

## Sustainable development, equal opportunities, mid-term evaluations.....

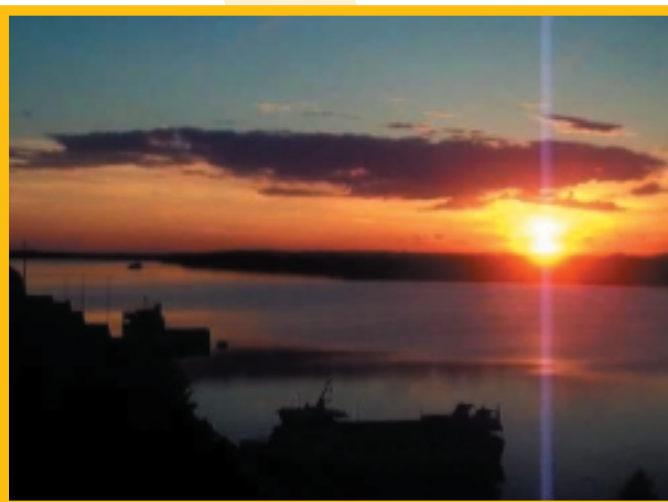
Welcome to the ninth issue of the IQ-Net Bulletin. The implementation of the 2000-06 Structural Fund programmes is now well underway. Following closure of the programmes at the end of 2001, the focus is now firmly on the current period. As the progress of the new programmes towards their targets is assessed, the improved monitoring systems introduced for the current period are coming into play – particularly critical given the pressure of the decommitment rule.

**Mid-term evaluation**, due to be completed by the end of 2003, is one of the themes of this Bulletin. The results of these evaluations provide an opportunity for programmes to take stock, and decide on how to benefit most from the remaining years of Structural Funding in the current round. Based on the IQ-Net meeting in Luleå (Sweden), the article outlines the key challenges and choices facing regions. It examines the importance of the evaluation process, and how evaluations are organised, designed, delivered as well as used.

One of the significant challenges facing programmes undertaking their mid-term evaluations is ensuring that the **horizontal themes** of environmental sustainability and equal opportunities are addressed effectively. The evaluation process can generate new information needed to enhance the future integration of these

themes. Over successive programming periods, these policy areas have increasingly been integrated within Structural Fund programmes - the current mainstreaming approach demands that the themes be incorporated across the entire scope of programmes. This was an issue discussed at the IQ-Net meeting held in Grobbendonk (Flanders, Belgium). In this Bulletin, an article based on this meeting discusses the challenge for programmes of meeting their growing environment and gender-related obligations, and draws out lessons from the current programming round.

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/>.



Sunset over the harbour in Luleå

The site 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**

## CONTENTS

<b>The Environment and Equality - Moving into the Mainstream</b>	<b>2-4</b>
<b>The Mid-term Evaluations:</b>	
<b>Making Good Choices</b>	<b>5-6</b>
<b>Programme Update</b>	<b>7-8</b>

<b>Flanders, Belgium and Norrbotten, Sweden: contrasting venues for the eleventh and twelfth IQ-Net Conferences</b>	<b>9-11</b>
<b>PRODEM</b>	<b>11</b>
<b>What is IQ-Net ?</b>	<b>12</b>

## The Environment and Equality - Moving into the Mainstream

The 'horizontal themes' (HTs) of environmental sustainability and equal opportunities have grown steadily in importance in Structural Fund programming, providing a means to translate wider international policy impulses and agreements into European economic development policy practice. Environment and gender-related obligations are significantly greater in the 1999 Structural Fund regulations and a clear message was sent about the need for mainstreaming. This involves integrating the horizontal themes throughout programmes, across all stages of programming, into all components of programming documents, and into all policies and projects. Given the requirements, it is not surprising that all 2000-06 programmes have made some commitment to both themes. The challenge is now to carry this through into implementation.

### **What is mainstreaming?**

Mainstreaming has been consistently described as the systematic integration of a given issue or perspective (here environment and gender equality) fully and consistently into mainstream policies as they are developed, implemented and evaluated. The term mainstreaming has most commonly been applied to gender so far, but is also used here for environment, as the same responses are being sought.

An implication of mainstreaming is that, instead of being the exclusive domain of specialists, the environment and equality are everyone's business, and have to be integral to the daily work of all economic developers.

In terms of the outcomes of mainstreaming, three types of project emerge:

- Positive action projects, wholly dedicated to a given horizontal theme. Positive action is a sub-set of mainstreaming activity – it is not redundant once mainstreaming is introduced, but finds its place within it, where required.
- Projects whose design or delivery has been modified in response to the identification of environmental or gender-related considerations.
- Projects whose design or delivery has not been modified because, in checking them for potential implications (a process known as 'proofing' or 'screening'), modification was found to be unnecessary since they were considered genuinely environment or gender neutral.

### **Why do the horizontal themes matter?**

Is mainstreaming gender and the environment simply a distraction from economic development? Arguably, the 'social responsibility' rationale for taking these issues into account is complemented by the economic case. The economic rationales for environmental interventions are most widely understood. These include the influence of the environment on quality of life and ability to attract investment, and the economic opportunities of environmental awareness which, for business, can offer a 'win-win' scenario for the environment and competitiveness.

For equal opportunities, equity-based justifications are the most familiar, but again, there are efficiency arguments, in particular the potential impact of wasting human talents. Quantitatively, the greater the proportion of the workforce involved in economic activity, the better for the economy. Qualitatively, to ensure competitive edge, firms must maximise the potential contribution of their staff. Where gender differentiation, not merit or ability, shapes roles, the capacities of one group may be underexploited while the capacities of another are overexploited, affecting economic performance.

