

Welcome to the eighth issue of the *IQ-Net* Bulletin...

Two years into the new programming period, and the Objective 2 programmes, like their Objective 1 counterparts, are well under way. For Objective 2 areas, there is the prospect – for the first time – of implementing strategies over



IQ-Net partners on the study tour visit in Legnano

a reasonable time-period, freed from the incessant demands of three-yearly reprogramming that characterised the 1990s. Based on the experience of the past, there is a widespread commitment to improving management and delivery systems, with a view to making durable impacts on regional development and leaving a legacy beyond 2006.

However, the new programming arrangements are far from simplified. The pressures of the financial control and monitoring requirements, the decommitment rule and the implications of the performance reserve all contribute to more demanding responsibilities for programme managers, secretariats, partners and beneficiaries.

The challenge of increased monitoring obligations is one of

the themes of this Bulletin. Based on the *IQ-Net* meeting in Como (Lombardia), it explores how national authorities and programme managers have responded to the new requirements. The *IQ-Net* meeting also highlighted the fact that monitoring is being recognised as a prerequisite for effective programming, providing critical intelligence informing every aspect of programme design, delivery and evaluation. There is evidence of significant investment to

upgrade frameworks of indicators, the database systems for collating and storing information, the processes and practices for data collection, analysis and interpretation and – most important of all – human capacity-building in the form of skills and expertise.

A second feature of the 2000-06 programming period are the regional strategic initiatives to maximise the opportunities offered by information and communication technologies. Facilitating the information society (IS) through Structural Funds was the theme of another *IQ-Net* meeting, held in Nordjylland (Denmark). Many programmes have given prominence to IS issues for reasons of economic development and social

cohesion, through a mix of infrastructure, business support, RTD and training measures. IS is also seen as playing a major role in promoting equal opportunities.

These issues are explored in more detail inside this Bulletin. For further information about *IQ-Net* research and discussions, including selected papers with summaries in different languages, check our website at <http://www.eprc.strath.ac.uk/iqnet/> which also contains details on *IQ-Net* partner regions and news of relevant conferences, publications and other programme developments. Please continue to let us have your comments: feedback on any aspect of the network is always welcome.

Professor John Bachtler, EPRC

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Spotlight on the Venues of the Ninth and Tenth IQ-Net Conferences: Lombardia and Nordjylland

Two recent meetings of the IQ-Net exchange of experience network have been held in the very different settings of **Lombardia**, in northern Italy, and **Nordjylland** in Denmark. Although contrasting in terms of topology and climate, both regions face the common challenge of designing and implementing Objective 2 Structural Fund programmes which do not cover their core economic centres. In Lombardia, this has resulted in a programme covering seven diverse areas, six of which are rural and the seventh (Legnano/Busto) is in industrial decline. The reduction of the overall Objective 2 coverage in Denmark led to the de-designation in Nordjylland of the regional capital Aalborg and its surrounding districts. These areas contain many of the region's most dynamic firms and research institutes and, although transitional measures will apply for some time, in the medium-term their loss may make the innovative momentum of the programme more difficult to maintain. A number of other commonalities between the two programmes can be identified including an emphasis on the strengthening of ICT and environmental infrastructures and the effective linking of Structural Fund programme activities into wider regional development frameworks.

The Regional Council of Lombardia hosted the earlier of these two conferences in Como in December 2000. Issues of programme negotiation were high on the agenda in the initial session which focused on the progress towards the launch of the new 2000-06 programmes. The central theme for the remainder of the day was the key issue of establishing effective monitoring frameworks for the new programming period. Supported by a briefing paper from

EPRC, the full plenary discussion and the workshop sessions in the afternoon enabled intensive exchange of experience on necessary, but often difficult issues of monitoring systems and indicators.

The Danish conference, held in Aalborg in June 2001, was hosted by the North Jutland Development Fund and County Administration. The opening session provided an opportunity for continued update of developments with the new Structural Fund programmes. The finalisation and launch of the majority of Objective 2 programmes allowed for more detailed discussion on new strategic orientations and implementation issues such as the implications of the new financial regulations. The main theme of the conference, reflecting a key focus in the Nordjylland programme, was the role of the Structural Funds in accelerating the development of the Information Society. This theme was highly relevant not only because of the rapid change in information and communication technologies and their general implications for regional economic development but also because of the weight placed on this issue in the new

programming period by the European Commission.

The two meetings were not filled entirely with discussions around a conference table but also had a strong emphasis on exploring concrete examples of projects and programmes. In Lombardia, a study tour showed conference delegates some of the flagship projects being undertaken in the region. These



Lake Como, Lombardia - location of the 9th IQ-Net Conference

included business development activities such as Euroimpresa Legnano, the development agency for the Alto Milanese, industrial restructuring measures such as a converted former mill which now houses the University of Insubria and a waste-recycling plant which illustrated the environmental emphasis of the programme. The Information Society theme was firmly rooted in practice in North Jutland, through a variety of visits and project descriptions, which exemplified the role of universities as a motor for knowledge-based regional development, particularly in the telecommunications and acoustics fields. Other case studies focused on the human skills element of supporting the Information Society through profiles of North Jutland Competence Development, working in the area of training, and the Centre for Human Resources, which initiates and disseminates research to firms in areas such as organisation and management theory.

