EVALUATION OF THE MAIN ACHIEVEMENTS OF COHESION POLICY PROGRAMMES AND PROJECTS OVER THE LONGER TERM IN 15 SELECTED REGIONS

(FROM 1989-1993 PROGRAMMING PERIOD TO THE PRESENT)

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Case Study Campania

Dr. Laura Polverari and Laura Tagle

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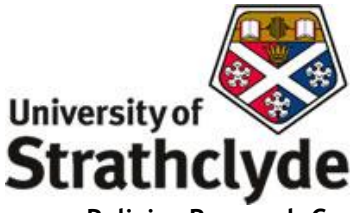

European Policies Research Centre
University of Strathclyde
Graham Hills Building
40 George Street
Glasgow G1 1QE
United Kingdom
Tel: +44-141-548 3339
Fax: +44-141-548 4898

E-mail: john.bachtler@strath.ac.uk
laura.polverari@strath.ac.uk
http://www.eprc.strath.ac.uk/eprc/

PREFACE

This report presents the case study for Campania (Italy) as part of the study 'Evaluation of the Main Achievements of Cohesion Policy Programmes over the Longer Term in 15 Selected Regions (from 1989-1993 Programming Period to the Present)', which is being managed by the European Policies Research Centre and the London School of Economics. The research was conducted over the period April 2012 to November 2012.

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- Rosella Vitale, of Invitalia, for assistance with the facilitation of group discussions during the workshop.

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List of abbreviations

3G	3rd generation (relating to mobile telecoms technology)
ACAM	Regional Firm for sustainable mobility (*Azienda Campana per la mobilità sostenibile*)
ADSL	Asymmetric Digital Subscriber Line (relating to internet connectivity)
ANAS	National Association of Motorways (*Associazione nazionale autostrade*)
ASSTRA	Transport Association *(Associazione Trasporti)* - the employers' association for national, local public transport companies in Italy
CIP	Community Initiative Programme
CIRA	Italian Centre for Aerospace Research (*Centro italiano ricerche aerospaziali*)
CNR	National Research Council *(Consiglio Nazionale delle Ricerche)*
CSF	Community Support Framework
DPS	Department for Economic Development and Social Cohesion
EC	European Community
EAGGF	European Agricultural Guidance and Guarantee Fund
EARDF	European Agricultural Fund for Rural Development
ENAC	National Authority for Civil Aviation (*Ente nazionale per l'aviazione civile*)
ENEA	Italian National Agency for New Technologies, Energy and Sustainable Economic Development *(Agenzia nazionale per le nuove tecnologie, l'energia e lo sviluppo economico sostenibile)*
ERDF	European Regional Development Fund
ESF	European Social Fund
ESPON	European Spatial Planning Observatory Network
EURES	European Employment Service
FESR	*see ERDF (Fondo Europeo per lo Sviluppo Regionale)*
FIR	First Implementation Report
FIT	Fund for Technological Innovation *(Fondo per l'Innovazione Tecnologica)*
FRA	Fund for Aids for Research *(Fondo per le Agevolazioni alla Ricerca)*
GDP	Gross Domestic Product
GVA	Gross Value Added
ICT	Informational Communications Technology
IMAST	Engineering of polymeric materials and composite structures *(Ingegneria dei Materiali polimerici e compositi e Strutture)*
InOP	Interregional Operational Programme
ISTAT	National Institute for Statistics *(Istituto nazionale di statistica)*
Mbps	Megabits per second
MOP	Multi-regional Operational Programme
MURST	Ministry for University and Scientific and Technological Research (*Ministero dell'Università e della Ricerca Scientifica e Tecnologica*)
NEET	Not in Education, Employment or Training
NOP	National Operational Programme
NSF	National Strategic Framework
NVVIP	Evaluation and Verification Unit of Public Investment *(Nucleo di Valutazione e Verifica degli Investimenti Pubblici)*
OECD	Organisations for Economic Cooperation and Development
OP/s	Operational Programme/s
PASER	Regional Economic Development Action Programme
PIA	Integrated Support Packages (*Progetti Integrati di Agevolazione*)
PIT	Integrated Territorial Projects (*Progetti Integrati Territoriali*)
PISA	Programme for International Student Assessment
PMC	Programme Monitoring Committee
POP	Pluri-Fund Operational Programme
POR	Regional Operational Programme *(Programma Operativo Regionale)*
R&D	Research and development
RTDI	Research, Technology Development and Innovation
ROP	Regional Operation Programme

SMART	Specific, Measurable, Achievable, Reliable and Time-bound
SME	Small or Medium-sized Enterprise
SVIMEZ	Association for the development of industry in the South *(Associazione per lo sviluppo dell'industria nel Mezzogiorno)*
UVAL	Unità di Valutazione degli Investimenti Pubblici
UVER	Unità di Verifica degli Investimenti Pubblici
WEF	World Economic Forum

EXECUTIVE SUMMARY

Need

Campania has generally lagged behind the Centre-North of Italy, with one of the lowest rates of GDP per capita in the country. Over the study period, the gap between the GDP per capita of Campania and that of Italy has widened: Campania has grown even more slowly than the country as a whole. Over the past two decades, the region has seen only marginal improvements in its GDP, production base and employment. Throughout the study period, the region has consistently experienced high rates of poverty, unemployment and worklessness, especially among women and young people, with a high rate of young people not in employment, education or training. Serious social problems have historically affected and continue to affect the region, particularly organised crime, which operates especially in the coastal areas, exerting control over or affecting the operation of economic activities. Environmental issues - soil erosion along coasts and rivers, industrial site contamination, water pollution, and urban and industrial waste management – have remained severe thoroughout the period reviewed. The region's high endowment of cultural and natural heritage is at risk of deterioration, but it also offers opportunities for tourism. Some of the social and economic dynamics have been heavily affected by the recent economic crisis and the related public budget cuts, resulting in an exacerbation of the already significant long-term problems summarised above.

Relevance

Successive programmes have changed in orientation and in the manner in which they have conceptualised need and sought to address regional problems. Nevertheless, the strategies formulated in the programmes were generally coherent with the needs identified, with exceptions in relation to labour market, enterprise, social cohesion and the spatial distribution of economic activities.

- The early ERDF regional OPs identified the relatively low GDP per capita, coupled with high unemployment rates, as the main problem. Yet, none acknowledged that the absolute and comparative scale of resources required to achieve this goal was far greater than the available funds, however significant. Awareness of this discrepancy emerged only from the late 1990s. Furthermore, whilst undeclared labour was mentioned in the programmes' needs assessments and sometimes in their strategies (e.g. in 2000-06), the issue was generally not matched by sufficient resources, by an adequate design of interventions, and by the necessary connection with the more general problem of Campania's businesses operating in the shadow economy.

- The small size of firms features as a problem in all programmes: it was considered as limiting internal specialisation, innovation capacity and access to advanced business services. Throughout the study period, programmes mentioned the support to small firms through State aids, infrastructure in industrial areas and local development initiatives as a priority. However, the instruments implemented in both regional and national OPs privileged larger or more-established firms.

- Crime reduction was specified as a need in most programmes, without acknowledging, however, the depth and extent of the infiltration of organised crime in the economy (Florio, no date). The 2000-06 Legality NOP also mentioned the severe limitations of the justice system: overcrowded jails; lack of effective structures and interventions for alternative punishment and social recuperation; and lack of resources for police investigations. Nevertheless, the strategies of 1989-93 multi-regional programmes and the regional strategies of the 1990s did not tackle crime reduction. Further, although gender issues were mentioned in socio-economic analyses as early as the 1989-93 programme period, they were never fully explored as needs – or matched by corresponding tools – until the 2000-06 period.

- All programmes mentioned the spatial distribution of population and economic activity as a problem, but without building fully-fledged strategies to redress imbalances. In reality, programme interventions tended to focus on Naples' metropolitan area. This focus was justified by the concentration of population, economic activity (except, of course, agriculture), and social and economic problems in the metropolitan area, and especially by the intricacy and severity of such problems and the spillover effects that developing this area would generate for the rest of the region.

Acheivements and effectiveness

On the whole, the most significant achievements were realised in the fields of transport, telecommunication and ICT infrastructure (both broadband and equipment), urban renewal in Naples and Salerno, cultural heritage, parks and natural areas, school infrastructure (buildings, laboratories and ICT infrastructure and equipment), and in supporting the competitiveness of some productive sectors (e.g. wine-making). Since 2000, achievements were also realised in the research and innovation sphere, for instance the realisation of public-funded competence centres and R&D projects. Achievements in environmental infrastructure have been mixed both territorially and in relation to the different types of infrastructure realised.

Nevertheless, on the whole, the effectiveness of ERDF programmes was limited. Various factors contributed to this: co-financing difficulties (exacerbated by the recent financial crisis and the more stringent stability and growth pact conditions); implementation shortcomings; EU financial management rules; political change; and, particularly in 2000-06, a dispersion of the policy effort across too many themes and funding streams, which hindered the achievement of critical mass, and the lack of an effective coordination and competence subdivision with domestic policies and spending.

Utility

The ERDF programmes have substantially met needs in the field of transport, both within the region and the main Rome-Milan axis. In addition, they have met needs for urban regeneration and development, telecommunications and ITC infrastructure (including connections as well as equipment, for example in schools and the public sector), and, together with the EAGGF (since 2007 through separate programmes), territorial development in rural/inland areas. Campania's transport infrastructure today is in line with or above national standards, its broadband coverage matches the national average, its main cities – Naples and Salerno – have improved considerably in

terms of liveability (public transport, usability of public spaces, image, safety etc), and the rural hinterland is more economically diversified than it was 23 years ago. The landscape of certain parts of the region, such as the Phlegrean area and areas in the provinces of Avellino and Benevento, has also improved with the support of the ERDF programmes, as has the provision of basic services, e.g. in the fields of water provision to households. In other areas, the ERDF programmes have been useful, but were unable to fully address the underlying development needs that they were meant to solve. This applies particularly to the fields of entrepreneurial development, structural change, research and innovation, and social cohesion. In particular, the support provided to the entrepreneurial fabric – albeit important in enabling existing firms to survive – has not been able to increase the ability of firms to adapt to changing conditions and increase their resilience, nor to realise the necessary transformation of the regional economy. The utility of ERDF programmes in these fields has been constrained by the programmes' inability, on their own, to impact on wider context factors – such as the presence of the shadow economy, organised crime, an inefficient credit market, less efficient public administration and legal enforcement - that would have required a more holistic approach in order to be solved.

The positive assessment of utility with respect to the realisation of various types of infrastructure also needs to be qualified: although a considerable amount of infrastructure was built, improving for instance infra-regional and outward mobility, its utility is reduced by current underutilisation that results from the lack of resources for running and maintenance costs and from ineffectual institutional arrangements and management. Similar problems are also reducing the utility of interventions in the fields of cultural heritage, water management cycle (especially sewage collection and depuration) and industrial areas.

On the whole, Campania remains a lagging region compared to the rest of Italy and Europe. Its Objective 1/Convergence status has not changed, not even after the enlargement eastward in 2004. Indeed, the trend in the region's share of national GDP has been declining from 1985 to 2010, as has GDP per capita relative to the national average. Productive activities struggle to implement the changes that would be necessary to grow, and the public sector fails to provide those conditions that would enable firms to thrive, such as an efficient justice system, a climate of diffused legality, high-quality public services, etc. If the challenges affecting the productive structure of Campania have changed over time - industrial conversion in the 1980s and the ability to compete in a globalised economy today – the same difficulty of keeping up with change persists. From a social point of view, Campania continues to be affected by high rates of poverty, unemployment and worklessness, and a large shadow economy, while serious social problems, particularly organised crime, continue to hamper the region's development prospect.

What learning has taken place?

The implementation of ERDF has led to considerable learning on the strategic and operational aspects of public policy. The requirements introduced by Cohesion policy and the internal reorganisations and reforms introduced in the early 2000s (which were stimulated by the ERDF programmes, amongst other factors) were fundamental in innovating a regional administration that until the late 1990s had remained anchored to an obsolete administrative tradition and affected by important shortcomings. The ERDF programmes were instrumental to the introduction of innovations such as programming the use of resources in a more cross-sectoral and strategic way, anchoring policy choices on evidence, monitoring the procedural and substantive progress realised,

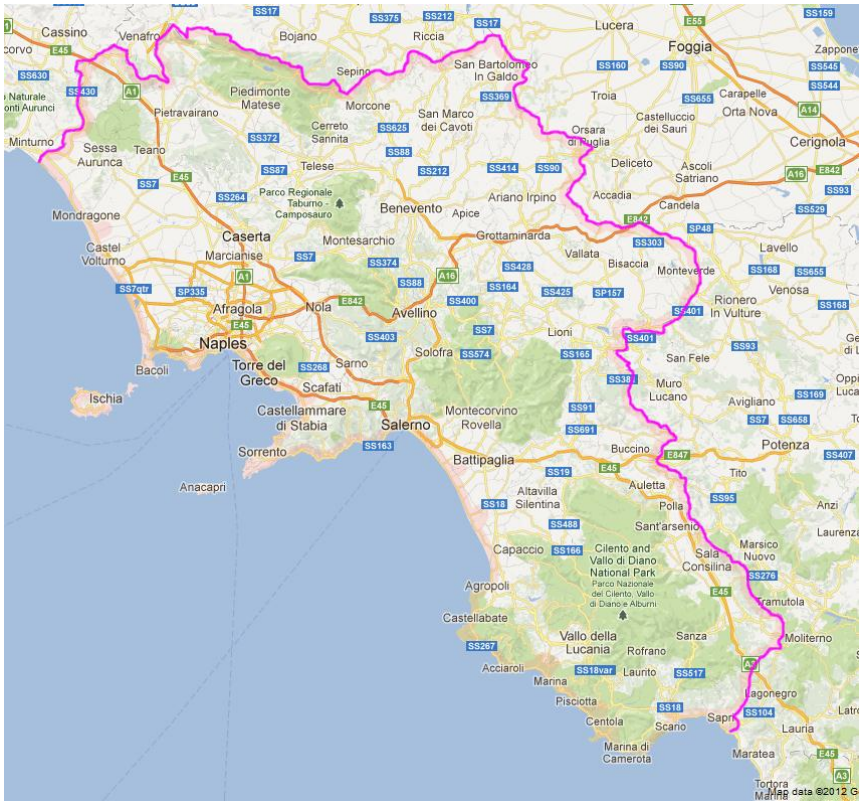
and evaluating the extent to which policy goals have been achieved (the latter being a more recent development).

Not all the gains were fully sustained, however. Furthermore, there are a number of issues that remain to be addressed. They include: the need for a more considered prioritisation of efforts and subdivision of tasks with domestic capital spending programmes and policies; the necessity to ensure coordination and synergy with domestic funding and with other European policies and funds; the importance of policy continuity; the necessity to reflect local needs more accurately in the policy response (particularly in the field of entrepreneurial support); and the need to consider what happens to projects after they have been realised (e.g. management and maintenance costs). The most important lesson is probably the understanding that the ERDF's effectiveness and utility are constrained upstream if domestic policies and spending do not simultaneously address other factors that are fundamental to enable the policy to induce long-lasting change.

1. INTRODUCTION

Campania constitutes one NUTS 2 region with five NUTS 3 areas, specifically the provinces of Avellino, Benevento, Caserta, Naples and Salerno. It borders Lazio to the north, Molise, Puglia and Basilicata to the east and south, and the sea to the west. Its population increased from 5,463,134 in 1981 to 5,748,555 in 2011, growing mostly in the 2001-2011 period. The coastal areas are among the most densely inhabited in Europe, in contrast to relatively sparsely populated and less-connected inland areas and the coastal strip of Cilento.

Figure 1: Map of Campania



Source: Google maps.

Campania has lagged behind the Centre-North of Italy for some time, and its GDP per capita is among the lowest in the country. As a consequence, it has been a constant beneficiary of national regional policy and of Cohesion policy since its inception. Throughout the study period – 1989 to date – the region has faced a number of on-going challenges: low per capita GDP; a complex productive fabric, coupling industrial decline in some areas and persistent backwardness in others; and grave social challenges such as poverty, unemployment, irregular labour and organised crime.

It is against this background that the case study assesses the achievements of ERDF programmes implemented in the region across four programme periods, as well as the programmes' relevance, effectiveness and utility. The goal is to understand how Campania has changed since 1989 and the specific contribution of the ERDF programmes. This has required placing the ERDF programmes in the wider context of the other domestic and EU policies.

The case study begins by examining the needs of the region over the study period (Chapter 2) and the relevance of the ERDF strategies implemented, with reference to both regional and multi-regional programmes, appraising the degree to which programmes were successful in addressing regional needs as perceived when the programmes were devised (Chapter 3). Chapter 4 reviews the financial dimension of programmes and the expenditure realised under different development themes, showing the evolution of expenditure over time and the shifts between planned and actual expenditure. Chapter 5 analyses reported and actual achievements, and Chapter 6 appraises effectiveness and utility. Conclusions are presented in Chapter 7.

The report has a number of Annexes: Annex I provides three project case studies in the fields of enterprise support, transport infrastructure and bottom-up local development. Annexes II and III contain tables with financial data and reported achievements. The full list of references utilised for the research is presented in Annex VI.

The analysis has entailed: the collection and analysis of programme documentation, expenditure information and monitoring data; the review of evaluations, other studies and literature; interviews with key stakeholders; an online survey; and a regional workshop. It covered circa 40 programmes from regional to multi-regional/national scale (see Annex V for a more detailed overview).

Interviews, circa 70, were undertaken face-to-face with strategic and operational actors actively involved in the policy, with external observers such as academics and evaluators, and with a sample group of policy recipients. The full list of inverviewees is reported in Annex IV.

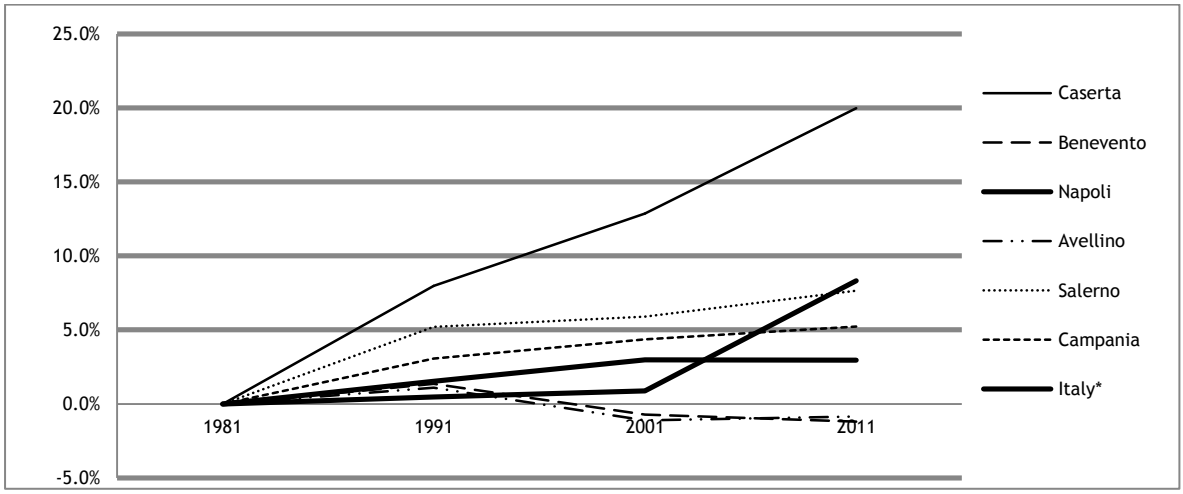
The online questionnaire was administered to 806 contacts. This included the interviewees, plus: local authority contacts; firms; regional and local social partners, and third-sector organisations; trade unions; and other interest groups. Response rates varied across questions, ranging from 12.5 to 4.3 percent (not all questions were applicable to all respondents and not all respondents answered all questions). The questions and summary of responses are provided in Annex VII.

Lastly, a workshop was held in Naples on 1 October 2012 to validate the preliminary findings of the research and obtain further insights. The list of participants is provided in Annex VIII.

2. REGIONAL CONTEXT AND ANALYSIS OF NEEDS

As mentioned, Campania is one of the most populated regions in Italy and is characterised by highly skewed settlement patterns. Demographic disequilibria across the regional territory have widened over the study period, with population stagnating in the 1980s and 1990s, then decreasing in the provinces of Avellino and Benevento, while growing in the other provinces (Figure 2). Territorial disequilibria affect other phenomena: accessibility from outside and mobility within the region; availability of social and health services, with congestion in coastal areas and deficiencies in internal areas; and environmental deterioration and risks, with different problems affecting different areas (e.g. the disposal of urban waste is a problem mainly in the provinces of Naples and Caserta).

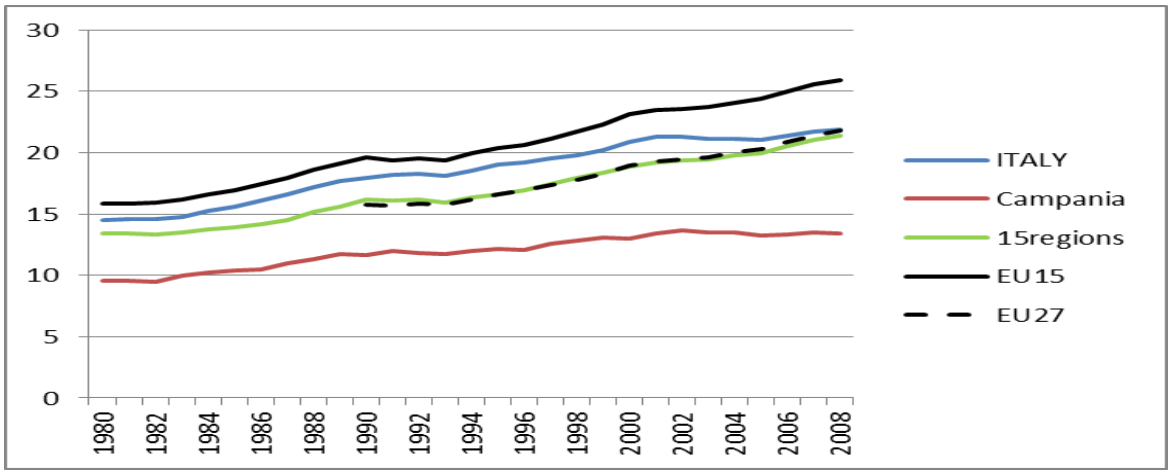
Figure 2: Population change in Italy, Campania, and provinces



Source: Own elaboration from ISTAT data.

