EX POST EVALUATION OF COHESION POLICY PROGRAMMES 2000-2006 CO-FINANCED BY THE ERDF (OBJECTIVE 1 AND 2)

WORK PACKAGE 11: MANAGEMENT AND IMPLEMENTATION SYSTEMS FOR COHESION POLICY

(No. 2007 CE 16 0 AT 034)

PRELIMINARY REPORT TO THE EUROPEAN COMMISSION (DG REGIO)

This report contains provisional results which may be revised in the Final Report of the study. The contents of this report should not be cited without the approval of the authors.

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EX POST EVALUATION OF 2000-06 ERDF: WORKING PACKAGE 11
PRELIMINARY REPORT

1. INTRODUCTION

This is the Preliminary Report for the ex post evaluation of Cohesion policy programmes 2000-06 co-financed by the ERDF (Objective 1 and 2) Work Package 11: Management and Implementations Systems for Cohesion Policy (No. 2007 CE 16 0 AT 034) submitted by the European Policies Research Centre, University of Strathclyde, in association with METIS GmbH. It updates the draft version submitted in May 2008 and takes account of the comments made at the Steering Group held on 27 May as well as subsequent written comments from DG REGIO.

The report contains major outputs under Tasks 1, 2 and 3 and brief activity reports on Tasks 4 and 5. This introduction briefly outlines the objectives of each of the tasks, the progress made since the Inception Report and the outputs contained in this report.

1.1 Task 1

The objective of Task 1 is to produce overviews of the systems for managing and implementing Cohesion policy in each of the 25 Member States.

National Overviews have been drafted for each Member State and provided as stand-alone documents in electronic form to accompany this report. They take account of feedback received from DG REGIO on earlier versions. Each overview has been drafted according to a common structure and format, comprising a concise description of the institutional and administrative context for regional policy and a summary of the following management and implementation processes: partnership; programme design; project selection; financial management; monitoring; evaluation; and reporting.

A Summary Report drawing together the main issues from the overviews is provided in Section 2. This is structured according to the same headings as the individual overviews and includes brief conclusions highlighting the key points to emerge.

The National Overviews will be revised further over the period July-September 2008 to take account of comments received from Member State authorities, after which they will be re-submitted to DG REGIO for publication. At that point, a revised version of the Summary Report will also be submitted.

1.2 Task 2

The objectives of Task 2 are threefold: (i) to assess the effectiveness of management and implementation systems (MIS) of Cohesion policy in the EU10; (ii) to assess the sustainability of MIS in these countries; and (iii) to assess the type, scale and sustainability of spillover effects on the overall institutional and administrative culture in these countries.
As a starting point for this task, a wide-ranging literature review of the public administration and Cohesion policy literatures has been undertaken. This is provided in Section 3. Based on this review, further work as been undertaken to develop an analytical framework, including definitions, research questions, assessment criteria and methodology; this is provided in Section 4.

1.3 Task 3

The objective of Task 3 is to appraise the value added of Cohesion policy management and implementation systems in comparison to national policies in the EU15. Its distinctive approach is to analyse changes in the MIS processes of Member States which are attributable to Cohesion policy.

As with the previous task, a wide-ranging literature review has been undertaken under Task 3 together with the development of an analytical framework, encompassing definitions, research questions, assessment criteria and methodology, as well as a list of proposed case studies. This is provided in Sections 5, Error! Reference source not found. and 7.

1.4 Task 4

The objective of Task 4 is to analyse how management and implementation systems in the EU25 have supported the integration of sustainable development (SD) within Cohesion policy programmes across the EU25. Whereas previous work has assessed the overall contribution of Cohesion policy to SD, the current task investigates the extent to which the management and implementation system (MIS) processes contribute to SD realisation. The central focus of the evaluation is whether the MIS is fit for purpose in terms of delivering sustainable development.

There are no deliverables for Task 4 required at this stage, and a brief progress report on activity is provided in Section 8.

1.5 Task 5

The objective of Task 5 is to present a selection of 12 mini-case studies on good practice in management and implementation systems suitable for publication on the DG REGIO database ‘Regions for Economic Change’. The mini-case studies will present approaches used in the management and implementation of ERDF in Objective 1 and Objective 2 programmes in the EU 25 for the seven processes: programme design, project selection, financial management, monitoring, evaluation, reporting and partnership. Intended for a broader audience, they should be highly readable, succinct and informative.

There are no deliverables for Task 5 required at this stage, and an updated outline of the task is provided in Section 9.
2. TASK 1: SUMMARY REPORT

The following section provides a summary report on the systems for managing and implementing Cohesion policy in the 25 Member States in 2000-06. The report draws together the main issues to emerge from the national overviews, structured according to the same headings - partnership, programme design, project selection, financial management, monitoring, evaluation, and reporting - and with brief conclusions that summarise the main points to emerge. Member States illustrating the general trends or patterns are often noted in parentheses, but in most cases these should be regarded as examples rather than a comprehensive list.

2.1 Institutional and administrative context

The starting point for understanding management and implementation processes in the 2000-06 period is to consider the institutional and administrative context which shaped the approaches taken by individual Member States. One of the main factors was the degree to which decision-making powers for domestic policies were centralised and, related, the extent to which sub-national authorities had their own financial resources. In Member States with a federal constitution (Austria, Belgium, Germany), authorities at the level of Länder or regions played a dominant role in programme management and implementation. By contrast, in countries with more centralised government structures, national ministries took on the overall responsibility; ERDF programmes were managed by Ministries in charge of Regional Development (sometimes jointly with the CSF, such as in the Czech Republic and Poland), Ministries of Finance (Cyprus, Estonia, Latvia, Lithuania), Ministries of Economy and Finance (Greece), Ministries of the Interior (Finland), or the Prime Minister’s Office (Malta). Government offices (Hungary, Slovenia), national-level agencies (Denmark) or interministerial bodies were in charge in some Member States. Between the two groups of Member States is a range of countries, with varying degrees of devolution or decentralisation, where Structural Funds management was shared between national government and regions (France, Italy, Spain, Sweden).

In line with ongoing decentralisation trends in a number of countries, the 2000-06 period was notable for more management tasks being shared with sub-national levels of government and partnerships, not only with respect to implementation activities, but also programme management (France, Spain, Sweden, United Kingdom). This process was not all one-way: in the Netherlands, the responsibilities of central Ministries were enhanced, albeit from a highly decentralised starting point. Also, where competences were shared among large numbers of bodies, coordination mechanisms were introduced to provide guidance and to facilitate coordination between different actors and programmes. This happened in the context of interministerial committees (France) or working groups and partnership platforms (Austria).

The division of specific management and implementation responsibilities was extremely varied, with various processes - from project generation to monitoring - being allocated to Intermediate and Implementing Bodies in different ways in each Member State. The delegation of tasks was typically based on a contract or an institutional agreement (Austria).
that covered part (i.e. a Priority, certain Measures) or the whole programme and could involve the transfer of global grants (France). Intermediate Bodies could be line ministries (Cyprus, Estonia, Germany (at regional level)), state agencies (Hungary, Poland, Slovakia), regional/local authorities (France, Italy, Spain) or regional development agencies (United Kingdom) that were designated as Intermediate Bodies. Implementing Bodies, dealing with more practical implementation aspects such as project selection, could similarly be government departments (Poland), elected local or regional authorities, state agencies (Lithuania), business support agencies or financial institutions (Germany, Italy). In some cases, the Implementing or Intermediate Bodies were also the Final Beneficiaries of the measures (Estonia, Slovenia, Finland).

Lastly, one other contextual factor influencing the management and implementation of Cohesion policy is the (varied) experience and importance of domestic regional policy and its interrelationship with Cohesion policy. While many EU15 have domestic regional policies dating back to the 1950s, several EU10 Member States only developed a regional policy during the 1990s, and in some countries there was no definable ‘domestic’ regional policy independent of Structural Funds. These differences, discussed in more detail in some of the following sections play an important part in understanding the approaches taken to individual MIS, in particular programme design, partnership and project selection.

2.2 Partnership

The extent of partnership - in terms of both vertical and horizontal relationships - differed considerably across the EU25 in the 2000-06 period. At the apex of the management structure, the Monitoring Committees provided the most important platform for formal partnership-working in all EU Member States. The exact composition of the Committee varied across countries, but typically included the Managing and Paying Authorities, regional and sectoral policy Ministries, regional authorities and development bodies, trades unions, employer organisations, chambers of commerce, NGOs (particularly in the gender equality and environmental fields), educational organisations, RTDI bodies and the voluntary sector. The Commission was also represented in an advisory (but often active) role. The regulatory requirements clearly ensured wide partnership representation, an important factor in countries where this was weak in other areas of programme design and implementation and where central and/or regional government authorities dominated the process. In Slovakia, for example, the requirements ensured that a third of the Monitoring Committee members were from central state Ministries, a third from regional and local self-government bodies and a third from the private sector and socio-economic partners. In Hungary, half of the Committee places were reserved for regional, economic, social and other partners.

With respect to the individual stages of programme management, partner involvement in programme design was mixed (see Section 2.3 below). Member States generally sought to involve most partner groups at some stage in the process (more so than for the 1994-99 programme period among the EU15), although the process was dominated by the major actors, especially central and regional government authorities. Local authorities, socio-economic partners and other bodies were sometimes represented in planning groups/committees but more commonly were consulted through events such as workshops,
public meetings and conferences at key stages in the process and/or they were invited to comment on programme drafts.

The implementation stage was often dominated by public sector actors directly involved in the funding/delivery of the programme (see Section 2.4 below). This applied particularly to Member States with ‘subsumed systems’ of programme management (Austria, Germany, Italy, Spain). In most of the German Länder, for example, the partners with financial responsibility for programme delivery had voting rights on the Monitoring Committee while other partners had a purely advisory role.

By contrast, in the United Kingdom a wide range of partners were involved in the implementation process, particularly in project appraisal and selection committees; and in Belgium (Wallonie), a Task Force was set up to coordinate Structural Funds implementation involving academic and business sectors as well as a range of regional sectoral organisations. Some examples of strong partner involvement applied only to specific parts of programme implementation. For example, in Hungary, a partnership working group was created for the Economic Competitiveness OP with a much wider range of representation than other programmes. In Spain, partner-based thematic working groups were established to ensure the mainstreaming of gender equality, information society and environment themes (in the latter case supported by an environmental authorities network).

Two sets of factors influenced the extent of partnership working. First, formal administrative practices and traditions were important. Federal countries such as Austria and Germany have long-standing formal mechanisms for cooperation, at least between national and sub-national levels and often including other socio-economic partners also. Other countries, like Denmark, Ireland and the Netherlands, have a history of social partnership or consensus-based policymaking which provided a basis for cooperative working on Structural Funds. In Sweden, EU partnerships could build on the partnership processes for domestic regional strategies; the same applied in some UK regions.

Conversely, in EU15 Member States with historically centralised administrative structures and policy-making approaches (Finland, France, Greece, Italy, Portugal), a partnership approach had been introduced progressively through Cohesion policy in previous programme periods and was still evolving. These constraints applied still more to the EU10 which were implementing the partnership principle for the first time in 2004-06. Most had a tradition of highly centralised government; new ministries, agencies and committees had been created (sometimes with frequently changing areas of responsibility, as in Hungary); and regional-level authorities were generally new, weak or non-existent.

Second, the effectiveness of partnership-working depended on the experience/capacity of regional and socio-economic partners. EU10 Member States, and EU15 countries with centralised Structural Funds management, sometimes had difficulties in identifying appropriate organisations or individuals to participate in partnership groups, especially in smaller Member States (e.g. Estonia, Latvia) and particularly affecting the involvement of regional-level bodies and socio-economic partners such as trades unions, business associations and chambers of commerce. Newly formed regional authorities also found
themselves at a disadvantage in working with more experienced national ministries and sectoral organisation counterparts (Czech Republic).

This problem was less pronounced in Member States where partners had gained experience through domestic policy consultation fora. In Malta, for example, the Council of Economic and Social Development had provided a forum for consultation and social dialogue since 2001 and played a significant role in programming. Similarly in Poland, a Structural Funds Working Group was established within the existing Tripartite Commission for Socio-Economic Issues, involving representatives of government, trades unions and employers, to support the implementation of the Structural Funds programmes.

Overall, there is evidence that partnership-working increased in the 2000-06 period. Among specific examples, Structural Funds management in Ireland saw an increase in regional representation following the creation of two new NUTS II regions. In Greece, a transition began to be made from a top-down planning approach to more regional involvement with more partnership working. In Spain, a system of co-responsibility between regional and central governments was introduced which allowed regions to take on more significant tasks in strategy design, monitoring, reporting and managing and which increased the skills and capacity in regional administrations. In the EU10, the introduction of partnership-working was often difficult at the start, but most reported progress in collaborative working relationships during the course of the 2004-06 period. Lastly, in some Member States (e.g. Italy, Sweden, United Kingdom), it is clear that the experience of partnership within Structural Funds programmes was being adopted within aspects of domestic regional development policy implementation.

2.3 Programme design

The management of programme design in 2000-06 largely reflected national institutional arrangements for regional policy. Four broad approaches can be identified.

- **A regional government managed approach**, as in Austria, Belgium, Germany (except for Objective 1 federal OPs) and Italy (Objective 2). States or provinces designed the programmes. Federal/national governments tended to be involved in the process late and to a limited extent, focusing on regulatory compliance issues and/or national funding issues.

- **A region-led approach**, with national coordination or steering, as in Denmark, Finland, France, Italy, the Netherlands, Spain, Sweden and the United Kingdom. Regional authorities (provinces, regional councils, counties, devolved administrations) were responsible for the development of strategic priorities and drafting all or parts of programmes, but within a national framework or subject to national approval.

- **A national government led approach**, with regional input, as in Greece, Hungary, and Poland. Programming consisted of a mix of programmes developed by national ministries and standard national interventions (applied to each regional
programme) and regionally defined elements. Programme drafts were shaped and approved by national inter-ministerial committees.

- **A national government managed approach**, as in Cyprus, Czech Republic, Estonia, Ireland, Latvia, Lithuania, Luxembourg, Malta, Portugal, Slovakia and Slovenia. Programming was undertaken by government offices or inter-ministerial groups, with regional/local and other bodies making inputs at various stages of the design process.

Overall, programme design was managed by either national or regional government authorities, with different levels of involvement of other stakeholders. At the most basic level, major groups such as development agencies, local authorities, economic and social partners, gender equality and environmental bodies, were consulted on strategic priorities or drafts of programme documents at one or more partner meetings. More substantial participation was managed through the representation of these bodies in working groups or task forces, although their influence was sometimes advisory rather than co-decision-making; the difference often depended on whether they were a significant source of anticipated co-finance for the programme. NGOs were not always included in any form. There are notable differences in approach to programme design between EU15 Member States, where the extent of participation and involvement was generally greater than the 1994-99 programme period, and the EU10, where the process was often dominated by central government.

There were fundamental differences in the process of developing the programme. In some cases, it was initiated by assessments of development needs/challenges - as in Ireland, Spain and most EU10 Member States - which influenced or informed the derivation of strategic priorities and allocation of funding. By contrast, in many German regions, decisions on the division of funding between domestic policy instruments/ministries preceded the development of the strategy. Across the EU, the general picture was one of a design process informed by a mix of factors: domestic strategic priorities, previous programme experience (in the EU15, notably with respect to absorption), needs analyses, partner consultations and the availability of co-finance.

A strong correlation between EU and national policy objectives and priorities was most evident in Member States where Cohesion policy accounted for a substantial or dominant share of regional development funding - and indeed sometimes drove the direction of domestic regional policies (Greece, Italy-Objective 1, Portugal, EU10). For Ireland - alone among the EU15 - and for most EU10 countries, EU/domestic policy integration was facilitated by the existence of a National Development Plan. Some EU10 Member States also had other national concepts/strategies as a basis for programming (Estonia, Hungary). Elsewhere, Member States sought to ensure some integration between EU and domestic priorities and spending, but in many cases this was at the level of fields of intervention or specific instruments rather than at a strategic level. In part, this reflected the absence of explicit national or regional strategies (a contrast with the 2006-07 programming phase). The Regional Economic Strategies in the United Kingdom (England) and the Regional Growth Agreements in Sweden were some of the exceptions, although in both cases timing problems inhibited full integration. It is interesting to note that some programmes - for
example in Germany and Spain - explicitly sought to use a (small) proportion of EU funding to undertake innovative (new or experimental) initiatives, especially in the RTDI field.

All programmes were subject to ex ante evaluation, albeit in different ways. In many Member States, evaluators worked in parallel to programme design as the different components evolved (Cyprus, Czech Republic, Estonia, Greece, Hungary, Latvia, Lithuania, Slovenia, UK-England & Scotland); in others, the evaluation was undertaken when a draft was complete (Spain, UK-Wales). In EU10 countries, where evaluation capacity was a real problem, the evaluations were sometimes ‘quasi-appraisals’, providing specialist expertise on particular topics rather than a structured ex ante evaluation methodology and/or they were not entirely independent. Although all evaluations examined the quality and consistency of the strategy, the appraisal of other programme elements was mixed; for example, management and implementation arrangements were not always assessed (Austria, Slovakia). Lastly, the commitment to using ex ante evaluation as part of programme design varied. Some Member States viewed the exercise purely or mainly in terms of complying with formal EU requirements, while others sought to use the evaluation as a learning process that did (at least in part) have an influence on the shape of the programme (Sweden). The results of evaluation studies were included in programme documents, but the full evaluation reports were not always published.

2.4 Project selection

A range of activities were undertaken as part of programme delivery in 2000-06, including publicising funding opportunities, advising potential applicants, appraising applications, and taking final decisions on project selection. Member States took different approaches to the phases of project generation, appraisal and selection within Structural Funds programmes.

One factor which conditioned the overall context for project selection is the extent to which EU funding was embedded into domestic resource allocation systems. In many Member States, EU funding was integrated or subsumed into existing domestic administrative systems (Austria, Cyprus, Estonia, Finland, Germany, Ireland, Latvia, Poland, Portugal, Slovakia, Slovenia, Spain). In these countries, existing organisations typically took on Structural Funds management tasks. Similarly, strategic decisions on the allocation of funds to specific themes and major projects were based on domestic development plans and/or sectoral plans (e.g. in fields such as transport and environmental infrastructure). EU funding was channelled into the budgets of existing Ministries and other organisations, and it was often used to co-finance existing instruments or budget lines (although EU funding was monitored separately, in order to meet EU reporting requirements).

Other Member States had differentiated systems for administering EU Funds (Belgium, Sweden, United Kingdom). Structural Funds management and implementation tasks were given to new organisations or to bodies which were not involved in domestic economic development policy. EU resources were not allocated through domestic funding channels, or on the basis of domestic developmental strategies, but through specific Structural Funds resource allocation procedures.
Lastly, the administrative systems of some Member States took a middle approach, with a degree of alignment between Structural Funds and domestic systems. While separate decision-making systems were used to allocate EU resources, there was a degree of coordination with domestic administrative systems, for example in strategic orientation or financial management (Denmark, France, Greece, Italy, Lithuania), as a result of decisions being taken by the same actors.

A wide range of actors was involved in project generation, appraisal and selection in 2000-06. The CSF or programme-level Managing Authority and Monitoring Committee were generally responsible for overseeing the entire process, as well as for approving selection criteria and the composition of the selection committees. In some countries (Latvia), an additional steering committee was set up at national level for each EU Fund to provide guidance on project selection and other implementation issues.

Project generation tasks involved the dissemination of information about funding opportunities to potential project applicants and to intermediaries (such as business associations or local development agencies), as well as the provision of guidance to potential applicants. In most Member States, these tasks were primarily undertaken by Intermediate Bodies and related Implementing Bodies at programme, Priority, Measure or Action level (Austria, Denmark, Finland, Germany, Poland, Portugal, Spain), although in some cases Managing Authorities were also directly involved (Cyprus, Slovakia, Sweden).

The mechanisms used for appraising and selecting projects depended on the scale and thematic focus of the projects. In the case of large infrastructure projects, the responsible government Ministry issued a formal call for tender, with clear technical and financial selection criteria. In contrast, open calls (first-come-first-served) were generally used in the case of business aid, as well as local infrastructure, although closed or competitive calls were sometimes used for themes such as business innovation or R&D. In a number of countries, global grants or similar blocks of funding were allocated to specific Implementing Bodies, which then awarded small amounts of funding for interventions such as business advice, start-up or micro-firm grants, or loan schemes for SMEs.

In most Member States, Intermediate Bodies and their Implementing Agencies were the most important actors in project appraisal, although Managing Authorities were also involved in Cyprus, Estonia, Greece, Slovakia and Sweden. In addition, there were programme- and/or Priority-level committees in many countries which played an important role in project appraisal (Belgium, France, Hungary, Lithuania, Malta, Netherlands, Poland, Portugal, Slovakia, Spain) and sometimes included external experts (Finland, Hungary, Netherlands, Portugal, Slovakia).

Member States took various approaches to formal decision-making in relation to project selection. Final decisions were taken by the Managing Authority (Greece, Hungary, Malta, Netherlands), by the Managing Authority in cooperation with the individual Intermediate Bodies (Cyprus, Slovakia), or by the Intermediate Bodies alone (Austria, Denmark, Germany, Estonia, Finland, Latvia, Lithuania, Poland). However, this generalised picture could vary by type of programme (or type of intervention): for example, in Spain, project decisions for multi-regional OPs were taken by the Managing Authority in cooperation with the individual
Intermediate Bodies, while for regional OPs, final decisions were taken by the Intermediate Bodies alone; in Estonia, the government made an annual decision on the formal selection of large infrastructure projects. Lastly, final project decisions in some Member States were taken by a committee, drawing on a broad-based partnership or different combinations of public, private and voluntary sector actors involved in the programme (Finland, France, Sweden, United Kingdom).

2.5 Financial management

Financial management was universally overseen by the finance ministries, which managed payment flows between the EU and national level and were responsible for disbursing funding to programme or spending ministries/agency bank accounts, as well as for accounting and additionality matters. The main differences between countries concerned the distribution of Paying Authority functions, which were either:

- **centralised** in a single national organisation (such as finance ministries in Cyprus, Czech Republic, Estonia, Malta, Latvia, Poland; specialist national funds in Austria, Hungary, Lithuania and Slovenia; economics or regional development ministries/agencies in Denmark, Greece and Portugal) or among several national ministries responsible for individual Funds (Finland, Ireland, Spain); or

- **wholly/partly decentralised or devolved** to subnational bodies, as in the case of the regional administrations in Belgium, regional préfets in France (regional council in Alsace), the German Länder, the regional authorities in Italy and the Netherlands, County Administration Boards in Sweden, or the Devolved Administrations (and English Government Offices) in the UK.

Other national, regional and also local-level Implementing Bodies or Final Beneficiaries were also involved in financial management circuits, with responsibility for functions such as approval of the eligibility of costs, contracting, receipt and initial checking of claims, payment notification and clawback.

The award of funding and the checking, authorisation and payment functions were sometimes undertaken by the same organisations, but with departmental separation of responsibilities as required by the regulations (Italy). In some cases, considerable problems were experienced at the start of the period as a result of the creation of new authorities, and the required administrative reorganisation within Implementing Bodies, in order to ensure compliance with audit requirements.

Some of the problems experienced with financial management in the 2000-06 period were associated with the unpredictability of competitive bidding systems for awarding funding, especially under differentiated resource allocation systems (United Kingdom). This was less difficult in Member States where domestic and EU funding were integrated in the same budget lines and paid to Final Beneficiaries as a single allocation (Germany, Greece, Portugal, Slovakia, Spain). An important difference for applicants was whether pre-financing of project costs was possible (as in Austria), whether they could submit claims in line with project progress (as in the United Kingdom), or whether they were required to
bear the full project cost and then reclaim expenditure once the whole project was completed (as initially in the Czech Republic, or for private applicants in Slovakia). In some EU10 Member States, the design of financial management systems was over-complex, with the number of controls and administrative inexperience slowing down the payment of funding significantly and requiring rationalisation of administrative processes in the course of the period in order to speed up absorption (Hungary, Malta, Poland, Slovenia).

Finally, several Member States experienced problems in meeting n+2 targets requiring strategies and action plans to prevent automatic decommitment (France, Greece, Italy, UK). These plans generally involved administrative changes - such as better monitoring and forecasting, closer contact with beneficiaries, rationalisation of administrative procedures, simplification of requirements for major projects, use of different funding arrangements - but, in the most serious cases, substantial changes were made to the types of intervention and projects supported.

2.6 Monitoring

The context for understanding the approach to monitoring in 2000-06 is that EU Cohesion policy has played a formative role in the use of monitoring in regional policy in many Member States. This applied to the EU10 where monitoring was generally not practised prior to the 2004-06 period. It also applied in earlier periods to some of the EU15 where, historically, monitoring was either not widely used (Italy, Portugal, Spain) or was restricted to financial monitoring (France, Greece). Prior to 2000, monitoring systems for Structural Funds were used in all EU15 Member States but with big differences in effectiveness, reliability and utility.

Where monitoring was new and EU resources accounted for a significant share of regional development resources, monitoring systems tended to be applied to both EU and domestic policies with an integrated approach. Where domestic monitoring systems were already in place, and EU funding was subordinate to domestic regional development resources, the integration with Structural Funds monitoring was sometimes more problematic because of differences in approach.

The 2000-06 period saw three main types of approach to monitoring across the EU25. Integrated systems were used in several Member States (Austria, France, Greece, Poland, Hungary), with all administrative levels and programmes utilising the same system, often using a central electronic database with common data management procedures and differentiated access rights (Slovakia). Separate systems were used in other countries (Belgium, Germany, Ireland, Netherlands), whereby each programme/region had its own organisational arrangements and approaches to indicator definition and data collection. A third variant involved composite systems, where an overarching central monitoring system (e.g. for the collection of cross-cutting information) was complemented by individual systems at programme level (Italy, Spain).

Reflecting these differences, indicator definition was either determined or coordinated centrally - often with the scope for Managing Authorities and Monitoring Committees to define additional indicators within a common framework (Austria, France, Greece, Poland,
Spain) - or it was the responsibility of individual programme managers (Ireland, Germany, Slovakia). Two distinctive features of monitoring in the 2000-06 period were the upgrading of financial monitoring systems and a greater effort to monitor physical indicators, with the latter presenting considerable problems in defining and interpreting indicators, setting benchmarks and targets, and collecting data. Evaluators or external advisers were frequently required to provide support with these tasks. During the period, the emphasis sometimes shifted from overly elaborate performance indicators to fewer, more pertinent key indicators (Ireland).

Monitoring took place at different levels, with strategic monitoring at the CSF level as well as at programme-level, and even at sub-programme level (in the case of the IROP in Poland). Central-level guidance was provided in a number of Member States (France, Slovakia). In many cases, Monitoring Committees were characterised by a high degree of formality and focused mainly on issues of regulatory compliance and the monitoring of programme progress, but there were also examples of Committees playing a more strategic role (Ireland) in promoting programme effectiveness and active involvement in major projects; in some cases, strategic management and monitoring evolved during the period (France) in line with the upgrading of management practices and monitoring and information systems. However, detailed programme monitoring by Monitoring Committees was impeded by their large and broad memberships and the low frequency of meetings. Operational monitoring was therefore generally carried out by Managing Authorities and programme secretariats. In larger programmes, the organisation of monitoring was delegated to Intermediate Bodies (e.g. Ministry departments, sub-national State services), although coordination and the implementation of common data collection procedures were problematic.

In most Member States, electronic databases were established for programme monitoring, covering financial and physical information, but also to track progress on procedural aspects such as tendering procedures (Greece, Italy, Slovenia). However, IT systems often caused major difficulties, in some cases remaining unresolved until the end of the period (Poland). Data collection was usually carried out by Final Beneficiaries or project applicants/promoters who, in some cases, had to produce regular reports (Netherlands, Slovenia) or provide data as part of the claims process (United Kingdom). Data input and controls were mainly undertaken at the level of the programme Managing Authority (Greece, Italy) or were delegated to Intermediate Bodies in charge of certain Priorities or Measures (Austria, Slovenia). In some cases, a form of conditionality was used as a sanction for project promoters failing to provide accurate and timely information (Hungary, Italy, Netherlands). The main uses of monitoring information were to facilitate compliance with reporting requirements, to ensure timely financial absorption and to provide a basis for evaluation (notably the MTE and allocation of the Performance Reserve).

Finally, while there is some evidence of Structural Funds contributing to the spread of a ‘monitoring culture’ (France, Italy), the experience of monitoring in 2000-06 was characterised by several challenges, shared by many Member States. These included: insufficient awareness of the importance of monitoring among Implementing Bodies and beneficiaries (Italy); over-complex and inflexible indicator systems (France, Greece, Ireland); design or operational difficulties with electronic data processing systems (Poland,
Slovenia) and resulting data gaps and inconsistencies; and insufficient human resources (Austria, Italy), and the need for support and training to enhance monitoring expertise (France, Greece, Hungary, Slovakia).

2.7 Evaluation

The approach to Structural Funds evaluation in the 2000—06 period has to be seen against a backdrop of very different evaluation cultures among Member States.

Among the EU15, historically the evaluation of regional policy was practised in only a few countries (Germany, United Kingdom), and some other countries having systems of formal periodic policy/expenditure reviews (Ireland, Sweden), but with evaluation traditions being weak or non-existent elsewhere (Italy, Luxembourg, Spain). Evaluation activity increased during the 1990s, partly driven by Structural Funds requirements (Austria, Finland, France, Germany, Italy) but also because of broader trends in policymaking, such as the application of ‘new public management’ and concerns with the effectiveness of government spending (Denmark, Netherlands). The 2000-06 period was notable for a more strategic and systematic approach to evaluation, as required by the regulations, and also for greater awareness of the potential role of evaluation for effective programme management (e.g. in Greece, Portugal). Evaluation was organised by newly created or strengthened evaluation units and partnership-based steering committees (Greece, Italy, Spain, United Kingdom), supplemented in some countries by a network of evaluation experts and officials (Greece), specialist bodies (Austria, Portugal) or expert panels (Denmark).

Among the EU10, evaluation was not a feature of policymaking prior to EU accession, and its image was affected by its association with audit and control in some countries. Some evaluation experience was gained through the Phare programme, but it was only under the 2004-06 Structural Funds programmes that the basis for a coherent and systematic approach to evaluation began to be developed (often as part of the wider use of evaluation within public policy and administration). This involved drawing up national evaluation strategies (Estonia, Poland) and the creation of evaluation units (Estonia) and steering groups (Czech Republic, Lithuania, Malta, Poland).

All Member States undertook the ex ante evaluation of Structural Funds programmes (as described in Section 2.3). In the EU15, a mid-term evaluation (MTE) and MTE update (UMTE) was also undertaken for all programmes - in the case of the MTE being an important exercise for allocating the Performance Reserve. Evaluations were undertaken by external evaluators based on competitive calls for tenders. In some countries, the MTE exercise was characterised by a more coordinated approach than previously in order to provide overall lessons at national level (Finland, France, Spain, Sweden, UK-England) - in the cases of Finland and Sweden through separately commissioned meta-evaluations. Although not compulsory, MTEs were also undertaken by two EU10 Member States (Estonia, Czech Republic).

A further feature of the 2000-06 period was the number of evaluation studies conducted by EU15 countries in addition to those required by the regulations. These included ongoing evaluations of policy processes (Austria, Belgium-Vlaanderen, Italy) and studies on the
horizontal themes (Austria, Finland, France, Italy, Sweden, UK-Wales), financial instruments (UK-Scotland), innovation and cluster development (Sweden), organisational effectiveness (Ireland) and networking (Finland). In place of an MTE, most of the EU10 also undertook evaluations - often carried out by government departments themselves - on the operation of specific Priorities/Measures (Lithuania, Poland, Slovenia, Slovakia), the horizontal objectives (Lithuania, Poland), and the efficiency of various aspects of implementation (Estonia, Malta, Latvia).

The standard approach to disseminating evaluation results was often passive - through presentations to Monitoring Committees or publication on websites - and with a failure to integrate evaluation into programme management. However, an important feature of evaluation in some countries was the focus placed on using evaluation as a learning tool. This was evident in Austria, Czech Republic, Denmark and the United Kingdom where considerable emphasis was placed on dissemination and follow-up. In several Member States, it was possible to identify programme revisions as a result of the MTE, but the UMTE generally had a greater influence in informing the preparation of the 2007-13 strategies.

Finally, an important aspect of evaluation in the 2000-06 period was the emphasis placed on capacity development. For example, KAP-EVA was created in Austria in 2002 as a ‘coordination and working platform’ for evaluation methods, the management of evaluations and the dissemination of results. A CSF Observatory in Portugal was used *inter alia* to provide analyses and support for evaluations on similar issues, and the NDP Evaluation Unit in Ireland also had a support and standard-setting role. In France, a training programme was initiated in 2002 to promote capacity-building and awareness of the usefulness of evaluation more generally. Similarly, in Italy a series of seminars for Managing Authorities, evaluation units and evaluators were organised from 2002 by the National Evaluation Unit to provide methodological and practical support for the organisation of evaluations and to discuss the outcomes of the evaluations undertaken.

The greatest need for capacity-building was among the EU10, which suffered for much or all of the 2004-06 period from inexperience among Implementing Bodies, a lack of evaluation suppliers and variable quality of evaluation studies. However, extensive efforts were made in some Member States to develop an evaluation culture (Estonia, Hungary, Latvia, Lithuania, Poland) through the development of guidance and advisory services, evaluation conferences and seminars, and training activities for government authorities, as well as the launch of a series of evaluation studies (as noted above).

### 2.8 Reporting

The submission of Annual Implementation Reports (AIRs) was required by the Regulations and such reports were prepared by all EU25 Member States in the 2000-06 period. In most countries, the AIRs were drafted by the Managing Authorities, sometimes with the help of external consultants (Italy) or delegated to programme secretariats (Germany-NRW, United Kingdom). The information for AIRs was mainly drawn from the monitoring system as well as from Final Beneficiaries or organisations involved with the implementation of the programmes. In many cases, more regular project-level or Measure-level progress reports (see below) also contributed to the AIRs (Latvia, Netherlands).
The AIRs were generally formal documents structured to comply with the Regulations and, in many countries, undertaken principally to comply with these reporting obligations. They tended to be descriptive and included mainly quantitative information reporting on progress with implementation. The time delay in the publication of the AIRs often meant that their usability as an active management tool was relatively low. The AIRs could be lengthy documents (Greece, United Kingdom), and some of the UK programmes published a ‘user friendly’ summary. Some EU15 countries took a more sophisticated approach. For example, in France, efforts were made to establish a strategic link between annual reporting and evaluation exercises, with actors encouraged to enhance capacity development and promote specific evaluation indicators in the AIRs. Similarly in Italy, the AIRs shifted emphasis from purely financial progress to the inclusion of more information on physical implementation and the short-term effects of the programme through the output and result indicators. The production of the AIRs was also viewed as a good opportunity to exchange information between regional bodies involved in implementation and check the functioning of the monitoring system.

In addition to the AIRs, most EU25 countries produced regular reports dealing with the status of implementation at project, Measure and Priority levels. These reports were more widely used in strategic decision-making on programme implementation. In Hungary, for example, bi-weekly reports (prepared by the National Development Agency) highlighted critical areas with the aim of comparing projections with actual progress. Quarterly reports covering results, effectiveness, management practice and financial progress (for n+2) were then addressed to higher level programme management structures and political actors. At programme/national level, in Estonia, the Managing Authority, Intermediate Bodies, Final Beneficiaries and Paying Authority all produced a range of reports dealing with programme financing, monitoring and irregularities, with the irregularities reports proving among the most useful in terms of practical decision making. In Lithuania, managing organisations provided monthly reports to the government on two key financial indicators (project commitments and funds absorbed) and including information on problems arising and measures taken to address them. In some countries, such as Denmark and Sweden, the information flow was also downwards, with the Managing Authority or the Monitoring Committee Secretariat circulating regular progress updates to regional authorities to aid decision-making on projects and strategic priorities. In Austria, both standardised and tailored report formats were created to draw down report information from the monitoring system, and these were widely used by Managing Authorities and Implementing Bodies for reporting to political authorities as well as for publicity and evaluation work.

Reporting through the AIRs and more regular reports varied between different programmes within the same country. In Germany, for example, Nordrhein-Westfalen provided quarterly monitoring reports to Implementing Bodies while other Länder worked only with the AIRs. In France, an overview report of all the AIRs in 2004 highlighted the great diversity in their structure and content, as well as their mainly descriptive approach. In Malta, reports were prepared by project promoters for the four Sectoral Sub-Monitoring Committees and additional reporting requirements were applied in the case of Priority 4.

Finally, the links between EU and domestic regional policy reporting varied considerably between countries. Where Structural Funds implementation was subsumed (Austria,
Germany), domestic financial reporting mechanisms were linked to Structural Funds reporting. Indeed, some German Länder used Structural Funds monitoring systems to enhance the monitoring of domestic financial flows. Such links were not universal, however: in several countries (Hungary, United Kingdom), there was no link between Cohesion policy and domestic regional policy reporting.

2.9 Conclusions

The main conclusion to emerge from the research on management and implementation systems in the 2000-06 period is the dominant influence of national institutional and administrative contexts. Constitutional arrangements and institutional structures shaped the relative balance between national and regional levels of government, the involvement of central State, sub-regional and non-governmental actors and the interpretation of the partnership principle in all management and implementation processes from programme design to evaluation.

A further factor was the relationship between domestic and EU development spending. In Member States where Structural Funds were subordinate to domestic regional policy (in terms of the scale of regional development resources, or the experience of regional policy), Cohesion policy management and implementation processes had to be ‘accommodated’ or adapted to fit with domestic systems and procedures. This gave rise to tensions in some EU15 Member States (although perhaps less so than in previous programme periods) but also contributed to a reshaping of aspects of domestic implementation. Where Structural Funds were dominant relative to domestic regional development spending, or where the management principles/practices were new (e.g. partnership, strategic planning, monitoring, evaluation), Cohesion policy processes often led to significant changes to domestic policy systems with the aim of ensuring an integrated EU-domestic approach to management and implementation. This was particularly evident in the EU10, but also in some EU15 Member States benefiting from sizeable Objective 1 funding.

The diversity of Member State practices was most evident with respect to resource allocation, i.e. the systems of project generation, appraisal and selection. The combination of different administrative systems and the need to adapt resource allocation to the scale and thematic focus of interventions produced a variety of mechanisms - pre-allocation of funding, use of global grants or other funding tranches, open or closed calls for tender with varying degrees of competition, use of low-administration micro-funds - and different systems for making award decisions with different levels of responsibility for Managing Authorities, Implementing Bodies and other partners.

Notwithstanding such differences, it is possible to draw some overall conclusions on management and implementation experience during the 2000-06 period. First, there is evidence of increased partnership working, with greater involvement of sub-national bodies, economic and social partners and other organisations among EU15 Member States than in previous programme periods. For the EU10, partnership was novel and difficult, but collaborative working was found to have increased over the period. Second, the process of programme design was usually based on at least some analysis, strategic reflection and partner consultation, and it involved a more consistent use of ex ante evaluation. Third,
more attention was paid to monitoring, especially the development of integrated monitoring systems and the inclusion of physical indicators, although the utility of the systems and information provided was sometimes questionable. As with reporting and financial management, however, there was a strong tendency for systems to be designed to ensure regulatory compliance rather than as strategic or operational tools of programme management. Finally, the Structural Funds in 2000-06 continued to promote the development of an evaluation culture, with the requirement to produce both an MTE and UMTE, the latter in particular being used to inform the preparation of the 2007-13 strategies. It was also notable how many Member States undertook their own thematic or operational evaluations to improve various aspects of implementation.
3. TASK 2: LITERATURE REVIEW

3.1 Introduction

This section contains the literature review on effectiveness, sustainability and spillover effects of management and implementation systems (MIS) of Cohesion policy in the EU10. The review is based on the following definitions of the three concepts.

- The effectiveness of MIS is defined as the extent to which the systems are ‘fit for purpose’ in being able to fulfil the regulatory, strategic and financial requirements of programme management and implementation, both overall and with specific reference to programme design, project selection, financial management, monitoring, evaluation, reporting and partnership. Effectiveness reflects how well the outputs (i.e. services) of the MIS achieve the stated objectives of the MIS in relation to Cohesion policy implementation, i.e. the effectiveness of MIS can be measured according to their contribution to programme effectiveness.

- The sustainability of MIS is understood as the extent to which the systems are stable, reliable and durable as well as capable of adapting to new challenges. The study looks at both the administrative structures and systems and at issues of human resources management and organisational learning\(^1\). Important determinants of the sustainability of MIS are their embeddedness in a stable and reliable overall legal framework\(^2\), their effective implementation, the traditional management culture and an adequate level of competences in public and strategic management. Common values and an espoused ethical framework are also commonly regarded as essential for the stability of civil service systems.

- Spillover effects are defined as the tangible effects of managing and implementing Cohesion policy on the wider institutional and administrative culture. In the EU10 context, such effects may take time to develop as they involve the integration of new management techniques and policy approaches in institutions and administrative practices with specific legal and traditional backgrounds. Practices

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\(^1\) Fatzer G (2005) argues that it is crucial for a successful and sustainable transformation not only to optimise working processes and procedures but also to develop the organisational culture. Thus, successful transformation processes comprise the systemic development of human resources and dialogue with all the people in the organisation. Fatzer G (2005) Nachhaltige ÖK und Transformationsprozesse - Zwischen Lerngeschichten und Netzwerkentwicklung, in G Fatzer (eds.) Nachhaltige Transformationsprozesse in Organisationen, EHP Verlag, 17-28.

\(^2\) In her feedback to the Inception Report, Danielle Bossaert (WP11 Expert Panel member) noted that key characteristics of such a framework include: civil service legislation, which lays down effective principles for a professional human resource management and fair working conditions; transparent and accountable budget practices and procedures; effective allocation and reallocation of resources, such as the capacity to perform periodic government-wide programme review initiatives; and clear rules to prevent corruption, conflict of interest and unethical behaviour and the existence of a professional integrity system.
developed in management and implementation systems of Structural Funds may influence institutional and administrative culture in units not directly involved in Structural Funds implementation and in general influence public reform initiatives.

The review looks in particular at the literature on public sector reform and public sector administration, including the adaptation of the civil service and the human resources management systems in the EU10, the adoption of the *acquis communautaire*, administrative capacity in the context of Cohesion policy implementation and effectiveness of the public administrations in implementing the Structural Funds. It also includes literature on the issues of spillover effects into other sectors of administration, and the sustainability of the structures and systems created for the implementation of the Structural Funds. The literature review was carried out by METIS with the support of EPRC. The identification of relevant literature was undertaken online by screening key websites and in libraries in both Vienna and Glasgow. The key articles and papers were collated, read and integrated with reference to the definitions listed above.

It should be noted that, while there is an extensive literature on the effectiveness of public administration in general, relatively little deals specifically with the effectiveness and sustainability effects of Cohesion policy MIS, and virtually no academic research appears to have been conducted on the issue of spillover effects. This has required a broader approach to the literature review to enable the interface between the public administration and Cohesion policy literatures to be identified.

The literature review goes from the general to the specific, providing the overall context and background for public sector reform and the implementation of MIS of Cohesion policy in the EU10. It first briefly looks at general issues of public sector reform, in particular at current general trends in public management (New Public Management, governance and public value), and at principles of public administration and human resources management. It attempts to separate out overall trends (conceptual approaches, practices in Member States) from EU level initiatives (e.g. Sound and Efficient Management). This background information is important for understanding the context in which the MIS of European Cohesion policy are embedded and the unprecedented challenges faced by the CC10\(^3\) in their efforts to reform the public sector pre and post accession and to comply with the *acquis communautaire*\(^4\). In contrast to the evolutionary institutional development of the EU15, reforming the public sector and adapting to the *acquis* in the EU10 was done under

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\(^3\) When discussing Candidate Countries in the pre-accession period, this review refers to the Candidate Countries as CC10 or CC8 (excluding Cyprus and Malta) depending on the context. Similarly, it refers to the new Member States as EU10 or EU8. However, given the approach of the literature, it is not always possible to distinguish clearly between EU/CC8 and EU/CC10 in all cases.

