

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

As a new period of Structural Fund programming begins, Objective 2 regions throughout the European Union are coming to terms with their eligible areas and financial allocations. Coinciding with the Agenda 2000 reforms, the *IQ-Net* network has itself been relaunched with an expanded membership and new services.

In 1999, *IQ-Net* was relaunched with some 20 member regions from ten Member States (see page 12) as well as DG Regio. The first meeting of the new network was held on 28-30 November 1999 at New Lanark (near Glasgow), an industrial heritage village which lies within the eligible area of the Western Scotland Objective 2 Programme. The village became famous as a model community in the 19th century, and has been recently restored as an Outstanding Conservation Area and a World Heritage Site with assistance from the ERDF.

Photograph: Lindsay Addison



The *IQ-Net* Partnership at New Lanark

For first-time readers of this Bulletin, *IQ-Net* is a network of Objective 2 regions founded in 1996 by programme managers from 13 regions in seven Member States plus the European Commission and managed by the European Policies Research Centre. Meeting twice a year, *IQ-Net* (the acronym stands for "Improving the Quality of Programme Management Through Exchange of Experience") involves a programme of research and discussion on practical programme management issues.

A combination of economic development and social inclusion themes run through the regional Structural Fund programme for Western Scotland, one of several Objective 2 programmes examined at the November 1999 *IQ-Net* meeting (see page 10). The main topic of the meeting was how to adapt the programming experience of the past decade to the new regulatory environment, with a seven-year planning horizon and a new management system. The preparation of Objective 2 plans is well-advanced, with more sophisticated strategies and

delivery systems, but there are questions how and whether 'simplification' and 'decentralisation' will work in practice.

For further information on *IQ-Net* research and discussions, as well as the partner regions, please check our soon to be re-launched website at <http://www.eprc.strath.ac.uk/iqnet/> Feedback is always welcome.

Professor John Bachtler, EPRC

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Laying the Foundations for the New Structural Fund Programmes

A year has now gone by since the Berlin European Council brought the long process of discussion over the reform of the Structural Funds to a close. In the interim, the new Regulations have been approved, the European Commission has issued guidelines for the new CSFs and SPDs, the Objective 1 programmes are being negotiated, and the Objective 2 maps have been submitted and (with the exception of Italy) agreed.

The 'new' Objective 2 means smaller areas and fewer programmes. Population coverage of the new Objective 2 has been restricted to 18 percent of the EU's population - a decrease in coverage of almost 28 percent. Major reductions in national Objective 2 coverage took place in Austria, the UK, Luxembourg and France. Reductions could have been more severe: in nine Member States, the cutbacks were limited by the safety net. The number of programmes has also been rationalised with the merger of Objectives 2 and 5b, with a prospective reduction of over 40 percent in programme numbers.

Within this context, the preparation of Objective 2 plans is generally well-advanced, with programme managers aiming to hand in SPDs before the cut-off date of 30 April 2000. In recent months, the first Objective 2 plans have begun to arrive in Brussels, starting with SPDs for the Finnish and German regions. For some, making the end-April deadline will clearly be tight,



Photograph: Lindsay Addison

especially where active preparations only started once the map was finalised. Despite the EC guidance, negotiating the programmes is new territory and, if the maximum time allowed for each stage of the process is used to the full, then programmes will not be launched until late 2000. Few regions are expecting to spend money in 2000.

Reductions of Objective 2 coverage and programme numbers

	Obj.2 1997-99	Obj.2+5b 1994-99	Obj. 2 2000-06	Change (% pts)	No. of Obj.2/5b programmes 1994-99	No. of Obj.2 programmes 2000-06
<i>Austria</i>	8.2	37.1	24.7	-12.4	11	9
<i>Belgium</i>	14.0	18.5	12.4	-6.1	7	9
<i>Denmark</i>	8.8	15.8	10.2	-5.6	2	1
<i>Finland</i>	15.5	37.0	30.9	-6.1	3	2
<i>France</i>	25.9	43.2	31.3	-11.9	39	21
<i>Germany</i>	8.8	18.4	12.6	-5.8	17	11
<i>Italy</i>	10.8	19.2	12.9	-6.3	24	14
<i>Luxembourg</i>	34.2	41.6	28.3	-13.3	2	1
<i>Netherlands</i>	17.3	22.7	15.0	-7.7	10	10
<i>Spain</i>	20.3	24.7	22.2	-2.5	14	7
<i>Sweden</i>	11.0	19.6	13.8	-5.8	10	3
<i>UK</i>	31.0	35.9	23.5	-12.4	24	14
<i>EU15</i>	16.4	25.3	18.2	-7.1	163	95