For more information about the organisations and initiatives mentioned above, visit the following websites:

Lombardia

Regional Council of Lombardia:
<http://www.regione.lombardia.it/>

Polo Scientifico Tecnologico Lombardo, at the Molini Marzoli Massari:
<http://www.pstl.net/index.html>

Alto Milanese Gestioni Avanzate:
<http://www.amga.it>

Euroimpresa S.c.r.l. Legnano and Euroimmobiliare S.r.l. Legnano:
<http://www.euroimpresa.it/>

Association of Shoemakers in Villa Corvini, Parabiago:
<http://www.assocap.com>

A webpage with links to all Italian national and regional institutions:
<http://www.palazzochigi.it/>

Nordjylland

Danish Objective 2 website, with links to regional administrations:
http://www.finansieringsguiden.dk/pls/www1prod/efsdata.vg1?tekstid=0&emne=maalto&produkt=DK_Finansieringsguide&show=1

North Jutland Objective 2 Programme homepage:
<http://www.nja.dk/faelles/direk/erhvervs/program/maelto/mael2prg.html>

Ministry of Research and Information Technology:
<http://www.fsk.dk/cgi-bin/left-org-main.cgi>

NorCOM, the Communications Cluster of Northern Denmark (see the 'cluster overview' section for more detail on the area presented at the Nordjylland conference by Professor Bent Dalum of Aalborg University):
<http://www.norcom.dk/>

Acoustics Research Centre, University of Aalborg:
<http://www.acoustics.auc.dk/facilities/facframe.html>

Update on the new structural fund programmes for 2000-06

Nearly two years into the new programming period, the vast majority of Objective 1 and 2 programmes have been approved and launched. The focus is now on operationalising management arrangements, delivering the programmes as well as consideration of medium-term issues such as the mid-term review and implementation of the performance reserve scheme. This article briefly summarises the main developments taking place over the last year or so, providing an update on how programming has progressed, the content of the new strategies and the revised management and implementation systems.

Transition from the old to the new programmes

- Programme management authorities had until 31 December 2001 to ensure expenditure relating to commitments under the 1997-99 programmes was paid out. Most programmes were able to commit virtually all their resources by the end of 1999, but, as of October 2001, there were shortfalls in spending, in the range 10-30 percent of committed expenditure.

- The EC is commissioning its own *ex post* evaluation of the 1994-99 programmes. As a result, many Member States and regions have decided that they do not need to undertake their own evaluations.
- The delay in starting the new programmes, and the associated 'funding gap', was problematic for some regions. In others, national funding sources could be used to maintain the flow of finance.

The 2000-2006 strategies

- The new strategies are characterised by several important features. More so than before, they are embedded in a broader (domestic) regional development framework. There is also a widespread commitment to exploiting EU funding for durable economic and social impacts.
- Many programme strategies display a high degree of continuity, reflecting the long-term nature of the problems they face, the policy and institutional context and the gradual nature of policy change. The fact that this may be the final programming period has also had an impact, along with the implications of the decommitment rule and performance reserve scheme.

- *Regional competitiveness* is a common theme, most evident in the area of business support with new measures to promote networking, enterprise co-operation, technology transfer and specialised measures for groups such as micro-enterprises.

- There appear to be more resources allocated to *community development*, with new measures for socially excluded groups, the provision of local services and urban renewal.

- Some programmes have new measures supporting *innovative and effective policy delivery*. These include technical assistance support for new methods for implementing the programmes and the effectiveness of regional development policy more generally, through integrated development concepts and new mechanisms for service delivery.



Europimpresa presentation to partners in Lombardia

- Many regions have made a strategic commitment in relation to the *horizontal themes*, initially at the level of strategic objectives, backed up by special measures, project selection criteria and indicators.
- Some regions have responded to the EC recommendations regarding *financial engineering* instruments. Relatively small allocations have been given to measures assisting: special investment funds or participation capital schemes targeted at SMEs facing difficulty in getting access to standard sources of finance; and specialist venture, risk or seed capital schemes supporting risky or innovative projects in high-tech sectors.
- The appearance of new spatial/territorial development elements is widespread, with a significant degree of geographical targeting. This approach can also be seen in proposed implementation arrangements which involve programme management procedures or project selection criteria promoting balanced development across the eligible area.

Implementing the 2000-06 programmes

- Recent developments in **management arrangements** have focused on improving the coherence and efficiency of implementation mechanisms. Some steps have been taken to increase the strategic role of programme management systems and there have been organisational changes to management and payment arrangements. There has also been extensive

investment in capacity building to improve administrative structures and procedures.