\(^4\) The entire body of European laws is known as the *acquis communautaire*. This includes all the treaties, regulations and directives passed by the European institutions as well as judgements laid down by the Court of Justice. The term is most often used in connection with preparations by Candidate Countries to join the Union. They must adopt, implement and enforce all the *acquis* to be allowed to join the EU. As well as changing national laws, this often means they must set up or change the necessary administrative or judicial bodies which oversee the legislation. For the enlargement negotiations of the fifth round, the *acquis* was divided into 31 chapters, each of which had to be ‘closed’ by the candidates. Regional policy and coordination of structural instruments was Chapter 21 of the *acquis* in the fifth enlargement round and is now Chapter 22.
external pressure (conditionality of the Europeanisation process) and in a very short period of time.

In the second part of the literature review, the focus is on public sector reform in the EU10, covering administrative reform, the adoption of the *acquis communautaire* and territorial reform in the EU8. The third part of the review looks at the available research on the EU10 experiences of implementing the Structural Funds in the 2004-06 period with reference to administrative capacity and absorption capacity (as relevant indicators of effectiveness) and the seven processes identified as core elements of the management and implementation systems of Cohesion policy. Relatively little up-to-date information on the processes are available at present as these countries joined the EU in the middle of a programming period and did not, like the EU15 Member States, have a mid-term evaluation of their Cohesion policy. However, a systematic review of MIS in the new Member States was conducted for DG REGIO at the outset of the 2004-2006 period by EPRC and a team of national experts (EPRC, 2005). The results of the study are used in combination with other studies and articles on different aspects of the administrative capacity and absorption capacity of the EU10 and other relevant literature from the Member States.

The final section of the literature review summarises the main findings of the literature review and attempts to draw out the challenges in evaluating the effectiveness, sustainability and spillovers of MIS of Cohesion policy as well as providing a bridge to the analytical framework and checklist for the further research.

3.2 Public sector reform

3.2.1 Public administration reform in the EU

Since the mid-1970s, the government and public sector systems of Western democracies have undergone a profound transformation. Moving from traditional modes of government based on hierarchical state bureaucracies, administrative systems have been increasingly facing the challenge of having to open themselves to civil society organisations, to regional institutions, to supra- or international actors like the EU (Bevir, 2007; Kooiman, 1993). The consequent changes provoked a conceptual shift in focus from government to governance. Parallel to this change in the conception and modes of governance, a wave of structural and institutional modernisation has taken place affecting the way governments manage the public sector. In many EU Member States, these public sector reforms have been caused by budget constraints, social, economic and technological developments and the increasing

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5 Despite its popularity, there is no general definition of the term ‘governance’. As Rhodes pointed out, “governance has at least six uses, referring to: the minimal state; corporate governance; the new public management; ‘good governance’; socio-cybernetic systems; and self-organizing networks” (Rhodes, 1996, 652). Generally speaking, the concept of “governance can be used to refer to all patterns of rule” (Bevir, 2007, 364) or, alternatively, to the “general modes of societal steering and coordination (Bähr and Treib, 2007, 3)” In the White Paper on European Governance the European Commission developed its own definition of European governance as referring to the “rules, processes and behaviour that affect the way in which powers are exercised at European level” (European Commission, 2001, 8).
demands and expectations of citizens for more openness, better quality service delivery and solutions to more complex problems. The traditional public administration model with its hierarchical and centralised structures has become increasingly outdated and has given way to the so-called ‘New Public Management’ (NPM) philosophy inspired by the practices used in the private sector and based on contracting as the central coordination mechanism in the public sector (Dunleavy and Hood, 1994; Lane, 2000, 193). It should, however, be noted that in countries with career systems (France, Belgium, Spain, Romania, Bulgaria, Slovenia, Slovakia), where working conditions in the public and private sector differ, were much more reticent to adopt key principles of the NPM philosophy than those with position systems (Sweden, UK, Estonia). They continued to focus on the traditional and specific public service values (as described in the Weberian model) and only slowly adopted the NPM values of efficiency, value for money, performance, etc. These developments have been most marked in the UK and in the Nordic countries, where public and private sector employment are quite similar. But throughout the EU we can observe a certain trend to align working conditions in the public sector to those in the private sector (pension systems, increasing importance of collective agreements, more frequent use of time-limited contracts etc.) as well as to facilitate mobility between the public and the private sector.

In addition to the trend for more efficiency, effectiveness and performance in public management, public sector reform in Europe has also seen the introduction of quality aspects such as the development of more sophisticated quality assessment tools, the improvement of service delivery and a focus on user satisfaction.

A comparative analysis of public sector reforms in Europe shows that the above-noted reforms have not only led to improvements in the efficiency, effectiveness and performance of the public sector, but have also raised ethical issues due to higher work pressure, de-motivation and stress among public servants and to the loss of organisational responsiveness and legitimacy (Blaug, Horner and Lekhi, 2000, 6). As a result, a further concept to emerge in recent years in response to the perceived lack of public authorisation and legitimacy of NPM is that of public value (Blaug, Horner and Lekhi, 2000, 6) hand-in-hand with good governance. The concept of public value is derived from new public service theory and emphasises the important role that public managers can play in maintaining an organisation’s legitimacy in the eyes of the public (Blaug, Horner and Lekhi, 2000, 6). The main differences between the three types of administration are shown in Table 1.

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6 Discussed further in Section 3.2.3 below.
7 The Weberian (or Westminster) model is characterized by the clear distinction it makes between the political and administrative spheres. It is based on two fundamental principles: the political neutrality of the public servants and the difference between political staff and career public servants.
9 Ibid.
Table 1: Comparing perspectives - old public administration, new public management and new public service

<table>
<thead>
<tr>
<th></th>
<th>‘Old’ public administration</th>
<th>New public management</th>
<th>New public service</th>
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<tbody>
<tr>
<td>Primary theoretical and</td>
<td>Political theory, social and political commentary augmented by naïve social science</td>
<td>Economic theory, more sophisticated dialogue based on positivist social science</td>
<td>Democratic theory, varied approaches to knowledge including positive, interpretive, critical and postmodern</td>
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<tr>
<td>epistemological foundations</td>
<td></td>
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<tr>
<td>Prevailing rationality</td>
<td>Synoptic rationality, ‘administrative man’</td>
<td>Technical and economic rationality, ‘economic man’ or the self-interested decision maker</td>
<td>Strategic rationality, multiple tests of rationality (political, economic, organisational)</td>
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<tr>
<td>and models of human</td>
<td></td>
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<td></td>
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<tr>
<td>behaviour</td>
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<tr>
<td>Conception of the public</td>
<td>Politically defined and expressed in law</td>
<td>Represents the aggregation of individual interests</td>
<td>Result of a dialogue about shared values</td>
</tr>
<tr>
<td>interest</td>
<td></td>
<td></td>
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<tr>
<td>To whom are public</td>
<td>Clients and constituents</td>
<td>Customers</td>
<td>Citizens</td>
</tr>
<tr>
<td>servants responsive?</td>
<td></td>
<td></td>
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<tr>
<td>Role of government</td>
<td>Rowing (designing and implementing politics focusing on a single, politically defined</td>
<td>Steering (acting as a catalyst to unleash market forces)</td>
<td>Serving (negotiating and brokering interests among citizens and community groups, creating shared values)</td>
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<tr>
<td></td>
<td>objective)</td>
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<tr>
<td>Mechanisms for achieving</td>
<td>Administering programmes through existing government agencies</td>
<td>Create mechanisms and incentive structures to meet policy objectives through private and non-profit agencies</td>
<td>Building coalitions of public, non-profit and private agencies to meet mutually agreed needs</td>
</tr>
<tr>
<td>policy objectives</td>
<td></td>
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<tr>
<td>Approach to accountability</td>
<td>Hierarchical – administrators are responsible to democratically elected political</td>
<td>Market-driven – the accumulation of self-interest will result in outcomes desired by</td>
<td>Multi-faceted – public servants must attend to law, community values, political</td>
</tr>
<tr>
<td></td>
<td>leaders</td>
<td>broad groups of citizens (or customers)</td>
<td>norms, professional standards and citizen interests</td>
</tr>
<tr>
<td>Administrative</td>
<td>Administrative officials allowed limited discretion</td>
<td>Wide latitude for meeting entrepreneurial goals</td>
<td>Discretion needed, but constrained and accountable</td>
</tr>
<tr>
<td>discretion</td>
<td></td>
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<tr>
<td>Assumed organisational</td>
<td>Bureaucratic organisations marked by top-down authority in agencies and control or</td>
<td>Decentralised public organisations with primary control remaining with the agency</td>
<td>Collaborative structures with leadership shared internally and externally</td>
</tr>
<tr>
<td>structure</td>
<td>regulation of clients</td>
<td></td>
<td></td>
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<tr>
<td>Motivational basis of</td>
<td>Pay and benefits, civil-service protection</td>
<td>Entrepreneurial spirit, ideological desire to reduce size of government</td>
<td>Public service, desire to contribute to society</td>
</tr>
<tr>
<td>public servants and</td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>administrators</td>
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</table>

Source: Denhardt and Denhardt, 2000 (taken from Blaug, Horner and Lekhi, 13).

At EU level, public sector reform has been the subject of several initiatives. Among the most relevant, the Sound and Efficient Management (SEM) 2000 programme was launched in 1995 to improve the financial management of EU expenditure in partnership between the Commission and the Member States. The objectives of SEM included: achieving more clarity on the real cost of political decisions; consolidating human and financial resource management procedures and skills; improving evaluation and monitoring; and providing better protection against fraud (European Commission, 1998, paragraph 1050 and 1052). In 1997, the Commission initiated a further reform programme which aimed to modernise EU administration and personnel policy (MAP) for the year 2000. MAP 2000 was implemented in three stages: “the decentralisation and devolution of powers, the simplification of procedures and the identification and application of new approaches in the administration and management of human resources” (European Commission, 1998, paragraph 1180). The principles of both the SEM and MAP initiatives were incorporated into Agenda 2000 (European Commission, 1997, 46; Cini, 2001).
3.2.2 Principles for reform

Despite the absence of an *acquis communautaire* for “setting standards of horizontal systems of governance or national public administrations”, a consensus has gradually emerged among the Member States on common principles for public administration (SIGMA, 1999, 5). There is now greater cooperation between European countries which has led to a certain convergence of national public administration systems across Europe (Van den Berg *et al.*, 2002) and has arguably promoted the emergence of a ‘European Administrative Space (EAS)’. The principles included in the EAS, “which are defined by law and enforced in practice through procedures and accountability mechanisms”, serve as an important standard to assess the effectiveness and overall quality of national public administration systems (SIGMA, 1999, 5). These principles comprise:

- reliability and predictability (legal certainty): administration through law (principle of non-discrimination, legal competence, administrative discretion, proportionality, procedural fairness), timeliness in the action of public administration, professionalism and professional integrity of civil service;

- openness and transparency: in the conduct of public administration;

- accountability: the requirement for any administrative body to explain and justify its actions to other administrative, legislative or judicial authorities; and


Notwithstanding the emergence of the EAS and a certain convergence of public administration management, there are still considerable differences among EU Member States including the EU10. The nature of public sector reforms is often attributed to path-dependency and the core characteristics of the national system (Randma-Liiv and Connaughton, 2005, 351; Connaughton and Randma, 2002), historical legacy (Vachudová, 2005) or political choice (Dimitrov and Toshkov, 2007, 977). Whatever their origin, these differences should also be taken into account when looking at public management in the EU10. A further issue is that the EU10 do not form a homogenous unit, historically and politically, and can be divided at least into the following broad categories:

- the island states of Cyprus and Malta, whereby the first has a more Mediterranean and the latter an Anglo-Saxon administrative tradition;

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10 Some authors argue that “signs of actual convergence between EU member states on coordination of EU affairs or administrative organisation are few and far between, despite references by some experts to a common European Administrative Space (Fournier 1998; OECD 1998)” (Dimitrova and Toshkov, 2007, 967).

11 For an interesting discussion of the attribution of reform processes and organisational structures see Dimitrova and Toshkov (2007, 967).
• the Baltic States which were a part of the Soviet Union and only existed as independent states after the Second World War;

• Slovenia which was part of the former Yugoslavia, and the Slovak and Czech Republics which were parts of Czechoslovakia, and only became independent states in 1991 (Slovenia) and 1993 (the Czech and Slovak Republics);

• Poland and Hungary which were independent states, although also communist, until 1989.

Although one could argue that the EU8 all have a communist legacy, and therefore a similar political point of departure, it is interesting to note that “the countries from CEE have adopted various institutional arrangements for political coordination of EU affairs” (Dimitrova and Toshkov, 2007, 972).

### 3.2.3 Different human resource systems

The path of modernisation is also shaped by the types of human resources management system in a state. The two classical models are the career and the position systems. The main distinctive feature is the predetermined career path in the career system. However, “many civil service systems can be better understood as an ideal type if they are arranged on a scale between the career system and its opposite, the position system” (Bossaert and Demmke 2003, 16). The following points have to be taken into account when analysing specific systems:

• a substantial number of staff in public administration do not have the status of civil servants, but are public-sector employees for whom regulations in a career system do not apply;

• in specific sectors, classical elements of the career system are often applied in countries with position systems (for instance in the military, police or customs service); and

• conditions for top civil servants are increasingly changing (for instance, specific selection procedures).

Table 2 presents the key characteristics and distinguishing elements of both systems.
Table 2: Characteristic elements of the Career System and the Position Model

<table>
<thead>
<tr>
<th>Career System</th>
<th>Position Model</th>
</tr>
</thead>
<tbody>
<tr>
<td>Specific statutory educational requirements for the career</td>
<td>Specific knowledge for a specific post</td>
</tr>
<tr>
<td>Limited recognition of professional experience from the private sector</td>
<td>Recognition of professional experience in the private sector</td>
</tr>
<tr>
<td>Remuneration systems laid down by statute</td>
<td>No seniority principle for determining pay</td>
</tr>
<tr>
<td>Advancement on seniority principle</td>
<td>No formalised promotion system</td>
</tr>
<tr>
<td>Job for life</td>
<td>No job for life</td>
</tr>
<tr>
<td>Code of conduct for civil servants (including special disciplinary law)</td>
<td>Contractual relationships partly governed by private law</td>
</tr>
<tr>
<td>Work process based more on rules than targets</td>
<td>Recruitment to all positions is for a specific job</td>
</tr>
<tr>
<td>Emphasis on accuracy, fairness and rule of law</td>
<td>Ease of mobility</td>
</tr>
<tr>
<td>Subordination of performance principle</td>
<td>Performance management/target agreements</td>
</tr>
<tr>
<td>Special pension systems</td>
<td>No special pension system</td>
</tr>
</tbody>
</table>

Source: Bossaert and Demmke, 2003, 15-16.

As a result of administrative reforms over past decades, a shift in the employment status of civil servants away from the classical career system to a more position-based model can be observed (Ballart and Riba, 2007; Bossaert et al 2001; Bossaert and Demmke, 2003). Today, “there is no longer a national civil service model that could be described as a classical career model” (Bossaert and Demmke, 2003, 16).

In addition, there has been a significant trend away from the uniform management of human resources to a more individual management of personnel, which takes more into account individual performance, competencies, skills etc.

Another important trend is the decentralisation of HRM. Its proponents claim that it “increases the efficiency and effectiveness of HRM and public administration in general” (Demmke, Hammerschmid and Meyer, 2006, 33). It is thought to contribute to effectiveness through the increase in managerial discretion, enabling a manager “to recruit, evaluate, offer incentives, promote, suggest training needs and communicate directly” (ibid, 34). Centralised HRM is often considered to be “rigid, unresponsive, slow and ineffective” (ibid, 34) whereby the trade-off with highly decentralised systems may be a decline in professionalism and a fragmentation of policy from a strategic point of view. It also represents a challenge for coordination mechanisms since the effectiveness of a decentralised system depends on the existence of good coordination and monitoring systems (ibid, 34). Greater autonomy and decentralisation demand additional management training to provide the professional and leadership skills necessary for managing a decentralised system.

The decentralisation of HRM also reflects the trend towards flexible government, one of the six major trends of public administration identified by Adam Wolf (2000). Flexible government has a pragmatic rather than ideological perspective and seeks to reduce management rigidity by removing internal rules and regulations (red tape). This frees up the creativity of managers and enables responsible action. It also promotes greater flexibility in career paths and pay as well as a focus on ethics and values (Wolf, 2000).
A further important HR reform trend in most European countries is the setting-up of a senior civil service which is managed according to different rules from the rest of the staff, for instance, regarding recruitment rules, performance management, training and remuneration\textsuperscript{12}. The overall objective of this reform is to strengthen leadership, management, performance and the professionalism of the public sector also providing a “useful bridge between policy making and implementation” (World Bank, undated, 2). The senior civil service not only carries out policy implementation but provides important feedback and information to ministers regarding the viability of measures and thus enabling them to make policy choices (\textit{ibid}).

3.3 Public sector reform in the EU10

The need for public sector reform in the EU10 was accelerated by the EU accession process. The European Council in Copenhagen in 1993 specified three criteria that the Candidate Countries were required to fulfil prior to accession: the establishment of stable democratic institutions; the functioning of a market economy; and the capacity to fulfil the membership obligations (European Council, 1993). These formal accession conditions were incorporated into the EU Agenda 2000 and later into the \textit{acquis} and represented a powerful instrument that allowed the EU to exert pressure for public sector and governance reform on the Candidate Countries (European Commission, 1997; Grabbe, 2001). The 10 Candidate Countries (CC10) faced considerable challenges to reform and modernise their public administration systems, including the establishment of coordination mechanisms and effective decision-making structures and the introduction of key European principles of public administration. This was especially the case for the transition countries of Central and Eastern Europe (CC8) which were still coping with the Communist legacy and the difficult task of state-building and establishing a stable democratic political system.

This section looks at the need for public sector reform, the requirements of the \textit{acquis communautaire} and its influence on the reform process in the EU10, and the territorial reforms of the EU10. It closes with an overview of the challenges faced by the EU10 in their reform efforts.

3.3.1 The need for administrative reform

Compared to the EU15, the process of administrative reform in the EU10 (in particular in the EU8) was not only substantial but also carried out in a very short period of time. While all were under pressure to reform, the public sector reforms differed significantly among the CC10 countries both in terms of shape and in terms of success. There was not a continuous development path as in the EU15, and - according to Demmke \textit{et al} (2006) - no major and comprehensive initiatives on new public management have been undertaken in the CC10. Although they covered almost every aspect of the public administration, in particular in the EU8, the reform initiatives were rather sketchy and showed little pattern,

\footnote{12 Unpublished comments on Work Package 11 draft Preliminary Report by Danielle Bossaert, EIPA, May 2008.}
unlike the systematic introduction of NPM in the UK for example. With regard to good governance, only one initiative has so far been launched in Latvia where public administration reform policy documents are now based on principles of good governance. Austerity and saving programmes have been introduced in several countries (e.g. Cyprus and Poland) with the main emphasis on reducing public administration personnel costs.

Human resource management is the crucial factor in the civil service. In the CC8 countries, the reform process of the civil service was impeded by several structural features that were inherited from their shared communist legacy, e.g. a highly politicised public administration, corruption risk, lack of mobility, highly decentralised and fragmented responsibilities in personnel policy, poor image of the civil service and low salaries (Bossaert and Demmke, 2003, 3-6). In terms of the re-organisation of public sector employment, the accession states can be classified as follows (ibid, 18):

| HR System that tends towards the career model | Cyprus, Slovakia, Slovenia |
| Mixed system with elements of career and position model | Czech Republic, Hungary, Lithuania, Latvia, Malta, Poland |
| Position model | Estonia |

Discussing administrative law principles and civil service standards, the SIGMA paper (SIGMA, 1999, p 24-26) points out major characteristics of the previous Central and Eastern European administrative systems, which may still influence the administrative culture today.

- As there was no understanding of a common state administration profession, each job was regarded as a specialist job with limited career bridges to jobs in other institutions and without clear professional criteria. Mobility between institutions was not encouraged.

- In 1999, permanent management positions were still a prerogative of the political class in most of the CC8. “Non-politically selected managers were, and in many cases still are, competent specialists within their field of expertise, providing technical contributions but rarely ensuring management and coordination” (SIGMA, 1999, 24).

- Implementation law for administrative procedures and accountability and control mechanisms providing the legal values and principles which shape the attitude and behaviour of civil servants are crucial factors for the professionalisation of the public administration.

- Traditionally, these countries lacked coordination and common standards for personnel management in public administration, whereas modern administrations have to strengthen management functions.
With regard to quality management, Cyprus and Slovakia undertook to implement the Common Assessment Framework (CAF) model; Slovenia implemented the CAF, the International Standard Organisation (ISO) and the European Foundation for Quality Management Model (EFQM) in several governmental bodies; and Malta emphasised service delivery standards through an introduction of Quality Service Charters. Performance management initiatives have been launched in Cyprus, Estonia, Malta and Slovakia, employment alignment steps have been specified in Estonia, and customer orientation programmes in Cyprus. Poland, Slovenia and Slovakia have introduced open government initiatives. Special importance has been given to e-government programmes by several EU10 countries (Cyprus, Czech Republic, Malta, Slovenia and Slovakia). Finally, initiatives on ethics and codes of conduct have been introduced in Poland and Slovakia (Demmke et al 2006, 23-27).

However, a major problem in all these public sector reform efforts has been the relatively low level of public satisfaction with the transparency of government in the CC8. According to a report by the Social and Cultural Planning Office of the Netherlands (SAS 2004, 261), “this low level of confidence in public services appears to be linked to perceived corruption. In countries where there is believed to be a lot of corruption, citizens do not tend to have confidence in the administration. The poor scores [of perceived corruption] of most new Member States in eastern Europe are striking”. For the period 2003-06, Transparency International data showed continuous improvements (with the exception of 2004) for the Czech Republic, Estonia, Hungary, Latvia, Lithuania, Slovakia and Lithuania, whereas Poland showed a significant decline after accession in 2005 (www.transparency.org).

3.3.2 The acquis communautaire

For most of the CC10, the imperative to meet the institutional requirements of EU Cohesion policy during the accession negotiations brought about major reforms of their local and regional governance structures. For some, these institutional reforms went as far as regional decentralization and the establishment of elected regional governance structures that had not existed in the highly centralised states prior to accession.

The scope of the institutional reforms in these countries that resulted from the negotiations on regional policy came as a surprise to most policy analysts given the nature of the acquis under the chapter on ‘Regional Policy and Co-ordination of Structural Instruments’. For example, Hughes et al (2003, 30) note that “regional policy is a thin area of the acquis with sparse and ambiguous references”. Indeed, the chapter on Cohesion policy differed significantly from the rest of the acquis communautaire as it consisted mostly of framework and implementing regulations, which defined the rules for implementing the Structural Funds, and did not require transposition into national legislation. In other words, the framework and regulations under Chapter 21 lacked the formal conditionality that characterized most of the other chapters of the acquis. Consequently, the relative vagueness of the acquis on Cohesion policy combined with its brevity caused most Candidate Countries not to prioritize regional policy in their preparations for accession negotiations. Rather unexpectedly, regional policy soon emerged as one of the most
important and controversial issues in the accession negotiations and was one of the last chapters to be closed by the candidates (Hughes et al, 2003).

To comply with the acquis under Chapter 21, which has to do with issues related to the efficiency, accountability and transparency of public administration at national, regional and local levels, the candidate countries were to have in place:

- a territorial organization based on a provisional NUTS classification;
- a legislative framework allowing for the implementation of the specific provisions;
- an institutional framework and administrative capacity whereby clear tasks and responsibilities of all bodies and institutions involved are defined, and effective interministerial co-ordination is ensured;
- programming capacity whereby the country can design a development plan, has appropriate procedures for multi-annual programming of budgetary expenditure, and ensures the implementation of the partnership principle at the different stages of programming, financing, monitoring and evaluation; and
- financial and budgetary management to comply with the specific control provisions.

At first sight, these mostly technical regulations and guidelines were interpreted to provide significant flexibility in terms of the institutional framework and implementation systems to be adopted by the Candidate Countries. The same applies to the Structural Funds regulations which also leave considerable scope to the Member States in deciding how to implement the Funds. However, in the case of the CC10, this apparent flexibility was relativised by the Commission’s conceptual principles for Cohesion policy. In particular, the EU principles of partnership and subsidiarity reflected the policy preferences within the Commission, whereby an institutional model of democratic and strong regional governance was encouraged, at least at the beginning of the accession process (Hughes et al, 2004, 536). It has been suggested that the accession process is one of adaptation to rules initiated in other countries (SIEPS, 2005, 3) and that there was a lack of national influence on the pre-accession policies (ibid, 15). With regard to national control over Cohesion policy, the NMS would have liked to have had more control over the instruments in their countries. They also see the advantages of a national rather than a regional approach, i.e. fund the poorest countries rather than the poorest regions (ibid, 17).

13 Article 8 of Council Regulation (EC) No 1260/99 of 21 June 1999 laying down general provisions on the Structural Funds states “In application of the principle of subsidiarity, the implementation of assistance shall be the responsibility of the Member States, at the appropriate territorial level according to arrangements specific to each Member State, and without prejudice to the powers vested in the Commission, notably for implementing the general budget of the European Communities”.

European Policies Research Centre 32 University of Strathclyde
3.3.3 Territorial reforms in the EU8 Member States

As noted above, regional governance was encouraged by the European Commission at least at the beginning of the accession process (Hughes et al, 2004, 536). The basis for this was the conditionality which required the new Member States to establish an ‘appropriate’ form of territorial organization for Structural Funds implementation based on the NUTS classification. It appears, however, that in a policy volte-face, the Commission favoured a more centralised approach to the management of Cohesion policy as the deadline for enlargement drew closer in early 2001 due to concerns about the regional capacity to manage the funds (Hughes et al, 2004, 528). It should, however, be mentioned again that while “there is evidence to suggest that Commission officials [...] were motivated to use enlargement conditionality to pursue their particular agenda of regional policy in the candidate countries [...] the reality is that the acquis offered little by way of leverage to assert conditionality” (see Section 3.3.2).

From an academic perspective, whether regionalisation was the appropriate way forward for the CC8/EU8 has been the subject of a wide-ranging discussion in the literature, especially in terms of effective administration and accountable administrative procedures. While some authors saw a need to decentralise and regionalise institutions and policies in order to create effective and accountable public administration structures (Grzymala-Busse and Jones Luong, 2002), Bachtler and McMaster (2007) have pointed out the challenges and obstacles facing the EU8 with respect to decentralisation and regionalisation, in particular in terms of administrative capacity.

The CC8 countries were confronted with problems of reforming territorial structures already before accession. In the immediate transition period that followed the fall of the communist regimes in 1989, there was a tendency to abolish local and regional government institutions. This trend towards centralisation was due to the deeply rooted mistrust towards regional authorities which was seen as heavily influenced by the Communist Party. “By the mid-1990s, however, there was a growing perception that the elimination of regional institutions had been ill conceived and that some intermediate level of governance between the central and local levels was necessary” (O’Dwyer, 2006, 219). The re-establishment of regional government was increasingly regarded as essential for ensuring both the effective functioning of public administration as well as democratically accountable policymaking and decision-making. This was associated with a ‘wave of regionalisation’ in the late 1990s/early 2000s, although due to political, cultural, economic, geographical and structural differences, the nature and degree of reform varied significantly across the CC8 countries.

National attitudes towards European integration and Europeanization were also important factors. The dynamics of democratisation and regime transformation seemed to play a considerable role in the effectiveness of the reforms of regional governance and public administration. In some CC8 countries, such as Hungary and Slovakia, the (initial) reluctance fully to implement regional structures and to grant autonomous status to regional authorities could be attributed to the vested interest of the ruling political parties in maintaining their power base (Kostelecký, 2005). It was also due to worries about losing the recently gained sovereignty, national identity issues, and a resistance to a role for the
regions in the process of Europeanization (Sturm and Dieringer, 2005). Consequently, while regional institutions were established, these institutions remained rather formal administrative units which were not equipped with decision-making power. This was also due to the fact that the EU8 have long-standing traditions of centralised, sectoral policy making. “Many regions are facing multiple, long-term economic development and restructuring challenges, with limited institutional and economic resources. The new regionalist approach assumes a political commitment, capacity, and resources at regional level, which may not exist” (Bachtler and McMaster, 2007, 5).

Reviewing the experiences of the 2004-06 period, the main findings of Bachtler and McMaster (2007) can be summed up as follows. First, a diverse set of regional institutions and frameworks was involved in the implementation of EU Cohesion policy with great variation in its scope. Second, regions have specific roles in planning, programme management and implementation of EU Cohesion policy and project implementation. However, in the planning process, their influence was considered to be “in practice limited” and “at best mixed”. The same was true for the management role although sub-national levels were represented in Monitoring Committees. With regard to implementation, the EU8 differed in their choice of institutions designated to carry out the management and the implementation of programmes. The most extensive regional involvement was found in Poland; management in the Czech Republic and Hungary involved the regional offices of national ministries. In Slovakia, regional self-governments had some administrative responsibilities under the Basic Infrastructure OP. The strongest role of the regions was in project implementation.

Third, the EU8 were found to have a tendency towards a centralised approach which was reflected in the concerns about the adequacy of the institutional, administrative and financial absorption capacity. Inadequacies were found “in the creation of appropriate institutional frameworks, building administrative skills, establishing the requisite primary and secondary legislation and developing administrative tools and IT systems” (ibid, p.19). Lastly, the study pointed out the potential conflict between regionalisation and effective Structural Funds management for which a professional management might be more important than a directly regional government (ibid, p. 26).

3.3.4 The challenges

Drawing on the literature14, the challenges faced by the EU10 in the run-up to, and following, accession can be summarised as follows.

- Public administrative reform

In the CC8, public administrations had to be rebuilt from scratch in the sense that these states had to start with a redefinition of the role of public administrations in society. Compared to the EU15, they have had further to go in their reform path; some literature even suggests that they are not yet in a position to introduce advanced public management

14 And also unpublished comments by Danielle Bossaert, EIPA, May 2008.
systems. In other words, they should first strive to comply with European legal and administrative principles before focusing too strongly on advanced performance management tools.\footnote{Unpublished comments on Work Package 11 draft Preliminary Report by Danielle Bossaert, EIPA, May 2008.}

- The establishment of a professional civil service

The EU15 have recognised that management standards and the performance of public managers are essential for the success of both reform processes and for the general performance of the public administration (SIGMA, 1998, 24). In addition, when national policy-making becomes more complex and more integrated with (for example) European policy-making, there is an even greater need for top public managers with leadership qualities (ibid, 1998, 24). Western European countries have professionalised their civil service and developed a senior civil service with a strong emphasis on the professional development of managers and the improvement of coordination capacities (ibid, 1998, 24). In the previous Central and Eastern European administrative systems, there was no tradition of a professional civil service and this is one of the major challenges facing the EU8. The existence of a senior civil service, dedicated to reform principles and to modern tools of management, becomes a prerequisite for the continuity, stability and sustainability of MIS as well as for a successful adaptation to new challenges.

- Leadership

The issue of leadership is central in the EU10 public administrations since the setting-up of a stable civil service to a large extent depends on the extent to which these countries will be able to manage the transition from a politically determined public leadership to a “professional, impartial and efficient public administration abiding by the rule of law” (SIGMA, 1998, 22). This role, as the SIGMA study points out, is not only a regulatory one but a managerial one. “Professionalism cannot be dissociated from stability and long-term forecasting” (ibid, 22).

- Administrative law

The establishment of a professional public administration also requires the improvement of the administrative context within which officials work. Without it, officials might not be in a position to make the right decisions and communicate effectively with the public and other institutions. The administrative context is made up of several factors. Among the most important are:

- “the quality of substantive regulatory law: regulatory law provides the framework for decision-making within a given policy field (for instance, in urban planning or on environmental issues); in other words, it represents a tool for officials and a source of information and prediction for the public;
• the quality of procedural administrative law: procedural administrative law provides due procedures for administrative decision-making, for co-ordination and for balancing powers, for officials’ relations and communication with the public, and for enabling any interested party to be heard or to appeal; and

• the quality of financial and administrative accountability and control mechanisms: these work for transparency, provide checks for financial and administrative decision-making, and provide means for correction, prosecution and redress.” (SIGMA, 1998, 25)

The challenge for the EU8 was to set up these principles of “administration through law” in order to “provide the legal values and principles which contribute decisively to shaping the attitude and behaviour of public managers and the rest of the civil servants operating within that administrative context” (ibid, 25).

• Organisational culture

The sustainability of MIS depends on their embeddedness in a stable and reliable overall institutional and legal framework. In this context, the challenge for the EU10 is to manage to “root” the introduction of modern management principles and tools in the organizational culture, e.g. through the systemic development of human resources and dialogue with all the people in the organisation (Fatzer G, 2005), the stronger responsibilization of public managers, the delegation of tasks, a stronger focus on results, well-functioning accountability procedures, the implementation of quality management tools including the establishment of action and improvement plans, the effective implementation of programme evaluation methods, or, in the field of strategic management, the link between government strategic planning, ministry planning and budget allocation.

A further important factor is that these instruments do not only exist on paper but that adequate structures exist to support the implementation of these instruments, e.g. the creation of internal control structures in the field of anti-corruption or of competent and professional HRM units in the field of HRM.

• Dynamic and strategic HRM

Traditionally, personnel policy in the EU10 was characterized by its purely administrative function. Its main role was to administer salaries, pensions and personnel records. Such an approach is of course insufficient to put in place effective systems which are able to produce results and successfully adapt to new challenges. Thus, one key issue on the agenda of public sector reform in these countries is the setting-up and implementation of a dynamic and strategic HRM policy which effectively links performance assessment, career advancement, staff development and sometimes also salary levels and which is characterized by an attractive and motivating performance incentive system.

17 Ibid.
In addition, the image of the public sector as an employer in the EU10 was traditionally low compared to the private sector. This was to a large extent due to employment conditions, which were characterized by low salaries, a low level of job security and often unattractive career paths. In this context, the ability of these systems to recruit qualified HR will depend to a large extent on their ability to introduce more attractive employment and working conditions\textsuperscript{18}.

- A homogenous civil service model

The past administrative structures in the EU8 tended to lack coordination and common standards for personnel management across public administrations. The challenge for the EU8 was to harmonise personnel management within the public administration and to ensure that a common administrative law and civil service standards were established and maintained (SIGMA, 1998, 25).

- Establishing the separation between the political and administrative levels

A characteristic of the EU10 was the high level of politicization of the public administration which, in the field of recruitment and management, involves the risk that politically appointed civil servants lack the competencies to do their work. In this sense, the capacity for qualitative HR in the public administration also depends on the ability of these states to limit the extent of politicization and to encourage a separation between the political and the administrative level (SIGMA, 1998, 25).

- Building trust and a positive public image

The literature often mentions the lack of consultation or of involvement of wider groups of stakeholders in the EU10 which illustrates a lack of ‘open and inclusive policy-making’. However, such an engagement of a wider range of well-selected stakeholders in policy making could help to reach better policy outcomes, to strengthen legitimacy, and to increase citizens’ trust in government and in public administration.

When looking at the specific structures and history of the EU10, it seems evident that it would be disastrous if they would simply copy (for instance) the Anglo-Saxon administrative system or a continental system without taking their own culture and tradition into account. One of the key challenges of these systems consists in finding the right balance between the respect of due procedure and managerial freedom or, in other words, between the correct following of procedure and a greater achievement of results as well as an equilibrium of ‘ex ante’ and ‘ex post’ controls\textsuperscript{19}.

\textsuperscript{18} Ibid.
\textsuperscript{19} Ibid.
3.4 Implementation experience in the EU10 in the 2004-06 period

The CC10 acceded to the EU in 2004, in the middle of the Cohesion policy programming period 2000-2006. The complexity of the Structural Funds and Cohesion Fund regulations substantially surpassed the domestic policy systems of the EU10 national public administrations. Therefore, the adoption of the Cohesion policy framework imposed several institutional and structural challenges and the need for quite fundamental systemic adaptations, especially in the Central and Eastern European countries which had come from a completely different institutional and administrative tradition and had already undergone substantial changes to their system in the aftermath of communism. The brevity of the Structural Funds programming period (2004-2006) also meant that the EU10 had to undergo a very steep learning curve compared to the EU15 and adapt their policies and administrative procedures in an extremely short space of time. In this chapter, we look at the administrative capacity and absorption capacity of the EU10 as important factors contributing to effectiveness. We then go on to look at the experiences of the EU10 in managing and implementing the seven processes.

3.4.1 Administrative capacity

“Administrative capacity can be defined as the ability and skill of central, regional and local authorities to prepare suitable plans, programmes and projects in due time, to decide on programmes and projects, to arrange the co-ordination among principal partners, to cope with the administrative and reporting requirements, and to finance and supervise implementation properly, avoiding irregularities as far as possible” (Šumpíková et al, 2003, 2).

The management and implementation of Cohesion policy requires a well-functioning and stable public administration built on an efficient and impartial civil service, a shift in the modes of public sector governance away from traditional centralised and hierarchical to more decentralised and open modes based on partnership and cooperation, and an independent and efficient judicial system. In concrete terms, this implies the availability of a sufficiently qualified staff who are able to deliver the sound and efficient management of the Structural Funds in central and regional administrations, and who are responsible for the implementation of programmes or measures. This implies the existence of procedures, mechanisms and rules as well as staff being trained to apply these rules for: setting up programmes in partnership with line ministries and regional bodies, as well as other partners; stimulating project development; financial management of funds including verification of expenditures, monitoring and control, auditing; public procurement; fight against fraud and corruption (DG REGIO, 2005); and responsiveness of the administrative culture.

Whereas most of the criteria are self-explanatory, the last might require explanation: the Structural Funds require rapid and flexible responses to needs (e.g. in the course of calls for projects, project selection, finance, monitoring etc). EU8 administrations had an underdeveloped culture of accountability, risk-averse attitudes and the lack of a “customer oriented delivery network” (Kondor, 2004, cited in Bachtler and McMaster, 2007).
EU10 countries did not start from scratch. In order to help Candidate Countries to comply with the *acquis*, the EU financed pre-accession programmes which provided - in addition to sectoral support - horizontal support to the Candidate Countries to improve their administrative capacity. However, the experience of the EU10 with the pre-accession instruments was rather mixed. On the one hand, some projects carried out in the framework of the pre-accession programmes proved to have long lasting benefits, e.g. the absorption capacity project ABCAP in the Czech Republic and the Information Centre and Training Centre in Hungary set up to assist project applicants. On the other hand, the assistance to the CC10 through the pre-accession instruments was often delivered through outsourcing and consultancy support which did not necessarily build the administrative capacity of the CC10 in a sustainable way. It was found that the administrations could not always ‘internalise’ the benefits of the assistance (DG REGIO, 2005, 9).

The ex-post evaluation of PHARE support allocated between 1999 and 2001 (European Commission, 2003) also concluded that there was “mixed overall performance” of the pre-accession instrument and that weaknesses in administrative capacity threatened to undermine the sustainability of institutional reforms. However, it also recognised that given the scale and objectives of the pre-accession objectives and the severe time and resource pressure, what has been achieved under PHARE is, in fact, “remarkable”. A further finding was that “PHARE support strongly motivated reforms related to the *acquis* and economic criteria” and that significant improvements were made in sectors that were heavily acquis-driven and clear political priorities - partly at the cost of other important aspects of public sector and national reforms. Some of these reforms were also too hastily introduced to achieve effective outcomes.

A third key finding was the “weak support to the political criteria”. The support to the political criteria was ineffective because it was too narrow and did not sufficiently address the interfaces between public administration reform, development of civil society and the fight against corruption, or their relationship with governance. Support to public administration reform also largely failed in the context of PHARE because it was supply-driven and did not sufficiently take into account the demand side issues of political commitment, change management and absorption capacity. The fourth key finding was that “support to future enlargement faces both deeper and broader challenges” in as much as the challenges in meeting the political criteria effectively will become even greater in future enlargements (European Commission, 2003, I-II).

While the EU10 ostensibly managed to bring their systems up to the standards required by the EU upon accession, resources were still needed for administrative and legislative reform coupled with training and education at several levels. The institutional, managerial and administrative shortcomings which became apparent during accession continued to be prevalent and represent(ed) long-term challenges for the EU8 in particular (SIEPS, 2005, p 16).

This was also the view of the World Bank which was critical of the quality of the public management systems in the EU8 countries (World Bank, 2006). It regarded the claimed positive achievements in the 2004-06 period as ‘one-off’ rather than general and did not see the day-to-day management in the public sector meeting the challenges of
implementing the EU Structural Funds. This also had wider implications: if the management systems were inadequate, the EU8 would not only fail to reap the benefits of the Structural Funds but would also risk neglecting other policy agendas due to the diversionary effects of the administrative task of managing the Structural Funds.

### 3.4.2 Absorption capacity

In the context of Cohesion policy, the term absorption capacity stands for the degree to which a Member State is able to effectively and efficiently spend the financial resources received in the framework of the Structural Funds. It requires effective management of the funds at institutional level (supply side)\(^20\) on the one hand and the ability of beneficiaries to carry out good projects on the other (demand side).

**Table 3: ERDF payment rates for the EU10 for the 2004-06 period**

<table>
<thead>
<tr>
<th>New Member State</th>
<th>ERDF contribution (€ mill)</th>
<th>Percentage of payments against decisions</th>
</tr>
</thead>
<tbody>
<tr>
<td>Slovenia</td>
<td>136.5</td>
<td>91%</td>
</tr>
<tr>
<td>Hungary</td>
<td>1,062.0</td>
<td>87%</td>
</tr>
<tr>
<td>Malta</td>
<td>46.7</td>
<td>82%</td>
</tr>
<tr>
<td>Estonia</td>
<td>226.0</td>
<td>81%</td>
</tr>
<tr>
<td>Czech Republic</td>
<td>985.6</td>
<td>77%</td>
</tr>
<tr>
<td>Poland</td>
<td>4,945.8</td>
<td>74%</td>
</tr>
<tr>
<td>Slovakia</td>
<td>610.7</td>
<td>73%</td>
</tr>
<tr>
<td>Lithuania</td>
<td>583.9</td>
<td>72%</td>
</tr>
<tr>
<td>Latvia</td>
<td>369.2</td>
<td>67%</td>
</tr>
<tr>
<td>Cyprus</td>
<td>28.0</td>
<td>56%</td>
</tr>
</tbody>
</table>

Source: ERDF contribution calculated on basis of DG REGIO data, percentage of payments against decision (5 February 2008).

Absorption capacity is often used as an indicator of administrative capacity - which in turn can be considered a central requirement for effectiveness - and is therefore highly relevant to the study. Table 3 provides an overview of the absorption of ERDF in the framework of the Operational Programmes in the programming period 2004-2006. The variation between individual countries is quite wide, with Slovenia and Hungary being well above the EU 25 average of 83 percent, Malta and Estonia close to the EU average, and Poland, Slovakia, Lithuania, Latvia, Cyprus lagging behind. The national case studies will investigate why the absorption of funds has varied. Factors to be considered range from problems finding match funding, due to efforts to reduce public spending deficits, to problems generating good projects at regional level.

\(^20\) Supply side absorption capacity comprises three main factors: (a) macroeconomic capacity, i.e. the rate of EU funding in terms of GDP and the ability to absorb the effects generated by the inflow of the additional funds; (b) financial capacity, i.e. the ability to generate and guarantee match-funding to co-finance the EU funds in multi-annual budgets; and (c) administrative capacity, i.e. the ability of central, regional and local authorities to design good programmes and stimulate project development, to select good projects, to co-ordinate between stakeholders and partners at national, regional and local level, to deal with the administrative and reporting work, and to finance and supervise implementation.
3.4.3 Experiences of the EU10 in management and implementation processes

(i) Programme design and implementation

A fundamental part of Structural Fund implementation is the multi-annual programming process at Member State level. Programmes had to be drawn up for only three years in the case of the EU10. Most of the new Member States implemented the Structural Funds through sectoral programmes and central government institutions, the latter acting as the leading programme designer. The countries were required to submit to the European Commission their National Development Plans setting out how they proposed to allocate the funds. These plans were approved as Community Support Frameworks (for the Czech Republic, Hungary, Poland, Slovakia) or as Single Programming Documents in the other EU10. Three of the CSF countries (Czech Republic, Hungary and Poland) had Integrated Regional Operational Programmes, while Slovakia had an Operational Programme (OP) for Basic Infrastructures which contained some regional elements.

