



Ex Post Evaluation of the European Union Solidarity Fund 2002-2016

Overview of Case Study Reports

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Overview of Case Study Reports

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1. INTRODUCTION

This report provides an overview of the case studies conducted under Task 3 of the Ex Post Evaluation of the European Union Solidarity Fund and constitutes part of the fourth deliverable of the evaluation. The report presents a synthesis of the findings of the case studies relating to EUSF interventions in response to:

- forest fires in the regions of Attica, Continental Greece, Peloponnese and Western Greece in August 2007 (case 50) ;
- floods and landslides in Madeira (Portugal) in February 2010 (case 72);
- earthquakes in the regions of Emilia-Romagna, Lombardia and Veneto (Italy) in May 2012 (case 91);
- floods in the regions of Lower Austria, Upper Austria, Vienna, Salzburg, Styria, Tyrol and Vorarlberg in May and June 2013 (case 102);
- flooding in multiple regions (Serbia) in May 2014 (case 112);
- floods in the region of South-West Oltenia (Romania) in July and August 2014 (case 115); and
- severe weather conditions in Bulgaria, 30 January to 4 February 2015 (case 120).

The aim of the case studies is to analyse the implementation and performance of the EUSF as a contribution to understanding the effectiveness, efficiency, relevance, added value and solidarity of the EU funding. For each of the interventions, the case studies have a common structure setting out the context for the EUSF support and a brief overview of the intervention. They then examine the experience of implementation, the factors influencing implementation, the relevance of EUSF, the administrative burdens and costs associated with the intervention, the achievements and added value of the EUSF support and the lessons learned. The case studies were carried out by National Experts according to guidance drafted by the EPRC Core Team (and agreed with DG Regio) and subsequently edited and revised by the Core Team.

The case studies were drafted in two phases. Initially, two pilot case studies were undertaken for the May 2012 earthquakes in Italy, and the Summer 2014 flooding in Romania. Following the submission of drafts of the two pilot studies, the Core Team discussed the process with the National Expert teams for Italy and Romania to assess their experience with the research and draw out lessons for potential adaptation of the Task 3 methodology. The key points to emerge were:

- the methodology is considered robust and no significant changes were required;
- the primary challenges facing the National Experts were practical: institutional reorganisations since the EUSF support was provided; access to interviewees during the summer holiday period or where they have other priorities; and ability of interviewees to distinguish between different interventions;
- there was only limited scope for organising focus groups and (in the case of Italy) interviews with citizens were conducted instead; and
- there is some uncertainty about the differences between administrative costs and administrative burdens and between the learning component of added value and the lessons learned.

On the basis of the above, the evaluation team modified the guidance to National Experts and advised the experts for the remaining case studies accordingly. Following feedback from the Steering Group for the study on an earlier version of this report, the case studies were revised further to take account of the comments received.

The following sections summarise the results to emerge from the seven case studies, addressing the evaluation questions relating to effectiveness, efficiency, added value, relevance and solidarity. It also summarises the lessons learned.

The individual case studies are published as separate reports.

2. EFFECTIVENESS

The operational objectives stated in the applications for EUSF support and detailed in the Commission implementing agreement, or in the decision awarding a financial contribution from the Fund, were largely achieved across all seven cases according to the interview research conducted. The available evidence indicates that the EUSF support was used as planned for projects involving infrastructure restoration, temporary accommodation, preventative infrastructure and clean-up of the disaster area. For the most part the goals of the intervention were met; the perceived impact was particularly high at local level.

However, there were frequently significant differences between the assumptions made about the priorities for EUSF support in the implementing agreement (based on the application phase) and what was actually required on the ground. In Greece (case 50, the major forest fires disaster in 2007), the need for temporary accommodation was much greater than originally anticipated, with significantly less EUSF support being used for preventative infrastructure than planned. In Italy (case 91, the major earthquakes disaster in 2012), there was some smaller-scale variation in the reverse direction, with increased spending on preventative infrastructure and somewhat less on temporary accommodation.

Comparable quantitative information on operational achievements is not available. As noted in the case study sections, several of the authorities responsible for EUSF could provide data on numbers of projects by types of action (Austria, Greece, Serbia) or aggregate figures for actions such as km of rivers cleaned/restored and roads re-opened (Bulgaria, Romania) but, in the absence of an obligation to report achievements consistently, the assessment of effectiveness is reliant on qualitative judgements.