Campania has constantly lagged behind the Centre-North of Italy, with one of the lowest rates of GDP per capita in the country. It has been a constant beneficiary of national and EU regional policy. The region's overall performance at the end of the study period, however, appears disappointing, with only marginal improvements relative to the national average (Figure 3). However, this outcome results from diverging trends in different sectors and areas, and from varying performance over time, as detailed below.

Figure 3: GDP per capita: Campania, Italy, 15 case study regions average, EU15, EU27



Source: Own elaboration from Eurostat data.

Throughout the study period, the region's service sector has been dominated by a disproportionately high (and rising) rate of public sector employment. In the private service sector, trade, hospitality and transportation are the main areas of specialisation. Firms in agriculture and the industrial sector have been of smaller average size and utilised higher levels of undeclared work than other areas of Italy (Banca d'Italia, 2012). Traditional sectors (such as garments, footwear, jewellery and ceramics) have co-existed with modern ones (such as aerospace).

The region has consistently shown high rates of poverty, unemployment and worklessness, especially among women and young people, with a high rate of young people not in employment, education or training (SVIMEZ, 2012). Serious social problems have historically affected and continue to affect the region, particularly organised crime, which operates especially in the coastal areas, exerting control over or affecting the operation of economic activities (Maggioni *et al.*, 2004).

Environmental issues - soil erosion along coasts and rivers, industrial site contamination, water pollution, and urban and industrial waste management - are also severe: over the study period, they have proven most intractable in the highly urbanised areas. Seismic risks are high in the interior areas, while coastal areas are exposed to volcanic risk. The region's high endowment of cultural and natural heritage is at risk of deterioration, but it also offers opportunities for tourism.

Some of the social and economic dynamics have been heavily impacted by the recent economic crisis and the related public budget cuts, which have exacerbated long-term phenomena such as the out-migration of university graduates, poverty, unemployment, small size of firms and low propensity for innovation.

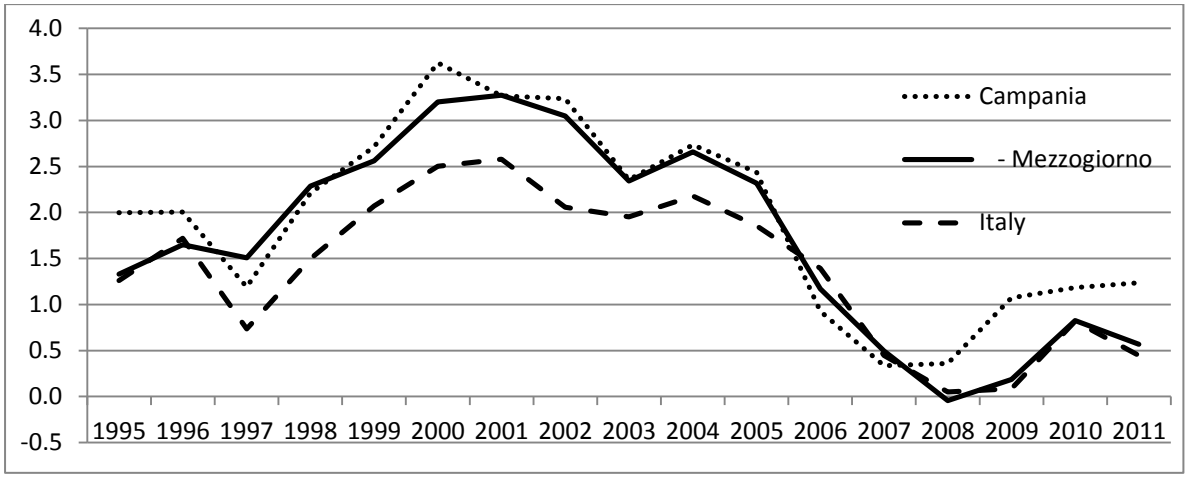
Over the study period, the gap between the GDP per capita of Campania and of Italy has widened: Campania has grown even more slowly than the country as a whole (as illustrated in Table 1 at the end of this chapter). As a whole, over the past two decades, the region has seen only marginal improvements in its GDP, production base and employment, a result of diverging trends during the sub-periods. At the end of a decade of growth, the crisis of the early 1990s compounded the effects of the closing-down of large (especially public) industrial firms and the end of the Special Intervention.[1] The region fully recovered during the second half of the 1990s. In this period, small firms localised in industrial clusters showed potential for growth, export and employment. However, this potential was eroded during the 2000s, especially in traditional industries (e.g. garment, footwear), due to competition from East Asia, and regional GDP stagnated even before the crisis hit.

Enterprise: Firm size is very small, even compared to Italy, which, as a whole, has an exceptionally high share of employment in micro-enterprises (47 percent in 2005, according to Eurostat's SBS database). In Campania, small firm size results from various factors: the existence of industrial clusters,[2] where specialisation allows for the small dimension of firms (Meldolesi and Aniello, 1998), subcontracting by the few large firms (e.g. in the automobile and aerospace industries) (Giunta,

[1] National regional policy implemented through the centralised action of the Cassa/Agenzia for the Development of the Mezzogiorno. The Agenzia and the Special Intervention were abolished in 1992.
[2] Examples include the shoe cluster of Aversa and Grumo Nevano, the leather manufacturing cluster in Solofra, the food industry cluster in Nocera Inferiore, the textile clusters of S. Giuseppe Vesuviano, Calitri and Sant'Agata dei Goti-Casapulla, the silk cluster in San Leucio, and the jewellery clusters of Marcianise (gold) and Torre del Greco (corals and cameos).

2000), and the sectoral structure of agricultural production, largely based on family businesses characterised by very small farm-holdings. The level of self-employed workers is also higher than the national average and has been increasing during the 2000s, rising above 26 percent in 2011, some 15 percent higher than the national average (EURES portal). On the positive side, rates of net firm formation in the region have mostly remained consistently higher than in the rest of Italy (Figure 4).

Figure 4: Percentage change in net firm creation in Campania, the Mezzogiorno, and Italy, 1995-2011



Source: Own elaboration from Istat.

Over the study period, the regional productive fabric evolved steadily: in the 1980s, and affecting the beginning of the first programme period, deindustrialisation in the coastal areas, with closure, crisis or restructuring of large firms and plants, co-existed with the operation of industrial clusters and with weak industrialisation in interior areas. This mix created diversified needs: vital sectors and incipient industrialisation demanded different policy responses, and they co-existed with typical decline problems such as sudden joblessness, social strife, obsolescence of workers' competencies and brownfield sites.

The effects of deindustrialisation continued well into the 1990s, while research (Meldolesi and Aniello, 1998) started to show that light industry and food-processing were both denser and more widespread than previously thought.[3] In these sectors, clusters comprised micro-, small and medium-sized firms, mostly specialised in traditional industries (leather shoes, clothing and apparel, jewellery and food-processing). Firms within the clusters operated at all quality levels: some firms directly exported and operated in the top *niche* in their sector, for example in the men's apparel and leather shoes industries; others worked as sub-contractors for famous Italian brands; while others had a large share of Southern Italy's middle- and low-quality markets (e.g. in the fields of jewellery and women's apparel).

[3] Both the actual dimension of clusters and their importance (e.g. in generating exports) - as well as their needs - had been obscured by the fact that they operate in the shadow economy, as research has tended to focus on larger firms and statistical data.The definition of shadow economy used here 'includes all market-based legal production of goods and services that are deliberately concealed from public authorities' (Schneider, 2010: 5) in part or completely. It excludes, therefore, all criminal and illegal activities, such as drug dealing.

In the 1989-93 period, the region needed support for achieving growth and increasing jobs, thus helping the transition from industrial crises. In the 1994-99 period, the productive system needed to overcome its problems and to prepare for the increase in international competition that materialised in the following years. During the two most recent programme periods, in the 2000s, the need was to prevent and contrast the decline arising from increased competition and to accompany the changes in structure of the clusters, with the emergence of 'mini-multinationals,' resulting from local firms delocalising in foreign countries (SVIMEZ, 2011).

In order to fulfil these needs, however, each portion of the productive sector needed a different set of actions. Deindustrialisation created the need for environmental reclaiming, social support to workers and their families, productive diversification and strategies to keep large firms competitive during crises. Firms in industrial clusters throughout the region needed customised, integrated approaches to growth, alternative competitive strategies, access to business services and to innovation, and regularisation in the many fields in which they operated in the shadows (facilities, work, safety, etc.). Non-cluster medium-sized and large firms in advanced sectors needed support to access financial markets and to link up with research and innovation centres. In each of the programme periods, these contrasting needs competed for attention. Not all of them, however, emerged with the same strength and were reflected in the programme strategies to the same extent (as discussed in Chapter 3).

Innovation and research: Levels of R&D in the region are in line with the Italian average, having increased since the mid-1990s, reaching around 1.3 percent of local GDP in 2008, up from 1 percent in 2000 (DPS, 2012). The region has the strongest research endowment in Southern Italy, with seven Universities[4] and a high number of public and private research centres, which include research clusters and technology parks specialising in biotechnology, transport systems, aerospace, food technology and others.[5]

According to Eurostat data, in terms of private R&D spending, the region was converging towards the national average continuously until 2007, a year when it surpassed the value for Italy by a factor of 1.4 (Table 1 at the end of this Chapter), reaching values above 1 percent of GDP by 2010. However, this positive performance in research expenditure has not filled in the gaps in innovation.[6] Regional employment in R&D-related activities is below the national average, especially in the business (private) sector where it is almost half of that of Italy as a whole (around 0.25 percent compared to 0.5 percent) and well below other comparable regions in Europe. The ratio of researchers to residents grew from 2 per thousand in 2002 to 2.52 per thousand in 2009, but remained below the Italian figures (of 2.9 and 3.8 per thousand) (DPS, 2012). Patent applications per million inhabitants have grown over time (from 6.7 per million inhabitants in 1996 to 17.1 in 2008), but still lag well behind the national average.[7]

[4] The website of the Ministry for Education, University and Research also lists two telematic universities.

[5] Based on information provided by the Campania Agency for Innovation (http://www.agenziacampaniainnovazione.it/) and comparative information on the full population of EU regions available through the European Commission's Regional Innovation Monitor (http://www.rim-europa.eu).

[6] European Commission, Regional Innovation Monitor (http://www.rim-europa.eu/) and Eurostat.

[7] Regional time-series data from ISTAT website: http://noi-italia.istat.it/index.php?id=7&user_100ind_pi1%5Bid_pagina%5D=483&cHash=3159e0066a40c9600c9d55aaaa15e61d

Structural Change: Campania has a relatively larger agricultural sector than Italy as a whole, although employment in the sector has declined significantly over time (both in relative and in absolute terms), especially in the 2000s. Industry accounts for a much lower proportion of employment in Campania than in Italy (22 percent and 30 percent respectively in the late 2000s), although the decline of the sector (in terms of employment share) has been more moderate in the region than nationally, and Campania continues to be the most industrialised part of southern Italy. The main industrial sectors are food-processing (its importance declining since the late 1990s), metallurgy, transport equipment and chemicals. Productivity in these sectors is reasonably good (close to, or above, the national average) and has been steadily increasing since the late 1990s. The region has maintained an above-average share of employment in services over the study period, reaching 73 percent in the late 2000s. The services sector is dominated by a disproportionately high (and rising) rate of public sector employment. Besides the public sector, the trade, hospitality and transportation sectors (linked to tourism) are the main areas of specialisation in the services sector. Campania is known for its rich culture and history, with both famous natural and cultural attractions, such as the island of Capri and the archaeological sites of Pompeii and Paestum, and less widely known archaeological, cultural and natural sites, which have not yet fully achieved their potential (e.g. the archaeological sites at Herculaneum, Velia and the Flaegrean area, and the natural and historic sites of Cilento). The tourism potential deriving from this rich heritage remains largely untapped, and many sites are now facing environmental challenges of different sorts.

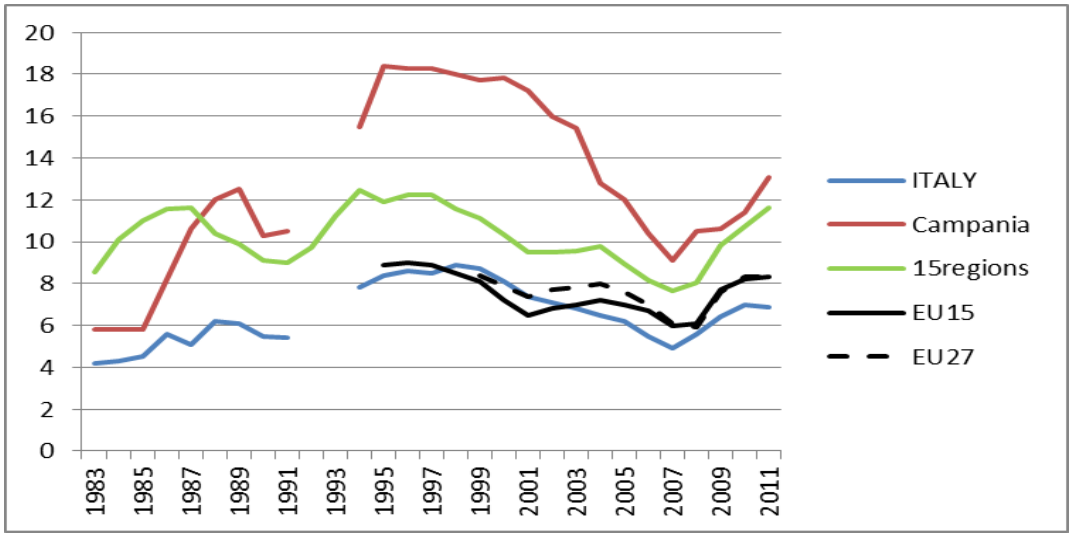
Labour Market: Campania's labour market has historically been characterised by undeclared work, low activity rates, especially for women, and high unemployment rates. Undeclared work has constantly been higher than the Italian average: ISTAT estimates it as between 23.0 percent of labour units in 2001 and 17.3 percent in 2007 (ISTAT, 2010), much higher than the Italian averages of 13.8 percent in 2001 and 11.8 percent in 2007. Undeclared work only partially shows in employment statistics: it increases inactivity and unemployment rates, with the latter, especially in the 1990s, signaling more a mismatch between available jobs and socially desirable ones than a mere lack of jobs (Meldolesi, 1998).[8]

Unemployment rates have been higher than those of Italy since at least the mid-1980s and until the mid-2000s, when the situation improved. Over the study period, unemployment has been consistently close to or above 20 percent, peaking at almost 25 percent in the late 1990s but then dropping quite fast, especially after 2003, to reach a historical low of 11.3 percent in 2007, after which unemployment started rising owing to the crisis. Eurostat data shows an improvement in all unemployment measures in Italy as a whole from the early 2000s, until the crisis: female unemployment declined from 32 percent in 1999 to 16 percent in 2009 (with female employment growing by 2.4 percent per year), but it remained over 70 percent higher than the national figure; youth unemployment declined from an extreme 63 percent in 1999 to almost 38 percent in 2008, but it remains 50 percent higher than nationally and amongst the highest in Europe; long-term unemployment fell from 75 percent of total unemployment in 1999 to a still very high 56 percent in

[8] Over time, ISTAT has greatly improved the ability of its *Forze di lavoro* (employment) surveys to estimate employment, regardless of whether it is declared or undeclared. Nevertheless, some underestimation probably remains. During the 1990s, an experiment comparing employment data computed with various field research techniques was conducted in one of the industrial clusters in the Naples area, showing that each technique delivered a different undeclared labour estimate and that the techniques usually utilised for official surveys tended to signal lower rates of undeclared labour, lower activity rates, and higher unemployment rates (Di Nardo *et al.*, 2000).

2008. These figures manifest the problems faced by the region with regard to both job-creation and supply bottlenecks.

Figure 5: Unemployment rates in Campania, Italy, 15 regions average, EU15, and EU27



Source: Own elaboration from Eurostat data.

The region is plagued by both a substantial labour market informality and a demand for low-skilled labour: in the last decade, 75 percent of the expansion in employment concerned females, largely in low-skill, low-value-added and often part-time jobs.

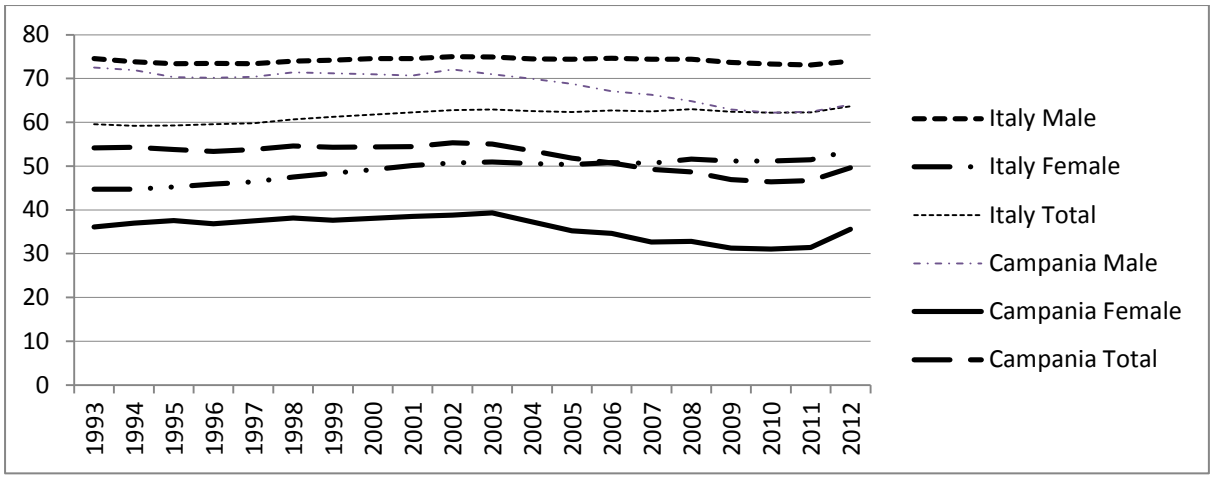
As Figure 6 below shows, female participation in the labour market (activity rate) has remained problematic. It has fallen in the last few years to less than 33 percent, declining further from an already low 36 percent in 1993.[9] These values are well below the national average of around or above 50 percent since the beginning of the new millenium. Even if in part such low activity rates hide undeclared work, they indicate a situation in which women's work is both less protected and less socially recognised. In addition to including undeclared work (including work at home, common in the 1990s in industrial clusters), low female participation rates reflect: the obstacles women face because of labour market conditions (ranging from pay to flexibility of working hours); skills, aspirations and localisation mismatches (Meldolesi and Marchese, 2005); and the scarcity of social services and infrastructure (such as in the fields of child[10] and elderly[11] care), in a region with higher fertility rates and larger families than the rest of Italy.

[9] Against an overall (female and male) activity rate of less than 50 percent since 2007 (declining from a mere 54 percent in 1993). Until 2002, male activity rates in Campania were close to the Italian average: the difference in activity rates was almost entirely due to women's low activity rates. From 2003, however, Campania male activity rates have also started to diverge from Italy's average, decreasing to 62.4 percent in 2011, while Italy's average remained at 73.1 percent.

[10] In 2004, children younger than 3 in childcare amounted to only 1.5 percent. A slight improvement has taken place since (reaching 2.7 percent in 2010), yet Campania is still far from the Italian average of 13.9 percent in 2010 (11.2 percent in 2004). In 2004, only 30.5 percent of Campania municipalities had activated childcare services (the Italian average being 38.4 percent), increasing to 44.3 in 2010, below Italy's average of 55.2 percent (DPS Obiettivi di Servizio database).

[11] The percentage of the elderly receiving assistance at home has increased in Campania from 0.8 percent in 2001 to 2.4 percent in 2011, compared to an Italian average of 1.9 percent in 2001 and 4.1 percent in 2011 (Ibidem).

Figure 6: Male, female, and total activity rates in Campania and Italy, 1993-2012



Source: Own elaboration from ISTAT data.

At the end of the study period, activity rates remain low (SVIMEZ, 2012), even though they start increasing in 2012 (ISTAT). The percentage of NEET (not in employment, education or training) youth among the population between the ages of 15 and 24 is 39.9 percent (the corresponding percentage for Italy is 24.6) (Banca d'Italia, 2012) and firms continue to resort to undeclared labour more than in the rest of Italy, even after a decade during which both undeclared labour and its incidence on total employment have decreased (Banca d'Italia, 2012). Thus, the reduction in undeclared labour might have been an incipient regularisation (in the early 2000s, while parts of the productive system were consolidating) and, in more recent years, a consequence of the crisis, with the weaker part of the job market being expelled first.

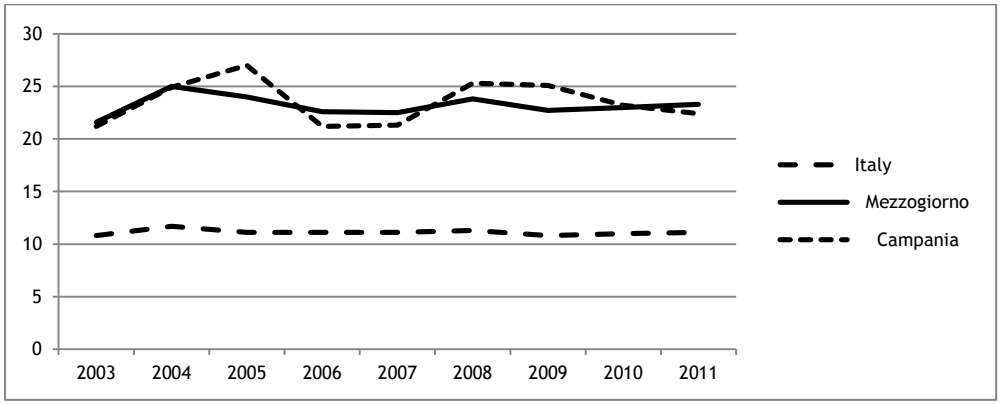
The job market is characterised by a low-skill equilibrium, whereby people with higher degrees migrate out of the region and firms tend to hire people with low levels of skills (in the late 2000s, only respectively 12 percent and 33 percent of those in employment possessed a university or high school degree, which contrasts with Italy's average of 15 percent and 40 percent, according to Eurostat). Outmigration, which appeared to have stopped during the 1970s, resurfaced during the 1980s, and has increased over time, as in other parts of the Mezzogiorno (SVIMEZ, 2012). Outmigration of educated people has not been balanced by corresponding inflows. The recent inflows of migrants have, so far, been directed to menial work in agriculture and services. Partially a consequence of outmigration, a higher rate of early school-leavers is compounded by the lower quality of education: in recent years, lower achievements in OECD-PISA tests show that basic competences of young people lag behind the national average, highlighting the need for better education.