The funds were mainly implemented through centralised systems, not least due to the weaknesses of the regional administrations, and also the desire of the European Commission to ensure sound and efficient management. In the smaller countries, most or all of the Managing Authority functions were handled in one institution. In larger countries, with more EU funding, Managing Authority responsibilities were spread among different government departments. Government ministries and agencies bodies were generally used as Implementing Bodies (e.g. CzechInvest, National Employment Office in Hungary, Slovak Energy Agency). In a few cases, these functions were undertaken by regional offices of the State. Very little funding was managed at regional level. Even programmes specifically targeted at regional development had central Managing Authorities, which was mainly due to the Commission questioning the regional capacities.

Research at the outset of the programming period, undertaken for the EPRC ‘Development Potentials and Needs’ country reports, showed three important factors impeding the efficiency and effectiveness of programmes (EPRC, 2005). First, within central administrations, the responsibility for programme implementation was divided between various ministries in a rather complicated way (e.g. Estonia, Latvia, Hungary). Insufficient attention was given to operational coordination procedures.

Second, programme preparation and implementation was hampered by frequent institutional changes\(^{21}\). In Hungary, for example, responsibility for the coordination of the different plans changed from the Ministry of Finance to the Ministry of Economy to the National Development Office, and there was considerable competition between the various

\(^{21}\) The responsibility for Managing and Paying Authorities as determined by the EU10 were allocated to the ministries of finance (Estonia, Latvia, Lithuania), ministries for regional development (Czech Republic, Poland, Slovakia) or government offices responsible for regional or territorial development (Cyprus Hungary, Malta, Slovenia).
ministries. The same was true of Slovakia where a number of institutions dealing with EU funds were set up and the subsequently dissolved, e.g. the Ministry for Economic Strategy and the Research Institute for Regional Development. There was also a high turnover of staff in the field of Cohesion policy leading to a lack of sustained capacity building of the departments/organisations people involved in programme management and implementation.

Third, the rules underlying the Structural Funds and their formal requirements were much more complicated than national legislation in many countries. Where the Structural Funds ran in parallel to national programmes (Czech Republic, Latvia), problems arose with the coherence of strategies and co-financing. This lack of alignment was also observed for the regional programmes that were not related to existing financial sources. Public authorities were only used to administering ‘spending programmes’ rather than managing strategic programmes. Thus, the resulting programmes lacked focus and covered too wide a spectrum of issues and interests, (e.g. Czech Republic). The same was true in Lithuania, where strategies were not put in place partly due to the management capacity of the public sector.

Set against these problems, there is also evidence that the involvement of a wider group of stakeholders may have had positive effects on the sustainability of the programmes and the potential to create spillover effects - although possibly involving some trade-offs with effectiveness. This can be seen in the cases of the regional (elements of) programmes.

All the EU8 Member States made at least some attempts to involve sub-national organisations in the planning process. However, the degree to which the regional-level bodies were ‘rooted’ in the region is questionable. The actual extent of regional influence on centralized and sectorally oriented policymaking appears to have been weak, as regional administrations or institutions were often newly established, and had very limited capacities to engage in programming and implementation arrangements (Bailey and De Propris, 2002; Kalman, 2002, cited in Bachtler and McMaster, 2007). In Latvia and Slovenia, the lack of any regional level self-government meant that sub-national input was uncoordinated, fragmented and localised. In Slovakia and in the Czech Republic, newly formed regional administrations lacked technical capacities, human resources and experience in strategic development (Bachtler and McMaster, 2007).

Furthermore the inclination of the central administration to encourage and assimilate input from regional bodies was rather limited. Consultations were often seen as obstacles to developing coherent strategies and adding to already very complicated procedures. In Poland, the main problem with the Integrated Regional Operational Programme 2004-2006 was that it covered 16 very different regions, and the division of responsibilities between the elected government (Marszalek) and representative of the government at regional level (Voivode) did not work smoothly (EPRC, 2005, Poland Report, 38). In Hungary the programming process was top-down in that there were no regional plans until the Parliament approved the broad development policy concept (EPRC, 2005, Hungary Report, 25).
(ii) Partnership

Partnership has been considered one of the main areas of added value associated with the Structural Funds (Bachtler and Taylor, 2003, iv). It is also considered crucial to the success of programmes (Šumpiková et al, 2003, 6). The EU partnership approach in Cohesion policy includes the regional and local authorities, the economic and social partners and other competent bodies and involves the partners at all stages, starting with approval of the development plan. The partnership process is another example for the case made above - a trade-off between effectiveness and sustainability and potential spillover effects.

A number of countries organised extensive consultations with partners in the run-up to accession and the preparation of the 2004-2006 Operational Programmes. This was usually organised in three stages: (1) inter-ministerial coordination; (2) the involvement of relevant social and economic and regional partners; and (3) public consultation (McMaster and Bachtler, 2005, 8). In this regard, the lack of experience in organising coordination policies between different partners has been found cumbersome. In some countries, there was a lack of a national economic development strategy and limited involvement of other actors including politicians and academics in the programming process to ensure the real long-term needs of the economy were taken into account. This was the case in Estonia, Slovakia and Hungary where the regional bodies and other actors (business, NGOs etc) were not involved in the programming process, and the strategy therefore lacked in-depth needs analysis and consensus on the aims (EPRC, 2005, Estonia, Hungary and Slovakia Reports). In the Czech Republic, the regional bodies and stakeholders were initially involved in drawing up the first regional plans, but lost interest in the process after “many meetings and discussions, and some years spent in official approval procedures” (Kostelecký, 2005, 27). In addition, some of the important actors (e.g. businessmen) found other channels to exert their influence, e.g. by contacting politicians or officials directly (ibid, 28).

A structure for the formalisation of partnership during programme implementation is the Monitoring Committee. The Monitoring Committee is the highest decision-making body for the OPs, SPDs or CSFs and while it contains all the relevant bodies (ministries, social and regional partners and NGOs), it can tend to be rather formal, political and time-consuming. This was the case in the Czech Republic (Šumpiková et al, 2003, 7).

In the implementation of the programmes the partnership principle was applied for example in Hungary where the regional development agencies played a significant role in the generation of projects and in assessing project proposals. However, they had a weak influence on programme management due to a lack of well-organised communication processes and the widespread involvement of partners with no experience of Cohesion policy (EPRC, 2005, Hungary Report, 25).

(iii) Project generation and selection

Project generation and selection is an essential part of ensuring the absorption of EU funds and therefore of their effective use. Among the EU18, Structural Funds project generation in 2004-06 was often prepared by pre-accession funds, for example by creating ‘project generation facilities’ and ‘pipelines’. However, the outcome was largely determined by the policies of the designated Managing Authorities. Due to fears of not having the
administrative capacity to manage large numbers of projects and of not receiving enough project applications, the bulk of the funding in the 2004-2006 period in several EU10 Member States was directed towards large infrastructure projects. This was true, for example, of Estonia and Slovenia, where concerns about absorption capacity led to the early funding of large projects (EPRC 2005, Slovenia Report, 40). A different rationale applied in Hungary and Latvia, where there was a tendency to spread funding across a large number of smaller local projects rather than funding major projects or coordinating the smaller ones into larger initiatives (EPRC, 2005, Hungary Report, 26; Latvia Report, 30).

A lack of ‘courage’ or authorisation led to a lack of innovative projects being chosen at regional level in Hungary. The central Managing Authority tended to prioritise ‘safe’ projects which could be easily implemented thus guaranteeing the absorption of the Structural Funds. There were few really innovative or large-scale projects (EPRC, 2005, Hungary Report, 24-25), although this inherent contradiction between the pressure to absorb the funds and to promote innovation could be found across the EU and was not necessarily specific to the EU10.

The complexity of procedures for project generation often led to bottlenecks in implementation. In Hungary, weaknesses in the preparation phase of programmes led to difficulties further down the line. The calls for tender were sometimes overly complex and different ministries had different systems of project selection. This led to a rather high number of project proposals which failed to comply with the administrative requirements thus wasting crucial resources in the preparation of projects. The same was true of Lithuania (EPRC, 2005, Lithuania Report, 33). Nevertheless, there were a large number of project applications in both countries - which initially represented a serious challenge to the Intermediate Bodies responsible for selection (EPRC, 2005, Hungary Report, 24). The guidance provided for final beneficiaries in the Czech Republic was found to be wanting for a number of reasons, including the weak programming framework, the over-complicated implementation structures and a lack of information. There were also not enough strong organisations at regional level which were capable of applying for and implementing large, integrated projects (EPRC, 2005, Czech Republic Report, 38).

Similar problems were experienced in Latvia where the application process was protracted and bureaucratic. Project promoters sometimes felt discouraged from applying due to the complexity of the process and their fears of not having the capacity to manage the projects according to the requirements. This resulted in funds going to those projects which could afford consultants to deal with the formal procedures for them (EPRC, 2005, Latvia Report, 30). The same was true of Lithuania where the prospects of good absorption were due to the strong participation of the private sector (EPRC, 2005, Lithuania Report, 30).

(iv) Financial management

Financial management of the Structural Funds set new challenges for the EU10. A potential conflict was observed between the decentralisation goals of Cohesion policy and the administrative tasks associated with financial management. One major problem concerned the need to co-finance the programmes and to plan and guarantee the national
contributions in multi-annual budgets (Horvath and Maier, 2004), a problem that was aggravated at the level of regional self-governing institutions.

The extra workload was considerable, and the EU disbursement and reimbursement procedures could lead to a lack of liquidity for small enterprises and municipalities (SIEPS, 2005, 16). This was the case for example in the Czech Republic where the municipal public finance system hampered the ability of the municipal authorities to participate in Structural Fund projects, thus threatening absorption rates. The frequent and far-reaching reforms of the system of local government financing, including different rates of redistribution among municipalities and regions, hindered the investment capacity of municipalities. The unpredictability of future revenues made participation in programmes which require co-financing from the municipalities risky (EPRC, 2005, Czech Republic Report, 34). In Poland, it was the regions which were under-resourced compared to the municipalities. This led to a situation in which the regions depended on the municipalities for the absorption of the Structural Funds, and it led to small local projects being developed rather than projects of regional significance (EPRC, 2005, Poland, 38).

Malta and Cyprus presented a somewhat different picture to the EU8. The technical problems with regard to the absorption of the Structural Funds were related to small country size and limited resources, both financial and specialised human resources. As in the EU8, there was a lack of staff with relevant experience in the implementation of the Structural Funds. This led, in part, to delays in project selection and approval processes in Malta. A further reason was the lack of experience of project promoters (EPRC, 2005, Malta Report, 37). Malta also had a problem with co-financing projects since it had a budget deficit which limited its spending capacity (ibid, 37).

(v) Monitoring, evaluation and reporting

Monitoring was a completely new exercise for the EU10 Member States. The key issue in this field was the development of human resources and the setting-up of electronic monitoring systems to make data available for financial management and reporting. The models varied across the CCs but all had some type of centralised monitoring system on accession (Šumpíková et al, 2003, 7). Most countries lacked experience in monitoring and evaluation procedures, requiring extensive training for staff in this area. As in the EU15, monitoring systems were often plagued by IT difficulties and problems with the consistent interpretation of indicators.

Evaluation is a core element of Structural Fund programming. The development of evaluation capacity is a multi-dimensional process that needs time to become systematic (EStep, 2007, 92). There was no tradition of evaluation in the CC10, and the evaluation capacity therefore had to be built up in the run up to accession and in the first period of Structural Funds implementation (2004-2006). In discussions with the EU10 on their programming documents, the Commission recommended that they should use the opportunity of the short programming period (2004-2006) to develop the internal evaluation capacity within the Managing Authorities. In Hungary, the 2004-2006 programming period served as an important learning experience. While only an ex-ante evaluation was required of the New Member States by the Commission, Hungary undertook a mid-term and thematic
evaluation (EStep, 2007, 137). In the period 2004-2006, a total of eight evaluations of the Structural Funds in the 2004-2006 period were carried out. Ad hoc steering committees were set up to oversee the individual evaluations and the MAs also set up evaluation steering groups which consisted of the MAs, the intermediate bodies and relevant ministries and which met to discuss the evaluations. Concerning the quality of the monitoring systems, both administrations and external evaluators acknowledge that there is still room for improvement as regards precision, quality and timeliness of monitoring data, especially physical data (EStep, 2007, 140).

Considerable attention was given to Structural Funds evaluation in Hungary in the 2004-2006 programming period and the pro-active stance of the evaluation unit at national level served as an important driver for demand and the development of evaluation capacity in the Structural Fund administration in Hungary. The short 2004-2006 programming period was used to gain evaluation experience with institutions commissioning not only compulsory, but also non-mandatory Structural Fund evaluations (EStep, 2007, 143).

In Lithuania, demand for Structural Fund evaluation was mainly driven by external (EU) requirements which in the 2004-2006 programming period meant only the ex ante evaluation of the SPD. However, like in Hungary, the national authorities decided to carry out a number of ad hoc evaluations. They made efforts to develop the evaluation capacity both within the administration and externally on the evaluation market. In the 2004-2006 programming period, Lithuania managed Structural Funds evaluation centrally. In 2006 a separate Evaluation Unit was established to coordinate evaluation activity at national and OP level. The unit has built up considerable evaluation management experience although there are still several obstacles to the development of evaluation capacity in Lithuania. There appears to be a lack of full-time evaluation staff in Intermediate Bodies and shortcomings in the delegation of responsibility and the ownership of evaluation (EStep, 2007, 157).

The above cited EStep study on the “framework to analyse the development of evaluation capacity in the EU member states” (EStep, 2007) concluded that there remained both demand and supply side shortcomings in the EU12 (the study includes Romania and Bulgaria), in particular concerning human resources development for evaluation, awareness at institutional level and monitoring systems on the supply side (ibid, 93) and a lack of internal evaluations, differences in the development of the evaluation market and in the quality of the evaluation services on the demand side (ibid, 94-95). The dissemination of evaluation results is satisfactory in the EU12 although the utilisation of the results could be improved (ibid, 95-96). The EStep study also has some interesting findings concerning spillovers of evaluation practice. They note that while the administrators and evaluation market participants generally regard the influence of the EU Structural and Cohesion Fund requirements on national evaluation practice and capacity as “moderate” to “strong”, the administrators from the EU12 consider the administrative and political culture as neutral or somewhat unfavourable to evaluation in public policy making (ibid, 96). This suggests that while the influence of the regulatory requirements is significant, there is also resistance to evaluation.
3.5 Summary

The evidence from the literature and previous policy research indicates that the implementation of Cohesion policy during the 2004-06 constituted a profound challenge for EU 10. First, the transition countries of Central and Eastern Europe (CC8) were still coping with the Communist legacy and the difficult task of state-building and establishing a stable democratic political system. Second, the adoption of the *acquis* required wide-ranging reforms of economic, political and social structures and especially of the public sector. This process was set up with a completely different time frame from that in EU15.

In the EU15, the introduction of principles of ‘New Public Management’ and governance was an evolutionary development that stretched over a 15-20 year period. The SEM 2000 and MAP 2000 initiatives were prepared over several years before implemented in Cohesion policies. By contrast, public administrations in the CC10 were compelled to initiate reforms under much more time pressure. The principles for reform were the same as in the old Member States - reliability and predictability, openness and transparency, accountability and efficiency and effectiveness - but CC10 had much further to travel. Crucial to reform has been the state of the civil service in each country, where the reform process was generally impeded by structural features inherited from the past (e.g. highly politicised public administration, inclination to corruption, low salaries, lack of common standards, low public satisfaction with services).

For Cohesion policy, the new Member States had to comply with Chapter 21 on ‘Regional Policy and Co-ordination of Structural Instruments’. This consisted mostly of framework and implementing regulations, which defined the rules for implementing the Structural Funds, and did not require transposition into national legislation. Thus, rather unexpectedly, regional policy soon emerged as one of the most important and controversial issues in the accession negotiations and was one of the last chapters to be closed by the Candidate Countries. The requirements related to a provisional NUTS classification, an institutional framework, and administrative capacity for programming, implementation and financial and budgetary management. The European Commission encouraged the new Member States to focus on the creation of central administrative capacity for managing and implementing Cohesion policy due to concern about adequate capacities at a regional level.

The CC10 evidently managed to bring their systems up to the standards required to accede to the EU. However, resources have still been needed for administrative and legislative reform, coupled with training and education within the public sector. Some research concludes that the quality of the public management systems remains insufficient among the EU8 and that only a few countries - such as the Baltic countries - have made significant progress, whereas in the Czech Republic, Hungary and Poland the civil service remains far from professional and has even deteriorated since accession.

Experiences with Structural Funds implementation hitherto are based on a very short period, and the limited research conducted to date allows only preliminary observations to be made at this stage. From the evidence available, programme design and implementation in 2004-06 was dominated by a central level, which lacked stability, coordination between line ministries and a coherent set of legislation adapted to Structural Funds. All EU10
countries made some attempt to involve sub-national levels, but the actual influence on centralized and sectorally oriented policymaking appears to have been limited. The same holds true for the implementation of the partnership principle. The lack of communication structures and channels, and limited experience of cooperation through networks and partnership structures hampered the inclusion of horizontal and vertical partners. Project generation was usually prepared by pre-accession projects. Bottlenecks occurred due to the complexity of the calls for tenders launched to generate new projects and/or the selection procedures. Financial management was one of the hugest challenges to the EU10 administrations, due to the need for co-financing and for pre-financing, and the administrative requirements for disbursement and reimbursement.

In preparing an analytical framework for further research in this area, the literature review indicates the importance of taking into account several key factors, when analysing the different experiences with implementation:

- **country size** - with important differences between small (Cyprus, Estonia, Latvia, Lithuania, Malta, Slovenia), medium (Czech Republic, Hungary, Slovakia) and large (Poland) Member States, which have a bearing on the complexity of institutional arrangements and administrative resources;

- **different traditions in public administration** (Demmke C et al, 2006) between those Member States with a legacy of communist government (and different histories of statehood) and the island states of Malta (Anglo-Saxon tradition) and Cyprus (Mediterranean tradition); and

- **different human resources system** (Bossaert and Demmke, 2003), where it is possible to distinguish between career-based systems (Cyprus, Slovakia, Slovenia), position-based systems (Estonia), and mixed systems (Czech Republic, Hungary, Lithuania, Latvia, Malta, Poland)

### 3.6 The conceptual challenge in assessing effectiveness, sustainability and spillover effects

To quote Lee and Whitford, “While the concept of organizational effectiveness is central to the literature on organizations and management because of its importance to the investigation of organizational structures, processes, and outputs (Cameron and Whetten 1981), we have long struggled with understanding what constitutes the concept (Steers 1975)” (2008, 8). In the following paragraphs, we join this ‘struggle’ to refine our definition, on the basis of the literature and the concepts, not only of effectiveness, but also of sustainability and spillover effects in the context of MIS of Cohesion policy as a basis for the development of hypotheses and research questions in the analytical framework.

#### 3.6.1 The concept of effectiveness

As a starting point, effectiveness was defined as being “fit for purpose” to fulfil the regulatory, strategic and financial requirements of programme management and
implementation, both overall and with specific reference to the MIS processes of programme design, project selection, financial management, monitoring, evaluation, reporting and partnership. A more pragmatic definition might be “that effectiveness refers to whether the agency does well what it is supposed to do, whether people in the agency work hard and well, whether the actions and procedures of the agency and its members help achieve its mission, and in the end, whether it actually achieves its mission” (Rainey and Steinbauer, 1999). Transposed onto MIS of Cohesion policy in the EU10, this could mean whether the MIS do well what they are supposed to do, i.e. manage and implement Cohesion policy; whether the staff of the MIS work well; whether the tools and procedures of the MIS produce results; and whether, at the end of the day, MIS contribute to the effectiveness of the programmes. Given that the MIS do not exist in a vacuum but in an overall administrative and institutional framework, we assume that the stability and effectiveness of the overall constitutional and institutional framework and the embeddedness of the MIS in this system are also relevant to the effectiveness (and sustainability) of MIS, in particular with regard to the administrative laws and principles and civil service standards. The evaluation of effectiveness “mainly calls for analysing and evaluating the public policies in place, and for assessing how well they are being implemented by public administration civil servants” (SIGMA, 1999, 13). Furthermore, we have identified three key factors in the literature which serve as dimensions to analyse effectiveness both at the overall administrative level and within the MIS: structures; human resources; tools and procedures. In this respect, the issue of coordination has also emerged as an essential factor contributing to effectiveness.

3.6.2 The concept of sustainability

Our initial definition of sustainability was the extent to which the systems are stable, reliable and durable as well as capable of adapting to new challenges. We assumed that the crucial factors for the sustainability of MIS are their embeddedness in a stable and reliable overall legal framework, their effective implementation, the traditional management culture and an adequate level of competences in public and strategic management. We also assumed that common values and an espoused ethical framework are essential for the stability of civil service systems. This definition has proved useful, and the scant literature available on the sustainability of Cohesion policy implementation mechanisms suggests that the sustainability of MIS does effectively depend on the ability to ‘root’ the managerial and legal tools and instruments in the organizational culture, e.g. through organizational learning and improvement, and to the ability to adapt to change and new challenges.

The literature review further confirmed the importance of effective overall human resources management and development, in particular of a senior civil service, for the sustainability of systems, partly due to the fact that good HRM strengthens the image and the attractiveness of the public sector as employer and, as a consequence, makes it easier

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22 One specific study is the PHARE ex post evaluation which defines the sustainability of structures as the likelihood of their survival after a funding period (European Commission, 2003). This suggests that the definition used in the study - based on the literature from organisational development - is sufficiently elaborated.
to recruit and to retain the most competent and talented people (Bossaert and Demmke, 2003, 41-68).

In the same vein, the implementation of quality management and thorough evaluation processes have also emerged as factors which contribute to the sustainability of systems - on condition that the organisation is able to learn from the results (Fatzer G, 2005, 17-28).

3.6.3 The concept of spillovers

Our initial definition of spillover effects was the tangible effects of managing and implementing Cohesion policy on the wider institutional and administrative culture. We assume that these effects will take time to develop as they involve the integration of new techniques and policy approaches into institutions and administrative practices with specific legal and traditional backgrounds. We also assume that practices developed in management and implementation systems of Structural Funds may influence institutional and administrative culture in units not directly involved in Structural Funds implementation and in general influence public reform initiatives. The analysis of spillover effects involves the following dimensions: type - the nature of the spillover effects (practices, tools, etc.); timing - when the instruments were introduced; scale and impact - the extent to which the instruments are transferred to other departments and institutions; and learning - whether the overall public administration has learned from the experience of the MIS.

As becomes apparent in the above definitions of the concepts of effectiveness, sustainability and spillover effects, the evaluation cannot only focus on the MIS of Cohesion policy but should also investigate the existence of a reliable and stable overall institutional and legal framework and analyze to what extent this framework has been successfully implemented and enforced before looking in greater detail at the causal factors and mechanisms and conditions contributing to the effectiveness, sustainability and spillover effects of MIS. For this reason, the subsequent research by the national experts will look at both the overall context of the public administration in the EU10 and at the seven processes identified as central to the MIS of Cohesion policy.
3.7 Bibliography


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4. TASK 2 - ANALYTICAL FRAMEWORK AND METHODOLOGY

4.1 Introduction

The literature review has been the main basis for the methodological development of the analytical approach, the development and discussion of the definitions, the identification of main determinants and key factors for the analysis and criteria for the assessment of effectiveness, sustainability and spillover effects of MIS. It has provided: insight into specifics and caveats of the definitions of the three objects of investigation and the relevant dimensions; the identification of relevant context factors; further development of the initial hypotheses about the relationship of these context factors with the effectiveness, sustainability and spillover effects; and a basis for developing research questions.

Based on this review, the following section develops the analytical framework for Task 2, beginning with the conceptual and analytical approach, going on to the research questions and assessment criteria and lastly the detailed research stages. Drafts of the research checklist and the template for the National Assessment Report are contained in Annexes I and II.

4.2 Conceptual and analytical approach

The conceptual approach to this task is systemic, whereby MIS are seen as part of a broader policy and institutional context, embedded in specific administrative and institutional traditions and structures at national and EU levels, and influenced by political, economic and social changes. These contextual systems at the national level, at EU level, and between national and EU levels are dynamic and subject to change.

In the EU10, the accession process has contributed to transformations of administrative culture, administrative practices and policy approaches based on the *acquis* and shaped also by the trends of modernisation and Europeanisation in public administrations. The assimilation of EU requirements and their implementation are difficult tasks requiring learning through experience (potentially at least one complete programme period\(^2\)). The brevity of experience in the 2004-06 period suggests that the learning curve may still be steep. Thus, the conceptual approach assumes that three factors are relevant when analysing MIS - context, dynamics and learning.

On the basis of preliminary hypotheses and the literature review, the main determinants of effectiveness and sustainability of MIS have been identified as: the institutional context including the role of regions; administrative laws and principles; and human resources development and leadership. The administrative capacity for Cohesion policy in terms of human resources, as well as organisation and management structures, are seen as other

relevant determinants of effectiveness and sustainability of MIS, whereby MIS have to be broken down into the processes of programme design, project selection, financial management, evaluation, monitoring, reporting and partnership. On the other hand, spillover effects are directed back to the institutional and administrative culture outside the Cohesion policy field. The graphic in Figure 1 shows the main relations of these elements.

Figure 1: Analytical approach of Task 2

Following this approach, several hypotheses can be stated as a starting point for developing research questions. These are based on the literature review of experiences with implementing Cohesion policy in the EU10, the outcome of Task 1, the results of two specific implementation studies (ÖIR, 2003 and Wostner, 2008) and practical expertise and insights into the MIS derived in discussions with the National Expert for Hungary.

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25 The National Expert for Hungary is being used to pilot the fieldwork research for Task 2.
4.3 Working hypotheses, research questions and assessment criteria

The working hypotheses, research questions and assessment criteria are structured into the following five groups: administrative reforms, administrative law principles and human resources development, including leadership; the effectiveness of MIS; the sustainability of MIS; spillover effects of MIS; and variations between EU10 Member States.

4.3.1 Administrative reforms, administrative law principles and human resources development

Public administrations in EU8 Member States began the processes of public management and administration reform after the transformation process in the pre-accession phase and have been undergoing further changes in a condensed way compared to the EU15 Member States. The starting point for implementing the *acquis* differed significantly from EU15 Member States due to the legacy of the communist system. The complexity of the Structural Funds and Cohesion Fund regulations surpassed substantially the requirements of the national public administrations of the EU8. Thus, there will be deviations in the development path of reforms shaped by wider social, institutional and constitutional frameworks and country-specific historical and cultural contexts.

It is assumed that the stability of administration in general and the extent to which principles of modern administration were made operational for civil servants are relevant background issues for assessing the effectiveness, sustainability and spillover effects of MIS. Key research questions are:

- **Which administrative reforms were introduced since the transformation process (or from the early 1990s) and how did they affect the MIS of Cohesion policy? In which way did the pre-accession aid and the negotiations on Chapter 21 affect the MIS of Cohesion policy?**

- **What were the main administrative principles informing the management and implementation of Cohesion policy? To what extent were they domestic principles or derived from the EU legislative framework?**

- **How has the general approach to human resources development in the civil service affected the MIS for Cohesion policy? Which recruitment procedures and promotion schemes were implemented? What has been done for capacity building for Cohesion policy (e.g. training, promotion etc)? Is there a strategy for training for leadership?**

Furthermore, it is assumed that the way human resources are developed in public administration in general, and specifically in the field of Cohesion policy, affects the stability of human resources capacities and thus affects the effectiveness and sustainability of MIS. As background information on the general approach to civil service management and development, the following key question addresses the broader culture of human resource management in MIS and takes into account the leadership issue:
• Were the staff designated to manage and implement Cohesion policy in a position to fulfil their tasks quickly and flexibly? How did the staff adapt to changes during the implementation of Cohesion policy? To what extent were higher management positions acting on the basis of professional management experience and commitment to the specific task in MIS of Cohesion policy?

4.3.2 Effectiveness of MIS

The assessment of effectiveness of MIS is the most complex sub-task under Task 2 as the seven processes of MIS have to be considered in detail. The effectiveness of MIS is defined as the extent to which the systems are ‘fit for purpose’ in being able to fulfil the regulatory, strategic and financial requirements of programme management and implementation, both overall and with specific reference to programme design, project selection, financial management, monitoring, evaluation, reporting and partnership. Regulatory requirements relate specifically to the Structural Funds regulations, strategic requirements relate to the need to embed the strategy of Objective 1 and 2 programmes into national development strategies and to ensure the strategic monitoring of programme implementation and financial requirements relate to the need to secure national co-financing over the whole programme period.

On the basis of the literature review the following key factors were found to contribute to effectiveness (see Figure 2).

• **Structures** established for the management and implementation of Cohesion Policy, whereby clearly defined functions and responsibilities as well as the quality of coordination mechanisms at national level are most relevant for their effectiveness.

• **Human resources** appointed to manage and implement Cohesion Policy. For the assessment of their effectiveness the training organised, the specific recruitment procedures, the type of remuneration, the availability of retention strategies and a professional and committed leadership are regarded as relevant criteria.

• **Tools and procedures** for the management and implementation of Cohesion Policy for which the quality and utility of tools as well as clear definitions of procedures (stages, tasks, responsibilities), organisational learning (i.e. the ability to solve problems) and quality of performance over time are relevant.

Thus, the way in which structures are set up and human resources are managed and developed; the utility and quality of tools and procedures developed, as well as the ability to solve problems show the effectiveness of MIS, i.e. the extent to which the systems are ‘fit for purpose’.
On this basis, a series of research questions were developed for the key processes of programme design, partnership, project generation, appraisal and selection, financial management, monitoring, reporting and evaluation. Where appropriate, some criteria will be adapted to meet the specific characteristics of the process (see draft checklist in Annex II). The main research questions are:

- **What is the overall organisational structure for Cohesion policy (functions and responsibilities of institutions)?**

- **What is the quality of the key vertical and horizontal relationships (communication, responsibilities, coordination)?**

- **What was the background for decisions taken on the establishment of management and implementation structures (experience, legal basis, role of regions)?**

- **Were the structures set up and functioning in an effective way? Why? Why not?**

- **How was the implementation of the specific processes organised? Were procedures clearly described (stages, tasks, responsibilities)? Were there changes within the period 2004-2006? Why? What was the role of the regions?**

- **What went well during the programming period (good practices), and what went less well? Were problems analysed, resolved and what were their effects (on all relevant processes)?**

- **What were the tools used for specific processes (e.g. handbooks, checklists, indicators, manuals etc)? Were these tools useful and used? Why/why not?**
4.3.3 Sustainability of MIS

The analysis of the sustainability of MIS will lead to a deeper understanding of the ways in which structures, procedures, managerial practices and tools were sustained over time and which reasons were relevant for sustainability and changes. The sustainability of MIS is understood as the extent to which the systems are stable, reliable and durable as well as capable of adapting to new challenges. Sustainability refers mainly to the capacity and potential for stability and reliability over time, which can include the capacity and potential for adaptation to changing needs. Thus, changes to structures may be effectively managed in a sustainable way if there is continuity in the capacities developed.

On the basis of the literature review, the main determinant for sustainability of MIS has been identified as the embeddedness of MIS in a stable and reliable framework. Furthermore, it can be assumed, that institutional stability has a positive effect on the sustainability of MIS. The following dimensions are relevant for a thorough analysis of the sustainability of MIS (see Figure 3).

- **Structures** established for the management and implementation of Cohesion policy. Stability of coordination mechanisms and of functions and responsibilities over time are regarded as relevant criteria for structural sustainability.

- **Human resources** appointed to manage and implement Cohesion policy, whereby a stable human resources management, professional leadership and competitive employment conditions are regarded as most relevant for sustainability.

- **Tools and procedures** for the management and implementation of Cohesion policy for which organisational learning and the ability to adapt to change are used as assessment criteria (e.g. the use of quality management tools, action plans for organisational improvement, learning from evaluations).

- **As for the time dimension**, sustainability shall be analysed during the programme period 2004-2006 mainly but also between the two periods 2004-2006 and 2007-2013.
The relevant research questions for this issue are:

- **How sustainable were the established structures and the appointed human resources over time?**

- **What per cent of staff working for the MIS of Cohesion policy at the beginning of 2004 still work for these programmes or for the Cohesion policy 2007-2013 today (rough estimation)? What were the main reasons for low/high staff turnover (e.g. competitive employment conditions, implementation of effective ethical framework)?**

- **How sustainable were tools and procedures developed in the period 2004-2006 (e.g. approaches, guidelines, checklists etc)? Are they still used today in the new period 2007-2013? Why? Why not?**

- **What was undertaken to enhance organisational learning and thus to enhance sustainability of tools and procedures in MIS (e.g. quality management tools, actions plan for organisational improvement, learning from evaluations, capitalisation initiatives)? Which tools and measures were used? Why? Why not?**

- **Were tools and procedures adapted to changes in a way that this contributed to their sustainability?**

- **Which are the lessons learnt and the key challenges for the MIS of Cohesion policy in 2007-2013 in terms of continuity/discontinuity and more generally, in terms of organisational learning? How can these key challenges be tackled?**
**4.3.4 Type, scale and sustainability of spillover effects**

The concept of spillover effects is rarely used in the literature, and the literature review did not contribute substantially to our understanding of the concept in the framework of this study. Thus, the following working definition will be used as a basis for further research: spillover effects are defined as the tangible effects of managing and implementing Cohesion policy on the wider institutional and administrative culture. They may influence the administrative culture also in units not directly involved in the implementation of Cohesion policy. Notwithstanding the lack of literature relating to the concept, the review did help to inform the study on relevant analytical dimensions beyond those defined in the Terms of Reference, as follows (see Figure 4).

- **Types of spillover effects** refer to managerial and implementation practices and tools, whereby practices refer to the way work is organised in institutions and with which human resources it is organised. Tools refer to concrete outputs used. Examples for managerial and implementation practices would be regular staff training; outsourcing of specific tasks; horizontal and/or vertical coordination and communication mechanisms; specific ways of allocating responsibilities; or public reform initiatives in a broader sense. Examples for managerial and implementation tools would be the use of checklists, regular meetings with minutes, a scoring system for project selection, and standardised templates for reporting requirements.

- **Scale of spillover effects** refers to the extent to which managerial and implementation practices and tools are transferred to the overall institutional and administrative culture, i.e. how far-reaching their impact was and in which specific ways they influenced the broader institutional and administrative culture.

- **Sustainability of spillover effects** refers to the likelihood to which the detected phenomenon will persist over time and their embeddedness in the overall administrative culture.

- **Causal factors for spillover effects.** One causal factor might be a lack of specific practices at national level and widely accepted and elaborated practices at EU level; another might be the number of institutions involved in the MIS for Cohesion policy (at different levels).

- **Mechanisms, through which spillover effects occurred,** which can be innovation, adaptation or transfer.

- **Time of occurrence of spillover effects.** This dimension gives evidence on the dynamics and the time spillover effects need to develop.
Due to the ‘soft’ character of this object of investigation, most of the questions and expected outputs are rather descriptive. Moreover, it is expected that the national research will provide evidence for further development of the definition of spillover effects.

Based on the literature review and the methodological issues above, the key research questions for this section are:

- Can spillover effects be identified? If so, which types and at what scale?
- What are their main characteristics (type, scale, sustainability, causal factors, the mechanisms for occurrence, time of occurrence)?
- In which way(s) have spillover effects contributed to strengthening administrative principles and/or their implementation?
- What are the lessons learnt from the analysed spillover effects regarding the management and implementation of 2007-2013 Cohesion policy? What can be expected for this period in terms of the potential of spillover effects?

The management and implementation of Cohesion policy requires standards that favour principles of modern public administration. In some EU10, Cohesion policy accounts for a significant share of public investment and might have a stronger influence than in others. Beyond this, policy influence could result also from other international institutions. This leads to the following questions:
4.3.5 Variations between the EU10 Member States

Finally, there are considerable differences between EU10 Member States which should also be taken into account when examining public management. In terms of historical legacy and pathways of development, the EU10 do not form a homogenous mass geographically, historically and politically. As noted in the literature review, they can be divided into the following broad categories:

- the island states of Cyprus and Malta, whereby the first has a more Mediterranean and the latter an Anglo-Saxon administrative tradition;
- the Baltic States which were a part of the Soviet Union and only existed as independent states after the Second World War;
- Slovenia, which was part of Yugoslavia, and the Slovak and Czech Republics, which were parts of Czechoslovakia, only became independent states in 1991 (Slovenia) and 1993 (the Czech and Slovak Republics);
- Poland and Hungary, which were independent states although also communist until 1989.

Based on the literature review, we can assume that the EU8 countries adopted different human resources systems and institutional arrangements for political coordination of EU affairs, although they have the communist legacy in common. With respect to human resources systems, Cyprus, Slovakia and Slovenia have career-based systems, Estonia is the only country with a position-based system. The Czech Republic, Hungary, Lithuania, Latvia, Malta and Poland developed mixed systems.

Exploratory comparative analyses of structures and human resources development characteristics will be undertaken in order to search for factors which might contribute to the explanation of differences in effectiveness, sustainability and spillover effects of MIS.

Further differences are expected in terms of different scales of funding and country size, which are related to the different roles regions were given in the management and implementation of Cohesion policy. For exploratory analyses, we assume differences between small countries (Cyprus, Estonia, Latvia, Lithuania, Malta, Slovenia), medium-sized countries (Czech Republic, Hungary, Slovakia), and Poland as the only large country.

4.4 Research stages for Task 2

Following on from the outline of research questions, this section explains the methodology adopted, i.e. the rationale for the checklist and the nature of data needed, the requirements of the research by the National Experts, and the comparative research that
will be undertaken on basis of the National Assessment Reports. It will explain clearly how the proposed methodology will allow answering the above described research questions. Figure 5 provides a preliminary overview of the different project elements.

**4.4.1 Desk research**

Desk research will comprise the screening of the CSFs and SPDs (developing the analysis contained in Section 3.4.3) as well as the OPs. Furthermore, screening of national evaluation reports, ex ante evaluation reports for the CSF/SPD and the OPs, and the AIRs (at least for 2006) will be undertaken to gather information for the questions stated in Annex II.

**4.4.2 Fieldwork research**

Building on the desk research, National Experts will carry out fieldwork research to develop further the understanding of the effectiveness, sustainability and spillover effects of the management and implementation systems of Cohesion policy in the EU10. In line with the research questions outlined above, and on the basis of the checklist (in preparation), the National Experts will gather background information on: public administration, civil service and human resources management, organisation and management structures; human and financial resources; the effectiveness of MIS; sustainability of MIS; and spillover effects of MIS in their designated Member State.
The fieldwork will involve interview research with three categories of respondent: strategic respondents; operational respondents; and external respondents. Interviews will be based on a standardised checklist, common to all National Assessment Reports.

During the desk-research phase, National Experts will draw up an interview plan, listing the interviewees who will be contacted during fieldwork research. METIS will engage with the National Experts during the preparation of the interviewee list and approve this, to ensure consistency of approach across the ten National Assessment Reports. Given the tight schedule, National Experts will need to contact the interviewees early enough to arrange their interview schedule.

The exact number of interviewees will be established on a case-by-case basis and adapted to the size of the programme(s) and the type of system. It is anticipated that c. 12-15 interviews will be necessary for small and medium-sized countries, and up to 20 interviews for the Czech Republic, Hungary and Poland, comprising:

- 3-4 strategic respondents;
- 6-8 / 8-12 operational respondents;
- 3-4 / 4-5 external respondents.

An overview of the breakdown of fieldwork interview respondents by type and research issue is shown in Table 4.

Table 4: Task 2 fieldwork interview respondents

<table>
<thead>
<tr>
<th>Research issues</th>
<th>Desk research</th>
<th>Fieldwork research respondents</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Administrative law principles and civil service standards</td>
<td>/</td>
<td>National government</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Strategic, External</td>
</tr>
<tr>
<td>2. Human resources management</td>
<td>/</td>
<td>National government, CSF</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Strategic, External</td>
</tr>
<tr>
<td>3. Organisation and management</td>
<td>/</td>
<td>CSF</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Strategic, Operational, External</td>
</tr>
<tr>
<td>4. Human and financial resources</td>
<td>/</td>
<td>CSF, OP</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Strategic, Operational</td>
</tr>
<tr>
<td>5. Effectiveness - assess the operation of the different processes</td>
<td>/</td>
<td>CSF, OP</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Strategic, Operational, External</td>
</tr>
<tr>
<td>6. Sustainability - assess the embeddedness of processes in sections 4 and 5</td>
<td>/</td>
<td>National, CSF</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Strategic, External</td>
</tr>
<tr>
<td>7. Spillover effects</td>
<td>/</td>
<td>National government, CSF</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Strategic, External</td>
</tr>
</tbody>
</table>

The preliminary version of the checklist lists the issues that National Assessment Reports should address, through both desk-research and fieldwork. It should be used as the basis for drawing up different questionnaires, tailored to different interviewees. To facilitate this work, a table will be provided in the checklist which matches the sections of the checklist.
to the different types of respondents. National Experts are being advised that, when arranging the interviews, they send to each interviewee a summary of 5-6 key questions, translated into the interviewee’s language. This will enable the interviewee to focus their thoughts prior to the interview. In addition, as the research is being conducted under the coordination of the University of Strathclyde, when contacting interviewees National Experts should make reference to the University’s code of practice on research ethics.

A draft version of the National Assessment Report template and checklist is contained in Annex I.

### 4.4.3 Synthesis and analysis of national research

A comparative report will provide a synthesis and comparative assessment of the outcomes of national research on effectiveness, sustainability and spillover effects. The comparative assessment will be undertaken based on specific dimensions known to be relevant for effectiveness, sustainability and spillover effects. The analysis will also explore further relevant dimensions on the basis of the evidence collected in the national research.

The following dimensions are regarded as relevant for the comparative analysis: country size in terms of population; constitutional context; different traditions in public administration; human resources system; and relative size of ERDF measures. First hypotheses about possible differences will be developed following completion of the first five National Assessment Reports for the Intermediate Report.

### 4.5 Task 2 timetable

<table>
<thead>
<tr>
<th>Key milestones</th>
<th>Deadline</th>
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</thead>
<tbody>
<tr>
<td>Briefing of National Experts</td>
<td>21-22 April 2008</td>
</tr>
<tr>
<td>Decision on the selection of 5 Member States out of EU10 (Cyprus, Hungary, Latvia, Lithuania, Slovak Republic)</td>
<td>25 April 2008</td>
</tr>
<tr>
<td>Piloting of checklist in Hungary by National Expert</td>
<td>5 May 2008 (start)</td>
</tr>
<tr>
<td>Draft checklist and guidance note is sent to National Experts for feedback and comments (by 20 May)</td>
<td>13 May 2008</td>
</tr>
<tr>
<td>National Experts start desk research on the basis of the draft checklist</td>
<td>13 May 2008</td>
</tr>
<tr>
<td>Steering Group Meeting</td>
<td>27 May 2008</td>
</tr>
<tr>
<td>National Experts identify interview respondents and start preparing the interview on the basis of the draft checklist and preliminary instructions</td>
<td>End of May 2008</td>
</tr>
<tr>
<td>Revised checklist on the basis of piloting in Hungary, feedback from the National Experts and discussion at Steering Group Meeting sent to EC</td>
<td>10 June 2008</td>
</tr>
<tr>
<td>Revised checklist approved by EC</td>
<td>19 June 2008</td>
</tr>
<tr>
<td>Drafting of first 5 National Assessment Reports (Cyprus, Hungary, Latvia, Lithuania, Slovak Republic) by National Experts</td>
<td>18 July 2008 (deadline)</td>
</tr>
<tr>
<td>Event</td>
<td>Date</td>
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<tr>
<td>Reviewing and editing of first 5 National Assessment Reports by Metis</td>
<td>August 2008</td>
</tr>
<tr>
<td>Submission of first 5 National Assessment Reports as part of Interim Report</td>
<td>Interim Report 12 September 2008</td>
</tr>
<tr>
<td>Briefing of National Experts for the second round of National Assessment Reports (Czech Republic, Estonia, Malta, Poland, Slovenia)</td>
<td>Mid-September 2008</td>
</tr>
<tr>
<td>Drafting of second round of National Assessment Reports</td>
<td>14 November 2008</td>
</tr>
<tr>
<td>Reviewing and editing of second round of National Assessment Reports by Metis</td>
<td>5 December 2008</td>
</tr>
<tr>
<td>Submission of last 5 National Assessment Reports and of Comparative Report with conclusions and recommendations as part of Draft Final Report</td>
<td>Draft Final Report 7 March 2009</td>
</tr>
</tbody>
</table>
5. TASK 3 - LITERATURE REVIEW

The objective of Task 3 is to appraise the value added of Cohesion policy in comparison to national policies in the EU15, focusing exclusively on management and implementation systems (MIS). Its distinctive approach is to analyse changes in the MIS processes of Member States which are attributable to Cohesion policy. The study aims to focus on ‘net added value’. This requires a close understanding of:

- the interaction between Structural Funds and domestic policy initiatives, specifically to identify where and how the delivery of Structural Funds programmes has influenced the management and implementation of domestic policies and vice versa;

- the developmental processes through which the influence of Structural Funds occurs, which requires an appreciation of context (political, institutional, administrative), the actors involved, and key factors (personal and organisational learning, institutional flexibility, role of evaluation, exposure to international practice etc); and

- the degree to which this influence is transient (limited to the programme period and the availability of EU funding) or embedded (having a legacy beyond the programme period).