### **What are programmes committed to doing?**

The motivation of programmes affects their HT content. There is a continuum of programme commitment from those with a 'compliance orientation', which largely include HT-relevant elements to meet regulatory requirements, to those with a 'proactive' orientation, which are embracing the HTs more positively for their own reasons.

Overall, the visibility of the HTs in programmes has grown, shown in background analyses, strategic outlines, and priorities and measures (including in their policy focus and selection criteria and whether they ring-fence resources for environmental or equality purposes). Relatively, the environment still has more prominence than equality issues, perhaps because of the often severe environmental problems faced in Objective 2 regions in particular, and the fact that involvement in this area is better established in ERDF-dominated programmes.

In terms of activities, each programme contains a unique mixture of mainstreamed elements (where the themes are applied across many measures and intervention types) and positive action (where dedicated environmental or gender projects are invited). There are four programme responses to the themes:

- **Limited integration**, where the themes are not prominent.
- **Positive action-based**, where dedicated environmental or gender policies and projects are the main focus of the HT response (an approach which can help to build the profile of the HTs and gain experience as a step towards preparing for mainstreaming).
- **Neutral mainstreaming**, where issues are mainstreamed throughout programmes, but without using dedicated environmental and equality measures, often to avoid segregation.
- **Supplemented mainstreaming**, where the HTs are mainstreamed across all measures as horizontal considerations, but there are also positive action policies focused on particular problem areas or opportunities. (Remember: they are complementary to a mainstreaming approach, not just a stage towards it.)

Most programmes use a mixture of positive action and mainstreaming, or positive action alone (especially with regard to environmental sustainability). Whether mainstreaming has been favoured depends on a number of factors including the impact of the wider policy context, the scope for activity within the administrative arrangements for the Structural Funds and the individual commitment of programmes to undertake mainstreaming.

## Why is mainstreaming the HTs so challenging?

There are three key reasons:

- **They have profound implications for individuals and the way they see the world.** Gender mainstreaming and environmental sustainability require actors to see the economy, society and the environment differently. They often need new 'reflexes' to look at any situation where decisions are being made through a gender and environment lens and, as a result, perhaps responding differently. This takes time.
- **New reflexes have to be integrated throughout Structural Fund systems.** To integrate new policy directions throughout complex Structural Fund systems (filtering them down to the project level) an holistic approach is needed which addresses all stages, types and levels of activity and all actors and organisations. Again, it takes time for changes to cascade through the system.
- **There are no standard 'off-the-shelf' solutions.** Given the different contexts in which Structural Fund programmes are designed and delivered, there is no standard method for embedding HT mainstreaming. Instead, each programme partnership has to develop approaches which fit their context, using direct and/or indirect routes to exert influence and finding interpretations fitting their context.

Where partners meet in common programme structures to build programmes and take joint decisions on the European funding element of projects (eg. in the UK and Sweden), there may be greater scope for the EC's policy impetus to be translated more directly into the operation of the programmes. In other contexts, such as Germany or Austria, programmes are delivered by many competent organisations responsible for their own discrete tasks, and there may be few shared fora. In these conditions, a programme manager may be able to require thematic monitoring and the use of appropriate selection criteria, but direct influence extends little beyond that. Here, indirect routes become more important, such as winning high-level political endorsement for relevant issues and persuading competent authorities through open-ended, non-prescriptive discussion.

## Assisting HT Integration

To integrate the HTs at the design and delivery stages, a series of conditions need to be fulfilled:

- The themes and the strategies for their integration must be **understood** by everyone.
- They must be considered **relevant**, and therefore worthwhile.
- They have to be **visible**, and emerge as specific priorities for policy making – this may require specific resources and tools.
- Information on the themes must be **easily accessible**.

To achieve change, strategies for the integration of the HTs need to be:

- **integrated**, involving the broad range of actors participating in policy design and delivery.
- **co-ordinated**, to avoid overlaps or inconsistencies, and
- planned and implemented over the **longer term**.

To mainstream the HTs, new tools have to be created and specialist skills integrated into the experience of programme implementers. There is strong interest in sharing new tools,

frameworks, methods and examples, looking for solutions appropriate to different circumstances and stages of advancement. Two areas are critical:

- developing individual and institutional capacity and
- integrating the HTs into the programming cycle.

## Developing Individual Capacity

The extent and nature of capacity-building activities depends on the overall status of the themes, the budget, the level of awareness of programme management bodies, and the availability of experts to provide guidance and training.

HT capacity-building is incremental. Although the initial push is often exogenous, once the process of building capacity has started and the value of the themes is more generally understood, a virtuous circle can be activated. Capacity-building activity moves programmes through four phases:

1. **The overall status of the themes is low**, and capacity building activities are insignificant,
2. There is an **increasing awareness** of the meaning and relevance of the themes, and increased efforts towards the generation of specific capacities.
3. There is a **mobilisation** around the HTs.
4. Increased awareness and capacities make it possible to **mainstream** the themes.

Moving through this process, two types of capacity-building reinforce each other:

- **General capacity-building** is usually first, and aims to raise awareness and increase understanding of the issues. It may target a wide group of actors and address the broadest aspects of the themes.
- **Targeted capacity-building** builds on general capacity-building, aiming to increase skills and the practical ability to deal with the themes. It targets specific groups and relates to defined topics.

Many tools are available to facilitate capacity-building efforts, including producing brochures and guides for project applicants, training project appraisers, providing advice and guidance to applicants, organising conferences and exchanges of experience and using evaluation to generate new insights and recommendations.

