

Contract n° 2008.CE.16.0.AT.020 concerning the ex post
evaluation of cohesion policy programmes 2000-2006 co-
financed by the European Fund for Regional Development
(Objective 1 and 2)

Work Package 4
“Structural Change and Globalisation”

INCEPTION REPORT

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Foreword

The Commission awarded a consortium led by CSIL, and composed of Joanneum Research and Technopolis, a contract¹ to carry out a study concerning the ex post evaluation of cohesion policy programmes 2000-06 co-financed by the European Fund for Regional Development (Objective 1 and 2) “Work Package 4: Structural Change and Globalisation”.

This evaluation study is one of the eleven Work Packages that contribute to the ex post evaluation of the impact of the Structural Funds on economic and social cohesion² in Objective 1 and Objective 2 regions. These Work Packages are expected to assess the effectiveness and efficiency of ERDF interventions, identifying their added value as well as lessons for the future. The results of the different Work Packages will be used during the policy review of the EU budget in the coming years and for the discussion of the next programming period for cohesion policy.

The objective of the present inception report is to project the way in which the Evaluation Team intends to carry out the study, both from the methodological and management perspectives. This inception report further details the proposals made in the Technical Offer (submitted on 15 April 2008), taking into account the first inputs from the Commission discussed during the kick-off meeting of the project (17 September 2008, Brussels).

The inception report is organised as follows: after referring to the objectives of the evaluation study, the methodologies mobilised to carry out the activities foreseen in the Terms of Reference are detailed for the three phases of the study. Subsequently, a selection of twelve Objective 2 regions is proposed and the motives for selection justified. Finally, a concluding section deals with the organisational arrangement adopted for carrying out the research. Annexes comprise a provisional table of available regional indicators, a provisional list of glossary entries, a preliminary template for the case study reports, twelve fact sheets on the regions proposed for case studies selection and bibliographical references.

¹ Contract n° 2008.CE.16.0.AT.020.

² In accordance with Article 43(1) of European Commission (EC) Regulation No 1260/1999, the ex post evaluation of Community structural initiatives shall “cover the utilisation of resources and the effectiveness and efficiency of the assistance and its impact”, also drawing conclusions regarding policies on economic and social cohesion. The ex post evaluation shall identify the “factors contributing to the success or failure of implementation and the achievements and results, including their sustainability”.

1 Objectives of the evaluation study

The objective of this evaluation study is to assess whether interventions financed by the European Regional Development Fund (ERDF) in the framework of Objective 2 programmes contributed to supporting regional structural change and to enabling adaptation to globalisation over the 2000 – 2006 period.

The scope of this study is Objective 2 programmes 2000-2006 financed totally or mainly by the ERDF. The analysis is based on the realisation of twelve in-depth case studies whose findings will be generalised in order to make a general assessment of Objective 2 programmes possible. The regions covered are from the EU 15³. As required by the Terms of Reference, the regional level of analysis privileged in the study is the NUTS 2 level. However, as explained in the following, the study will do the most of data available also at lower levels of analysis, i.e., NUTS 3 and below.

The evaluation focuses on the expected and unexpected effects (results and impacts), both positive and negative, of ERDF interventions supporting structural change and enabling adaptation to globalisation, and on their sustainability. In addition, the study will provide an assessment of the qualitative added value associated with Objective 2 programmes 2000-06.

The distinctive feature of the present evaluation study is that it proposes an analysis of the effects of Objective 2 programmes based on a combination of statistical data, and qualitative evidence collected at different levels of analysis. The working hypothesis embraced by the study is that, while in comparative statistical terms, structural change and adaptation to globalisation are best appreciated at NUTS 2 level, the identification of the effects of single Objective 2 programmes in these fields requires to cast the analysis at lower levels, in particular at NUTS 3, i.e., the level at which Structural Funds expenditures are realised. In the last resort, however, the evaluation study rests on the assumption that the logic underlying structural change and adaptation to globalisation is best appreciated at project- and firm-levels. The adoption of this hypothesis is further motivated by the high probability that data available from monitoring systems and aggregate statistical data alone are either imperfectly adequate to account for structural change and the impact of globalisation, or simply unavailable at the required level of disaggregation (i.e. NUTS 2 and 3 and NACE 2).

Another choice made by this evaluation study concerns the sectoral spectrum investigated. As pointed out in the ToR, sectors and activities affected by globalisation and structural change are expanding. In first place, the study will account for structural change and adaptation to globalisation in both the services and manufacturing sectors, mainly on the basis of secondary sources. As to fieldwork realised in the second part of the study, it will privilege the

³ The New Member States that acceded to the EU in 2004 are not included in the scope of the study.

manufacturing sector, but also include relevant tradable services undergoing socio-economic change, so as to reflect the economic structure of Objective 2 regions.

According to the Terms of Reference (hereafter ToR), the study comprises three tasks covering a series of activities to be carried out within a time frame of 15 months after the signature of the contract. They are:

Task 1 - To draw up a conceptual model for assessing socio-economic change in regions facing difficulties in adapting to structural shocks. Such a conceptual model should be able to identify socio-economic change and its causes as well as to determine the consequences of socio-economic change for regional growth and competitiveness. The conceptual model is expected to identify the conditions under which socio-economic change impacts positively or negatively on regional growth and competitiveness.

This involves:

- ✓ Carrying out a review of academic literature and documentary evidence on globalisation and structural change at a regional level
- ✓ Undertaking a critical review of the most commonly accepted theories of regional development
- ✓ Establishing a glossary in order to clarify a common language
- ✓ Carrying out a review of empirical literature on regional performance

Task 2 - To carry out twelve in-depth case studies. This task requires on the one hand an appraisal of the structural change that the considered regions are undergoing, and on the other, an evaluation of the effects of each Objective 2 programme with respect to structural change and adaptation to globalisation. A comparison of the twelve regional case studies is to conclude Task 2. The following activities are to be carried out:

as far the appraisal of structural change is concerned:

- ✓ Assessment of regional performance against national trends
- ✓ Assessment of regional structural change
- ✓ Assessment of the geographical distribution of regional structural change
- ✓ Analysis of the regional impacts of relocation strategies,

and as far as the assessment of Objective 2 programmes is concerned:

- ✓ An evidence-based assessment of the effects of the twelve programmes, both expected and unexpected
- ✓ An assessment of the contribution of the twelve programmes to regional structural change
- ✓ An analysis of the qualitative dimension of the added value resulting from the implementation of Objective 2 programmes.

The task is concluded by:

- ✓ A comparison of twelve Objective 2 programmes.

Task 3 - To generalise findings from the twelve case studies and achieve an overall assessment of Objective 2 programmes over the 2000-06 programming period. This will be achieved by:

- ✓ Comparing the twelve regions and their categorisation with a taxonomy of Objective 2 programmes developed in Work Package 1 “Coordination analysis and synthesis” (task 5).
- ✓ Translating the lessons learned from the twelve case studies into an overall appraisal of Objective 2 programmes 2000-06 taking into account national contexts
- ✓ Examining positive and negative impacts of structural change and globalisation and the shift in regional strategies in dealing with these.

2 Methodology

The evaluation study is organised in three phases according to timing, the methodology used, and the level at which the analysis is cast. These three phases partly overlap with the Tasks defined in the ToR. They are:

- Data gathering Phase I – Conceptual model and statistical analysis, realised through desk research. It covers Task 1 and part of Task 2
- Data gathering Phase II – Case studies, realised on the basis of fieldwork, covering the rest of Task 2 (except sub-task 2.8)
- Analysis and conclusion phase, based on desk research completed by a consultation of key experts. It covers sub-task 2.8 and Task 3 according to the ToR.

2.1 Data gathering Phase I – Conceptual model and statistical analysis

The first phase of the study covers two main activities:

- the elaboration of a conceptual model accounting for patterns of structural change at regional level, corresponding to Task 1 as specified in the ToR
- an EU-wide statistical analysis of structural change at NUTS 2 regional level to validate the hypotheses inferred from the conceptual model and to provide data for the case studies (under Task 2.1 to 2.3 of the ToR).