- The experience of **programme delivery** in the new period varies greatly across the EU. There are regions, mostly in the Nordic countries, with a high demand for programme funding, to the extent that some measures are either largely or wholly committed. By contrast, other regions have experienced a slower start to the process of programme delivery, with

less demand, a lower level of commitments than anticipated and very small amounts of expenditure paid out.

- With respect to **monitoring arrangements**, monitoring committees have been re-established in every region, though varying greatly in size and the (full or advisory) status of members. Work on operational arrangements is still on-going – monitoring indicators are increasingly in place but IT systems are far from complete, in particular due to technical problems.
- **Publicity and communication arrangements** are being given more attention in the new programmes. A wide range of media is being utilised to publicise the existence of the programme and to 'animate' partners. A key development is the increasing use of the Internet, with some sophisticated websites being used for many aspects of programme management and delivery.

Over the past year, the pressures on programme managers stemmed from the need to close down the old programmes, while 'bedding in' the new programmes in a more complex operating environment. Looking to the future, the main challenges are the decommitment rule, the mid-term review, and the implications of the performance reserve. For the longer term, the debate is already shifting to the future of Structural Funds after 2006.

Information into Intelligence: Monitoring for Effective Structural Fund Programming

Structural Fund monitoring used to be seen as a constraint, a burden and a diversion from the more important business of programme delivery. However, over time, it has become recognised as a prerequisite for effective programming, providing critical intelligence informing every aspect of programme design, delivery and evaluation. At the outset of the 2000-06 programming period, national authorities and programme managers face the most challenging situation yet with respect to monitoring. The extent and specificity of regulatory requirements relating to monitoring have increased. There is also indirect pressure to improve monitoring in order to accelerate programme progress, driven by the introduction of the performance reserve fund and the 'n+2' decommitment rule.

This article reviews how Structural Fund monitoring has developed over recent programming periods, to consider why effective monitoring has been such a challenge, and to explore how it is changing to adjust to the 2000-06 regulatory environment.

How have Structural Fund monitoring systems evolved?

The Structural Fund monitoring systems which exist today are the product of an often long process of evolution, influenced by four trends;

- increasingly explicit and demanding regulations
- increasing enforcement of those regulations
- growing experience and expertise, and
- technological advances, especially in information and communication technologies.

The table summarises how monitoring has evolved over successive programming periods. In 1989-93, the monitoring obligation was present, but not well developed in the regulations. This was reflected in frameworks and practice, with reasonable financial monitoring, but limited physical monitoring. During the 1994-99 period, monitoring obligations increased in extent and definition, leading to uneven but significant improvements in databases, information systems and indicator frameworks, further reinforced for Objective 2 through interim evaluations and reprogramming at the mid-way point. For 2000-06, all programmes are gearing up to meet the increased requirements of the new programming period, improving their monitoring systems in ways which promise to deliver a step change in monitoring quality.

	1989-93	1994-96 1997-99	2000-06
Regulations	Monitoring present BUT limited definition or development of obligations.	Improved definition in the regulations. Strong follow-up in interim evaluations and 1996/7 reprogramming negotiations.	More explicit obligations in regulations. Strong follow-up through guidance & negotiations. Many regulations with implications for monitoring.
Frameworks & systems	Unevenly developed. Ill-defined indicators. Limited computerisation.	Uneven but significant improvements in databases, information systems, definitions & indicator quantification. Some ambitious systems. Some late definition & fragmentation.	Gearing up to meet 2000-06 requirements: more coherent indicator frameworks, including core indicators, integrated databases, definitions, quantification.
Practices	Financial monitoring ok. Physical monitoring basic - if at all. Not a requirement or priority.	Financial monitoring good. Some physical, too. Wider support for monitoring. Improved scope for strategic use of monitoring information in programming. Improved frameworks leading to improved data.	Much effort to get frameworks right early: indicator systems, databases, practices. Moving towards more inclusive/participatory monitoring systems. Change reinforced through capacity building.

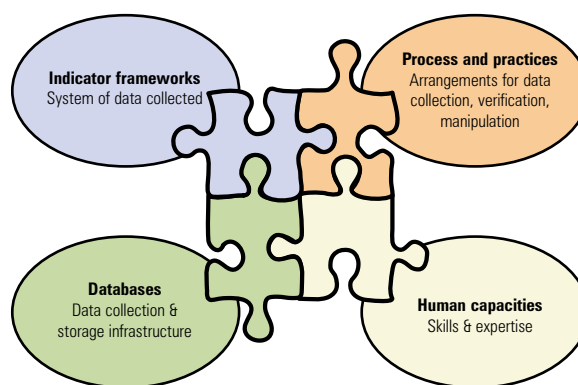
Why is monitoring so difficult?