With this in mind, the following literature review has a three-fold purpose: to review the concept of Community added value and its main determinants; to explore a definition of Community added value and its components in the context of Cohesion policy, focusing on management and implementation systems; and to identify a series of research questions for the case study research. The review is based on an analysis of a variety of literature sources, namely:

- academic literature on the topics of Cohesion policy, regional policy in the Member States and the governance of European policies;

- academic literature on public management;

- policy literature on the management and implementation of Cohesion policy, including the Community Added Value of the policy; and

- evaluation reports and other analytical studies on the impacts, effectiveness and efficiency of Cohesion policy, with particular emphasis on management and implementation systems and procedures.

The review concludes by setting out a methodology and research approach for a more detailed analysis of Community added value in policy management and implementation.
5.1 The management and implementation of EU Cohesion policy

Management and implementation systems are vital to the achievement of Cohesion Policy goals, for the efficient delivery of quality projects and as an area where Community resources can add value. Previous research on the performance of the Structural Funds since 1989 has emphasised the role of institutional capacity in determining the effectiveness of Cohesion policy, especially the quality of management and implementation arrangements (Bachtler and Gorzelak, 2007; Bailey and De Propris, 2002; Ederveen et al., 2002; Cappelen et al., 2003; Milio, 2007).

A distinctive feature of Cohesion Policy is that there is no single model of implementation. Within a common regulatory framework, Member States can determine their own approach to management and delivery. Consequently, there is considerable variation between countries in administrative structures and resource allocation systems. In each Member State, the European Commission, national government and sub-national actors can have different roles in the implementation process. Systems may involve centralised, partly decentralised or regionalised approaches to implementation, depending on the allocation of competences between national, regional and local levels, political interests and linkages, the financial strength and thematic orientation of the programmes and experience of administering Structural Funds (Ferry et al., 2007).

Member States also differ in the way that resource allocation decisions are made at programme level, as illustrated in Figure 6 below (Ferry et al., 2007; Taylor et al., 2001). A key factor is the relationship between the decision-making system used for EU funding and that for national funding. Under integrated or subsumed systems, decisions on EU and national funding allocations are made together as part of the same decision-making process, and most Structural Funds are allocated through existing channels for administering domestic economic development interventions. By contrast, some countries or regions operate differentiated systems, whereby separate decision-making processes are established specifically for the allocation of Structural Funds, distinct from the decision-making systems for national funding. Lastly, there are also aligned systems (lying between the integrated and differentiated systems) where separate decision-making systems for EU and national funding are in place, but they operate in parallel or in some other coordinated manner.

Management and implementation arrangements are not static. The combination of regulatory reforms, changing economic development concepts and programming experience has contributed to the evolution of implementation approaches through successive programming periods. Over the past 15-20 years, implementation systems have generally become more sophisticated, less centralised and more integrated. The concept of partnership has widened, and the involvement of the private and voluntary sectors has become stronger. Project appraisal and selection systems have become more pro-active and strategic. However, advances in approaches to management have been uneven across time and across Member States and programmes.
Although the management and implementation systems differ widely, the basic elements of these systems remain the same: they are made up of a number of interlinked processes, defined in the Terms of Reference for the purpose of this study as programme design, project selection, financial management, monitoring, evaluation, reporting and partnership.

These processes are part of the Structural Funds implementation system, which collectively constitute “the operational process needed to produce expected outputs” (MEANS 1999). The system is based on a set of obligatory requirements and guidance documents that govern the whole of the policy system, from programming (including the identification of the problem, formulation of solution, decision on finance and the implementation system) to monitoring and evaluation procedures. However, implementation has to be seen as part of a broader policy and institutional context and, as such, the management and implementation processes are susceptible to external stimuli and constraints. The operationalisation of the processes is frequently mundane, incremental, and the subject of bargaining and negotiation (ÖIR, 2003).

5.2 Implementation of Cohesion policy in the EU15 in 2000-06

The 1999 Berlin European Council agreed an allocation of €195 billion to Cohesion policy for the 2000-06 period under a new set of Objectives 1, 2 and 3. The focus of spending was to be on regional competitiveness, economic and social cohesion, and the development of urban and rural areas. Emphasis was placed on the integration of environment and equal opportunities as ‘horizontal themes’. Management and implementation arrangements were subject to more detailed regulatory requirements and Commission guidance on structures and organisational responsibilities, as well as obligations with respect to monitoring,
evaluation, financial control, information and publicity. New management challenges were introduced with the decommitment rule (N+2) and performance reserve.

Evaluation and other research found that the management and implementation of programmes improved in 2000-06 compared to the preceding period (European Commission, 2005, 2004a, 2004b; Taylor et al, 2004; Bachtler et al, 2005). There was evidence of learning from previous programme periods, and the adaptation of administrative systems. In nearly all cases, implementation systems respected the formal requirements and had introduced more rigorous project selection procedures, better financial control and evaluation, better communication with partners and improved monitoring systems.

However, the implementation of programmes was not straightforward. Some of the management structures and systems established by Member States were found to be overly ambitious and complex; and the decentralisation of responsibilities to regional levels was not always matched by adequate institutional capacity. At EU level, the administrative requirements needed to be re-appraised with a ‘simplification initiative’ (European Commission, 2003; European Council, 1999). Despite contributing to financial discipline and stimulating expenditure, compliance with N+2 was a critical issue for some Member States: economic slowdown, changes in the strategy of co-funders, and problems with specific measures caused problems with financial absorption and (in some cases) decommitment. For each of the management and implementation processes, there were specific problems (discussed in more detail below).

- Programme management roles and relationships were not always sufficiently clear, with insufficient human resources. In particular, administrative capacity was sometimes inadequate for delivering specialised R&D and innovation measures as well as employment and labour market actions requiring specific delivery mechanisms.

- Some project selection systems were found to be insufficiently flexible to react to changes in take-up of funding or failed to give sufficient attention to project quality. Project aftercare, to ensure projects were implemented as planned, was frequently lacking.

- Many programmes had gaps or inefficiencies in monitoring systems and data (including with respect to the horizontal themes) affecting the usability of information gathered.

- Financial management procedures were overly demanding and not always in line with programme needs.

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26 Based on bi-annual EPRC reviews of programme management in selected Member States; see IQ-Net Review Papers: [http://www.eprc.strath.ac.uk/iqnet/reports.cfm](http://www.eprc.strath.ac.uk/iqnet/reports.cfm)
Partnership was not always used effectively, particularly in ensuring that partners were involved appropriately at different stages of programme implementation.

Against this backdrop of both positive and negative assessments of experiences, the question is whether, where and how, Cohesion policy management and implementation systems were able to ‘add value’ to the MIS of domestic policies during the 2000-06 period.

### 5.3 Interpreting (Community) Added Value

As a starting point for the investigation of added value, it is important to be clear on the various interpretations of ‘added value’ and how these apply to Cohesion policy. The following review, drawing on academic and policy literatures, examines research and discussion of added value in three different contexts: added value in the public sector; Community added value in EU Cohesion policy; and Community added value with respect to the management and implementation of EU Cohesion policy.

#### 5.3.1 Performance management in the public sector and added value

The concept of ‘added value’ has long been used in the economic, financial and business spheres as a measure of product/production value. From the 1980s, the concept was increasingly used for the management of company performance, measuring “whether a firm's management has increased or decreased a firm’s value” (Peterson, 1996). Related, ‘market value added’ (the difference between a firm’s capital and its market value) and ‘economic added value’ (the difference between operating profits and the cost of capital) became used in corporate finance alongside profit, income and other performance measures, to indicate a firm’s investment success and profitability (Kumar and Linus, 2002; Peterson, 1996). The term was also applied to other aspects of corporate activity, such as product management, where added value was used to measure the competitive advantage of a product over its competition (Chernatony et al, 1998).

The application of added value to the domain of public policy can also be traced back to the 1980s, as part of a growing concern with the management of the public sector among governments in North America and the UK (Tarschys, 2005, 35). This was a period when the Reagan and Thatcher administrations made strenuous efforts to reduce the growth of public expenditure and to increase the efficiency of public spending (Light, 1997; Talbot, 1999; Levitt and Joyce, 1987). In the UK, as part of a programme of privatisation and market liberalisation, “the Conservative governments of 1979-1997 were particularly open to generic management thinking, and to ideas injected into government by the private sector” (Pollit and Bouckaert, 2004). Similarly, in the US, civil service functions were privatised and councils created to oversee efficiency improvements and identify opportunities for saving (Pollit and Bouckaert, 2004). Market mechanisms and management techniques were introduced to maximise efficiency (Savole, 1994), such as subcontracting and competitive bidding systems, and performance ‘scoreboards’ (Talbot, 1999). In both the UK and the US, the efficiency of government agencies, local authorities and other public sector bodies

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27 On current practice of business performance measurement see also Neely (Neely ed. 2007).
were progressively measured through regular performance assessments (Tarschys, 2005; Jackson, 2001). However, while these reforms enabled savings in the cost of public administration to be made, they also led to growing public dissatisfaction with the market’s failure to deliver efficient and high-quality public service during the 1990s.

This trend led to a change in approach in recent years. Governments pursuing public sector reform realised that the public sector is answerable to different stakeholders and pursues very different aims from private firms. “If the public sector reforms of the 1980s were steeped in the language of management, this new perspective stresses notions of service and good governance” (Blaug, Horner and Lekhi, 2006). A new desire for legitimacy implied that certain ethical norms should be observed by the public agent (Denhardt and Vinzant Denhardt, 2000), such as accountability, democracy (i.e. decentralised decision-making, engagement of citizens, consultation) and fairness (de Montricher, 1998).

In this context, the search for ‘value’ in public policy has been reconsidered. It is now related to the improvement and increase in the level of services or outputs provided, but with an ‘appropriate’ balance between conflicting forces like market freedom and government intervention (Jackson, 2001; Giddens, 2008), competition and cooperation (Geddes and Martin, 2000), democracy and bureaucracy (Blaug, Horner and Lekhi, 2006). This entails also a change in the role and perception of public administrators, from simple project implementers to strategists and managers (Kelly et al., 2002) who have an obligation to design services in consultation with users and beneficiaries, as well as providers, and to ensure quality and public satisfaction as well as efficiency.

This approach is typified by the use of the ‘best value’ concept in the policy rhetoric of New Labour in the UK. To ensure that public action delivers best value, regular performance reviews are meant to be organised to monitor compliance with the so-called ‘Four Cs’: to challenge that a particular service is necessary; to compare the performance of different authorities; to consult with local communities; and to adopt competition-based procedures, to ensure that service delivery is efficient and effective (HM Government, 1998).

The application of the added value concept in the public policy sphere, as discussed above, is based on UK-US experience. However, similar trends in performance management and greater scrutiny of the efficiency of public sector intervention have also occurred in other European countries. Common reforms involved privatisation, decentralisation, reforms of human resources management systems and cost-efficiency oriented restructuring (not least to meet the Maastricht criteria). Within this common trend, however, the country-specific responses have varied, depending on the differing public law and administrative traditions, which have made European countries more or less receptive to new public management concepts.

For example, whereas the Nordic EU Member States (particularly Finland and Sweden) were open to the new public management ideas, Napoleonic systems (e.g. France and Italy) proved to be more resistant to change. Continental countries like Belgium, Germany and the Netherlands undertook reforms, but incrementally and often necessitating political
consensus and adaptation to national norms and values; for example, while the Netherlands was relatively open to Anglo-Saxon ideas, German reforms tended to be more indigenous (Pollitt and Bouckaert, 2004). Despite the spreading of new public management concepts, outwith the specific field of EU Cohesion policy, there appear to be little use of the term ‘added value’ in the policy documentation or academic literature of Continental EU Member States.

5.3.2 Added value in EU policymaking

The process of European integration, notably EU enlargement and the progressive broadening of the scope of European policies, has led to the emergence of a further variation of the concept of public added value: that of Community or European Added Value. In part, this notion can linked to a perceived common platform of ‘European values’ that inform the decisions of European institutions and which has inspired a so-called ‘European Model of Society’ (Faludi, 2007). This is based on the existence of a European culture and tradition which produces a common ethos amongst European citizens (e.g. the Charter of Fundamental Rights of the European Union), the exact scope of which is, however, contested (for instance, the Christian tradition of Europe has been a much debated topic within the European Constitutional Convention).

Further, the concept of Community Added Value has used as a corollary to the principle of subsidiarity (Tarschys 2005). For example, it has been argued that Community added value is achieved through EU intervention “when the action of Member States do not suffice to achieve the [EU] objective [...] and when the intervention generates benefits for the Union as a whole” (Mairate, 2006, 168). In this latter interpretation, the theme of Community Added Value has been used above all in policy debates linked to the assessment of the appropriateness and financial weight of European policies, or as a justification for specific programmes. However, as Tarschys (2005, 65) notes:

*invoked as a mantra, the notion of European added value may often seem capable of justifying almost anything as a worthy target of European funding. [...] Yet the problem of such an omnivorous concept, swallowing virtually everything and rejecting virtually nothing, is that it hardly serves as a useful tool for critical discrimination*.

EU Cohesion policy is among those policies for which the European added value has been much debated, not least in the framework of the 2005-06 negotiations on the EU budget.

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28 This classification is only provided to indication the differences in public administration traditions across the EU. Evidently, other classifications can also be found in the literature, for instance: Nicole de Montricher contrasts what could be called an ‘Anglo-Saxon service model’ with a ‘paternalist Continental model’. In the first, “the dominant culture gives precedence to the market and to statutory authority; the public sector is only a manager of the public interest.” In the second, Franco-German model, “the public sector transcends civil society. Here, the dominant culture prefers to see the role of public sector organizations as one of promoting action rather than regulating it” (de Montricher, 1998, 111-12).
The interpretations of Community Added Value in this policy area are reviewed in detail in the following section.

### 5.3.3 Community Added Value in EU Cohesion Policy

The added value of Cohesion policy has been the subject of increased attention in recent years, associated with concerns among net contributors about the size and use of the EU budget (particularly following the most recent enlargement), and questions about the performance of Cohesion policy (Bachtler and Gorzelak, 2007; Begg, 2003). Discussion on the added value of Cohesion policy can be found in a range of sources, from academic articles, studies, evaluations of past Structural Funds programme experiences, to policy papers drafted by governments and European institutions, not least the European Commission’s Cohesion Reports. These sources explore both the quantitative and qualitative aspects of Cohesion policy added value, and deal with both the direct and indirect added value effects of this policy.

Previous studies provide various definitions of Community added value, essentially seeking to capture the economic and non-economic benefits of the funding and governance of Cohesion policy, and encompassing a range of political, policy, operational and learning effects (CIRCA, 1999; European Commission, 2002; Bachtler and Taylor, 2003; ECOTEC, 2003b; ÖIR, 2007).

- The European Commission (2002) has defined added value as value resulting from the Community assistance that is additional to what would have been achieved by domestic authorities and the private sector.

- In an examination of the leverage effects of Cohesion policy, ÖIR (2007, 9) suggest that impacts of EU policies result from direct intervention on the ground and should be acknowledged as ‘added value’, which is interpreted as a specific type of impact that is ‘desired and can be linked to European Cohesion policy goals’.

- A more specific definition was used in an evaluation of RTDI led by the CIRCA Group (CIRCA, 1999). Community added value was considered to have arisen when the beneficiary region or country was enabled to do something which it could not have done without Community assistance; and/or the benefits of an action undertaken on behalf of the Community in one region or country result (directly or indirectly) in positive spillovers or externalities in some or all of the other Member States or regions of the Union.

In assessments of the added value of Cohesion policy, particular attention is given to the effect of EU funding in leveraging additional resources for economic development through ‘financial pooling’ of resources from different funders, increasing the scale of the financial inputs to the policy Bresso (2006). Past studies have showed that this can happen at all scales, from large infrastructure projects in the framework of TENs projects (AER, 2007, 142) to smaller scale, local projects targeted at disadvantaged groups, for example delivered by the voluntary sector (ECOTEC, 2003b, 34). In both cases, the intervention of
the Cohesion policy budget and rules have acted as a catalyst, encouraging partners to undertake projects that might otherwise not take place at all or at a different scale, with a broader scope or over an accelerated timescale (Martin and Tyler, 2006; Özenen 2006; Scottish Executive, 2006).

While often interpreted as added value, these sorts of (quasi-) quantitative effects could equally be regarded as economic impact or additionality effects. The more distinctive usage of added value is in relation to: (a) the qualitative value generated by the management and implementation of the policy which would not necessarily have occurred (to the same extent) under domestic policy; and (b) the institutionalisation of innovative elements, processes or responses into domestic policy practices (Hartwig 1999).

The qualitative aspects of added value are broad. Cohesion Policy is credited with exercising a strong influence over the evolution of regional development structures and systems in the Member States, stimulating new institutional and policy frameworks and ‘adding value’ (Marks et al., 1996; Börzel, 1999; Bache, 1999). For instance, the European Commission has argued that the method of implementation of the Structural Funds - which implies rules and principles to ensure greater effectiveness of interventions, cooperation and networking, facilitating transfers of know-how, exchange of experience and the pooling of resources which would often would not happen in the absence of Community initiative (European Commission, 2002) - is in itself an element of ‘qualitative added value’.

This viewed is shared by some Member States. A 2003 position paper by the Italian government links the very existence of the added value of Cohesion policy to its implementation method stating that

> The adoption of a ‘Community method’, based on shared rules and transparent systems of evaluation, within a framework of consensus and reciprocal guarantees, can generate values that national policies alone are unable to supply, namely: - coordination between national and local strategies (...); - blending and dissemination of practices both in local development and project design; - higher credibility and enforceability of integrated policies, through the “contract” that each country sets up with the EU. (Ministero dell’Economia e delle Finanze, 2003)

Along similar lines, a recent report by the Association of European Regions stressed that the added value of EU Cohesion policy goes beyond the monies invested, to include indirect, spillover effects on the administrative sector as a whole, optimising the way administrations in the Member States work and promoting excellence. Examples include: promoting a ‘forward thinking philosophy’ through the multi-annual programme design; improving delivery through reporting and evaluation activities; and disseminating best practice through networks and territorial cooperation programmes (AER, 2007). Similar arguments are put forward by Viesti and Prota (2003). The CIRCA study identifies catalytic, innovation, enhancement and integration impacts for Structural Funds, which promote changes to existing policies, programmes or activities. EPRC research identifies political, policy, operational and learning added value from the Structural Funds in areas such as programming and partnership (Bachtler and Taylor, 2003). Leonardi (2006) argues that Cohesion policy has raised the expectations of policy-makers on what it could achieve, suggesting that “when EU Cohesion policy began in 1989, few expected significant results. The low levels of expectations were, in part, linked to the less than impressive results
produced by regional policies in individual Member States and the fear that less developed areas would not, in the last analysis, be able to sustain the level of competition originating from the EU’s core areas (Rumford, 2000). However, the outcomes achieved by EU Cohesion policy contradicted these fears thus generating a more ‘cohesive’ EU and a change in the expectations of policy-makers in the Cohesion countries and at EU level on the benefits to be expected by Cohesion policy (Leonardi, 2006, 157-158).

5.4 Assessing Cohesion policy added value in practice

As the above discussion illustrates, elements of added value have been linked to different processes that make up the system of programme management and implementation: programme design, project selection, monitoring, financial management, reporting, evaluation and partnership. For example:

- a strategic added value is often associated with the programme design and strategy development/management processes of Cohesion policy;
- an operational added value has been identified with respect to the procedures for project generation, appraisal and selection;
- monitoring, reporting, financial management and evaluation obligations have been linked to the emphasis on accountability (accountability added value);
- the partnership approach has been considered as determinant of a ‘democratic added value’; and
- a more generic ‘learning added value’ has been linked to other Structural Funds related processes, such as the capacity-building activities carried out during programme implementation, the participation in EU programmes for cooperation and exchange, the networking amongst officials engaged in the preparation of Structural Funds programmes, and the interaction of programme managers with specialised consultants under the Technical Assistance priorities of programmes.

Set against such arguments, research and policy and debate has highlighted a range of aspects of ‘detracted value’. The most obvious is the perceived complexity and bureaucracy of Structural Funds administration, reflected in the ongoing pressure for ‘simplification’ from national and regional actors in all programming periods (Baumfeld et al., 2002; Court of Auditors 2003, 97).

As the following Sections demonstrate, assessments of the added/detracted value of Cohesion policy management and implementation are varied and nuanced. For instance, with specific reference to the 2000-06 period, in the UK a number of UK 2000-06 MTEs found that despite some improvements with respect to the efficiency of management at project level, “administrative requirements at programme level were increasing”, particularly due to the need to justify policy and quantify outcomes. There was, however, a “considerable agreement across the mid-term evaluations that the procedures created a ‘rigour’ that was not always present in domestic programmes”. Importantly, the evaluations generally were not conclusive whether such rigour was ultimately conducive to better, more effective projects (ECOTEC 2003b, 51).
The following sections discuss the various processes of programme management and implementation in more detail, reviewing the existing evidence on whether the effects of the Structural Funds constitute added or detracted value.

5.4.1 Programme design (strategic added value?)

Added value is said to derive from the multi-annual planning process, which encourages participants to adopt a ‘strategic’ approach to regional development leading to the introduction of new ideas and approaches, better project selection and greater coherence of co-financed projects (Bachtler and Taylor 2003, op cit; ÖIR 2007). It has been argued that regional development has become more integrated and coherent, through the multi-sectoral and geographically-focused approach of programmes, following the transition from project-based or instrument-based policy-making to programme-based strategies. The multi-annual programming approach is said to provide a more stable policy environment, allowing longer-term planning and protecting funding for economic development from ‘budgetary pressures’ (RIDER II, 2003).

The hierarchical organisation of programmes and the explicit linkage between objectives and interventions proposed, as well as the inclusion of quantified targets and the use of evaluation evidence to corroborate the strategies (ex ante evaluations) are deemed to reinforce the responsiveness of strategies to development needs. It is claimed that the inclusion of institutional and socio-economic partners in programme design has increased the suitability of strategies, allowing for a better adaptation of policy responses to diverse stakeholder needs and leading to better delivery because of the increased ownership of the strategies. It could be argued, for example, that the inefficient involvement of partners in the stages of programme development could have been one of the causes for the mismatch between what the programme offered and the needs of recipients noted by the mid-term evaluations of the Danish and Lombard 2000-06 Objective 2 programmes (based on Polverari et al., 2004).

There is evidence to support the thesis that the quality of strategies produced under Cohesion policy through multi-annual planning is higher than that of domestic programmes (ECOTEC, 2003b). It has also been argued that the programming approach provides room for more integration and synergy between parallel or similar types of projects, allowing the creation of ‘clusters’ of projects to reinforce complementarity of actions at a local level (Scottish Executive, 2006).

Such a programming approach was not always previously prevalent in EU Member States, and examples have been cited of the lessons of EU strategic programming being transferred into domestic policies (Mairate, 2006). In Finland, for example, systematic planning of regional programmes was introduced after the country’s accession to the EU and the first implementation of Cohesion policy (Kinnunen, 2004). Following experience with Cohesion policy, multi-annual planning has been introduced in Member State policymaking at national level (Ireland) and sub-national level (Italy), facilitating more flexibility in the allocation of resources, as in the UK (Bache 1997, 12).
Cohesion policy has introduced new policy fields and prioritised needs according to a ‘European logic’ (ÖIR, 2007, 9). It is credited with influencing national policy approaches, as domestic authorities have applied European priorities and implementation principles to co-financed and even non-co-financed schemes and programmes, e.g. active labour market policies in the UK, innovation and cluster policies in North Rhine-Westphalia (ÖIR, 2007, 15). Through Commission influence, the Funds have played a role in shifting national policy interventions away from the traditional focus on infrastructure and business aid and instead emphasise human resources, innovation, community development and the horizontal themes (Bachtler and Mendez, 2007; Technopolis, 2006, 29; EKOS Consulting, undated).

There are also counter arguments to the areas of potential added value cited above. Research on implementation methods under the Structural Funds has highlighted the complexity and administrative cost of protracted programming processes (Court of Auditors, 2003). Other observers note that the structured planning approach and the approval of programmes by the European Commission often entail a rigidity of the strategies devised, which prevent their adaptation to changing circumstances (Baumfeld et al, 2002).

Contrasting assessments of added value in Objective 1 and Objective 2 regions suggested that the benefits were more prevalent in the latter regions. While the ex post evaluation of Objective 2 for the 1994-99 period (CSES, 2003) found considerable evidence of ‘Community added value’ (in areas such as strategic coherence, integrated development, management capability, innovation), the counterpart evaluation for Objective 1 was less positive (ECOTEC, 2003a). In the latter, programmes were found to lack strategic policy thinking and coherence, for example because support was spread across too many different activities with no overarching development concept or because the main focus was on absorption rather than on strategic policy issues. In the UK context, programmes were found to be poorly linked with domestic strategies in both the 1994-99 and 2000-06 periods (ECOTEC, 2003a, 12-13). Lastly, partner inclusion in programme design can be detrimental, in cases when “partners respond tactically rather than strategically” resulting in less coherent strategies (ECOTECb, 2003, 44 - quoting an Objective 2 evaluation).

Taking these factors into account, as well as the previous observations on the potential for domestic conditions to shape the impact of Cohesion policy practices, several questions arise for further research:

- To what extent were domestic regional policies ‘strategically’ planned prior to 2000-06?
- Have aspects of the ‘strategic’ approach been applied to domestic policies? If so, is this viewed as a positive or negative development?
- What were the key factors and motivations for the adoption of a strategic approach in domestic policy initiatives? Alternatively, what were the key barriers?
- Will the changes be retained in the current (2007-13) period?
5.4.2 Project generation, appraisal and selection and financial management (operational added value?)

While strategic planning and programming have been the focus of many studies, other management and implementation processes have less widely debated, namely:

- project generation (programme marketing, project development activities, geographical or thematic targeting, involvement of the private sector, maximisation of project synergies); and
- project appraisal and selection (project submission systems, appraisal and selection systems and methods, actors involved, criteria used).

Across the EU, research suggests that project appraisal and selection systems for Cohesion policy have, in some countries, become more systematic and professional over time (Ferry et al., 2007). In some cases, Structural Funds systems are said to have been better than domestic policy systems, for example more supportive for applicants (UK) (ECOTEC 2003b, 55). In the view of the Court of Auditors (2003), the use of additional scoring systems for selecting Structural Funds projects increased the added value of public support (Belgium, Ireland, UK). In other cases, they have promoted horizontal themes, such as environmental sustainability and equal opportunities (European Commission 2004b, 20; European Commission, 2002b, 16; Taylor et al., 2001), which have had impacts also on domestic policies (Italy). It has been claimed that the project selection approaches implemented under Cohesion policy have contributed to increasing the professionalism, transparency and accountability of selection processes (ÖIR, 2003, 134).

On the other hand, evidence from the 2000-06 mid-term evaluations indicates that that selection criteria for Structural Fund programmes were often perceived as over-elaborate, even diluting the focus (and effectiveness) of projects (UK) (ECOTEC, 2003b, 54). This could also be a barrier for small or voluntary sector organisations that lacked organisational capacity and resources (AER, 2007, 60; ECOTEC, 2003b, 54; ÖIR, 2003). In some contexts, Structural Funds project selection systems have been considered 'risk-averse' and orientated more on procedural compliance than quality (ÖIR, 2003, 133).

Much of the interaction between Cohesion policy and domestic policy approaches is context specific and depends on whether the systems used for generating, appraising and selecting projects in ERDF programmes and in domestic policies are separate or integrated. Key questions for further research are:

- **To what extent does the separation or integration of EU and domestic systems for generating, appraising and selecting projects in ERDF programmes have an impact on added value?**
- **Has working with ERDF programmes in 2000-06 period led to changes in domestic approaches to project generation, appraisal and selection?**
- **What were the key factors and motivations for the changes introduced in domestic project generation, appraisal and selection mechanisms? Alternatively, what were the key barriers?**
5.4.3 Monitoring, evaluation, reporting and financial management (accountability and efficiency added value?)

The influence of the monitoring and evaluation obligations of the Structural Funds is more widely discussed in the literature. The general perspective is that these processes have improved the efficiency of programme implementation and led to more transparency and better policymaking (European Commission, 2002). Embedding these practices in the regulatory framework is seen as not only fulfilling transparency and accountability needs but also supplying management information to guide the strategic steering and effective management of programmes (Bachtler and Taylor, 2003; European Commission, 2004b).

Evaluation is seen as one of the most tangible examples of added value stemming from Cohesion policy management and implementation. Through the regulatory requirements and influence of the Commission, the evaluation obligations for Member States have increased (Polverari et al., 2007; Bougas, 2001). This has contributed to the gradual establishment of an evaluation culture and practice that can spill over into domestic policies. For instance, in a number of EU15 countries, the evaluation of national regional policies is seen to have developed largely in response to the rules introduced by Structural Funds regulations (Austria, Finland, Ireland, Italy) (Polverari and Bachtler, 2004, 14; Holzinger, 2001; Tutty, 1994). Policymakers have argued that Structural Funds evaluation requirements have acted as a ‘catalyst for change’ at strategic, management and implementation levels (Germany) (Jakoby, 2006), not least due to the extensive capacity building efforts placed to develop evaluation capacities on both the demand and supply sides (Italy) (Casavola and Tagle, 2003). The increasing quality of evaluation reports, the stronger institutionalisation of evaluation activities, the improving methodological solidity of evaluation work, as well as the greater use that is made of evaluation outcomes (European Commission, 2004; Polverari, 2007; Barca, 2006; Baslé, 2006) are said to have influenced national policies, for example by raising the profile of evaluation (Bachtler, 2001; Bachtler and Wren, 2006); in some countries, this has been described as revolutionary (Austria, Italy, Sweden) (Aalbu, 1998; Barca, 2006; Huber, 2006). Indeed, some commentators have suggested that Structural Funds have contributed to generating a ‘virtuous circle’ of evaluation in Member States (Geddes, 2006).

Assessments of the influence of monitoring and reporting are less extensive. However, research has shown the monitoring requirements of Structural Funds programmes to be of better quality than those of some domestic programmes, contributing to the introduction of new monitoring practices for domestic initiatives (UK) (ECOTEC 2003b, 57). The same applies to reporting where there is some evidence of EU practices adding value to domestic systems. The most prominent example is Italy, where the use of reporting, monitoring and evaluation has been used in the context of financial management to increase the incentives for effective administration (Pollitt and Bouckaert, 2004; Barca, 2003).
While a number of studies have identified ‘gains’ for domestic policy management and implementation systems, research also highlights difficulties in adopting Cohesion policy approaches in the area of financial management. The N+2 rule, in particular, is said to have prioritised financial absorption over project quality and inhibited innovation (European Parliament, 2008b, 17; ECOTEC, 2003b, 53). Other drawbacks are the complexity and administrative cost of financial management and control, such as the rules on eligible expenditure and the extent of certification requirements (ÖIR 2003, 144).

Similarly, while the overall value of monitoring and evaluation may have been recognised, it has also been argued that the requirements are ‘over demanding’ and insufficiently cost-effective (ECOTEC, 2003b, 51). In the case of Germany, Bauer (2002) argues that evaluation requirements are perceived by policymakers as a control instrument rather than good practice for policy improvement. The Cohesion policy approach to evaluation may not always be in line with national traditions, generating tensions (Finland, Netherlands, Sweden) (Polverari and Bachtler 2004, 29-31). The value for money of evaluations has also been questioned, and there are mixed views regarding the quality and even utility of Structural Funds evaluation (European Commission, 2004a; ECOTEC, 2003b).

The different views and experiences of evaluation, monitoring, reporting and financial management give rise a number of questions.

- **Were the evaluation, monitoring, reporting and financial management systems in use for ERDF and domestic programmes separated or integrated? What were the differences?**
- **Has working with ERDF programmes in 2000-06 period led to changes in domestic approaches to evaluation, monitoring, reporting and financial management (at all levels: policy, programme/initiative, and project)? In which specific areas?**
- **What were the key factors and motivations for the changes introduced in the evaluation, monitoring, reporting and financial management of domestic policy? What were the key barriers?**
- **Are these changes viewed as positive or negative developments?**
- **Will they be retained in the current period?**

### 5.4.4 Institutional, networking partnership (democratic added value?)

One of the most frequently cited areas of added value associated with the Structural Funds is partnership. Past evaluation studies have generally concluded that this fundamental principle of Structural Funds programming has brought enhanced transparency, cooperation and co-ordination to the design and delivery of regional development policy, and better quality regional development interventions as a result.

The partnership arrangements established to implement programmes are said to have become a permanent mechanism to exchange information and experience, encouraging more coherent and inclusive policies and shared objectives (European Commission, 2002). Community intervention is also regarded as a ‘vector of governance at local level’ and a
means of showing the public that common problems can be solved by joint action. The Tavistock Institute (1999) found the perceived benefits to be improved vertical coherence, stronger involvement of local actors, a greater awareness of the ‘bigger picture’, collaborative working and co-operation on economic development initiatives, improved decision-making in the management of economic development interventions (e.g. project selection) and opportunities for exchange of experience. Partnership working is credited with broadening perspectives and increasing contacts within and beyond regions, and as pioneering, new, creative and vibrant forms of governance, (Bachtler and Turok, 1997) strengthening skills and management competences, and creating ‘know-how pools’ within regional and local organisations (ÖIR et al, 2003; ÖIR, 2007) that can be applied to other areas of policy (Roberts, 2003).

The impact of EU Cohesion policy on the role and influence of sub-national authorities and in developing a partnership culture is the focus of considerable debate in academic and policy literature. From its introduction in EU Cohesion policy the partnership principle has spread to other EU policy areas, despite the perceived resistance of national authorities (Bauer, 2002; Nay, 2001) or led to approaches to partnership engagement that went above and beyond Structural Funds requirements (Clifford, 2008; Conzelmann, 1995, 168). More generally, it has been argued that through Cohesion policy “regions have climbed what John (1994) terms the ‘ladder of participation’ in European policy-making: to be informed, to have access to funding and to shape European policy agendas” (Bailey and De Propris, 2002, 409). Cohesion policy has been found to have “propelled regional and local mobilization in previously poorly self-organised areas - from Greek, Irish and Portuguese regions and municipalities to the North of England [...] It has also provided a focal point for transnational regional collaboration” (Hooghe, 1998).

In some cases, Cohesion policy is linked to capacity building and an expanded, more proactive role for sub-national authorities. For instance, Fleurke and Willemse (2007) explore the possibility that Cohesion policy could have “offered a new arena in which central governments did not, as yet, play a prominent role”, potentially giving the sub-national authorities greater capacity to get things done for and in their communities by not only providing financial resources but also by developing know-how and institutional capacities within sub-national authorities (Ferry and McMaster, 2005; ÖIR, 2007, 15). Involvement in Structural Funds has also been linked to the fact that sub-national authorities are “increasingly proactive in serving their interests in Europe without the necessary support of central government, as is witnessed by the rise of transnational cooperative networks between European regions, and the increase in sub-national lobby offices established in Brussels” (Fleurke and Willemse’ 2007, 27; Hooghe and Marks, 2001; CEMR, 2002, 6).

In addition to the formal requirement for partnership working, some of the routes and mechanisms through which Cohesion policy is considered to have stimulated partnership include: the potential for financial pooling between partners; promoting thematic and geographical concentration, which helps to identify and draw in partners; and adding a regional, national or European dimension to projects can widen the scope for partnerships (ÖIR, 2007, 15). However, it is important to recognise that the implementation of the
partnership principle has not had a uniform impact, with differential effects across and within countries and between different administrative levels (Hooghe 1996; Bache 1997, 10; Marks et al, 1996, 346).

Partnership is not seen in universally positive terms. Commentators have noted that greater partner and sub-national involvement in the management and implementation of policy can lead to greater complexity and difficulties in ensuring transparency and accountability. For instance, inclusive policy-making may not be cost-effective (European Commission, 2005; Hooghe, 1998), may be vulnerable to clientelism and corruption (Hooghe, 1998, 465), may be undermined by imbalances in the mobilisation of actors (ECOTEC 2003b, 45) and in their real decision-making powers (Bauer, 2002), and may be a source of tensions, mistrust and irritation among partners (Bauer, 2002). In countries with a weaker tradition of civil society involvement in policy, mobilising and involving partners has been difficult and questions are raised about the ‘quality’ of partner inputs (McMaster and Novtový, 2005).

Indeed, despite the above claims, Bauer (2002) argues that very little research has specifically been conducted to assess whether partnership actually “enhances the efficacy of the execution of regional development programmes” (Bauer 2002, 75). Hooghe (1998, 469) identifies four types of justifications for partnership only to conclude that “partnership has fallen short of expectations in each of these respects”. With reference to the operationalisation of partnership in the 2000-06 period, Tödtling-Schönhofer et al (2008) stressed that: “Governance and partnership [...] are seen as major administrative burdens during programme implementation…. the added value is not always apparent to stakeholders, in particular to those in public administrations who have worked to include not-for-profit organisations.” This is echoed in other research which found that partner involvement, in some cases was close to non-existent (e.g. Sicilia, Calabria) with difficulties in coordination and cooperation between institutional and socio-economic partners, due for instance to the lack of a clear definition of roles (European Parliament, 2008b).

From the above review, several research questions emerge:

- **To what extent was there a strong tradition/culture of partnership working in past domestic policies (beyond the ERDF programme/s)?**
- **Has working with ERDF programmes in the 2000-06 period led to changes in domestic approaches to partnership (both vertical and horizontal partnership)?**
- **More notably, has partner involvement in management and implementation increased in domestic policies/programmes/initiatives as a result of the experience of implementing ERDF programme/s? Is the resulting involvement of sub-national and sub-regional authorities and socio-economic partners greater?**

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29 That it may increase efficiency by identifying common problems and pooling collective resources to address these; that it allows actors to govern themselves on a voluntary basis, providing better, non-hierarchical forms of coordination; that it “gives weaker sub-national actors a stronger voice to demand solidarity”, and that it may be a “vehicle for democratization”.

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• What were the key factors and motivations for the changes introduced in partnership involvement in the management and implementation of domestic policy? Alternatively, what are the barriers to change?
• Are these changes viewed as positive or negative developments?
• Will they be retained in the current period?

5.4.5 Other issues: capacity building, communication and publicity, institutional and territorial cooperation ... (learning added value?)

Reviewing the literature on Cohesion policy produces one further area of added value: the perceived ‘learning effect’ of the Structural Funds framework which facilitates exchange of experience, mutual learning and lesson-drawing on the management and implementation of regional development practices across countries and regions (Bachtler and Taylor, 2003). EU Cohesion policy has been found to have contributed to the modernisation of public administration of countries and regions in both EU15 and EU10 Member States (Barca 2003, 133). According to Bailey and De Propris (2002, 423) the management of Structural Funds programmes has determined a learning process at sub-national levels even in countries with pre-existing multi-level governance (France, Italy, Netherlands), where regional actors had to learn how to coordinate and engage with local actors, and how to design and implement policy interventions.

There are perceived tangible outcomes in terms of the encouragement given to regional and local organisations to become involved in European political and policy debates and to ‘internationalise’ their operations, through participation in networking activities, territorial cooperation projects and EU-wide capacity building efforts (such as the periodic evaluation conferences organised by the European Commission). Thus, as well as shaping formal policy structures, EU policy practices can shape institutional structures, procedures, codes and cultures (Adshead, 2005; Bulmer and Burch, 1998; ÖIR, 2007, 30). However, the specific impact of the above activities on policy efficiency and effectiveness have not been identified; effects in these areas are largely intangible and hence difficult to quantify.

With a view to assessing the added value of Cohesion policy management and implementation in this area, the following questions emerge from the above review:

• Has the implementation of ERDF programme(s) in 2000-06 led to the creation of new institutions (e.g. departments, committees, working groups etc.) which have had, or will have a role in the implementation of domestic policies?
• Has working with ERDF programme/s opened up opportunities for institutional learning and exchange of experience beyond Cohesion policy programmes?
• What were the benefits and drawbacks of these activities? What has been the legacy of this learning?
5.5 Challenges in assessing added value

As discussed in the preceding Sections, Cohesion policy is credited with exercising a strong influence over the evolution of regional development management and implementation systems. However, whilst most efforts to measure the impact of programmes by physical indicators have produced results, efforts to measure the impact on policy management and implementation have ‘fallen short’ (ÖIR, 2007). The main reasons for these shortcomings are the inherent complexities in the concept of added value and Cohesion policy itself. Therefore, for the purposes of this study, it is important to recognise the difficulties and questions intrinsic in undertaking an assessment of the added value of EU Cohesion policy.

For a number of reasons, added value is a disputed concept, particularly in relation to Cohesion Policy. First, as the preceding discussion highlights, the definition of what constitutes ‘added value’ is extremely difficult. The boundaries of the concept are vague. As Figure 7 illustrates the idea of Community added value overlaps with a range of related concepts, such as additionality, spillovers and effectiveness.

Figure 7: Community Added Value

Second, defining added value is further complicated by the fact that perceptions of added value can differ. What is considered to be ‘added value’ for one organisation may not be equally beneficial to others (Bachtler and Taylor, 2003, 12). Therefore, there is a risk that labelling an effect as added value can present a ‘one dimensional’ view, as impacts can have both a positive and negative effects (ÖIR, 2007, 25). Further, a difficulty with appraising added value is generated by the intrinsically political nature of the concept and of the contexts in which it is/can be used. As noted by Tarschys (2005), much more effort is placed on the assessment of the positive effects of policy, whereas “negative results are seldom reported, and relatively scarce analytical resources are committed to the autopsy of failed investments” (Tarschys, 2005, 84). Appraising the real value of a policy may meet the resistance of those involved, reluctant to potentially uncover failings or, conversely, contribute to prove the utility of practices that may not be in line with preferences and perceived needs.
Third, in assessing the added value of Cohesion policy, specific problems have to be faced associated with the inherent complexity of the policy and the processes through which it is implemented. Cohesion policy is by nature cross-sectoral and has multiple objectives, with the implication that the rationale for the policy is also diffuse (Begg, undated, 4). The ‘impact’ and ‘influence’ of Cohesion policy processes and structures are often intangible, difficult to measure and take time to emerge (Bache and Marshall, 2004; Ladrech, 1994). Further, as has been noted, there are considerable variations in the domestic contexts in which the Funds are managed, and no single model of Cohesion policy implementation, as Member States can determine their own approach to management and delivery. The picture is further complicated by the fact that management and implementation arrangements are not static, due to regulatory reforms and changing economic and political contexts.

Fourth, even where Cohesion policy correlates with improved performance, there is a problem with attributing observed results to the policy itself. Previous assessments of Cohesion policy added value have been criticised as not adequately separating out those effects that would be induced by regional policy anyway (regardless of whether organised at EU or national levels) from the additional effects that are specifically attributable to the implementation of the Structural Funds (BMF, 2002; Tarschys, 2005).

