederösterreich (Austria)
- Steiermark (Austria)
- Flandern (Belgium)
- Nordjylland (Denmark)
- Western Finland
- Nordrhein-Westfalen (Germany)
- Sachsen-Anhalt (Germany)
- Lombardia (Italy)
- Toscana (Italy)
- Slaskie Voivodeship (Poland)
- País Vasco (Spain)
- Norra Norrland (Sweden)
- Norra (Sweden)
- North-East England (UK)
- Wales (UK)
- Western Scotland (UK)

Member State authorities

For some countries, where national administrations also have a major practical role in Structural Fund programming, Member State level authorities are partners in the network. For Phase 3, these partners are:

- National Agency for Enterprise and Housing (Denmark)
- Ministry of the Interior (Finland)
- DIACT (formerly DATAR, France)
- Ministry of Economy and Finances and Community Support Framework Management Organisation Unit (M.O.U.) S.A. (Greece)
- National Territorial Development Office (Hungary)
- Agency for Industrial Promotion and Ministry of Economic Development (Italy)
- Department of Communities and Local Government (UK)

European Commission

The European Commission has contributed to the Network in the past by co-funding meetings and dissemination activities, through Article 7. Currently it contributes by facilitating access to relevant documentation and by sending representatives from DG Regio to participate in meetings.

European Policies Research Centre (EPRC)

The EPRC is a research institute at the University of Strathclyde (Glasgow) specialising in research on EU Structural Funds across the EU. The EPRC was originally instrumental in mobilising the partners and establishing IQ-Net. Since 1996, the Centre has also provided the secretariat and research support for the network, organising meetings,

preparing briefing papers, disseminating information and managing electronic exchange of experience services.

Activities of the IQ-Net network

The basis of IQ-Net is a rolling programme of cross-regional, comparative research and debate on issues relating to the design, management, implementation and evaluation of programmes and projects in Objective 1 and 2 regions.

The process of exchange of experience involves four main activities:

Meetings: A programme of meetings of participating regions is organised at six-monthly intervals to facilitate a direct exchange of experience on selected issues (supported by overviews of practice). Participants are normally programme managers and key partners. Each meeting lasts two days and has a strong practical orientation, addressing themes selected by delegates, with simultaneous interpretation into selected partner languages. As the meetings are hosted in turn by the partner regions, study visits are arranged in association with the meetings to illustrate, in situ, examples of distinctive regional projects or regional development initiatives. A list of the IQ-Net meetings held in partner regions can be seen on the subsequent map.

Reports: Regular comparative reports are produced on selected issues, as defined by the sponsoring partners, reviewing the spectrum of practice among partner regions as well as examining 'good practice' and innovative initiatives. These form the basis for discussion at each meeting. The reports are based on fieldwork research undertaken by EPRC research staff, the practical inputs of IQ-Net members and complementary desk research. They provide an overview of the spectrum of practice in Objective 1 and 2 regions of the EU and also highlight distinctive and innovative practices. Reports produced to date are listed in the box below, and are available to download from the IQ-Net website.

Bulletins: In order to promote the wider dissemination of IQ-Net results, IQ-Net Bulletins are produced and distributed yearly to programme managers, Commission services, Member State authorities and other experts. Twelve issues have been published to date over the period from 1996-2005. The Bulletins contain a summary of the research and debate at IQ-Net meetings. They are also available to download from the IQ-Net website.

IQ-Net Website: The website was launched in June 2000 (<http://www.eprc.strath.ac.uk/iqnet>). It is structured into two sections: a set of Partner Intranet Pages, available exclusively to IQ-Net members; and a set of Public Pages. More information on the website is available at the end of this publication.