Key factors influencing the effectiveness of intervention vary across the case studies, but in general relate to governance and institutional factors, specifically:

- a well-developed governance structure with strong leadership and clear assignment of roles and responsibilities, especially – as in Portugal (case 72, major flooding disaster and also an outermost region in 2010) – where a national government committee was rapidly established to deal with the recovery effort;
- the number of institutions involved at different levels – fewer implementing organisations facilitated more straightforward implementation;
- institutional stability over the life of the intervention to ensure consistent leadership;

- good working relations with the Commission services and a willingness to seek advice and technical assistance;
- effective coordination mechanisms (vertical and horizontal) and a willingness to cooperate among institutions - not just between levels of government but also between government and NGOs;
- administrative capacity, particularly at local level among municipalities; and
- previous experience of managing disaster recovery and implementation of EUSF, which made a significant difference to effective implementation in most cases - in this respect the case studies reveal a degree of learning-by-doing in which expertise at the national level facilitated subsequent EUSF interventions.

Economic factors also played a part, notably the scope for national/regional budgets to finance recovery operations in the immediate aftermath of the disaster (for later reimbursement by the EUSF). However, as noted below, all the case studies single out public procurement procedures as an obstacle to effective use of the funding by restricting options, and, as noted below impairing efficiency.

3. EFFICIENCY

In five of the case studies, the total funding awarded was reported as spent and validated by audit. The major exception was Romania (case 115, regional flooding in 2014) where there was a significant problem with eligibility of spending; only 71 percent of the EUSF funding awarded was finally deemed eligible. Also, in the Greek case, problems with ineligible operations led to a significant repayment of some ten percent of the EUSF awarded.

The experience of the administrative processes varied across the case studies. In the Greek and Romanian cases, application, implementation and closure processes all had elements of difficulty due to problems in assessing damage, for example quantifying costs of damage in the agriculture and forestry sectors. In Bulgaria (case 120, major severe winter disaster in 2015), private sector damage could hardly be quantified at all and, as in the Romanian case, there were problems with justifying some infrastructure projects. Completing the implementation phase within a year and the submission of the implementation report within six months were considered to be challenging in several cases (e.g. the Greek and Italian cases), with some interviewees welcoming the increase to 18 months for implementation in the 2014 reform.

The key factors affecting the speed and quality of the administrative processes were partly structural and systemic (as noted above with respect to effectiveness). There were also particular factors affecting the efficiency of different stages of the application, approval, implementation and closure processes, as follows:

- the capacity and ability to undertake damage assessment accurately and speedily across the different categories of damage, especially problematic in situations where communications were disrupted or where there was a lack of a national assessment tool (Greek case) or outdated assessment procedures (Romanian case); this also proved to be problematic in Serbia (major flooding disaster and in a Candidate Country) where comparisons were drawn with the approach required by other contributors to the disaster relief, notably the World Bank;

- speedy and effective implementation of emergency legislation governing disaster recovery and financing;
- the number of projects – in the Romanian case, a large number of low-value project costs produced project selection and payment documentation challenges;
- the time needed for the transfer of financing from State budgets to regional and local accounts (prolonged in Italian and Serbian cases);
- the capacity to manage public procurement procedures, especially problematic at local level where skills in tendering were lacking (Bulgarian and Greek cases) and where there was a lack of basic information on property rights and infrastructure ownership (Romanian and Serbian cases);
- alignment of national and EU procedures in areas such as financial management and control (particularly difficult in the Romanian case);
- consistency of interpretation of regulatory conditions across all beneficiaries (again a major problem in the Romanian case);
- effective monitoring of project implementation (rated highly in the Italian case); and
- the ability to demonstrate the regularity of spending to the satisfaction of national and EU audit authorities and thereby facilitate timely closure (a major problem in the Greek case).

The question of whether administrative requirements of EUSF were 'excessively' burdensome and costly varied by case and across levels of government. As with the assessment of effectiveness, there are no comparable data available on administrative costs or measures of the administrative personnel or time for implementing the EUSF support, and again evaluation relies on qualitative judgements based on interview research. In Austria (case 102, neighbouring country flooding disaster, 2013), the administrative requirements were generally regarded as minimal or limited; the same was true for administrative costs in Italian though the use of different implementation models in the three regions affected (Emilia-Romagna was most affected, but the disaster also affected adjacent localities in Lombardia and Veneto) led to unavoidable additional burdens.