2.1.1 Literature review and conceptual model

The objective is to draw up a conceptual model for assessing socio-economic change in regions facing difficulties in adapting to structural shocks and supported by Objective 2 interventions. This implies a discussion of existing literature on regional sectoral specialisation patterns, regional structural change, regional competitiveness, globalisation, relocation on the one hand and a review and reference to the most accepted theories on regional development on the other (see a list of references in Annex E)⁴.

This theoretical and empirical literature review will be useful to infer relevant dimensions of structural change and adaptation to globalisation. On this basis, hypotheses will be developed as to how different sectors (considering both manufacturing and tradable services) and types of regions (urban, peripheral etc.) are affected by the identified dimensions of structural change and globalisation.

These hypotheses will be utilised by the case studies (data collection - Phase II) to predict the type of structural change patterns and globalisation effects one can expect in the regions

⁴ The list of bibliographical references referred to in the Technical Offer has been extended to cover recent empirical studies and additional theoretical literature. The list will be complemented by additional references suggested by the ongoing literature search undertaken for this evaluation study and will be open to any recommendations from DG REGIO or assigned external experts.

examined, based on the sectoral specialisation and other structural characteristics of the latter. This will also be useful for the analysis and conclusion phase (Task 3 according to the ToR) which needs to generalise the findings from the twelve case studies on the basis of a categorisation of the twelve regions studied. Overall, the conceptual model is to provide a sound and tailored interpretative framework to be utilised for the subsequent steps of the evaluation study.

Corresponding to each sub-task required by the ToR is a set of specific operational objectives and respective outputs that will be used in the next phases of the evaluation study (for a synoptic view of the articulation between the sub-tasks see Table 1)

Operational objectives

According to the ToR sub-tasks 1.1 and 1.2 will be carried out simultaneously. While sub-task 1.1 is to identify the relevant questions and dimensions of investigation, sub-task 1.2 is dedicated to embedding these references in economic academic literature. The focus will be on those theories (New Trade Theory, New Growth Theory and New Economic Geography) that have been challenging the neoclassical model in general, and some of its propositions at the root of the EU cohesion policy, in particular. These are the first step in the formulation of key-hypotheses, which will be verified on the basis of existing literature dealing with the specific case of regions facing difficulties in adapting to structural shocks (sub-task 2.4 according to the ToR), as well as a comparative statistical analysis (see below). As suggested above, these hypotheses will not only be discussed from a theoretical point of view (“per se”) but they will also have decisive empirical implications for the effective accomplishment of the case studies⁵.

Finally, sub-task 1.3 which, according to the ToR, consists of establishing a glossary of the most commonly used notions, will contribute to making access to the evaluation study – its development and its findings – straightforward and user-friendly to all types of readers. The specific objective of the glossary is two-fold: to adopt a common understanding of key notions subject to possible controversial interpretations, and to clarify technicalities. Relevant terms are identified in the literature reviews above and complemented by terminology used in documents and studies of DG REGIO. A preliminary list of entries is proposed in Annex C that will be refined in parallel to the literature review.

Outputs

Sub-tasks 1.1 to 1.4 will yield the following outputs that will be part of the final report and provide direct inputs for the case studies and their generalisation:

⁵ The literature on the economic performance of such regions for the period 2000-2006 is at best scattered. This evaluation study will refer, among others, to recent research carried out for DG REGIO (e.g. Changing Regions – Structural Changes in the EU Regions, 2007, but also a study on “The impact of globalisation and increased trade liberalisation on European regions” available as a draft final report), and OECD reports (e.g., Territorial reviews, and Reviews of Regional Innovation). See Annex E.

– Conceptual model

The literature reviews will focus on the following points:

- a) Focus on the implications of socio-economic trends for structural change and globalisation challenges;
 - b) Structural change patterns along the following dimensions:
 - patterns of economic specialisation;
 - changes in the organisation of production systems;
 - changes in the innovation potential of the regional innovation systems as well as sectors affected by structural change and globalisation
 - change in the skill-base and labour mobility;
 - c) Spatial patterns (e.g. concentration) of structural change
 - d) Offshoring and relocation in the regional context (forming a specific section).
- Operationalisation of the conceptual model in terms of relevant dimensions on which to concentrate in the case studies, e.g.:
- a) Is it legitimate to differentiate between types of regions (peripheral, rural, urban etc.)? Which types of regions should be considered separately in the analyses?
 - b) Is it possible to assess vulnerability through the regional share of vulnerable sectors in the regional sectoral composition?
- The formulation of hypotheses is a key output feeding into the analyses carried out for the case studies. These comprise:
- a) Hypotheses in terms of effects of structural change and globalisation on regional economies; they should corroborate the methodology chosen for the case studies:
 - They are a direct input for formulating research questions in the specific cases considered
 - They help identify “focal points” for the case studiesThese hypotheses also provide an interpretative framework for Task 3.
 - b) Hypotheses in terms of openness and vulnerability:
The openness of a region could be determined by its geographical location (e.g. accessibility, neighbourhood) as well as by the sectoral composition of its economy.
 - c) Hypotheses in terms of policy recommendations:
Were the policy recommendations inferred from literature effectively adopted and implemented?

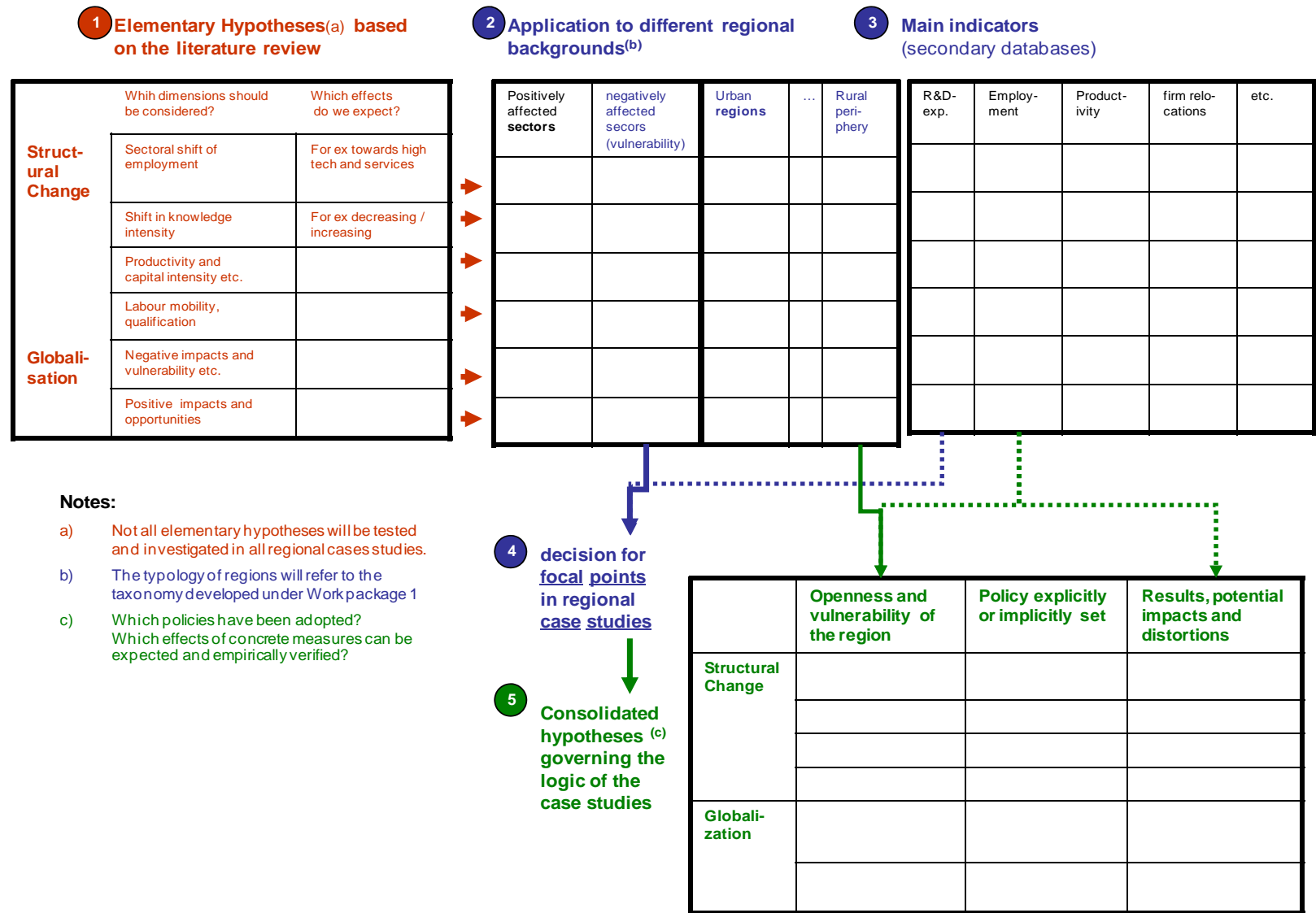
Overall, the literature review will identify a number of elementary hypotheses as to the possible impact of globalisation and patterns of structural change observed at regional level. These, applied in the cases of specific types of regions are expected to yield a set of consolidated hypotheses as to which impacts and patterns are effectively likely to occur, and which policy responses the latter call for. This set of consolidated hypotheses form the conceptual model which will guide the logic of the case studies (e.g. identify the “focal point” of the case study, and assess the policy response adopted in the context of ERDF interventions).