## Developing Institutional Capacity

Alongside individual capacity building, the institutional framework also needs to be adjusted to place the HTs on the policy agenda and move them forward actively. Institutional responses take various forms, but include reorganising administrations, eg. by merging departments or creating specialist units. In Sweden, networks of dedicated structures at national and regional levels encourage the integration of the principle of equal opportunities into all policies. The same has been done in Italy for the environment. In addition, the internal procedures and working practices of single organisations might be redefined, eg. introducing a gender or environmental expert into teams or giving all staff some degree of involvement. The latter approach is more sustainable over the long term as it embeds the HTs into the culture and processes of organisations, ensuring institutional memory and continuity.

## **Integrating the HTs into the Programming Cycle**

### **Project Generation and Selection**

Project appraisal and selection systems can act as a **catalyst for change**. Conditions or incentives can be introduced to promote the integration of the HTs into projects. For example:

- Special Conditions of Grant are used in Western Scotland to ensure that projects which have not responded fully to HT issues develop a Horizontal Theme Action Plan in partnership with the programme secretariat prior to submission of their first claim.
- Flanders rewards good HT responses by offering a higher rate of award to relevant projects (a bonus delivered in parallel to the Structural Funds, through the Flemish Investment Support Fund).

Mainstreaming the horizontal themes is still novel in many policy contexts. Therefore, the imposition of conditions or provision of incentives are unlikely to yield rapid and consistent results unless those running programmes take on two additional roles: clarifying requirements, and providing practical support to applicants.

First, concepts such as mainstreaming must be demystified and expectations clearly explained. Concrete examples illustrating what is needed build confidence and familiarity. Another important message to communicate is that mainstreaming does not always lead to visible changes in projects. A gender or environmental 'lens' needs to be applied to them, asking a particular set of questions to uncover gender and environment-related implications which may previously have gone unnoticed, and which can then be addressed. In some cases, this 'proofing' process may identify no relevant issues, in which case the project does not need to change. The project would nonetheless be considered to have had a mainstreamed approach because this proofing process had taken place.

Second, 'enabling' means building tools to support project developers and implementers and encouraging reflection about the relevance of the HTs to projects. Project developers have to embrace the mainstreaming idea before they can apply it. The challenges faced by project developers in taking up the HTs in many ways mirror those of programme developers and administrators. Therefore, with some adjustment, the tools and techniques of one group can be applied to the other. The challenge now is to ensure the dissemination and application of these tools, including checklists, toolkits and structured application forms.

Finally, it is not just applicants but also project appraisers and decision-makers who need new tools. For the Norra Norrland Objective 1 programme in Sweden, gender equality experts developed a new technique specifically to help project appraisers in the Structural Fund programme. The result, the '**Gender Equality Keys**', drew on existing systems but added new elements and was tailored specifically to the Structural Fund process.

### **Monitoring**

Monitoring data is important in answering key questions relating to the impact of the programmes on equal opportunities and the environment. Relevant outputs and impacts must be captured, without making the burden of measurement too heavy.

Establishing HT monitoring frameworks has involved two broad tasks: gathering baseline data, and identifying adequate indicators and related quantified targets. Extensive work has been done on these areas at national and programme levels, leading to greater sophistication in current monitoring frameworks. However, there are still significant hurdles:

- baseline data are often deficient, diminishing the possibility of setting realistic and reliable targets
- gathering monitoring information is often made more difficult by the lack of shared definitions.

In terms of solutions, realistic and incremental approaches should be favoured, enabling a gradual but sustained learning process and avoiding the risk of alienating the actors involved in project and programme monitoring.

### **Evaluation**

HT evaluation is now a requirement. It demonstrates the impact of projects and programmes on HT issues, and generates new information to enhance future HT integration. Tools and methodological support are needed to increase the quantity, quality, consistency and comparability of gender and environment-related evaluation findings. Programmes face significant challenges in ensuring that their mid-term evaluations address the HTs effectively, particularly since time, resources and specialist knowledge may be limited.

In terms of scope, there are potentially three dimensions of evaluation which could be beneficial:

- **Summative evaluation**, establishing the impacts achieved by interventions on the environment and gender equality.
- **Formative evaluation**, assessing how environmental and equality issues have been integrated into programme systems and processes. This approach is especially appropriate at the mid-way stage of a programme when adjustments can still be made to processes and systems.
- **Using evaluation as a learning tool**: Participatory, inclusive evaluation can raise further awareness about the HTs and generate new ideas for taking them forward. In this way, evaluation itself can nurture learning processes - important where progress is conditional on building capacity.

**Sandra Taylor and Laura Polverari**

**For further detail, download the full paper here:**

<http://www.eprc.strath.ac.uk/iqnet/iq-net/reports.html>

## The mid-term evaluations: making good choices

*The first formal, independent reviews of programme progress are underway in the form of the mid-term evaluations. Most regions have some experience of carrying out these evaluations during previous programming periods. However, the present task will be particularly challenging for several reasons. The European Commission has specified extensive requirements, including rigorous assessment of the horizontal themes and the Community value added of the Structural Funds. Particular attention will be paid to quality control and detailed deadlines have been mapped out. At the same time, much will depend on the outcomes of the evaluations, not least the distribution of future funding through the performance reserve.*

*In spite of these pressures, Objective 2 regions are in a strong position to undertake successful evaluations. In the past, evaluations have sometimes been greeted with reluctance - this time, the overall attitude has been positive and engaged. The accumulated experience of past evaluations has begun to bear fruit, as regions enjoy the benefits of wider pools of evaluator skills and improved monitoring and data storage systems. Contributing to the mid-term evaluation process, the following article outlines the key challenges and choices facing regions at different stages of the mid-term evaluation cycle, affecting how evaluations are organised, designed, delivered and used.*

As a starting point it is useful to ask why the mid-term evaluations are so important. Evaluations have two critical goals. First, they are necessary for **reporting**. The mid-term evaluations have to fulfil a range of accountability requirements and provide information to actors such as the Commission. Second, evaluations facilitate **learning**. They allow key programme issues to be opened up and opportunities for exchange and development to be explored. At the heart of all the mid-term evaluations is a balance between these two functions. If regions are clear as to what the balance should be in their particular evaluation, it can help determine the choices they have to make.