The timetable of maps and programmes

Date	Obj. 2 maps submitted	Obj. 2 maps approved	Draft Obj. 2 programmes submitted
<i>June 1999</i>	Germany		
<i>July 1999</i>	Sweden		
<i>August 1999</i>	Austria, Finland		
<i>September 1999</i>	Spain, Denmark, Italy, Belgium, Netherlands		
<i>October 1999</i>	UK		
<i>November 1999</i>	France	Belgium, Denmark, Germany, Netherlands, Finland	
<i>December 1999</i>	Luxembourg	UK, Spain	Finland (3 SPDs)
<i>January 2000</i>		France, Sweden, Austria, Luxembourg	
<i>February 2000</i>			
<i>March 2000</i>			Rheinland-Pfalz (Germany)

Preparing the New Objective 2 Plans

Delays in starting a new programming period are nothing new. Learning from the past, most Objective 2 regions did not wait until the new maps were finalised to begin planning. In fact, preparations in some regions date back to mid-1998 when consultation exercises were first launched. A lot of groundwork on the 'strategic context' for EU programmes has also been undertaken, encouraged by the growing use of regional strategies as part of domestic policy.

By comparison with previous planning periods, the current phase is distinctive in three ways.

- **Programme managers and partners are better informed than before.** Partly this is due to experience, in many cases based on three previous rounds of plan preparation. The Commission has also provided much more information through the guidance, Vade Mecum and other materials, and it has made the information more accessible via the EC Website. Member State authorities have also been active in this area. In Scotland, for instance, aide-mémoires were produced by the Scottish Executive and other specialist contributors to guide the Plan Teams, including specific advice on issues such as community planning, strategic spatial development, equal opportunities and the environment.
- **Plan preparation is being driven more by regional actors.** Although overall control of the programming process still resides with Member State authorities, regional organisations appear to be initiating and driving the planning and consultation processes whether through regional government authorities, regional offices of the State or a mix of actors in 'plan teams' and other regional groupings. The overall process is increasingly interactive and complex, involving discussion and co-operation between numerous actors and the use of many information sources.
- **There is more partner consultation and involvement than in previous programming periods.** While some regions continue to restrict plan preparation to a tight group of key partners, there is evidence of a broadening trend of partner participation. In certain cases, this is targeted involvement, inviting input from particular partners at

specific stages in order to keep the consultation process manageable. There are also examples of highly inclusive consultation processes, incorporating a wide range of partners in new ways from an early stage. Although requiring advance planning and sufficient time to integrate the results into successive drafts of plans, this can encourage wide local 'ownership' of the programme and the introduction of new insights. Equally, there appear to be limits to partner involvement and, in some regions, examples of 'consultation fatigue'.

PARTNER CONSULTATION DURING PLAN PREPARATION

In **Denmark**, one national Objective 2 programme is to be drafted for the coming programming period with individual programme complements for the five proposed regions. The national Danish Agency for Trade and Industry is responsible for drafting the national programme, with the regions writing their own complements in parallel. Co-ordination is steered by the national guidelines, but also through a series of meetings between national and regional programme administrators. These meetings were used to agree overall strategies and priorities and a set of measures encompassing the activities proposed in the regional complements. This process has involved a much greater degree of interaction and mutual adjustment between national and regional actors.

In **Finland**, Structural Fund programme preparations have been led by Regional Alliances, umbrella groups bringing together the main regional development actors from the regions, including the Regional Councils and Employment and Business Development Centres. The Western Finland Alliance, for example, comprises representatives from seven regions and multiple economic development actors. The involvement of the Regional Alliances in the drafting of programmes, instead of each region working independently, has been a step towards more co-operative working.

In **Spain**, consultation exercises are narrower, with each participant fulfilling a clearly defined role. Most of the projects to be implemented as part of Structural Fund programmes are drawn from the strategic programmes of national and regional government departments and agencies. As such, programme preparations place little

emphasis on defining new strategic directions and more on drawing elements of existing strategies together into a coherent whole which meets European objectives.