Needs in this domain appear to have remained fairly constant over the various programme periods: first, to reduce the mismatch in the skills composition of demand and supply, by improving the demand of the productive system for skills (essentially an upgrading strategy for firms, allowing them to compete on the basis of quality of the goods and services rendered, rather than on the basis of price); second, to improve the educational system, making it better able to improve the competencies of young people and aiming at reducing the rate of early school-leavers; third, to increase female participation in the labour market; and, lastly, to achieve a transformation of the productive system towards higher levels of compliance with norms and regulations, including the reduction of the incidence of undeclared labour.

Social Cohesion: Poverty levels in Campania have been and still are much higher than the national average: in 2010, poverty affected 36 percent of the resident population, against 18 percent of Italy's average.[12] Coupled with high income inequality[13] and social cleavages, this produces substantial social inclusion problems. For example, a persisting need for improvements in access by vulnerable groups to the health system is signalled, in the period between 1996-2005, by lower survival rates to some types of cancer[14] than the Italian rates (Regione Campania, Autorità Ambientale, forthcoming: page 12). As Figure 7 below shows, changes in the incidence of poverty in the last decade have not brought about a permanent improvement, although in recent years the rate has not worsened. As could be expected, there is a correlation between incidence of poverty and educational levels. What appears significant, though, is that since the mid-2000s the incidence of poverty has also increased among households where the householder has lower secondary educational levels. This probably reflects a worsening of the job market subsequent to the changes in the regional productive sector discussed above.

Although the region has turned from being a net emigrant region to a net immigrant one, the level of foreign residents in the region comprises only 1.7 percent of the population, compared to the national mean of 2.5 percent.[15] Immigration is concentrated in coastal areas. Apart from low-income and low-skills work in the fields of agriculture (especially in the province of Caserta) and personal services (essentially care for the elderly), foreign residents also operate as entrepreneurs and labour in light industry (e.g. textile) in the industrial clusters of the Naples area (INT64).

Figure 7: Household relative poverty incidence (percentage, 2003-2011)



Source: Own elaboration from ISTAT data.

As already noted, gender disparities are strong in the labour market, but they are also strong in all aspects of family and social life, thus limiting the potential for economic development (DPS, 2012). Scarce, low-quality or expensive privately-supplied social services (childcare, home assistance to elderly or disabled people) create further obstacles towards gender equality (DPS, 2012). Over time, gender gaps in educational attainment appear to be dwindling, especially for higher educational levels.

[12] Eurostat 2012, series (reg_ilc).
http://noi-italia2012en.istat.it/index.php?id=7&user_100ind_pi1%5Bid_pagina%5D=108&cHash=037cb51e7d9dd51e40273f8ee30290d6.

[14] Those for which early detection is crucial, reflecting failures and imbalances in both preventative and curative parts of the health systems.

[15] http://circa.europa.eu/irc/dsis/regportraits/info/data/en/itf3_pop.htm.

Some social indicators have showed significant improvements over the study period. For example, whereas crime rates were higher than the national average in the 1990s, today they have dropped substantially,[16] being at the same level as the national average. However, this does not indicate that the grip of organised crime is any weaker.

Spatial distribution of economic activity within the region and other territorial issues: The imbalances between coastal and internal areas have increased over the study period. Territorial disparities reflect the skewed population distribution and density (the metropolitan area of Naples accounts for more than half of the region's population). They impact on the availability of essential services and services for business, create tensions in the housing market (including construction of housing in violation of norms on land use), and are mirrored by activity and unemployment rates, crime levels and their impact on the economy. The extent of agricultural activity within Campania over the last decade ranges from around 15 percent in Benevento (which is the least-industrialised sub-region) to less than 2 percent in the region of Naples (which, due to its large urban agglomeration, is dominated by services) and 6 percent in Avellino (which is predominantly industrial). In turn, specialisation in industry is highest in Avellino and Caserta – although in terms of geographical concentration, Naples, with the lowest share of employment in industry, hosts the largest proportion of industrial activity in the region (accounting for some 40 percent of industrial GVA in Campania during the 2000s, although this share has been declining). Finally, services - including tourism, transport and communications - are disproportionately represented in the regions of Naples and Salerno (with the share of service-sector employment in Napoli exceeding 80 percent in the late 2000s). In terms of per capita incomes and levels of labour productivity, intra-regional differences are very small. In terms of income, Naples appears as the least prosperous sub-region, but in terms of productivity it performs much better.

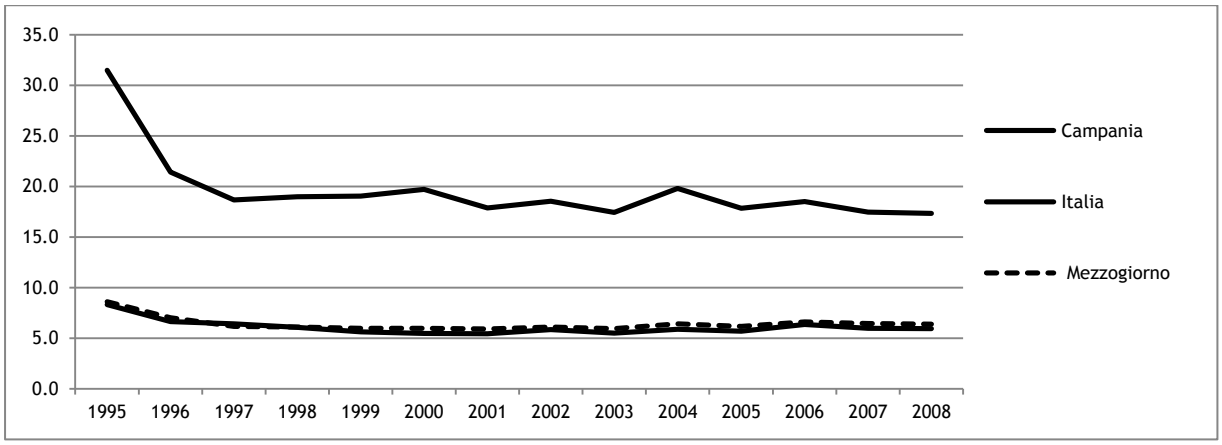
Environmental Sustainability:[17] With few exceptions, environmental issues and exposure to risk have remained serious concerns throughout the study period. The most pressing issues refer to: industrial and urban solid waste; soil erosion; pollution of rivers, lakes, canals and coastlines (in some areas); air quality, particularly in the most urbanised areas; and the contamination of industrial sites (e.g. Bagnoli in the urban area of Naples). Environmental issues appear to be severe enough to influence morbidity and life expectancy, especially in the provinces of Caserta and Naples (Autorità Ambientale della Regione Campania, 2012).

Environmental issues are the result of a combination of factors ranging from demographic changes and economic factors to institutional and technological ones. Anthropic pressure from industrial activities and agricultural practices is heavy. Change in use of territory, such as abandonment of conservative practices in agriculture in internal areas, has contributed to soil erosion. The region's increasing tourism vocation, which has been distributed quite unevenly, has also contributed to environmental impact. The insufficient enforcement of land-use regulation has compounded these problems, leading to serious crises, some of which have elicited responses by the ERDF programmes (e.g. the 1998 landslide in Sarno, which required a lengthening of the programme period). These pressures combine with aspects of environmental infrastructure[18] to influence environmental

[16] Eurostat 2012, series (reg_hlth).
[17] Unless otherwise indicated, data are taken from http://www.arpacampania.it/index.asp.
[18] Environmental infrastructure includes water, wastewater and sewage plants and networks, energy-saving equipment and renewable energy production, energy distribution networks (relevant for the earlier programme periods), soil protection, coastal protection, urban waste collection and treatment plants, parks and protected areas, and land reclamation.

quality. An example of this is provided by the length of polluted coastline relative to total coast length which, after an initial strong improvement in 1995 and 1996, has only slightly improved thereafter, remaining much higher than the Italian average (Figure 8). Wastewater and sewage infrastructure, the object of massive investments in earlier programme periods, have increased in quantity over the study period, but the level of services provided by this infrastructure is lower than could be expected given the investments realised and the capacity installed (DPS-CPT, 2011). Thus, coastal water quality remains low, even though investments have determined an improvement in individual locations, e.g. in Portici, one of the most densely inhabited areas in Europe, in the middle of the Gulf of Naples.[19] Problems with the pollution of coasts were highest in the earliest programme periods; although improved since then, they continue to remain more significant than in the rest of Italy (Figure 8).

Figure 8: Percentage of polluted coastline relative to total coast length, 1995-2008



Source: Own elaboration from ISTAT data.

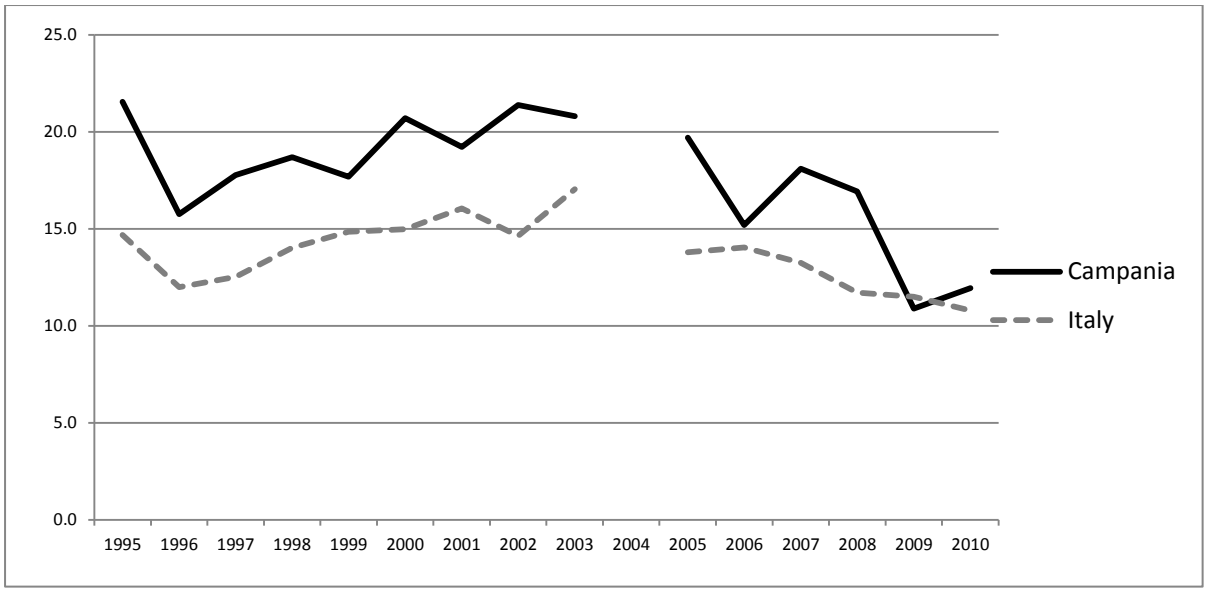
In the early 1990s, there were pressing needs regarding the availability and distribution of water. This has improved over time: the percentage of families reporting irregularities in water distribution[20] decreased between 1995 and 2010, reaching the Italian average (Figure 9). The efficiency of water distribution,[21] however, at 61.2 percent in 2008, is still lagging behind Italy's average (67.9 in 2008), notwithstanding an improvement since 2005 (59.8 percent).

[19] www.arpacampania.it/balneazione/monitoraggio_balneazione.asp#.

[20] One of the indicators utilised in monitoring the context in 2000-06 Ob.1 CSF: http://en.istat.it/ambiente/contesto/infoterr/azioneB.html.

[21] Measured by the percentage of water distributed to final private users/water which enters the distribution networks. This indicator is now used by the 2007-13 'Obiettivi di Servizio' performance reserve.

Figure 9: Percentage of families reporting irregularities in water distribution, 1995-2010



Source: Own elaboration from ISTAT data.

At least since the beginning of the 1994-99 programme period, some areas within the region have suffered from a major problem related to solid waste management, for both urban and industrial waste. Institutional factors have played a major role, including poor governmental control, slow implementation of planned infrastructure, difficulties in managing opposition from local communities, and problems with *camorra* (organised crime) activities, particularly in the provinces of Caserta and Naples. The environmental consequences of the saturation of regional waste dumping and storage facilities and of delays in the construction of incinerators have been vast: waste remained in large piles in the streets for weeks, affecting the touristic attractiveness of the region as a whole,[22] as well the quality of life and health of residents in the affected areas.

Industrial crises and restructuring - in particular, the closure of steel production and related industrial activities in the area of Bagnoli - increased the need for reclaiming polluted industrial sites: the most relevant amongst the contaminated sites are the 6 (out of 57 nationally) National Interest Sites, covering 16 percent of regional territory.[23] This need has remained high throughout the study period, worsening during the last decade in connection with the illegal dumping of industrial and hazardous materials (from both regional and extra-regional sources, especially in the province of Caserta). The consolidation of eroded soils has also been a constant need, with emergencies occurring, for example, at the end of the 1994-99 period.

The consequences of seismic activities in the internal areas of Irpinia, notably the major earthquake of 1980, and the bradyseism in the coastal area of Pozzuoli were still felt during 1989-

[22] This was also confirmed during fieldwork (INT62), which reported that, during the waste crises, a fall in demand brought great difficulties for firms in tourism sectors that had requested support for investment (and the consequent difficulty for firms to match-fund such investments and reach the planned increases in employment).

[23] The areas are: East Naples, currently the subject of one of the 2007-13 great projects; the Domitio-Flegreo costal area, comprising the coastal area North of Naples and the Agro Aversano (the plain between Naples and Caserta); the Naples-Bagnoli Coroglio area, i.e. the industrial area North of Naples dismissed in the late 1980s; some parts of the coastal areas of mount Vesuvium; the river Sarno basin; and the Naples neighbourhood of Pianura. The National Interest Sites (legislative decree 22/97, so-called Ronchi decree, ministerial decree 471/99, legislative decree 152/2006, and legislative decree 4/2008) are large areas where contamination of soil, subsoil, superficial water or underground water creates environmental hazards.

93 period. The need to closely monitor the volcanic activity of Vesuvius, as well as to improve the preparedness of the general population for a possible emergency evacuation, has increased throughout the study period due to the increase of population density in the areas most at risk. More generally, there has been a constant need to improve the monitoring of environmental risks and quality.

To sum up, needs are still high in most fields of environmental policy, with the notable exception of the availability of drinkable water, which has improved over the study period. In some fields, such as wastewater treatment and coastal pollution, improvements have taken place, but have not eliminated the original needs, which appear to be linked more to management and upkeep of existing infrastructure than to construction of new infrastructure (except for the areas such as the area North of Naples where concentration of population and deterioration of existing plants require action). The needs from seismic risk have also changed over the last two decades: in the beginning, there was still a strong need to complete the reconstruction after the Irpinia earthquake and the bradyseism in Pozzuoli. In the most recent programme period, the most pressing needs are monitoring and preparedness in case of emergency. Air quality has improved, but it remains a problem in the most congested areas, such as in the centre of Naples (Autorità Ambientale, 2012: 37).

Differences in needs across the various areas of the region – coastal v. internal, metropolitan v. the remaining part of the regional territory - have further polarised over time. The most notable examples are the need for reclaiming brownfield sites and the need for managing urban and industrial waste collection and disposal (this latter has greatly worsened in the provinces of Naples and Caserta during the 2000s, but has been met in the other provinces). Similarly, the quality of water in rivers, channels and lakes is acceptable or good in internal areas but has deteriorated in the intensively inhabited coastal plains, where agricultural and industrial activities excessively weigh on natural systems.

Regional infrastructure: Campania does not suffer from locational disadvantages, and levels of accessibility for the region as a whole are good by international standards, although internal areas tend to be less accessible than the coastal area. The infrastructure endowment of the region has consistently been higher than in other Southern regions and the Italian average over the period, especially in the transport sector. Endowment levels, however, do not necessarily reflect high quality or the right type of infrastructure, nor are they connected to sufficient levels of maintenance and management. Infrastructure levels, quality and utilisation differ across sectors.

Transportation - especially railways and metropolitan transportation in the coastal area - has undergone a distinct improvement over the study period. Today, Campania has good international connections by both sea and air, with one international airport (near Naples) and two large commercial ports (Naples and Salerno). Its road infrastructure is very good, with a much higher density than the national average (32 kilometres per square kilometre, compared to a national value of 22, Eurostat). However, the motorway network has not grown (in terms of mileage) since the late 1980s, although significant improvements in quality were made in the late 1990s and early 2000s. Railway density is some 40-50 percent higher than that of Italy (Eurostat data). There are still infra-regional disparities, but on the whole, the entire regional territory is well served by transportation links and public transport services.

Campania has a good stock of industrial infrastructure and many industrial areas. However, the quality of this infrastructure, its maintenance, the availability of essential requirements (e.g. public lighting) and overall accessibility (e.g. links to the motorway network and public transportation) are less than satisfactory.

The provision of ICT infrastructure is good. ADSL covers 92 percent of the resident population. Digital divide – i.e. areas with a connection speed slower than 2Mbps – affects only 3.8 percent of the resident population.[24]

Other trends and needs: An overview of the evolution of selected socio-economic indicators over time is presented in Table 1 below. A cross-cutting characteristic of the region, which affects all of the themes reviewed above, is that Campania presents high levels of 'irregular activities', i.e. legal activities performed outside or in violation of norms, such as in the construction of residential property and industrial localisation, resort to the shadow economy and the use of undeclared labour (Banca d'Italia, 2012). This weakens the potential for development. A strong negative influence on economic activity is exerted by organised crime (*camorra*), which infiltrates the economy directly (e.g. in the public works industry or in urban solid waste management) or indirectly, exacting charges from entrepreneurs, for instance via the forced hiring of staff or purchase of services, via extortions, via the purchase of products and services at manipulated prices, or by forcing firms to abstain from or alter their bids in public procurement (Spampinato, 2012; Maggioni, 2004). The judicial system, especially for the resolution of civil disputes, is particularly slow, even compared to the Italian average (DPS, 2012: 54). This prevents enforcement of property rights, limiting the development of the local production system and the opportunities for attracting FDI. The evaluation of the relevance, effectiveness and utility of ERDF programmes needs to consider this context and the evolution described above.

Table 1: Evolution of main economic indicators over the study period

Period	1985-1989	1990-1994	1995-1999	2000-2004	2005-2010
GDP share	6.49%	6.46%	6.43%	6.34%	6.15%
POP share	9.84%	9.94%	10.04%	9.99%	9.88%
GDP pc absolute	€10.983	€11.862	€12.528	€13.421	€13.371
GDP pc (relative to national average)	0.66	0.65	0.64	0.63	0.62
GDP pc growth (relative)	0.97	0.46	0.99	0.68	-0.11
GVA per worker (relative)	0.82	0.82	0.85	0.83	0.82
Self-employed share (relative)	n/a	n/a	n/a	0.99	1.08
Emp-pop rate (relative)	0.80	0.79	0.76	0.76	0.76
Inactivity rate (relative)	1.10	1.10	1.09	1.10	1.11
Unempl. rate (relative)	1.91	2.01	2.08	2.24	1.93
LT unempl. rate (relative)	n/a	n/a	n/a	2.74	2.22
Female unempl. rate (relative)	n/a	n/a	n/a	2.34	1.90
Youth unempl. rate (relative)	n/a	n/a	n/a	2.02	1.56

[24] http://www.sviluppoeconomico.gov.it/index.php?option=com_content&view=article&idmenu=2689&idarea1=1701&idarea2=0&idarea3=0&idarea4=0&andor=AND&sectionid=1&andorcat=AND&partebassaType=0&idareaCalendario1=0&MvediT=1&showMenu=1&showCat=1&id=2019473&viewType=0.

Table 2: Evolution of main economic indicators over the study period (Continued)

Period	1985-1989	1990-1994	1995-1999	2000-2004	2005-2010
Pop-density (relative)	2.18	2.21	2.23	2.21	2.19
Export intensive	0	0	0	0	0
R&D-to-GDP (relative)	n/a	n/a	0.92	1.01	1.04
R&D private-to-total (relative)	n/a	0.74	0.62	0.72	0.78
Degree holders share (relative)	n/a	n/a	n/a	n/a	0.85
Imputed firm size (relative)	1.19	1.20	1.24	1.28	1.31
Road density per km^2 (relative)	1.61	1.53	1.51	1.51	1.48
Rail density per km^2 (relative)	1.38	1.36	1.36	1.37	1.47
Relative specialisation	1.19	1.20	1.24	1.28	1.31

Source: Elaborations based on Cambridge Econometrics data. Note: 'relative' means relative to the national average.

3. PROGRAMME EVOLUTION AND RELEVANCE

3.1 Explicit and implicit strategies and their evolution

Campania has been eligible for ERDF throughout the period from 1989 to date, initially as an Objective 1 region and more recently under the Convergence Objective. Even before 1989, the region had received support from the ERDF through integrated programmes, including the Integrated Operation for the city of Naples and an Integrated Mediterranean Programme for the region.

In all programme periods, support has come through multiple programmes: (i) regional programmes (the 1990-93 and 1994-99 POPs and the 2000-06 and 2007-13 ROPs), managed by the regional authority, (ii) multi-regional programmes (MOP and NOP respectively in 1990-93 and 1994-99 and 2000-06 and 2007-13) managed by national ministries, and (iii) interregional programmes (InOP) in 2007-2013, managed initially by a regional authority (one of which is Campania, for the InOP on 'Cultural poles and tourism') and later by a national authority (see Annex V for a complete overview). The region has also obtained support through Global Grants and Community Initiative Programmes (CIPs).

Given the great number of programmes in each programme period, it is difficult, especially in earlier years, to discern a narrative describing the general strategic orientation of the whole of the ERDF interventions in Campania. During the first two programme periods, despite the existence of Community Support Frameworks which assigned resources and strategic orientation to each region, programme strategies were rather weak and not fully-fledged. Regional programmes, often drafted with substantial contributions from technical assistance companies, were little more than a collection of allocations of expenditure, which more or less reflected the competences of each regional ministry, rather than a real strategic orientation based on underlying development theories. In a similar vein, multi-regional programmes implemented national ministerial lines of activities without an explicit strategic rationale. There was no underlying theory and no interrelation between the two sets of programmes and amongst the different multi-regional programmes, as the programmes were conceived and implemented independently from one another.

Earlier programmes focused on infrastructure and capital investment, following what had been previously done with ERDF before the 1988 reform and the strategic lines designed by the Special Intervention authorities. This reflected an understanding of development, particularly in the CSFs 1989-93 and 1994-99, as closing the gaps with more developed areas and/or with the Italian or EU average via the injection of capital. At the same time, interviewees pointed out that programmes, at least formally, echoed European Commission concepts and priorities. The focus on infrastructure, therefore, reflected a theory of development in which infrastructure and capital endowment are pre-conditions.