A graphical illustration of such a conceptual model is proposed in Figure. 1.

Table 1 Overview of objectives and output of Task 1

Sub-tasks		Sub-task 1.2	Sub-task 1.1	Sub-task 1.4	Sub-task 1.3
		Economic theories of regional development and specialisation	Review of empirical literature and policy documents	Performance of Ob. 2 regions for 2000 – 2006	Glossary
Outputs:		Focus and Key Questions:			
Theoretical and conceptual background	Review of theories of regional development	The focus will be on New Trade Theory, New Growth Theory and New Economic Geography and its differentiation from a neoclassical argumentation			List of relevant terms, notions and terminologies (incl. cross references) As many entries as necessary but as few as possible. Priority will be given to notions used also in existing DG REGIO studies and official documents.
	Review of empirical evidence on regional performance including references to relevant indicators		As far as possible the focus will be on the case study regions. Beyond evaluations carried out in the framework of Structural Funds, literature on the performance of Ob. 2-like regions is scattered.		
	Basic review of literature on regional sectoral specialisation patterns, regional structural change, regional competitiveness, globalisation, relocation including references to relevant indicators		<p>*Focus on <u>implications of socio-economic trends for structural change and globalisation challenges</u>;</p> <p>*Structural change focuses on:</p> <ul style="list-style-type: none"> ➤ economic specialisation; ➤ changes in organisation of production systems; ➤ innovation potential; ➤ change in skill-base and labour mobility; <p>*spatial concentration of structural change</p> <p>*offshoring and relocation</p>	Focus on cohesion and spatial concentration of structural change	
Operationalisation	Conceptual and theoretical determination of dimensions of investigation of structural change and globalisation		As impacts of structural change and globalisation are multidimensional phenomena and regional databases are weak, it is important for Task 2 and Task 3 to determine which dimensions and indicators are most commonly referred to in the literature (types of regions, sectors involved: manufacturing, services, etc.)		
	Embedding the identified dimensions in economic theory	Which theoretical strands argue in favour of which phenomenon?			
Hypotheses for Case studies	Hypotheses in terms of impacts of structural change and globalisation on regional economies Hypotheses in terms of regional openness to international competition and vulnerability	The formulation of hypotheses is a key exercise of Task 1 and critical input for the analyses carried out in the case studies. The hypotheses also provide an interpretative framework for the generalisation of findings from case studies. Openness (absorptive capacity) and vulnerability are discussed against the background of key indicators analysed in the case studies (e.g. the significance of the textile industry in the region). This provides indications as to which focal points each regional case study should consider			
	Hypotheses in terms of policy recommendations		Policy recommendations for adapting to, exploiting the positive effects and mitigating the negative effects of structural change and globalisation		

Figure 1 The conceptual model and its hypotheses



2.1.2 Regional structural change analysis at EU level

The second activity in the first phase of data gathering is the realisation of an EU-wide analysis of structural change at a regional level. It will be realised at NUTS 2 level.

This analysis has two main functions:

1. to validate the hypotheses of the conceptual model (above)
2. to provide relevant data for the realisation of the regional case studies under Data collection – Phase II. Such an appraisal of structural change in comparative aggregate statistical terms will thus feed into the first part of Task 2 (i.e., sub-tasks 2.1, 2.2, and 2.3).

In addition, the comparative statistical analysis is expected to distinguish between types of regions depending on the structural characteristics and impacts of globalisation, which will be useful for the concluding phase of the evaluation study.

The overall objective of the analysis is to find, at aggregate level (i.e. for all Objective 2 regions), a correspondence between exposure to increased competitiveness, on the one hand, and regional performance on the other, given the region's structural characteristics and features. The analysis will identify which regional characteristics are positively associated with the probability of positive growth and employment dynamics in sectors exposed to stiff international competition.

The analysis is based on comparative statistical data available at NUTS 2 level from harmonised sources, mostly EUROSTAT and to some extent other sources. During the inception phase, the preliminary exploration of different databases has produced a table in Annex A, which provides a list of the indicators selected for the analysis, their description, source and availability in terms of years, NUTS level and NACE division.

The specific objectives of the analysis are to:

- identify structural change and the impact of globalisation;
- assess regional performance in the period under consideration;
- analyse how (and if) regional performance is affected by structural change and the effects of globalisation given the specific structural characteristics of the regions considered.

The structural characteristics of the regions are grouped into the following broad categories:

- fixed capital and infrastructure
- labour force
- human capital
- innovation and technological progress.

Attention will also be paid to the industrial structure of the regional economy (particular reference will be made to the "vulnerability" of regions as identified by current work under

Work package 1, task 5, and to technological specialisation analysed on the basis of the Regional Key Figures – see also Annex A).

The categorisation of regional performance will be carried out by a dynamic analysis of indicators such as Gross Domestic Product and employment/unemployment rates.

Specific regional structural indicators selected as explanatory variables to be tested include: R&D expenditure by sector, levels of education, proportion of low/high technology sectors in overall regional GDP, labour productivity, cost of manpower by unit of added value. Structural change and the impact of globalisation will be measured using internationalisation indicators (FDI inward, FDI outward, imports, exports) and specialisation indices (against EU 15 averages) at a national level and, when available, at NUTS 2 level, across time.

Exploiting the time variation of the EU-wide dataset⁶, a panel regression analysis will be performed to analyse correlations among economic performance indicators (employment and GDP growth) and globalisation indicators, given a set of regional characteristics as defined above⁷.

Regions will be categorised according to the types of structural characteristics and impact of globalisation recorded at regional level, giving an essential input for the generalisation of the results of the twelve case studies in the analysis and concluding phase of the study.

2.2 Data gathering Phase II – Case studies

The objective of this second phase of data collection is to realise twelve case studies analysing the performance of twelve Objective 2 programmes 2000-2006 in supporting structural change and enabling adaptation to globalisation. This requires:

- a) an analysis of the structural change occurring in the twelve regions covered by the Objective 2 programme based on data processed for the comparative statistical aggregate analysis in the previous phase of data collection, and complemented by statistical data available at a lower level of detail, as well as other data collected from ad hoc sources (sub-tasks 2.1 to 2.4 according to the ToR); and
- b) an assessment of the contribution of twelve selected Objective 2 programmes in supporting structural change and enabling adaptation to globalisation, on the basis of evidence collected through fieldwork, mainly at project- and firm-level (according to the ToR: sub-tasks 2.5 to 2.7).

⁶ Since results are likely to be very sensitive to the chosen start and end dates, sensitivity analyses to alternative start and end dates will be realised. The attempt will be made to choose start and end dates at similar points in the business cycle.

⁷ If appropriate and feasible, a principal component analysis method will be also used. A PCA makes it possible to compute a meaningful basis for assessing regional performance and make the best use of the observed variability in such a multivariate situation.

Our proposed selection of the twelve Objective 2 programmes 2000-2006 is discussed in section 3.

2.2.1 Regional structural change analysis in the selected regions

This part of the work corresponds to sub-tasks 2.1 to 2.4 as defined in the ToR. Even more than for the EU-wide analysis of regional structural change, the major criticality of this analysis lies in the availability of data not only at NUTS 2 but also at NUTS 3 level. The analysis will resort to the indicators identified in Annex A.