Insufficient attention has also been given to causalities of effects and the interdependencies between EU and national policies (ÖIR, 2007). Discussing the effects of the EU on sub-national decision making Fleurke and Willemse (2007, 70) highlight a “lack of a systematic approach in which possible enhancing and constraining EU effects are considered simultaneously, and of a thorough analysis of daily administrative practice”. The challenge relates to the non-linear causal relationships that have to be addressed in considering added value. Added value may relate to unintended, side-effects of policies rather than declared objectives. With specific reference to management and implementation, moreover, it is likely that added value may relate to an iterative process of change resulting from the mutual influencing of EU and domestic systems, making it difficult to separate out what is a direct consequence of EU Cohesion policy and what derives from the domestic interpretation, adaptation and original elaboration of EU requirements.

Fifth, as with many studies on the topic of Europeanisation of public policy (Brunazzo, 2007), many assessments of the influence of Cohesion policy on domestic institutions and structures have taken a hierarchical, ‘top-down’ view. However, it is important to recognise that the relationship between regions/Member States and the EU is not unidirectional, but a two-way-process (Brunazzo, 2007; Gualini, 2004) often characterised as ‘up loading’ to the EU level by domestic actors as well as ‘downloading’ from the EU (George, 2001), as exemplified by the increasing local-level mobilisation at EU level (De Rync and McAleavey, 2001, 551). Thus, working with Cohesion policy can affect regions and institutional levels independently, shaping developments in some regions or administrative levels in different ways than in others.

As a consequence, added value for domestic policies varies both across and within Member States. This is because there are differences in the response of domestic actors and institutions according to how processes ‘fit’ with preferences, practices and pressures
coming down from the EU level.\textsuperscript{30} The scope for added value may be shaped by ‘bottom-up’ influences, initiatives from lower administrative levels, and ‘downward consultation’ on the part of the EU (Cowels, 2001) as policy implementation does not necessarily involve simply applying rules and regulations, but can also involve adaptation and interpretation of policies; processes that may ‘add value’ themselves.

The European Parliament (2008) has noted that “engagement was not to be a one-way street, where participants were approached simply in terms of implementing European policies which had already been decided. The Commission sought ways of involving this wider governance reality in defining targets, elaborating policies, and actually putting them into practice”. Thus, just as Cohesion policy is capable of shaping domestic structures, domestic policy management and implementation system also informs EU policy structures, systems and processes. This reciprocal relationship and on-going processes of policy learning and exchange of experience can make it difficult to identify a single source for added value.

National institutional frameworks and policy traditions are identified as key factors in determining the development and evolution of policy implementation and governance structures. A number of authors suggest that the capacity of domestic policy structures is still strong compared to the EU (Hooghe, 1996; Jones and Keating, 1995). According to Hughes et al, (2004) domestic policy-makers have considerable discretion in the way EU Funds are administered. These analyses emphasise the ‘modulating’ or ‘limiting’ effects of domestic institutions, arguing that domestic institutions and especially the pre-existing, domestic institutional infrastructures limit the influence of the EU. Instead, it is argued that institutional legacies and domestic policy preferences lead to variations in the response of domestic actors and institutions to development needs and governance issues, a point supported by recent research (Ferry et al, 2007).

As for the ways through which domestic forces influence the implementation of Cohesion policy, a range of explanations are found in the wide body of Europeanisation research. For instance, some authors argue that strong national governments may act as ‘gatekeepers’, thus limiting the impact of the EU (Moravcsik, 1993; Benz and Eberlein, 1999, 392-448). Alternatively, using the concept of ‘goodness of fit’, authors such as Risse et al (2001) argue that good ‘fit’ between domestic and EU policy and structures implies weak pressure on the Member States to adapt; poor ‘fit’ suggests greater adaptive pressure on domestic institutions. Begg (undated) highlights a bottom-up approach that focuses on national specific, even region specific adaptation to external inputs, thereby focussing the spotlight on the specific institutional factors that mediate the influence of EU policies and practices. In a similar vein, Hughes et al (2004) identify varying degrees of EU influence, but associate it with mixed messages and shifting policy priorities on the part of EU institutions. Radaelli (2000) proposes the following categorisation of Member State responses to EU pressures: inertia (i.e. no change where misfit is too high to allow changes to take place); absorption (i.e. adaptation to domestic systems that do not involve a substantial change to the
fundamental structures or logics of the system); transformation (i.e. a paradigmatic change); and, retrenchment (e.g. where the misfit is such that actors coalesce to retain the national character of policy).

Finally, assessing the added value of Cohesion policy management and implementation entails significant measurability challenges. The qualitative types of added value effects are generally intangible and there are no baselines against which effects can be assessed. In addition, fundamental difficulties are met in establishing the relative costs of added value effects and whether the added value generated is the best possible, given the resource inputs utilised. This goes beyond the scope of the present analysis but stresses the need to consider the contextual factors which influence the generation and perception of added value (more on this will be said later). Further, the added value of the same initiative could vary depending on the timeframe as well as on the scale of analysis (Tarschys, 2005). Added value effects may only be visible in the longer run. Equally, the added value could be more or less permanent, as there may be declining marginal added values.

The level at which the analysis is undertaken is also significant, since what could be considered as added value at one scale could not be such at another. For example, the introduction by Cohesion policy of stringent monitoring, reporting and evaluation rules can be considered as an element of added value in contexts with limited tradition in these fields; whereas the same requirements may be considered as hindering effectiveness where they entail a duplication of efforts, in a context where domestic policies are already informed by accountability and procedures for monitoring, reporting and evaluation area already in place. Indeed, added value at one level may even be detrimental at another.

Past studies on the added value of Structural Funds programmes, whilst presenting many valuable insights and useful categorisations of the types of added value, have not been able fully to overcome the above challenges. It was only with the ex post evaluations of 1994-99 programmes that the topic of added value was addressed explicitly. Before then, “the presence of such an added value dimension has been an implicit assumption in the operation of Structural Funds” (ECOTEC, 2003b, 225). The studies which have addressed this topic, moreover, tended to adopt self-referential definitions of added value and only seldom covered the negative effects of Cohesion policy, i.e. depreciated/detracted value (ÖIR, 2007, 25). In some cases, the evidence upon which judgements were made was not clearly outlined, and the methodologies used were not always solid. For example, the ex post evaluation of Objective 1 1994-99 programmes, provides a rather generic assessment of the added value of the programmes on “a ‘yes’ or ‘no’ basis. Such appraisals and opinions are often classified too broadly and are not always objectively verifiable” (Court of Auditors, 2006, 19).

The mid-term evaluations of the 2000-06 programmes were supposed to address the topic of added value, in line the DG REGIO Working Paper 8; however, the Commission’s final report on the Objective 1 and 2 mid-term evaluation (European Commission, 2004) did not deal with how the evaluations had addressed added value or the conclusions reached on this topic, suggesting perhaps that there was little to be said. One of the weaknesses of the
mid-term evaluations, as acknowledged by the Commission, was the large scale of the task
and the wide range of evaluative questions to be addressed (European Commission, 2004).
This might have rendered the pro-rata time available to address added value inadequate to
needs. It is only in the (few) studies focusing specifically on added value that thorough
assessments can be found (e.g. ECOTEC, 2003b; Bachtler and Fraser 2002), but these
provide a very limited basis for EU-wide conclusions and policy development.

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6. TASK 3 - ANALYTICAL FRAMEWORK AND METHODOLOGY

Building on the literature review, this Section sets out the analytical approach and methodology adopted for the assessment of the net added value of EU Cohesion policy management and implementation. It outlines: the main research stages; the study’s approach to interpreting and identifying ‘added value’; and the rationale for the selection of case studies. Three annexes contain the briefing/guidance note for National Experts (Annex III), a draft research checklist (Annex IV) and template for Case Study Reports (Annex V).

6.1 Working hypotheses and research questions

A key aim of this study is to move beyond a superficial assessment of Community added value and get to the heart of the complexity of this topic. However, dealing with the concept of Community added value and the operation of EU Cohesion policy inevitably raises a number of difficult methodological issues. This suggests that it is necessary to start from first principles and build up a thorough understanding of the interaction between Cohesion policy and domestic policy management and implementation systems in order to draw conclusions on the nature of added value and to produce a valid definition of the concept.

In the Inception Report, EPRC identified a working definition of Community added value. The literature review justifies retaining the key elements of this working definition for the case study work. However, it is anticipated that potential changes to the definition may be made following the comparative review of the case studies that will be conducted for the Interim Report.

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Added value is defined as relating to aspects of Cohesion policy management and implementation which:

- would not have occurred had Cohesion policy not intervened (policy-off situation);
- have led to changes in the ways in which Member States operate their own domestic policies - regional/economic development policy or public policy more generally (spillover)

and in which

- the changes introduced have improved the ways in which Member States operate their own policies.

Added value for this task relates exclusively to management and implementation developments taking place in the 2000-2006 period. To a certain extent, the pre-2000 experience with Cohesion policy implementation will also be considered - to take account of developments in 2000-06 systems that are linked to events in the previous programming period. Equally, it is anticipated that some aspects of value added arising in the course of 2000-06 will be visible in the current (2007-13) programming period. These will also be considered in the research.
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Getting to the heart of added value means acknowledging that Cohesion policy management and implementation systems might have entailed elements of detracted value too. ‘Detracted’ value is understood as the inverse of added value, i.e. relating to negative aspects of Cohesion policy management and implementation (e.g. lower efficiency or effectiveness) that would not have occurred in policy-off situations and that have led to perceived negative changes in the ways in which Member States operate their own domestic policies.

The framework for the analysis is shown in Figure 8, illustrating the interrelationship between the outcomes of the literature review, the elements of the case study research and the comparative assessment.

Figure 8: The research framework

In order to achieve a balanced assessment of policy interactions and influences, a number of factors have to be taken into account. First, it has to be acknowledged that experiences of Cohesion policy differ between countries and regions. There is considerable variation between countries in the scale of Cohesion policy resources available, the geographical coverage of programmes, the administrative systems used and the ‘maturity’ of the programmes:

- **scale of funding.** Added value effects are not restricted to medium-sized and larger programmes, but very small programmes have been shown to have more difficulty in achieving added value;

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31 Bachtler and Taylor (2003) op. cit. 10-11
• **geographical scale.** The scope for generating added value has been found to be greater where EU intervention operates within functional regions (coherent with administrative regions, labour market regions);

• **EU Cohesion policy implementation system.** The scope for generating added value (and the specific MIS processes where added value might be generated) appears to vary between centralised, delegated and regionalised programmes, and between subsumed and differentiated resource allocation systems; it will be important to include a representative sample of case studies from different types of system; and

• **maturity of programme experience.** There is some evidence that the generation of added value takes more than one programme period to come about, but may be more difficult to generate after a number of programme periods.

Second, the domestic contexts in which the Funds are managed differ. This can have an important impact on the influence of a management and implementation system. It also raises the question to what extent can an influence or interaction observed in one context be replicated in another, and what is the role of the following factors.

• **Political context.** Political support is important in providing endorsement for the credibility of the administrative context and thereby influencing the efficiency of the implementation system. Member States have differing inclinations towards ‘Europe’ as well as economic development policy (and regional policy more specifically). The degree of divergence of domestic attitudes with the values promoted by EU Cohesion policy may affect the added value of the policy and, in particular, its implementation.

• **Constitutional/institutional context.** EU Cohesion policy implementation is rooted in the principles of subsidiarity and partnership. However, domestic systems may be more (or less) centralised and differentially open to societal inputs. This is likely to impact on the implementation of EU Cohesion policy and on its capacity to influence domestic perceptions and practices.

• **Economic context.** Programmes are specifically designed to take account of socio-economic factors; the degree of development of a country and the importance of the regional problem are likely to influence the added value delivered by the implementation of Cohesion policy.

• **Administrative context.** As described in the literature review, domestic administrative systems vary across Europe. The Napoleonic model of France and Italy with its emphasis on administrative law and procedural correctness, for example, appears very different to the Anglo-Saxon performance-oriented public sector. The relative value of EU Cohesion policy management and implementation systems compared to domestic systems is likely to be affected by the degree of consistency or discrepancy across the two.

• **Social context.** The role of civil society in shaping and delivering public policies varies between countries, in relation to historical and cultural traditions. The added value of EU Cohesion policy implementation will vary depending on the pre-existing role of socio-economic stakeholders in the implementation of domestic policies.
As discussed in the literature review, it is also important to recognise that the impact of Cohesion policy management and implementation, relative to other policy and management influences, is difficult to disentangle. Factors such as the influence of domestic political and social institutions are not necessarily easily identified or measured. Moreover, consideration needs to be given to the fact that the financial resources and capabilities mobilised by Cohesion policy, compared to those of domestic policies, differ across programmes, and this is likely to have an impact on the added value generated. Further, it cannot be assumed that all relationships and impacts involved are clear cut and well documented, particularly as both formal and informal processes are involved. Additionally, decisions on such politically and economically contentious issues are likely to be taken at elite levels, especially during the initial stages of policy development.

The potential added value of Cohesion policy, moreover, can vary substantially across the range of management and implementation processes and tasks. In order to gain a more complete picture of Community added value, it is necessary to look at each of the seven stages of management and implementation, programme development, project generation, appraisal and selection, financial management, monitoring, reporting, evaluation and partnership.

Based on previous research on added value and on the methodological issues outlined, key questions concern the nature of the added value effects, how they came about and their sustainability. Further research will be structured around the following key questions:

- To what extent have the management and implementation of Cohesion policy programmes over the 2000-06 period influenced the way domestic policies were implemented in the same period and the way they are implemented at present? What changes can be observed?
- How have the management and implementation systems and procedures of EU Cohesion policy influenced domestic systems and procedures for the implementation domestic economic/regional development policies? For instance, has there been transfer, adaptation or innovation?
- What were the effects of the changes introduced through EU Cohesion policy to domestic management and implementation? Have there been identifiable positive effects (e.g. efficiency improvements, innovation, learning effects?) or negative effects?
- What key lessons can be drawn regarding wider impacts that EU Cohesion policy programmes can have on domestic contexts?

More specifically, key questions relate to the following issues:

32 This links to one of the comments of DG REGIO on the draft Preliminary Report, relating to the need to consider the ‘input’ dimension (financial and human resources/costs) as well as the ‘output’ dimension (benefits/added value generated). This would establish whether the same benefits have been generated at different costs in different contexts or whether different types of benefits have been generated at the same relative cost.

What are the characteristics of the influence?

- **Nature of influence**: What effects have Cohesion policy programmes had on the management and implementation of counterpart domestic policy systems and procedures? To what extent have these effects been innovative and positive in terms of the efficiency or effectiveness of domestic systems, or the reverse?

- **Scale**: What was the scale of the influence - mainstreamed to the entire field of intervention or restricted to specific areas, themes or measures?

- **Significance**: How significant are the effects perceived to be in terms of changes to management/implementation structures, systems or practices? To what extent are the effects practical/identifiable or related to changes in attitude/culture? Are the effects formalised/codified or informal/tacit?

- **Costs/benefits**: To what extent are there indicators or values through which the costs or benefits of the influence can be measured? Are these effects generic to the policy, or specific to certain forms of management and implementation?

How did the effects come about?

- **Pre-conditions**: Are there institutional or resource pre-conditions that determined or influenced the effects (e.g. levels of centralisation/decentralisation; subsumed, aligned, differentiated resource allocation systems; scale of EU resources relative to national resources...)?

- **Factors**: What operational factors determined or influenced the effects (e.g. role of key individuals; specific types of EU and domestic management/implementation structures, systems or procedures; specific organisational relationships between management/implementation of EU and domestic funding ...)?

- **Process of generating the effects**: How did the generation of the effects come about (regulatory compliance; mutual learning through experience; specific experiments; evaluations or other studies; external exposure to other practices etc.)?

How sustainable are the effects?

- **Evolution**: How does the generation of the effects change over time? Does it require a minimum level of familiarity and experience (e.g. an entire programme period) before effects become evident? To what extent does the scope to generate effects change over successive programme periods?

- **Durability/legacy**: To what extent are the effects temporary (for the duration of the programme period) or embedded (lasting beyond the programme period)?

- **Lessons learnt**: What are the key challenges for the management and implementation of 2007-13 Cohesion policy vis-à-vis domestic programmes, and how can these challenges be tackled?
6.2 Research stages

The case study research process involves three main stages: background research (literature review); case study analysis, based on documentary analysis, semi-structured elite interviews and national/case study workshops; and comparative assessment.

6.2.1 Background research

A core element of the methodology for this study is the literature review. An in-depth review of relevant theoretical and policy literature has been undertaken and presented in Section 5 of this Preliminary Report. The review establishes the conceptual context for the research, identifying key factors in the current literature relating to the issues of added value and approaches to management and implementation in the EU 15 Member States which can be further tested in the case study research.

The review draws on a wide range of literature. The sources used include academic literature on the governance of EU policies, Cohesion policy and the implementation of regional policy in the Member States; academic literature on public management; policy literature on the management and implementation of EU Cohesion policy, including on the CAV of the policy; and evaluation reports and other analytical studies on the impacts, effectiveness and efficiency of EU Cohesion policy, with particular emphasis on management and implementation systems and procedures (see literature review for more detail).

This systematic examination of relevant literature provided or enabled: (i) a review of the emergence of the concept of public added value and the main interpretations of the concept of Community added value; (ii) identification of the dimensions and determinants of Community added value with respect to Cohesion policy generally, and specifically with respect to its management and implementation; (iii) the development of hypotheses on the factors which may contribute or hinder the added value of Cohesion policy from the point of view of the management and implementation systems through which this policy is delivered; (iv) the construction of a systematic framework of research questions; and (v) guidance on how best to distil a working definition that will be applied throughout subsequent stages of the research, including the case studies.

6.2.2 Case study analysis

Further research will involve seven case studies. These will provide qualitative insights on the realities and subtleties of the management and implementation systems and the environment in which they operate. In-depth case study analyses, qualitative research interviews, and a fine-grained assessment of management and implementation structures will enable research to identify the more intangible aspects of added value. It is also anticipated that the comparison of developments in one country with similar processes in others will provide an assessment of relative impacts.
The selection of the case studies has been undertaken by EPRC in cooperation with National Experts. Case study research will be carried out by the National Experts based on a briefing paper, standardised checklist and case study template provided by EPRC (in draft form) to the National Experts on 2 May 2008. EPRC and the seven National Experts in charge of the case studies will bilaterally discuss possible adaptations of the standardised checklist to the individual needs of each case study.

(i) Selection of cases studies

EPRC have selected seven case studies from the EU15 to explore added value arising from the management and implementation of Cohesion policy. The have been identified to enable research at different levels (national, regional, sub-regional) and relating to different management and implementation processes. As described in the Inception Report, they are also intended to allow different possible dimensions of added value to be investigated:

- added value with respect to the governance of policy, i.e. horizontal (socio-economic) and vertical (institutional) partnerships;
- added value with respect to the accountability of policy, i.e. the procedures which may increase policy transparency and accountability (e.g. in the areas of financial management, monitoring and evaluation, reporting,);
- added value with respect to institutional learning, i.e. where Cohesion policy may act as a catalyst for the development of staff (e.g. through training, exchange of good practice, benchmarking exercises etc.) and the generation of new knowledge with respect to MIS (e.g. new procedures, management techniques, practices etc.);
- added value with respect to leverage effects, i.e. where Cohesion policy management and implementation approaches/procedures may improve policies’ ability to achieve their goals (e.g. by improving the geographical or sectoral integration across policies) or may allow policies to achieve more ambitious goals (e.g. strengthening policy strands beyond Cohesion policy - e.g. sustainable development - through improved procedures).

The seven proposed case study countries/programmes are as follows:

- Austria - focussing on the relationship between EU and domestic policy through the Additionality Programme in Burgenland;
- Greece - focussing on the relationship between investments under the regional and sectoral Objective 1 programmes and the domestic Public Private Partnership investment programme;
- Finland - focussing on the relationship between the Western Finland Objective 2 programme and the domestic Oulu Growth Agreement;
- France - focussing on the relationship between Cohesion policy programmes and the *Contrats de Plan Etat-Région*;
- Ireland - focussing on the relationship between EU and domestic policies with respect to programming and evaluation;
• Italy - focusing on the relationship between EU and domestic regional policies with respect to programme design, programme management and the role of sub-regional actors in policy implementation;

• United Kingdom (England) - focusing on the relationship between EU Cohesion policy programmes and the domestic regional economic strategies.

As illustrated in the table below, the seven case studies have been selected to provide a broad spread of examples with respect to: the EU territory; scale of EU Cohesion policy funding; Objective 1 and 2 coverage; constitutional and administrative systems; and, territorial level at which added value effects will be investigated. The case studies will also include experiences in relation to major and revenue generating projects where applicable. The final decision will be made in cooperation with DG REGIO.

Table 5: Proposed case study characteristics

<table>
<thead>
<tr>
<th>Country</th>
<th>EU territory</th>
<th>Scale of SF funding*</th>
<th>Objective 1 / 2 status</th>
<th>Governance and Structural Funds implementation systems**</th>
<th>Level of analysis</th>
</tr>
</thead>
<tbody>
<tr>
<td>Austria</td>
<td>Continental</td>
<td>Small</td>
<td>Predominantly Objective 2</td>
<td>Federal/subsumed</td>
<td>Regional</td>
</tr>
<tr>
<td>Finland</td>
<td>North East</td>
<td>Small</td>
<td>Predominantly Objective 2</td>
<td>Unitary/composite</td>
<td>Sub-regional</td>
</tr>
<tr>
<td>France</td>
<td>Continental</td>
<td>Medium</td>
<td>Predominantly Objective 2</td>
<td>Unitary/composite</td>
<td>National/ regional</td>
</tr>
<tr>
<td>Greece</td>
<td>South East</td>
<td>Large</td>
<td>Objective 1</td>
<td>Unitary/subsumed</td>
<td>National</td>
</tr>
<tr>
<td>Ireland</td>
<td>North West</td>
<td>Small</td>
<td>Objective 1 (and Phasing Out)</td>
<td>Unitary/subsumed</td>
<td>National</td>
</tr>
<tr>
<td>Italy</td>
<td>South East</td>
<td>Large</td>
<td>Predominantly Objective 1</td>
<td>Unitary/composite</td>
<td>Regional</td>
</tr>
<tr>
<td>UK</td>
<td>North West</td>
<td>Medium</td>
<td>Predominantly Objective 2</td>
<td>Devolved/differentiated</td>
<td>National/ regional</td>
</tr>
</tbody>
</table>


** Taylor et al, 2000 (Ireland and Greece were not covered by Taylor et al and the classification has been inferred from the authors’ approach)

(ii) Desk research

As a starting point for research, the principal documentation to be reviewed by the National Experts includes CSFs, SPDs, OPs and programme complements, MTEs, UMTEs and annual reports. These documents are all available on the WP11 Project SharePoint. The research will also analyse relevant programme delivery documentation (such as calls for tenders, project selection fiches/guidelines, project monitoring sheets etc.). Similar documentation on domestic policies addressed will also be reviewed (e.g. for the French case, the Contrats de Plan État-Région; for the Finnish case, the Oulu Growth Agreements; for the Italian case, the Tuscan Economic Development Plan 2007-10, and the English Regional Economic Strategies for the UK case).

Building on the National Overviews prepared under Task 1, these sources will be used by National Experts to undertake a preliminary mapping exercise to identify:
the management and implementation of EU programmes, for each of the specific processes, over the 2000-06 period;

the management and implementation of domestic economic development policies co-financing EU interventions;

the direct and indirect relationship/interaction between EU and domestic management and implementation systems for each of the specific processes.

The case study research will address, insofar as relevant, all programme implementation stages. Consequently, and as illustrated in the annexed checklist and template for case study research (see Annexes III, IV and V), the issues that will be covered during the case study work will include the following:

- procedures for programme design (e.g. involved parties, consultation mechanisms, strategy-setting methods etc.);
- project generation, appraisal and selection mechanisms (e.g. responsible actors, criteria setting, methods for selection etc.);
- financial management (efficiency of the management circuit and similarities/contrasts with pre-existing/domestic practices);
- project and/or programme monitoring (systems, indicators, actors involved and roles, checks and use);
- evaluation at project and/or programme level (methods, actors involved and roles, use and follow-up);
- reporting procedures (responsibilities, scope, timing and follow-up);
- approaches to partnership; and
- other relevant processes such as capacity-building activities, publicity and communication practices.

This approach will allow a comprehensive overview of the operation of management and implementation systems to be derived.

(iii) Interview-based fieldwork

Building on the desk research, fieldwork will be used to develop further the understanding of the relationship/interaction between EU and domestic management and implementation processes. The focus will be on identifying adaptations, innovations or other changes to domestic processes attributable to Cohesion policy. In line with the research questions outlined above and specified in the annexed checklist, the key issues will be the nature, scale and significance of the interaction and effects; the conditions, factors and processes explaining the effects; and the sustainability of the effects.

As discussed in the Inception Report, the fieldwork will involve interview research with three categories of respondent: strategic respondents; operational respondents; and external respondents.
• **Fieldwork research - strategic respondents**

The first level of investigation will be with individuals involved at a strategic level in the management of Structural Funds for the case study programmes and the counterpart domestic policies used to co-finance EU interventions (but also, in some cases, other domestic regional policies which may not be used for co-financing). For Structural Funds, these will include representatives of Managing and Paying Authorities; members of Monitoring Committees; directors of programme secretariats etc. For domestic policy, these will include senior officials responsible for counterpart domestic national/regional development strategies and heads of department in co-financing organisations with overall responsibility for areas such as business aid, local infrastructure, human resource development etc.

Research at this strategic level will be undertaken through in-depth, face-to-face interviews, based on a questionnaire developed by EPRC. The research will focus on establishing interactions between the overall management of EU and domestic interventions from a wide range of strategic perspectives, in particular to understand how policy management frameworks have been established/modified, the factors underlying the inter-relationships, the distinctive contribution of EU approaches, the evolution of the relationship over time and the embeddedness of any EU-driven changes to domestic management structures and systems.

• **Fieldwork research - operational respondents**

The second level of investigation will be with individuals involved at an operational level in the implementation of Structural Funds for the case study programmes and the counterpart domestic policies used to co-finance EU interventions (and, where relevant, non-co-financing policies). For Structural Funds, these will include representatives of programme secretariats and implementing bodies (e.g. measure managers), intermediate bodies, management committees, advisory committees, project selection committees and other programme delivery organisations (e.g. sub-regional or thematic partnership groups).

The research will focus on establishing, at a more detailed level, the influence of Cohesion policy on each of the specific processes identified in the framework above. Research at this operational level will be undertaken primarily through telephone interviews, again based on an EPRC questionnaire. Where large numbers of interviewees are involved, the scope for an Internet-based survey will be explored.

• **Fieldwork research - external respondents**

The third level of investigation will be with a limited number of key individuals not directly involved in the management or implementation of the case study programmes but with a high level of knowledge about the context and practice of EU and domestic policy intervention during the 2000-06 period. These will include evaluators of EU and domestic funding, academic commentators, and economic development organisations and committees. This part of the research will focus on gaining an external perspective, in particular a broader, longer term and critical perspective on the EU/domestic policy
interaction in the case study programmes. This will be undertaken primarily through face-
to-face interviews.

A preliminary list of interviewees for each case study is proposed in the case study
descriptions provided in Section 7. This list will be finalised after the approval of the
proposed case studies by DG REGIO and by the Steering Group.

By incorporating qualitative interviews with key actors and using local source material, the
research methodology will allow an in-depth exploration of the more informal relationships
and influences. The use of interviews and analysis of media sources will be used to
compensate for the lack of ‘official accounts’. At this stage, the study must be sensitive to
the fact that positive/negative perceptions of Cohesion policy influences (i.e.
added/detracted value) in one field or organisation may not apply across the whole
management and implementation system. Gains in some areas may run counter to
developments in other areas of activity, for instance greater regional involvement in the
implementation in funding may lead to difficulties in ensuring accountability. More
generally, the role of various institutions and the influence of EU policies can be contested
topics. They are sources of divergent opinions, debates and even conflict, with the
potential for bias in interview and written material. Appreciation of the local contexts and
the use of a wide range of sources will allow the study to achieve a more balanced review
of the data collected.

(iv) **Case study workshops**

The final stage of the national research will involve a case study workshop, bringing
together a selection of key strategic, operational and external informants (from both EU
and non-EU management systems). The aim of the case study workshops is to discuss the
provisional findings emerging from the interview research, and to test the preliminary
conclusions. Given the inherent subjectivity involved in identifying added value, an
important purpose of the workshop would be to assess the degree to which the aspects of
added value identified are shared across different levels and how they vary according to
involvement in managing and implementing the Structural Funds programme or counterpart
domestic policies. Facilitation techniques will be used to explore different issues and
achieve consensus on the proposed conclusions. Such techniques might include discussions
in small groups, high level round tables, discussion-oriented seminars and others. In
acknowledgement that discussion methods and exchange attitudes vary across the Member
States, the appropriate technique for each case study workshop will be established by EPRC
and the National Experts.

(v) **Case Study Reports**

National Experts will synthesise the appraisal of community added value arising from
management and implementation systems in standardised Case Study Reports. EPRC has
already developed and disseminated to National Experts a draft template which is annexed
to this Preliminary Report (sent to National Experts on 2 May 2008). This will ensure that
the case studies, whilst not covering exactly the same ground, will provide information in a
comparable format. The reports will be validated by EPRC, and National Experts will be
asked to undertake revisions or refinements where required. Final polishing of the quality of written English will be undertaken by EPRC.

6.3 Comparative analysis

Based on the background research undertaken on the added value of Cohesion policy management and implementation, and on the case study reports provided by the National Experts, EPRC will develop a comparative analysis on the added value of Cohesion policy management and implementation systems compared to domestic systems. The comparative assessment will present conclusions on the commonalities and contrasts across the case studies undertaken, and summary considerations on the key lessons can be drawn regarding both the wider impacts that EU Structural Fund programmes can have on domestic contexts and the challenges that mainstreaming Structural Funds approaches may involve.

6.4 Task 3 timetable

<table>
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<tr>
<th>Key milestones</th>
<th>Deadline</th>
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<tbody>
<tr>
<td>Development of checklist, template and guidance note for case study research</td>
<td>April 2008 (drafts sent to National Experts on 2 May)</td>
</tr>
<tr>
<td>Briefing of National Experts</td>
<td>21-22 April 2008</td>
</tr>
<tr>
<td>Development of case study descriptions and of indicative list of respondents for each case study</td>
<td>20 May 2008</td>
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<tr>
<td>Literature review</td>
<td>Preliminary Report (addendum) 20 May 2006</td>
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<tr>
<td>National Expert desk research, finalisation of interviewees list, adaptation of checklist into questionnaires</td>
<td>End of May 2008</td>
</tr>
<tr>
<td>National Expert fieldwork</td>
<td>End of June/Early July 2008</td>
</tr>
<tr>
<td>Drafting of Case Study Reports</td>
<td>Mid-July 2008 (deadline 18 July)</td>
</tr>
<tr>
<td>Refinement/editing of Case Study Reports</td>
<td>End of July</td>
</tr>
<tr>
<td>Drafting of comparative review, inclusive of conclusions and recommendations</td>
<td>End of August 2008</td>
</tr>
<tr>
<td>Integration and drafting of Interim Report</td>
<td>End of August - early September</td>
</tr>
<tr>
<td>Submission of outputs as part of Interim Report</td>
<td>Interim Report 12 September 2008 (at latest)</td>
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7. TASK 3 - CASE STUDIES

As noted in the preceding Section, the following case studies are proposed:

- Austria - focusing on the relationship between EU and domestic policy through the Additionality Programme in Burgenland;
- Greece - focusing on the relationship between investments under the regional and sectoral Objective 1 programmes and the domestic Public Private Partnership investment programme;
- Finland - focusing on the relationship between the Western Finland Objective 2 programme and the domestic Oulu Growth Agreement;
- France - focusing on the relationship between Cohesion policy programmes and the Contrats de Plan Etat-Région;
- Ireland - focusing on the relationship between EU and domestic policies with respect to programming and evaluation;
- Italy - focusing on the relationship between EU and domestic regional policies with respect to programme design, programme management and the role of sub-regional actors in policy implementation;
- United Kingdom (England) - focusing on the relationship between EU Cohesion policy programmes and the domestic regional economic strategies in two English regions (South West and East Midlands).

The following sections describe each case study in detail, specifying the rationale, coverage and a preliminary list of interviewees for each.

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34 This proposal involves three case studies from Objective 1 and four case studies from Objective 2, as opposed to the two/five split foreseen in the Terms of Reference. The decision to include one more Objective 1 case study than originally foreseen was taken in agreement with DG REGIO.
7.1 Austria - policy interaction between EU and domestic policies under the Burgenland Additionality Programme

The case study will review the changes to domestic policy implementation in Burgenland - particularly with respect to the establishment of the Additionality Programme, introduced as a result of the implementation of the 2000-06 Objective 1 SPD. It will explore whether and how Cohesion policy has been able to influence domestic policy implementation (and vice-versa); it will assess positive and negative effects of the changes introduced and the resulting added or detracted value of Cohesion policy management and implementation for the Burgenland domestic context (and, where applicable, the Austrian context more generally). Lessons will be derived on the wider impacts that EU Structural Funds programmes can have and on the challenges entailed by the further mainstreaming of EU management and implementation systems and practices in domestic policies over the current policy phase (2007-13).

The key issues that the case study will address are as follows:

- the reasons that led to the introduction of the parallel programme and whether the intended aims for this programme were met;
- the systems and practices in place for implementing both programmes, under all seven processes; the differences/commonalities; and, the reasons for these;
- the changes introduced by the Additionality Programme compared to the implementation of domestic policies in the Land prior to 2000;
- the effects delivered by the changes introduced, i.e. whether there has been added or detracted value; and
- whether these changes are being retained in the current period.
7.1.1 Rationale

Austria acceded to the EU in 1995, and it was over 1995-99 that the main innovations and principal learning associated with the implementation of Cohesion policy took place. From an institutional perspective, the main changes introduced with accession were the creation of Regional Management Organisations (RMOs) at Land or sub-Land level, with responsibility for project development, local networking and capacity building to local project applicants/holders. An evaluation platform was also created - Checkpoint EVA - to assist and support all actors with the evaluation requirements associated with EU Cohesion policy.

The 2000-06 period has seen further developments (e.g. the creation of an electronic central monitoring system) and - it has been argued - the diffusion of EU management and implementation systems and procedures to domestic policy. At federal level, this applies particularly to the sphere of evaluation, with the continuation of the experience of Checkpoint EVA through KAP EVA. At Land level, an apparent example of the influence of Cohesion policy on domestic policy management and implementation is in the Objective 1 Land of Burgenland. Here, an additional programme, parallel to the Objective 1 SPD, was implemented in 2000-06 by the Land authorities solely funded with domestic resources and under the supervision and monitoring of a body similar in composition and function to the Structural Funds Monitoring Committee.

7.1.2 Coverage

The case study research will examine the management and implementation of the Burgenland 2000-06 Objective 1 programme and the parallel domestic Additionality Programme. Since the programme under investigation is a multi-fund programme and the evaluation concentrates on the ERDF, research on project selection, monitoring, reporting and financial management will relate to the ERDF part of the programme only. However, more general processes such as programme design, the functioning of the management system and the approach to partnership will be examined at programme level.

The Burgenland Objective 1 SDP was a rather small programme, involving public investments of c. €390 million, €282.9 million of which was from the Structural Funds (ERDF, ESF, EAGGF and FIFG). The budget of the Additionality Programme in the same period was €243.4 million, €135 million of which related to investments in line with those funded by the ERDF in the Objective 1 SPD. In both programmes, investments were undertaken for business and industry; research, technology and innovation; tourism and culture; agriculture and forestry and human resources. Both programmes had an identical overarching strategy. However, eligibility rules, selection procedures and monitoring requirements were simpler for the Additionality Programme. The domestic programme funded projects that would not be admissible under the Objective 1 programme or that would be eligible, but which were not funded for example due to higher risks (e.g. innovative-type projects). At the same time, the Additionality Programme also generated a pool of projects in overbooking which in the last year of implementation was used to prevent de-commitment (even though, allegedly, this was not the main aim behind the
creation of the Additionality Programme). As the same implementing bodies/agencies were involved in delivering parts from both programmes, periodic ‘coordination meetings’ were held during which applications would be appraised and recommended for funding by one or the other programme.

The establishment of the Additionality Programme and the introduction of regular coordination meetings have been considered by local actors to have had several effects: they increased the efficiency of programme implementation, minimising N+2 risks; they improved transparency in the use of resources, for instance, by bringing both domestic and Structural Funds funding streams under the joint scrutiny of the coordination committee and thus minimising the risk of double-funding; regular coordination meetings improved the networking and mutual learning among implementing bodies and stakeholders at Land and federal levels. The case study will investigate these claims and assess whether EU Cohesion policy management and implementation in Burgenland has added (or detracted) value to the domestic system. Critical questions are whether there is embedded change in the domestic system, and whether it extends beyond the Additionality Programme.

7.1.3 Indicative list of fieldwork interviewees

In line with the methodology for Task 3, the case study research will involve interviews with strategic, operational and external respondents.

(i) Strategic Respondents

- Director, Burgenland, Land department for the Managing Authority (on both 2000-06 Objective 1 programme and domestic economic development policies);
- Senior Official, Burgenland, WIBAG (Wirtschaftsservice Burgenland AG, Business Agency in Burgenland), EU funding department (on both 2000-06 Objective 1 programme and domestic economic development policies);
- Official, Burgenland, RMB (Regionalmanagement Burgenland, since 1 January 2007 Managing Authority), Managing Authority of the Objective 1 SPD;
- Senior Official, Federal Chancellery, Department IV/4 Spatial Planning and Regional Policy (on economic development policies, domestic and European in Austria);
- Senior Official, ERF Fund acting as operative Paying Authority of the Objective 1 SPD.

(ii) Operational Respondents

- Official, Burgenland, RMB (Regionalmanagement Burgenland, since 1 January 2007 Managing Authority), Managing Authority of the Objective 1 SPD;
- Senior Official, Burgenland, WIBAG (Wirtschaftsservice Burgenland AG, Business Agency in Burgenland), EU funding department;
- Senior Official, Burgenland, WIBAG (Wirtschaftsservice Burgenland AG, Business Agency in Burgenland), department for tourism;
- Official, federal level, ERP Fund, department for business and industry;
- Official, federal level, FFG (Forschungsförderungsfonds, Research Fund for Industrial Economy);
- Official, federal level, ÖROK, programme secretariat.
(iii) **External Respondents**

- Evaluator, METIS ex-ante evaluator of the Burgenland Objective 1 SPD 2000-06;
- Evaluator, ARC Seibersdorf research GmbH, evaluator for the mid-term evaluation and the ongoing evaluation;
- Senior official, Burgenland, Chamber of Commerce.

### 7.2 Greece - the relationship between investments under the regional and sectoral Objective 1 programmes and the domestic Public Private Partnership investment programme

The case study will review the changes to the implementation of Greek domestic policies for economic development in the fields of infrastructure and productive investments, through analysis of the newly introduced domestic programme of Public-Private Partnership. All management and implementation processes will be explored. The case study will investigate the mechanisms through which Cohesion policy has interacted with domestic policy implementation (and vice-versa); it will assess positive and negative effects of the changes introduced and the resulting added or detracted value of Cohesion policy management and implementation in the Greek domestic context. In doing so, the case study is expected to derive important lessons regarding both the wider impacts that EU Structural Fund programmes may have on domestic systems and the challenges that mainstreaming Structural Funds approaches, where these are considered beneficial, may involve.

#### 7.2.1 Rationale

Greece has benefited from substantial investments under EU Cohesion policy through successive programming periods from 1989 to the present. The implementation of Structural Funds programmes in the country is said to have influenced approaches to domestic policy management and implementation in the areas of: programme design; partnership; multi-annual, performance orientated financial planning; procedures for project selection; and monitoring, reporting and evaluation of policy. These innovations were introduced gradually, and extensive capacity building efforts had to be made to enable the efficient implementation of Structural Funds programmes.

Over the 2000-06 period, the entire country had Objective 1 status, and domestic regional policy was largely driven by the Structural Funds, given their size and importance (Task 1 Overview). The 2000-06 CSF provided the policy framework for both national and regional economic development. Domestic and European regional policies were therefore closely related. Changes to policy management and implementation through EU rules would therefore affect domestic processes also. Institutions were designed to work in parallel with the public administration having a supervisory, managerial and auditing role for the OPs and operations co-funded by the Structural Funds. The CSF was implemented through the PIP (Public Investment Programme) which was an important element of the Greek annual budget, the main mechanism for providing the economy with infrastructure. This
was based on the allocation of Structural Funds at national, regional and prefecture level (Task 1 Overview).

One of the areas in which there is an apparent influence of Structural Funds management and implementation on domestic practices is the implementation of Public Private Partnerships for the financing of large infrastructure investments. Under EU Cohesion policy, Public-Private Partnerships were first used in the form of concession contracts during the 1994-99 period (e.g. the new Athens International Airport, the Rion-Antirrion Bridge) and were also implemented in the 2000-06 period with specific reference to transport infrastructure projects. The experience with this approach - for instance in terms of the timetable for the development, launch and completion of projects - was associated with the launch, in 2005, of a domestic plan of Public-Private Partnerships for infrastructure and productive investments projects, implemented without the co-financing of Cohesion policy.

These domestic Public-Private Partnerships integrated several management and implementation principles which reflect those of Cohesion policy.

- For the implementation and monitoring of the partnership, an Inter-ministerial Committee was set up (called DESDIT), similar to the Monitoring Committee of Structural Funds programmes, which is responsible for the appraisal and selection of projects. In parallel to this, a Special Secretariat for the Public-Private Partnerships was set up (called EGSDIT) which acts as implementing body with functions similar to those of a Managing Authority.

- The project appraisal and selection process is similar to that used for Structural Funds programmes, with criteria relating to the project’s readiness, financial sustainability and socio-economic impacts. The projects are selected and contracted in accordance with the Directive 2004/18/EC on the coordination of procedures for the award of public works contracts, public supply contracts and public service contracts. The implementation of the Partnerships is carried out in line with the general principles of EU legislation related to equal opportunities, transparency, publicity, proportionality, mutual recognition, protection of the environment and the sustainable development, free competition, protection of public interest.

Since the launch of the programme, several projects have been selected for financing in various areas - including health, civilisation, education, environment, transport (port infrastructure) and public administration - with a total budget of €2 billion.

### 7.2.2 Coverage

The case study will focus on the relationship between the EU Cohesion policy programme and the domestic programme for Public-Private Partnership investments, exploring the management and implementation systems and procedures for the domestic PPP and the interrelations with the management and implementation system in place for the Third Greek CSF (2000-06). For the latter, the analysis will focus in particular on the following OPs (which implemented investments similar to those of the domestic PPP programme):
Ex Post Evaluation of Cohesion Policy Programmes 2000-06 Co-financed by ERDF
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- 13 Regional Operational Programmes (all of which included interventions in the sectors of education, health, civilisation and environment);
- Operational Programme ‘Culture’;
- Operational Programme ‘Environment’;
- Operational Programme ‘Health & Welfare’;
- Operational Programme ‘Road Axes, Ports and Urban Development’.

7.2.3 Indicative list of fieldwork interviewees

In line with the methodology for Task 3, the case study research will involve interviews with strategic, operational and external respondents.

(i) Strategic Respondents

- General Secretary, Special Secretariat for PPPs, Ministry of Economy and Finance;
- Senior official, Coordinator of the Special Co-ordination Service (EYS), CSF Managing Authority, Ministry of Economy and Finance;
- Senior official, Coordinator of the Special Service of Strategy, Design and Evaluation of Development Programmes (EYSSAAP), CSF Managing Authority, Ministry of Economy and Finance;
- Deputy Minister, General Secretariat of Co-funded Public Works, Ministry for the Environment, Physical Planning and Public Works;
- Representative of a Region and/or Prefecture (to be defined).

(ii) Operational Respondents

- Senior Official, Coordinator of the Public Investment Programme, Ministry of Economy and Finance;
- Senior Official, Coordinator of the Managing Authority of OP ‘Health & Welfare’;
- Senior official, Coordinator of the Managing Authority of OP ‘Environment’;
- Mayor, Municipality of Rafina;
- Senior official, Ministry of Mercantile Marine, The Aegean and Island Policy;
- Senior official, Coordinator of the Managing Authority of ROP Attica, Region of Attica;
- Managing Director, Organisation of School Buildings S.A. (OSK);
- Senior Official, Public Enterprise for the Construction of Hospitals (DEPANOM S.A.).