Over the years, however, it is possible to discern patterns when looking at regional programmes and at the evolution of some of the national sectoral programmes, as will be discussed further. Rather than catching up in terms of GDP and redressing capital endowment imbalances, the underlying theory for the 2000-06 CSF and the 2007-13 NSF is based on the idea of activating the endogenous resources available in the territories. In addition, both the 2000-06 CSF and the 2007-

13 NSF accompany the on-going process of devolution of powers to the regions, enshrined in the 2001 Constitutional reform, with a considerable emphasis on institutional capacity at the regional level and a re-allocation of functions from central authorities.

Nevertheless, whereas the beginning of the 2000-06 programme period marks a clear demarcation in the strategic rationale underlying the programmes, when observing the explicit goals and implicit strategies of the ERDF programmes implemented in Campania (as reconstructed on the basis of resource allocations and interview evidence), some consistent orientations emerge that remain constant throughout the study period, i.e. a focus on: (i) investments in transport infrastructure (including roads and airports, but gradually shifting towards railways and urban transport); (ii) environmental infrastructure (especially water and wastewater infrastructure, but also including solid waste and natural parks); (iii) support for firms; and (iv) support to tourism and the full exploitation of natural and cultural heritage. Research and innovation have received increasing importance from 1994-99 onwards. Starting with the 1994-99 programmes, there has also been a growing support to 'local development',[25] interpreted differently in each programme period, and supported through differing forms of integrated interventions (such as Territorial Pacts in 1994-99 and Integrated Territorial Projects in 2000-06). A strand of support for urban regeneration and community development in the poorer areas of Naples initially and, later on, also in other towns and cities has been present throughout the study period. The following analysis examines the nature of the programmes for each of the programme periods and explores their explicit and implicit strategies.

3.1.1 1989-93: ERDF programmes as innovative but secondary policy tools

In 1989, Campania was designated as an Objective 1 region. The regional authority was responsible for a Pluri-Fund Operational Programme (POP Campania 1989-93), approved with some delay in 1990. National authorities managed seven ERDF Multi-regional Operational Programmes (MOPs): Industry, Energy (mainly regarding natural gas distribution networks), Telecommunications, Water resources, Infrastructure in industrial and handicraft areas, Tourism, and R&D and innovation (including support for business services, local development support and training and educational structures).[26]

The regional programme (POP Campania) had three global objectives: to increase employment levels; to improve quality of life; and to improve the competitiveness of the regional economic

[25] Definitions of local development vary greatly (Sforzi, 2005). One well-known definition is that provided by Becattini: 'The "real" local development is ... only that which, revolving around the production of a "specialty", manages to keep pace with changes induced by the economic, social and cultural evolution of the whole world' (Becattini, 1999: 24, own translation from Italian). A specialty in this sense is a product possessing special characteristics that are linked uniquely to the place where it is produced (so that it would be difficult to produce elsewhere), but which at the same time has a wider market appeal. Other definitions are wider, and see 'local development as an economic change process arising in living places from the development of *human capacities*' (Sforzi, 2005: 11, own translation from Italian). In its most general sense, local development connects positive economic, social, and human outcomes to the particular way local cultural, economic, institutional, and social factors interact in any given territory. Policy options to spur local development also greatly vary, but usually share the idea that each locality must develop its own path to development, because local conditions dictate which type of strategy will be best suited: 'a community's economic, social and physical attributes will guide the design of, and approach to, the implementation of a local economic development strategy' (The World Bank, 2006: 3).

[26] In addition, there were five Global Grants aimed at providing business services to SMEs (business services, technology transfer, guarantee schemes, ICT, and consortia creation) and three major projects.

system.[27] ERDF funding was organised in seven sub-programmes (equivalent to priorities): communication (including roads and railways), State aids to handicraft firms, tourism (including aid to firms as well as capital investments in cultural heritage, recovery and restoration of historical centres, and archaeological areas); aqueduct infrastructure; environment (wastewater plants and networks); research, development and innovation (with explicit focus on the metropolitan area of Naples); and technical assistance (see Table 10 in Annex II).

The analysis of needs and assets underpinning the strategy of the POP focused on: the GDP per capita gap (GDP per capita was reported as 73 percent of Italy's average); high unemployment rates (reported at 23.8 percent of the workforce in 1988); low labour productivity in agriculture; and low endowments in social and water infrastructure. Sharp territorial disequilibria were also identified, namely in industrial development and infrastructure endowment in internal areas, worsened by the slow pace of reconstruction after the 1980 earthquake. Cultural and natural heritage gave the region a tourism potential which was under-exploited, and the comparatively young population (44 percent below 24 years of age) was considered endowed with sufficient educational competencies. The strategy placed a strong emphasis on infrastructure (water and transport, mainly in the metropolitan area), support for firms, human resources, agriculture and research. Explicit goals included encouraging the formation of new SMEs and reduction of unemployment, and redressing the economic and demographic decline of internal areas. The document stated that the strategy was in continuity with the Integrated Mediterranean Programme and explicitly acknowledged the small dimension of the programme, when compared with national funds.

The primary focus of the ERDF planned expenditure was on infrastructure (circa 60 percent of ERDF resources, plus the amounts devoted to research infrastructure, cultural heritage restoration, and urban renewal) and support for business (5 percent of ERDF resources), with ESF addressing the skills and training components and EAGGF agriculture development.[28] The explicit logic of the regional and multi-regional programmes reflected an assessment of the region's needs conceived in terms of gaps for internal areas and congestion and industrial restructuring in the metropolitan area. The strategy aimed to fill these gaps and remove bottlenecks through the injection of capital, both in infrastructure endowment and in firms. The main targeted sectors were road transportation, major telecommunication systems (mainly aiming at improving telephone services), water and energy networks.

During this period, other EU-funded interventions operated in Campania: (i) Global Grants and CIPs, (ii) the continuation of the Integrated Operation in Naples, with its unfinished projects which demanded completion, (iii) the Integrated Mediterranean Programme, and (iv) pre-reform ERDF projects. It should be noted that, at the time of the development of the POP, the domestic Special Intervention was still in operation. At this time, the region also benefited from a substantial allocation of State resources for the reconstruction of the areas affected by the 1980 earthquake. Compared to these domestic sources, the Structural Funds were secondary, as they were in the daily activities of regional authority officials (INT57).

[27] The evaluation of the CSF 1989-93 (ISMERI, 1995) identified three objectives as most significant: recovery of Naples metropolitan area, upgrading rural areas, and decreasing unemployment.
[28] Financial data for this programme period are only available for the Campania POP.

3.1.2 1994-99: The aftershock of the end of the Special Intervention

The Objective 1 Community Support Framework for 1994-99 explicitly mentioned the end of the Special Intervention in Southern Italy and the need to meet more stringent limits in public spending (in order to prepare for the common European currency) as the defining environment for the programmes. New legislation profoundly reshaped key areas in which ERDF programmes intervened, such as water management (the so-called law Galli, law 36/1994) and State aids for firms (law 488/1992, an aid scheme supporting firms for undertaking material investments and mainly aimed at employment creation, which replaced law 64/86). A process of decentralisation also transferred responsibilities such as tourism and environment to the regional authorities.

To the limited extent that a theory underpinning the programmes can be ascribed, it involved creating preconditions for development by filling infrastructural gaps and easing congestion and, at the same time, compensating entrepreneurs for localisation disadvantages through aid schemes. How the injection of capital would bring about the desired change was however not clear. Gaps started to be understood not only as the quantitative insufficiency of infrastructure but also in terms of quality, e.g. while the length of the rail network in Campania was sufficient, lines tended to be single-track and not electrified. Looking at the whole set of programmes in their entirety, the strategy pursued presented a number of innovations compared to the previous period. These reflected: (i) a change in the scope of regional development policy; (ii) evolution in national policies; (iii) an emerging specialisation between national and EU-funded strategies; and (iv) an increased preoccupation with social and economic problems in the metropolitan area of Naples.

Under the framework of the 1994-99 CSF, the Campania regional authority managed the Pluri-fund Operational Programme Campania 1994-99 (POP), the Operational Programme 'Pianura'[29] and the Global Grant 'Naples Historical Centre'. The OP Pianura was an urban renewal and community development programme which included the reclaiming of brownfield sites, construction of roads and railways, urban infrastructure (such as public lighting and the refurbishment of squares, buildings in historic centres, urban parks, pavements and similar, what in Italian is known as 'street furniture', *arredo urbano*), and support to businesses. The Global Grant, launched in 1998, focused on the restoration of cultural heritage and support to businesses. National authorities, on the other hand, were responsible for 15 ERDF-funded Multi-regional Programmes: Environment; Energy; Industry; Legality and Security; Civil Protection; Roads; Water Resources; Tourism; R&D and Innovation; Railways; Telecommunications; Airport infrastructure; Education; Territorial Pacts for Employment; and Technical Assistance.

The regional programme (POP Campania) had four global objectives: strengthening infrastructure, modernisation of productive structures, development of non-traditional sectors, and improvement in quality of life. It was organised in six priorities (see Table 10 in Annex II): Communications; Industry and handicraft firms; Tourism; Agriculture; Infrastructure supporting economic activities;[30] and Implementation. A decreasing (when compared with 1989-93) but still very high volume of the

[29] From the name of the Naples neighbourhood in which it operated. According to an interviewee (INT18), this experimental intervention was successful because it merged social inclusion with urban regeneration: 'It was Putnam made operational'. The programme started from the assumption that in a degraded urban area with high Mafioso density, where there are high rates of school dropouts, etc. in order to create economic activity social capital must be created, and this requires investment in the basics, i.e. sewerage, water infrastructure, electricity, schools, local shops.

[30] For instance, sewage and energy networks, i.e. all infrastructure except for roads, railways and industrial areas.

POP's resources (more than half) was devoted to the modernisation and construction of various types of infrastructure (roads, railways, main pipelines for the purpose of irrigation, restoration of the cultural heritage, industrial areas, renewable energy, solid waste plants, protected areas, public research centres and university buildings), while support to firms greatly increased its relative importance.

A widening of the scope of regional development policy shows in the larger number of MOPs. New fields were considered as relevant for regional development, paving the way for the distinct change of the 2000-06 strategies: strategies included education, local development (previously only mentioned as part of MOP or POP strategies, now being pursued through dedicated MOP Territorial Pacts), and the re-establishment of legality (which, however, the MOP understood mainly as an increase in the endowment of surveillance infrastructure, such as ICT equipment to combat theft of lorries on the Salerno-Reggio Calabria highway). Support to business increased its role, and infrastructure maintained the centre stage but became interpreted in a wider-ranging way, to include additional investments such as airports, soil protection and renewable energy. The most notable policy innovation was direct support to business, which increased in magnitude and importance within the overall strategy (particularly through the Industry and Services MOP, which channelled considerable investments into a new incentive scheme, known as law 488/1992, providing grants to firms for investments in machinery and plant).

On the whole, between MOPs and ROP, the main strategic focus was on investments in railway transport. This choice was not motivated (as in future programmes) by a preoccupation with air quality and pollution, but due to the fact that roads were to be built or improved through domestic resources. The programmes (under pressure by the Commission) were focused on the metropolitan area of Naples, which was to receive 70 percent of the overall resources destined for Campania.[31]

3.1.3 2000-06: The 'Nuova Programmazione': great innovations and great (part-frustrated) expectations

In the late 1990s, regional policy in Italy regained centre stage, after a decade of decline and neglect. The *Nuova Programmazione*, 'New Programming', launched by the newly established Department for Development and Cohesion (DPS) within the then Ministry for the Economy and Finances, was to promote a number of innovations in the way policy was planned and implemented. The new programming placed the 'Community method' - the set of Structural Funds requirements about programming, monitoring, audit, partnerships and evaluation - at the heart of the policy process, with the intention that it would spread to domestic policies as well (INT38). The New Programming also aimed at accompanying the contemporary acceleration of devolution of responsibilities in certain policy areas to the regional authorities, providing them with new capacity and inducing change in the role and function of central authorities.

The 2000-06 Structural Funds programmes constituted a sharp change in explicit strategies compared to the previous phase. The 2000-06 Community Support Framework (CSF) provided a common structure and strategy, applicable to all ROPs and NOPs. The strategy was explicitly inspired by regional development theories and focused on creating new incentive systems in order

[31] Available data do not allow verification of whether this target was achieved during the 1994-99 programme period. Elaborations on data for the subsequent programme periods signal that, although expenditure heavily focused on the province of Naples (roughly coinciding with the metropolitan area) (INT68), such a high concentration was achieved only until mid-2012 under the 2007-13 ROP.

to change the behaviour of central, regional and local authorities, residents and potential external investors. It also recognised the relative dimension of resources vis-à-vis the magnitude of needs and of the economy.

The strategy encouraged local development through the new instrument of Integrated Territorial Projects (PIT) and took into consideration the conditions in which residents and businesses operated: their quality of life (rather than gaps in infrastructure or private capital endowment). This framed differently policy fields which had already been piloted, through Community Initiatives (such as Urban and Leader) or in the OPs: social cohesion (which was one of the two global objectives of the 2000-06 CSF), education, legality and security, urban development, connections with rural development, and a new focus on tangible and intangible cultural heritage as an element of identity (rather than being just instrumental towards increasing tourism).

The new development approach made new sense of traditional interventions (e.g. construction or upgrading of transport or sewage treatment, restoration of monuments, surveillance technologies), innovated in fields such as support to business (e.g. with the introduction of Integrated Support Packages, PIA, in the NOP Local development), and the strategy was built around incentive systems, which included the instrument of the performance reserve[32] (newly introduced by the Structural Funds Regulations and fully embraced by the CSF) and providing for conditionalities to support the construction of the necessary governance infrastructure and capacity (e.g. drafting sectoral plans and programmes required by national laws as a precondition for Structural Funds support).

The explicit strategies in the NOPs and in the Campania ROP shared the choices made explicit in the CSF. The ROP Campania had the following objectives: growth of female and male employment; sustainable and equitable development; improvement in quality of life; territorial balance; and, increase of the competitiveness of the region's productive structure. It was structured around seven priorities, reflecting the priorities of the CSF: Natural resources; Cultural heritage; Human resources; Local development; Urban development; Service networks and nodes (transport, legality and security, and ICT technologies); and Technical assistance (see Table 11 in Annex II). The ROP strategy did not outline in detail the instruments for delivering the local development strategy, but devoted 40 percent of resources to the PIT instrument (intended to integrate different schemes, types of projects and ERDF and ESF resources) and c. 1.14 percent of the total allocation of the programme to integrated projects in the field of rural development.[33]

The CSF reduced the number of NOPs to seven, mainly to rationalise the governance structure and in keeping with the wider constitutional developments that were taking place at the same time

[32] The CSF set aside 10 percent of total CSF resources (both Structural Funds and domestic co-financing, amounting to €4.6 billion) which were assigned through two performance reserve systems: the 'Community' (4 percent of resources) and the 'national' one (6 percent of resources). The systems rewarded implementation of reforms, advancements in governance, and improvements in management structure. The two systems revolved around different sets of indicators, measuring effectiveness, management, and financial implementation (the 4 percent Community system) and institutional enhancement, integration, and concentration (the 6 percent national system) and had different timing (the national system having a shorter time span). The Commission's role was, of course, exalted in the Community system. The monitoring of all the indicators was performed by the same technical group. The exercise ended in March 2004, when rewards were assigned, but monitoring of the achievements continued up to 2009 in order to ascertain that they were sustained (http://www.dps.tesoro.it/qcs/monitoraggio_premialita.asp#tav) (Anselmo *et al.*, 2006).

[33] The ex-post evaluation by the Region's Evaluation Unit calculates that the actual expenditure realised by the PIT was 22 percent (as opposed to the planned 40 percent) (Regione Campania, NVVIP, 2011).

(the reform of Title V of the Constitution and the devolution of competences to the regional authorities). Six NOPs were co-financed by the ERDF and all of them operated in Campania:

- Transport, with the objective of enhancing the conditions for both existing and new enterprises, and at the same time improving sustainability;
- Research, funding investments in human capital and public and private research, to 'strengthen research and innovation capacity in the South';
- Education, with a strategy combining physical investments and investments in human capital (e.g. training for teachers), all aiming at improving human resources and reducing social inequalities;
- Local Entrepreneurial Development, aiming at improving the economic conditions for entrepreneurial development and growth, increasing competitiveness, facilitating the consolidation of industrial districts and clusters, promoting the localisation and the start-up of new firms and the regularisation of irregular firms, as well as environmental sustainability;
- Legality and security, aiming at raising security and legality conditions to the level of the rest of Italy; and
- Technical Assistance, to support institutional actors engaged in the programme and implementation of Structural Funds interventions and to modernise the public sector.

When looking at the actual allocation of resources among programmes and priorities, and within priorities, and at the policy tools, it appears that the implicit strategy differs from the explicit one in areas such as irregular work, support for small enterprises and clusters, and support for environmental sustainability of economic activities. Strategy documents assign greater importance to these areas than is actually granted by the programmes' financial allocations and tools selected. To some degree, the same is true for legality and security, where the selected tools (infrastructure, especially ICT, and support to local initiatives, such as the utilisation of confiscated Mafioso-owned property for public and social activities), albeit successful in themselves, only partially address the objectives set.

3.1.4 2007-13: A marooned policy

Structural Funds regulations have modified the structure of programmes for the current period: multi-fund programmes are not possible and rural development and fisheries policies constitute separated policy realms. This has changed the formal structure of programmes and made it more difficult to discern strategic orientations, the interactions between different policy strands, and the scope of the policy effort. The strategies of both the 2007-2013 National Strategic Framework (NSF) and the 2007-13 ERDF ROP Campania represent an evolution of the strategies of the 2000-06 period. Innovations were introduced on the basis of an inter-institutional debate which took place during 2006, based on the results of the previous programme period.

The ROP's explicit strategy acknowledged the need to face severe environmental emergencies, first of all in urban solid waste in the provinces of Naples and Caserta. Cultural heritage lost the

autonomy it enjoyed in the previous programme period and became subordinated to improving the economic outlook of tourism. Business support was exclusively limited to research and innovation. Research and transport, instead, basically followed the lines of the previous programme period. The ROP provided a different strategic ground to local development, substituting a new instrument (the *Accordi di reciprocità*, 'reciprocity agreements') for the PIT tool. The current Campania ERDF ROP has seven priorities: (i) Environmental sustainability and touristic and cultural attractiveness; (ii) Competitiveness of the regional productive structure; (iii) Energy; (iv) Accessibility and transport; (v) Information society; (vi) Urban development and quality of life; and (vii) Technical assistance and cooperation.

The structure of NOPs has also changed. There are two NOPs (two funded by the ERDF, two funded by the ESF) for education and two for technical assistance, a NOP for Research and Competitiveness (merging the previously separate NOPs Local Entrepreneurial Development and Research), a NOP for legality and security, and one on Networks and mobility, in addition to two new 'interregional' Operational Programmes (InOPs) for renewable energy and cultural heritage.

The most important strategic novelty introduced by the NSF, albeit in line with intentions already expressed in the 2000-06 CSF, is the alignment and integration of the co-funded strand of regional policy with the domestic strand of Italian regional policy, realised with a number of parallel regional and multi-regional programmes, operating in coherence and complementarity with the Structural Funds co-funded ones. Building on the CSF 2000-06 experience with the performance reserve, the 2007-13 NSF revolves around an incentive system built upon measurable targets for public services (*Obiettivi di Servizio*).[34] After the approval of the NSF and programmes, however, the change in national government in 2008 brought in a change in political orientation. This brought about a sharp change in the actual strategies pursued (Polverari, 2011 and forthcoming). Financial resources for the national regional development policy (and even ordinary resources for Southern Regions) were drastically curbed, entailing a substantial change in the strategies that regions could implement, given the specialisation previously sought between domestic and co-funded programmes. Central coordination activities were also reduced (Polverari, 2011 and forthcoming). A change in political leadership also occurred in Campania, in 2010, and caused a period of stall in implementation. The current political leadership is re-defining the strategy of the ROP, in partnership with the national government and the European Commission. The emerging orientations point towards a renewed stress on large infrastructure investments in fields such as the water cycle and urban renewal projects.

3.2 Relevance of programmes to regional needs

As has been illustrated, over the period from 1989 to the present, successive programmes have changed in orientation and in the manner in which they have conceptualised needs and sought to address regional problems. A summary of the correspondence between regional needs, policy response and project foci is presented in Table 3 below. The table shows the shift from infrastructure, in the earlier part of the study period, to enterprise and innovation and 'softer' priorities such as social cohesion, legality, and education. Whilst the earliest regional and national programmes had the generic objectives of regional development, focused on GDP and employment

[34] The NSF originally set aside 3 billion Euro of domestic resources (beyond the co-financing) to reward improvements in the level of public services (education, child and elderly care, water, and waste management) to citizens in the eight Mezzogiorno regions.

growth, they lacked a prioritisation of efforts and operational goals and an explicit inspiration to regional development theories. The strategies of the programmes of the 2000s, on the other hand, show a more marked effort to link the needs identified and the policy responses. However, this did not achieve full relevance, nor did it shield the strategies from shifts in orientation resulting from political changeovers.

Table 3: Comparison of regional needs and national and regional programme responses

	Regional needs	Responses	Project focus
1989-93	• Structural adjustment in coastal areas and backwardness of internal areas • Infrastructure gaps in energy, water, internal transport (worsened by slow post-earthquake reconstruction) • High unemployment rate • Lack of connection between research and firms • Worsening spatial disequilibria • Untapped touristic potential from natural and cultural heritage • Environmental degradation • Public service inefficiencies.	Investments in roads, railways, inter-modal nodes, water and wastewater, and (to a lesser degree) in support to firms, urban regeneration and community development and investments in cultural heritage.	Physical public and private capital formation.
1994-99	• High unemployment • Small percentage of productive structure • Inefficient public sector • Inadequate infrastructure and public services • Illegality • Shadow economy • Market inefficiencies • Shortage of qualified workforce • High cost of labour and mismatch in labour market • Dependence of economy on public sector.	Investments in infrastructure (water, wastewater, roads, railways, localisation centres, inter-modal nodes, protected areas, and renewable energy), increased emphasis on support to firms, investments in research and innovation (including university buildings and research centres, and support to innovation), urban regeneration and investments in cultural heritage, introduction of legality and security and of 'softer issues' such as social cohesion and education.	Physical public and private capital formation. Emerging cluster approaches to local development (territorial pacts) Multi-modal mobility.
2000-06	• Low employment and GDP per capita, low investments • Deindustrialisation, small size of surviving firms • Inability to realise tourism potential from cultural and natural heritage • Infrastructure gap (except transport) • Excessive population density and related pressures on infrastructure and public services, plus excessive weight of transportation by road • Scarce knowledge of environmental conditions.	Alignment with 'New Programming' approach and thus emphasis on governance, transportation, urban renewal, local development, research and education, softer issues such as gender and capacity-building.	Physical public and private capital formation Instrument for local development (PIT) Multi-modal mobility Centres of excellence in research Infrastructure, laboratories, and softer interventions in schools Building of governance structure in all sectors.
2007-13	• High unemployment rates • Fragile industrial structure • Undeclared work and illegality • Environmental issues • Weak links among firms and decline of traditional sectors • High percentage of traditional services • Difficulties in accessing credit • Unfulfilled touristic potential • Territorial disparities within the region.	Alignment with National Strategic Framework, and thus emphasis on transportation, environmental sustainability, education, research and innovation, local development, tourism development, urban renewal.	Large projects aimed at construction of public capital Urban renewal Financial schemes Investments in schools: consolidation of school buildings, laboratories and other equipment.