The assessment of trends in structural change since 1986 (the official date marking the beginning of the Structural Funds) required by the ToR is an ambitious venture from a statistical point of view since, to the best of the Evaluation Team's knowledge, no regional database goes back that far. Most of the relevant indicators selected for structural change analysis can indeed be observed for shorter periods, particularly from 1999 when dealing with NUTS 2 regions.

Nevertheless, in order to acquire a better grasp of trends that are inevitably embedded in wider historical perspectives, the analysis will start with a literature review of the regional development/industrial history of the regions under examination.

The study expects to account for structural change at regional level along the following dimensions:

- (i) trade specialisation,
- (ii) change in skill-base and labour mobility including changes in employment and labour productivity by sector,
- (iii) changes in the organisation of production systems and service delivery with a focus on the supply chain,
- (iv) innovation potential including innovation collaboration patterns.

To account for the specific aspects of structural change and address the multidimensionality of globalisation along the above dimensions in the regions selected, the study will rely on three sources of evidence:

- a) data provided by the comparative aggregate statistical analysis performed under Phase I Data collection above realised by the core team and commented on by country experts
- b) region-specific indicators available at a lower level of detail provided by the core team and commented on by country experts:
 - NACE 2 indicators available for NUTS 2 regions will allow for an investigation of the structure of the regional manufacturing sector (in particular: wages and salaries, gross investments in tangible goods, number of persons employed, growth rate of employment, share of employment of total manufacturing; investment per person employed, specialisation indexes);

- indicators available at NUTS 3 will allow for an exploration of the geographical distribution of economic activities by main categories (agriculture, manufacturing, services).
- c) complementary analyses based on ad hoc evidence available at regional level from fieldwork. This is to account for specific features of structural change that are less amenable to a statistical analysis. For example, innovation potential and innovation collaboration patterns will be assessed through data available at regional level⁸. Also, the identification of trends in the reconfiguration of supply chains (i.e., the division of the production process between different locations) will be made through an examination of data available from the European Foundation for the Improvement of Living and Working Conditions (www.eurofound.europa.eu)⁹.

This analysis addresses the different sub-tasks under Task 2 according to the ToR, namely:

- The statistical comparative analysis will assess regional performance against national performance in the 2000-2006 period as required in sub-task 2.1. This is useful in order to determine the extent to which the economic trends detected are region-specific. Regional performance will also be analysed against the EU average (regional, national and EU-15 average performances will be compared taking into account: GDP per capita; real growth rate of GDP per capita; GVA; real growth rate of GVA; rate of employment; rate of unemployment);
- The assessment of structural change at regional level required by the ToR under sub-task 2.2;
- The assessment of how structural change is spread across the region or is concentrated in some areas or sectors (sub-task 2.3). This will be done using data available at NUTS 3 level (i.e. GDP, GVA, employment and unemployment rates, and composition of the regional economy distinguishing between agriculture, industry, services – see Annex A. The statistical approach will be completed by a fieldwork approach in order to have a clearer understanding of the logic underlying the concentration of structural change in qualitative terms (for example to enable an identification of the specific sectors involved);
- An examination of the positive or negative impact of possible relocation in the region. The Evaluation Team was provided with a first release of data by the European Foundation for the Improvement of Living and Working Conditions for all relocation cases in the twelve selected regions over the period 2002-2006. These data identify the number of relocation cases per region, distinguishing by type of relocation and sector¹⁰. Some cases will be selected and investigated through a qualitative approach engaged at a firm level.

⁸ Community Innovation Survey data are available for selected regions (for example: Styria, see Ploder and Niederl (2008); for Dutch regions see P.J.M. De Bruijn (2004) "Mapping innovation: regional dimensions of innovation and networking in the Netherlands"; for Italian regions see R. Evangelista et. al. (2002) "Looking for Regional Systems of Innovation: Evidence from the Italian Innovation Survey" *Regional Studies*, Vol. 36.2, pp. 173–186, 2002, and possibly also for UK regions.

⁹ The Amadeus company accounts database www.bvdep.com also gives some indication about firms integrating international production networks.

¹⁰ The data can be further refined to account for the NACE sector (available from Work Package 1 task 5).

2.2.2 Assessment of twelve Objective 2 programmes

This part of the work corresponds to sub-tasks 2.5 to 2.7 of the ToR. Ideally, these sub-tasks require an ex post evaluation of each of the Objective 2 programmes considered¹¹, with specific emphasis on the contribution of the programme to structural change and on the qualitative dimension of the programmes' added value.

Three features characterise the approach adopted. First, the approach chosen consists of focusing on specific parts of the programmes reviewed, i.e., measures co-financed by the ERDF that seem particularly interesting for studying their effects in supporting structural change and enabling adaptation to globalisation. Second, the study rests on the working assumption that it will not yet be possible to assess now the long term effects of Objective 2 programmes in quantitative terms. Instead, the Evaluation Team expects to find:

- a. localised quantitative effects that might provide indications as to which measures obtained good (or bad) results, and impacted positively (or negatively) on the local context and/or
- b. qualitative impacts for, example on governance, institutional capacity or entrepreneurship, which could prove to have a wider reach than the former.

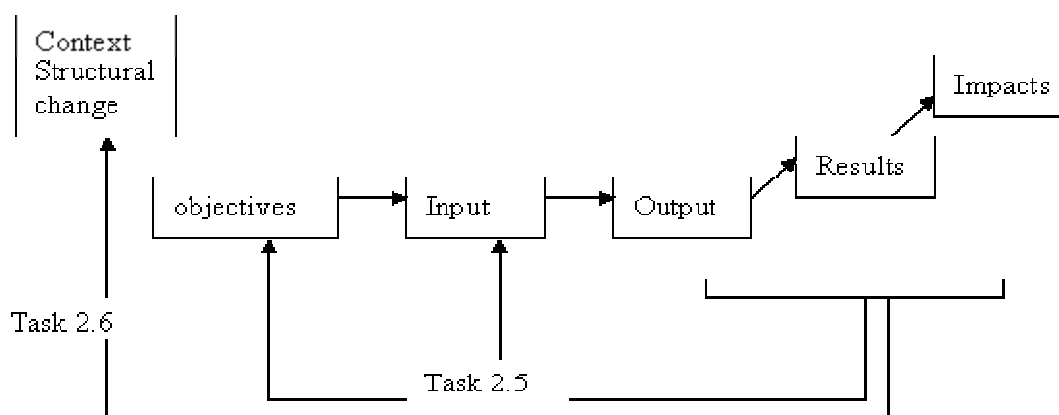
Finally, selected ERDF interventions will be selected in the manufacturing sector, and in services sectors related to manufacturing activities (e.g., business services, research and innovation, logistics). The tourism sector will also be considered as it is one area often identified by regional policy makers as offering the potential for a reallocation of resources towards more efficient uses.

Whereas in first place, the analysis addresses the internal coherence of the Objective 2 programmes' effects with respect to the objectives fixed by the programme (sub-task 2.5 in the ToR), the analysis subsequently focuses on the significance of the effects of the Objective 2 programmes with respect to the challenges arising from globalisation as identified in the analysis of structural change at regional level (sub-task 2.6 in the ToR) – see Figure 2 below.

Finally, the analysis concludes with a qualitative appraisal of the added value of Objective 2 programmes (sub-task 2.7 in the ToR).

¹¹ According to Council Regulation 1260/1999, "the ex post evaluation will, using final monitoring data, compare the expected objectives with those actually achieved (including impacts)".

Figure 2 Sub-tasks 2.5 and 2.6 according to the ToR



Source: adapted from The New Programming Period 2007-10 Methodological Working Paper (draft), DG Regional Policy, European Commission 23 January 2006.

Assessment of the effects of Objective 2 programmes

An assessment of the effects (results and impacts) of each Objective 2 programme under review will be provided as required by sub-task 2.5 of the ToR. This will address expected and unexpected effects (both positive and negative), effectiveness (the extent to which specific and general objectives were achieved), efficiency (comparing cost with effects), and sustainability (the extent to which positive effects have lasted or are likely to last beyond the programming period). In addition, the leverage effects of ERDF interventions on private investment will be addressed.