(iii) External Respondents

- Evaluator, REMACO S.A., Mid-term evaluation and Update of mid-term evaluation of the 2000-2006 CSF;
- Professor, Regional Development Institute, Panteion University of Social and Political Science;
- Member of the Centre for Planning and Economic Research (KEPE);
- Representative of the Technical Chamber of Greece;
• Consultants from consultancy firms acting as financial advisors of PPP projects (Grant Thornton Consulting S.A. and/or Euroconsultants S.A.).

7.3 Finland - the relationship between Objective 2 programme implementation and domestic programme development

The case study will examine the changes to domestic policy implementation and management practice in Western Finland - particularly with respect to the Oulu Growth Agreement - and its relationship with the 2000-06 Objective 2 SPD. It will analyse the mechanisms of interaction and establish whether and how Cohesion policy has influenced domestic policy implementation (and vice-versa); it will assess positive and negative effects of the changes introduced and the resulting added or detracted value of Cohesion policy management and implementation for the Finnish domestic context. Lessons will be derived on the wider impacts that EU Structural Funds programmes can have and on the challenges entailed by the further mainstreaming of EU management and implementation systems and practices in domestic policies over the current policy phase (2007-13).

The key issues for the case study research are the changes to the management and implementation of domestic regional economic development in the Western Finland area over the 2000-06 period, with particular emphasis on the Oulu Growth Agreement; the degree to which such changes can be attributed to the experience of implementing EU Cohesion policy in the 2000-06 period as well as the durability/embeddedness of these changes. Attention will focus on the following aspects:

• the adoption of a multi-annual, cross-sectoral, target-oriented and strategic programme design approach under the 2002-06 domestic Oulu Growth Agreement;

• the application of monitoring, financial management and reporting approaches similar to those of Cohesion policy in the management and implementation of the agreement;

• the inclusion of partners and stakeholders in the implementation of the agreement (not least with respect to project selection), the introduction of networking amongst local actors for programme implementation, and the coordination measures established to achieve synergy with the Objective 2 programme.

Notwithstanding the focus on the above processes of management and implementation, the case study will also address the topic of the evaluation.

7.3.1 Rationale

Finland acceded to the EU in 1995, and it was over 1995-99 that the main innovations and principal learning associated with the implementation of EU Cohesion policy took place. From an institutional perspective, the main change introduced with accession was the creation of 19 Regional Councils, established as joint municipal boards, which have since been responsible for general regional economic development. From a policy implementation perspective, the implementation of Cohesion policy programmes entailed the execution of EU requirements in all programme implementation areas, from programme design to evaluation, requiring civil servants and policy-makers nationally, regionally and locally to gear up to the new rules.
Notwithstanding this, it was in the 2000-06 period that a process of elaboration and adaptation of EU systems and procedures took place, resulting in the strengthening of the roles of the Regional Councils in regional development policy (not least through the changes introduced to the Regional Development Act in 2005) and in the introduction of practices, apparently derived from Structural Funds, in the implementation of domestic policies at regional and sub-regional levels. Evidence of this latter element is said to be particularly apparent in Western Finland.

### 7.3.2 Coverage

The case study will discuss the management and implementation of the Objective 2 2000-06 SPD of Western Finland and the practices introduced during this period in the implementation and integration of domestic and EU policy in the programme area. From the domestic policy side, particular attention will be paid to assessing the design and implementation system of the 2006 Growth Agreement of the Oulu area, in Northern Ostrobothnia. The introduction of the growth agreement model was novel to the Finnish context and apparently influenced by EU practice. The Oulu 2006 Growth Agreement, drafted and signed in 2002, was developed as a link in a ‘chain of common strategies’, from the Objective 2 programme to the local strategies of the key actors working with industrial development and innovation. The objective was to build on experiences of strategically focussing development resources within IT and wireless technology in the region. It was launched in 2002 and covered the period 2002-2006, during which it involved investments of c. €300 million.

Led by the Municipality of Oulu and implemented under the coordination of the Oulu region Centre for Expertise, the agreement applies principles, comparable to those used for Structural Funds, to programme design and priority setting at domestic, local level, by introducing: strategic, cross-sectoral thinking in strategy formulation; quantified target setting; partnership-based implementation; monitoring of implementation. One goal was to gain full benefit of the resources of the Objective 2 programme: coordination was sought by involving members of the Objective 2 Advisory Board in the implementation of the agreement.

### 7.3.3 Indicative list of fieldwork interviewees

In line with the methodology for Task 3, the case study research will involve interviews with strategic, operational and external respondents.

**(i) Strategic Respondents**

- Chair of Objective 2 Monitoring Committee, Ministry of the Interior;
- Vice-chair of Objective 2 Monitoring Committee (and head of strategy for domestic policy), Ministry of the Interior;
- Regional Director, Council of Oulu Region (retired as of 1st April 2008);
- Director, Regional Development (local economic development and industrial policies), Council of Oulu region;
- Development Director of City of Oulu;
- Directors of Industrial Development, City of Oulu;
(ii) **Operational Respondents**

- Director, Regional development, Council of Oulu region (Pohjois-Pohjanmaa / Northern Ostrobothnia) - Regional representative of the Objective 2 Monitoring Committee, Head of Secretariat of the Regional Monitoring Committee;
- Representatives of selected members of the Oulu Objective 2 Advisory Board, including, in addition to the previous organisations and stakeholders also: Oulu Chamber of Commerce; Oulu Innovation; Merikoski Centre for Vocational Training; POHTO Institute for Management and Technological Training; Vocational Adult Education Centre of Oulu; Oulu Regional Business Agency; Oulu Polytechnic; Northern Ostrobothnia Employment and Economic Development Centre (TE-keskus); Northern Ostrobothnia Regional Environment Centre; Provincial State Office of Oulu (Educational and Cultural Administration); Oulu Road Administration district.

(iii) **External Respondents**

- Evaluator responsible for the Up-date of the mid-term evaluation of the Objective 2 programme;
- Evaluator responsible for the strategic evaluation of City of Oulu Objective 2 programme (including the Oulu Growth Agreement).

### 7.4 France - relationship between Cohesion policy programmes and the *Contrats de Plan État-Région*

The case study will review the changes to the implementation of the CPER in France which were introduced or planned in the 2000-06 period and their relationship with the implementation of Cohesion policy programmes. It will explain the mechanisms through which Cohesion policy has influenced domestic policy implementation (and vice-versa); it will assess positive and negative effects of the changes introduced and the resulting added or detracted value of Cohesion policy management and implementation for the French domestic context.

Attention will focus in particular on the following aspects of: programme design; partnership; monitoring; and, evaluation. Notwithstanding the focus on these four processes, the case study will also address other management and implementation processes - namely project generation, appraisal and selection; financial management; and reporting - with a view to establishing the interaction between EU and domestic policies and assessing the aspects of added or detracted value of Cohesion policy management and implementation systems to the French context.

#### 7.4.1 Rationale

The *Contrats de Plan État-Région* (CPER, State-Region Contracts) have been the main regional policy instrument in France since the early 1980s. They were introduced in 1984 to coordinate central and regional planning policies, following the establishment of regional...
authorities in 1982 (first elected in 1986). The period 2000-06 saw the implementation of the fourth generation of CPER with a global budget of €41 billion. During this same period, a number of innovations were introduced with respect to the design, implementation, monitoring and evaluation of the contracts, utilising tools and methods that were comparable with Cohesion policy implementation.

For example, the partnership dynamic which underpins the design and implementation of the programmes increased during the period, with a strengthening of the role of the regional authorities and the experimentation of new practices of dialogue and exchange between local authorities from different levels and private actors and associations. This increased the real role that the partnership played in the implementation of the actions contained within the CPER. Further changes have been introduced for the new generation of CPER - the contracts that are being implemented in the 2007-13 period - entailing the possibility to involve sub-regional authorities in the implementation of the contracts.

Similarly, the evaluation of public policies was not a usual practice for the French public administration. However, the experience with evaluating Structural Funds programmes was associated, over the 2000-06 period, with a multiplication of evaluation activities across a variety of public policies, not just those co-financed by the Structural Funds. Between 2003 and 2006, a number of mid-term evaluations were undertaken by the regional authorities on the CPER, allowing for the introduction of changes to readjust the programmes. Furthermore, with a view to achieving increased coherence between the CPER and the programmes implemented under Cohesion policy, in 2005 DIACT (formerly DATAR), the authority in charge of the evaluation of Cohesion policy, was also made responsible for the coordination of the evaluation of the CPER.

Cohesion policy management and implementation practices are also visible in the monitoring of the CPER. In this sphere, the implementation of Structural Funds programmes in 2000-06 apparently influenced CPER management and led to changes in for the 2007-2013 period. The monitoring of public policy was not common practice in France before the implementation of Cohesion policy. In 1998, the French government decided that for the 2000-2006 programming period, a single monitoring tool (PRESAGE) would be used for the Structural Funds programmes across the country. The new system, PRESAGE, connected all the actors in each of the French regions (Managing Authorities, Certifying Authorities, Audit Authorities, local and regional authorities), providing information in real time concerning the implementation of programmes and projects. An aim of the implementation of PRESAGE during the 2000-06 period was to trial and perfect the system so as to be able to extend it, over the subsequent period, to other policy fields. Through targeted evaluations of different monitoring systems and through large surveys undertaken in 2005 and 2006, the PRESAGE system has been progressively adapted and improved, so as to be used by the CPER and Rural Excellence Poles over the current period (2007-2013).

7.4.2 Coverage

The case study will focus on the management and implementation of the CPER in France and assess the relationship between the changes introduced over the 2000-06 period and the implementation of 2000-06 Structural Funds programmes in France. While the focus is
on the instrument CPER, rather than on the CPER implemented in a specific region, regional examples will be included in the analysis (see below).

7.4.3 Indicative list of fieldwork interviewees

In line with the methodology for Task 3, the case study research will involve interviews with strategic, operational and external respondents.

(i) Strategic Respondents

- Senior Official, Department of Regional Development and European Policies (department in charge of European programmes and State-region planning contracts)- Interministerial Delegation for Land Planning and Competitiveness of the Territories (DIACT) - Paris;
- Official in charge of the coordination of ERDF (Objective 2) and ESF programmes, Department of Regional Development and European Policies - Interministerial Delegation for Land Planning and Competitiveness of the Territories (DIACT) - Paris;
- Official in charge of Evaluation, Department of Regional Development and European Policies, Interministerial Delegation for Land Planning and Competitiveness of the Territories (DIACT) - Paris;

(ii) Operational Respondents

- Head of the Department of State-region planning contracts and contractual policies, Regional Council of Haute-Normandie
- Operation manager in charge of State-region planning contracts, evaluation and territories, General Secretary of Regional Affairs (SGAR), Region Haute-Normandie
- Senior Official in charge of European Affairs, General Secretary of Regional Affairs (SGAR), Préfecture of Region Midi-Pyrénées
- Head of Evaluation Unit (State-region planning contracts and SPD), General Secretary of Regional Affairs (SGAR), Préfecture of Region Midi-Pyrénées
- Head of Evaluation Unit (State-region planning contracts), Regional Council of Provence-Alpes Côte d’Azur (PACA)
- Head of Unit in charge of evaluation and monitoring of regional policies, Regional Council of Nord-Pas de Calais Region
- Head of Europe and State-region planning contracts Unit, Regional Council of Nord-Pas de Calais

(iii) External Respondents

- Member of the National Authority of Evaluation for State-region planning contracts and Single Programming Documents (Instance Nationale d’Evaluation)
- Member of the French Society of Evaluation of public policies
- Representatives of the France Geographical Unit DG REGIO, European Commission.
7.5 Ireland - the relationship between EU and domestic policies for programming and evaluation

The case study will review the changes to domestic policy implementation in Ireland and their relationship with the implementation of Cohesion policy programmes in the 2000-06 period. It will explore mechanisms through which Cohesion policy may have influenced domestic policy implementation (and vice versa); it will assess positive and negative effects of the changes introduced and the resulting added or detracted value of Cohesion policy management and implementation for the Irish domestic context. In doing so, the case study is expected to derive important lessons, particularly for new Member States and regions, regarding both the wider impacts that EU Structural Funds programmes can have and the challenges that mainstreaming Structural Funds approaches may involve.

The key issues that the case study will address relate to the changes introduced in the Irish system for policy management and implementation over the 2000-06 period. Attention will focus in particular on the following:

- The application of multi-annual, partnership-based planning (comparable to Cohesion policy processes) to Irish public capital investment under the 2007-13 Irish National Development Plan. This is potentially a significant example of spillover effect of Cohesion policy methods on a domestic system, given the small relatively scale of EU funding in the 2007-13 NSRF.

- The application of monitoring and evaluation (comparable to Cohesion policy processes) to Irish public policy through the requirements introduced by the government Capital Appraisal Guidelines 2005, including requirements for both project and programme-level evaluations.

- The inclusion of partners and stakeholders in policy implementation which was also an innovation for the Irish context and an aspect that will be continued in current policy implementation.

The case study will also address other management and implementation processes - namely project generation, appraisal and selection; financial management; and reporting - with a view to establishing the mutual influence between EU and domestic policy implementation and assessing the aspects of added value or otherwise of Cohesion policy management and implementation systems in the Irish context. The sustainability of impacts into the future will also be considered, as Ireland moves further away from its major EU funding rounds.

7.5.1 Rationale

The socio-economic impacts of Cohesion policy in Ireland have been extensively addressed in the literature and widely acknowledged. EU funding over three consecutive programming periods, from 1989 onwards, has been considered a determining factor of the socio-economic transformation of the country and of the rapid growth experienced during the second half of the 1990s. The influence of Structural Funds on the management and implementation of domestic investment planning and programming in the Irish context have received less attention. They will be explored in this case study.
In the 2000-06 period, as during the previous two programming periods, the management and implementation of Cohesion policy in Ireland was undertaken largely utilising the existing channels of the Irish public administration. This involved both constraints and opportunities for the potential of EU rules and systems to influence domestic practices. The use of national administrative resources, including a network of development agencies and established procedures, techniques and control systems, meant that programmes could be implemented readily and relatively efficiently. However, the scale of EU resources compared to national public spending meant that Cohesion policy was likely to influence the domestic system. It has been suggested that this was particularly the case with respect to: the concept of multi-annual investment programming; cross-sectoral, evidence and partnership-based planning; involvement of a wide range of stakeholders in policy implementation; and regular monitoring and evaluation. These were significant administrative innovations in the Irish context. A further important innovation, introduced specifically in the 2000-06 period, was the introduction of two new NUTS II Regions\(^{35}\) each with its own OP, and of Regional Assemblies\(^{36}\) acting as Managing Authorities for these OPs (Task 1 National Overview).

### 7.5.2 Coverage

Over the 2000-06 period, the Irish CSF involved c. €3,172 million in Structural Funds and total investment in excess of €7,000 million (including domestic co-financing, from both public and private sources), split across three sectoral OPs, two regional OPs (for the South East transitional support region and for the Border, Midland and Western Objective 1 region) and the PEACE II programme.

The case study will explore the implementation of Cohesion policy in Ireland during the 2000-06 period, assessing the influence on the domestic system for policy implementation, and considering the degree to which changes are being carried forward into the current period (2007-13). It will consider the implementation of Cohesion policy in Ireland overall, assessing the aspects of policy management and implementation that were common across the various programmes and the way in which these have exerted an influence and informed changes in the domestic approaches - particularly those relating to policies and initiatives eligible to ERDF co-financing or in similar fields - to policy management and implementation.

### 7.5.3 Indicative list of fieldwork interviewees

In line with the methodology for Task 3, the case study research will involve interviews with strategic, operational and external respondents.

(i) **Strategic Respondents**

- Head of CSF Managing Authority 2000-06, Department of Finance (Principal Officer);

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\(^{35}\) Border Midland & Western Region and Southern & Eastern Region.

\(^{36}\) Regional Assembly members are elected local councillors nominated by their local authority.
• Head of NSRF Managing Authority, 2007-13, Department of Finance (Principal Officer);
• Head, Economic Policy Section, Office of Prime Minister (Assistant Secretary, Department of the Taoiseach);
• Chair of Managing Authority of Major ERDF financed Operational Programmes 2000-06 Productive Sector and/or Economic and Social Infrastructure (Assistant Secretary/Principal Officer level, Department of Enterprise, Trade and Employment, and/or Department of Transport).

(ii) Operational Respondents

• Secretariat, Managing Authority, Regional Operational Programme (Director of S&E Regional Assembly);
• Secretariat, Regional Operational Programme (Director BMW Regional Assembly);
• Beneficiary organisation for national primary road investment under Productive Sector OP (Head of Communications, National Roads Authority);
• Head, EU Funding Section, National Training Agency (Director of Finance, FÁS);
• Head, EU Funding Section, Beneficiary organisation for University RTDI Innovation under Productive Sector OP (Head, EU Funding Section, Higher Education Authority);
• Chief Executive, a smaller final beneficiary/funding recipient body, e.g. Pobal (local development), BIM (sea fisheries), SEI (sustainable energy). To be decided.
• Representative of non-governmental social partner organisation with experience of membership of OP Monitoring Committees 2000-06 (e.g. trade union, employer body, civil society organisation - to be decided).

(iii) External Respondents

• (Former) Head, NDP/CSF Evaluation Unit, Department of Finance 2000-06;
• Lead evaluator, external evaluations of NDP/CSF 2000-06 (Research Professor, Economic and Social Research Institute);
• External commentator on Irish evaluation (Head, Evaluation Section, Institute of Public Administration);
• Academic expert on Irish Regional Policy (e.g. Vice-president/Prof. of Geography, Maynooth University).

7.6 Italy - the relationship between Cohesion policy and domestic policy in programme design, management and the role of sub-regional actors

The case study will review the changes to the implementation of the policies for economic development in Toscana which were introduced or planned in the 2000-06 period and the influence of the implementation of the 2000-06 Objective 2 SPD. It will explore the mechanisms through which Cohesion policy has been able to influence domestic policy implementation (and vice-versa); it will assess positive and negative effects of the changes
introduced and the resulting added or detracted value of Cohesion policy management and implementation in the Tuscan domestic context.

The case study will consider the changes introduced in the administration of domestic economic development policy in Toscana, considering in particular the experience of the PISL (within the Objective 2 SPD) and PASL (within domestic policy); and the development of the domestic 2007-10 Economic Development Plan. Attention will focus in particular on the following aspects of:

- programme design, i.e. the introduction of cross-sectoral, target-oriented and partnership-based programmes at sub-regional level through the PISL (and PASL) and at regional level through the 2007-10 Economic Development Plan;
- project selection, the strengthening of the performance orientation of measures through selection procedures aimed at delivering territorial and economic development via increased focus on the added value delivered by the joint implementation of a plurality of interlinked projects at a local territorial scale in the PISL;
- partnership and governance, i.e. the strengthening of the role of sub-regional actors in the implementation of the PISL, the strengthening of vertical and horizontal partnership in domestic policies and programmes;
- monitoring and evaluation: i.e. the stronger commitment to the monitoring and evaluation of domestic economic policy in the region, particularly under the Economic Development Strategy 2007-10.

Notwithstanding the focus on the above four processes, the case study will also address other management and implementation processes - namely financial management and reporting - with a view of establishing the mutual influencing between EU and domestic policy and assessing the aspects of added or detracted value of Cohesion policy management and implementation systems in the Italian context.

7.6.1 Rationale

EU Cohesion policy has been implemented in Italy since the establishment of the ERDF and has been credited with (re)shaping the domestic approach to regional policy implementation. As with other Continental administrative systems, the performance management procedures introduced by the EU Regulations were not common in the Italian public administration, and practices such as multi-annual, evidence-based programme design; multi-annual, target-oriented financial management; partnership inclusion in decision-making; monitoring, and evaluation were gradually introduced into the Italian system during the period of EU Cohesion policy.

Given the evolving nature of the changes introduced, it is difficult to isolate chronologically the specific effects of Cohesion policy on domestic systems. However, commentators have argued that the 2000-06 period involved significant developments in the domestic approach to regional policy management and implementation based on experience with Cohesion policy over three programme periods (1989-93, 1994-99 and 2000-06). The culmination of this process is represented by the national regional policy framework for 2007-13, summarised in the NSRF. This entails a single regional policy involving the merger of EU co-
funded and domestic regional policies and implemented according to programming practices and principles which are said to be either derived from, or inspired by, EU Cohesion policy (i.e. multi-level governance for policy design and implementation, partnership-based design and implementation, adoption of a seven-year timetable, target and performance orientation; monitoring, evaluation, financial management and public private partnership procedures).

The above trends were particularly evident in Toscana in the 2000-06 period, when the region experimented with new approaches to programme delivery - particularly in the areas of programme design and project appraisal and selection, through the creation of the Integrated Projects for Local Development, PISL, and also in the fields of partnership, monitoring and evaluation (for example, ‘consultation panels’ were set up, inclusive of the main institutional and socio-economic actors operating in the region, for the discussion of key strategic decisions on the region’s socio-economic development). The PISL, in particular, represented an innovative departure from the previous economic development programming approach in the region, by delegating responsibilities from the regional to the provincial level, and by supporting the development of sub-provincial partnerships and collaborations. Accompanied by ad hoc training activities/technical assistance, they have raised the competencies of sub-regional actors. Similar initiatives were introduced on the domestic side of policy through the PASL, Territorial Pacts for Local Development, the first ones of which were launched in the spring of 2007. Like the PISL, the PASL are sub-regional strategies devised and implemented to achieve the goals set out in the region’s Economic Development Plan, the domestic programme for economic development of the region.

7.6.2 Coverage

The case study will focus on the management and implementation of the Tuscan 2000-06 Objective 2 SPD and its interaction with the changes introduced over this period in the implementation of domestic policies for economic development in the region. Particular attention will be given to the new instruments PISL and PASL and on how these reflect management and implementation systems and procedures that are typical of, or derived from Cohesion policy. The latter instrument, albeit instituted by regional law in 1999, was first launched only in 2007. The case study will explore the specific influence that the experience of implementing the PISL in the 2000-06 SPD may have had on the methodologies and establishment of the PASL. Additionally, the case study will address the design and implementation of the region’s 2007-10 Economic Development Strategy and assess whether and how this draws, from a methodological and management/implementation point of view, from the experience with implementing the 2000-06 Objective 2 SPD.

37 http://ius.regione.toscana.it/pro/programmazione/metodi_index.php?pagina=metodi/pasl.
7.6.3 **Indicative list of fieldwork interviewees**

In line with the methodology for Task 3, the case study research will involve interviews with strategic, operational and external respondents.

**(i) Strategic respondents**

- Director, Region Toscana, DG for Economic Development (on both 2000-06 Objective 2 programme and domestic economic development policies);
- Director General of D.G. Economic Development, Region Toscana, Managing Authority of the Objective 2 SPD and coordinator of the PISL;
- Senior official, Region Toscana, coordinator of Objective 2 evaluation plan and integrated project;
- Director, Region Toscana, DG of Presidency, Programming and Monitoring Coordination Area.

**(ii) Operational respondents**

- Officials responsible for the coordination of the PISL in two Tuscan provinces;
- 5 or 6 interviewees from the following respondents:
  - Official, Region Toscana, DG Economic Development, responsible for Measure 1.1 of the Objective 2 SPD (Aids for the productive and environmental investments of industrial SMEs);
  - Official, Region Toscana, DG Economic Development, responsible for Measure 1.2 of the Objective 2 SPD (Aids for the productive and environmental investments of handicraft firms);
  - Official, Region Toscana, DG Economic Development, responsible for Measure 1.3 of the Objective 2 SPD (Financial Engineering);
  - Official, Region Toscana, DG Economic Development, responsible for Measure 1.4 of the Objective 2 SPD (Aids for the investments in consultancy services);
  - Official, Region Toscana, DG Economic Development, responsible for Measure 1.5 of the Objective 2 SPD (Investment aids for tourism and commerce firms);
  - Official, Region Toscana, DG Economic Development, responsible for Measure 1.6 of the Objective 2 SPD (Aids for the creation of new firms);
  - Official, Region Toscana, DG Economic Development, responsible for Measure 2.1 of the Objective 2 SPD (Infrastructure for tourism and commerce);
  - Official, Region Toscana, DG Economic Development, responsible for Measure 2.2 of the Objective 2 SPD (Cultural infrastructure);
  - Official, Region Toscana, DG Economic Development, responsible for Measure 2.3 of the Objective 2 SPD (Transport infrastructure);
  - Official, Region Toscana, DG Economic Development, responsible for Measure 2.4 of the Objective 2 SPD (Infrastructure for the productive sector);
  - Official, Region Toscana, DG Economic Development, responsible for Measure 2.5 of the Objective 2 SPD (Social infrastructure);
• Official, Region Toscana, DG Economic Development, responsible for Measure 2.8 of the Objective 2 SPD (information society);
• Official, Region Toscana, DG Economic Development, responsible for Measures 3.1 and 3.2 of the Objective 2 SPD (Optimisation of the energy system and development of renewable sources, public and private actors);
• Official, Region Toscana, DG Economic Development, responsible for Measure 3.4 of the Objective 2 SPD (Infrastructure for waste recycling and treatment - public actors);
• Official, Region Toscana, DG Economic Development, responsible for Measure 3.6 and 3.7 of the Objective 2 SPD (Reclaiming of polluted sites, public and private actors);
• Official, Region Toscana, DG Economic Development, responsible for Measure 3.9 of the Objective 2 SPD (Soil and water protection).

(iii) **External respondents**

• Evaluator, CLES, evaluator of the Tuscan Objective 2 SPD 2000-06 throughout the period;
• Researcher, IRPET, analysis of implementation and outcomes of the region’s policies for economic development;
• Representative of the Association Municipalities in the region.

7.7 **United Kingdom (England) - the relationship between Objective 2 programmes and the domestic regional economic strategies**

The case study will review the changes to the implementation of policies for economic development in the South West and East Midlands which were introduced or planned in the 2000-06 period and their relationship with the implementation of the 2000-06 Objective 1 and 2 SPDs. It will explore the mechanisms through which Cohesion policy may have influenced domestic policy implementation (and vice-versa); it will assess positive and negative effects of the changes introduced and the resulting added or detracted value of Cohesion policy management and implementation in the English domestic context.

Attention will focus in particular on the following aspects:

• programme planning and design, namely the interactions between the strategic content and thematic scope of domestic regional policy programmes (specifically the RES) and Structural Funds programmes in East Midlands and South West England, and the multi-annual programming approach;
• approach to partnership in the two regions, in programme design, as well as in management and implementation stages of domestic and Structural Funds programmes;
• implementation stages, examining links and cross-influences in the different stages of programme implementation e.g. project generation, selection and appraisal; monitoring and evaluation.
The case study will also address any other management and implementation aspects of the programmes where a mutual influence between EU and domestic policies may exist, with a view to establishing and assessing any aspects of added or detracted value of Cohesion policy management in the English context.

7.7.1 Rationale

In the UK, the Structural Funds are said to have promoted a more strategic way of approaching programme design and implementation at local and regional level, and a more strategic approach to programme management. These were novel to the English context where policy design, management and implementation were undertaken by central government departments and managed and implemented through their regional offices.

Regional Development Agencies (RDAs) were established in the English regions in 1999 with the aim of coordinating national, regional and local economic development activities, by: taking the lead in developing regional economic strategies and coordinating the actions of other local regional partners in their implementation; overseeing social, physical and economic regeneration of the region; rural development; skills improvements; inward investment; business support; and investment support. The agencies are business-led, with boards consisting of representatives of different organisational interests in the region.

One of the first tasks undertaken by the RDAs was the preparation of Regional Economic Strategies (RESs). These strategies were intended to be a means of securing agreement on a single ‘regional vision’ and long-term framework for economic development. The first RES were drawn up by the RDAs in 1999 and covered the same planning period as the Structural Funds programmes (2000-06). The strategies were ‘refreshed’ in 2003. They involved extensive consultation exercises with regional stakeholders as well as analysis of regional economic needs. Corporate Plans/Implementation Plans were introduced for each of the RDAs outlining how these strategies were to be implemented in collaboration with other agencies in the region. The RDAs core source of funding is through the ‘single pot’, whereby central funding streams from central government departments to RDAs are amalgamated at agency level. RDAs have assumed responsibility for the delivery of the majority of UK business support measures, together with responsibilities in transport, tourism promotion, planning and housing issues. Agencies have also taken on new responsibilities for socio-economic development in rural areas, and play a greater role both in international trade development and in fostering links between businesses and universities.

It is has been argued that elements of Structural Funds programming have had an influence on the development of domestic development strategies. In the English regions, the Regional Economic Strategies developed for the 2000-06 period by the RDAs were said to be partly modelled on the design of the Structural Funds programmes for the same period.

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According to some authors, it was expected that RESs would ‘finesse’ the SPDs to some degree.\(^{40}\) Research on the Objective 1 Programme for Cornwall and the Isles of Scilly, for instance, noted the increasing extent to which the strategy development process has encouraged strategic thinking as a form of added value.\(^{41}\) Whether and how this applies to the RES will be investigated in the case study.

### 7.7.2 Coverage

The case study will focus on the RES of two English regions; the South West and East Midlands. The South West includes the territory of the Cornwall and Isle of Scilly Objective 1 Programme as well as an Objective 2 programme during the 2000-06 period, and the region benefited from c. €1,016 million (£650 million) of EU funding over the period. The East Midlands region was the target of the East Midlands Objective 2 Programme, which provided c.€420 million (£268 million) for the region. The South West Regional Development Agency (SWRDA) and the East Midlands Development Agency (EMDA) were both set up in 1999, launching their Regional Economic Strategies (RES) in 2000.

### 7.7.3 Indicative list of fieldwork interviewees

In line with the methodology for Task 3, the case study research will involve interviews with strategic, operational and external respondents.

\(\text{(i) Strategic Respondents}\)

- Senior Official, DBERR (Department or Business, Enterprise and Regulatory Reform), overall responsibility for the Government Offices (GOs), Regional Development Agencies (RDAs) and RES (Regional Economic Strategies);
- Senior Official, DCLG (Department for Communities and Local Government), Managing Authority for the Structural Funds in England, has overall responsibility for regional policy.

\(\text{(ii) Operational Respondents}\)

- Senior Official, Government Office South West, Programme Secretariat with delegated MA responsibilities for the Cornwall and the Isles of Scilly Objective 1 Programme 2000-06;
- Official, SWRDA (South West of England RDA), responsible for RES;
- Official, Government Office East Midlands, Programme Secretariat with delegated MA responsibilities for the East Midlands Objective 2 Programme;
- Official, EMDA (East Midlands Development Agency), responsible for RES.


\(^{41}\) ÖIR (2006) *op. cit.*
(iii) **External Respondents**

- Evaluator, Fraser Associates, Ex ante evaluators of South West Convergence OP 2007-13;
- Evaluator, ECOTECH, Mid-term evaluators of Cornwall and the Isles of Scilly Objective 1 Programme 2000-06 and ex ante evaluators of East Midlands Competitiveness Programme 2007-13;
- Evaluator, CSES Consultants, Mid-term evaluators of East Midlands Objective 2 Programme 2000-06;
- Researcher, Paul Benneworth (Centre for Urban and Regional Development Studies, University of Newcastle-upon-Tyne, UK).
8. TASK 4 - REVIEW OF ACTIVITY

This section summarises the activity completed on Task 4 since the submission of the Inception Report and briefly outlines the next steps for the months ahead.

8.1 Inception Report

Revisions were made to the first draft of the Inception Report in response to comments received, especially in regard to the potential case studies. Greater emphasis was placed on the need to encapsulate a range of practice from overt SD ambitions to instances where partnerships may not have explicitly cited SD, but achieved an end result that approximated to a sustainable development/SRD outcome. The central focus of Task 4 in the evaluation has been underlined as identifying whether the MIS is fit for purpose in terms of delivering sustainable development.

With regard to the assessment criteria in the analytical framework, the theme of continuity or adherence to SD principles throughout each stage of the programming process was extended to include the period following programme implementation, i.e. to include longer-term impacts on a region or subsequent regional development activities.

8.2 Briefing of National Experts

On 21 and 22 April 2008 in Brussels, an overview of the steps to be undertaken in Task 4 was presented to the National Experts from the EU25.

This material covered the objectives and anticipated outputs of the task, the conceptual approach, methodology and indicative research questions. An outline of the provisional analytical framework was followed by attributes of the case studies and potential fieldwork questions. The national experts input was defined in terms of desk research, fieldwork and case study reports, as well as drawing attention to the timetable and deadlines. For the choice of case studies, the need to look beyond environmental integration was emphasised.

Discussion following the presentations related to questions about the feasibility of finding appropriate examples amongst the Member States, and of accommodating the many understandings of sustainable development. Suggestions included approaching the task by examining a range of programme examples from early developmental stages in integration, combining different SD pillars, through to those utilising more sophisticated interpretations, methods and tools.

8.3 Meeting with DG Regio Evaluation Unit

On 22 April 2008, a meeting was held between Keith Clement (EPRC) and Kai Stryczynski and Anna Burylo (DG Regio Evaluation Unit) in Brussels. The discussion centred on clarification of the approach to Task 4, including the key theme of evaluating whether the MIS can deliver sustainable development.

It was recognised that Task 4 is at an early stage of development, and that much of the approach still remains provisional, its precise direction dependent upon the outcome of
each developmental stage in the methodology (i.e. literature review, research questions and analytical framework).

With regard to the case studies, consideration will be given to the scope to include different combinations from the pillars of SD, illustrating various features, synergies or learning stages in MIS development. In the EU10, CSF examination (observing national level factors) could be combined with a focus on one or two operational programmes. In the EU 15, programmes and projects could be examined. It was agreed that the National Experts would be asked to carry out further research or preliminary work to identify appropriate examples.

It was highlighted that a key objective of the evaluation is to promote more efficient use of existing resources by Cohesion policy programmes, rather than to introduce new layers of bureaucracy or additional administrative burdens.

8.4 Next Steps

The next steps for Task 4, leading up to the Interim Report in September, comprise the literature review, development of the conceptual framework, identification of research questions and drawing up assessment criteria. This will facilitate the development of the checklist and template for the case study research.

It is anticipated that the final last of 10 case studies (two from new Member States, 8 from old Member States) for Task 4 will be agreed in June. The relevant National Experts will be briefed in September, and the case study research should commence immediately. The drafts of the case study reports should be completed by December 2008.

In January 2009, the case study reports will be subject to analysis and synthesis, in addition to refinement and editing.

All inputs for Task 4 will be submitted, with conclusions and recommendations, as part of the Draft Final Report on 7 March 2009.
9. TASK 5 - UPDATED OUTLINE OF APPROACH

9.1 Introduction

The mini-case studies are meant for publication on the DG REGIO database ‘Regions for Economic Change’ and will be drawn from the case studies presented in the Tasks 3 and 4, and the research carried out in the EU10 (Task 2). The following section provides a restatement of the methodology and research, updated from the Inception Report.

9.2 Methodology

9.2.1 Selection of mini-case studies

The selection of the 12 mini-case studies will be based on criteria prepared by Metis, in cooperation with EPRC, and based on the key research questions in the relevant Tasks. The first level of selection will be from the pool of case studies in Tasks 2, 3 and 4.

The second level of selection will be the seven management and implementation processes: programme design, project selection, financial management, monitoring, evaluation, reporting and partnership whereby the core team will endeavour to include at least one mini-case study for each of the seven processes.

The third level of selection criteria will be of a more general nature, i.e. the stage of implementation (how well-established the approach is), geographical balance across the Member States, balance between Objective 1 and 2 areas, clear attribution (either to process or programme), tasks and objectives (related to MIS), availability and access to information.

Further selection criteria may be innovation, impact, transferability and sustainability beyond the programming period.

These criteria will be further elaborated and sent by Metis to the National Experts along with a Guidance Note at the beginning of July. The latter will make first suggestions for mini-case studies from Tasks 2 and 3 by the end of July 2008. The mini-case studies drawn from the case studies in Task 4 will be proposed in September 2008 when the case study research for Task 4 is underway. An initial list of mini-case studies will be proposed to the Commission in the Interim Report in September; the list will be revised following consultation with DG REGIO and National Experts.

9.2.2 National research

The mini-case studies will be researched by the National Experts on the basis of the questions in the template provided by DG REGIO and adapted by Metis/EPRC (see Annex III) following the approval of the proposed selection in the Interim Report. The experts

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A preliminary adaptation has been undertaken but further changes will be made before the template is used by the National Experts. The adapted template will be submitted for approval by the Commission in the Interim Report.
will draw on the sources of information identified during their research for the case studies in the other Tasks and on known interview partners. They will attempt to complete the template as accurately and fully as possible whereby due to the nature of mini-case studies, i.e. approaches and methods used in the management and implementation systems of Cohesion Policy and not ‘projects’ per se, it may well be that the template is not suitable for all the mini-case studies and that some questions will have to remain unanswered because not appropriate for that particular management approach or method.

In order to ensure the quality of the mini-case studies, there will be a feedback loop between National Experts and Metis/EPRC in December 2008 and January 2009 before they are submitted to DG REGIO in the Draft Final Report.

9.3 Outputs

The output of Task 5 will be 12 mini-case studies drawn from the case studies in Tasks 3 and 4 and partly from the National Assessment Reports in Task 2, drafted according to the amended DG REGIO template. The mini-case studies will be suitable for publication on the DG REGIO database ‘Regions for Economic Change’.
ANNEX I: TASK 2 - NATIONAL ASSESSMENT REPORT TEMPLATE

NATIONAL ASSESSMENT REPORT FOR [country]

Throughout the report give evidence for your assessment and present the different points in the discussion and different views and observations clearly referring to sources (documents, level of interviewee(s)). As a general rule, please provide first descriptive information and then your assessment based on evidence.

Example for horizontal relationships: Describe the main characteristics in a first step. If you consider the key horizontal relationships to be weak, provide documentary evidence if available for instance in an evaluation report and/or make clear different views and observations from the management level and the implementation level.

In case a question is not relevant for your country please indicate this.

1. INTRODUCTION

Please describe:

- The scope of the National Assessment Report: What ERDF programmes including major projects does it cover? [Refer to annex for full list of ERDF programmes and major projects];

- The relative size of ERDF measures compared to domestic policies

- The documentary sources and literature reviewed [Referring to the bibliography for a full listing of sources reviewed];

- The interviews undertaken (how many for each type of respondent, period during which the interviews were undertaken, refer to annex for full list of interviews done);

- The structure of the remainder of the report.

2. ADMINISTRATIVE REFORMS, ADMINISTRATIVE LAW PRINCIPLES AND HUMAN RESOURCES DEVELOPMENT

2.1 Administrative reforms and administrative law principles

Historical and cultural background of administration

Administrative reforms after the transformation process

Administrative reforms during accession process
Administrative changes during 2004-06

The specific influence of administrative laws and procedures on the management and implementation

Role of pre-accession aid and accession negotiations for administrative culture

Administrative law principles and their role in managing and implementing European Cohesion Policy

Relevance of issues above for regions

2.2 Human resources development

Institutions in charge of civil service management and development

Overall responsibility for training, action plan, training strategy and organisation

Role of Technical Assistance for capacity building

Recruitment procedures

Salaries

Turnover

Retention of staff

Leadership / staff for higher management positions

- Recruitment
- Leadership programmes or trainings
- Role of performance orientation

Consider the role of regions for issues above if relevant

2.3 Summary assessment

Assessment of contribution of HR development to a reasonable staffing for European Cohesion Policy

Staff in position to fulfil their tasks quickly and flexibly

Adaptation of staff to changes during 2004-06

Role and acting of staff in higher management positions
3. EFFECTIVENESS OF MIS

3.1 Effectiveness of organisational and institutional structures

Overall organisational and institutional structure, role of regions if relevant

Overview on institutions and functions - a template still in the testing phase will be provided in Annex II

Key vertical relationships (i.e. between levels of governance)

- Main institutions involved
- Organisation of dialogue (committees, working groups etc.)
- Implications for the seven processes
- Assessment of key vertical relationships (responsibilities for and aims of coordination clear? Contribution to problem solving?)

Key horizontal relationships (i.e. at horizontal level)

- Main institutions involved
- Organisation of dialogue (committees, working groups etc.)
- Implications for the seven processes
- Assessment of key horizontal relationships (responsibilities for and aims of coordination clear? Contribution to problem solving?)

Background for decisions taken on the setting up of MIS and for strategic decisions

Overall assessment of effectiveness of structures set up and functioning

3.2 Effectiveness of procedures and tools for management and implementation

(i) Programme design

Organisation of programme design (stages, tasks, responsibilities), consider the role of regions if relevant

Way(s) of meeting demands

Approach to steering

Support from external experts

Timing
Overall assessment of the effectiveness of programme design (good practices, problems resolved, effects of problems on other processes, changes in procedures, programme documents structured, balanced, supported)

(ii) Partnership

Approach to partnership and involvement mechanisms, consider the role of regions if relevant

Partner capacities

Timing

Contribution of partners to effectiveness

Overall assessment of the effectiveness of partnership (good practices, problems resolved, changes in procedures, effects of problems on other processes, supportive involvement mechanisms)

(iii) Project generation, appraisal and selection

Organisation of project generation, appraisal and selection (stages, tasks, responsibilities), consider the role of regions if relevant

Tools used

The way(s) of project appraisal and selection

Support from external experts

Quality of appraisal

Contracting issues and changes

Measures to fulfil N+2 requirements

Timing and transparency

Overall assessment of the effectiveness of project generation, appraisal and selection (good practices, problems resolved, effects of problems on other processes, changes in procedures, quality and usefulness of tools, i.e. award criteria, checklists etc)

Major projects

Institutions in charge of major projects

Organisation of project generation, appraisal and selection (stages, tasks, responsibilities), consider the role of regions if relevant
Tools used for project preparation (e.g. national guidelines, instructions, EC guidance on CBA)

Reporting, information in AIR

Management of N+2 requirements in relation to progress of major projects

Quality check of project applications

Timing

Monitoring and evaluation

Overall assessment of the effectiveness of generating, appraising, selecting and managing major projects (good practices, problems resolved, changes in procedures, quality and usefulness of tools, i.e. guidance for CBA, evaluation and monitoring and other tools)

(iv)  Financial management

Organisation of financial management (stages, tasks, responsibilities), consider the role of regions if relevant

Tools used

Coordination of actors involved

Management of N+2 requirements

Processing times for payment claims

Support from external experts

International cooperation and exchange of knowhow

Overall assessment of the effectiveness of financial management (good practices, problems resolved, effects of problems on other processes, changes in procedures, quality and usefulness of tools, i.e. handbooks, four-eyes-principle and other tools)

(v)  Programme monitoring

Monitoring Systems

Functions of programme monitoring

Organisation of procedures (stages, tasks, responsibilities), consider the role of regions if relevant

Type of indicators

Submission times of monitoring data, specifically in relation to reporting obligations
Support of external experts

**Monitoring Committee (MC)**

Composition and meetings (preparation, agenda, decisions)

Monitoring data used?

Overall assessment of the effectiveness of monitoring (good practices, problems resolved, effects of problems on other processes, changes in procedures, quality and usefulness of tools, i.e. indicators and other tools)

*(vi) Reporting*

Organisation of reporting (stages, tasks, responsibilities), consider the role of regions if relevant

Timing of report delivery to MC meetings and the AIR

Overall assessment of the effectiveness of reporting (good practices, problems resolved, effects of problems on other processes, changes in procedures, quality and usefulness of AIR and reports to MC)

*(vii) Evaluation*

Approach to evaluation

Measures to develop evaluation capacity

Evaluation skills (individual level) and culture (organisational level)

Support from external experts

Role of steering committee

Publication of evaluations?

Overall assessment of the effectiveness of evaluation (quality and usefulness of evaluations, contribution to changes, systemic follow up)

**3.3 Summary assessment of effectiveness**

Assessment of effectiveness of structures (defined functions and responsibilities, quality of coordination mechanisms)

Assessment of effectiveness human resources capacity (training, recruitment, remuneration, retention, professional leadership)

Assessment of effectiveness of tools and procedures (quality and utility of tools, clear definitions of procedures, organisational learning, quality of performance over time)
Role of national framework for effectiveness and contribution of administrative principles at national level to the effectiveness of MIS

Contradictory effects in the fulfilment of regulatory, strategic and financial requirements relevant for the overall effectiveness?