The burdens and costs were rated as higher in the five other cases, partly due to capacity constraints as well as specific problems such as the requirement for restoring infrastructure to working order in cases where the infrastructure was outdated and needed to be rebuilt with different technical specifications. In the Serbian case, the EUSF approach was contrasted with the World Bank's maxim of 'building back better' which explicitly foresees enhancement of the damaged infrastructure. Separating out the costs of indirect damage and revenue losses was also not easy in some interventions (Greek and Serbian cases).

4. ADDED VALUE

The interview research conducted for the seven case studies questioned implementing authorities on perceptions of five dimensions of added value: economic; political; policy; operation and learning.¹

- *Economic added value* was generally rated as the most important dimension of the EUSF support – particularly the additional financial support but also the combination of funding for both immediate restorative operations (recovery) and future-oriented preventative operations.
- *Political added value* was rated as ‘moderate’ in most cases given the relatively low profile of the funding among the wider public (see below). The exception was the Italian case where the provision of EUSF support in response to a massive earthquake provided an important demonstration of EU political solidarity, at a time when perceptions of the EU in Italy had been negatively affected by the euro crisis.
- *Policy added value* was mixed. In no case did the EUSF support appear to have any significant added value in terms of influencing changes to policy or institutional arrangements.
- *Operational added value* was high in the Greek case with spillover effects from the EUSF experience on investment planning, management, monitoring and control systems for domestic interventions. The same was true in Serbia where EUSF implementation promoted better standards for disaster prevention and management, and (as in Bulgaria) left a legacy of greater capacity among local bodies for managing EU-funded projects. The tight operational deadlines were cited in the Bulgarian and Italian cases as forcing bodies to work together more effectively.
- *Learning added value* was regarded as high in the Bulgarian, Greek, Italian and Serbian cases (and moderate in the Romanian one) because of the obligation to cooperate among bodies at different levels (and between government organisations and NGOs), with some evidence of knowledge sharing/transfer in areas like damage assessment and an identifiable contribution to increasing knowledge and skills

5. RELEVANCE AND SOLIDARITY

There was a common perception among the institutions at all levels in the case-study countries that the EUSF was relevant and valued. The aid was provided at a time when it was required; the objectives met local needs; and the Fund alleviated the significant costs of national disasters, even where the EUSF support was small in relation to the aggregate funding needed to meet the cost of damage.

This positive assessment was qualified in some cases (the Bulgarian, Romanian and Serbian cases) by criticisms of the time period between the disaster and funding actually being available at project level – notwithstanding the facts that EUSF is not conceived as a ‘rapid response mechanism’. Moreover, delays are often attributable to the

¹ The Methodology Report provides definitions of each of these five dimensions.

difficulties of accurate damage assessment or national administrative barriers. It was noted in the Serbian case that the timeframe for application and disbursement was much shorter for World Bank funding. This was however not a universal perception; Italian interviewees commended rapid provision of the EUSF support compared with some other national and EU funds.

National and regional government officials had largely positive views of the EUSF, acknowledging and appreciating the political solidarity of the EU response, and they also recognised the relatively straightforward regulatory framework and administrative procedures. This is especially true in the case of the earthquake in Italy, as noted above. However, this was not universal; in the Portuguese case, some beneficiaries were unaware that funding originated from the EUSF.

The solidarity perceptions of citizens was much less than among officials. There were significant differences between cases in the level of publicity and promotion by EUSF implementing authorities (through signage, website etc.) and reporting in the media (quantity, tone and sentiment of coverage). In some cases, there was considerable publicity at the time of the application (e.g. the Romanian and Serbian cases), but the profile of the Fund declined thereafter. There are some good practices in terms of publicity projects in the Italian and Portuguese cases, for instance through web-based and media coverage. Most of the citizens consulted through interviews or focus groups in all case studies had little or no appreciation of the role of the EUSF.²

More systematic analysis of the media coverage of the EUSF³ in the seven case-study countries/regions supports the perception of officials and citizens identified in interviews and focus groups. Overall, the EUSF was represented as a tangible manifestation of EU level solidarity towards EU Member States and citizens in need of support. Moreover, this was commonly represented as one of the core values upon which the EU is founded. In a limited number of cases, solidarity was presented as being undermined because of perceived inequities in the distribution of funding or wider ideological criticisms of the EU.