Notwisthanding the constraints arising from the regulations and programming processes at EU, national and regional levels, programmes made clear connections between the needs identified and the strategies and tools put into play. The strategies formulated in the programmes were generally coherent with the needs identified, with a few exceptions.

- **Economic Performance and labour market -** ERDF regional programmes over time identified the relatively low GDP per capita as a major problem, coupling it with high unemployment rates. However, none made a connection between the need to increase GDP per capita and the absolute and relative size of resources needed to achieve this goal - a size far greater than the available ERDF and match-fund resources, however significant. The awareness of this discrepancy appears only from the late 1990s. Further, the emphasis on unemployment resulted in interventions being geared towards unemployed people, but without taking into consideration that at least a part of unemployment and of inactivity was to be imputed to undeclared labour (Meldolesi, 1998: 55). Undeclared labour was mentioned, sometimes with prominence, in the programmes' needs assessments and in some cases in their strategies (e.g. in the 2000-06 ROP). Often, however, the issue was met with few resources and viewed as a purely labour market issue, disconnected from the more general problem of Campania's businesses operating in the shadow economy.[35]

- **Enterprise -** Both explicit and implicit strategies in all programme periods failed to fully address the complex sets of needs of regional enterprises. The small size of firms feature in all programmes as a problem: it was considered as limiting internal specialisation, innovation capacity and access to advanced business services. Throughout the study period, programmes identified priorities of support to small firms through State aids, infrastructure in industrial areas and local development initiatives. However, the implicit priorities of the regional authority privileged larger or more-established firms, as did the instruments that were implemented in both regional and national OPs (e.g. calls for projects that required either dedicated human resources or resorting to specialised consultants to fill in the forms and fulfil reporting requirements - INT45, INT11). Strategies did not sufficiently address issues such as access to credit (although there were FEI also in earlier periods) and preparing for and then reacting to increased international competition, and they failed to deal with the need to support firms exiting the shadow economy (as already mentioned) and, more importantly, they did not recognise the need to address crucial issues such as legality or the difficulties arising from the excessive length of judicial proceedings in solving civil disputes.

- **Research and innovation -** Research is identified as a crucial element of the regional development strategy by all regional ERDF programmes starting from 1994-99, the need referring essentially to the lack of connections between the research system and the productive structure. In 1994-99, the combined POP and MOP strategies supported the widening of the regional supply of research and innovation. The 2000-06 Research NOP

[35] The 2000-06 interventions towards undeclared labour were correctly conceived as incentivising the regularisation of undeclared jobs and of the hidden part of entrepreneurial activity, rather than solely relying on controls and repression. This strategy, however, was not granted sufficient resources, nor was its implementation designed taking into account experience and knowledge accumulating in Naples with the Urban CIP and in municipal policies during the late 1998s and 2000s (Caianiello, 2001; Meldolesi, 2000; Stame, 2004). This experience was so relevant that in subsequent years it inspired the nationwide operations of the *Comitato per l'emersione del lavoro non regolare*.

(MIUR, 2000) provides a detailed analysis of the features of Campania's productive system which limit both the investments in research and the adoption of innovation: the small size of firms - which inhibits the development of internal services - and the limited cooperation among firms and with the public sector. Particularly in 2000-06, the ROP's strategy appears well construed, in relation to this diagnosis and in terms of coherence with the NOP Research, and fully addresses this need. Both the expenditure and the strategy mix appear relevant when compared to the needs (Table 4), except for the 2007-13 period, in relation to the strategic shift currently being introduced.

- **Social cohesion -** Crime reduction has been generically identified as a need in most programmes, not acknowledging, however, the intensity and scope of the infiltration of organised crime in the economy (Florio, no date). The 2000-06 NOP Legality also mentioned the severe limitations of the justice system (even though it focused primarily on law enforcement): overcrowded jails, lack of effective structures and projects for alternative punishment and social recuperation, and lack of resources for investigations. Nevertheless, strategies before the 1994-99 programme period at national level (in 1997 a NOP for legality was launched) and the 2000-06 period at regional level do not tackle crime reduction. Further, although gender issues have been mentioned in socio-economic analyses since the 1989-93 programme period, they have only been explored fully and tackled with corresponding tools from the 2000-06 period.

- **Spatial distribution of economic activity -** All programmes mentioned the imbalance in the spatial distribution of population and economic activity, but without building fully-fledged strategies to redress this imbalance, other than through the implementation across the entire regional territory (and thus in the internal areas as well) of interventions in the fields of agriculture, rural and urban regeneration, cultural heritage and tourism development. An even stronger focus on the Naples metropolitan area transpired from interviews (INT1, INT30, INT37) than in explicit strategies. Nevertheless, this focus was justified by the concentration of population, economic activity (except, of course, agriculture), and social and economic problems in the metropolitan area, and especially by the intricacy and severity of its problems (INT24).

- **Structural adjustment**. Programmes detected the need to respond to the unemployment caused by industrial crises in coastal areas and to support a backward productive sector in internal areas (especially in the earlier programme period). To at least partially respond to this need, strategies identified opportunities arising from the rich endowment of cultural, landscape, and naturalistic heritage in the region. The opportunities arising from the large number of small and micro-enterprises (often operating in the shadow economy), however, were less recognised in programme strategies. Strategies did, indeed, support tourism and investments in cultural heritage, and they pursued the strengthening of local economies through both ERDF and other Funds. Only in 2000-06, however, was the earlier focus on cultural infrastructure and on upgrading and expanding the supply of hotel rooms fully complemented with a more comprehensive approach, including cultural activities and support to businesses active in the culture field and support to the entire tourism industry. As already mentioned, the tools chosen to support the growth of small firms (e.g. the construction of new industrial areas in the first programme period) were not completely in line with the needs. In addition, starting from 1994-99, strategies aimed explicitly at

supporting the development of local strategies: in 1994-99, a NOP financed Territorial Pacts, in 2000-06 the ROP set aside 40 percent of resources to PIT (Territorial Integrated Projects) and provided for technical assistance for planning and project development, and in 2007-13 the ROP provided for tools called *Accordi di reciprocità* (reciprocity agreements). This approach implied great changes (from top-down to bottom-up, from sectoral interventions to integration) in the way development policies are conceived, planned, and implemented at all levels. This might account for the wavering political support these instruments received at various institutional levels and at different times, and for the difficulties they met even in 2000-06, when the implicit strategy pursued by the regional government was most in line with the strategy expressed in programme documents.

- **Environmental sustainability** – Needs in this field were already great at the end of the 1980s, and they deepened over time, especially under the combined pressures of population increase and changes in the productive structure. In earlier programme periods, strategies responded by focusing on creating infrastructure in water and wastewater, solid waste, energy, polluted land reclamation, and coastal and soil protection. The strategies of programmes in relation to the provision of this type of infrastructure did, indeed, respond to environmental needs. However, the need of creating more responsive and effective governance and to improve the planning, management, maintenance and sustainability of the infrastructure built remained unmet and was addressed only by the 2000-06 ROP, which identified the drafting of sectoral plans and the improvement of the capacity to monitor environmental phenomena as key instruments. The drafting of these plans and the development of capacity, naturally, took time. In the meantime, implementation was guided by sectoral strategies (especially, but not solely, for urban solid waste) which failed to anticipate difficulties (such as opposition from territories or delays in infrastructure construction) or to provide tools facilitating effective implementation.

A summary assessment of the relevance of ERDF programmes throughout the study period is provided in Table 4. The table shows the relevance of programmes in each of the eight themes of this study, i.e. the degree to which programme responses matched the regional needs in each theme, as perceived at the time. Relevance is assessed with regard to the programmes' imputed strategies.

Table 4: Needs and imputed objectives for eight thematic axes

	1989-93		1994-99		2000-06		2007-13	
Thematic axis	**Needs**	**Imputed objectives**	**Needs**	**Imputed objectives**	**Needs**	**Imputed objectives**	**Needs**	**Imputed objectives**
Enterprise	+	4	+	5	+	5	++	1
Structural adjustment	++	2	++	3	++	4	++	4
Innovation	+	2	+	5	+	5	+	5
Environmental sustainability	++	4	++	4	++	4	++	4
Labour market	++	2	++	3	++	3	++	1
Social cohesion	++	1	++	2	++	4	++	5
Spatial cohesion	++	1	++	1	+	4	+	2
Infrastructure	++	5	++	5	+	5	+	5

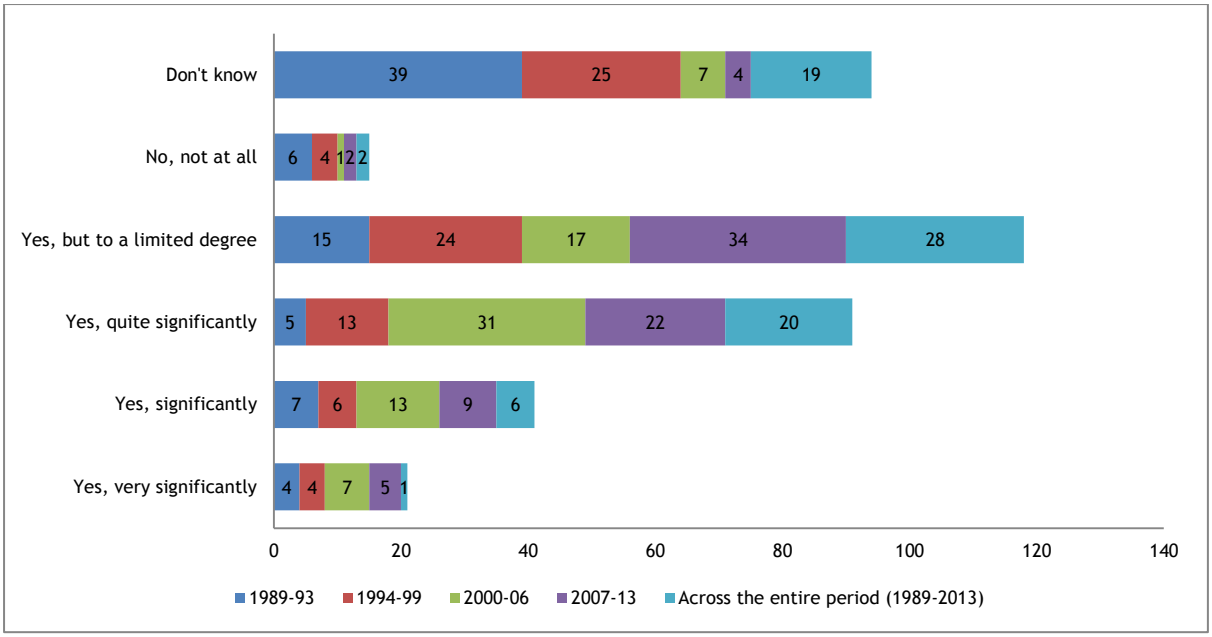
Needs Scale (evaluation of the region at the start of the period)
++ Very high need: the region is highly deprived on this axis
+ High need: the region is somewhat deprived on this axis
= Average need: the region is around the national mean on this axis
- Low need: the region is above the national mean on this axis
-- Very low need: the region is already a European front-runner on this axis
Imputed Objectives
5 Very high effort, this axis is a central aspect of the regional development strategy
4 High effort, this axis is an important element in the regional development strategy
3 Average effort, this axis is included in the regional development strategy but is not particularly important
2 Low effort: this axis is only marginally considered in the regional development strategy
1 No effort at all on this axis

In summary, in all programme periods, there have been discrepancies between what was stated in the programmes as the objectives pursued and what was actually funded and realised. However, rather than representing a different strategic intent than declared in the programmes, the reasons for this mismatch were often operational (discussed in Section 6.1). The most significant mismatch between needs and imputed objectives can be found in the 1989-93 period. Over time, programmes have progressively improved their internal coherence and their ability to capture, with their (imputed) strategies, the regional needs perceived at the time. The themes of infrastructure and entrepreneurial support have consistently been targeted by the programmes' strategies, and on the whole this has been in line with the perceived needs. By contrast, the programmes have not been coherent in addressing perceived needs in the fields of spatial and social cohesion and environmental sustainability and, in the two earlier periods, structural adjustment, all of which were less predominant in the programmes' strategies than in their underlying analysis of need.

The survey returns somewhat endorse the study team's assessment. Figure 10 below summarises the returns received to the question 'Did the objectives of programmes address regional needs?' Results show that, according to survey respondents, the ERDF programmes did have some

relevance, but not as much as would have been desirable, with the strongest match between strategies and needs in 2000-06.

Figure 10: Online survey responses to the question 'In your view, did the objectives of the ERDF programmes address regional needs?'



Source: Online survey. Figures reported are the actual responses.

4. EXPENDITURE ANALYSIS

4.1 Financial allocations

The volume of ERDF resources allocated to Campania has been substantial.[36] Across the entire period, the European Union has explicitly allocated Campania a total of c. €19,127 million (2000 prices) of ERDF resources, between regional programmes (representing c. €15,623 million) (Figure 11) and multi-regional/national programmes (€3,680 million) (Figure 12).[37] Nevertheless, during the entire period, ERDF resources have co-existed with large amounts of domestic public capital spending (€79,938 million between 1996 and 2010), both additional spending (i.e. for regional development) and ordinary capital spending (Figure 16, discussed at the end of the chapter). Thus, whilst the analysis of the ERDF over this period tells a story about the role that European programmes have played in the development of the region, this is only a partial view of public investment in regional development.

With the exception of the 2007-13 programme period, the regional programmes were financed by all the Structural Funds[38] and many national programmes included resources coming from both ERDF and ESF. Since NOP allocations have proven difficult to identify or estimate,[39] Figure 11 shows ERDF allocations only for regional programmes. ERDF allocations to the ROP increased from an initial allocation of €1.4 billion in 1989-93 to €2.4 billion in 1994-99. The ERDF ROP allocation more than doubled in 2000-06 (€5.6 billion) and increased to €5.9 billion in 2007-13. Average annual allocations also increased, from €0.28 billion in 1989-93 to €0.48 billion in 1994-99[40] to €0.79 billion in 2000-06 and €0.84 billion in 2007-13.

Figure 11 shows that the 2000-06 ERDF ROP allocation was double that of its predecessor. This is because the 2000-06 Community Support Framework, coherently with Italy's orientation in favour of decentralisation at the time in which the CSF was designed, channelled more funds through the ROPs, managed by the regional authority, than through the NOPs, managed by national ministries. Thus in 2000-06, the relative share of expenditure between NOPs and the ROP in Campania was reversed compared to the previous period, with the expenditure coming from the NOPs

[36] Throughout this section, financial allocations and expenditure refer to total EU and nationally co-financed spend combined.

[37] Figures relate to allocations of ERDF resources (in both mono- and multi-fund programmes) and of the corresponding national co-financing. It excludes other funds, even when they did co-fund the programmes. The figures relating to allocations from MOPs and NOPs exclude all 1989-93 MOPs, most 1994-99 MOPs, the NOP Local Development 2000-06 and all 2007-13 NOPs and InOPs. For these programmes, it was not possible to establish the earmarked allocation for Campania.

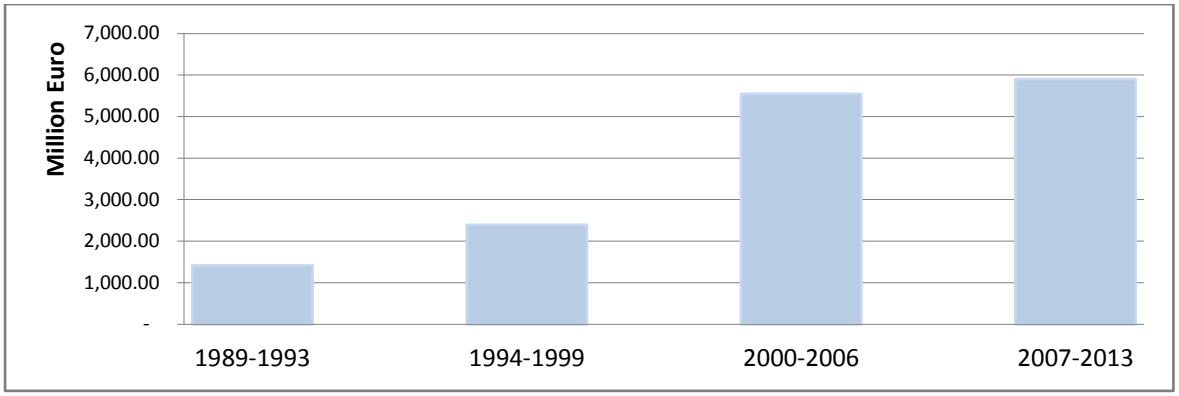
[38] Throughout the period, ERDF constituted a very large part of total Structural Funds allocations and expenditure: above two-thirds in 2000-06 (the only period in which a single monitoring system and multi-fund programmes have been in place). Different regulations and procedures across Structural Funds and (for 2007-13) EARDF and the Fisheries Fund make the task of calculating the total amount of EU resources allocated to and spent in one specific region for social cohesion extremely difficult.

[39] The multi-regional and national programmes did not generally specify the resources earmarked specifically to an individual region. No data on the financial allocations earmarked for Campania under the multi-regional and national programmes during the 1989-93 and most 1994-99 multi-regional programmes were identified, including one amongst the most significant, the 'Industry' 1994-99 MOP. NOP financial allocations to Campania in the 2000-06 period have been estimated on the basis of monitoring data in order to obtain figures by measure, since for that programme period, NOP resources were allocated to regions through fixed distribution percentages (so-called *chiave di riparto*) which applied to the entire programme. Committments resulting from the monitoring systems, therefore, were used as a proxy, with the exception of the NOP Local Development. It has not been possible to discern (or estimate) the region-specific planned allocations of the NOPs of the current period.

[40] The ROP was supposed to start operating in 1995 (Regione Campania, 1995).

representing around 70 percent of that of the ROP, whereas in the previous period, the MOPs accounted for double the POP's expenditure (Figure 12).[41]

Figure 11: ERDF financial allocations for regional programmes - 1989-2013 (in million Euros, 2000 prices)



Source: Elaboration on data collected by the research team from programme documents (ROP 2000-06: Regione Campania, 2009 and ROP ERDF 2007-13: Regione campania, 2008b) and interviewees (ROP 1989-93 and ROP 1994-99).

Furthermore, in the context of decreasing total resources devoted to capital spending, the increase in ERDF resources for regional programmes does not imply an increase in total resources devoted to the development of Campania. It does, however, imply that the planning and spending responsibility of the regional authority greatly increased over time, stretching the organisation beyond its capacity and requiring successive adjustments. These adjustments materialised in reprogramming exercises and, more importantly, in reorganisations (especially at the beginning of the 2000s) strengthening regional offices dealing with Structural Funds.

[41] It was impossible to obtain regional data for Campania for five 1994-99 MOPs (Energy, Legality and Security, Tourism, Education, and Technical Assistance) out of the 15 that were co-funded by the ERDF. Altogether, these five MOPs constituted around 8 percent of MOP ERDF resources.

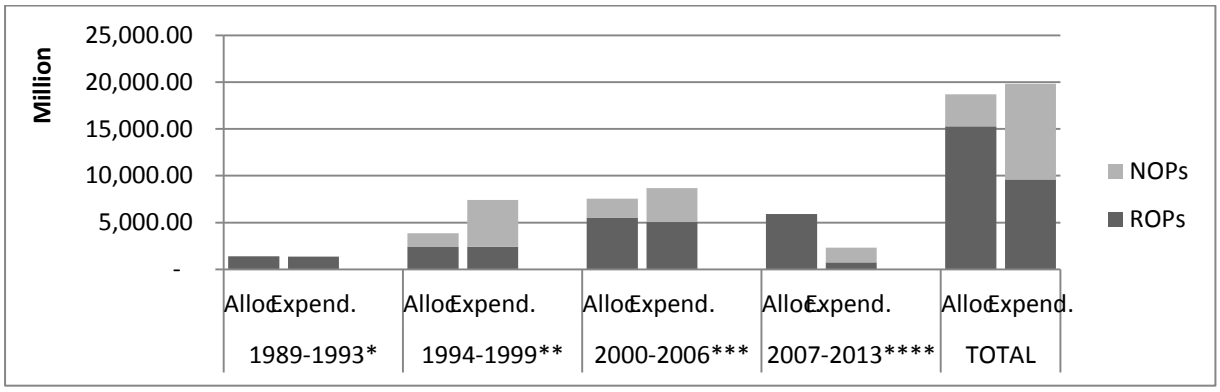
4.2 Expenditure compared with allocations

Figure 12 below shows for each programme period and across the entire study period the difference between the total allocation of ERDF programmes and actual expenditure (in constant 2000 Euro prices). The figure, which provides an indication of allocations and expenditure of regional and national[42] programmes, shows an increase in allocated funding from 1989-93 until the 2000-06 programme period and then a marked reduction of allocations from 2007. This partially reflects gaps in the available data, notably with regard to the MOPs and NOPs.

This same shortcoming in the data available largely explains why the expenditure under the MOPs and NOPs has generally exceeded the initial (estimated) allocations. It should nevertheless be acknowledged that in part this also reflects the re-allocation of funds from the ROPs to faster-spending MOPs and NOPs (e.g. the 1994-99 MOP Industry and 2000-06 NOP Local Entrepreneurial Development).

Given the data gaps in the allocation figures for the MOPs/NOPs recalled above, comparisons between planned and actual expenditure make more sense for the regional programmes. Such a comparison shows a substantial alignment between allocations and expenditure for all programme periods except the current period.[43] This, however, largely reflect the adjustments made to the programmes' financial plans during the life of the programmes (except for the present programme period).