As the diagram shows, different evaluations will contain different 'mixes' of reporting and learning. The attitudes to evaluation held by programmes are influenced by a range of constraints and obligations, acting universally on all programmes but in a variety of ways. Consequently, the context for each evaluation will vary: while all will face common factors such as the Commission's need for programmes to report their mid-term results, some programmes will be in a better position to make changes to their operations on the basis of what they have learnt from the first part of this programming period.

The choices made by regions in their evaluations follow from this balance of goals. These choices involve decisions on: how the evaluations are organised; the underlying concepts; their style and scope; the tools used by evaluators; and, perhaps most importantly, how the evaluation results are used.

In terms of how evaluations are **organised**, there are two main approaches. Most Member States have chosen to do a separate evaluation for each programme. This approach has advantages in tailoring evaluations to programme needs and encouraging greater engagement of individual programmes. However, a few Member States/regions have decided on a single evaluation covering multiple programmes (Denmark, Flanders and Sweden), which can have benefits in financial as well as organisational terms.

### On-going or periodic evaluations?

One of the most interesting recent debates on evaluation has been about how individual evaluation studies are **conceptualised**. In particular, regions have been considering the merits of moving from evaluation as self-contained, periodic exercises to evaluation as an ongoing discipline. An ongoing or continuous approach to evaluation would potentially span the lifetime of a programme. Some argue that it encourages greater ownership and learning among programme managers and partners and encourages continuity in evaluation. In contrast, 'periodic' evaluations have the benefits of reduced costs and avoidance of evaluation fatigue. While the distinction between programmes which explicitly embrace this approach and those which do not may in practice be small, there is scope for combining the virtues of both. The examples of some Member States suggest ways in which this can take place.

In **Austria**, an ongoing approach to evaluation is already being applied to the Objective 3 programme and is now being introduced

into Objective 2 evaluations. This approach views the mid-term evaluations as part of an integrated whole and recognises their close links with the Annual Implementation Reports. It encourages a continuing process of communication and learning about evaluation among the various individual programmes. A 'Coordination and Work Platform' has been set up under ÖROK, the federal-level body for coordinating regional policy, to steer this process.

Following its use in the Objective 1 programme and several Community Initiatives in the 1994-99 period, a similar approach will be adopted in **Italy** for the 2000-06 programme. Mid-term evaluation will be unpacked into a series of preliminary outputs, covering different and, at times, overlapping issues. These will be defined in a detailed evaluation plan prepared by the chosen evaluators in consultation with the programme's secretariat. The preliminary outputs, updated as necessary, will be brought together in the final mid-term evaluation report to be delivered to the Commission by the end of 2003.

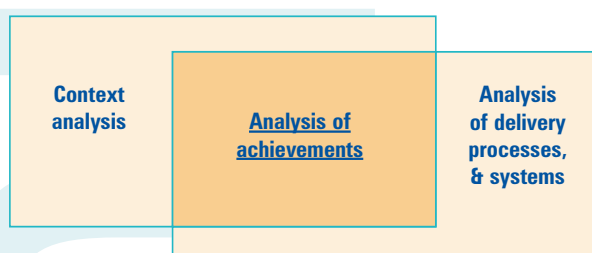
Some regions are considering whether specific issues in the evaluations should be given particular attention through thematic or cross-cutting evaluations. The horizontal themes are especially important here, and the Commission has suggested that they should be given emphasis. Nevertheless, most programmes prefer that the themes be integrated into mainstream evaluation rather than dealt with separately.

The **style** of evaluations is another area where important choices need to be made. At one extreme is 'expert-oriented' evaluation. Here, evaluators scrutinise a programme, its activities and systems in a detached way and deliver an appropriate range of conclusions and recommendations. Programme manager and partner involvement is largely passive and the emphasis of the evaluation tends to be on reporting. At the other end of the continuum is so-called 'participative' evaluation. In this approach, the evaluators act as facilitators, encouraging the engagement of programme actors throughout the evaluation process. Such an approach has typically been associated with programmes giving high priority to the learning function of evaluation.

The next set of choices relate to the **scope** of evaluation: ie. what the evaluations should examine. In answering this, it is important to bear in mind the overall aim of the mid-term evaluations, as summarised in the Commission's Working Paper 8: *"to assess the initial results of the various forms of assistance and to make recommendations for any changes needed to ensure that they achieve their objectives"*. In brief, this comprises two questions:

- Are the programme strategies still relevant, or are adjustments now required?
- How well are programmes performing in terms of effectiveness and efficiency?

In order to address these questions, evaluations need to analyse three sets of issues: the achievements, or effects of the programme (usually as an aspect of reporting); the processes and systems, or the way in which the programme is delivered (often with the aim of learning); and the economic and policy context within which the programme is operating. These different areas of analysis can be illustrated schematically.



Within the diagram, the analysis of the programme's achievements is central to evaluation, even at the mid-term stage when relatively little progress may have been made towards final economic impacts. The core of most mid-term evaluations is a quantification of programme achievements to date. This arguably needs to be addressed more seriously now than in the past, particularly in light of the planned usage of evaluation results to allocate the performance reserve. Analysing contextual change or processes and systems are not ends in themselves but complement and inform interpretation of programme achievements. Consequently,

context analysis is undertaken: to provide insights into how a programme has performed by placing achievements against wider trends; and to verify the continuing relevance of a programme in terms of its economic and policy contexts. Similarly, analysis of the programme's processes and systems needs to be undertaken to inform an understanding of the programme's economic development achievements.