In **Catalonia**, a small team from the Directorate-General for Economy and Finance compiles the regional and local aspects of the programme through a well-established process of administrative consultation and co-ordination in which the actors know their role and contribution.

Other inputs into plan preparation include experience from past and current programmes (Objectives 2 and 5b), regional strategies, research and evaluation studies. There is a widespread trend to ensure coherence with wider national and regional economic development strategies.

STRATEGIC CONTEXTS FOR OBJECTIVE 2 PROGRAMMES

The Dutch northern provinces of **Friesland, Groningen** and **Drenthe** are covered by a regional strategy known as Kompas. The Kompas 2000-2006 strategy document outlines the range of economic development initiatives created using the various sources of funding available, including national and EU funding. The timing of the strategy deliberately coincided with the Structural Fund cycle in order to maximise the effect of the funding opportunities and joint strategies. There will therefore be a strong interconnection between the new Objective 2 strategy and the overall regional strategy.

In **Sweden**, 'regional growth agreements' have been drafted at county level as part of national regional policy. Outlining the main development priorities over a three-year period for each county, these agreements were drafted by the County Administrative Boards (CABs), the same bodies which are leading the Structural Fund programme preparations, in consultation with other regional and local actors, and will comprise a key strategic input into the new programmes.

In **France**, the development of Contrats de Plan État-Régions (CPER) has provided a similar strategic input.

The new 'receivability' checklist for programming documents, and the corresponding risk of rejection, may ensure that programme elements previously viewed as optional or secondary (eg. equal opportunities analysis) are given more and earlier attention.

RECEIVABILITY CHECKLIST

Ensuring that SPDs meet the Commission's 'receivability criteria' is one of the major challenges facing regions preparing Objective 2 programmes. The Commission checklist will address the issues of **finance, policies** (environment, equal opportunities, state aids and competition) and **assessment** (ex-ante evaluation, quantification).

The reception process will comprise only a 'Yes-No' analysis, with no judgement on quality, so the onus is on every programme to ensure that adequate documentation is provided as early as possible - especially because validity for eligible expenditure will be considered to run from the date of receipt of complete material. Once programmes are deemed complete or 'receivable', they go on to full negotiations.

Conclusions

In response to detailed and rigorous expectations, it appears that regions are applying more time and effort to the preparation of high-quality SPDs. With more prior experience available, many regions have been engaged in detailed planning for up to 18 months. A more co-operative approach is evident through a deepening and/or widening of partnership and more systematic consultation.

New Strategic Orientations?

Central to the new regional development plans is the question of strategic direction and the distribution of funding across development priorities. Programme managers are having to reconcile different requirements:

- planning over a longer time horizon, taking into account the decommitment rule and the performance reserve
- adapting to smaller eligible areas and funding allocations
- managing the combination of industrial, urban, rural and fisheries dimensions
- integrating the transitional programme areas
- responding adequately to Commission guidance.

Continuity in policy

Most programmes are likely to show broad continuity with the strategic policy approaches of the 1997-99 period. Shifts in expenditure appear to be reinforcing trends already underway, such as an increased emphasis on technology and innovation. Solidarity and urban issues are a genuinely new dimension in some cases. Other policy trends include greater sectoral and spatial targeting, efforts to improve the regional strategic context within which Objective 2 programmes operate, and a commitment to devising effective 'exit strategies'. Leaving a durable legacy after 2006 is a common concern.

Improved strategic coherence

One of the remarkable features of the past decade in Objective 2 regions is the increased profile of strategic thinking and planning – not just within Structural Fund programmes but more widely as part of national and regional policies. Programming has arguably demonstrated the value of making economic development a more coherent area of activity, increasing communication between partners and widening the range of organisations co-operating in policy definition and funding allocation.

Region-wide, multi-annual strategies already exist in France, the Netherlands and Italy, and they have recently been introduced in Sweden and parts of the UK. They reinforce the trend observable in many Objective 2 regions over the past year of deeper and wider strategic debate and efforts to give the new programmes more strategic coherence, not just internally but also with the external policy environment.

Addressing the horizontal priorities

The European Commission has made great efforts in recent years to give practical meaning to 'sustainable development' and 'gender mainstreaming' as part of Structural Fund programming. Integrating these horizontal issues into the planning and implementation of Objective 2 programmes is, however, proving to be a challenge.