Implementing a good quality financial and physical monitoring system is challenging. First, the activity of monitoring implies enormous shared effort: everyone participating in a Structural Fund programme is involved in some capacity, whether they generate raw monitoring data, collect it, collate it, interpret it or exploit it.

This shared activity can only generate worthwhile outputs if it has the support of common definitions, clear and efficient processes and effective infrastructure.

Second, monitoring is not simply passive information gathering and storage: instead, systems are dynamic environments, where information is being circulated, processed and transformed into different formats for different audiences and purposes.

Third, monitoring systems have to meet the varied needs and objectives of different information users at different levels from individual project sponsors right up to the European Commission. This increases the overall amount of data involved, but also means that, in addition to gathering information for their own management needs, actors might also be having to provide information which is not directly useful to them, but is essential for actors at higher tiers to meet their own objectives.



How are 2000-06 monitoring systems improving?

While Structural Fund monitoring systems have been developed in response to common regulations, there are many possible solutions to their design and organisation. Indeed, their detailed configuration is different in each Member State. Austria and Germany, for example,

while both federal, have developed very different solutions. In Austria, a centralised monitoring system has been run at national level by the ERP Fund, which provides a service to programme managers, receiving, inputting and processing data on their behalf. In Germany, on the other hand, each *Land* has developed a free-standing monitoring system in accordance with its own needs.

Systems also vary in the degree to which their upkeep and use is shared with organisations beyond

programme management units. In the English regions, for example, systems are maintained and updated by relevant Structural Fund management units, while Wallonia has introduced a new Internet-based system for all its Structural Fund programmes which is maintained by programme managers, but is also accessible to all the main programme partners, who input project data directly (subject to verification by the programme managers). They can also access the system to pursue their own programme-related enquiries.

Designing & implementing indicator systems

Lay foundations early: Define indicators early in the programme and in each project

Stepping stones: Exploit existing knowledge about indicators - including guidelines and methodological work from other relevant contexts

Less is more: Collect less but better quality data, and ensure that whatever is collected has a clear intended use. If not, don't collect it.

Cover all bases: Check that the data collected enables all key management questions to be answered. If not, extend the range of indicators.

Don't reinvent the wheel: Look for synergies with parallel monitoring frameworks. If a business incentive offered to firms already has a monitoring framework, can the same data be used for Structural Fund monitoring purposes? Streamlining responses reduces the administrative burden for everyone involved.

Quality control: Build in mechanisms to ensure data quality and consistency. Agree and apply definitions for indicators and assumptions supporting consistent quantification, and check samples of data to verify quality regularly.

Processes & practices - bringing the system to life

Holistic vision: Have an overall vision in which monitoring is integral to the programme and project lifecycle

Built in, not bolted on: Put monitoring on the agenda from the start.

Choose a champion: Allocate responsibility explicitly to someone.

Guaranteeing the necessary resources, gives monitoring a human face, and ensures that the activity receives sufficient ongoing attention.

No opt-outs: Make monitoring an obligation, not an option.

A human face: Take a positive, partner-oriented approach - build relationships between information users and providers. 'Faceless' demands demotivate. Design systems that understand and respect the pressures that others are working under.

Minimise the burden: Through connectivity and streamlining, minimise the need to rework information.

Exploitation of data: Make monitoring reports more focused and lively, presenting data in creative, stimulating and accessible ways, pointing to trends and their implications. This should help prioritise strategic rather than technical discussion.

Database design

Proportionality: Monitoring systems are a means to an end. Address them accordingly.

Size isn't everything: A monitoring system which consists of a series of *compatible* databases can be more effective than a mega-system for universal use which may not answer everyone's information needs. Let compatibility be the guiding principle (eg. in terms of core indicators and data transfer possibilities).

Rome wasn't built in a day: Teething problems are inevitable - prepare users for these and build in time to address them.

Evolution: Build in scope for the database to evolve - data requirements will continue to change over time.

Not just for numbers: Include qualitative information where this makes project data more meaningful, eg. space for project descriptions or more discursive text about project rationale and aspirations.

Push the boundaries: Make the database work harder - build in automatic checks on the likely accuracy of data, and the facility to generate letters and automatic alerts of deadlines and problems.

Capacity building

Communicate: Communicate monitoring obligations - and the consequences of not meeting them - early and clearly.

Actively develop know-how: Allocate resources for capacity building, and maximise capacity building activities: partnership events, guidance manuals, permanent website resources, interactive monitoring and application forms, helplines, project visits.

Use a range of techniques to reach a range of audiences: Eg. develop permanently accessible briefings and training resources to ensure new participants can always get up to speed.

Recognise differing needs: Those with less institutional capacity may need more training (eg. where an organisation has not participated before in a Structural Fund programme). Financial and physical monitoring also pose distinct challenges, and would typically be undertaken by different people in an organisation.