Decisions about the scope of evaluation will shape the choice of **tools** for evaluation. Evaluators can make use of a range of methodological techniques: analysis of monitoring data; project surveys; stakeholder interviews; macroeconomic modelling; and context analysis. Overall, regions are optimistic that the improvements to monitoring systems should benefit evaluation.

The final set of choices are among the most important: the main **uses** of the evaluations. Overall, the two principal uses of the evaluation findings will be in allocating the performance reserve (a function of reporting) and recommending improvements to the programmes (a function of learning). The distribution of the performance reserve and the mid-term evaluations are closely linked, though separate exercises. Evaluation results will be used in deciding how well programmes are performing on certain of their performance reserve criteria. Nevertheless, while the Commission has given clear attention to the issue in the mid-term evaluation guidance and consultation, the importance of the performance reserve in the evaluations has been mixed among Member States.

Perhaps more importantly, the results of mid-term evaluations will be used in refining individual programmes. Programme managers will be looking to the evaluations to produce an independent assessment of their activities as well as empirical backing for the case for changes to programmes, especially virement between priorities and/or changes to the scope of priorities and measures.

### **Benchmarking evaluations**

To enhance this use of evaluation results, some programmes are aiming to compare their evaluations with those of other programmes. They plan to benchmark their performance by comparing the results of their evaluations in several key areas, such as the horizontal themes. Comparison of evaluation results against several criteria has a number of benefits for programme managers:

- highlighting where individual programmes are performing relatively well or have room for improvement;
- providing a source of good practice from which programmes can learn;
- identifying common problems in the new programming round for which joint solutions can be found; and
- forming the basis of longer-term sharing of experience and future cooperation between different programmes.

A good example of benchmarking in the mid-term evaluations is being pursued by Nordrhein-Westfalen and Scotland. Both territories have realised they can benefit from a more structured exchange of experience, using the evaluation results of the one German and two Scottish Objective 2 programmes. It was decided that a particular focus should be given to the benchmarking, around the horizontal themes of sustainable development and equal opportunities. Consequently, the evaluators in Scotland and Nordrhein-Westfalen are working together to develop a common methodology to enable comparison between the different programmes, drawing out the strengths and weaknesses of the approaches taken to the horizontal themes in each programme.

## Programme update

*The implementation of the 2000-06 Structural Fund programmes is now well underway. As reported in the eighth IQ-Net Bulletin (April 2002), pressure on programme managers over the past eighteen months has stemmed from the need to close down the old programmes while delivering the new programmes in a more complex operating environment. Following programme closures at the end of 2001, with final expenditure levels ranging between 90 and 98 percent, the focus is now firmly on the current period. The scope of the new programmes to meet their financial and physical output targets is emerging; in particular, the application of the decommitment rule requires the close monitoring of commitments and the timely submission of claims and payment of expenditure to projects. This article reviews the recent progress and management of the programmes.*

### State of Play: Programme Progress

Levels of **programme commitment** vary greatly among regions. By mid-2002, some regions had already committed nearly half of the total ERDF allocation for the 2000-06 period, while others had rates of less than ten percent. Variation at priority and measure levels has been even greater.

Several **factors are influencing programme implementation**.

- *Problems with the availability of domestic co-funding* are evident in several regions, the reorganisation or withdrawal of national funding schemes having an associated impact on programme implementation. Other factors include competition for projects from domestic funding instruments and the budgetary implications of the wider national and regional context.
- *Changes to Structural Fund programme delivery systems* are often associated with delays in implementation as are the introduction of new or refined project application and assessment methods. Conversely, low commitment rates at measure level can hide real activity in terms of the pre-assessment or planning of project activity. Zero or very low commitment rates are not necessarily as problematic as they may first appear, - implementing bodies may know, for example, that ERDF finance will be committed to a proposed venture, but only after completion of feasibility studies or the finalisation of investment negotiations.
- *State aid issues*. Particular problems are being caused by the complex hierarchy of award rates under State aid regulations affecting different types of project, sizes of firm and geographical area, especially for networking initiatives (where participating firms may be located in fully eligible, transitional and non-eligible areas) and in transition areas. The fact that transition areas in many programmes lie outside the national assisted areas map means that, under State aid regulations, large firms cannot be co-financed. This causes difficulties where the economic structure of the region means that there are either relatively few SMEs or few firms which can submit high-quality projects - leaving the programmes with the dilemma of either accepting projects which do not meet the sought profile or finding it hard to generate any at all. Other difficulties include delays in DG Competition approving relevant national aid schemes and 'grey areas' in terms of financing SMEs outside notified aid schemes.