Most common is a 'satisficing' approach, limited to meeting Commission requirements. In such cases, programmes may comply with the increased demands and the receivability test, but may not have a coherent policy position which can be fully operationalised. On the other hand, there are also some examples – mostly in the UK, Italy and Sweden – of more concerted attempts to mainstream environmental and equal opportunities concerns within programme design and delivery.

POLICY CONTINUITY IN OBJECTIVE 2 PROGRAMMES

The new Objective 2 programme in the Flemish province of **Limburg** will form the second stage of an economic reconversion strategy which has been in place since the start of its Objective 2 eligibility. Traditionally reliant on the coal mining industry, a series of pit closures over the last 30 years resulted in declining employment in the region. The region was designated under Objective 2 in 1989, with a strategy aiming to create jobs in new sectors to substitute for the deficit left by the mine closures. The basis of policy until now has been to create the necessary infrastructure to enable firms to locate and new firms to establish themselves in the region, coupled with soft measures to encourage this process. A special Limburg fund was created to assist in the co-financing of these activities. The first stages of the economic reconversion process are now complete i.e. the conversion of old pits for new economic activities. The new Objective 2 programme will concentrate more on stimulating demand for the new economic infrastructure and contributing to the general regional strategy of creating a new area of regional expertise.

INTEGRATING EQUAL OPPORTUNITIES

Western Scotland set up an Equal Opportunities Focus Group in March 1999 to establish robust systems to take the equal opportunities theme forward. Constituted from the Partnership and outside experts, involving both equal opportunities specialists and partners with thematic or sectoral interests, the Group organised an awareness-raising seminar to exchange experience with plan teams and programme executives from throughout Scotland. It also developed an Equal Opportunities Action Plan "to help guide the Programme Executive and the Equal Opportunities Focus Group through the process of mainstreaming equal opportunities in the Western Scotland Objective 2 area". The Action Plan has suggested a number of strategic and operational implications of integrating the issue, each of which will in future be addressed.

WESTERN SCOTLAND: EQUAL OPPORTUNITIES ACTION PLAN

Strategic Implications

- include an analysis of equal opportunities (EO) in the region's economic and social profile in the SPD
- ensure that projects consider the EO issues which may arise in the activities they are developing
- ensure that projects consider the EO barriers which may arise in the activities they are developing and take action to address them
- include scope for measure-relevant EO projects to be funded in every Programme priority

Operational Implications

- ensure that EO permeates the Programme management process
- verify that project sponsors have an EO policy
- ensure that projects are putting their EO policy into practice through their recruitment policies and other marketing or public relations activities
- ensure that EO is reflected in the way that the project will be managed, and in who will be managing it
- ensure that projects have assessed the potential beneficiaries of the proposed activities with EO in mind
- ensure that EO consideration by projects is incorporated into the scoring system
- consider the role of modulated grant rates in influencing project design
- set realistic targets and implement a system to monitor progress towards them
- ensure that the horizontal priority of EO is effectively 'rolled out' to the wider partnership
- include EO as a key issue in evaluation and incorporate the lessons into future work

INTEGRATING SUSTAINABLE DEVELOPMENT

In **Eastern Scotland**, consultants worked with the partnership, advisory groups, committee members and the programme secretariat to examine how best to integrate sustainable development - in its fullest sense - into the regional economic development programme. Key conclusions of this exercise were that sustainable development could best be progressed through a structured approach to programme preparation, and by ensuring the partnership was trained to follow up on initial intentions, eg. by applying scoring systems appropriately in selecting projects. Further details are available in Eastern Scotland European Partnership's report on 'The Sustainable Development Project', available on the Internet at <http://www.esep.co.uk>

Another example is **North-East England**, which has an Environmental Impact Advisory Group considering how the future programme can contribute effectively to sustainable development in the region. A range of discussion issues about the approach to sustainability has been identified.