The following key variables relevant for the analysis of structural change will be taken into consideration:

- employment,
- productivity,
- R&D spending,
- skills,
- labour mobility and participation.

Effectiveness will entail comparing the effects achieved with the targets fixed at the beginning of the programming period. Unexpected effects will be controlled on variables not explicitly targeted in the strategy (level of skills or R&D spending, for example). Efficiency will be determined by comparing the effects (results) obtained (for example jobs created) with the resources engaged. Finally, sustainability will be assessed through an appraisal of the quality of the effects (results) obtained (for example for each job created, the associated level of skills, value added of the sector in which jobs are created, etc.) and the verification of the permanence

of the effects (for example job created/maintained) once the supporting measures have come to an end.

While considering these different evaluation criteria, it will be borne in mind that the lasting or long-term effects of measures implemented in the last years of the 2000-06 programming period are almost impossible to capture at this stage of the evaluation. The Evaluation Team will interpret the available evidence in terms of a qualitative judgment on these effects.

First step – Selection of relevant measures

All the interventions foreseen by the twelve Programmes will be reviewed by the country experts to allow for a selection by the core team of the most relevant in dealing with structural change and globalisation.

Country experts:

- description of the programme considered according to: a) objectives (specific and general) b) spending priorities and c) types of specific measures.

Core team:

- establishment of a common grid of analysis (also useful for subsequent comparisons between the twelve cases - see sub-task 2.8) and first categorisation of the twelve Objective 2 programmes and associated measures;
- selection of measures in the twelve cases taking into account two considerations 1) interventions will be selected according to indications from the conceptual model as to which “focal point” deserves to be further investigated in the specific region considered, 2) care will be taken to select a variety of interventions throughout the twelve cases that are representative of the possible options available to regional policy-makers from the ERDF.

On the basis of a first screening of the Objective 2 programmes proposed for selection, the following types of interventions were provisionally identified¹². An appropriate evaluation method is associated with each category (Table 2)¹³.

Table 2 Typology of ERDF interventions in support of structural change and adaptation to globalisation

Type of ERDF interventions	Associated means of investigation
Support to SMEs(*)	Survey of beneficiaries/interviews
Attraction of FDI	Survey of beneficiaries/interviews
Infrastructure investments	Interviews with stakeholders/survey of users
Support targeted at big companies (*)	Case study at firm level

Source: Programming documents of the twelve regions proposed for selection

(*) including support to technology transfer and clustering.

¹² This is only a preliminary typology made in order to enable a first appraisal of the methodological instruments needed to carry out the evaluation.

¹³ Beyond the typology of intervention, much depends also on the number of beneficiaries.

Second step – Assessment of the programme.

A twofold approach will be adopted: a first appraisal on the basis of evidence available from the monitoring system and secondary sources; and a complementary analysis based on the collection of primary data, which will depend on the measures selected for the regional case considered.

1. A review will be carried out of available data from monitoring systems¹⁴, statistical regional sources and from studies realised in the context of the programmes' mid-term evaluations and their update¹⁵. We expect this source of evidence to be of limited relevance because of:
 - the probable lack of primary data in the monitoring systems at the appropriate level of analysis;
 - insufficiently up-to-date data provided by the Mid-Term evaluations and their updates.
2. In the likely event that the former sources prove to be insufficient to provide the necessary quantitative data, the analysis will rest on data obtained through case studies, surveys or interviews with beneficiaries (or users) of the identified measures depending on the number of the latter¹⁶. In at least one regional pilot case study, a control group of firms not benefiting from support will be included in the survey (the overall number of surveys with control groups will depend on the technical feasibility)¹⁷.

The methodology for assessing the Programmes' impacts (e.g., in employment and productivity terms) will draw on previous work by the Evaluation Team on these issues¹⁸. Also the methodological guidelines formulated by the DIACT (French Interministerial Delegation for territorial planning and competitiveness) in the context of the update of the Mid-Term Evaluation of Objective 2 SPD will be taken into consideration.

¹⁴ It will be made use of the database established by Work package 2 on "Data feasibility study" containing indicators from the Annual Implementation Reports 2000-06. Monitoring data will be accessed also directly regionally.

¹⁵ For example in the case of the French Objective 2 programmes, employment effects have been closely monitored and were subject to a common approach harmonised at national level.

¹⁶ To the extent possible, it will account for gross effects (e.g. for employment effects the gross jobs created), net effects (i.e. the above adjusted with considerations for additionality effects, displacement effects – e.g. when jobs created cause job destruction in other areas not benefiting from the programme support) and indirect effects (i.e. for example jobs created indirectly).

¹⁷ By including a control group of firms not benefiting from ERDF interventions in a survey, a control group analysis is useful for identifying what could have happened in the absence of the ERDF intervention. The difficulty consists in selecting a control group of firms that share the same features as the surveyed firms while not receiving ERDF support. The full methodology explaining the advantages of such an analysis and how to minimise possible flaws will be developed in the First intermediate report.

¹⁸ See for example, "Relazione finale inerente il Progetto Pilota per la valutazione d'impatto nella Provincia di Livorno degli interventi finanziati nell'ambito del Doc.U.P. Obiettivo 2 1994-1996", Resco, 1999; "Analisi di impatto dei regimi di aiuto in Umbria", ATI Resco Iris, 2004).

Contribution of Objective 2 programmes to structural change

The analysis will then focus on the extent to which the programme under review contributed to regional structural change (corresponding to sub-task 2.6 in the ToR).

Again, it is highly unlikely that existing aggregate quantitative data will allow us to account for the logic underlying restructuring processes at micro-level, (e.g. was the start up of a new activity ascribable to the preceding closure of a plant?) and enable us to establish a link between patterns of structural change and the effects of the programme considered. In conformity with the working hypothesis according to which the logic underlying restructuring processes is best appreciated at firm level, data will be collected at project and firm level mostly through case studies.

The contribution of Objective 2 programmes in supporting structural change and enabling adaptation to globalisation will be assessed at three levels:

1. First, the relevance of the programme under review (context analysis, overall objectives, strategy) will be assessed in general terms with respect to the patterns of structural change at work in the considered region. How do the effects of the programmes identified in sub-task 2.5 fit into the overall picture of structural change?
2. Second, the contribution of Objective 2 programmes will be assessed in specific terms by focusing on the measures identified above. This will be done through the realisation of case studies. Within the selected measures, a set of relevant projects will be further explored that either contributed to a reallocation of labour and capital, or accompanied such a transition, or both. Their identification will be made on the basis of monitoring information about projects crossed with the quantitative/qualitative information collected on relocation cases (sub-task 2.4). Again the process of project selection will be coordinated by the core team to obtain pertinent coverage with respect to both the hypotheses of the conceptual model and the range of options available from the ERDF. Selected case studies of firms involved in these projects will be carried out. The objective is to obtain direct information on the contribution of the programme to specific cases of restructuring, and in particular of relocation. This approach allows a link to be established between the source of reallocation (for example closing down of a plant), the intervention (for example promotion of entrepreneurship) and the destination of reallocated resources (for example creation of start-ups). This is expected to identify the specific measures adopted by Objective 2 programmes that are particularly effective in contributing to structural change and adaptation to globalisation.
3. Third, the general and specific assessment of a considered Objective 2 programme will be brought together and compared with the hypotheses formulated in the conceptual model: to which extent the considered Objective 2 programme concentrated on issues identified as crucial by the conceptual models' hypotheses, and to which extent it proposed credible interventions.

Analysis of the qualitative effects of the Objective 2 programmes.

Finally, in conformity with sub-task 2.7 required in the ToR, the analysis will fathom the added value each programme has given rise to. This refers to the extent to which EU intervention achieved outcomes that could not be achieved at the national or regional level. As suggested earlier, in the case of Objective 2 programmes characterised by a limited financial engagement, such added value is likely to materialise primarily in qualitative terms, for example in terms of political added value (increased visibility of the EU action), and most importantly in terms of improved governance, and enhanced capacity building¹⁹. Whether Objective 2 programmes have contributed to reinforce entrepreneurial aptitudes will be also addressed. The approach to the sub-task will be based on the realisation of semi-structured interviews with stakeholders who took part in the management of the programme²⁰. The analysis will also take into consideration the findings of Work Package 11 on "Management and Implementation Systems for Cohesion Policy" concerning the value added of cohesion policy.