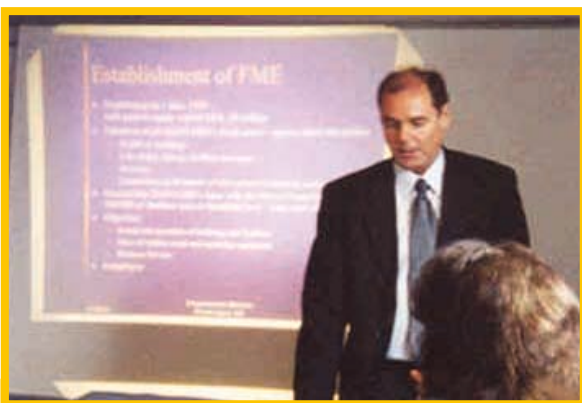
The distinctiveness of each monitoring system can make it difficult to draw transferable lessons from them. However, to reflect on their development in a structured way, it can be useful to think about them all as being composed of four inter-dependent elements, illustrated here as the parts of a jigsaw: indicator systems; databases; processes and practices; and human capacities. Part of the complexity of monitoring systems is that improvements require work on all four fronts. Addressing the four dimensions, the table below highlights some examples of best practice in monitoring system design which have been drawn from the experiences of the IQ-Net partner programmes. While financial monitoring is the best developed area overall, it has

been recognised that even this needs to go further - in particular to help avoid the risk of decommitments. More than ever, monitoring needs to deliver relevant, timely information on real project and programme progress. It will be essential to have a clear picture of programme expenditure and procedural and/or physical progress at the level of each measure, in order to identify possible bottle-necks and to prevent any cuts by re-allocating resources between projects and/or measures. A number of ideas are currently being explored or implemented at programme level to facilitate programmes' response to this new regulatory element, many of which relate to monitoring systems:

MONITORING AND DECOMMITMENT

- In reporting on programme progress (eg. in Monitoring Committee reports), prioritise actual expenditure statistics. This is a shift from the past when amounts committed were also an important and meaningful measure of programme progress.
- For each project, but especially large ones, establish an expected expenditure profile, linking anticipated expenditure to the project's calendar, and programme the monitoring system to compare this anticipated profile with the actual profile during the lifetime of the project. With such a system, gathering financial monitoring data frequently would enable the timely identification of problems in terms of financial progress, and permit action to be taken.
- Use previous monitoring data to help verify applicants' capacity to deliver projects. In the West Midlands (UK), an assessment is used to place applicants at one of three levels of risk: acceptable (where the applicant has a good record of delivery); unknown (where there is inadequate information, eg. where an organisation is new or has had staff changes); and unacceptable (where the applicant is known as not having the capability or there are significant concerns). This information is used, first, to inform project selection, and then to target the programme secretariat's support resources onto projects where diversions from the expected progress profile are most likely.
- Conduct analyses of past monitoring data in order to understand better the true typical financial profiles of different project types and the main circumstances causing delays (ie. drawing on a bank of data on the actual progress of past projects rather than the anticipated progress of future ones, which is likely to be over-optimistic). This could also lead to an ability to set out realistic timetables for new projects and spot more accurately when real problems may be arising.

- Incorporate scope into the monitoring system to track the procedural as well as financial progress of projects (encompassing, for example, advertisement of procurement contracts and the securing of permissions. This has been done in Toscana (Italy), where it is believed that tracking procedural progress can give a more accurate impression than either financial or physical indicators of whether some types of project are progressing - especially in their early stages.
- Consider whether the allocation of responsibilities for monitoring can improve financial monitoring. Austria has placed the monitoring and paying authority responsibilities with the same organisation (the ERP Fund) to improve the speed with which data on payment of awards is updated within the monitoring system. This ensures a more up-to-date picture of project and programme progress is available.



Objective 2 project in Frederikshavn, Denmark

As with other aspects of programme management, monitoring involves an evolutionary process of learning and adaptation of systems and procedures. Much progress has been made over the past decade across the EU. In some cases, the monitoring of Structural Fund programmes is highly sophisticated and way ahead of the monitoring of domestic policy interventions. In others, the rate of evolution has been slower. Although the new programming period is only two years old, it is already clear that monitoring will take another major step forward over the next six years with potentially significant benefits for the management of programmes and our understanding of the results of Structural Fund interventions.

Sandra Taylor, John Bachtler and Laura Polverari

The Structural Funds facilitating the Information Society

*The term **Information Society (IS)** describes the profound changes being driven by advances in the nature and availability of Information and Communication Technologies (ICTs). The phenomenon concerns not only the technologies themselves (the Internet, mobile telephony, etc) but also how they are affecting how people work and live – facilitating the speed, efficiency and flexibility of connectivity and communication and so innovation. The concept has been given even greater attention in economic development policy-making in recent years, including being newly introduced as an explicit horizontal priority in the Commission's guidance for the 2000-06 Structural Fund programmes.*

The incorporation of the complexities of the Information Society into regional development activities is not straightforward. While the Information Society has become a 'buzz word', it lacks a common definition or application – making it very difficult for policy practitioners to know what they are dealing with. Its wide-ranging coverage means that it could potentially be relevant to every aspect of public and private sector activity. However, at the same time, the technologies underlying the information society are continuing to develop rapidly, creating an ever-changing framework for action.