NORTH-EAST ENGLAND: SUSTAINABLE DEVELOPMENT DISCUSSION ISSUES

Sustainable development aims

- deliver the principles through practical action
- educate, encourage and motivate all stakeholders to achieve high standards of sustainable development, at all levels of activity
- measure progress

Actions and options for consideration

- an environmental and social profile of regions in the SPD
- strengthening of current sustainability indicators and selection of measurable, headline indicators to better quantify programme performance
- for each measure, identification of practical actions to help signpost applicants and administrators to good practice
- scoring to reward programmes for practical delivery (ie. Compliance with ISO14001 for business competitiveness)
- pre-selection of key indicators for individual measures, if this has the potential to contribute to clarity, efficiency and accuracy
- continued and strengthened scoring against sustainable development criteria
- tiered grant rates to reward applicants who contribute significantly to sustainable development objectives
- provision of a simple written signposting document for smaller applicants and administrators as a guide to current standards and best practice in sustainable development issues such as resource efficiency
- a contract for bespoke advice to larger scale, flagship applications
- reserving resources in the programme for sustainable development projects
- development of an environmental initiatives measure

Simplification versus sectoralisation of programmes

Simplification has been one of the watchwords of Agenda 2000. The three new Objectives were heralded as rationalisation of programming, with fewer programme types and enhanced opportunities for integrated development. Many of the new Objective 2 areas combine previous Objective 2 and 5b zones, removing a division perceived as artificial in some programmes, for example in less-densely populated areas or where similar policies and structures operated across both industrial and rural areas. In the new period, most regions will deliver integrated programmes across both types of area, providing simplification and enabling the transfer of lessons and experience. However, this approach will not be universal. In some Member States (eg. the Netherlands), the industrial and rural dimensions will be divided into separate programmes or sub-programmes.

One concern expressed by some Objective 2 programme managers is the likelihood of a 'sectoralisation' of policy effort in the new programmes. In practice, simplification may not be realised due to the need to programme separately for the Objective 1 and 2 phasing-out programmes. Also, ESF is likely to be entirely absent from the Austrian Objective 2 programmes, most Spanish, all Italian and possibly the Dutch programmes. Reasons include the desire to simplify management, a lack of co-financing for Objective 2 ESF measures and the choice to seek instead complementarity

with the new broader Objective 3 programmes. Furthermore, alongside the merger of Objective 2 and 5b, the more significant rural development support is being channelled into the new Rural Development Programmes (RDPs). There is little evidence to date of clear mechanisms for co-ordinated planning and implementation between Objective 2 programmes and RDPs.

TRENDS

Several interesting trends emerge from the early processes of programme preparation:

- In some cases, policies and delivery mechanisms are being designed in parallel. This extends as far as detailed discussions about the design of technical assistance measures.
- Attention is being given to ensuring lasting impacts from the new programmes, as these may be the last of their scale. This involves consolidating or completing former interventions, or ensuring that the strategy development phase prioritises the primary issues still to be addressed.
- There is increased sectoral targeting, linked to strategies capitalising on unique regional knowledge and skills, and increased spatial targeting, often with an emphasis on addressing urban and exclusion issues (a distinctive new feature of many programmes).

Programme Management: Making Decentralisation Work

Streamlining, efficiency and project quality are common themes underlying the debates over future implementation arrangements for Structural Fund programmes in Objective 2 regions. Although management structures are still evolving, three objectives for programme delivery are evident.

- First, there is a widespread desire to **improve efficiency and effectiveness**. Many regions are looking at ways to streamline administrative systems, especially by integrating programme administration and financial management structures. Other examples include pre-determined projects, larger or framework projects and the co-financing of projects developed under parallel domestic strategic plans and initiatives.

STREAMLINED IMPLEMENTATION SYSTEMS

In **Austria**, there has been a concerted effort to streamline implementation structures for the next Structural Fund programming period. While existing business support schemes will continue to be the principal implementation channel, the number of schemes in each programme is likely to be considerably reduced. Some programmes, for example, aim to have one funding agency responsible for the implementation of a single measure in the SPD. Consideration is also being given in some programmes to the involvement of external organisations in the assessment and follow-up of certain key projects. This reflects an attempt to ensure greater strategic coherence and focus in Structural Fund projects within the context of acknowledged personnel and resource limitations within the funding agencies.

- Second, programme managers want to **raise project quality to achieve longer-term impacts** by generating projects with a stronger strategic rationale. More efficient programme delivery could free programme management staff to be more involved in generating and following-up projects. Specific regional initiatives are also being explored or extended, including the involvement of external organisations or networks of local programme-specific administrators in project generation and selection.
- Third, there are moves to extend the **delegation or decentralisation of aspects of programme delivery**, for instance through global grants and framework projects, as well as greater decision-making power being granted to sub-regional organisations/groups.