Annex B provides a preliminary template for the case study reports.

2.3 Analysis and conclusions

Purpose and operational objectives

The objective of the last phase of the evaluation is to generalise the findings from the twelve case studies carried out under Task 2 and to prepare an overall assessment of Objective 2 programmes over the 2000–06 programming period. This is to allow, on the one hand, for a comprehensive analysis of the nature of the structural change and globalisation challenges faced by regions supported by Objective 2 programmes and, on the other, to systematically assess the effects of the relevant policy responses adopted by the regions. This corresponds to Task 3 of the ToR (and includes sub-task 2.8 – see below).

Three operational objectives will be pursued – that is to:

- summarise the trends and findings observed in twelve case studies;
- generalise the findings of the case studies referring to the regional taxonomy developed by Work Package 1 on “Coordination, analysis and synthesis “ (WP 1); and
- draw general conclusions and make policy recommendations.

¹⁹ This covers what the ToR refers to as “policy added value”, “collaborative working”, “accountability and learning added value”.

²⁰ The section will refer to a study prepared for on “Analysing ERDF co-financed innovative projects: case studies and comparative analyses”, European Commission, DG REGIO, 2008; available from http://ec.europa.eu/regional_policy/sources/docgener/evaluation/pdf/innovative_projects_fin.pdf.

Synthesis

Following the structure of the case studies (see template in Annex B), trends observed in the twelve regions will be synthesised with a view to relating them to the general conceptual model and hypotheses developed in the first phase of the evaluation study. The analysis will focus on trends in structural change and globalisation as well as on relevant policy responses adopted by regions, in particular in the framework of ERDF programmes. This corresponds to sub-task 2.8 of the ToR.

The findings on structural change will include reflection on:

- relations of long-standing socio-economic trends to the processes of structural change and globalisation challenges;
- comparing evidence of structural change, with a possible focus on:
 - o changes in economic specialisation;
 - o changes in the organisation of production systems;
 - o innovation potential;
 - o change in skill-base and labour mobility;
- the spatial concentration of structural change;
- relocation strategies in the region and their impact.

The reflection on policy response to the above will focus on:

- an analysis of the relative importance of structural change and globalisation issues in regional policy mix;
- analysis of ERDF co-funded programmes:
 - o priorities and actions relevant for structural change and globalisation,
 - o effects of the programmes and their contribution to structural change,
 - o qualitative added value of Objective 2 programmes.

Generalisation

The synthesis will be cast in the wider context referring to the regional WP 1 taxonomy and the statistical analyses elaborated in the first phase of data collection. In particular, it will:

- search to identify and analyse broader patterns of structural change in Objective 2 regions as well as reflect on possible scenarios of their future development;
- adapt the regional taxonomy developed by WP 1 at NUTS 3 level, and complement it by analysing similarities and differences between the structural change trends identified in the case studies and the patterns depicted by the general WP 1 taxonomy with a view to proposing an operational regional typology of structural change;
- analyse the effectiveness of different regional policies addressing structural change, in particular those co-financed by ERDF (a “policy effect checklist” will systemise different types of policy response and policy effects based on the findings of the case studies as well as other relevant material; see below for possible additional information sources);

- explore issues related to added value of ERDF interventions in terms of their role and position in the broader regional policy portfolio, addressing issues of structural change and globalisation;
- based on the analysis of policy effectiveness, search to identify and analyse shifts in policy response tackling structural change and globalisation and assess how important globalisation is for regional policy and strategy, as well as reflect on scenarios of future policy directions, notably the future role of the ERDF.

Whenever possible, the analysis of diverging or converging trends will be illustrated by concrete examples taken from the case studies and other available sources. Possible additional sources of information include:

- remaining Work Packages of the ex-post evaluation including reports and case studies, in particular WP 11 and WP 6;
- other relevant evaluations and policy studies covering Objective 2 programmes and regions (in order to complete the above-mentioned “policy effect checklist”);
- a quick scan of a small sample of 1994-1999, 2000-2006 and 2007-13 programming documents of non-case study former Objective 2 programmes to identify shifts in focus in relation to globalisation and structural change. The sample will be selected taking into account the refined regional taxonomy;
- the results of the statistical analysis of regional structural change both at EU level and in the case of the twelve regions (data collection Phase I) will be used to further elaborate and adapt the regional taxonomy²¹.

Future trends and policy recommendations

Lastly, it is proposed to submit the findings of the study to an enlightened and qualified audience of stakeholders so as to draw further insight and integrate this input into consolidated findings.

In order to discuss the study’s findings and infer useful insight for the future, different options are possible. One option is to carry out an on-line survey of stakeholders, comprising regional development experts and experienced regional policy makers. Whether such a survey could be followed by telephone interviews would be decided on the basis of the effective additional value this would bring compared to associated costs. As an alternative, a dedicated policy workshop can be organised, which attendance would consist of the same target group as that of the survey (i.e., regional development experts and experienced regional policy makers) but quantitatively more restricted. Both the survey and the workshop would focus on the identified trends as well as on the conclusions and policy lessons, most notably for the Cohesion Policy, in

²¹ The Regional Key Figures (RKF) database on regional technological specialisation using bibliometrics and patent data will be particularly relevant in this respect (see also Annex B). The results of the attempt currently done by Work package 1 task 5 to introduce a “globalisation indicator” based on sector specialisation to identify “vulnerable” regions will also be taken into account.

relation to structural change and globalisation. While a survey would capture a more comprehensive but essentially static picture of the opinions and comments expressed in feedback to the presentation of the study's conclusions (which could be partially offset through the subsequent realisation of telephone interviews), a workshop would represent an opportunity to trigger a major degree of interactivity and reach a higher degree of consensus and deepness.

Both the survey and the workshop could be structured along the same structure. A first part would be devoted to reacting to the trends in structural change and globalisation as identified by the study. A following part would deal with the effectiveness of the policy responses adopted, focussing on ERDF co-funded measures. The third part would be devoted to encourage a reflection on the scenarios of future regional structural change trends based on the study findings, and to the possible options of policy responses, with an emphasis on the role of the ERDF.

If the workshop is the preferred option, its final part will have elements of a scenario workshop. The event would be supported by specific moderation tools to help structure the discussion and reach consensus (e.g. post-it sessions, polling exercises and scenarios).²²

Overall, the purpose of this final phase is to:

- discuss the findings of the synthesis;
- contribute to a reflection on the different scenarios of future regional developments paths related to structural change; and
- help generate policy recommendations on the challenges of structural change and globalisation (taking into account different scenarios and regional differences).

²² For practical reasons, the workshop could be held in parallel with (or shortly before / after) the 2009 Open Days in order to take advantage of the presence in Brussels of regional policy-makers and experts attracted by the event.

3 Selection of twelve Objective 2 programmes

The ToR requires to select twelve Objective 2 Programmes 2000-2006 that will be the object of in-depth case studies, as discussed in section 2.2. In order to do so, the corresponding NUTS 2²³ region has been firstly assigned to the each of the twenty-two Programmes indicated in the ToR²⁴.

There are different possibilities. In the majority of cases, the programme's eligible areas are contained within a NUTS 2 region. In these cases, the choice of the corresponding NUTS 2 region is straightforward.

In a few cases, the eligible areas are scattered across different NUTS 2 regions. The "North of Netherland" programme, for example, operates in three NUTS 2 regions belonging to the NUTS 1 Noord-Nederland, so the latter has been selected as the corresponding region. In the case of Multi-regional programmes, such as "Västra", the corresponding region eventually selected is the one where the majority of eligible areas is situated. Thus, the NUTS 2 region chosen for the Västra programme is Norra Mellansverige, with almost 600,000 people living in Objective 2 areas. Finally, in the specific cases of the UK, German and Dutch regions, the corresponding regions are at NUTS 1 level due to the direct correspondence between this level and the respective Programmes.