With respect to its implementation, the EUSF was portrayed in mostly positive terms but the media coverage mostly focused on *potential* rather than *actual* impact. Its role was sometimes portrayed as being a complementary funding source for domestic policy crisis management approaches, instruments and actions.

Lastly, the media coverage of the efficiency of the EUSF referred predominantly to the timeliness of spending, institutional decision-making procedures or administrative implementation. Mainly this was presented negatively in terms of delayed or slow application procedures and funding transfers or, in some cases, questions about the administrative competence of the national government authorities. In this sense, perceived inefficiency was identified as a factor hampering policy effectiveness.

² It should be noted that a relatively small number of citizens were consulted in each case; larger scale survey work would be needed for a more informed conclusion. The separate Media Survey provides more insights.

³ Further details are provided in the separate Media Survey report.

6. SYNERGIES AND COMPLEMENTARITY OF EUSF AND ESIF

The coherence and complementarity between EUSF and ESIF is mixed across the case studies. Through a mix of desk research and interviews with authorities responsible for EUSF and ESIF,⁴ the research explored the relationship between the funding sources in terms of the allocation of ESIF support to disaster management and prevention (DPM), and also sought qualitative assessments by implementing authorities on the coherence between regulatory frameworks, governance, thematic objectives, spatial coverage and joint funding of measures/projects.

There is clearly a perceived complementarity between EUSF and ESIF, on the basis that each is regarded as having a distinct role. EUSF is seen as a reactive 'solidarity mechanism', with a particular focus on the immediate disaster response, while ESIF invests in reduction of risk from future disasters and building of capability to understand or mitigate impacts. However, the coherence between the two funds in terms of regulatory framework and thematic or spatial areas of intervention often appears to be weak, related to the logic of intervention; EUSF support is flexible and adaptable in line with evolving needs, whereas ESIF are strategic, planned and relatively inflexible. Coherence is most evident in terms of governance; in some cases (Greece, Portugal, Serbia) the same government authority is responsible for both EUSF and ESIF

In some cases, the scope for exploiting synergies appears to have been underutilised, at least in the past. In the Italian case, it was noted that regions affected by disasters had been slow to use ERDF programming for disaster management and prevention partly because of capacity issues. This does, though, appear to be changing across a number of the case studies, with ESIF in the 2014-20 period being used to finance DPM measures under Thematic Objective 5 across the case studies.

The strongest synergies were found in the case of the Greek case, where the immediate EU support for disaster response was complemented by a special regeneration framework for disaster recover, part-funded by interventions under ESIF Operational Programmes under the Community Support Framework 2000-06 (with revised actions and extended deadlines for eligible expenditure) and the National Strategic Reference Framework 2007-13.

7. LESSONS LEARNED

The application processes, criteria and guidance were considered by some (Austrian and Italian cases) to be clearly defined and capable of being fulfilled efficiently, though by others as demanding, complex and not easy to understand to varying degrees (Greek, Portuguese and Serbian cases) – albeit the experience was ultimately seen as a positive learning experience. Timescales for implementation and reporting were regarded as tight, and greater flexibility in reporting was recommended in some cases.

Across all case studies, there was positive acknowledgement and appreciation of the support provided by the Commission, both in terms of the formal processes and informal advice in areas like damage assessment. In-country meetings with Commission representatives were cited in the Austrian case as being particularly useful

⁴ Further details are provided in the separate on the synergies between EUSF and other instruments available from DG REGIO.

The significant institutional demands associated with EUSF implementation indicate a need for capacity building through technical assistance. There is clearly a need to facilitate greater and more consistent understanding of EUSF administrative requirements and the obligations in areas like public procurement and financial control. The funding provided to local groups in the Serbian case to support administrative processes and provide technical skills was seen as valuable and may have wider application.

Finally, one of the most important lessons is the need to address the generally poor public awareness of EUSF among citizens (and sometimes local bodies and NGOs also). The lack of obligations to promote EUSF support means that it is often overlooked, conflated with other EU funding (ESIF, IPA) or overshadowed by other, larger or more prominent aid from national government or international agency sources. There are some interesting examples of effective practice such as in Serbia where regular visits by Commission representatives was effective in gaining media coverage, and publicity initiatives in the Italian and Portuguese cases perceived to be successful.

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