Assessment of the overall effectiveness of MIS

4, SUSTAINABILITY OF MANAGEMENT AND IMPLEMENTATION SYSTEMS

4.1 Structures

Describe degree of stability and changes (within the period 2004-2006; main changes in period 2007-2013 in comparison to period 2004-2006)

What were main reasons for change?

4.2 Human resources

Degree of staff turnover (within the period 2004-2006; main changes in period 2007-2013 in comparison to period 2004-2006)

What were the main reasons for change?

4.3 Tools and procedures

Describe degree of stability and changes referring to the seven processes (within the period 2004-2006; main changes in period 2007-2013 in comparison to period 2004-2006)

What were the main reasons for change?

Table 1: Main changes of tools and procedures

<table>
<thead>
<tr>
<th>Main changes within the period 2004-2006 [short overview]</th>
</tr>
</thead>
<tbody>
<tr>
<td>Programme design</td>
</tr>
<tr>
<td>Partnership</td>
</tr>
<tr>
<td>Project generation, appraisal and selection</td>
</tr>
<tr>
<td>Financial management</td>
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<tr>
<td>Programme monitoring</td>
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<tr>
<td>Programme evaluation</td>
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<tr>
<td>Reporting</td>
</tr>
</tbody>
</table>
Table 2: Main changes between the period 2004-2006 and 2007-2013

<table>
<thead>
<tr>
<th>Programme design</th>
<th>Main changes within the period 2004-2006 [short overview]</th>
</tr>
</thead>
</table>
| Partnership      | Tools
|                  | Procedures                                               |
| Project generation, appraisal and selection | Tools
|                  | Procedures                                               |
| Financial management | Tools
|                  | Procedures                                               |
| Programme monitoring | Tools
|                  | Procedures                                               |
| Programme evaluation | Tools
|                  | Procedures                                               |
| Reporting        | Tools
|                  | Procedures                                               |

4.4 Assessment

Assessment of sustainability of structures (role of professional leadership and ability to adapt to change)

Assessment of sustainability of human resources (role of professional leadership, stability of human resources management and employment conditions)

Assessment of sustainability of tools and procedures (role of organisational learning and ability to adapt to change)

Main barriers to sustainability of structures, human resources and tools and procedures, role of the national framework

Overall sustainability of MIS (within the period 2004-2006; main changes in period 2007-2013 in comparison to period 2004-2006)

5. TYPE, SCALE AND SUSTAINABILITY OF SPILLOVER EFFECTS OF MIS

5.1 Characteristics of identified spillover effects

For each detected effect describe the following characteristics:

- Type
- Scale
- Sustainability
- Causal factor
• Mechanisms through which spillover effects occurred (i.e. innovation, adaptation, transfer)
• Timing: When did spillover effects occur

5.2 Spillover effects from other sources than MIS for Cohesion Policy

e.g. policy influence from other international institutions

5.3 Assessment

Overall potential of spillover effects

Specific characteristics relevant?

Relevance of relative size and scope of ERDF measures

Contribution to the strengthening of administrative principles and/or their implementation

Impact on the overall administrative culture

6. CONCLUSIONS AND RECOMMENDATIONS FOR THE FUTURE

Summarise the work carried out for the National Assessment Report and the main messages and conclusions emerging from the research on effectiveness and sustainability of MIS as well as from the findings on the potential of spillover effects.

Focus in particular on:

• The role of the national administrative framework for effectiveness and sustainability of MIS for Cohesion Policy
• Key findings of research on effectiveness
• Key findings of research on sustainability
• Key findings of research on spillover effects
• Lessons learnt and recommendations for the management and implementation of Cohesion Policy in the programme period 2007-13
7. BIBLIOGRAPHY

Please list here the references according to the formats below. Names of institutions and titles of references should be kept in the original language.

- For articles in edited books:

- For articles in academic journals:

- For books:

- For policy and evaluation reports:

- For programme documents:

8. ANNEX I - LIST OF INTERVIEWEES

List interviewees according to the following format:

[Position; region if relevant; institution; department; date of interview; mode of interview]

For instance:

Senior Official; Ministry of Finance; Department; 30 June 2008; face to face.

Director, Ministry of Environment, Department of programmes; 3 July 2008; telephone.

9. ANNEX II - OVERVIEW ON INSTITUTIONS AND FUNCTIONS

A table which is still in the pilot-testing phase will be provided
ANNEX II: TASK 2 - CHECKLIST FOR INTERVIEWS

This checklist describes in detail the issues that should be addressed by National Experts in their national research and should be read in conjunction with the guidance note on Task 2.

The overall goal of the research under Task 2 is to assess the main aspects of the management and implementation systems (MIS) of Cohesion policy in the light of their administrative and institutional contexts in the programming period 2004-06.

National Experts should bear in mind that national research and National Assessment Reports (NAR) should not contain simply a description of each stage of management and implementation, but an assessment of the effectiveness and sustainability of MIS of Cohesion policy in the EU10 as well as the type, scale and sustainability of spillover effects on the overall institutional and administrative culture in these countries. For a better understanding of the issue at stake, it is important to read carefully the guidance note, where the background of the research questions in the checklist is explained and comprehensive instructions for national research are given.

The overall aim of the NARs is to:

- provide information which will allow the drafting of a synthesis across EU10 Member States and a comparative analysis which will show differences between countries of different size, traditions in public administration and human resources systems;
- constitute a stand-alone output which gives thorough country-specific insight into the effectiveness and sustainability of MIS in the years 2004-06 and into spillover effects on the overall institutional and administrative culture; and
- develop conclusions and recommendations on how the MIS can be improved over the 2007-13 programming period. Comparable information and assessments shall be provided in order to be able to draw conclusions across the EU10 Member States.

MIS shall be analysed

- at the national level (i.e. mainly coordination arrangements in terms of strategy and in terms of programme implementation). In countries with a CSF, the national level is covered by the CSF level. However, the national level has to be addressed also in countries without CSFs.
- at programme level where the research has to cover all programmes. Especially in countries with many programmes, MIS should be addressed more general if they follow common patterns. However, all variations between programmes will be identified and described and their consequences for effectiveness analysed.

The subject of the analysis is the 2004-06 programming period. As the implementation of this programming period will last until the programme closures at the end of 2008, national research always has to take into account this time horizon. In specific cases, certain developments preceding the 2004-06 period, as well as developments in the 2007-13
period, will need to be taken into account (mainly context information, sustainability, spillovers).

As the research is conducted according to the University of Strathclyde code of practice on research ethics, when contacting interviewees National Experts should make reference to this document. This can be done by including in any written communication to potential interviewees the Ethics Information Sheet for Interviewees and the following sentence:

“The research is being conducted according to the University of Strathclyde code of practice on research ethics. All comments will be treated in the utmost confidence and will not be quoted. For further information on the University code, please see the Ethics Information Sheet for Interviewees.”

The Ethics Guidance for National Experts and Ethics Information Sheet for Interviewees Are both available on the project Sharepoint under All Users > Briefing Notes > General Briefing

1. Context: Administrative reforms, administrative law principles and human resources development

Rationale: In this section descriptive information about the legislation and structures for the functioning of the public administration and the civil service is gathered in order to ensure a starting point for the assessment of effectiveness, sustainability and spillover effects of MIS.

Please refer to laws as a source where relevant. When using figures please indicate the source. Please note that the reference period in general is always 2004-06 (i.e. implementation until end of 2008). However, relevant laws and aspects in this time period might have been developed and adopted earlier. In these cases it will be necessary to refer to the relevant time span.

1.1 Administrative reforms and administrative law principles

What is the historical and cultural background of the administration in your country? (relation of political and administrative level, ethical framework etc.) [Highlight issues which might be relevant for the analysis of MIS mainly on the basis of desk research.]

Which administrative reforms were introduced after the transformation process (i.e. from the early 1990ies onwards)? [This question is specifically relevant for EU8. However also for Malta and Cyprus major changes for the same time period has to be indicated.]

Which administrative reforms were introduced in the framework of preparations for Cohesion policy (i.e. during the accession process)?

Which changes in the administration occurred during the implementation of 2004-2006 programmes?
When thinking about influences on successful programme implementation: Are administrative laws and detailed procedures regarded as most relevant for this? Is there (also) a flexible approach to programme management and implementation in which experience and good practice are relevant?

In which ways did the pre-accession aid and the results of the accession negotiations (Chapter 21 of the *acquis communautaire*) contribute to changes in the administrative culture? Could major administrative changes relevant to the management and implementation of Cohesion policy be observed until 2008?

Please refer to the following principles of modern public administration (see guidance note for definitions and explanations):

- reliability and predictability (legal competence, discretion, proportionality, timeliness, professionalism and professional integrity);
- accountability;
- openness and transparency (statement of reasons);
- managerial competence (timing and skilfulness);
- service ability and quality

At what time and in which way (e.g. through laws, regulations etc) were administrative law principles listed above established? What were the major changes since then? Why were these introduced? Are major changes expected for the period 2007-13? Why?

What were the main administrative principles informing the management and implementation of Cohesion policy? To what extent were they domestic principles or to what extent were they derived from the EU legislative framework? Were there differences in relation the seven processes 43?

To what extent were administrative principles made operational for the implementation of Cohesion policy (e.g. in the form of regulations, manuals)? How were individual employees made aware of these and their duties (training, circulars, instructions/guidelines, codes of conduct/ethics etc)? Did they contribute to the effectiveness and sustainability of MIS? In which way(s)?

In cases where Cohesion policy implementation was partly devolved to regions: Are there any major differences in relation to the two questions on administration principles above between the central and the regional level?

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43 These are programme design; project generation, appraisal and selection; financial management; monitoring; evaluation; reporting; and, partnership.
1.2 Human resource development

What are the responsible institutions in charge of the management and development of the civil service? What is their function? In cases where non-civil service bodies have responsibilities to manage and implement Cohesion policy: Who is responsible for the human resources management and development?

How was the training on Cohesion policy implementation organised? (e.g. decentralised/centralised, in house/outsourced etc.). Who finances such initiatives and whose commitment was decisive? [Consider also non-civil service bodies if relevant.]

Who had the overall responsibility for training public civil servants in general and for staff working for Cohesion policy tasks specifically? Was there a general action plan and a strategy for training of civil servants in the Cohesion policy? If so, what were its main aims? [Consider also non-civil service bodies if relevant.]

How was the Technical Assistance co-financed by ERDF used for capacity building? Was there any international cooperation and exchange of knowledge used for capacity building? How did it work? - [Take into account also pre-accession funding.] What is your assessment of the results?

Were there any specific recruitment procedures for staff involved in managing and implementing Cohesion policy? Were there any schemes for promotion relevant for the positions in programme management. On which principles were they based (e.g. competition based on merit)?

Were there differences in salaries between staff for management and implementation of Cohesion policy and the private sector on the one hand and civil servants in other fields on the other hand? If so, can you give an indication of the level of differences? [Staff in Cohesion policy had an average of xx% more income than other persons in similar positions in the public sector, but xx% less income than comparable positions in the private sectors]

On average, what was the turnover of staff engaged with the management and implementation of Cohesion policy programmes? What was the proportion of staff who were working for the management and implementation of Cohesion policy programmes at the beginning of 2004 who are still working on this (even if for different programmes or for the programming period 2007-13)?

What measures were put in place to retain qualified and experienced staff (salary increases, bonuses, promotions etc)?

Were staff for higher management positions for Cohesion policy recruited and promoted on the basis of competition based on merit and competence? What were the criteria for the selection of higher management personnel for Cohesion policy (seniority, qualification etc)? How transparent were these recruitment rules? Were staff appointed on a time-limited contract? [If a senior civil service established refer to this when relevant for Cohesion policy.]
Did civil servants in higher management positions participate in specific leadership programmes or trainings? Were the aims of these programmes and/or trainings met? What else was provided to promote a committed and professional leadership?

To what extent were civil servants in higher management positions acting on the basis of performance orientation (managerial focus, initiative, innovation, communication, professional competence)? Why? Why not?

In cases where Cohesion policy implementation was partly devolved to regions: Are there any major differences in relation to the questions above between the central and the regional level?

**Overall assessment**

How would you assess the human resources development measures? Did they contribute to a reasonable staffing of the positions relevant for the management and implementation of Cohesion policy? [Consider also higher management positions]

Were the staff designated to manage and implement Cohesion policy in the position to fulfil their tasks quickly and flexibly on the basis of experience and training? Were there any changes within the period 2004-06? Which ones? Why? Were there major differences in relation to the seven processes?

How well did the staff adapt to changes during the implementation of Cohesion policy in the period 2004-06 (i.e. overall performance of adaptation)? Were changes accomplished quickly and flexibly? If so, in which ways?

To what extent were higher management positions acting on the basis of professional management experience and committed to the specific task in the MIS of Cohesion policy? Provide evidence, why or why not?

## 2. Effectiveness of MIS

The effectiveness of MIS is defined as the extent to which the systems are ‘fit for purpose’ in being able to fulfil the regulatory, strategic and financial requirements of programme management and implementation, both overall and with specific reference to programme design, project selection, financial management, monitoring, evaluation, reporting and partnership - whereby also contradictory effects between the implementation of regulatory, strategic and financial requirements might be relevant for the overall effectiveness. The following key factors were found to contribute to effectiveness: structures, human resources, tools and procedures.
2.1 Effectiveness of organisational and institutional structures and co-ordination mechanisms in Cohesion policy

This section addresses the institutional capacity and the specific design of the implementation structures for Cohesion policy in the Member State including the background for these designs. It should not repeat the general tasks of the MA, PA, IB etc., but explain the country specific setting and division of functions and responsibilities.

How were the management and implementation of Cohesion policy programmes organised in practice? What was the overall organisational and institutional structure for this? What was the division of functions and responsibilities? In what form was the regional level included? What were the specific roles of the regions? (Go beyond the general tasks regulated in the general SF Regulation 1260/1999 taking account of specific tasks in the implementation like responsibilities for the seven processes.) Were there changes within the period 2004-06?

An overview of institutions involved in Cohesion policy and their functions in MIS shall be provided in the NAR on the basis of a standard table for each programme.

What were the key vertical relationships (i.e. between levels of governance)? Which were the main institutions involved? How did the communication between institutional actors at different levels take place (e.g. committees, working groups, only formal, formal and informal etc)?

What is your assessment of quality of these key vertical relationships? Did they take place on a regular, well-structured basis, with specific tasks? Was there a clear responsibility for the coordination of activities? What was their aim (i.e. to coordinate strategic and/or implementing issues)? Were they well prepared? In the case of meetings, were minutes written down and circulated regularly? Did they contribute to the solution of problems which may have occurred in the management and implementation process?

For which of the seven management and implementation processes were these issues most relevant?

What were the key horizontal relationships? Which were the main institutions involved? How did the communication between partners take place (e.g. committees, working groups, exchanges, only formal, formal and informal etc.)

What is your assessment of the quality of these key horizontal relationships? Did they take place on a regular basis with specific tasks? Was there a clear responsibility for the organisation and coordination of these relationships? What was their aim (i.e. to coordinate strategic and/or implementing issues)? Were they well prepared? In the case of meetings, were minutes written down and circulated regularly? Did they contribute to the solution of problems occurring in the management and implementation process?
For which of the seven management and implementation processes were these issues most relevant?

What was the background for the decisions taken on the setting up of management and implementation structures and for strategic decisions? (e.g. pre-accession experience, national experience, evidence from studies or analyses etc.) On which legal basis were strategic decisions taken? What were the decisive factors for these decisions? [Consider also the role of regions.]

What was the experience with these decisions? Were there major changes during the period 2004-06? What were the reasons for these changes?

**Overall assessment**

Were the structures set up and functioning in an effective way? Why? Why not?

### 2.2 Effectiveness of management and implementation systems and procedures

The rationale of this section is to provide information for the assessment of effectiveness of the MIS for Cohesion policy. The following information has to be considered at the level of seven processes: utility of tools, quality of tools, defined procedures (stages, tasks, responsibilities), problem solutions and good practices.

*The assessment of effectiveness is the most complex sub-task. The checklist is organised in sub-sections on the seven processes:*

**(a) Specific questions on programme design**

Refer to the pre-accession phase where relevant for programme design.

How was the programming design organised? Were procedures (stages, tasks, responsibilities) clearly described? What went well during the programming (good practices) and what went less well? Why? Were problems analysed, resolved and what were their effects (on all relevant processes)? Where there changes within the period 2004-2006? Why?

In cases where Cohesion policy implementation was partly devolved to regions: Are there any major differences in relation to the question above between the central and the regional level?

How were the various demands met (e.g. coherent focused strategies, multi-annual planning, securing national co-financing, achieving coherence with domestic strategies or programmes etc.)?

What approach was applied to steer the programming process (e.g. thematic groups, one working group, horizontal cooperation)?
Was support from external experts sought? From domestic experts or from other Member States? For which tasks (e.g. ex ante evaluation, drafting sections of the programmes)? Was the support useful? In which ways? In which ways not?

Was the planned timetable from Programme submission to approval by the Commission met? Why/why not? Which factors enabled/hindered this?

Was the outcome sufficiently well structured, well balanced and supported by the major stakeholders? Why? Why not?

What is the overall assessment of the effectiveness programme design? Why? Did procedures and tools produce results of high quality? In which ways? [Explain in your analysis in which ways this process was implemented successfully and which ways not.]

(c) Specific questions on partnership

What was the approach to partnership? Which partners were involved (type, function, contribution - substantially or rather formal)? [Regarding the type of partners differentiate between social and economic partners, NGOs and others.] Which involvement mechanisms were used (e.g. consultations, thematic working groups, inclusion in advisory boards for project selection etc)? Were there changes within the period 2004-2006? Why?

What went well and what went less well? Why? Were problems analysed, resolved and what were their effects (on all relevant processes)?

In cases where Cohesion policy implementation was partly devolved to regions: Are there any major differences in relation to the question above between the central and the regional level?

What was the contribution of partners to the effective management and implementation of Cohesion policy?

Were partners’ capacities adequate for the above activities? Were initiatives put in place to support partners in fulfilling their role (e.g. training initiatives)?

Were the planned timetables for the contributions of partners met? Why/why not?

What is the overall assessment of the effectiveness of partnership? Why? Did procedures and tools produce results of high quality? In which ways? [Explain in your analysis in which ways this process was implemented successfully and which ways not.]

(d) Specific questions on project generation, appraisal and selection

How was the project generation, appraisal and selection organised? Were procedures (stages, tasks, responsibilities) clearly described? What went well during the implementation (good practices) and what went less well? Why? Were problems analysed, resolved and what were their effects (on all relevant processes)? Were there changes within the period 2004-06? Why?
In cases where Cohesion policy implementation was partly devolved to regions: Are there any major differences in relation to the question above between the central and the regional level?

What were the tools used for generation, appraisal and selection (e.g. handbooks, checklists, indicators, manuals)? Were these tools useful and used? Why/why not?

How were projects selected? In cases where they were selected on a competitive basis: Who assessed the projects? What were the award criteria? Were award criteria linked to the indicators in the programmes? Were appraised projects ranked? For which purposes the ranking was done? Was this useful?

Was emphasis put on specific aspects of appraisal and selection criteria? On which ones? Why?

Were procedures and tools developed in-house or was external support sought? From domestic experts or from other Member States? For which tasks (e.g. animation activities, appraisal of more technical aspects of projects/more technical types of measures like financial engineering measures etc.)? Was the support useful? In which ways? In which ways not?

What was the quality of assessment? Was there a high proportion of project applications where diverging scores were given by evaluators? How did this influence the decision process?

Did projects get a contract? How was contracting organised (e.g. grant letter was sent)? What were the main topics addressed in the contract?

What was the share of projects where the contracts had to be amended?

Did any difficulties in dealing with N+2 requirements occurred? What was undertaken to avoid de-commitments in terms of project generation, appraisal and selection?

Were timetables established? If so, were they met? Why/why not? Which factors enabled/hindered this? What time did it took from project submission to approval?

Were procedures transparent? How could project applicants obtain information on criteria, processes and assessment results?

Were procedures, guidelines and criteria adapted based on the experience with the first round of projects?

What was the ratio of applications to awards of projects?

What is the overall assessment of the effectiveness of project generation, appraisal and selection? Why? Did procedures and tools produce results of high quality? In which ways? [Explain in your analysis in which ways this process was implemented successfully and which ways not.]
**Major projects**

A full list of major projects with ERDF contribution is provided by the European Commission. This point is relevant only for Slovakia (2 major projects) and for Poland (10 major projects).

**Major projects** are large investment projects with a contribution of more than €50 million (from Structural Funds or Cohesion Fund) which have to be approved by the Commission. The specific needs for approval and implementation are laid down in the General SF Regulation, Art. 25 and 26.

Which institutions were in charge of preparing major projects and how was preparation organised in terms of procedures? [Address the stages identification, generation, analysis, appraisal and approval.]

How was this process organised [Address procedures the stages of identification, generation, analysis, appraisal and approval.]? Were tools useful and of high quality? Which ones? In which way? Were procedures clearly defined in terms of stages, tasks, responsibilities? Which ones? In which way? Where there changes within the period 2004-2006? Why?

Was reporting against indicators foreseen in the application form?

Were penalties part of the contracts? Why? Why not? Which consequences did this have?

In cases where cost overruns occurred, how were these managed? What implications did this have for the N+2 requirements?

Were internal administrative capacities available to check the quality of project applications? If not, could consequences for the approval stage be observed? Which ones?

Were national guidelines or instructions available for the management and implementation of major projects? If so, what were the main points concerning effectiveness?

To what extent were the planned processing times from concept to application, and from application to approval by the European Commission, met?

Which arrangements were set up for management, monitoring and evaluation of major projects? Did they proved to be useful?

How did monitoring function in practice? Of what quality were the indicators? Were physical and financial indicators used and useful for monitoring?

Of what quality were evaluations? Were evaluations used and useful for monitoring?

Was support from external experts sought? From domestic experts or from other Member States? For which tasks? Was the support useful? In which ways? In which ways not?
What use was made of the Commission guidance on Cost-Benefit-Analysis for major projects? Was it helpful?

What was the experience made with the Cost-Benefit-Analysis? Was the analysis relevant for management and implementation of the project? Did the risk analysis provided a basis for managing occurring risks effectively?

What kind of information was provided in the Annual Implementation Reports on major projects (i.e. only descriptive or information about actual progress, results and impacts)? Was reporting against indicators foreseen in the application form? If so, was this information used for management purposes?

What went well during the implementation and what went less well? Why? Were problems analysed, resolved and what were their effects?

Overall, what is your assessment of the effectiveness of management and implementation of major projects?

What is the overall assessment of the effectiveness of the management and implementation of major projects? Why? Did procedures and tools produce results of high quality? In which ways? [Explain in your analysis in which ways this process was implemented successfully and which ways not.]

(e) Specific questions on of financial management

How was financial management organised? [Refer to financial flows, management of payments, repayment claims] Were procedures (stages, tasks, responsibilities) clearly described? What went well during the implementation (good practices) and what went less well? Why? Were problems analysed, resolved and what were their effects (on all relevant processes)? Were there changes within the period 2004-2006? Why?

In cases where Cohesion policy implementation was partly devolved to regions: Are there any major differences in relation to the question above between the central and the regional level?

What were the tools used for specific processes (e.g. handbooks, checklists, indicators, manuals, four-eyes-principle)? Were these tools useful and used? Why/why not?

How were the actors involved in financial management coordinated? By whom?

What was the level of the commitment rate and the payment rate? [Figures provided by METIS and EPRC]

Did any difficulties in dealing with N+2 requirements occur? What was done to avoid decommitments in terms of financial management?

Were the planned processing times for payment claims from projects and programmes met? Why/why not? Which factors enabled/hindered this?
Was support from external experts sought? From domestic experts or from other Member States? For which tasks? Was the support useful? In which ways? In which ways not?

Was there any international cooperation and exchange of knowledge between Paying Authorities? How did it work? What is your assessment of the results?

What is the overall assessment of the effectiveness financial management? Why? Did procedures and tools produce results of high quality? In which ways? [Explain in your analysis in which ways this process was implemented successfully and which ways not.]

(f) Specific questions on programme monitoring

Monitoring systems

What were the main functions of the monitoring system? Were procedures (stages, tasks, responsibilities) clearly described? What went well during the implementation (good practices) and what went less well? Why? Were problems analysed, resolved and what were their effects (on all relevant processes)? Were there changes within the period 2004-2006? Why?

In cases where Cohesion policy implementation was partly devolved to regions: Are there any major differences in relation to the question above between the central and the regional level?

What were the tools used for monitoring (e.g. database, handbooks/guidance for data input and use of data, training for projects/programme managers). Were these tools useful and used? Why? Why not?

Which data did it contain at programme level (financial and/or physical)? What was the quality of indicators and data? Which indicators and data were useful and used? Why? Were data used for purposes beyond the monitoring of the programme (e.g. publicity, policy)?

What was the timetable for the submission of physical and financial monitoring data from projects (e.g. financial data submitted every three months, physical data every six months etc.)? Was this timetable met, i.e. was monitoring data delivered on time and accurate, for example to allow meeting reporting obligations? Why/why not? Which factors enabled/hindered this?

Were the programme monitoring systems set up in good time as planned?

Was support from external experts sought? From domestic experts or from other Member States? For which tasks (e.g. for the design of the monitoring system, for the identification of appropriate indicators, for the design and maintenance of a computerised database for data inputting and processing etc.)? Was the support useful? In which ways? In which ways not?
**Monitoring Committee (MC)**

*You might refer to partnership where relevant.*

How was the MC composed and did this change during the period 2004-2006?

Did the MC meetings take place as planned? Were they well prepared, chaired and conducted in a result-oriented way?

What were the issues on the agenda of MC meetings? Were also content issues on the agenda - and not only procedural issues (e.g. policy debates, evaluation results, recommendations)?

Did the MC deliver decisions as necessary for the programme implementation?

Did the MC used the monitoring data for monitoring the progress of the programme and for taking remedial actions?

What is the overall assessment of the effectiveness of programme monitoring? Why? Did procedures and tools produce results of high quality? In which ways? [Explain in your analysis in which ways this process was implemented successfully and which ways not.]

**(g) Specific questions of reporting**

How was reporting organised? Were procedures (stages, tasks, responsibilities) clearly described? What went well during the implementation (good practices) and what went less well? Why? Were problems analysed, resolved and what were their effects (on all relevant processes)? Were there changes within the period 2004-06? Why?

In cases where Cohesion policy implementation was partly devolved to regions: Are there any major differences in relation to the question above between the central and the regional level?

Were the reports for MC meetings and the AIR delivered on time? Why/why not? Which factors enabled/hindered this?

What was the quality of information in AIRs (i.e. finances, indicators, description of progress, description of quality of implementation, implementation of major projects)?

Were the AIR useful for the implementation of the programme(s)? In which way(s)? Why? Why not? Were they used and useful at MC meetings and Annual Review meetings?

What is the overall assessment of the effectiveness of reporting? Why? Did procedures and tools produce results of high quality? In which ways? [Explain in your analysis in which ways this process was implemented successfully and which ways not.]
(h) **Specific questions on evaluation**

What was the **approach** to evaluation in general? How can the evaluation culture before accession and during the period 2004-2006 characterized? Where there changes within the period 2004-2006? Why?

What was undertaken for the development of evaluation capacity during the period 2004-2006?

Had staff responsible for the management and implementation of Cohesion policy experience and skills in evaluation (individual level)? In how far is there a culture of evaluation in institutions responsible for Cohesion policy (i.e. evaluations at specific/different stages of the policy cycle are undertaken) (organizational level)?

Did the ex-ante evaluation contributed to the quality of the programme? In which ways? Why? Why not?

Were evaluations of themes and/or priorities undertaken? Which ones? What was their quality?

Were steering groups involved in the planning and undertaking of evaluations? If so, who were the members of the steering groups?

Were evaluations conducted by external experts? By domestic experts or by experts from other Member States?

Were evaluations regarded as useful? In which ways? In which ways not?

Did evaluations lead to changes in the MIS or to other changes (e.g. of strategy, objectives, financial allocations)?

How embedded were evaluations in the MIS in general and in the monitoring specifically? - How were evaluations used? Were procedures established for how to deal with evaluation outcomes and recommendations? - Were recommendations implemented? Why? Why not? Who decided on this? Was there a systematic follow up of agreed recommendations?

Were evaluations published? If so, did this lead to public debate? Did this influence change?

What is the **overall assessment** of the effectiveness of evaluation? Why? Did procedures and tools produce results of high quality? In which ways? [Explain in your analysis in which ways this process was implemented successfully and which ways not.]

**2.3 Summary assessment of effectiveness**

To what extent were the structures set up for management and implementation of Cohesion policy fit for purpose (i.e. contributed to the fulfilment of the regulatory, strategic and financial requirements)? [Address clearly defined functions and responsibilities and quality of coordination mechanisms.]
To what extent was the human resources capacity devoted to the management and implementation of Cohesion policy fit for purpose (i.e. contributed to the fulfilment of the regulatory, strategic and financial requirements)? [Address training, recruitment, remuneration, retention, leadership.]

To what extent did the administrative principles established at national level contributed to the effectiveness of MIS?

To what extent were the tools and procedures developed for management and implementation of Cohesion policy contribute to the effectiveness of MIS? [Address quality and utility of tools, clear definitions of procedures, organisational learning, quality of performance over time.]

Were there any contradictory effects in the fulfilment of regulatory, strategic and financial requirements which are relevant for the overall effectiveness?

3. Sustainability of management and implementation systems

The rationale of this section is to gather information for the deeper understanding of which structures, procedures, practices and tools were sustained over time and what were the reasons for sustainability and changes. The sustainability of MIS is understood as the extent to which the systems are stable, reliable and durable as well as capable of adapting to new challenges. Sustainability refers mainly to the capacity and potential for stability and reliability over time which can include the capacity and potential for adaptations to changing needs. Thus, also changed structures for instance could be sustained if there is a continuity of capacities developed. When looking at sustainability of MIS it is necessary to analyse their occurrence up to the present.

As for the time dimension, sustainability shall be analysed during the programme period 2004-2006 mainly but also between the periods 2004-2006 and 2007-2013.

How sustainable were the established structures and the appointed human resources over time?

- Were the established structures (institutions involved in MIS at different levels, functions and responsibilities, coordination mechanisms) stable over the programming period 2004-06 or could major changes be observed? What were the main reasons for stability and changes? Were political changes relevant for changes? Was sustainability considered when establishing the structures in 2004?

- Are the structures established for 2007-13 different from the structures established for 2004-06? To what extent do these changes affect the sustainability of staff and the sustainability of practices and tools used in MIS of Cohesion policy in 2004-06?

- What per cent of staff working for the MIS of Cohesion policy at the beginning of 2004 still work for these programmes or for the Cohesion policy 2007-13 today?
(rough estimation) What were the main reasons for low/high staff turnover (e.g. competitive employment conditions)?

- What was the contribution of competitive employment conditions and a professional leadership to the sustainability of human resources?

How sustainable were tools and procedures developed in the period 2004-06 (e.g. approaches, guidelines, checklists etc)? Are they still used today in the new period 2007-13? Why? Why not? - [Refer to the seven processes.]

What was undertaken to enhance organisational learning and thus to enhance sustainability of tools and procedures in MIS? (e.g. quality management tools, actions plan for organisational improvement, learning from evaluations, capitalisation initiatives) Which tools and measures were used? Why? Why not?

Were tools and procedures adapted to changes in a way that this contributed to their sustainability?

How would you assess the overall sustainability of MIS in terms of structures; human resources; and tools and procedures?

Which are the lessons learnt and the key challenges for the MIS of Cohesion Policy in 2007-13 in terms of continuity/discontinuity and more generally, in terms of organisational learning? How can these key challenges be tackled?

4. Type, scale and sustainability of spillover effects

The rationale of this section is to understand the potential of spillover effects, their types and the mechanisms through which they occurred as well as their (potential for) sustainability. Spillover effects have been defined as tangible effects of managing and implementing Cohesion Policy on the wider institutional and administrative culture. They may influence the administrative culture also in units not directly involved in the implementation of Cohesion policy. Six dimensions have to be distinguished (see details in guidance note), of which the following need further explanation:

**Types of spillover effects** refer to *managerial and implementation practices and tools*, whereby *practices* refer to the way management and implementation is organised in institutions and with which human resources it is organised. *Tools* refer to concrete outputs used. Examples for managerial and implementation practices would be regular staff training, outsourcing of specific tasks, horizontal and/or vertical coordination and communication mechanisms; specific ways of allocating responsibilities; or public reform initiatives in a broader sense. Examples for managerial and implementation tools would be the use of checklists, regular meetings with minutes, a scoring system for project selection, standardised templates for reporting requirements. [Use the rich results of your research on effectiveness and sustainability]
Scale of spillover effects refers to the extent to which managerial and implementation practices and tools are transferred to the overall institutional and administrative culture, i.e. how far reaching their impact was and in which specific ways they influenced the broader institutional and administrative culture.

Limited impact: only locally, in a single institution outside MIS for Cohesion policy

Medium impact: one or a few departments or single Ministries

Strong impact: on the overall administrative culture in the country, strengthening of administrative principles and their implementation in general.

Sustainability of spillover effects refers to the likelihood to which the detected phenomenon will persist over time and their embeddedness in the overall administrative culture. When looking at sustainability of spillover effects it is necessary to analyse their occurrence up to the present at the national level - and take into account also the programme period 2007-2013.

Can any spillover effects from the MIS of 2004-06 Cohesion policy programmes be identified with ministries, other departments and institutions or even with the overall administrative culture of your country?

What are their main characteristics? In what way do they influence the current domestic systems, procedures and practices?

- What is the type of spillovers? (i.e. managerial and implementation practices and tools)

- What is their scale? (i.e. Do they affect any national aid schemes/public finance and on the overall institutional and administrative culture? In which institutions and departments can they be identified?) [Provide examples]

- Is the nature of spillovers sustainable? (i.e. Are they already part of the overall administrative culture? Are there efforts to generalize them in your country?)

- Why did these spillover effects occur?

- How, through which mechanisms (innovation, adaptation, transfer)?

- When did they occur?

Can you provide an assessment in which way(s) spillover effects have contributed to strengthening administrative principles and/or their implementation? (Which relevant examples can be identified?)

Policy influence also might result from other international institutions (e.g. World Bank, UN). Can spillover effects of a similar kind be identified?

In which ways did the relative size and scope of ERDF measures have an impact on the potential of spillover effects of MIS of Cohesion policy? How relevant was this impact?
Which are the lessons learnt from the analysed spillover effects regarding the management and implementation of 2007-13 Cohesion policy? What can be expected for this period in terms of the potential of spillover effects? Has the overall public administration learned from the experience of the MIS for Cohesion policy? If so, in which way(s)?
ANNEX III: TASK 3 - BRIEFING NOTE FOR NATIONAL EXPERTS

INTRODUCTION

The purpose of this guidance note is to assist National Experts with the preparation and undertaking of case study research for Task 3 of the ex post evaluation on the management and implementation of 2000-06 Cohesion policy programmes (Working Package 11: Management and implementation systems for Cohesion policy).

The objective of Task 3 is to appraise the value added of Cohesion policy in comparison to national policies in the EU15, focusing exclusively on management and implementation systems (MIS). Its distinctive approach is to analyse influences on the MIS processes of Member States which are attributable to Cohesion policy and to identify the degree to which they constitute ‘net added value’, addressing those (positive) changes that would not have occurred had the implementation of Cohesion policy not taken place.

The appraisal of value added of Cohesion policy MIS, as explained above, will require a close understanding of:

- the interaction between Structural Funds and domestic policy initiatives, specifically to identify where the delivery of Structural Funds programmes has influenced the management and implementation of domestic policies and vice versa;

- the developmental processes through which the influence of Structural Funds occurs, which requires an appreciation of context (political, institutional, administrative), the actors involved, and key factors (personal and organisational learning, institutional flexibility, role of evaluation, exposure to international practice etc), to understand how has exerted an influence on domestic MIS (for example whether the changes introduced in domestic systems reflect defensive rather than positive reactions); and

- the degree to which this influence is transient (limited to the programme period and the availability of EU funding) or embedded (having a legacy beyond the programme period), to understand if the positive changes introduced in domestic systems as a result of the implementation of 2000-06 Structural Funds programmes are kept once the programmes are drawn to an end.

This guidance note has been prepared by EPRC, in collaboration with METIS, to assist the National Experts in charge of the seven Case Studies (CSs) with organising and focussing their research, to ensure thoroughness of approach and comparability of information across CSs.

Please note that this guidance note and the related checklist and template will be revised after the Steering Group meeting that will take place in Brussels on May 27 2008, to take into account the observations and requests made by Steering Group members. National
Experts should refrain from undertaking interviews before receiving the final version of the checklist, in the first week of June.

**Background**

The literature on European Cohesion policy is rich in examples of aspects of Community Added Value. This topic has been addressed extensively in both academic publications and policy reports (e.g. Commission documents, evaluation reports). Specifically with reference to the management and implementation of Cohesion policy, a lot of evidence suggests that the *modus operandi* introduced by Cohesion policy - and by ERDF programmes in particular - has introduced innovative ways of public policy management in the Member States, namely:

- In the sphere of **policy design** - evidence has been found on what could be called a ‘strategic added value’ of Structural Funds programming. According to the literature reviewed, the involvement of partners and of stakeholders with specific expertise (e.g. on topics such as the environmental dimension), and the introduction of evidence-based, pluri-annual, hierarchically-defined strategies were all elements that increased the strategic focus, responsiveness to needs and internal and external coherence of the strategies devised.

- In the sphere of **policy delivery** (project generation, appraisal and selection) the literature review has showed evince of what could be defined as ‘operational added value’, where the rules and procedures introduced by Cohesion policy have brought to domestic policies more advanced and better focussed project appraisal and selection systems, increased transparency, as well as increased attention to project generation and aftercare.

- In the areas of **financial management, reporting, monitoring, and evaluation**, Cohesion policy rules and procedures have been deemed to have introduced increased rigour, accountability, transparency and efficiency to policy implementation, what could be named as ‘accountability added value’.

- The introduction of the practices related to the **partnership** principle (introduced with the 1988 reform of the Structural Funds) has been judged to have led to greater involvement of regional and local authorities and civil society, and to improved vertical and horizontal coordination in policy implementation, increasing the effectiveness of policy. This could be called ‘democratic added value’.

- Finally, a further more generic **learning added value** can be found with respect to other aspects of the implementation of European Cohesion policy that cannot be linked specifically to one or another policy implementation phase, but rather to a more comprehensive change of culture and mentality amongst practitioners, through experiences such as the promotion of the exchange of good practice, of networking and cooperation initiatives across regional and state boundaries, and of a more cross-sectoral strategy-making.
Key questions and case study rationale

The case study research will consider all of the above described elements to assess:

- first, whether, in each case study country/region, there was a strong tradition on the above aspects in domestic regional and economic development policy and what were the differences with Cohesion policy practice;

- second, whether the demands and practices of Cohesion policy have influenced domestic policy; what changes have been made to domestic policy management and implementation as a result; why were these changes made and other possible changes not made; and,

- third, an assessment of the benefits and even drawbacks of the changes made (have they brought about more transparency, more efficiency/effectiveness etc.? ) and of whether the changes introduced will be retained in the future and in which form.

It should be noticed that the case study research will address, insofar as relevant, all programme implementation stages. Consequently, the case studies will focus on all seven stages of programme management and implementation, as identified in the calls for tender for WP11:

- procedures for programme design (e.g. involved parties, consultation mechanisms, evaluations, strategy-setting methods etc.);

- project generation, appraisal and selection mechanisms (e.g. responsible actors, criteria setting, methods for selection etc.);

- financial management (efficiency of the management circuit and similarities/contrasts with pre-existing/domestic practices) \(^{44}\);

- project and/or programme monitoring (systems, indicators, actors involved and roles, checks and use);

- evaluation at project and/or programme level (methods, actors involved and roles, use and follow-up);

- reporting procedures (responsibilities, scope, timing and follow-up);

- partnership (actors, responsibilities and roles, inputs to various management and implementation processes); and,

- other relevant topics such as institutional changes; capacity-building activities; learning from exchange of good practice, international networking, cooperation activities.

\(^{44}\) Excludes auditing.
DESK RESEARCH

In preparation of the research, National Experts are asked to: review the key international literature on the topics of Cohesion policy MIS and added value; examine available national literature on these topics; and, analyse case study documentation regarding policy management and implementation both within and beyond ERDF programmes.

Preparatory reading

As a way of background research, national experts are advised to review the following papers all of which have been uploaded on the project’s SharePoint (in WP11 > For All Users > Briefing Notes > Task-related Briefing > Task 3 > Task 3 Literature for National Experts):


Case study desk-research: mapping EU and domestic MIS, and establishing interrelations

In preparation to the interview phases, National Experts are advised to review strategies, programme documents, evaluations and practical delivery documentation (such as application guidelines, project appraisal fiches etc.) for both the ERDF programme/s covered by case study and the relevant domestic policies (economic development and regional policies implemented in the case study country or region45), namely:

For Cohesion policy:

- programme document/s,
- programme complement/s,
- mid-term evaluation/s and related up-dates,
- thematic evaluations or evaluation reports part of ongoing evaluation plans,
- Annual Implementation Reports (AIRs), and

45 The domestic policies dealt with in the case studies will vary. The focus, however, will be essentially on domestic policies, programmes and instruments which co-fund the measures of ERDF programmes, or on other domestic policies, programmes or instruments that, while not used for co-financing, are similar in scope and thematic coverage (e.g. other programmes for territorial or business competitiveness, specific plans for business infrastructure or RDT/local development etc.).
programme delivery documentation (e.g. project selection guidance notes, calls for tenders, guidance to project implementers on monitoring, internal regulations of the Monitoring Committee etc.)

For domestic policies:

- policy strategies,
- regulations on the main policy instruments,
- evaluations, and
- available operational documentations (e.g. calls for tenders, project selection guidance notes, project appraisal checklists etc.).

The review of the above documents, read in conjunction with the National Overviews prepared under Task 1, should allow to build a preliminary overview on the management and implementation of EU and domestic economic development policies (particularly those used to co-finance ERDF programmes, but not just) and to identify the direct and indirect relationship/interaction between the management and implementation systems of these for each of the specific processes.

FIELDWORK RESEARCH

Building on the desk research, National Experts will carry out fieldwork research to develop further the understanding of the relationship/interaction between EU and domestic management and implementation processes. The focus will be on identifying the transfer, adaptations, innovations or other changes to domestic processes attributable to Cohesion policy and on assessing these changes (e.g. whether they have improved domestic policy implementation, whether they will be retained). In line with the research questions outlined above, the key issues will be the nature, scale and significance of the added value effects; the conditions, factors and processes explaining the effects; and the sustainability of the effects.

The fieldwork will involve interview research with three categories of respondent: strategic respondents; operational respondents; and external respondents. Interviews will be based on a standardised checklist, common to all case studies.

Preparing the fieldwork research

After the desk-research phase, National Experts should to draw up their case study fieldwork plan, listing the interviewees that will be contacted during fieldwork research. EPRC will interact with the National Experts during the preparation of the interviewee list and approve this, to ensure consistency of approach across the seven case studies.

The exact number of interviewees will be established on a case-by-case basis, however it is anticipated that each CS would entail around 12 to 15 interviews:

- 3-4 strategic respondents;
6-8 operational respondents;
3-4 external respondents.

An indication of who these respondents might be is provided in Sections 0 to 0 below.

The checklist lists the issues that case studies should address, through both desk-research and fieldwork. It should be used as the basis for drawing up different questionnaires, tailored to different interviewees. To facilitate this work, a table is provided in the checklist which matches the sections of the checklist to the different types of respondents.

It is recommended that National Experts, when arranging the interviews, send to each interviewee a summary of 5-6 key questions, translated into the interviewee’s language. This will enable the interviewee to focus thoughts prior to the interview. In addition, since the research is being conducted under the coordination of the University of Strathclyde, when contacting interviewees, National Experts should make reference to the University’s code of practice on research ethics. This can be done by including in any written communication to potential interviewees the following sentence:

“The research is being conducted according to the University of Strathclyde code of practice on research ethics. All comments will be treated in the utmost confidence and will not be quoted. For further information on the University code, please see: http://www.mis.strath.ac.uk/Secretariat/pdf/Code%20of%20Practice%20-%202005.pdf.”