Four indicators have been considered for the identified regions. These indicators specifically account for the taxonomy of Objective 2 regions developed within the framework of WP 1. Since the WP 1 indicators were elaborated at NUTS 3 level, an adaptation was necessary at NUTS 2 level. This adaptation was made by simply summing up data associated to geographical units at NUTS 3 within a given NUTS 2 region²⁵.

The first two indicators that we consider provide information about total population and the scale of assistance received, in terms of share of population living in the assisted areas. This is of particular importance given that the determination of ERDF support provided under Objective 2 in the 2000-06 programming period relied on a fixed amount per resident living in these areas. Following the classification proposed in WP 1 taxonomy, the regions mentioned in the ToR have been classified into the following four groups: regions with over 45% (I), 20%-45% (II), 5%-20% (III) and less than 5% (IV) of the population living in assisted areas.

²³ Sometimes it is the corresponding NUTS 1 region – see below.

²⁴ As explained in sections 1 and 2.1.2, the unit of analysis for conducting the first part of the study (the EU-wide structural change analysis) is NUTS 2. Subsequently, the analysis will be cast at NUTS 3 and lower levels to account for the effect of Objective 2 programmes.

²⁵ The elaboration of the taxonomy is work in progress and the definition of categories is subject to further modification. For example, an indicator of vulnerability could be included in the taxonomy that could be useful for the present evaluation study. See above section 2.1.2.

The third indicator distinguishes between the urban vs. rural nature of the assisted areas within the region. Five categories are identified: “predominantly urban”; “intermediate rural, close to a town”; “intermediate rural, remote”; “predominantly rural, close to a town”; “predominantly rural, remote”. In order to assign each region to only one category, these have been labelled with the type of area where the (relative, in some cases) majority of Objective 2 population lives.

The fourth indicator accounts for ERDF expenditure in assisted areas, as Community support ought to be a determinant of the performance of Objective 2 programmes across the EU.

By combining these indicators, it is possible to obtain a list of case studies reflecting the Objective 2 regions’ taxonomy adapted at NUTS 2 level. We have identified the following selection criteria:

- a) Objective 2 Programmes operating in regions in which the share of population assisted is less than 5% have not been chosen because they are not likely to provide sufficient evidence when assessing the effects of Objective 2 assistance on regional performance.
- b) Qualitative considerations on the economic structure of the NUTS 2 region where the Objective 2 Programme operates.²⁶ For example, the inclusion of Steiermark Programme in the sample is desirable because of the importance of the regional manufacturing industry, particularly regarding metal products and transport equipment. The same type of considerations suggest, for Italy, the selection of Toscana to also account for a case of light industry rather than Piemonte, which is characterised by a sectoral composition closer to Steiermark’s, while in Germany, the selection of Bayern allows to cover a case of rural areas with some specialisation in low technology manufacturing sectors (ceramics, glass, textile).
- c) The nature of the competition challenge faced by each Programme. For example, Bayern has been preferred to Niedersachsen on the grounds that its prospective chances of development seem to be stronger.
- d) Finally, taking into account the criteria of at least one Programme per country formulated in the ToR, the Evaluation Team suggests having two Programmes in each of the three major countries in terms of regions covered by the Objective 2 (UK, France and Germany) and one in each of the other countries.

Combining these criteria and preliminary information provided by the country experts, we propose to select the following Objective 2 Programmes (also highlighted in grey in Table 3) as case studies:

- Steiermark (AT)
- Nordrhein-Westfalen (DE)

²⁶ To be precise, the economic structure of the specific areas within NUTS 2 (or NUTS 1) regions has been especially taken into account. For example, although the automotive industry is a characteristic of Bavaria, the selected Programme operate mostly in rural areas.

- Bayern (DE)
- North West England (UK)
- North East of England (UK)
- País Vasco (ES)
- Tuscany (IT)
- Noord-Nederland²⁷ (NL)
- Rhône-Alpes (FR)
- Bretagne (FR)
- South Finland (FI)
- Västra (SE)

In the proposed selection, there are: five cases of regions in which more than 45% of the population is covered by Objective 2, five cases where the eligible population is between 20%-45% and two cases between 5%-20%.

In addition, in five cases, the majority of the population lives in “predominantly urban” areas, whilst for three cases, it lives in “intermediate rural, close to a city” areas, and for another three in “predominantly rural, close to a city” areas. The remaining region has been classified as “remote”.

As regards industry composition, the selection comprises the following:

- two cases where the automotive sector plays a key role in the regional economy (Nordrhein-Westfalen, Bretagne);
- five cases of regions that developed a knowledge based economy: biotechnology, nanotechnology, information and communication technology, etc. (Bayern, Nordrhein-Westfalen, Bretagne, Steiermark, Etelä-Suomi);
- an example of a region focused on the textile and leather sectors (Toscana);
- an example of a region characterised by an underlying rural structure (Bayern);
- different cases of specialisation in basic metals, pulp and paper products sectors (Norra Mellansverige, Rhône-Alpes);
- two regions where the key manufacturing sectors are metallurgy, mechanical equipment, plastics, machine tools, etc. (País Vasco, North East of England);
- a region strongly based on financial services, international ICT, new media companies and large knowledge centres of universities (Noord-Nederland);

²⁷ The choice between the two programmes for the Netherlands was rendered difficult by the fact that the Urban area programme is fragmented among cities that are spread across the country. It focuses on the development of specific neighbourhood areas/districts in large cities, and not on ‘regional’ development (examples of projects include integration of ethnic groups, mentorship, clustering, a biopartner centre, etc). Instead, the programme for North Netherlands has a structured approach (programme ‘Kompas voor het Noorden’, 2000-2006) for development of economic zones and urban areas. Features include a cooperation of three provinces. Emphasis is placed on internationalisation (see <http://www.snonline.nl/infotype/webpage/view.asp?objectID=99>).

- an example of specialisation in coke, refined petroleum products and fuel (North West England).

In their Programming Documents, regions define innovation, R&D and development of knowledge intensive sectors as the main challenges in the 2000-2006 programming period.

For a comparative overview, in terms of socio-economic conditions, manufacturing sector composition and ERDF expenditure, of the twelve corresponding regions where the selected Objective 2 Programmes operate see Annex D.

Table 3 Selected indicators for the selection of case studies

Objective 2 Programme 2000-2006	NUTS 2 region where the Programme operates*	Population, 2004	Population living in assisted areas (% of total population)	Urban/rural nature of the area where the majority of Ob. 2 population lives**	ERDF expenditure per person living in assisted areas (€)
Steiermark (AT)	Steiermark	1,194,700	45+	Predominantly rural, close to a city (57%)	304
Niedersachsen (DE)	Niedersachsen	7,997,000	20-45	Intermediate rural, close to a city (64%)	283
Nordrhein-Westfalen (DE)	Nordrhein-Westfalen	18,077,600	5-20	Predominantly urban (98%)	300
Bayern (DE)	Bayern	12,433,500	5-20	Intermediate rural, close to a city (44%)	671
Baden-Württemberg (DE)	Baden-Württemberg	10,704,600	<5	Intermediate rural, close to a city (54%)	381
North West England (UK)	North West England	68,22,800	20-45	Predominantly urban (88%)	347
North East of England (UK)	North East England	2,545,100	45+	Predominantly urban (89%)	237
Western Scotland (UK)	South West Scotland	2,282,200	45+	Predominantly urban (69%)	330
West Midlands (UK)	West Midlands	5,332,800	45+	Predominantly urban (83%)	306
East Wales (UK)	East Wales	1,072,900	20-45	Predominantly urban (42%)	320
Cataluña (ES)	Cataluña	6,710,700	45+	Predominantly urban (71%)	232
País Vasco (ES)	País Vasco	2,099,200	45+	Predominantly urban (88%)	308
Piedmont (IT)	Piedmont	4,300,200	20-45	Predominantly urban (72%)	398
Tuscany (IT)	Tuscany	3,582,200	20-45	Predominantly urban (40%)	264
Stedelijke gebieden (NL)	n.a.	n.a.	n.a.	n.a.	n.a.
Noord-Nederland (NL)	Noord-Nederland	1,700,200	45+	Intermediate rural, close to a city (84%)	339
Rhône-Alpes (FR)	Rhône-Alpes	5,933,100	20-45	Intermediate rural, close to a city (70%)	275
Pays-de-la-Loire (FR)	Pays-de-la-Loire	3,386,300	20-45	Intermediate rural, close to a city (79%)	312
Bretagne (FR)	Bretagne	3,049,900	20-45	Predominantly rural, close to a city (54%)	305
Aquitaine (FR)	Aquitaine	3,067,100	45+	Intermediate rural, close to a city (57%)	276
South Finland (FI)	Etelä-Suomi	2,575,200	20-45	Predominantly rural, close to a city (53%)	242
Västra (SE)	Norra Mellansverige	826,600	45+	Predominantly rural, remote (63%)	283

Source: CSIL processing of DG REGIO and Eurostat data.