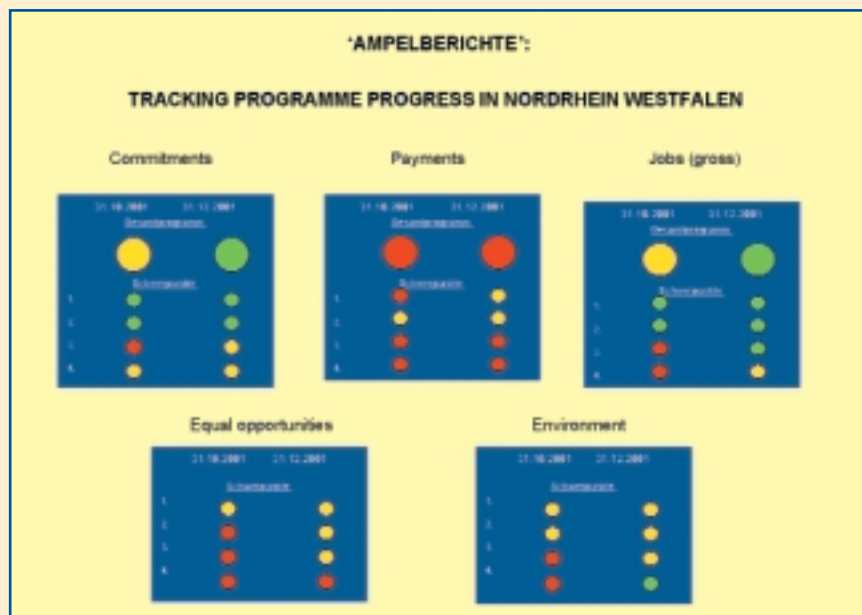
**Efficient payment systems** are more important in this programming period in the light of the decommitment rule. Payment levels tend to be considerably lower than corresponding commitments. To accelerate claims and payments requires discipline in submitting claims on the part of project implementers and the effective operation of new or modified paying authority arrangements and financial control systems.

### State of Play: Management Structures

Recent developments in **management arrangements** include the higher profile of exchange of experience meetings and continuing difficulties with the new financial control systems, commonly introduced in response to the Commission's requirements to separate project approval from financial control functions.

**Improved monitoring systems** have been operationalised in most regions, often proving to be positive management tools. An essential requirement is to track project commitments and payments in order to maintain an up-to-date overview of programme implementation. This is particularly relevant given the decommitment rules in this programming period and the corresponding need to recognise potential problems at an early stage. The Swedish programmes, for example, use the overview information as a prompt to send letters to project owners, reminding them of their claim and expenditure requirements. At the final stage, these reminder letters would ultimately culminate in clawback of the award. In Toscana, an innovation is the introduction of a 'measure manager' for each programme measure in charge of payments and designed to speed up financial monitoring and the rapid identification of bottlenecks.

It can be difficult to distil clear management information about project commitments and payments and communicate this to programme stakeholders. In Nordrhein Westfalen, a visual solution has been devised in the form of 'traffic light reports' or *Ampelberichte*, which provide a clear overview every three months of progress with implementation and highlight problem areas needing most attention.



In the NRW Objective 2 programme, an interesting and highly visual system has been developed in the form of *Ampelberichte* or 'Traffic Light Reports'. These reports are produced quarterly to provide an overview of implementation progress and are designed to be an active instrument supporting programme management. The reports show the extent to which programme implementation is in line with expectations for five key aspects of programme activity

- Commitments
- Payments
- Employment creation (gross and linked to the commitment level)
- Measure-specific aims (one additional aim per measure which is quantified in the programme complement)

- Horizontal priorities (contribution to permanent and environmentally positive development and equal opportunities for men and women in the labour market)

A red light indicates slow progress; yellow satisfactory progress but with room for improvement; and green shows that good progress is being made. A red light does not comment on the quality of implementation but signals an area where action may be required.

Although the Traffic Light Reports are still in a pilot phase, there is potential to extend the system to project level, which could be particularly useful for large projects being implemented over a longer time period.

### Looking ahead

In the medium-term, the main issues of concern to programme managers are likely to be the decommitment rule and the debate about whether the promised simplification of Structural Fund programmes has become reality.

**Decommitment** could potentially affect all Structural Fund programmes, although the extent to which this is a serious concern varies. In some programmes, decommitment is not likely to represent a serious threat. However, concerns regarding lower than anticipated commitment levels and/or the efficient payment of very high commitments are being carefully monitored. In other cases, where there are low commitment rates or problems with national co-financing, there is more concern about meeting the obligations.

The decommitment rules have affected the type of projects which are being funded, with programmes often preferring more straightforward projects which can definitely be implemented within the required timeframe. Projects which involve front-loaded

time investment to establish necessary structures or linkages, or projects associated with a higher level of risk, do not fit easily with the strict time requirement for expenditure – even if they may have better long-term economic development prospects. However, some programmes have viewed the decommitment rules as a positive external incentive to develop efficient and effective implementation systems.

It is increasingly being concluded that the promised **simplification** associated with the administrative workload of the Structural Fund programmes has proved to be illusory. The administrative workload associated with the implementation of the Structural Fund programmes is considered excessive in the majority of regions. New arrangements for the current programming period are generally perceived to be much more onerous. Concerns include: too many tiers of audit controls; the disproportionate application of programming rules; and insufficiently coordinated advice from Commission services. Practical initiatives have been taken at programme level to combat these difficulties, particularly for potential project applicants, through initiatives such as web-based application forms, targeted guidelines, information packs and direct interaction with applicants. This issue will remain high on the agenda in the longer term – especially looking towards the next reform.

**Ruth Downes**

## Flanders, Belgium and Norrbotten, Sweden: contrasting venues for eleventh and twelfth IQ-Net Conferences

The two latest meetings of the IQ-Net exchange of experience network were held in Flanders, Belgium and Norrbotten, Sweden – two very different settings for two very different programmes. Norrbotten is Sweden's largest county by area; together with the county of Västerbotten, it makes up the Norra Norrland Objective 1 programme. This large programme has a budget of €362 million spread over a population of 518,000 (5.8 % of the Swedish population). The extensive programme area is sparsely populated, with an unforgiving climate. In contrast, the Turnhout Objective 2 region covers just three municipalities in the province of Antwerp (with an additional nine municipalities designated as phasing out areas). The programme budget is a more modest €16.85 million, for an eligible population of 58,000.