IQ-Net Thematic Reports

- A Strategic Approach to Cohesion? Developing 2007-2013 strategies
- Territorial Cohesion and the Structural Funds
- Cohesion Policy Funding for Innovation and the Knowledge Economy
- The Added Value of Structural Funds
- Information, Publicity and Communication
- Mid-Term Evaluation of the 2000-06 Programmes
- Mainstreaming Horizontal Themes into Structural Fund Programming
- The Structural Funds: Facilitating the Information Society
- Information into Intelligence: Monitoring for Effective Structural Fund Programming
- At the Starting Block: Review of the New Programmes
- Tourism and Structural Funds
- Preparations for the New Programmes
- The New Regulations and Programming
- Strategic Approaches to Regional Innovation
- Effective Responses to Job Creation
- The Evolution of Programmes and Future Prospects
- Equal Opportunities in Structural Fund Programmes
- The Contribution of Meso-Partnerships to Structural Fund Implementation
- Regional Environmental Integration: Changing Perceptions and Practice
- Structural Fund Synergies: ERDF and ESF
- The Interim Evaluation of Programmes
- Monitoring and Evaluation: Principles and Practice
- Generating Good Projects
- RTD and Innovation in Programmes
- Managing the Structural Funds – Institutionalising Good Practice
- Synthesis of Strategies 1994-96



Partners' Views

"The Greek Ministry of Economy and Finance and its Management Organisation Unit (MOU) are very recent members of IQ-Net. We believe that IQ Net is a very valuable concentration of specialised knowledge in the field of Structural and Cohesion Policy, which cannot be found elsewhere. IQ-Net papers and conferences have always been focussing on the latest developments of this Policy and have been proven to be valuable tools to administrations. The Greek administration aims to continue the fruitful cooperation and share its experience with the other members of network."

Athanasios Nassos Sofos

Secretariat General for Investment & Development
MNEC-Ministry of Economy & Finance, Greece

"The (frequent) contacts and experiences with IQ-Net have always given us the comfort of knowing we're good pupils in the class of European Structural Funding. It is good to know, however, that there is room for improvement, and IQ-Net has certainly been an excellent teacher."

Raf Franken

Antwerp Kempen Programme Secretariat



IQ-Net Conference North East England

"I think that the IQ-Net meetings are important occasions for my work and for my Administration, as they offer the opportunity for a periodic verification of the direction and of the decisions taken in business aid strategies. The exchange of information and experiences with the experts from EPRC, Commission Officials and with colleagues from other Member States allows us to forget, for a few days, the daily dimension of work commitments and to enlarge the visual horizon about the better use of the resources from the Structural Funds."

Paolo Rota

Ministry of Economic Development, Italy

"As a founder member of IQ-Net I still find it an excellent forum for sharing and learning about good practice in Structural Funds Programme management. EPRC provides a high quality service to members that always focuses on the current issues and achieves the right balance between comparative academic research and practical experience."

Laurie Russell

Strathclyde European Partnership Ltd,
Western Scotland, UK

"Membership of IQ-Net has resulted in a number of practical outcomes for the programme, including:

- helping to generate ideas for the development of the 2000-2006 Objective 2 programme,*
- adaptation of the Terms of Reference for the mid-term evaluation,*
- learning about new approaches to preventing automatic decommitment (N+2-Rule) and to the financial monitoring of projects,*
- the opportunity to exchange strategies for future Structural Funds programmes (2007-13), and the*
- exchange of experience on the development of innovative projects."*

Dr. Claudia Schulte

Objective 2 Secretariat, Nordrhein-Westfalen, Germany



Delegates at IQ-Net Conference Steiermark

"The great thing about IQ-Net is that it brings together people from right across Europe who are all involved in the same process - managing Structural Funds Programmes. I can not think of any other network that does this. The conferences are a tremendous opportunity to share experiences - formally and informally - and the research papers are a really useful way of summarising and sharing best practice."

Peter Smith

Government Office North East, UK



IQ-Net Study Tour to Ibrox, New Lanark Conference

"The theme-specific reports from IQ-Net have produced very useful information for our Ministry's department with regards to regional development practices in different countries. They have also raised discussion within our department on the different views to regional development."

Pasi Rantahalvari

Ministry of Interior, Finland



Delegates at IQ-Net Conference, Western Finland



IQ-Net delegates, Alsace Conference

"The Objective 2 Region of Steiermark in Austria has been a member of IQ-Net since its beginning in 1996. We have had a lot of benefits out of this international network and the profound studies that have been provided throughout these 10 years. The exchange of experience all over the European regions has given us as an implementing body an interesting view inside how other regions deal with the Structural Funds."

Gerd Gratzner

Styrian Land Government,
Austria

"With IQ-Net, the idea of Europe that was in my mind has taken shape, taste and flavour: with the cycling paths of Aalborg, the reclaimed XVIII century social structures of New Lanark, a taste of Scottish haggis ... and, most of all, with the direct experience that many others in the EU are facing the same problems, challenges and objectives that we face daily."