DECENTRALISATION OF DECISION-MAKING

In **Wales**, a new three-fold system of project appraisal is being considered, which includes a greater degree of decentralisation. This would comprise:

- **national strategies**, run by national organisations (eg. the national tourist board) which would be allocated tranches of money, leaving the Managing Authority with a policy and monitoring role only;
- **local strategies**, run in parallel and allocated on a competitive bidding basis to spatially defined groups of local actors – potentially based on local authority areas, smaller areas, or a combination of local authorities; and
- **individual projects**, organised through a flexible tranche retained by the Programme Executive to respond to individual project applications and react to changing circumstances.

The main motivation behind this proposal is to promote a more strategic use of the Funds and avoid a 'pepper-pot' approach. The envisaged stages include the presentation of strategies by national or local organisations/partnerships to the Welsh European Programme Partnership (WEPP – the proposed new programme management organisation) with financial requirements and monitoring indicators and targets. The strategies would then be appraised and approved on the basis of the monitoring criteria and the 'packages' agreed with the devolved organisations. The partnership will then have

responsibility for delivery against agreed targets and the lead organisation would become the accountable body held responsible for spending.

In **Sweden**, the management of the Structural Funds is to be fully decentralised during the next programming period. The principal change will be the allocation of payment authorisation, previously held by national authorities, to the regional level. The managing authority role will be given to the appropriate County Administrative Board (CAB) in the programme area. The former project selection structure, involving a regional-level Decision Group with secretariat support from the CAB, is to be made more transparent by streamlining it into a single structure within the CAB.

The new Regulations have accorded the European Commission a more 'strategic' role in Objective 2 programmes, with Member States now having sole responsibility for programme management, monitoring, evaluation and control. A key change has been the appointment of a Managing Authority for each programme, responsible for supervising the implementation, on-going management and effectiveness of the programme. Several legal and financial issues have been raised in considering the Managing Authority role. These include the question of having a single Managing Authority in a dual-Fund programme (particularly where there are separate institutional structures for ERDF and ESF); financial management problems; and how to finance the additional resources inevitably required for the operation of the Managing Authority.

The new Regulations also strengthen the monitoring requirements, requiring a wider range and increased transparency of monitoring information, as well as an annual review of programme progress on the basis of implementation reports. Many countries and regions are attempting to improve current monitoring systems, principally by modifying existing approaches but, in a few cases, through the creation of new systems. Changes include attempts to improve physical monitoring and the integration of monitoring into the process of programme development. National authorities are variously involved in the designation of core indicators or the provision of guidance on the new requirements.

IMPROVED MONITORING PROCEDURES

Monitoring is becoming more and more crucial, as the pay-back rule will impose the acceleration of payment procedures and applications. **Italian** Objective 2 regions are trying to improve the quality of financial monitoring systems in order to keep payment levels up-to-date; real time monitoring will guarantee both control of the effective implementation of projects and the possibility of more rapid payment application procedures. The main challenge will be the change from a measure monitoring system to a project monitoring system. In order to comply with this need, the Ministry of Treasury and Budget – IGRUE - is organising meetings with regions to support them in the transition and to connect the regional monitoring systems to the central system. Most regions are also trying to reorganise their monitoring systems by introducing computerised procedures at the sub-regional level. These activities will be mainly funded from technical assistance.

Whilst most countries have considered using an adjusted version of their current monitoring system, a new national monitoring system has been created in **France**. The system, called PRESAGE (Programme Régional et Européen Suivi-Analyse Gestion Evaluation), will be installed in every region for the new programming period. It is not only for Structural Fund programmes, but will also track implementation of state programmes and the Contrats de Plan. PRESAGE enables the stronger monitoring requirements of the new Structural Fund programmes to be met by actors at all levels, and will also make it easier for national ministries to track what is going on in the regions. The system contains cascading levels allowing the analysis of whole programmes, measures, sub-measures and/or individual projects. At the regional level, the system's features, including access and permissions, can be configured according to the different preferences of each Préfecture. In theory, a wide range of organisations could input information directly to the database, and extract information from it, reducing duplication of effort and enabling management information to be fully exploited.