* Note that for Finland, Scotland and Sweden the corresponding NUTS 2 region has more than one Objective 2 Programme; for England, Germany and Netherlands the corresponding regions are at NUTS 1 level. **Percentages indicate the share of related population of the total population living in assisted areas.

4 Work arrangements

4.1 Coordination and division of the work

The Evaluation Team is composed of a core team, two partner teams, a group of country experts and three external experts.

The core team, based in Milan, is composed of members of the lead partner of the Consortium, CSIL. It comprises a scientific director, a project coordinator, a senior expert in charge of quality control, as well as other support staff. The coordination of the Evaluation Team is carried out within the core team by the scientific director and the project coordinator. Besides overall coordination, the core team is also in charge of the realisation of the statistical analysis of structural change (sub-tasks 2.1 to 2.3 of the ToR).

The two partner teams comprise members of the two other partners of the Consortium, Joanneum Research and Technopolis Belgium. They are specifically in charge of the implementation of part of the Data gathering phase I and of the Analysis and conclusion phase, respectively (Tasks 1 and 3 according to the ToR).

Country experts are in charge of the realisation of fieldwork for the case studies (sub-tasks 2.4 to 2.7 of the ToR).

The external experts will provide outside specialist input (written comments on major deliverables and oral comments on meetings) to the study.

The respective contribution of the different components of the Evaluation Team at each stage of the study is quantified in the following Table 4. This is subject to variations to deal with the imperfect predictability of the research process.

Table 4 Distribution of activities (days)

	CSIL	Joanneum Research	Technopolis	KITE	Nord-regio	External Experts	%
<i>Inception phase</i>							7%
Inception report	20	3	3	1	1	3	
<i>Data gathering phase I</i>							18%
Literature review, Glossary		10					
Conceptual model and operationalisation		8					
Structural change analysis	20	2					
Template for case study	7						
Coordination	13	2	1				
1 st Intermediate Report	3					3	
<i>Data gathering phase II</i>							56%
Two pilot case studies	20		20				
Adaptation of case study template	2						
2 nd Intermediate Report	3					3	
10 case studies	19	57	37	39	39		
Coordination	17						
<i>Analysis / Conclusion phase</i>							16%
Comparative analysis of case studies			5				
Generalisation of case studies results			14				
Draft and Final Report	35					3	
Coordination	13	1	2				
Three presentations	5					4	3%
Total (%)	40%	19%	18%	9%	9%	5%	100%

The following modifications in the composition of the Evaluation Team have been made compared to the Technical Offer:

- A third External expert will substitute Mr Faina; Mr A. Rodriguez Pose has been contacted.
- Mr Faina will join Mr Lopez Rodriguez as country expert for Spain;
- Ms Giunta will collaborate with the scientific director for quality control (see below).

4.2 Milestones and meetings

Table 5 Time frame of activities, deliverables and meetings - Months

	10/08	11/08	12/08	01/09	02/09	03/09	04/09	05/09	06/09	07/09	08/09	09/09	10/09	11/09	12/09	01/10-03/10
<i>Inception phase</i>																
Inception report	■															
Meeting with Steering Group	■															
<i>Data gathering phase I</i>																
Literature review, Glossary		■	■	■												
Conceptual model and operationalisation			■	■												
Structural change analysis		■	■	■												
Template for case study			■	■												
First intermediate report				■												
Meeting with Steering Group				■												
Meeting with External Experts				■												
<i>Data gathering phase II</i>																
Two pilot case studies					■	■										
Adaptation of case study template						■										
Second intermediate report						■										
Meeting with Steering Group						■										
Meeting with External Experts						■										
10 case studies						■	■	■	■	■						
<i>Analysis / Conclusion phase</i>																
Comparative analysis of case studies											■	■				
Generalisation of case studies results												■	■	■		
Draft final report														■		
Meeting with Steering Group														■		
Final report															■	
Monthly progress report	■	■	■	■	■	■	■	■	■	■	■	■	■	■	■	■
Three presentations														■	■	■

Table 6 Deliverables and meetings required by the Terms of Reference

Report delivery date	Output	Proposed meeting date	Meetings
		17/09/2008	Kick-Off meeting with DG REGIO(*)
17/10/2008	Inception Report	24/10/2008	Meeting with Steering Group
17/01/2009	First Intermediate Report	29/01/2009	Meeting with Steering Group
		29/01/2009	Meeting with External Experts
17/03/2009	Second Intermediate Report	26/03/2009	Meeting with Steering Group
		26/03/2009	Meeting with External Experts
17/11/2009	Draft Final Report	Tbc	Meeting with Steering Group
17/12/2009	Final Report		
	Two presentations (**)	Beg 2010	

(*) A coordination seminar of all Work packages was previously conducted on 11 September 2008.

(**) The third presentation required by the ToR will take the form of a consultation of experts in autumn 2009.

In addition, it is foreseen that the following items will be communicated to DG REGIO and WP 1 (see also Table 7 below):

- 10 case studies in the course of July 2009.
- preliminary findings and conclusions of the study at the beginning of October 2009.

Table 7 Detailed list of deliverables and other outputs of the study

Phase	Output/deliverable	Content	Date of delivery
Inception	Inception report	- methodology - proposed selection of twelve case studies - work arrangement - bibliographical reference, glossary entries - state-of-the-art of data availability - preliminary template for case studies	17/10/2008
Data gathering phase I	First Intermediate Report	- literature reviews comprising a specific section on relocation - conceptual model and operationalisation - regional structural change analysis at EU level - glossary - template for case study report comprising interviews guide and methodological guidelines.	17/01/2009
Data gathering phase II	Second Intermediate Report	- two pilot case studies - revised methodology and template	17/03/2009
	Regional structural change analysis for country experts		Early April 2009
	Analytical grid of ERDF		Early April 2009

	measures for country experts		
	10 case studies reports	See provisional template in Annex B	1/07/09
Analysis and conclusions	Preliminary synthesis of findings		Early October 09
	Draft final report	- Draft Executive Summary PART 1 - Syntheses of the literature review and conceptual model -Synthesis of case study results and analysis of the extent to which they could apply to all Ob. 2 regions. -glossary, bibliography PART 2 - twelve case study reports	17/11/2009
	Final report	- Executive Summary PART 1 - Syntheses of the literature review and conceptual model -Synthesis of case studies results and analysis of the extent to which they could apply to all Ob. 2 regions. -glossary, bibliography PART 2 - twelve case study reports	17/12/2009

It is proposed that the two pilot case studies be:

- Tuscany,
- Bretagne.

This is subject to confirmation of the list of selected regions proposed in this report.

4.3 Quality control

Besides the soundness of the methodologies applied, quality control is critical for reaching forceful conclusions, which is the aim of this evaluation study.

Quality control will be conducted at different levels by clearly identified experts:

- Quality control of the scientific approach and of the methodologies implemented is the responsibility of the Scientific Director, Mr. M. Florio.
- Quality control of the main deliverables foreseen in the ToR is to be carried out by a senior expert specifically in charge of an external and independent reading of the latter, Ms A. Giunta.
- Specific quality control of case study reports is ensured through cross-reading of the reports by the senior experts of the Evaluation Team and the Scientific Director. For objectivity purposes, country experts will work in association with senior experts from another partner institution.
- Editing and language check of the main deliverables is carried out by project officer J. Nasciuti, and a native speaker professional translator, S. Boyle, respectively.

Finally, external experts will contribute to quality control by reading and commenting on the main deliverables foreseen in the ToR.