Rosella Vitale

IPI, Agency for Industrial Promotion,
Italy

"For us, on the outskirts of Europe, it's very important to have good contacts with other countries. The IQ-Net network has given us a lot of important knowledge and valuable contacts for our daily work with the Structural Funds programmes."

Gunilla Havnesköld

Norrbottn County Administrative Board, Sweden

CURRENT PARTNERS



Austria

- Niederösterreich, State Government, Economic and Tourism Department
- Steiermark, State Government, Economic Policy Department

Belgium

- Vlaanderen, Ministry of the Flemish Community, Economics Division – Europe, and Programmasecretariaat Antwerpen, Kempen

Denmark

- Nordjylland, County Council (Industrial Policy Division), and Danish Agency for Enterprise and Housing

Finland

- Länsi-Suomi, Western Finland Alliance, and Finnish Ministry of the Interior

France

- DIACI Délégation interministérielle à l'aménagement et à la compétitivité des territoires (ex-DATAR)

Germany

- Nordrhein-Westfalen, State Government, Ministry of Economics and Labour (EU Affairs Unit)
- Sachsen-Anhalt, State Government, Ministry of Economics

Greece

- Greek Ministry of Economy & Finance, and Community Support Framework Management Organisation Unit (M.O.U.) S.A.

Hungary

- Hungarian Office for Territorial and Regional Development

Italy

- Italian Ministry of Economic Development, and Agency for Industrial Promotion
- Lombardia Region, D.G. for Industry, SME, cooperation and tourism
- Toscana Region, D.G. for Economic Development