Figure 12: ERDF Programme allocations and actual expenditure for regional and national programmes - 1989-2013 (in million Euros, 2000 prices)



Source: Elaboration on data collected by the research team. Notes: *For the 1989-1993 period, data on all MOPs is missing. **For the 1994-1999 period, allocation and expenditure data on 5 MOPs is missing and allocation data for MOPs is partial. *** For the 2000-06 period, allocation data on NOP Local Development is missing. **** For the 2007-2013 period, data on NOPs allocations is missing. Data for 2007-13 were extracted from the monitoring system on 15 June 2012. In this figure, ROP stands for all programmes managed by regional authorities (POPs and ROPs). NOP stands for all multi-regional programmes (i.e. MOP, NOP and InOP).

This alignment should not mislead, however. As shown by documental and interview evidence, the transformation of allocations into expenditure has generally been problematic. In addition to reprogramming resources, in all programme periods national and regional authorities solved spending difficulties resorting to 'coherent projects' (or pre-funded projects), i.e. projects or parts of projects (e.g. segments of large infrastructure projects, at the different stages of realisation) that had already been financed with domestic resources but whose objectives and nature were

[42] Within the data limitations already described.
[43] At the end of 2011, the ERDF ROP 2007-13 had spent only 12 percent of allocated resources (total expenditure).

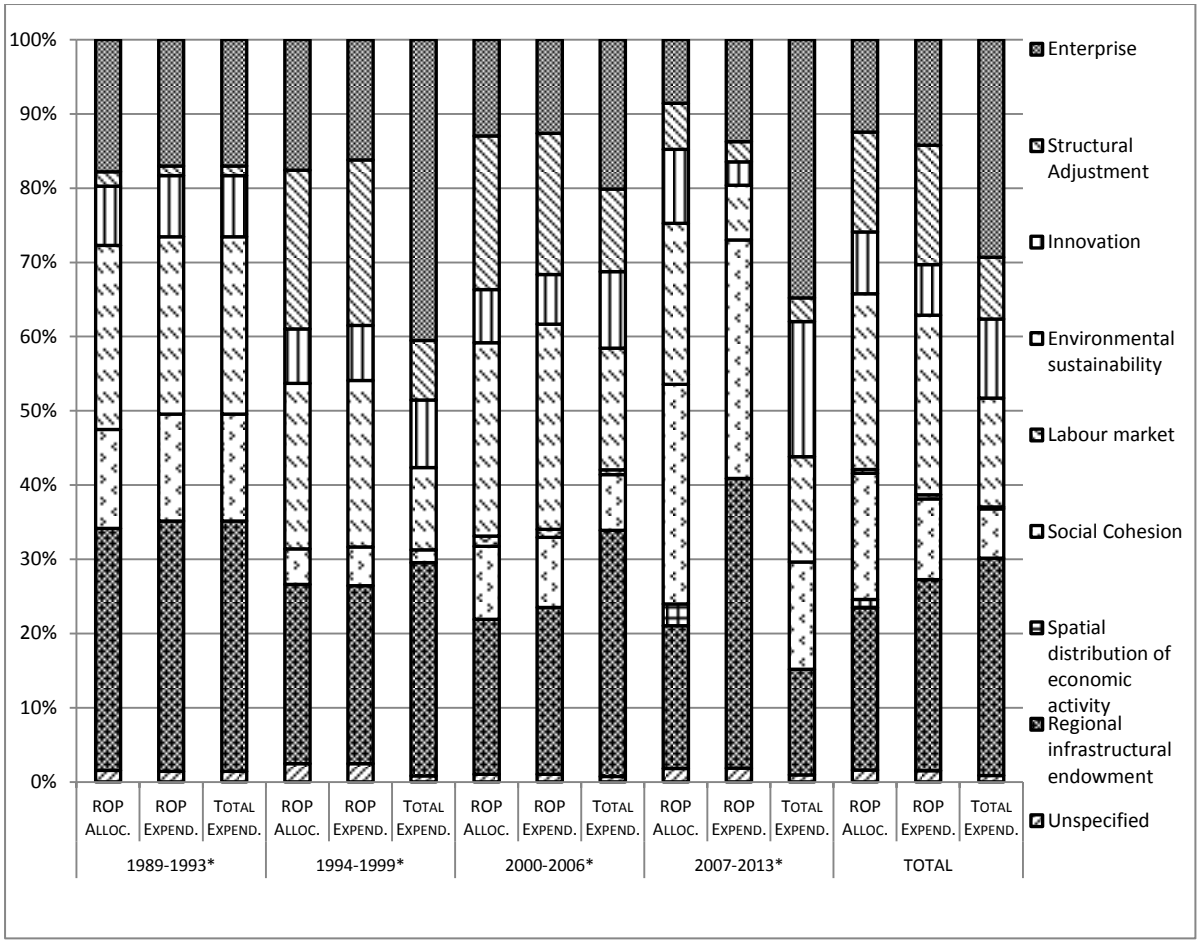
deemed consistent with the ERDF programmes' strategies *(progetti coerenti* or *progetti sponda*) (Regione Campania, NVVIP, 2011; Regione Campania, 2003; DPS, 2012; ISMERI Europa, 1995: 66; and INT55 and INT29).[44] During the 2000-06 period alone, this type of project absorbed around 42 percent of the entire expenditure realised in Campania (NOPs and ROP).[45]

Systematic information on the use of coherent projects in the 1989-93 and 1994-99 programme periods is elusive: the Final Implementation Report of the 1994-99 Campania POP makes reference to an unquantified use of coherent projects (Regione Campania, 2003). Information is also available on the fact that in the 1994-99 MOPs Railways, coherent projects accounted for about 7 percent of the expenditure realised in Campania (Ministero delle Infrastrutture e dei Trasporti, 2003). However, more specific and comprehensive data is not available on the use of coherent projects before 2000. Nevertheless, the interviews carried out indicate that coherent projects were used at national and regional levels in all programme periods and across all policy sectors, including ESF-funded ones. This posed (and continues to pose) a question of additionality at the national level, which was addressed by establishing the obligation to reallocate the resources 'freed' by the coherent projects to the same territories and priorities as foreseen in the ERDF programme documents from which they were drawn,[46] thus *de facto* lengthening the programme period (with implications for the realisation and appraisal of the programmes' achievements).[47] In addition, the 2000-06 national monitoring system systematically records coherent projects.

The analysis of the expenditure against the eight thematic axes used in this study shows an evolution over time - more marked in the ROPs than in total expenditure - from infrastructure and enterprise support towards, in the 2000-06 period, structural adjustment (development of industrial clusters, tourism and cultural heritage), social cohesion (legality, urban development), and, also supported by NOPs, innovation. However, interestingly, this evolution is overturned by the 2007-13 ROP, which reverts to a concentration of expenditure on infrastructure, reflecting a change of priorities by the newly elected regional government compared to the strategy described in the ROP (designed and approved under the previous regional government). The shifts between planned allocations and actual expenditure for each of the eight thematic axes in each programme period are shown in Figure 13.[48]

[44] Of course, this practice was not confined to Campania, but was a national one.
[45] The percentage includes the expenditure for coherent projects under the NOPs (with the NOP Transport recording the highest level of coherent projects among all NOPs, €2,962 million of expenditure generated by coherent projects). It is, therefore, much higher than the amount of 'freed' resources - which corresponds to the total amount of coherent projects - reported for the ROP Campania (Regione Campania, NVVIP, 2012 and DPS, 2012).
[46] This requirement was introduced by CIPE deliberation no. 189/1997 and, later, by the CSF Obj.1 2000-06 as revised after the 2003 mid-term review. The CSF created an information system to monitor the actual destination of 'freed' resources. The assessment of the use of 2000-06 freed resources, required by CIPE deliberation no. 79/2010, found that, for all 2000-06 Ob.1 regions, there are commitments for €5.5 billion (out of a total of €11.7 billion), 85 percent of which refer to projects that are no larger than €500.00 (DPS, 2012: 222).
[47] The Campania 1994-99 POP Final Implementation Report contends that, for various measures, achievements are actually larger than reported thanks to the freed resources (Regione Campania, 2002: 117). More correctly, in its ex-post evaluation of the 2000-06 ROP, the Evaluation Unit of the Regional Authority mentions that a full appreciation of the programme's achievements should take into account the achievements of this portion of funding (Regione Campania, NVVIP, 2011).
[48] The analysis was undertaken by allocating the expenditure of each measure to one of the eight thematic axes used in this study. Data refers only to ERDF-funded measures for most programme periods.

Figure 13: ERDF allocations and expenditure by thematic axis across regional programmes (percentages based on deflated figures – Euros, 2000 prices)



Source: Research team's analysis of programme documentation.
Note: In this diagramme, ROP stands for all programmes managed by regional authorities (POPs and ROPs). NOP stands for all programmes managed by central authorities (i.e. MOP, NOP and InOP).
* Total expenditure includes: only ROP 1989-93, ROP and 10 out of 15 NOPs for 1994-1999, all ERDF-funded ROPs and NOPs for 2000-06 and 2007-13.

Most of the 1989-93 ROP ERDF financial allocations were devoted to transport (32.61 percent of allocations and 26.22 percent of expenditure)[49] and environmental infrastructure[50] (24.80 percent of allocations and 23.92 percent of expenditure) (the two axes receiving the largest share of both allocations and expenditure), with enterprise support (which also included some infrastructure in industrial areas) being the next largest thematic axis (13.48 percent of allocations and 14.41 percent of expenditure). The heading of social cohesion included restoration of monuments and archaeological areas, urban renewal, and community development projects in Naples metropolitan area (13.33 percent of allocations and 14.40 percent of expenditure). There were no significant shifts between financial allocations and expenditure.[51]

In the 1994-99 programme period, the distribution of ERDF resources across thematic axes in the ROP becomes more even, and the relative weight of transport declines (now representing 21.29

[49] Essentially roads (€278 million) and railways (€183 million).
[50] Water, wastewater and sewage, soil protection, and urban waste made up for most of the expenditure in environment in 1989-93.
[51] In the data collected by the team, allocation data at programme closure usually reflect the most recent reprogramming.

percent of allocations and 21.74 percent of expenditure). The Industry NOP provides substantial support to enterprise, which is the largest expenditure category in terms of total expenditure (ROP and NOP, 3.94 percent of allocations[52] and 37.02 percent of expenditure). Within the ROP, environmental infrastructure represents a relatively smaller, but still sizeable, percentage of resources (both in terms of allocations and actual expenditure - 21.65 percent of allocations and 22.41 percent of expenditure). In this period, the nature of environmental projects starts shifting from large, expensive infrastructure (e.g. water and sanitation infrastructure) to less expensive projects, such as those for renewable energy. Furthermore, a difficulty emerges in this period in building urban waste disposal infrastructure in the provinces of Naples and Caserta, while the provinces of Avellino, Benevento and Salerno start investing in separate urban waste collection. The percentage of ROP ERDF resources devoted to infrastructure remains high in this period - around 70 percent of allocations and 73 percent of expenditure - probably reflecting a difficulty in adjusting to newer intervention fields, such as those in the sphere of social cohesion. The ROP emphasis on research and innovation remains substantial (18.39 percent of allocations and 18.74 percent of expenditure).

The 2000-06 programme period marks a different structure for both allocations and expenditure within the ROP, reflecting a shift in the explicit strategies towards social cohesion, information technology, and increasing the capacity of the public sector to manage existing resources through integrated policies. The nature of environmental investments continues to change, now including protected areas and environmental monitoring systems alongside energy, waste and wastewater, soil protection, land reclamation, and urban solid waste, coherently with the national strategy. The weight of this theme is larger in the ROP expenditure distribution than in total expenditure, due to responsibility for environmental issues having been transferred to the regional authorities. At the same time, the relative weight of innovation declines (5.86 percent of allocations and 5.97 percent of expenditure), reflecting a strategy focused on creation of excellence centres. Furthermore, ERDF resources are supplemented by ESF expenditure (amounting to €78 million, around 32 percent of total ROP expenditure for innovation). Urban regeneration, the creation of city networks and the investment in cultural heritage receive more attention than in the past (21.24 percent of allocations and 20.21 percent of expenditure). Once again, ROP allocations appear remarkably similar to expenditure.[53]

In this period, total ERDF expenditure (i.e. including expenditure under the NOPs[54]) places more emphasis than in previous periods on infrastructure and research and innovation (around 77 percent of expenditure, compared to 58 percent in 1994-99). Infrastructure includes substantial investments in: transport by the NOP Transport (c. €1,745 million, c. 21 percent of total ERDF expenditure in the region, funding, among others, the high-speed rail from Rome, which forms part of the high-speed train national project); surveillance systems (especially ICT equipment) by the NOP Legality and Security (c. €93 million, c. 1 percent of total ERDF expenditure and more than 80 percent of the NOP Legality expenditure in the region); and, ICT and laboratory equipment in

[52] This discrepancy is due to available data not including NOP allocations.
[53] This is due to use of allocation data from one of the last versions of the approved programme documents (i.e. following various reprogramming exercises).
[54] The most significant multi-regional/national programmes in terms of spending in Campania have been: the MOP Industry 1994-99 and NOP Local development 2000-06 (both providing aid to firms); the 1994-99 MOPs Railways and 2000-06 Transport; the 1994-99 and 2000-06 MOP/NOPs Research and the current NOP Research and competitiveness 2007-2013;, and the programmes Communication 1994-99, 2007-13 InOP Renewable Energy and NOP Legality and Security 2000-06, Education 2000-06 and Learning Environment 2007-13.

schools by the School NOP (c. €189 million, c. 87 percent of the School NOP ERDF expenditure in the region and c. 20 percent of total programme expenditure, including ESF, in the region, equal to just under 2 percent of total ERDF expenditure in the region). The weight of support to enterprise is magnified by the large expenditure of NOP Local Development (c. €1,114 million, c. 13 percent of total ERDF expenditure in the region), along the same lines of support to research and innovation, boosted by the success of Campania firms, universities and research centres in national competitions under the NOP Research (c. €561 million, equal to 6 percent of total ERDF expenditure in the region).

The data illustrated in the diagrams above compare expenditure to the final financial plans of the programmes and therefore do not show any significant shifts between initial allocations and actual expenditure between the eight themes or indeed programme priorities.[55] However, there were indeed reallocations between priorities. Considering only the 2000-06 programme period's ROP, for which both the final and the post mid-term review version of the financial plans are available, it is evident that there were significant gains in the inftrastructure-related priority of 'Networks supporting development' and a loss for the cultural resources priority. The 'cities' priority also gained resources during implementation. Nevertheless, as well as shifts among macro-categories of themes or programme priorities, discrepancies between planned and actual expenditure materialised in: (i) the use of coherent (or pre-funded) projects, i.e., projects funded with domestic resources and therefore conceived under different programmes and with different strategies in all programme periods from 1989-93 to 2000-06; and (ii) the internal composition of actual expenditure within the same priority, for example in the fields of entrepreneurial support and solid urban waste.[56] Shifts and discrepancies often did not reflect diverging implicit strategies, but simply emerged from what was possible and timely within the constraints of EU regulations, obstacles to implementation, and the learning processes and political priorities of national and regional authorities.

Figure 14 below shows a rough estimate of annualised expenditure,[57] ranging from €387 million in the period between 1995-1999[58] to €5,413 million in 2007-13, with a peak of €9,494 million in 2000-

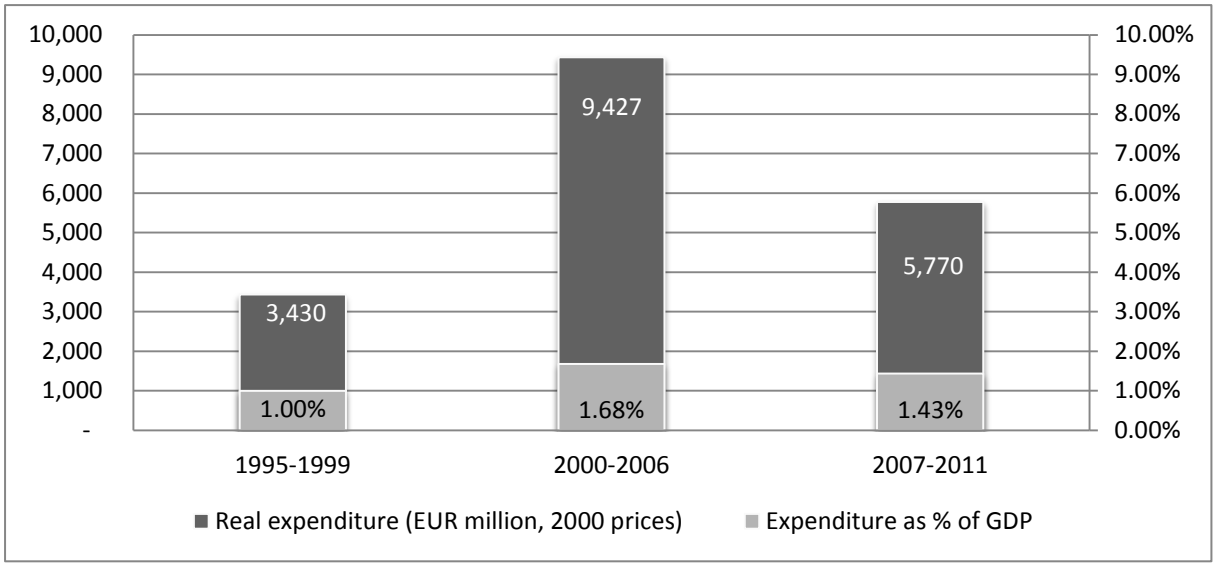
[55] The initial allocations were not available for most programmes.

[56] For example, in 2000-06 the ROP's strategy supported clusters of firms with regional aid schemes and within the Integrated Territorial Projects (PITs) focusing on industrial development. This complemented the support provided by the national 'Local Enterpreneurial Development' programme to medium-sized and large firms. However, in reality, during implementation the regional authority centred its action on the prevention of industrial decline in medium-sized and large firms as well as in SMEs in general (INT33). The 1994-99 POP originally provided for various types of solid waste disposal in all parts of the region. In the end, however, it was limited to funding selective collection projects in the provinces of Avellino, Benevento and Salerno.

[57] Annualised data should be used with great caution. Annualised data for 1989-93, which were spent over a much longer period during the 1990s, are not available. Data refer to 1994-99, 2000-06, and 2007-13 ROPs and all 2000-06 and 2007-13 ERDF-funded NOPs. For 1994-99, it was possible to obtain or estimate annualised expenditure data for only 8 out of 15 1994-99 NOPs. For 1994-99, data are limited to ERDF for the ROP and include ESF for a few NOP measures. For 2000-06, ROP expenditure includes ERDF, ESF, EAGGF and the Fisheries Fund, while NOPs expenditure includes ESF. The 2000-06 Fisheries NOP has not been included. For all 2000-06 NOPs, the Campania annual expenditure has been estimated assuming that the pace of spending of NOP resources in Campania was equal to that of the NOP as a whole. For 2007-13, only ERDF is included.
Data come from a variety of sources: IGRUE-Ministry of the Economy for data on all ROPs, all 2000-06 and 2007-13 NOPs, and some of 1994-99 NOPs. Data for other 1994-99 NOPs were estimated by using data from Final Implementation Reports, where available, and from databases provided by interviewees. For the NOP Industry, annualised data was available only for some measures. The annual expenditure profile of the largest measure (funding 448/92) was considered as a proxy to estimate the annual distribution of missing measures. Usually, Final Implementation Reports provided annualised data for the Mezzogiorno as a whole. This profile was also used to estimate the profile for the portion of the NOPs implemented in Campania. Residual issues in the estimations were solved in a way that tended to slightly understimate 2000 and 2001 expenditure.

06 (all values expressed in Euro/2000). As a share of regional GDP, expenditure increased from 1 percent in 1994-99, reaching 1.68 percent in 2000-06, then down again to 1.43 percent in 2007-13, following a similar trend as the evolution of real expenditure, given the slow performance of regional GDP until 2008.[59]

Figure 14: Evolution of annualised expenditure between 1995 and 2011 grouped by programme period (all values in Euros, 2000 prices)



Source: own elaboration.

Although these estimates should be treated with great caution, the percentage of annual expenditure on regional GDP can be taken as a proxy for the potential impact of Structural Funds on Campania's economy. This rough estimate points to a decline of the ERDF programmes' potential impact over the study period, compounded, in the last decade and even more so in the most recent years, by a similar decline in total public expenditure in the Mezzogiorno (SVIMEZ, 2012).

Figure 15 below describes the Structural Funds annual total expenditure as a percentage of Campania's GDP (2000-09). This scale of expenditure relative to regional GDP, in a context of decreasing national capital and ordinary expenditure, limits the extent to which Structural Funds programmes can contribute to counteract the effects of the long stagnation and (after 2008) the decline of regional economic performance. Still, the amount of resources could be expected to produce visible changes in the regional territory, particularly in sectors where funding has

The variety of sources produced slight differences between annual data and data on total expenditure data.

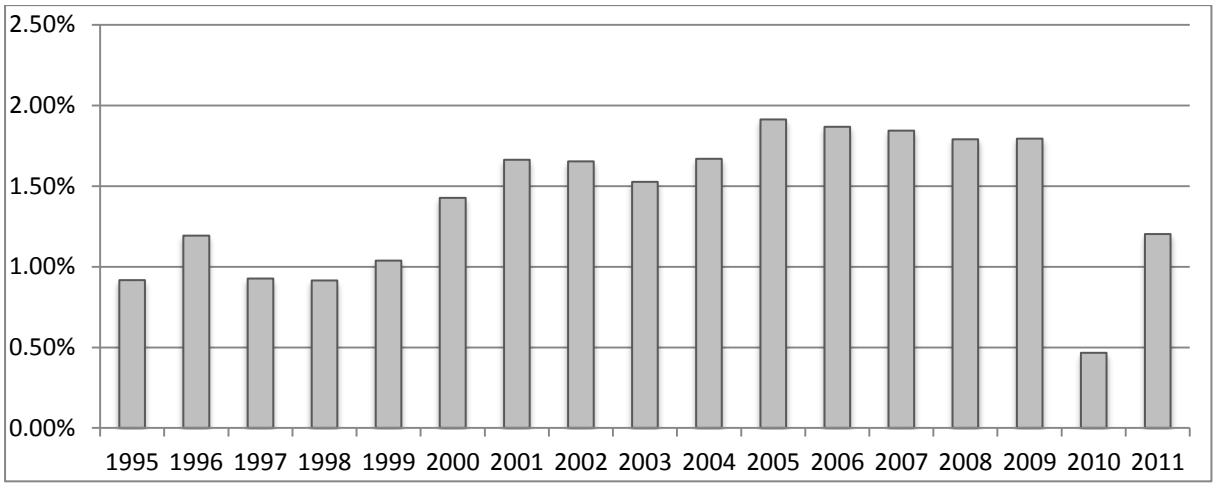
[58] The 1995-1999 interval was adopted in order to fit in with available coherent GDP data from ISTAT.