IQ-Net conference delegates in Flanders

The earlier of the two conferences was hosted by the Kempen Objective 2 region in the town of Grobbendonk in December 2001. The new programmes being well underway in most cases, the first session focused on developments and experience with implementing the programmes over the previous six-month period. The central theme for the remainder of the day was the changing



IQ-Net partners visit Gammelstad, the historic centre of Luleå

approach to addressing the horizontal themes of equal opportunities and environmental sustainability in the 2000-06 programmes, both in the content of the programmes and in the way they are being implemented, with a special focus on mainstreaming. A workshop session in the afternoon enabled intensive discussion on the practical application of equal opportunity and environmental sustainability principles.

The Swedish conference, held in Luleå in June 2002, was hosted by the County Administration of Norrbotten and the Norra Norrland Objective 1 programme. The opening session of the conference once again updated delegates on recent programme developments. Discussion focused on two key areas of concern: decommitment, which is a major preoccupation for programme managers, and the elusive search for simplification in Structural Fund programming. It was recognised that there is a growing need for effective communication about programme progress, and that teething problems with some implementation systems and processes continue. The main theme of the conference was the mid-term evaluation of the programmes – particularly timely as Structural Fund programmes across the EU were already engaged in the evaluation process, scheduled to be completed by the end of 2003. The aim of the conference was to provide a forum for reflection and exchange of experience at an early stage in this process, when learning could still feed into the scope, style and content of the evaluation reports.

On both occasions, delegates had the opportunity to tour projects which had received Structural Funding. In Flanders, the Kamp C and PRODEM projects built on the conference theme by demonstrating two approaches to sustainable development. The final case study visit was to the Blairon barracks which provided an example of how former military barracks have been renovated for economic purposes. One of the companies located within the barracks, VIGC, has found a regional graphics niche on which to build and so enhance the economic prospects of the region. Project visits in Norrbotten included a tour of Akva, a science centre constructed with ecological considerations in mind and mostly made of wood, stone and glass, and Acusticum, an R&D project focusing on music, sound and media.

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

Objective 2 Kempen, Belgium	Objective 1 Norra Norrland, Sweden
<p>Kempen Objective 2 programme information:  <a href="http://www.provant.be/economie/doelstelling2kempen/">http://www.provant.be/economie/doelstelling2kempen/</a></p> <p>Flemish government home page:  <a href="http://www.vlaanderen.be">http://www.vlaanderen.be</a></p> <p>Kamp C - Information and demonstration centre for sustainable buildings: <a href="http://www.provant.be/KampC">http://www.provant.be/KampC</a></p> <p>Flemish institute for technological development (VITO) - PRODEM project: <a href="http://www.vito.be">http://www.vito.be</a></p> <p>The Flemish innovation centre for the graphics industry (VIGC)  <a href="http://www.vigc.be">http://www.vigc.be</a></p>	<p>Norra Norrland Objective 1 Website:  <a href="http://www.mal1.nu">http://www.mal1.nu</a></p> <p>NUTEK, the Swedish Business Development Agency:  <a href="http://www.nutek.se/">http://www.nutek.se/</a></p> <p>Information on the Structural Funds in Sweden, in Swedish:  <a href="http://www.nutek.se/regional/struktufond/mal2.html">http://www.nutek.se/regional/struktufond/mal2.html</a></p> <p>(Information in English can be accessed from NUTEK's homepage)</p>

## Promoting sustainable development in Flanders and Norrbotten

Sustainable development is widely agreed to be 'a good thing', but what does it actually mean in practice? Three projects supported by the Structural Funds - and visited by IQ-Net partners during the Grobbendonk and Luleå conferences - aim to help make the connection between the theory and reality.

### Information and Demonstration Centre for Sustainable Buildings, Flanders

In Flanders, it is relatively common for families to build or commission their own homes. Therefore, a sustainable development demonstration and training centre has been established to help to influence the public's building choices and the design options offered to them by architects and construction firms.

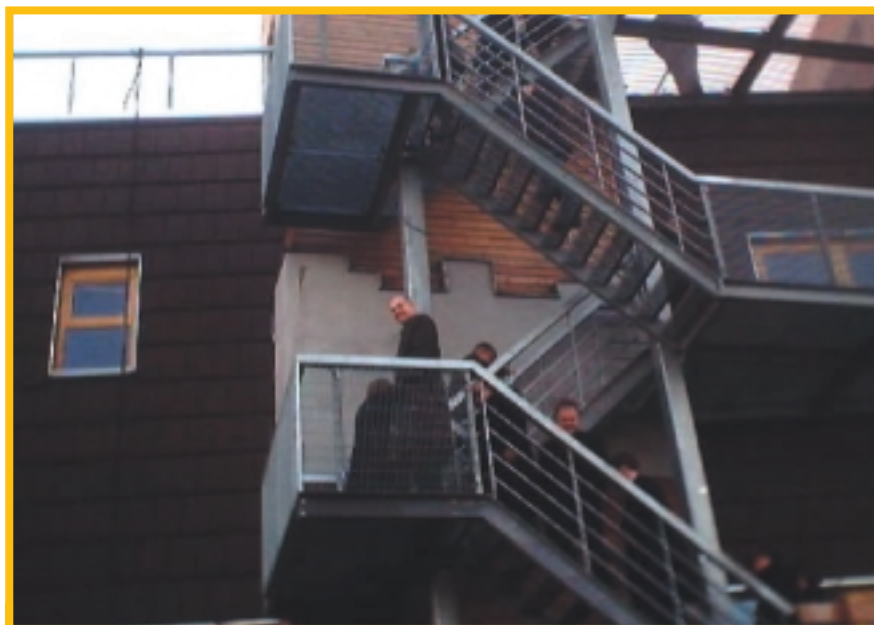
The complex is being built on 10 hectares of land occupied by a military barracks (Kamp C) until 1995, and will consist of three elements:

- **A demonstration, information and training centre for sustainable housing**, which encapsulates the goals of the park as a whole and is being built using sustainable methods.
- **Different types of sustainable housing**. More than a dozen houses will be built using and demonstrating innovations in sustainable housing.