Poland

- Śląskie Voivodeship, Marshal's Office of Śląskie Voivodeship

Spain

- País Vasco, Diputación Foral de Bizkaia, Department of Economy and Finance

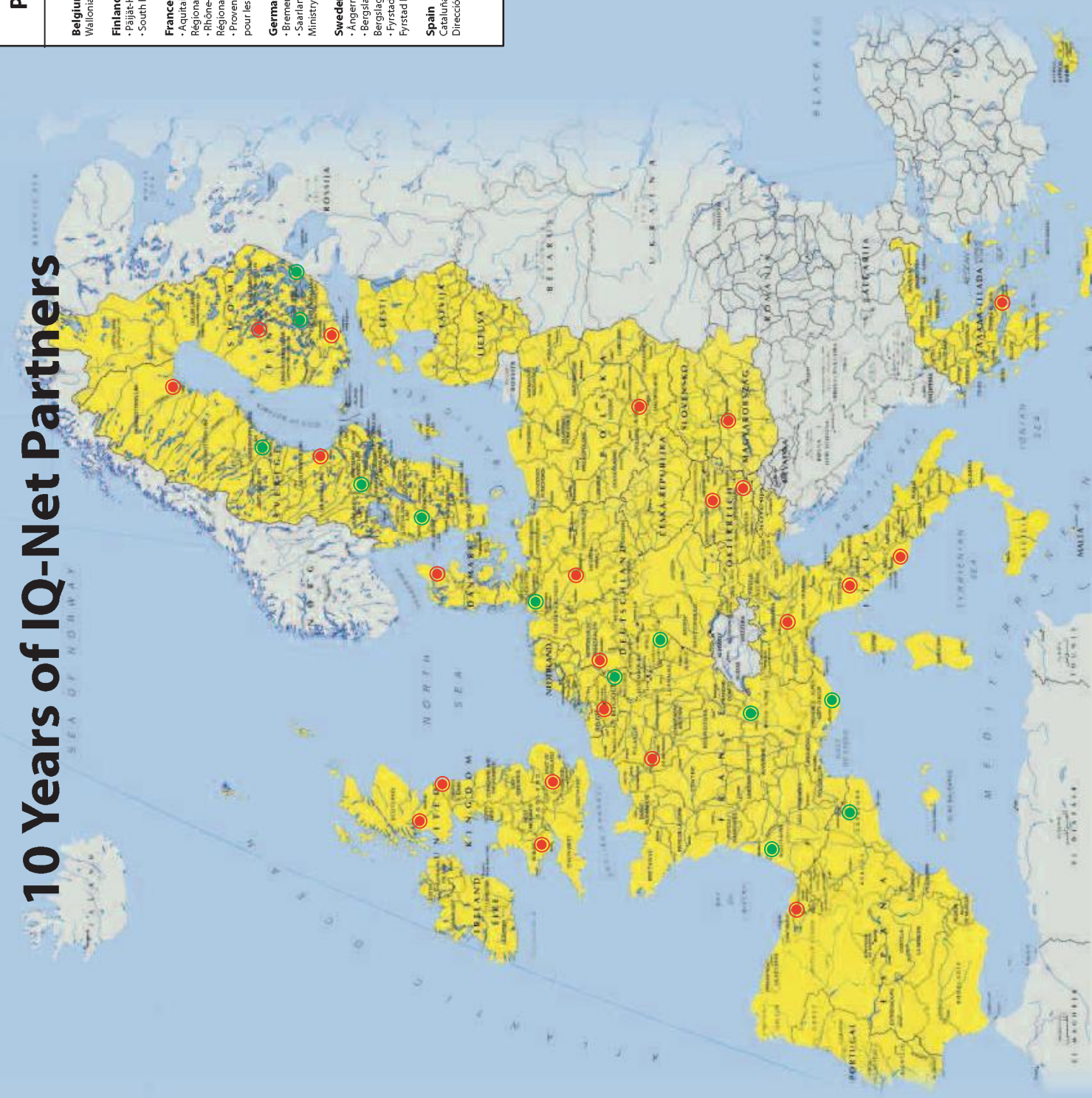
Sweden

- Norra Region, County Administrative Board for Gävle County and Norra Norrland Region, County Administrative Board for Norrbotten County

United Kingdom

- English Department for Communities and Local Government, and Government Office for North East England
- Welsh European Funding Office
- Western Scotland, Strathclyde European Partnership Ltd

10 Years of IQ-Net Partners



PAST PARTNERS



Belgium

- Wallonia, Ministry of the Walloon Region

Finland

- Päijät-Häme, Regional Council
- South Karelia, Regional Council

France

- Aquitaine, Secrétariat général pour les Affaires Régionales (SGAR)
- Rhône-Alpes, Secrétariat général pour les Affaires Régionales (SGAR)
- Provence-Alpes-Côte d'Azur, Secrétariat général pour les Affaires Régionales (SGAR)

Germany

- Bremen, Senator for Economics and Ports
- Saarland, State Government, Ministry of Economics and Finance

Sweden

- Angermundskusten, Västernorrlands Län
- Bergslagen, Objective 2 Programme Secrétariat for Bergslagen
- Fyrbstad, Västra Götaland, Fyrbstad EU Secrétariat

Spain

- Cataluña, Autonomous Region of Cataluña, Dirección General de Programación





10 Years of IQ-Net Conferences

Glasgow
(Western Scotland, UK), June 2006
"The design of 2007-13 Structural Funds programmes"

New Lanark
(Western Scotland, UK),
November 1999
"Structural Funds programming"

Glasgow
(Western Scotland, UK), February 1996
Launch meeting

Newcastle
(North East England, UK), May 2005
"Territorial cohesion and Structural Funds programmes: urban development and inter-regional cooperation"

Cardiff
(Wales, UK), September 1996
"Generating good projects, monitoring and evaluation, RTD and innovation, Structural Funds management"

Brussels
(Belgium), June 2003
"The added value of Structural Funds programmes"

Grobbendonk
(Vlaanderen, Belgium), December 2001
"The horizontal themes"

Strasbourg
(Alsace, France), November 2005
"Future Structural Funds programmes strategies"

Bordeaux
(Aquitaine, France), May 1998
"RTD and Job creation"

Artimino, Prato
(Toscana, Italy), November 2004
"Innovation and the knowledge economy"

Como
(Lombardia, Italy) December 2000
"Monitoring - information into intelligence"

Luleå, Norrbotten
(Norra Norrland, Sweden), June 2002
"Mid-term evaluation"

Fyrstad
(Västra Götaland, Sweden), November 1997
"Meso-level partnerships, equal opportunities and Objective 2 programme evolution"

Oulu
(Länsi-Suomi, Finland), April 2004
"The effectiveness of Structural Funds programmes"