The new Regulations have also introduced changes with regard to the Monitoring Committees. The Monitoring Committees will need to be chaired either by a Member State representative or the Managing Authority, have balanced male:female participation, and exercise an expanded role, including the approval of the programme complement (prior to submission to the EC) and of all subsequent programme adjustments.

The final form and function of the Monitoring Committee remains open in most Member States. Ideas at this stage include prioritising strategic discussion over technical administrative issues, regionalising the new Committees or creating a two-tier system with either a decision-making/consultative split or a policy/practitioner split. Partner representation may be widened to include, for example, economic and social partners or representatives of the horizontal priorities. The streamlining of committees is a more unusual proposal, but is actively being considered in a few countries as part of an efficiency drive.

MONITORING COMMITTEE CHANGES

The **German** Objective 2 regions are to introduce new Monitoring Committee arrangements during the new programming period. Until now, there has been a single national Monitoring Committee. Chaired by the Federal Ministry of Economics and Technology, it was attended by a representative of each of the Economic and Social Affairs ministries in the Objective 2 Länder, as well as federal government representatives and the European Commission, but not by social partners. Each region will now have its own Objective 2 monitoring committee allowing wider partner participation and, if desired, the inclusion of social partners in an official decision-making capacity.

Conference Report: New Lanark

On 28-30 November 1999, regional representatives from Objective 2 programmes in ten Member States met to share experiences on how the foundations for the new programmes are being prepared. The venue for the conference was New Lanark, an industrial heritage village located c.30 km south-east of Glasgow within the eligible area of the Western Scotland Objective 2 Programme. Under the management of 19th century industrialist, Robert Owen, the cotton mills and village at New Lanark were the site of a series of social and educational reforms which included prohibiting young children from working in the mills, the establishment of progressive schools (including the world's first infant school) and free medical care. The village has undergone a recent programme of intensive restoration, supported in part by the ERDF and is now designated as an Outstanding Conservation Area and a World Heritage Site. The hotel in which the conference was held is itself a renovated cotton mill and is a participant in ESF projects, serving as a training facility for local catering colleges.

Hosted by Strathclyde European Partnership Ltd and EPRC, the New Lanark meeting discussed the challenges faced by the new Objective 2 areas in designing and managing their programmes. After a full day of discussions and workshops, a tour of three local areas receiving Structural Fund support through local development agencies provided an insight into the contribution that Objective 2 programming has made to integrated local economic development in Western Scotland.

The tour started with a visit to one of Scotland's 23 Local Enterprise Companies, the Lanarkshire Development Agency (LDA). The LDA works in partnership with the private sector and North and South Lanarkshire Councils to undertake a range of economic development activities including property development,



John McManus presenting the LDA's strategy



Delegates on the study tour

delivering assistance to businesses in the area and managing a wide range of training programmes. The focus of the presentation to IQ-Net members was property-led regeneration. Many of the area's current economic problems stem from the closure of the local steel industry, which left in its wake large areas of industrial wasteland. The LDA now places a strong emphasis on physical regeneration, including developing well-connected strategic sites meeting the needs of major investors.

Delegates then travelled to Easterhouse, a housing estate on the periphery of Glasgow facing particularly acute economic and social development challenges. Greater Easterhouse has some 17 percent of people out of work and claiming benefit. Youth unemployment (under 25) is also high, as is long-term unemployment, with 41 percent of Greater Easterhouse's unemployed population having been out of work for a year or more. The area has suffered from an extremely low level of employment growth over the last ten years. The Greater Easterhouse Development Company is one of the lead agencies helping to address the area's social and economic issues. On a guided tour through some of the worst affected areas, delegates were shown the problems specific to the district and examples of the community economic development measures being undertaken to combat them. These include on-the-job training for local people in a furniture producing company, security measures for local companies and new social housing.