[59] These calculations are affected by the lack of data for 1989-93 and (partially) 1994-99, which artificially depresses expenditure until 2001, by the lack of EAGGF/EAFRD and ESF data for 1994-99 and 2007-13, and by the difference between the length of the programme period and the period in which it is possible to make payments (e.g. for the 1994-99 programme period, payments could be made until 2001). This creates overlaps between expenditures referring to different programme periods in some years, such as 2000, 2001, 2008 and 2009.

constituted a considerable portion of total expenditure, for instance in the fields of water, wastewater and sewage infrastructure, and transport and enterprise support.[60]

It should be noted that the increase in expenditure from the 1990s to the early 2000s and the decrease since 2008 are overestimated by the absence of ESF and EAGGF/EARDF data for 1994-99 and 2007-13. Separation of monitoring and programming for each Structural Fund obscures the full appreciation of the potential impact of the EU contribution to Campania's socio-economic development for most of the period covered by this study.

Figure 15: Annual total expenditure for available NOPs and ROPs as a percentage of Campania GDP (1995-2011)



Source: Own analysis of expenditure data and ISTAT data.

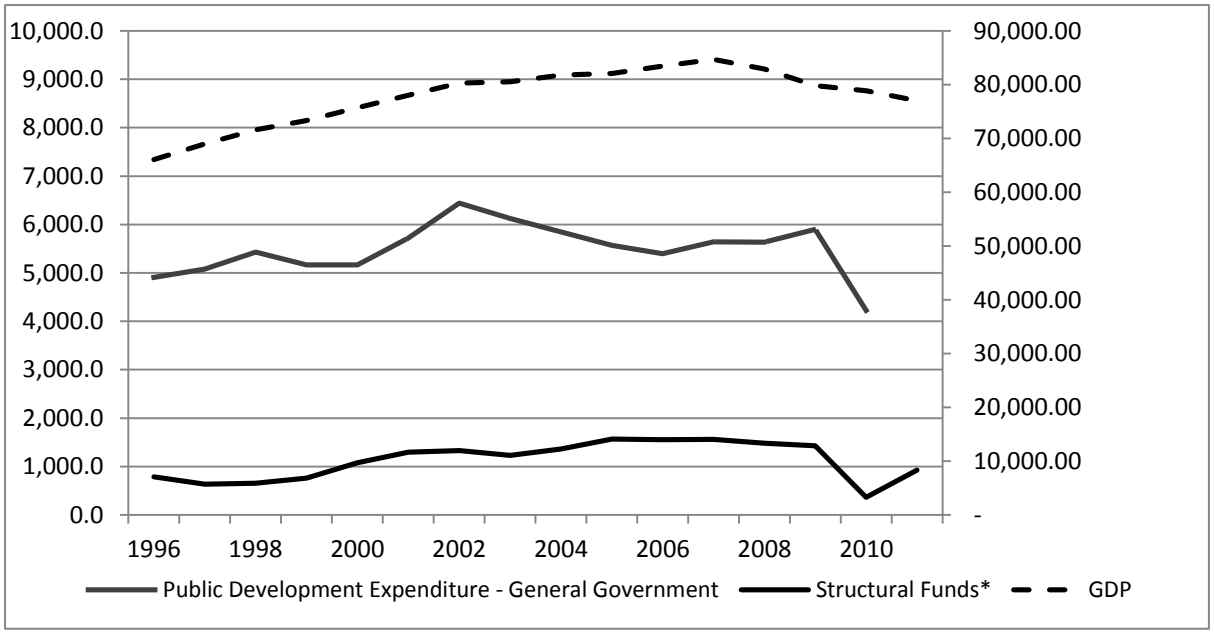
To conclude this review of expenditure, Figure 16 compares annualised expenditure with total development expenditure in Campania[61] and the region's GDP (measured on the right-hand scale). Given the limitations in the calculation of annualised expenditure (ERDF-inclusive programmes only) and the different nature of the two aggregates, the figure should be interpreted with caution. It shows that the total expenditure of the ERDF programmes in Campania, albeit very large in absolute terms, has always been relatively small in comparison with both the regional GDP and the overall public spending in the region. It has, however, increased its relative importance in recent periods, in concomitance with a decline in national spending, both for regional policy and ordinary expenditure (SVIMEZ, 2011; DPS annual reports, various years; Territorial Public Accounts database): over the period 1996-2010, total public expenditure in Campania reached 8 percent of Italy's total public expenditure only in 2008; for all other years, it remained below 8 percent (Territorial Public Accounts database). This is lower than Campania's share of national population of circa 10 percent throughout the entire study period. Figure 16 signals a clear fall in development expenditure coinciding with the effects of the 2008 crisis. It also shows that the overlap between

[60] This assessment partly derives from a comparison between the ERDF-programme expenditure data gathered by the research team with data from the database Territorial Public Accounts (CPT) by sector. However, there are differences in the definition used to classify expenditure, and the research team believes the comparison of data from the two datasets to be only meaningful for water infrastructure and transport investments. For enterprise support, the statement is based on interview evidence.

[61] This aggregate is larger than capital expenditure and includes, in addition to capital expenditure, human resources investments (similar to the type of investments realised within the Structural Funds programmes with ESF co-funding).

programme periods (in 2000-2001 and again in 2007-2009) compensates for the laborious first phases of implementation, which generally have the effect of delaying expenditure.

Figure 16: Annual total expenditure for available NOPs and ROPs (1996-2012), total public development expenditure in Campania (1996-2010) and Campania GDP (1996-2012) (all values in million Euros, 2000 prices)



Sources: Territorial Public Account Database and programme documents. Note: the label 'Structural Funds' indicates the total expenditure of the MOPs/NOPs and POPs/ROPs co-financed by the ERDF in Campania.

5. ACHIEVEMENTS ANALYSIS

This chapter examines the achievements of ERDF programmes in Campania throughout the period from 1989 to the present. It addresses each period individually, considering all ERDF programmes (regional and multi-regional/national) and thematic axes. The analysis of achievements has involved: (i) taking stock of the achievements as reported in the programmes' final implementation reports and, for the 2000-06 period onwards, the central monitoring system; (ii) assessing actual achievements through interviews, additional data, documents' appraisal (e.g. evaluation reports, independent/academic studies, books and press) and an online survey; and (iii) triangulating results. After the assessment of reported and actual achievements, the analysis turns to the institutional factors affecting achievements and to the complementarities and synergies between different funding sources.

5.1 Reported & actual achievements

In the analysis to follow, in Section 5.1.1 the discussion focuses on the outputs of the expenditure made by the projects supported by the ERDF, i.e. the measurement of activity or direct deliverables from projects (such as kilometres of roads built, number of businesses assisted and similar). These outputs have an effect on beneficiaries, conventionally termed results or gross effects, which are what the activity is seeking to change (e.g. improved accessibility, improved business performance leading to employment growth and increased turnover, gross jobs created etc.). Section 5.1.1 focuses on outputs rather than achievements in a wider sense, because measures foreseen in one programme were often continued into the next programme period. Especially for large infrastructure investments, but also more widely, it has often been the case that a programme would fund portions of investments that had been initiated in the earlier period/s or increments to earlier projects (examples of this are respectively the investments in the subway of Naples and for the Service Centre Il Tarì, both illustrated as project case studies in Annex I). The overall achievements of the investments realised and the change determined in the development of the region must thus be considered longitudinally, across programme periods. This is the focus of the next section (Section 5.1.2), which discusses results/gross effects by theme, across the entire period covered by the research.

5.1.1 Programme-level achievements

This section discusses the outputs of regional and multi-regional/national programmes in each programme period. This narrative is complemented by detailed tables of reported achievements presented in Annex III. Where provided in the sources consulted, the tables indicate the target value and the extent to which these have been achieved.

In the **1989-93 period**, monitoring and reporting focused mainly on financial progress. This was the case for both the Campania POP, which did not have a monitoring system in place (Regione Campania, 2000: 15; ISMERI EUROPA, 1995: 197, 207), as well as for the majority of MOPs (ISMERI EUROPA, 1995: 24, 207). During this period, 'monitoring activity consisted exclusively of following each intervention's financial progress' (ISMERI EUROPA, 1995: 24). For the regional programme of this period (POP 1989-93), nevertheless, the regional authority produced a Final Implementation Report in 2000 (Regione Campania, 2000), which summarised the number of projects funded and described the main interventions realised. The report dealt predominantly with financial and procedural issues, noting that 'the lack of a comprehensive monitoring system rendered the

detection of data particularly difficult' (Regione Campania, 2000: 15). Nevertheless, the report emphasised two important aspects with regard to achievements: first, the difficulty of isolating the effects of the POP, given the overlap with other projects (regional development projects under law 80/1984, the 1994-99 POP, the various CIPs); and second, that achievements were probably 'lower than expected' given the initial delays and operational difficulties, and the negative phase of the economic cycle (Regione Campania, 2000: 11).

The report also provided a list of the projects funded by the POP[62] and summarised achievements in relation to the following main areas:

- the realisation and upgrading of a number of roads, i.e. roads between urban centres and rural areas, roads to connect local roads with the national motorways and highways network, and intra-municipal roads (e.g. to improve the connectivity of industrial areas or tourist areas);

- the construction of various rail transport projects in the area of Naples to improve the connectivity within Naples and between the city and its hinterland (e.g. Naples' underground, the modernisation of one of the funiculars - the Central Funicular, two stretches of the Cumana railway, the station of Baia, and the upgrading and extension of the Circumvesuviana railway - the latter a major project);

- provision of incentives for investments and of industrial areas' infrastructure for SMEs, such as in the 'Industrial Development Areas' or 'Areas designated for Productive Investments' of Benevento, Caserta and many other smaller towns across the region, and including the aforementioned 'Tarì' goldsmiths service centre);

- the creation of logistics infrastructure in the inter-port of Nola, for the dispatch of containers from the port of Naples to the motorway network;

- various interventions of restoration and recovery of monuments, museums, archaeological areas and historical centres (e.g. the recovery of the historical centre of Caserta and various archaeological areas in the province of Salerno, the archaeological park Pausillypon and others), compounded by (limited) incentives to firms operating in the tourism sector for the realisation or upgrading of accommodation facilities;[63]

- the upgrading of water collection and distribution plants, for instance the basin of the Regi Lagni, a XVII century waterway system that has also been the subject of support in the 2000-06 and 2007-13 programme periods;

- the upgrading of the sewerage network (in 14 municipalities) and of seven depuration plants, alongside two hydrogeological and environmental interventions (in Capri and the Grassano Park, province of Benevento) and two major projects for the environmental reclaiming of the valley of the river Sele; and lastly,

[62] The research team obtained a semi-final draft of the Final Implementation Report and the list of projects in separate Excel files.
[63] This part of the programme proved to have limited appeal, given the co-existence of other more generous non-cofinanced instruments.

- building works in three universities (Naples Federico II, Orientale and Salerno).

Although it provides a list of realised projects, the FIR of the programme does not provide a detailed review of projects' outputs, nor does it provide aggregate values of gross outcomes (results), such as gross jobs created/safeguarded by the investments. Some more detail on the actual outputs of projects implemented can be found in the ex-post evaluation of the Italian 1989-93 CSF (ISMERI EUROPA, 1995: 122). However, at the time the evaluation was written, outputs recorded related to the end of 1993 and were estimated to have been only c. 50 percent of the target value. A summary of the programme's outputs, obtained from a combination of the two sources mentioned above – i.e. the FIR and the evaluation of the 1989-93 CSF (Regione Campania, 2000 and ISMERI EUROPA, 1995) - is provided in Table 15 in Annex IIIA. However, the two sources do not always tally, and it is not clear how the 50 percent outputs described in the evaluation report was actually estimated (the 50 percent estimate across all indicators appears rather arbitrary). The ex-post evaluation of the 1989-93 Objective 1 CSF also provides output values for the MOPs, but not disaggregated geographically. Some indication of the achievements of the 1989-93 MOPs can also be found in the 1994-99 Objective 1 CSF but, again, indication of what was realised in Campania specifically is scant. The achievements mentioned include: the upgrading of the railway connection Rome-Naples-Battipaglia under the Transport MOP, which was still underway in 1994; 500 unspecified projects funded by the Industry MOP (presumably aids to businesses for investments or services under existing national laws); the architectural restoration of the site of Paestum (Salerno) under the Tourism MOP; and a few interventions in the agriculture sector under the related MOP.

Physical monitoring data on the programmes of the **1994-99 period,** as well as the information on the targets to be reached, are more available than for the previous period. For the Campania POP, this was linked to investment of the programme's TA resources for the monitoring of the OP and the contracting of Arthur Andresen in 1998 (i.e. when the programme was already well underway). This external company devised a new monitoring system, in cooperation with the regional offices and various implementing bodies, and supported the regional officials in charge of the programme with the tasks of data collection, analysis and reporting. These measures have meant that, by the end of the period, the coverage rate of the monitoring of physical indicators had reached 64 percent, 88 percent and 81 percent for the ERDF, EAGGF and the ESF respectively (ISMERI, 2002). As a result, the final implementation report for the 1994-99 POP provides a detailed account of the outputs under different measures, and in some cases also of the results expected, as reported in Table 16 in Annex IIIA. However, target values are available for only a few measures.

As has already been noted, the 1994-99 POP supported similar types of investments as its predecessor (albeit in differing proportions):

- *transport infrastructure*, this time not just road and rail (including the underground of Naples and the inter-modal node of Nola-Marcianise - both investments that had already been present in the previous POP), but also Naples airport;

- *projects for the support of SMEs*, such as aids to businesses, industrial areas and business infrastructure (the most relevant ones being the Tarì Service Centre mentioned above, storage warehouses in the Campano Inter-port and a service centre in the Naples Industrial Development Area);

- a number of *projects to support the tourism industry*, including aids to tourism firms and restoration of sites (e.g. the national archaeological museum, the archaeological heritages of Baia, Amalfi-Ravello, the museum of Capodimonte, the Rione Terra of Pozzuoli and others – again, often a continuation of investments realised under the previous POP);

- *the creation or upgrading of buildings for research centres or universities*, laboratories and research projects;

- *environmental infrastructure - water and sewage treatment plants*, as well as waste treatment plants;

- *investments in natural protected areas*, such as surveillance, tourist centres, reforestation; and,

- *the upgrading of both rural villages and urban areas*, the latter particularly in Naples.

A full review of outputs planned and achieved, organised by theme, is provided in Table 16 in Annex IIIA. As has been mentioned, in addition to the POP, the 1994-99 period saw the implementation in the region of a special OP for the area of Pianura (a district of Naples). This programme essentially delivered building works for the creation of industrial, transport, environmental and social infrastructure.

Of the Multi-regional Operational Programmes of this period, the only ones for which information on achievements specific to Campania is available are the MOPs Industry, Airports, Civil Protection, Research and Roads. The information provided in these cases relates mostly to the description of projects and the indication of some output values realised. Targets and results are generally not provided (except, in a few cases, for the whole Objective 1 area, as shown in the tables in Annex IIIB).

The **Industry 1994-99 MOP** spent an estimated (at least) €2,663 million (constant 2000 prices) in Campania.[64] Reported achievements data on this MOP relate to the main investment scheme funded by the programme, law 488/1992 (the main domestic incentive scheme for firms at the time, providing non-repayable grants for machinery and other fixed investments. It received the vast majority of the resources of the MOP Industry). According to the ex-post evaluation of the 1994-99 CSF, in Campania during the period this scheme generated 2,011 gross jobs and a number of net jobs estimated between 1,448 and 543 (ISMERI, 2002: 168).[65]

The **MOP 'Airports'** funded a range of investments, both air-side and land-side for the enlargement of Naples airport.[66] Two of the planned investments - the new freight aerostation and the

[64] This is based on available (incomplete) sources, i.e. 2008 expenditure data for most MOP measures, net of withdrawals.

[65] 'The estimation concerns all the incentives implemented in the CSF's priority axis "Industry and Services" (about 14 thousand million Euros of total investments and 7.9 thousand million Euros of public spending) and is based on the results of a survey carried out on businesses that benefited from Law 488/92' (ISMERI, 2002: 168).

[66] (i) Upgrading of airport security, electrical works and upgrading of electrical and air-conditioning systems (covering an area of c. 4,400 sq. metres); (ii) enlargement of a parking lot, with the acquisition, environmental reclaiming and building works in an area of c. 18,000 sq. metres, generating c. 370 car-parking spaces); (iii) enlargement of the B-block of the airport (with creation of new check-in area with 12 desks, new ticket counters etc.); and (iv) enlargement and modernisation of the areas for aircraft-parking (increase of an

enlargement of some passengers' areas - were only realised in part and their completion was delegated to the NOP 2000-06 for Transport (Ministero delle Infrastrutture e Trasporti and ENAC, 2004: 67-112). Projects for the consolidation of mountain and hill sides (47), for the securitisation of river banks (77), for the repair of infrastructure damaged by landslides (127), and for the safeguarding of coastal and port areas (one) were delivered by the **MOP Civil Protection** (1997-99). The FIR of this programme, however, does not provide output measures disaggregated by region (Presidenza del Consiglio dei Ministri, Dipartimento della Protezione Civile, 2003). The **Roads MOP** realised 44 projects (out of 80 forecasted) for the upgrading and modernisation of the motorway between Salerno and Reggio Calabria (Ministero delle Infrastrutture e dei Trasporti and ANAS, 2003). Again, no output figures are available. Last but not least, Campania attracted a substantial amount of resources from the **MOP for Research, Technological Development and Higher Education** (43.6 percent). This meant the realisation of 11 university infrastructure projects, 25 projects in regional research centres, 56 industrial innovation projects, one technology transfer project, and 13 innovation projects in regional technology and innovation parks. The projects realised included various photovoltaic technology-related projects in the ENEA research centre of Portici (province of Naples) and a major project part of the National Programme of Aerospace Research by the Italian Aerospace Research Centre (CIRA) in Capua (province of Caserta) (Ministero dell'Università e della Ricerca Scientifica e Tecnologica, undated).

Altogether, the programmes implemented during the 1994-99 period have been estimated to have generated in Campania 17,646 'temporary' jobs (i.e. employment linked to the delivery of the interventions/projects), equivalent to 8.71 percent of the total temporary employment generated by the CSF, and 9,629 permanent new jobs, equal to 4.75 percent of the total new jobs created by the CSF (ISMERI, 2002: 158) - a rather marginal impact in terms of employment if compared to other eligible regions and the relative share of resources absorbed.

The ex-post evaluation of the 1994-99 CSF also provides an assessment of gross effects in selected fields. Those pertaining to Campania are summarised as follows (ERDF only; ISMERI, 2002: 160-165):

- +1.9 percent of new road stock (including motorways, national roads and provincial roads);
- +28.2 percent of new rail tracks and +12.4 percent dual track provision;
- the creation of 18,137 kilometres of new fibre optic (from a baseline of zero);
- 23 new water purification plants (+7.6 percent compared to what was already in place);
- 6,895 firms funded (in the industry and tourism sectors), a mere 2.6 percent of the existing businesses (the lowest value across all Objective 1 regions); and
- an increase of 18.3 percent in the provision of tourist accommodation (i.e. 29,534 beds, most of which – 27,504 – were in traditional accommodation and 2,030 via the support of so-called agri-tourism).

Moving on to the **2000-06 period**, the **2000-06 ROP Campania** and the related Programme Complement and FIR present a vast number of detailed output, results and impact indicators,

area of c. 100,000 sq. metres to 158,000; modernisation of an area of c. 680,000 sq. metres, creation of a new area of c. 12,000 sq. metres for the SOSTA of an aircraft the size of an MD80).

altogether circa 350, often accompanied by the related target values (often recalibrated during the programme period). However, these indicators are not very useful to assess the performance of the programme in its main areas of support and the six main goals that the ROP had set to achieve,[67] in that they are not always populated with values (Regione Campania, NVIPP, 2011: 131).

In considering the achievements of this programme, two issues should be borne in mind: first, due to the economic crisis, the use of the programme's funding was extended to June 2009; second, the programme made substantial use of 'coherent projects' (€2,254 million, around 30 percent of total expenditure, DPS, 2012: 222), thus *de facto* limiting its scope. Since, as has been mentioned, the 'freed' financial resources will be reprogrammed, a full appreciation of the programme's achievements would also have to take into account the prospective achievements of this portion of funding (Regione Campania, NVVIP, 2011; DPS, 2012).

A review of the outputs of the ROP (planned and achieved) based on the programme's FIR is provided in Table 17 in Annex IIIA. A number of considerations can be derived from this detailed review: first, the programme has realised substantial volumes of **infrastructure** – transport infrastructure especially, but also environmental infrastructure (i.e. wastewater treatment plants, protected areas, equipment for environmental monitoring, water distribution networks, soil protection, land reclamation). In the field of transport infrastructure, in particular, the programme has delivered a range of projects, many of which had been initiated in earlier programme periods. The programme has realised or upgraded subway tracks, new railways equipment, new roads and ports structures and infrastructure, determining the desired increase in the number of travellers utilising public transport (reaching well over 100 percent of the target) and, importantly, contributing to a decrease in exhaust pollution, aligning the region with the national average (Regione Campania, NVVIP, 2011: 78). However, as discussed in more detail in the next section, not all of the infrastructure projects are completed or, even when completed, operational (Regione Campania, NVVIP, 2011: 77). Interestingly, the ROP also funded studies on the regional mobility system, which are discussed later in this report.

Second, the programme has also funded improvements in the availability and uptake of **information technologies** (including through aids to firms for ICT investments and the acquisition of ICT services), achieving most of its targets in this field, for instance in relation to the creation of new network nodes and connected terminals, the construction of new portals and websites, and the provision of ICT services and of applications to both firms and the PA, delivering amongst others an increase in the overall territorial coverage of ICT, connecting 422 municipalities to the ICT network and enabling over 1,000 firms to be connected to the internet and have electronic mail, as well as spurring c. 700 firms to trade online (the last two values were below expectations, however, reaching only 70 percent of the targeted values) (Regione Campania, 2010; see Table 17 in Annex IIIA for more detail).

[67] Reduction of unemployment rate by 10 percentage points between 1998 and 2008; GDP growth equal to 66-68 percent of the national average; increase in the endowment of infrastructure to a level at least equivalent to that of the rest of the Mezzogiorno; 3 percent increase of the labour unit in industry; improvement in the quality of the environment; and an unquantified 'substantial' increase of the participation of women in the labour market (Regione Campania, 2010: 5). The degree to which these targets have been achieved has been assessed by the ex-post evaluation of the programme (Regione Campania, NVVIP, 2011) and is discussed in Section 6.1 (effectiveness).