This article reviews how the Information Society has been addressed in the current round of Structural Fund programmes, reviewing first the policy context and then specific responses.

Policy influence at EU, national and regional levels

The growing pervasiveness of the information society is reflected in the extent to which the issue is influencing policymaking at all levels. In both European Commission and national government policies, the theme has been emerging since the early 1990s and has recently gained considerable momentum. The Commission's high-profile *e-Europe* initiative, launched in 1999, was accompanied by an Action Plan which proposed that government action should cluster around the three objectives of: (i) a cheaper, faster and more secure Internet; (ii) investing in people and skills; and (iii) stimulating the use of the Internet. The main methods for achieving the targets of *e-Europe* were to include accelerating the creation of an appropriate legal framework, supporting new infrastructure and services, and applying coordination and benchmarking measures.

Similarly at *national level*, concrete action plans and strategies have increasingly been elaborated. Most strategies have taken the form of multi-annual frameworks, regularly updated and evaluated, and accompanied by a range of sectoral strategies which explicitly promote e-commerce, distance or online education and training, and specific cluster developments. Some countries have a long and active tradition in this area – notably in Scandinavia – but all Member States have given

some priority to the issue. Policy coordination is also moving up the agenda, with the recognition that joint action is necessary in responding to such a cross-cutting issue.

At *regional level*, IS-related activity is also on the increase, for several reasons. First, the spatial dimension of new knowledge-based development has been increasingly recognised over the past decade. This can be seen in the emergence of concepts such as the 'learning region', which includes the idea that regions need to be able to learn or adapt to fresh ideas and new organisational and production patterns. Second, the policy response to the information society at European and national levels clearly has a knock-on effect on the way in which regions shape and form their own development activities. Regions are consulted and involved, albeit to varying in degrees in different countries, in the design and implementation of national initiatives in this field. This raises the profile of the IS as a policy focus and may involve the commitment of regional resources in the implementation of national measures. Finally, the economic development role of regions is becoming more important, including in traditionally more unitary countries such as Sweden and the UK. As the experience of regional and local authorities in economic development planning increases, they are more able to react independently to the momentum of ICT-related developments and apply the challenges and opportunities to their own regional contexts.

The greater interest among regional authorities in the role of the IS in the economic development of their territories is evident in practice in a variety of ways. First, it appears in strategy development and planning processes, with the IS appearing more commonly in general regional economic development planning. In addition, specific regional strategic responses are also emerging, sometimes in line with national initiatives in this area but sometimes independently.

In some regions, the process of IS strategy development has been initiated externally. A key example is the EU-funded Regional Information Society Initiative (RISI) programme, launched in 1997 with the key aim of integrating the concept of the information society into regional economic development and employment policies. Regional IS strategies (including those supported through RISI) have helped to raise awareness of the IS

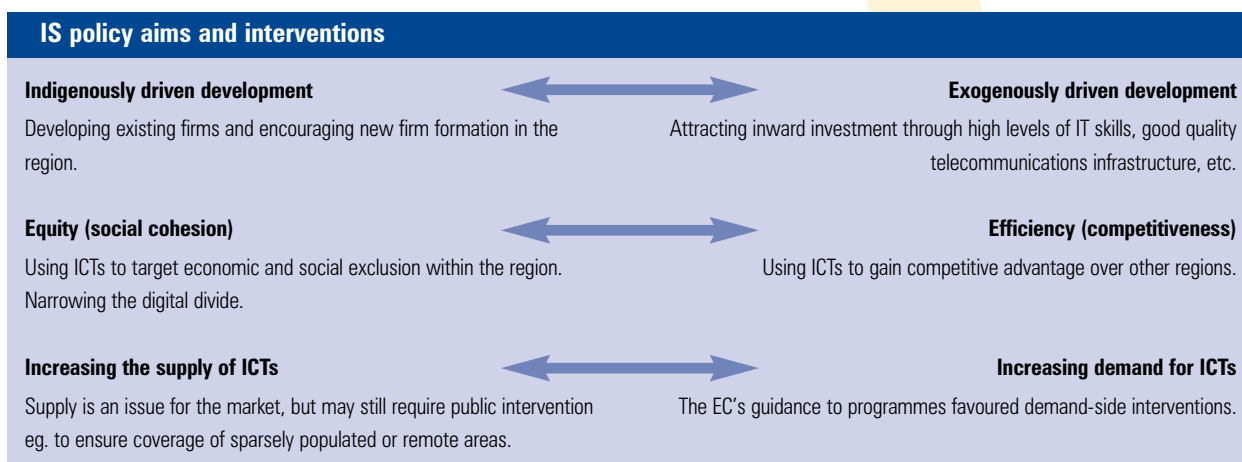
and secured commitment to driving it forward. The impact of RISI has been variable but positive in a number of regions. The following points have emerged from evaluations of the initiative:

- the awareness - raising effect of the formulation of an IS strategy was considered one of the key benefits to emerge from RISI
- the fact that the information society is potentially relevant to every area of public and private sector activity means that coordination is difficult but important
- RISI showed that considerable time periods are required to form the type of durable partnerships and groupings which can devise a realistic, viable and practical IS strategy
- an important lesson from the RISI experience is the need to ensure the correct targeting of strategic IS aims and objectives, in particular taking business relevance into account.