The final leg of the tour examined integrated economic development in Greater Govan, in the South West of Glasgow, focusing on the activities of Govan Initiative Ltd, an innovative not-for-profit economic development company which undertakes a wide range of activities aiming to revitalise the economy of Greater Govan and improve the prosperity of its business and residential inhabitants. Govan Initiative Ltd was formed in 1986 representing a partnership of Strathclyde Regional Council, the Scottish Development Agency, the City of Glasgow District Council and representatives of the private sector. In 1987, the Partnership established itself as a Company Limited by Guarantee. At a

meeting held at Ibrox stadium, home to Rangers Football Club, one of Glasgow's two Scottish Premier League teams, delegates learned of some of projects which Govan Initiative Ltd had been pursuing, among them:

- a range of services for business, including a local **Business Shop** which sources information and support for firms, a **Company Growth Team** helping promising firms to grow and a **Business Creation Team** encouraging new start-ups
- the **Flexible Learning Centre** enabling local residents to train without committing themselves to full-time study or rigid timetables
- a **Recruitment Team** working with firms and job-seekers to support local people's transition into employment
- a **Secure Companies Project** helping firms to reduce their overheads by increasing the security of their premises.

For more information on the topics above, see:

The New Lanark Conservation Trust www.newlanark.org/
 Strathclyde European Partnership Ltd www.wsep.co.uk/
 Greater Easterhouse Development Company www.gedc.org.uk/
 Lanarkshire Development Agency www.lda.co.uk/
 Govan Initiative www.govan-initiative.co.uk/

Structural Funds - Managing a New Generation of Programmes

'Managing a New Generation of Structural Fund Programmes' is the theme of the next SIRIUS Summer School, to be held in Glasgow on 24-30 June 2000. This accredited course is for government officials, local authority staff, programme executives and others involved in managing and delivering Structural Fund programmes. Drawing on the expertise of European Commission staff, national officials and experienced practitioners, it will provide participants with a comprehensive understanding of international good practice in programme management. It will highlight theoretical and practical issues of programme implementation, the delivery of projects, effective partnership, and the use of monitoring and evaluation. Using experience from different countries and regions, it will examine how new strategic programme priorities can be delivered, focusing on the issues of sustainability in economic, social and environmental programme management.

SIRIUS is the School for International Regional Development Studies - a training facility for those involved in regional development and spatial planning established by EPRC and the Nordic Centre for Spatial Development (Stockholm), working with partners in Austria, France, Germany, Ireland, Italy, Poland and Romania. Further information is available on the SIRIUS website at: <http://www.eprc.strath.ac.uk/sirius/>

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 established by a network of Objective 2 areas in: Austria (Niederösterreich, Steiermark); Belgium (Vlaanderen, Wallonie); Denmark (Nordjylland); Finland (Satakunta); France (Provence Alpes Côte d'Azur); Germany (Bremen, Nordrhein-Westfalen, Saarland); Italy (Lombardia, Toscana); Spain (País Vasco); and the United Kingdom (North East England, Wales, Western Scotland). As maps and allocations are finalised, other areas in France, Italy, Spain and Sweden are in the process of signing up.

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. Part-funded by the European Commission (DG Regio), the network meets twice a year. So far, meetings have been held in Glasgow, Cardiff and New Lanark (UK), Gelsenkirchen (Germany), Fyrstad (Sweden), Bordeaux (France) and Semmering (Austria). The next meeting is planned for June 2000 in Saarland (Germany).

The **IQ-Net** team at EPRC are Professor John Bachtler, Sandra Taylor, Ruth Downes, Rona Michie, Laura Polverari and Mary Louise Rooney. In addition, recent research has been assisted by Henrik Halkier, Pekka Kettunen and Rosella Vitale.



IQ-Net partners discuss programme management

Published twice a year, the **IQ-Net Bulletin** provides topical information for programme managers, partners, policy-makers and researchers on international experiences of implementing EU structural policies in Objective 2 areas.

More about the European Policies Research Centre...

Directed by Professor John Bachtler and Professor Douglas Yuill, the EPRC is an independent research institute within the University of Strathclyde. It specialises in research across a range of policy areas, principally:

- regional development in Western Europe,
- EU structural and cohesion policies,
- European regional technology and innovation policies,
- competition policy and subsidy discipline,
- economic development and the environment,
- internationalisation and European integration,
- regional restructuring in Central and Eastern Europe and the CIS.

The Centre has an interdisciplinary staff of 24 specialising in economics, geography, public policy, planning, business studies, history and law. Sponsors of the Centre's research include regional development agencies, national government departments and research foundations in both Western and Eastern Europe, as well as international organisations such as the European Commission, OECD and Nordic Council of Ministers.

The next issue of **IQ-Net Bulletin** will be published in August 2000. In the meantime, further information about **IQ-Net** can be obtained from:

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