Aalborg
(Nordjylland, Denmark), June 2001
"The information society"

Dortmund
(Nordrhein-Westfalen, Germany),
February 2003
"Publicity and communication"

Saarbrücken
(Saarland, Germany), June 2000
"Project development, appraisal and selection"

Gelsenkirchen
(Nordrhein-Westfalen, Germany), April 1997
"Regional environmental integration, ERDF and ESF synergy, interim evaluation"

Leoben
(Steiermark, Austria), October 2003
"Programme efficiency, mid-term evaluations and added value"

Semmering
(Niederösterreich, Austria), January 1999
"Tourism and Structural Funds"



IQ-Net Website



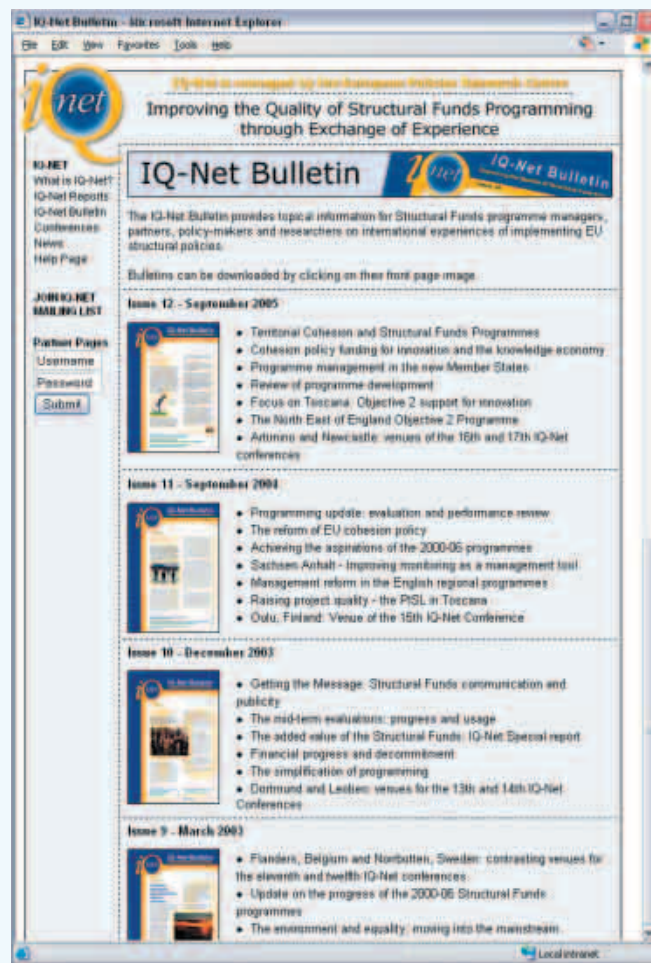
IQ-Net website



Partner's pages on the website



Access to conference information for Partners



IQ-Net Bulletins available from the website

The IQ-Net Website

<http://www.eprc.strath.ac.uk/iqnet>

Visit the website for:

- Downloadable IQ-Net Reports from previous Conferences.
- Downloadable current and back copies of the IQ-Net Bulletin.
- Regular News on Network activities.
- What is IQ-Net? A brief introduction to the Network (now available in thirteen languages: Czech, Danish, Dutch, English, Finnish, French, German, Greek, Hungarian, Italian, Polish, Spanish and Swedish).

In addition, IQ-Net Partners can access:

- IQ-Net Conferences: Details on forthcoming and previous conferences, including the opportunity to download conference materials and reports in advance of meetings and to access relevant websites. Material from previous conferences includes slide presentations and papers, as well as photographs.
- Network Partners and Programmes: Direct contact details for Network members.
- Partner Reports: Access to exclusive IQ-Net reports, supplementary background and case study material, Reports to Members and project specifications.
- Useful links: Links to selected websites in EU25 which are of direct relevance to Structural Fund practitioners, including regional sites making their programming documents available electronically. The links are grouped under headings covering, for example, National Ministries & Agencies, Parliament & Constitution, Regional Websites, Regional & National OP/SPDs, Economics & Statistics, Key Documents, News, Research Institutions and Travel Information.
- IQ-Net Team:
Profiles of the IQ-Net team and their responsibilities with respect to the Network.



Further information about the network can be obtained from:

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