ICT in Structural Fund programmes

While virtually all the new Structural Fund SPDs have at least one priority with relevance to IS and most have more, dedicated ICT measures are rare. Instead, programmes are integrating IS across many priorities and measures, and seeking *IS focused* projects (eg. training in ICTs, e-commerce development) and *IS facilitated* ones (eg. ICTs used to support networking in a cluster, or provide new channels to deliver training). There is a very wide range of possible policy interventions (see Table) able to contribute to very different policy aims. At this stage, every type of project could potentially be facilitated through an IS dimension: the only limits are awareness and imagination.

The overlap between possible interventions and the lack of clearly identifiable or defined set of information society actions is reflected in the diversity of IS-related measures found in the current SPDs. These include, for example, measures relating to infrastructure, business environment, business development, research and development, equity (addressing issues of social exclusion and ICT access to disadvantaged groups), training, equal opportunities, sustainable development and strategic initiatives.



IS-RELATED MEASURES IN CURRENT SPDS

ICT infrastructure: A common measure in past programmes, this typically involves support for ICT infrastructure and the ability of individuals and businesses to make use of it. Swedish infrastructure measures often aim to provide high-quality IT infrastructure in more sparsely populated areas insufficiently served by the market. Other regions are targeting infrastructure investment on priority zones, such as arterial routes in Wallonia (Belgium), or they aim to broaden the range of services offered and the groups of people accessing these services.

Business environment: A more frequent and targeted option than infrastructure improvements in the current programmes, such measures aim to improve the IS-related equipment and resources of economic infrastructure, with many regions trying to link business support institutions to high-capacity IT provision.

Business development: Support in demand for ICTs as well as their supply. The new programmes prioritise the development of firms operating in the information industries. This includes the development of e-commerce generally in Western Scotland and Saarland, the support of a media and communications cluster in Nordrhein-Westfalen and experimental, commercial pilot projects in telematic areas such as fast Internet in Niederösterreich. More general, IS-assisted measures usually focus on encouraging the increased or enhanced use of ICTs to support a range of business functions. This includes awareness-raising, the modernisation of existing firms through consultancy and investment, and the extension of the potential impact of ICTs across business strategy, organisation and process. In Steiermark, the provision of innovative and technologically advanced business services aims to increase the attractiveness of the area for high-quality inward investment. The organisation and marketing of tourism services is a frequent target for ICT-related measures; a specific example is Haute Normandie, which proposes to use ICTs to help manage port facilities by bringing together the capacities of small logistics firms to make them more efficient.

Research & development measures: These have an obvious link to the IS. The role of ICTs in increasing innovative capacity, networking and promoting knowledge-based development is a key focus in the majority of the new Structural Fund programmes.

Equity-oriented policies: Some of the more negative aspects of the IS are tackled in some programmes. These focus on the emerging digital divide, or uneven access to and use of new ICT-based opportunities. This can be the result of factors such as social disadvantage, geographical location, age or gender. Measures include remote access points for public services and the delivery of training to groups unfamiliar with the new technologies. Western Scotland has a particular emphasis on equity measures combating social exclusion in deprived urban areas while measures in some French, Swedish and Welsh programmes target the disadvantages of rural or peripheral areas through a variety of IT-based solutions.

Training: Training is another area where the promotion of ICT applications is becoming increasingly widespread as it becomes clear that skills deficits could put a brake on the further development of the information society and the full exploitation of its potential. Human resource measures incorporate a variety of elements ranging from new ways of providing education, such as distance learning, to identifying and tackling key skills gaps in the IT field. This is sometimes pitched quite widely, covering issues such as basic IT competency as well as more advanced and specific skills. Ways in which the information society can support and promote other issues of societal importance, such as sustainable development, are also appearing, although generally to a lesser extent. Toscana and Haute Normandie have included measures designed to use ICTs to help promote awareness of specific environmental issues while a number of other programmes will support the development and use of environmental technologies.

Equal opportunities: Given the recognised differences in gender access and usage of ICTs, there is clear scope for IS-related measures to address imbalances.

Sustainable development: Many Structural Fund programmes aim to pursue sustainable development and to facilitate the IS, although an explicit link tends not to have yet been made between these parallel objectives.

Strategic initiatives: Co-financed activities in this area include the developing coherent strategic responses to the IS challenge, and improving information for decision-making.