- **An eco-industrial park**, for companies involved in eco-industrial building.

ERDF contribution: €813,091 (half the total cost of the first phase).

Kamp C  
 Gasthuisstraat 96  
 2440 Geel  
 Tel: 014/56 46 36  
 Fax: 014/56 46 28  
 Contact: Daniël Verheyen at [daniel.verheyen@gomantwerpen.be](mailto:daniel.verheyen@gomantwerpen.be)  
 Further information: <http://www.provant.be/KampC>  
 (In Dutch. Click on Energiebesparing for information in English.)



Information and Demonstration Centre for Sustainable Buildings, Flanders

## Akva Science Centre, Norrbotten

In a different context, but also concerned with the same sustainable building techniques, IQ-Net members visited the Akva Pite älvdal project in Sweden. Started in 1995, the project was developed in co-operation between the municipalities along the Piteå River area (Piteå, Älvsbyn, Arvidsjaur and Arjeplog), local industry and the University of Music in Piteå.

The main aim of the project was to strengthen the identity of the Piteå river by creating new ways to develop and distribute information about the ecosystem, history, culture and life along the river.

The Akva science centre has been constructed with ecological considerations in mind, and is mostly made of wood, stone and glass. Akva contains an interactive exhibition that illustrates the environment and cultural life along the Piteå River, going from the arctic mountains in the west to the sea in the east.

The total project cost was €4,300,000, co-financed under the Objective 2 and 6 programmes during the 1995-99 period, and under the Objective 1 Norra Norrland Programme during 2000-06.

Akva Pite älvdal AB  
Box 850  
941 28 Piteå  
Tel: 0911-641 00  
Fax: 0911-321 80  
Email: [info@akva.net](mailto:info@akva.net)  
Further information: <http://www.akva.net>



Akva Science Centre, Norrbotten

## PRODEM - helping SMEs to take forward environmental initiatives

SME's have become increasingly aware of their need to comply with a growing volume of environmental legislation and to reduce the environmental impact of their activities. In response to these needs, PRODEM, founded in 1995, promotes and demonstrates environmentally-friendly materials and processes to SMEs. The centre was a key project of the 1994-1997 Objective 2 programme. ERDF has helped to finance two elements:

- **infrastructure development**, which included the construction of new testing and analytical laboratories and a demonstration hall opened in 1998 (ERDF: €3.8m), and
- **a business development project** whereby SMEs hire PRODEM assistance for environmental projects such as waste reduction in the production cycle (ERDF grants of €317k and €469k, corresponding to 50 and 45 percent of total project costs respectively during the period 1994-1999).

As well as its current functions as a promotion and demonstration centre, PRODEM also aims to become a research and advice centre in logistics and technology,

assisting SMEs with the development and implementation of environmentally friendly production and management techniques. In terms of impacts, the project has generated direct and indirect employment benefits as well as further investments.



Boeretang 200  
B-2400 MOL  
Belgium  
Tel.: + 32 14 33 55 11  
Fax: + 32 14 33 55 99  
[vito@vito.be](mailto:vito@vito.be)  
<http://www.vito.be>

## 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 (Belgium); Nordjylland (Denmark); DATAR (France); Nordrhein-Westfalen (Germany); Lombardia, Toscana and IPI (Italy); Norra and Norra Norrland (Sweden), País Vasco (Spain); and Wales and Western Scotland (the UK).

Launched in 1996, and managed by the European Policies Research Centre (EPRC) 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, and meetings have been held in Glasgow, Cardiff and New Lanark (UK), Dortmund, Gelsenkirchen and Saarbrücken (Germany), Fyrstad and Luleå (Sweden), Bordeaux (France), Semmering (Austria), Como (Italy), Aalborg (Denmark) and Grobbendonk (Belgium).

The **IQ-Net** team at EPRC are Professor John Bachtler, Ruth Downes, François Josserand, Rona Michie, Laura Polverari, Philip Raines and Sandra Taylor, supported by Lynn Ogilvie and Jacqui Vance. In addition, Danish research has been undertaken by Professor Henrik Halkier.

### **IQ-Net 2000-06**

IQ-Net is currently in a third phase of operation and is inviting expressions of interest from regions which may like to join the network. Further information about the network can be obtained on the website at <http://www.eprc.strath.ac.uk/iqnet/>, or from:

Ruth Downes,  
Network Manager  
EPRC,  
University of Strathclyde  
40 George Street,  
Glasgow, G1 1QE,  
Scotland, UK

Tel: +44 141 548 4906  
Fax: +44 141 548 4898  
E-mail: [ruth.downes@strath.ac.uk](mailto:ruth.downes@strath.ac.uk)

Printed by William Anderson & Sons Ltd

Future **IQ-Net** bulletins will be available on-line only on the **IQ-Net** website.



If you wish to receive the next edition by email then join our mailing list by registering your details at:

[http://www.eprc.strath.ac.uk/iqnet/iqnet/form\\_mailinglist.asp](http://www.eprc.strath.ac.uk/iqnet/iqnet/form_mailinglist.asp)

*This publication has been co-financed by DG Regio of the European Commission, through the European Regional Development Fund; their support is gratefully acknowledged. The content of this newsletter does not represent the official view of the European Commission.*