Fieldwork research - strategic respondents

The first level of investigation is with individuals involved at a strategic level in the management of Structural Funds for the case study programmes and the counterpart domestic policies. Research at this strategic level should be undertaken through in-depth, face-to-face interviews with:

- for Structural Funds programmes, representatives of Managing and Paying Authorities; members of Monitoring Committees; directors of programme secretariats;
- for domestic policy, senior officials responsible for domestic national/regional development strategies and heads of department in co-financing organisations with overall responsibility for areas such as business aid, local infrastructure, human resource development etc.

The research should focus on establishing interactions between the overall management of EU and domestic interventions from a wide range of strategic perspectives, in particular to understand how policy management frameworks have been established/modified, the factors underlying the inter-relationships, the distinctive contribution of EU approaches, the evolution of the relationship over time and the embeddedness of any EU-driven changes to domestic management structures and systems.

46 In some cases, e.g. in Ireland, the two could overlap (i.e. the same strategic respondent could be in charge of both domestic and European co-funded programmes).
**Fieldwork research - operational respondents**

The second level of fieldwork research is with individuals involved at an operational level in the implementation of Structural Funds for the case study programmes and the counterpart domestic policies used to co-finance EU interventions (and, where relevant, non-co-financing policies). This should entail face to face or telephone interviews with:

- for Structural Funds, representatives of: programme secretariats and implementing bodies (e.g. measure managers), intermediate bodies, management committees, advisory committees, project selection committees and other programme delivery organisations (e.g. sub-regional or thematic partnership groups)
- for domestic policies, civil servants in charge within the competent state or regional administrations, of the delivery of selected domestic policy measures (e.g. key aids to businesses, infrastructure interventions) \(^{47}\)

The research will focus on establishing, at a more detailed level, the influence of Cohesion policy on each of the specific processes identified in the framework above.

**Fieldwork research - external respondents**

A final level of desk-research should entail dialogue with a limited number of key individuals not directly involved in the management or implementation of the case study programmes, but with a high level of knowledge about the context and practice of EU and domestic policy intervention during the 2000-06 period, such as evaluators of EU and domestic funding, academic commentators, and members of economic development organisations and committees. This part of the research is intended to focus on gaining an external perspective, in particular a broader, longer term and critical perspective on the added value of EU Cohesion policy with respect to the case study programmes/countries. This should be undertaken primarily through face-to-face interviews.

**WRITING-UP THE CASE STUDY REPORT**

On completing the desk- and fieldwork research, National Experts should draft their case study reports based on a standardised template provided by EPRC. This template reflects the structure of the checklist and will be adapted following the revisions made to this after the Steering Group meeting of 27 May 2008.

CS reports are expected to be between 25 and 30 pages in length. They should be delivered in good English and include references to all the sources utilised for the research, according to the format specified in the template.

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\(^{47}\) As with strategic respondents, in some cases the two could overlap (i.e. the same strategic respondent could be in charge of both domestic and European co-funded programmes).
ORGANISING THE RESEARCH

The delivery of the CS reports is planned for no later than **Friday 18 July**\(^{48}\) based on the following timetable.

<table>
<thead>
<tr>
<th>Task</th>
<th>Timeframe</th>
</tr>
</thead>
<tbody>
<tr>
<td>Overall desk-research and case study specific desk research</td>
<td>During May</td>
</tr>
<tr>
<td>Elaboration of interview plan</td>
<td>By end of May</td>
</tr>
<tr>
<td>(list of interviewees prepared in dialogue with EPRC)</td>
<td></td>
</tr>
<tr>
<td>Contacting interviewees and arranging interviews</td>
<td>First week in June</td>
</tr>
<tr>
<td>Undertaking of interviews and interviews writing-up</td>
<td>During June</td>
</tr>
<tr>
<td>Writing-up of Case Study reports</td>
<td>First half of July</td>
</tr>
<tr>
<td>Provision of integrations/clarifications to EPRC on CS report</td>
<td>Second half of July</td>
</tr>
</tbody>
</table>

\(^{48}\) Please note that this is later than originally anticipated during the Project Briefing Meeting of 22 April 2008. More flexibility and time have been built in the process to make the delivery of the case studies more practicable for National Experts and to align the CS deadline with the parallel deadline for the National Assessment Reports of Task 2.
ANNEX IV: TASK 3 - CASE STUDY CHECKLIST

This checklist describes in detail the issues that should be addressed by National Experts in their case study research and should be read in conjunction with the guidance note on case study research.

Content

The overall goal of the research is to identify any changes to management and implementation approaches which would not have occurred had ERDF programme implementation not taken place (and assess whether these changes entail an added value). Therefore, in addressing the questions provided in the checklist, National Experts are asked to explicitly ask interviewees about any changes resulting from the implementation of ERDF programmes, whether directly or indirectly.

National Experts should bear in mind that what is expected from the case study fieldwork and reports is not simply a description on each stage of management and implementation. The overall aim of the case studies is:

- to identify aspects which indicate that ERDF management and implementation may have had an influence on the management and implementation of domestic policies, programmes and initiatives;
- pinpoint any changes made to domestic policy management and implementation due to this influence;
- examine how and why any changes were made;
- analyse the perceived benefits and drawbacks of the changes made;
- assess if, and in which respects, 2000-06 ERDF programmes generated added value (or detracted value) with respect to their management and implementation systems compared to domestic policies and, crucially, explore the nature of such added value.

In thinking about the nature of the effects that may be encountered, it may be possible to categorise them as follows:

- Enhancement effects - additional or enhanced variants of existing practice (for instance, enhancement of evaluation practice, through a more structured systematisation of evaluation activities e.g. through the introduction of evaluation plans or Steering Groups in domestic policies);
- Innovation effects - new practices (for instance, the introduction of reporting or monitoring obligations derived from ERDF practice into domestic policies too);
- Learning effects - better understanding of how implementation can be carried out (for example where evaluation policy acts as a catalyst for the development of staff and the generation of new knowledge on management and implementation, e.g.
through seminars, networking, best practice exchange, participation to international fora etc.);

- Detractive effects - undesirable practice (for instance when the implementation of ERDF programmes leads to the introduction of adjustments to domestic implementation which are necessary for coordination but maybe perceived as costly, bureaucratic etc., e.g. the alignment of financial planning or reporting obligations);

- Neutral effects/no effects - ERDF management and implementation has no or little impact on the management and implementation of domestic policy systems (for instance where the two strands of policy operate in total separation).

The research aims to also explain the ways through which ERDF programme management and implementation exerted an influence on domestic management and implementation. In addressing this, National Experts could think of the following types of influence:

- Transfer - adoption of ERDF management and implementation systems and procedures in domestic context;

- Adaptation - adoption of ERDF management and implementation systems and procedures after having made some adjustments to better respond to domestic needs;

- Innovation - introduction of new management and implementation systems and procedures based on an original interpretation of inputs and ideas deriving from ERDF management and implementation systems and procedures.

**Research questions**

In each section, a distinction is made between key question and probe questions:

- **Key questions**: the main focus of the investigation under each heading;

- **Probe questions**: suggestions to help the interviewer ‘unpack’ and explore the key questions. Additionally, text in italics provides examples to illustrate possible examples of the types of answers that could be expected. If necessary, these examples could be used during the interview to help the respondent, particularly in relation to some of the more technical issues being addressed.

A number of key questions are applied to each section of the checklist, as they apply to the all of the processes of management and implementation. This, and the fact that the checklist provides examples throughout, does make the checklist appear to be very long. However, the key questions that have to be addressed are kept to a minimum (highlighted in bold in the text). Moreover, it should be noted that some of the questions are already partially answered in the Task 1 National Overviews.

As mentioned in the guidance note on Task 3, to address the issues outlined in this checklist, the National Experts will have to interview different types of interviewees - strategic, operational and external - identifying the questions that, amongst those in the
checklist, are better addressed by one or another type of respondent. The table below has been prepared to support the National Experts with this task.

**Table 6: Questions/respondents matrix**

<table>
<thead>
<tr>
<th>Sections</th>
<th>Desk research</th>
<th>Field research respondents</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.1 CS scope and rationale</td>
<td>√</td>
<td>No field research</td>
</tr>
<tr>
<td>1.2 Preliminary views</td>
<td>√</td>
<td>Strategic External</td>
</tr>
<tr>
<td>2 Programme design</td>
<td>√</td>
<td>Strategic Operational</td>
</tr>
<tr>
<td>3 Project generation, appraisal and selection</td>
<td>√</td>
<td>Operational</td>
</tr>
<tr>
<td>4. Financial Management</td>
<td>√</td>
<td>Strategic Operational</td>
</tr>
<tr>
<td>5. Monitoring</td>
<td>√</td>
<td>Strategic Operational</td>
</tr>
<tr>
<td>6. Evaluation</td>
<td>√</td>
<td>Strategic Operational</td>
</tr>
<tr>
<td>7. Reporting</td>
<td>√</td>
<td>Operational</td>
</tr>
<tr>
<td>8. Governance and Partnership</td>
<td>√</td>
<td>Strategic Operational</td>
</tr>
<tr>
<td>9. Other M&amp;I issues</td>
<td>√</td>
<td>Strategic Operational</td>
</tr>
<tr>
<td>10. Overall Assessment</td>
<td>√</td>
<td>Strategic Operational</td>
</tr>
</tbody>
</table>

For instance, a question on the overall impact of Structural Funds partnership procedures on the management of domestic policies might be addressed by strategic respondents, while specific questions on how the partners' inputs are utilised in taking decisions for example on project selection would be best addressed with operational respondents. Academic actors or evaluators (external respondents) would be best suited to discuss the first outcomes of desk and field research, i.e. to validate/test the relevance of initial assumptions and conclusions.
RESEARCH QUESTION CHECKLIST

CONTEXT

Scope and rationale of case study

- What mainstream ERDF programme/s is/are covered by the research?
- What domestic policy/ies, programme/es and/or instruments are covered by the research? What is their financial scale?
- Why were these policies/programmes/instruments chosen for the case study research?

Preliminary views

- Has the topic of the management and implementation of European Cohesion policy been the subject of policy debate and evaluation in the country/region? If so, what were the main issues raised and conclusions drawn?

PROCEDURES FOR PROGRAMME DESIGN

Key questions

- To what extent was domestic regional policy ‘strategically’ planned prior to 2000-06?
- Have aspects of the ‘strategic’ approach been applied to domestic policy? If so, is this viewed as a positive or negative development?
- What were the key factors and motivations for the adoption of a strategic approach in domestic policy initiatives? Alternatively, what were the key barriers?
- Will the changes be retained in the current (2007-13) period? Why/why not?

Probe questions and notes

- Prior to 2000-06 was domestic regional policy ‘strategically planned? For example,
  o Were domestic policies: outlined in coherent, multi-annual, documents, or were they instrument based rather than programme based, with funding allocated yearly etc?
  o Were domestic policies for economic/regional development evidenced based, using evaluation evidence and on partners consultations, or on any other type of needs’ assessment?
- How integrated is the planning of Cohesion policy and domestic policies? What are the perceived advantages/disadvantages of the coordination/lack of coordination?
- Have aspects of the ‘strategic’ approach which is typical of European Cohesion policy been applied to domestic policy? What elements and to what extent? Is this a ‘formal’ change in approach, with identifiable changes being made to the regulations, or have changes been made on an ad hoc basis in some areas and not others).
  - o the multi-annual planning; the explicit linkage between resources, measures and outcomes; the ex ante assessment and quantification of the impacts expected of policy etc.

- What were the key factors and motivations for the adoption of a strategic approach in domestic policy initiatives? In particular,
  - o What were the drivers for change? E.g. the need to maximise the impact of limited resources, the allocation of policy responsibilities across different/same ministries or departments etc.
  - Alternatively, what were the key barriers? E.g. rigidity of domestic system, political choice to keep domestic and EU systems clearly separate from each other etc.

- Will the changes introduced in the planning of domestic policies be retained in the current period? Why/why not?

PROJECT GENERATION, APPRAISAL AND SELECTION MECHANISMS

Key questions

- To what extent were the systems in use for generating, appraising and selecting projects in ERDF programmes and in domestic policies separate or integrated? What were the differences?
- Has working with ERDF programmes in 2000-06 period led to changes in domestic approaches to project generation, appraisal and selection?
- What were the key factors and motivations for the changes introduced in domestic project generation, appraisal and selection mechanisms? Alternatively, what were the key barriers?
- Are these changes viewed as positive or negative developments?
- Will they be retained in the current period?

Probe questions and notes

[Please address the following questions for each of the main types of intervention found in the ERDF programmes and in parallel domestic initiatives, e.g. aids to firms, business infrastructure/other infrastructure, training, local regeneration etc. Doing so should require asking the same questions to different interviewees.]
To what extent were the ERDF and domestic systems in use for generating, appraising and selecting projects separate or integrated? What were the differences? For example in terms of:

- Project generation: Are the ERDF and domestic procedures aligned or not? What actors/organisations were in charge of project generation; were same actors/institutions in charge for both domestic and ERDF programmes? Were different systems used for project generation; how did they differ, e.g. call for tenders, animation initiatives, seminars with target recipient groups, websites etc.?

- Project appraisal and selection: Are the ERDF and domestic procedures aligned or not? What actors/organisations were in charge; were same actors/institutions in charge for both processes? How different are the procedures and criteria used for appraising and selecting projects from ERDF and domestic programmes (e.g. advisory boards only existing for ERDF programmes; v same rankings for both ERDF and domestic projects funded under the same initiative, use of scoring grids and rankings; simple eligibility check/first come first served; interviews with project applicants; joint appraisal through advisory boards, decisions by selecting committees)

- What were the reasons behind the alignment or lack of alignment between the two systems?

- Key objectives underlying all generation, appraisal and selection systems are efficiency, transparency, flexibility and rigour. Has the implementation of ERDF programmes in 2000-06 offered new ideas/approaches to addressing these objectives?

- Has working with the 2000-06 ERDF programmes led to changes in domestic approaches to project generation, appraisal and selection?

  - What were these changes? (If answers are not forthcoming, possible areas to explore with the interviewee could be interaction with/assistance to project applicants in the stages of project development; introduction of multiple criteria linked to a variety of aims that the project needs to fulfil e.g. with respect to environmental issues or gender equality; inclusion of experts and/or interest groups in advisory boards; linking selection of projects to after-care support, etc.)

  - For Greece and Ireland only: has the practice of CBA (Cost-Benefit Analysis), introduced by Cohesion policy, been transferred to domestic policy?

- What were the key factors and motivations for the changes introduced in domestic project generation, appraisal and selection mechanisms? Or, what were the main barriers for change? (e.g. political desire to increase accountability and effectiveness; administrative efficiency gained by streamlining processes across policies; or difficulty to innovate mentality amongst domestic administration etc)
• Are the changes introduced in domestic project generation, appraisal and selection viewed as positive or negative developments? What are the relative benefits/merits and drawbacks of ERDF and domestic project appraisal and selection, and how have these affected the way appraisal and selection are carried out under both strands of policy in the current period?

• Will the changes in domestic project generation, appraisal and selection be retained in the current period? Or, were there problems that will lead to further changes in the current period?
  o Examples of weaknesses for project generation could include the inability to generate the “right” type of projects, there was poor take-up etc.)
  o Examples of weaknesses of project appraisal and selection could include insufficient strategic focus, high project mortality, low number of projects funded, poor quality of projects, time pressures in ERDF programme impacting on domestic selection procedures, clash between ERDF and domestic systems etc.

FINANCIAL MANAGEMENT

Key questions

• To what extent were the financial management of ERDF programmes separated or integrated from those of domestic policies/programmes/initiatives? What were the key differences?

• Has working with ERDF programmes in 2000-06 period led to changes in domestic approaches to financial management? In which specific areas?

• What were the key factors and motivations for the changes introduced in domestic policy implementation? Alternatively, what were the key barriers?

• Are these changes viewed as positive or negative developments?

• Will they be retained in the current period?

Probe questions and notes

• To what extent were the financial management of ERDF programmes separate or integrated from those of domestic policies/programmes/initiatives? What were the key similarities or differences? In particular:
  o In the 2000-06 period, were domestic policies implemented through multi-annual budgeting and comprehensive financial tables?
  o Was a single authority involved in the financial management of all domestic policies/programmes/measures? Was the same authority in charge of the financial management of the ERDF programme?
  o Was the financial monitoring of domestic policies aligned with those of the ERDF programme/s?
beyond the requirements introduced by ERDF programmes, was there any experience of performance-oriented management in the country/region? (e.g. performance reserve mechanisms, expenditure checks by a separate payment, staged payments to project implementers)

- Has working with ERDF programmes in 2000-06 period led to changes in domestic approaches to financial management? For example, the introduction of procedures to speed up spending (such as the N+2 rule), performance reserve-type mechanisms?

- Are these changes viewed as positive or negative developments? For example, have there been efficiency gains, greater transparency, greater complexity etc.

- What were the key factors and motivations for the changes introduced in domestic policy implementation? For example, financial management procedures introduced in domestic funding facilitated co-financing? Alternatively, what were the key barriers?

- Will the changes introduced be retained in the current period or are further changes likely? Why and/or why not?

PROJECT AND/OR PROGRAMME MONITORING

Key questions

- Were the monitoring systems in use for ERDF and domestic programmes separated or integrated? What were the differences?

- Has working with ERDF programmes in 2000-06 period led to changes in domestic approaches to monitoring (at all levels: policy, programme/initiative, and project)? In which specific areas?

- What were the key factors and motivations for the changes introduced in the monitoring of domestic policy implementation? Alternatively, what were the key barriers?

- Are these changes viewed as positive or negative developments?

- Will they be retained in the current period?

Probe questions and notes

- Prior to 2000-06 was there a strong tradition of monitoring in the country/region already?

- During the 2000-06 period, were the monitoring systems in use for ERDF and domestic programmes separated or integrated?
  - If integrated: how much of this system reflected EU requirements as opposed to pre-existing domestic practice?
If separate, what were the key differences between the monitoring systems for ERDF programme/s and domestic policies? *E.g. in relation to the organisations involved in managing the system, types of indicators used, the timetable of data collection, the procedures to feed data to the system, the infrastructure of the system etc.*

- Has working with ERDF programmes in 2000-06 period led to changes in domestic approaches to monitoring (at all levels: policy, programme/initiative, and project)?
  - Has there been a ‘formal’ change in approach, with identifiable changes being made to domestic regulations or have changes been made on an ad hoc basis in some areas and not in others?
  - In which specific areas were changes introduced? *For instance, was a body created to oversee the implementation of domestic policies/programmes/initiatives, similar to the PMC in ERDF programmes; was a new monitoring system created, similar to that utilised for ERDF programme/s, new indicators, targets and benchmarks introduced; were timetables and systems for data collection aligned and improved; were improvements made to the ways monitoring information is used?*

- Have there been particular barriers or resistance to change?

- What were the key factors and motivations for the changes introduced in the monitoring of domestic policy implementation? *For instance, simplify the work of project applicants/implementers, coordinate the implementation of domestic policies/programmes/measures?*

- Are these changes viewed as positive or negative developments? Have changes improved data collection, transparency and facilitated the use of monitoring data.

- Will the changes introduced be retained in the current period? Are further changes planned? Why and/or why not?

**EVALUATION AT PROGRAMME AND/OR PROJECT LEVEL**

*Key questions*

- Were the evaluation systems in use for ERDF and domestic programmes separated or integrated? What were the differences?

- Has working with ERDF programmes in 2000-06 period led to changes in domestic approaches to evaluation (at all levels: policy, programme/initiative, and project)? In which specific areas?

- What were the key factors and motivations for the changes introduced in the evaluation of domestic policy implementation? Alternatively, what were the key barriers?
• Are these changes viewed as positive or negative developments?
• Will they be retained in the current period?

Probe questions and notes

• Was there a strong tradition of evaluation in the country/region already? Were evaluations on domestic policies undertaken? To what main purpose? What was the main focus?

• Were the evaluation systems in use for ERDF and domestic programmes separate or integrated?
  o If separate, what were the main differences in approach? (E.g. planning, timetable, purpose, focus, commissioning organisations, evaluators, use and dissemination of results).

• Has working with ERDF programmes in 2000-06 period led to changes in domestic approaches to evaluation? For instance, were new institutions or plans created to oversee or coordinate the evaluation work across ERDF and domestic policy strands; have the content and methods of evaluations changed; has the way evaluation results are used changed; has capacity in the field of evaluation increased?
  o Has there been a ‘formal’ change in approach, with identifiable changes being made in regulations rather than on an ad hoc basis in some areas and not in others?
  o Which actor/body has been the driver of this change?

• What were the key factors and motivations for the changes introduced in the evaluation of domestic policy implementation?
  o What were the reasons behind the introduction of changes in the: planning, organisation and process; content; dissemination/follow up; and, capacity building of domestic evaluations?
  o Which main actors/bodies led the introduction of these changes?

• Was there resistance to change? What were the main barriers?

• Are the changes discussed above viewed as positive or negative developments? For instance, has the quality of evaluation work improved? Have there been drawbacks linked to the changes introduced?

• Will the changes introduced be retained in the current period? Are further changes planned? Why and/or why not?
REPORTING PROCEDURES

Key questions

- Was there a strong reporting culture in the country/region, beyond the ERDF programme/s?
- Were the reporting obligations of ERDF and domestic programmes separated or integrated? What were the differences?
- Has working with ERDF programmes in 2000-06 period led to changes in domestic approaches to reporting? In which specific areas?
- What were the key factors and motivations for the changes introduced in the reporting obligations of domestic policy implementation? Alternatively, what were the key barriers?
- Are these changes viewed as positive or negative developments?
- Will they be retained in the current period?

Probe questions and notes

- Was there a strong reporting culture in the country/region, beyond the ERDF programme/s? For instance, was it typical for domestic policies implemented in 2000-06 period to be subject of periodic reporting or were reporting obligations introduced mainly as a result of the implementation of Structural Funds (ERDF) programmes?

- For the 2000-06 period, were the reporting obligations of ERDF and domestic programmes separated or integrated? What were the differences, (e.g. were different organisations involved, did the content and timetables for reporting differ, the intended recipients of the reports vary?)

- Has working with ERDF programmes in 2000-06 period led to changes in domestic approaches to reporting? In what specific areas? For instance, were new reporting requirements introduced? Were the timetable and content of domestic reporting activities aligned to those of ERDF programmes?
  - Has there been a ‘formal’ change in approach, with identifiable changes being made in regulations rather than on an ad hoc basis in some areas and not in others?

- What were the key factors and motivations for the changes introduced in the reporting obligations of domestic policy implementation? For instance,
  - Reporting requirements might have been harmonised across co-financed and non co-financed policies (e.g. with respect to timetable and content) to make it simpler for programme administrators and recipients to fulfil obligations (e.g. one single approach for both co-financed and non co-financed policies)?
  - Which actor/body was provided the main impetus for change and why?
- Alternatively, was there resistance to change? What were the main barriers?
• Are these changes viewed as positive or negative developments? For example, implementation of domestic policy improved, is there increased coordination across co-financed and non co-financed policies, is there greater efficiency, effectiveness and transparency, are there excessive in terms of bureaucratic, administrative costs etc)

• Will the changes introduced be retained in the current period? Are more changes planned? Why and/or why not?

GOVERNANCE AND PARTNERSHIP ARRANGEMENTS

Key questions

• To what extent was there a strong tradition/culture of partnership working in past domestic policies (beyond the ERDF programme/s)?

• Has working with ERDF programmes in 2000-06 period led to changes in domestic approaches to partnership (both vertical and horizontal partnership)?

• More notably, has partner involvement in management and implementation increased in domestic policies/programmes/initiatives as a result of the experience of implementing ERDF programme/s? Is the resulting involvement of sub-national and sub-regional authorities and socio-economic partners greater?

• What were the key factors and motivations for the changes introduced in partnership involvement in the management and implementation of domestic policy? Alternatively, what are the barriers to change?

• Are these changes viewed as positive or negative developments?

• Will they be retained in the current period?

Probe questions and notes

• To what extent was there a strong tradition/culture of partnership working in past domestic policies (beyond the ERDF programme/s)?

• Has working with ERDF programmes in 2000-06 period led to changes in domestic approaches to partnership (both vertical and horizontal partnership)?
  o More specifically, has partner involvement in management and implementation increased in domestic policies/programmes/initiatives increased?
  o If changes have been made,
    o in which areas/stages of management and implementation (e.g. planning; project generation, appraisal and selection; monitoring; evaluation etc?
    o how has their involvement changed?, e.g. are partners involved in a wider range of stages/tasks, are more partners involved, did the role
of sub-national and sub-regional authorities increase, were institutional changes introduced to increase vertical and horizontal policy coordination, such as joint committees.

- Has there been a ‘formal’ change in approach, with identifiable changes being made in regulations? Or were changes made on an ad hoc basis in some areas and not in others?

- What were the key factors and motivations for the changes introduced in partnership involvement in the management and implementation of domestic policy? E.g. the participation of partners in advisory boards for project selection might have improved the focus of projects and the quality of applications, alternatively partner participation could have complicated policy management and implementation.

- Was there resistance to change? What were the main barriers? For instance, have there been difficulties in mobilising and managing partner participation in domestic policy?

- Are these changes viewed as positive or negative developments? E.g. increased participation rates, increased awareness of policies, administrative pressures linked to increased consultation etc.

- Will the changes introduced be retained in the current period? Are further changes planned? Why and/or why not?

**OTHER INSTITUTIONAL, MANAGEMENT & IMPLEMENTATION ISSUES**

**Key questions**

- Has the implementation of ERDF programme/s in 2000-06 programmes led to the creation of new institutions (e.g. departments, committees, working groups etc.) which have had or will have a role in the implementation of domestic policies?

- Has working with ERDF programme/s opened up opportunities for institutional learning and exchange of experience beyond Cohesion policy programmes?

- Did the publication of evaluation evidence, monitoring results or implementation reports stimulate public debates on Cohesion policy or on domestic regional policy?

- What were the benefits and drawbacks of these activities? What has been the legacy of this learning?

**Probe questions and notes**
• Has the implementation of ERDF programme/s in 2000-06 led to the creation of new institutions (e.g. departments, committees, working groups etc.) which have had or will have a role in the implementation of domestic policies?

• What are these new institutions? Why were they established? In what fields do they operate? How is the quality of their operation assessed? (e.g. did they work efficiently and improve the efficiency and effectiveness of domestic policies/programmes/initiatives)

• Has working with ERDF programme/s opened up opportunities for institutional learning and exchange of experience beyond Cohesion policy programmes? To what extent and in which particular management and implementation areas?

• What were the benefits and drawbacks of the participation of international/EU capacity building, networking and exchange of experiences? For instance, new tools/ideas promoting management and implementation, staff motivation. Alternatively, has the drive to ‘internationalise’ activities placed pressure on management and implementation structures (e.g. in terms of human and financial resources)?

• What has been the legacy of this learning?
  • What of the changes introduced in domestic management and implementation will be retained in the current period?
  • Will similar exchange and capacity building activities be pursued in the current period?

OVERALL ASSESSMENT

Based on desk and interview research, please provide an overall assessment of what your [National Expert’s] view is of the influence and added value of ERDF management and implementation compared to the management and implementation of domestic policies over the past period. The following questions may help structure the analysis.

• How strong has this influence been and in which specific management and implementation aspects has it been more visible? How are any changes/impacts judged by those interviewed? Positively, negatively? Why? (in answering this question, please cover the spectrum of views gathered from different types of actors).

• What, if any, were the key positive impacts of the changes introduced in domestic management and implementation as a result of the implementation of ERDF programmes? Alternatively, have there been elements of “detracted value”? In other words, were there aspects of the management and implementation of ERDF programmes which were less effective, more bureaucratic, less efficient etc. than the management and implementation of domestic programmes?
• Why and how have Structural Funds been able/not been able to exert an influence? How has the interaction between ERDF MIS and domestic MIS occurred? (e.g. was there direct transfer, adaptation or innovation? Was change “forced” by pragmatic needs or “chosen” due to the benefit perceived in introducing it?)

• Based on the desk and fieldwork research what is your overall assessment of the value “added” by ERDF management and implementation systems and procedures to domestic policies over the past period? If possible, please provide data evidence justifying this assessment (e.g. reduced time for projects approval; increased number and more refined indicators monitored by domestic monitoring systems; higher number of evaluations undertaken etc.).

• Looking to the current programming period, from the desk and fieldwork research undertaken, what changes will be retained and what will be discarded? Will further changes be made?

• Finally, in your view [National Expert’s] what changes should be made to ERDF management and implementation rules and procedures to ensure that these continue to deliver an “added value” to domestic programmes?
ANNEX V: TASK 3 - TEMPLATE FOR CASE STUDY REPORTS

CASE STUDY [TITLE]  [AUTHOR, ORGANISATION]

INTRODUCTION

Please describe: the scope of the case study (e.g. what ERDF programmes and domestic policies does it cover?); the reasons of the choice made to develop a case study on the selected policies/programmes (Section 1.1 of checklist); background context information (Section 1.2 of the checklist); the documentary sources and literature reviewed (referring to the bibliography for a full listing of sources reviewed); the interviews undertaken (how many for each type of respondent, period during which the interviews were undertaken, refer to annex for full list of interviews done); and the structure of the report.

1. PROCEDURES FOR PROGRAMME DESIGN

ERDF and domestic systems and procedures

Approach to domestic planning in 2000-06. Differences with ERDF strategic programme design (multi-annual programming, evaluation and consultation based strategy setting, hierarchical structure, linkage between resources and outcomes etc.). Degree of integration amongst ERDF and domestic planning systems.

Changes made to domestic systems and procedures

Changes made in 2000-06 to domestic planning based on ERDF programme design experience.

Factors and causes

Drivers and lead actors for change. Barriers to change.

Assessment: what added value effects? How embedded?

Benefits and drawbacks of changes made. Assessment of added value. Consolidation of changes introduced in current period and/or further changed made or planned.

2. PROJECT GENERATION, APPRAISAL AND SELECTION MECHANISMS

ERDF and domestic systems and procedures

Approach to domestic project generation, appraisal and selection in 2000-06 (for different types of interventions). Differences with ERDF approaches. Degree of integration amongst ERDF and domestic systems.
Changes made to domestic systems and procedures

Changes made in 2000-06 to domestic planning based on ERDF programme design experience.

Factors and causes

Drivers and lead actors for change. Barriers to change.

Assessment: what added value effects? How embedded?

Benefits and drawbacks of changes made. Assessment of added value. Consolidation of changes introduced in current period and/or further changed made or planned.

3. FINANCIAL MANAGEMENT

ERDF and domestic systems and procedures

Domestic financial management approach in 2000-06. Differences with ERDF approaches. Degree of integration amongst ERDF and domestic systems.

Changes made to domestic systems and procedures

Changes made in 2000-06 to domestic planning based on ERDF programme design experience.

Factors and causes

Drivers and lead actors for change. Barriers to change.

Assessment: what added value effects? How embedded?

Benefits and drawbacks of changes made. Assessment of added value. Consolidation of changes introduced in current period and/or further changed made or planned.

4. PROJECT AND/OR PROGRAMME MONITORING

ERDF and domestic systems and procedures

Domestic monitoring approach in 2000-06. Differences with ERDF approaches. Degree of integration amongst ERDF and domestic systems.

Changes made to domestic systems and procedures

Changes made in 2000-06 to domestic planning based on ERDF programme design experience.
Factors and causes

Drivers and lead actors for change. Barriers to change.

Assessment: what added value effects? How embedded?

Benefits and drawbacks of changes made. Assessment of added value. Consolidation of changes introduced in current period and/or further changed made or planned.

5. EVALUATION AT PROGRAMME AND/OR PROJECT LEVEL

ERDF and domestic systems and procedures

Domestic approach evaluation in 2000-06. Differences with ERDF approaches. Degree of integration amongst ERDF and domestic systems.

Changes made to domestic systems and procedures

Changes made in 2000-06 to domestic planning based on ERDF programme design experience.

Factors and causes

Drivers and lead actors for change. Barriers to change.

Assessment: what added value effects? How embedded?

Benefits and drawbacks of changes made. Assessment of added value. Consolidation of changes introduced in current period and/or further changed made or planned.

6. REPORTING PROCEDURES

ERDF and domestic systems and procedures

Domestic approach to reporting in 2000-06. Differences with ERDF approaches. Degree of integration amongst ERDF and domestic systems.

Changes made to domestic systems and procedures

Changes made in 2000-06 to domestic planning based on ERDF programme design experience.

Factors and causes

Drivers and lead actors for change. Barriers to change.
Assessment: what added value effects? How embedded?

Benefits and drawbacks of changes made. Assessment of added value. Consolidation of changes introduced in current period and/or further changed made or planned.

7. GOVERNANCE AND PARTNERSHIP ARRANGEMENTS

ERDF and domestic systems and procedures

Domestic approach to partnership in 2000-06. Allocation of responsibilities and roles to sub-national/sub-regional actors. Differences with ERDF approaches. Degree of integration amongst ERDF and domestic systems.

Changes made to domestic governance and partnership

Changes made in 2000-06 to domestic planning based on ERDF programme design experience.

Factors and causes

Drivers and lead actors for change. Barriers to change.

Assessment: what added value effects? How embedded?

Benefits and drawbacks of changes made. Assessment of added value. Consolidation of changes introduced in current period and/or further changed made or planned.

8. OTHER INSTITUTIONAL, MANAGEMENT AND IMPLEMENTATION ISSUES AND PROCESSES

Changes made to domestic systems and procedures

Changes made in 2000-06 to domestic planning based on ERDF programme design experience. New institutions, actors involved and roles/functions.

Factors and causes

Drivers and lead actors for change. Barriers to change.

Assessment: what added value effects? How embedded?

Benefits and drawbacks of changes made. Assessment of added value. Consolidation of changes introduced in current period and/or further changed made or planned.
9. ASSESSMENT

Overall assessment of ERDF influence on domestic policy delivery

Extent of influence. Processes in which influence is most evident. Positive or negative influence, according to interviewees’ perceptions (and reasons). Interviewee’s assessment of changes to domestic management and implementation.

The added or detracted value of ERDF management and implementation

Key ‘changes’ introduced in domestic management and implementation, leading to added value. Key added value effect (please describe for each process the different types of added value and summarise these in a table in line with the format below).

Table 7: Types of added/detracted value effects

<table>
<thead>
<tr>
<th>Programme design</th>
<th>Project generation, appraisal</th>
<th>Financial management</th>
<th>Monitoring</th>
<th>Evaluation</th>
<th>Reporting</th>
<th>Governance and partnership</th>
<th>Other M&amp;I issues and institutional arrangements</th>
</tr>
</thead>
</table>

Describe for each process whether there have been added value effects and whether these fall within the category of enhancement, innovation or learning effects.

Key modalities according to which the interaction and influence between ERDF and domestic policies have occurred: illustrate cases of transfer, adaptation, innovation; describe the motivations behind the changes made (e.g. because of perceived utility or for pragmatic reasons?).

Table 8: Types of modes through which added value has occurred

<table>
<thead>
<tr>
<th>Programme design</th>
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<th>Governance and partnership</th>
<th>Other M&amp;I issues and institutional arrangements</th>
</tr>
</thead>
</table>

Describe for each process whether it represents a case of transfer, adaptation or innovation, and why.
National Expert’s assessment of added value of different processes of management and implementation and of added value of ERDF management and implementation overall.

The ‘detracted’ value of ERDF management and implementation systems and practice

The drawbacks of ERDF management and implementation systems according to the interviewees (please describe for each process the different types of ‘detracted value). Lessons to ERDF management and implementation from domestic policy.

10. CONCLUSIONS

Summarise the work carried out for the case study and the main messages and conclusions emerging regarding the added value of ERDF management and implementation systems and procedures for the management and implementation of domestic policies.

Focus in particular on: the influence of the management and implementation of ERDF programmes on the management and implementation of domestic policies (the changes); the mechanisms, key factors and developmental process through which this influence has occurred over the 2000-06 period (the modality and causality of changes); the degree to which the changes introduced are transient or embedded.

11. BIBLIOGRAPHY

Please list here the references according to the formats below. Names of institutions and titles of references should be kept in the original language.

12. LIST OF INTERVIEWEES

List interviewees according to the following format: Role; institution; date of interview; mode of interview.
ANNEX VI: TASK 5 - DRAFT MINI-CASE STUDY TEMPLATE

**ERDF PROJECT/SYSTEM**

**ANALYSIS**

### PROJECT TITLE

Please provide a simple and self-explaining title for the selected project and the acronym of the project if any (this should not be necessarily the official name of the project).

### SYNTHESIS (1 - 1.5 page)

The synthesis is a summary of the project description to be used for publicity and communication purposes. It has to be understandable as a stand-alone text. It should be written in a clear way. The summary should include a short description of the objectives and implementation of the projects, the main innovation results and the key lessons learnt.

**IMPORTANT:** Please write this text at the end of the process of filling out the template!

### BACKGROUND INFORMATION (0.5 page)

**Country:** name

**Region:** name

**Project title:** provide the full title for of the selected project (the official title)

**Programme type:**

**Duration of project:** date - date (month/year)

**Funding:**

<table>
<thead>
<tr>
<th>budget</th>
<th>total</th>
</tr>
</thead>
<tbody>
<tr>
<td>ERDF contribution</td>
<td></td>
</tr>
<tr>
<td>national budget</td>
<td></td>
</tr>
<tr>
<td>regional budget</td>
<td></td>
</tr>
<tr>
<td>private contribution</td>
<td></td>
</tr>
</tbody>
</table>

**Objective:**

- [ ] Objective 1
- [ ] Objective 2

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50 For the description of good practice in management and implementation systems for ERDF programming, the term ‘project’ is understood broadly to include new or existing management and implementation systems.
I. PROJECT DESCRIPTION (1 - 1.5 page)

Describe the project using the following structure:

- **Overall objective and purpose**
  - What is/was the objective and purpose of the project/approach? Describe them shortly using official documents of the project.

- **Description/type of activities**
  - Insert a short description of the project’s activities/characteristics. Name the project manager and shortly explain the logic of the approach, that is how different activities are linked with each other and in what way they lead to achieving the results.

- **Beneficiaries**
  - List and describe direct and indirect beneficiaries of the project e.g. citizens, SMEs, public organisations, higher-education and research organisations, researchers, etc.

- **Project main results**
  - What are/were the main results of the project? Describe shortly the results foreseen or achieved by the project.

- **Expected impact**
  - What is the expected impact?

- **Community value added**
  - Would the project have gone ahead if it were not for EU support? What was the added value for the project in being supported by ERDF?

II. POLITICAL AND STRATEGIC CONTEXT (0.5 page)

Provide a short description of the elements of a regional context relevant for the project/approach (not a general description of the regional economy!). The idea is to give a reader key background information for understanding the motivation behind the project, e.g. if the project/approach targets generating good projects for selection under Objective 1, give a short overview of the project selection system to date and main barriers to the selection of good projects identified OR if project aims at improving the efficiency of the financial management processes, describe shortly the existing claims and payment, expenditure verification, expenditure forecasting and auditing systems to date. Indicate if the project refers or belongs to a wider regional or national economic development strategy or policy.

**IMPORTANT**: After reading this section a reader should be able to understand how the results of the project contribute to tackling barriers and/or fostering the improved management and implementation of the ERDF in the particular national or regional context. The description should be seen as “setting a scene for the story” of the project.
III. IMPLEMENTATION (3 - 4 pages)

3.1. Project design and planning

Describe the process of design and planning.

Key questions to be answered in this section are as follows:

- Where and from whom did the idea of project come from?
- Is the project based on a specific needs assessment research and analysis?
- How, why and on which basis was the project selected?
- What type of risk was considered in the selection process? Comment on the level of risk associated with the innovative character of results and how it was dealt with.
- Did the project take into account sustainability, results exploitation and transferability (wider application) issues from the design phase?
- Was the evaluation aspect taken on board from the beginning?

3.2. Management, monitoring and evaluation system

Describe the management system and management process of the project (e.g. structure, relations between main bodies, tasks etc.).

The key questions to be answered in this section include:

- How was the project manager selected?
- How was monitoring organised? How many persons were involved in the steering group, how many meetings of the technical groups took place etc.
- Explain approach adopted towards evaluating results (auto-evaluation, external evaluation, etc.). Were the targets quantified and performance indicators assigned?
- Was the management structure able to adapt in case of unexpected obstacles and what was done to solve the problems? Give examples and explain.
- How many man/months were used for this project?

3.3. Governance: partnership and leadership

Describe the partnership and leadership of the project.

The key questions to be answered in this section include:

- What was the composition of partnership?
- What was the interest for each partner to participate?
- What were/are roles of partners (funding provider, end-user, expertise provider, inspirational/creative contribution etc.)?
- What is/was the role of the local/regional authority?
- Is/Did a ‘leader’ or a ‘core’ partnership emerging/merge (the most active group)?
- How did the partnership and leadership dynamics evolve, especially in the wake of unexpected events/implementation obstacles? Give examples and explain.
- How did the political support evolve throughout duration of the project?

51 Not all the questions in this section will be applicable to management and implementation systems.
3.4. Innovative elements and novel approaches to implementation

To what extent did the project innovate in terms of the process of project design, partnerships implementation and evaluation?

Issues to be considered in this section include:

- Did the partners already collaborate in other projects? If no, please explain why new partnership was created.
- Did the project design, planning and management include practices different from common practice? If yes, please describe new approaches.
- Was the approach to acquiring funding different from normal practice? If yes, please describe new approaches.
- Were any new approaches used to communicate and disseminate project's ongoing work and results? If yes, please describe new approaches.
- Were any new approaches used to ensure best possible ways of the project’s results exploitation (e.g. commercialisation, wider application, transferability, communicating the results to the policy making process)? If yes, please describe new approaches.
- Who/which organisation was the initiator of new approaches?

On the basis of your experience assess the new approaches described above in comparison to previous practices applied in the region and in other regions in the country.

3.5. Key implementation obstacles and problem-solving practices

Describe main obstacles experienced during project implementation. Constraints can be both internal (e.g. management, partnership etc.) and external (e.g. expectations of beneficiaries, political change, etc.). This section should present main lessons learned from implementation experience.

Please describe the obstacles, indicate their (potential) impact on the project results and, most importantly, explain the way they were tackled (problem-solving practice). The obstacles may be tackled by e.g. adapting management structure, changing timing of deliverables, enlarging/narrowing focus of the project etc. Please indicate the role of partnership and individual partners for solving implementation problems.

Taking into account lessons learned, would you consider planning the implementation process differently if you had a chance to implement a similar project again? Briefly explain the relevance of each change for avoiding or overcoming potential obstacles.
IV. KEY RESULTS (1 page)

This section focuses on identifying and explaining key results of the described project.

V. SUSTAINABILITY AND TRANSFERABILITY (0.5 - 1 page)

5.1. Sustainability
Has there been a follow-up of the project OR will the project continue after ERDF funding is discontinued? If so, explain how e.g. funding, structure, legal status, activities, partnership etc.

5.2. Transferability
Are individual innovative elements or the whole project applicable in the whole region OR transferable to other regions? Describe which elements of the project could be applied elsewhere. Consider transferability of both practices applied to implementation (5.2.1) and project results (5.2.2). Please highlight possible obstacles and solutions to implementation of this project in different contexts. What might have to be changed in order to make the experience/result transferable?

VI. CONCLUSIONS: MAIN SUCCESS FACTORS (1 - 1.5 page)

This section presents key success factors of the project based on the material presented in the previous chapters. Key success factors are elements of planning, governance, management and implementation without which the project would not have succeeded. List maximum five factors including a short justification in relation to the real project developments (practical examples!).

In a separate paragraph discuss factors, which were learned to be of key importance for the project during its final stages or after its completion. These points -even if missing or not fully realised for this initiative (see section 3.5)- are valuable lessons learned for future. List up to three lessons learned in this way. Similarly to above provide short justification of each point in relation to the real project developments.
IMPORTANT: A simple bullet point e.g. “strong political backing throughout the project” is not sufficient! Explain what was done to sustain the political backing and what was learned to ensure such backing in the future.

VII. CONTACT DETAILS

Contact details

Please insert name, organisation, website, address, telephone and e-mail details of the project manager OR other relevant person. Give a website address dedicated to the project (if available).

Date of this information

= date of study visit