THE INFORMATION SOCIETY AT PROJECT LEVEL

To encourage projects with an IS/ICT dimension, it is helpful to make this a prominent element of SPDs and Programme Complements and to follow this through into application forms, selection criteria and monitoring indicators.

The field is changing fast, so both applicants and programme managers need to stay up to date with technological changes in ICTs and their potential applications.

Good projects with an ICT dimension...

- think creatively about how ICTs can be used to help them achieve their core objectives
- are designed with a detailed understanding of needs and opportunities (including tailoring to address more and less advanced firms and sectors)
- contribute in a coherent way to wider regional ICT strategies.

ICTs have the potential to help project designers to achieve their **horizontal priority** objectives...

- *Equal opportunities*: broadening access to training by making it possible to individualise course contents, and when and where training can be undertaken
- *Sustainable development*: introducing more virtual products, processes and services, so reducing resource consumption
- *Innovation*: providing opportunities for new ICT product development, and for innovation in business processes. They also facilitate innovation by increasing the rate of diffusion and exchange of information and ideas – especially useful for network or partnership projects.

Current challenges

Regional development practitioners and Structural Fund managers face a number of challenges in responding to IS issues through the design and implementation of economic development strategies and policy actions:

- **Integration of the information society into a wide range of economic development policies has clear implications for capacity building, knowledge and skills requirements in regional administrations.** Relevant project design and selection activities involve a learning process as the true extent of possible ICT-assisted development options becomes clearer. While ICT components may not be relevant to every project, opportunities to exploit new technological solutions may have been missed in some applications. Publicity on the IS theme, the nature of the application process and early project discussions are all important in this regard, as is on-going training for decision-makers.
- **Monitoring and evaluation of information society actions is a new challenge.** This is particularly relevant within the strict requirements of the Structural Funds, but also has a bearing on wider activities in an environment where policy effectiveness is becoming increasingly important. Some IS projects, by their nature, will be risky and complex. Sound monitoring structures can help to identify difficulties early, allowing them to be dealt with and lessons learned. Given that the IS is an uncertain and fast-moving field, there is also merit in identifying and exchanging good practice from successful activities and projects. The challenge will be identifying ways to do this. Many of the standard evaluation tools, particularly those which are quantitative in nature, are unsuitable for measuring activities such as awareness raising – although it is exactly these types of activities which are often perceived as critical to forwarding the IS. One approach is the Information Society Observatory set up in Cataluña to track the evolution of this area and the position of the region relative to Spain and other countries. The first major publication of the Observatory analysed ICT statistics under a number of headings and from the dual viewpoint of level of infrastructure and its use.

- **In trying to raise the quality of IS actions, it is important that the concept does not become a mantra or cure-all.** While e-mania is fashionable at the moment, ICT issues should not be seen as a 'bolt-on' extra to projects but should be viewed as an integrated part of overall development strategies and concrete actions. For example, the simple supply of ICT infrastructure is insufficient for development without supporting measures to change attitudes and capabilities. Similarly, in business development projects, the straight addition of a company webpage will not automatically enhance the company's ability to operate more effectively within the IS. Without training or support on how to maintain and exploit the new Internet presence properly, and without understanding of the wider implications for business processes, experience with these new technologies may lead to disillusionment and missed future opportunities.

Sandra Taylor and Ruth Downes

Further Information:

DG Regio Technical Paper 2 for 2000-06: Information society and regional development:

http://www.inforegio.cec.eu.int/wbdoc/docoffic/working/sf2000e_fr.htm

DG Information Society:

http://europa.eu.int/comm/dgs/information_society/index_en.htm



The Aalborg research and organisation team – EPRC and North Jutland County Council Staff

What is *IQ-Net* ?

IQ-Net is a network of regions whose aim is to improve the quality of Structural Fund programmes through exchange of experience. It involves a structured programme of debate and applied research. Current members are: Niederösterreich and Steiermark (Austria); Vlaanderen and Wallonie (Belgium); Nordjylland (Denmark); Satakunta (Finland); DATAR (France); Bremen, Nordrhein-Westfalen, Saarland and Sachsen-Anhalt (Germany); Lombardia, Toscana and IPI (Italy); Norra and Norra Norrland (Sweden) and Wales and Western Scotland (the UK).

Launched in 1996, and managed by the European Policies Research Centre at the University of Strathclyde in Glasgow, the network enables programme managers and their partnerships to exchange experience on aspects of programme development, management and evaluation, bringing together ideas from across the EU and sharing information on good practice. The network meets twice a year, with meetings have been held in Glasgow, Cardiff and New Lanark (UK), Gelsenkirchen and Saarbrücken (Germany), Fyrstad (Sweden), Bordeaux (France), Semmering (Austria), Lombardia (Italy), Nordjylland (Denmark) and Vlaanderen (Belgium). The next meeting will be held in Luleå (Sweden) in June 2002.

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