Third, the figures reported in the programme's Final Implementation Report show that the substantial investments in the field of **enterprise support** have not had the desired effect of increasing the number of firms, arguably due to the impact of the economic crisis. For many of the indicators in this field, the ROP's FIR reports achievements below the forecasted values and even no progress in some cases (e.g. in some types of services). Somewhat surprisingly, nevertheless, the investments realised are linked to a projected increase of employment in the assisted industrial areas (despite the lower-than-planned number of firms settling there) and a higher number of jobs created than expected. It should be stressed, however, that the indicators referring to 'beneficiary firms' are calculated based on self-certifications by the recipient firms, i.e. based on forms submitted annually by the firms. The reliability of these values would thus have to be tested with ad hoc investigations (Regione Campania, 2010; see Table 17 in Annex IIIA for more detail).

Fourth, the reported achievements show that the programme has not been able to reach the anticipated results in all of the indicators relating to the **environmental theme**. Whilst the investments realised have increased the percentage of residents receiving wastewater treatment, improved the provision of water supply to households and businesses, increased the surface of territory that is monitored against certain types of risk, enhanced the rate of population reached promptly in case of danger, reduced the extension of areas classified as at risk of landslide,[68] recovered asbestos-polluted buildings and areas etc., these positive achievements are often lower than what the programme intended to deliver. Importantly, the ROP has delivered very few of the planned outputs in the field of solid waste treatment and the outcomes in the field of renewable energy have been mixed, with positive results confined to energy produced from biomass (Regione Campania, 2010; see Table 17 in Annex IIIA for more detail).

Fifth, the programme has realised important outputs in the field of **R&D and innovation**, funding 10 competence centres, RTDI infrastructure in universities (especially) and other research centres, almost 500 aids to firms for innovation and the adoption of technology. These investments have induced 445 product, process and/or organisational innovations in the firms supported, increased R&D expenditure in Campania to 1.49 percent of regional GDP, and provided employment to over 2,000 researchers (Regione Campania, 2010; see Table 17 in Annex IIIA for more detail).

Sixth, considerable outputs were achieved in the field of **urban regeneration and social infrastructure in urban areas** (albeit with underperformance in a number of outputs, e.g. sports, leisure and cultural facilities) (Regione Campania, 2010; see Table 17 in Annex IIIA for more detail). These have been assessed to have delivered 'an increase in the stock of urban public functions available to the citizenship … [but] not always contributed to an increase of the quality of living' (Regione Campania, NVVIP, 2011: 108).

Lastly, mixed results were reported relating to the interventions that can be classified as pertaining to the theme of **structural adjustment**, where the considerable improvement in the refurbishment of tourism sites and the investments in new or modernised accommodation facilities have not been

[68] A significant problem in Campania, exacerbated by the circumvention of building laws. In 1998, a major landslide of two million cubic metres of mud swept away four municipalities in the province of Salerno: Sarno, Quindici, Siano and Bracigliano, causing 160 deaths and the destruction of hundreds of houses. Tortora F., Sarno dieci anni dopo la frana. Un sistema di sicurezza che dà poca fiducia e case costruite nelle zone più pericolose, *Il Corriere della Sera*, 4 May 2008 http://www.corriere.it/cronache/08_maggio_04/sarno_tortora_a54d53a4-19e0-11dd-ab0f-00144f486ba6.shtml (accessed 23 October 2012).

matched by a parallel increase in visitors/stays (Regione Campania, 2010; see Table 17 in Annex IIIA for more detail). Arguably, this has also been due to the urban waste crises and, subsequently, the onset of the economic crisis – this theme is discussed in more detail in the next section, under the 'structural adjustment' topic.

Further insight and assessments related to the programme's achievements, in addition to the data contained in the programme's FIR, are presented in the ex-post evaluation of the programme, which was undertaken by the regional evaluation unit (Regione Campania, NVVIP, 2011). The evaluation focuses especially on the effectiveness of the programme (discussed in Section 6.1 below), and in so doing it highlights the diversified performance amongst and within the various policy areas (Regione Campania, NVVIP, 2011: 96).[69] It also raises the problem of the fragmentation of interventions into too many different streams and projects, which the evaluation identifies as a cause for the programme's inability to achieve the objectives set, in that it precluded the necessary momentum of funding to generate critical mass (Regione Campania, NVIPP, 2011: 42, 131).

As in past programme periods, also in 2000-06 the ROP represented only part, albeit a large part compared to the past, of the total support provided by the ERDF in the region. The Final Implementation Reports of the seven NOPs implemented in this period present a fairly detailed overview of outputs and results realised and, in some cases, also a discussion of the impacts of the programmes. Most indicators are provided for the whole Objective 1 area, but some FIRs also include information specific to each region (indicator values and description of interventions realised). Table 5 below provides an overview of the main aggregated outputs realised in Campania with specific regard to ERDF-supported investments. Results indicators are mostly indicated for the whole Objective 1 area and are thus not presented in the table below (a full list of output and results indicators for the NOPs for the entire Objective 1 area and all funds is provided in Annex IIIB).

[69] Including labour policies and education and training, which pertain primarily to the ESF.

Table 5: Campania-specific outputs (and in some cases results) of the NOPs 2000-06 (Main outputs, ERDF only)

	A OP Target	C Actual Output	% C:A
Transport NOP			
Development of nodal infrastructure (No. of projects)	NA	34	-
Improved roads and railway connections (No. of projects)	NA	13	-
Development of main connection lines (No. of projects)	NA	16	-
Overall increase of the long-distance railway network	NA	7.9%	-
Increase in railway network length (km)	NA	79	-
Increase in national road network (kmq)	NA	1,359	-
Increase in highway network (kmq)	NA	442	-
Increase in rail network connecting main tracks to nodes (km)[70]	NA	33	-
Increase in railway traffic (Change in train*km between 2009 and 2001)[71]	NA	7.91%	-
Increase in railway network capacity	NA	21%	-
Local Entrepreneurial Development NOP			
Business aids in industry, commerce, tourism and handicraft (law 488/1992) (No. of projects)	NA	3,279	-
Integrated Aids Packages (No. of projects)	NA	71	-
Technologies for information and communication systems for security (No. of projects)	NA	52	-
• Detection stations	2,206	2,206	100%
• Databases	2	2	100%
• Territorial information systems (IS)	1	1	100%
• Monitoring systems	17	20	117.6%
• Communication & control systems for the development and application IS within the PA	26	28	107.7%
• Development and application of IS within the PA	4	4	100%
Developing and improving legality (No. of projects)		20	
• Monitoring systems (for the entire Objective 1 area)	10	10	100%
• Feasibility studies	14	14	100%
• Audiovisual materials	1	1	100%
• Communication and control systems	18	19	105%
• Information systems	1	1	100%
• Other structures	33	34	103%
• Instruments for the implementation of OPs	52	52	100%
• Construction and experimentation of models and prototypes	NA	1,521	-
Research NOP			
P1 - R&D in industry and strategic sectors			
No. of projects	NA	298	-
• Enterprises involved	NA	340	-
• Universities and research centres involved	NA	58	-
• New patents	NA	71	-
• Process innovations	NA	202	-
• Product innovations	NA	219	-
• New processes	NA	184	-
• New products	NA	466	-
• New services	NA	105	-
Expected results			
No. of patents registered with EPO per million inhabitant (in 2000 and 2006), %	8.4	11.1	132.1%
Internet dissemination in families (2000 and 2009), %	12.9	45.3	351.1%
Internet usage in firms (2003 and 2009), %	16.1	22.9	142.2%
'Innovative capacity' intended as overall amount of firms', universities' & PAs' R&D activities (2000 and 2007), %	1% (appr.)	1.2%	120%
P2 - Strengthening and opening-up the scientific and higher education system (i.e. science-technology-market relations and interlinkage between science and productive systems)			
No. of projects	NA	55	-
• Interlinked bodies	NA	10	-
• Information systems linked	NA	102	-
• Cabled environments	NA	3,173	-
• Terminals	NA	9,773	-
• Infrastructured area (sq. m.)	NA	24,143	-
• Researchers working in the structures	NA	4,346	-
• Students operating in the structures	NA	104,897	-
• Technicians operating in the structures	NA	5,191	-
• Members of staff exposed to new technologies	NA	9,202	-
• New innovative services created	NA	79	-
• New software created	NA	55	-
• Potential users	NA	501,046	-

[70] This is a subset of the increase in railway network length, and it refers to the *Alta Velocità* line entering the node of Naples and the node of Naples line '*a monte del Vesuvio*.'
[71] Alta Velocità between Rome-Naples.

School NOP			
New technologies and upgrading of teaching methods (labs in schools, media libraries, equipment for the less able, cabling and networking of schools, etc.) (No. of projects)	NA	631	-
Infrastructure for school inclusion and social integration ('resource centres' against early school-leaving) (No. of projects)	NA	32	-

Source: The programmes' Final Implementation Reports. Excludes Technical Assistance and Systemic Actions NOP.

Of the national programmes, the most significant one in terms of funding and investments realised has been the **Transport NOP 2000-06**. Of this programme, the region absorbed c. 38 percent of resources, equal to around €1,745 million (constant € 2000 prices). Such resources went for projects for the development of nodal infrastructure (34), the improvement of roads and railway connections (13), and the development of main connection lines (16). Examples include: the funding of further investments in the inter-port of Nola; the upgrading of parts of the Salerno-Reggio Calabria A3 motorway (realising, between the two regions circa 10.7 percent of the total 737 km); the high-velocity/high-capacity Rome-Naples line (generating an overall increase of the long-distance railway network in Campania of 7.9 percent). The programme also realised investments to improve the linkages between the North of the Province of Caserta and the airport of Naples, the A1 Rome-Naples motorway and the main railway stations, and the upgrading of Naples airport (with some projects carried forward from the 1994-99 programme).

The **Local Entrepreneurial Development NOP 2000-06** realised investments in Campania in the region of c. €1,135 million (constant 2000 prices). In Campania, it funded almost 3,700 projects, of which 3,279 were business aids under law 488/1992 and 71 were Integrated Aid Packages, comprising aids for fixed investments, plus grants for research and/or training/networking (Ministero dello Sviluppo Economico, 2010: 28, 35-36).[72] The FIR provides data relating to the gross and net employment created (temporary and consolidated), but not disaggregated territorially.

Two other financially significant NOPs of this period are the Security and the Research NOPs, which spent in Campania c. €175.5 million and €783 million respectively over the period (constant 2000 values). Of the **NOP Research,** Campania has absorbed 35.9 percent and 36.6 percent of the overall respective ERDF and ESF-cofunded investments realised. This appears coherent with this region's dominant position compared to the other Mezzogiorno regions in relation to R&D propensity (as discussed in Chapter 2). At the same time, this percentage is lower than the equivalent percentage of the 1994-99 Research MOP, probably reflecting an improvement in research capacity within the other Mezzogiorno regions. In addition to the interventions co-funded by the ERDF in Campania, summarised in Table 5 above, it should be noted that an important, complementary part of the programme is represented by the ESF-supported investments for the 'development of human capital of excellence' in firms, the public administration, higher and further education (e.g. sponsorship of undergraduate and postgraduate studies and other projects supporting the creation of skills and employability). Of these projects, the region has implemented more than one-third (33.5 percent), thus a much higher proportion than the other remaining five regions.

The **Security NOP** funded a wide range of activities for the fight and prevention of criminal activities and the safety of citizens and economic operators. This has entailed support to two main types of investments: new technologies for the control of the territory, together with new telecommunications networks and information systems (e.g. to improve the reaction times of police and to increase the efficiency of the judiciary system); and interventions to disseminate and promote a culture of legality. These strands of activity have also included investments for the

[72] As well as, on the ESF front, 326 training projects reaching almost 3,800 individuals, of which 1,262 women.

protection of the local environmental, cultural and archaeological heritage (e.g. new technologies for mapping and monitoring areas,[73] video surveillance of sites). The FIR quotes examples of projects implemented in Campania, for instance: the mapping of archaeological areas and the securitisation of a number of areas of cultural, historical and archaeological value via the creation of a system based on five operational bases across the regional territory (ensuring a coverage of 77 percent of the regional surface), and various projects for the utilisation of goods confiscated from the *camorra,* such as the villas of camorra bosses, e.g. for social services (including the development of a central platform for the digital maintenance of the related information).

Lastly, the FIR of the **School NOP 2000-06**, which spent c. €189.8 million in Campania, indicates that the programme realised projects in Campania in more than 6,000 schools (between ERDF and ESF). Of these, 1,631 benefited from ERDF projects for the introduction of new technologies and upgrading of teaching methods (different types of labs in the schools, media libraries, equipment for the less able, cabling and networking etc.) and 32 from new infrastructure for school inclusion and social integration, notably 'resource centres' against early school-leaving.

There are no ex-post evaluations of the NOPs and, reflecting the changed orientation of the European Commission (DG Regio) toward ex-post evaluation, there is no comprehensive ex-post evaluation of the 2000-06 Italian CSF, as there had been in previous programme periods. The ex-post evaluation of the 2000-06 ERDF programmes was organised thematically, and, although various work packages in which the evaluations were organised foresaw regional case studies, there was none specifically on Campania.

Moving on to the **2007-13 programme period**, it should be noted that all programmes are lagging in terms of expenditure. At the end of 2011, the ERDF Regional Operational Programme Campania 2007-13 had produced expenditure for only 12 percent of the allocated resources, and although the figure has been improving over the past months, the situation is such that discussing achievements is premature. Nevertheless, Table 18 in Annex IIIA provides an overview of the outputs of the Campania ROP 2007-13 so far, as summarised in the Annual Implementation Report for 2010. However, these outputs should be read with the awareness that the programme is currently undergoing a major reprogramming exercise, as already noted, which will affect both the targets initially set (that will be changed) and the outcomes that will be realised.

Programme indicator system

Throughout this section, a crucial issue has been the nature and comprehensiveness of indicators used and the degree to which the monitoring systems were able to follow and facilitate the effective implementation of programmes, account for the outputs and results achieved, and thus allow the ex-post estimation of achievements and effectiveness.

In Campania, increasing attention has been paid to the physical monitoring of programmes but, given the initial baseline, improvements have been incremental. In 1994-99, physical monitoring

[73] For instance, the project SITA (Information System for the Protection of the Environment) realised with the involvement of a number of different bodies (*Carabinieri, Guardia di Finanza*, Police, Forestry Corps, Agency for the Protection of the Environment, and regional, provincial and local authorities). This project has implemented an automated information system for the gathering and analysis of data that allows mapping of the entire Southern territory aimed at the prevention and fight to crime in areas such as the illegal dumping of waste, illegal construction, water pollution and damage to the environment.

pertained primarily to the number of projects realised, rather than the outputs and results of projects. Despite efforts to design and implement better monitoring activities, the information generated on the 2000-06 programmes was unable to fully serve the purpose of the ex-post evaluation. As far as the Campania ROP 2000-06 is concerned, the system presented a number of gaps and weaknesses which meant that for many policy areas it was difficult to assess the degree to which the objectives set were reached (Regione Campania, NVVIP, 2011). Weaknesses related to the inability of programme authorities to set realistic targets and populate the system with reliable information (Regione Campania, NVVIP, 2011), a problem that held true also for financial and not just physical data. In many cases, populating the data relating to the achievement of physical indicators would have required the collection of information through ad hoc surveys, field visits or other targeted research, which hardly ever materialised.

With regard to the multi-regional and national programmes, on the other hand, a major shortcoming so far has been the limited availability of physical data disaggregated territorially. Whatever information is available, it is available for the entire eligible area, rather than the given region. A national project database for all co-financed programmes (national and regional) has been in existence since the beginning of the 2000-06 programme period, but this has only covered financial and procedural information relating to the projects funded, and not physical outputs. This information gap has been addressed in the current programme period by the creation of a national database inclusive of physical as well as procedural and financial information. Such a system relies on devolved delivery, however, and raises issues of quality and reliability of data. The recent national initiative '*Open Coesione*' – a publicly available and easily accessible database - is intended to address this challenge (www.opencoesione.it).

Lastly, a fundamental shortcoming of the indicator systems of all programmes has been the inability to track results indicators, linked to the fact that the evolution of this type of indicator by nature goes beyond the duration of the programme and that, even during the programme, such type of indicators needs to be tracked down through ad hoc activities. This problem affects crucial indicators, such as job creation, which are essential to assess the programmes' performance (Perrin, 2011; Martini, 2008). Views about whether tracking this type of indicator should pertain to the programmes' monitoring systems differed amongst interviewees.

This section has primarily reviewed and described the outputs generated by the ERDF programmes in the Campania region over subsequent programme periods. Naturally, however, such outputs are only relevant insofar as they contribute to determine a change in the economic, social and environmental situation of the region. This is the topic discussed in the next section, longitudinally and by theme.

5.1.2 Analysis by theme

Of the eight themes adopted as an analytical reference for this study, the development of infrastructure has had the greatest effect, particularly transport infrastructure (and, in the earlier programme periods, water infrastructure). ERDF programmes have also been quite successful in fostering research, innovation and technological development, in generating integrated urban development, and in the promotion of structural adjustment via the development of tourism and, more recently, through bottom-up local development initiatives pertaining to the full exploitation of cultural and environmental heritage. In other themes, notably enterprise development and

environmental sustainability, achievements have been disappointing or mixed, varying territorially or by type of beneficiary.

Beyond the eight themes that are the focus of the research, ERDF programmes contributed considerably to the increase of competencies and the dissemination of more efficient and effective administrative practices within the regional administration. This was a theme that emerged repeatedly during interviews and in the workshop, but considerable further improvements are still needed (e.g. INT3, INT56, INT57). Nor have the substantial resources invested in the promotion of legality and security delivered satisfactory results. Both of these themes are briefly discussed at the end of this section.

In the paragraphs to follow, the analysis will discuss the main achievements realised throughout the entire study period in each theme, the wider contribution made by these achievements to the region's socio-economic situation, and the specific role that the ERDF programmes have played in determining, together with other factors, the achievements discussed. It should be read with the following caveats: first, it is generally difficult to isolate the exact contribution of the ERDF programmes to the developments observed, given the intervention of other sources of funding in the same policy areas and the contextual changes that have occurred in Campania independently from public policy; second, it is also difficult, in many cases, to provide exact correspondence between the outputs realised (summarised in Section 5.1.1) and the wider impacts delivered, given the lack of statistical data on relevant indicators covering a sufficiently long period of time; and, lastly, the assessments proposed in the paragraphs to follow relate to the extent and the direction of change to which the ERDF programmes have contributed, and they do not extend to the consideration of whether the results achieved were commensurate to the resources applied.

(i) Infrastructure

A constant priority throughout the programme periods has been the creation and upgrading of infrastructure, particularly in the transport and environmental fields. This is also the area where the most tangible achievements have been realised. Throughout the study period, investments in infrastructure have utilised resources from both the regional and the multi-regional/national Operational Programmes, in addition to domestic spending for regional development and sectoral policies. The ERDF programmes reviewed in this study, regional and multiregional, invested c. €5,806 million in the theme of regional infrastructure endowment until mid-2012 (constant 2000 prices), equivalent to circa 29 percent of the overall expenditure across the study period. This amount fluctuated over the periods, from 34 percent of expenditure in 1989-93 (although for this period only regional programme data is available, thus the total figure, inclusive of MOP spending, would be even higher), to 29 percent of expenditure in 1994-99, to 22 and 14 percent in the 2000-06 and 2007-13 programmes respectively (for the current programme, spending is still underway). A comprehensive examination of the achievements under this theme requires the review of the different types of infrastructure realised and their overall impact on the territory, mainly transport infrastructure, environmental infrastructure, telecommunications and industrial infrastructure.

Transport infrastructure (roads, railways, urban rail transport in the metropolitan area of Naples, airports, ports and logistical platforms) is by far the area in which the most significant achievements have been realised. This was widely confirmed by the interviews undertaken (e.g. INT1, INT22, INT27, INT51, INT55, INT60 and others), by the discussions held during the workshop,

and by the survey returns. The 2000-06 ROP alone invested c. €339 million in the so-called 'regional metropolitan system' (*sistema metropolitan regionale*) – Naples' underground and three surface rail networks, the Cumana, Circumvesuviana and Circumflegrea railways - to be continued with a further c. €400 million (allocated amount) in the 2007-13 period (INT1). This sector has also received substantial investments from domestic sources (regional development and sectoral transport policy resources).

Until 2000, the investments in transport infrastructure within the co-financed programmes tended to be ad hoc and incremental[74] - reflecting the approach adopted to programming more generally, where programmes were 'a summation of things that were feasible' (INT56). From 2000 onwards, on the other hand, investing in transport infrastructure became not just a major component of the development strategy pursued by the region, as already discussed, but also a comprehensive and integrated effort. This entailed an explicit strategy of competence subdivision between the two different sets of programmes (national and regional) and, to a more limited extent, funding sources (ERDF focused on rail and domestic funds on roads). The fulcrum of this strategy, which ensured complementarity and added value, was the Regional Transport Plan, a document derived conceptually from the vision that had been introduced in Naples under Antonio Bassolino's experience as a Mayor and that was scaled-up once he was elected as Regional Governor (INT1, INT13). The core of this strategy - an approach that became known in public parlance as 'the iron cure' - was the creation of an integrated public rail transport system, including Naples' underground (c. 40 kilometres of completed network, in addition to some lines that are still to be concluded, as discussed in the project case study in Annex I), the Circumflegrea, Circumvesuviana and Cumana train lines, and the regional lines of the Italian railways system.

In addition, as illustrated in the previous section, the national programmes implemented the high-speed/high-capacity connection Salerno-Naples-Rome (arriving in Naples' central station with a dedicated track, thus 'freeing' other lines for metropolitan transportation, ACAM, 2010: 11). This investment cut traveling times between Rome and Naples by 38 percent (from 1 hour 45 minutes to 1 hour 5 minutes) (Gentile, 2008), generating new commuting patterns from Naples to Rome.

These investments were complemented by non-ERDF-funded measures, such as the introduction of an integrated fare and single ticketing system across the various transport operators, through the establishment and then progressive enlargement of a consortium of operators.[75]

[74] This in itself was the cause of serious administrative and delivery problems, which are discussed in detail in the project case study on Naples' underground system.

[75] Unico Campania: established in 1994 for the area of Naples – with the name Napolipass – and progressively enlarged to cover, since 2003, the entire regional territory and almost the whole regional population; see http://www.unicocampania.it/?lang=it&center=inside&colonna=consorzio&action=storia.

Figure 17: The regional metropolitan system (il sistema metropolitano regionale)

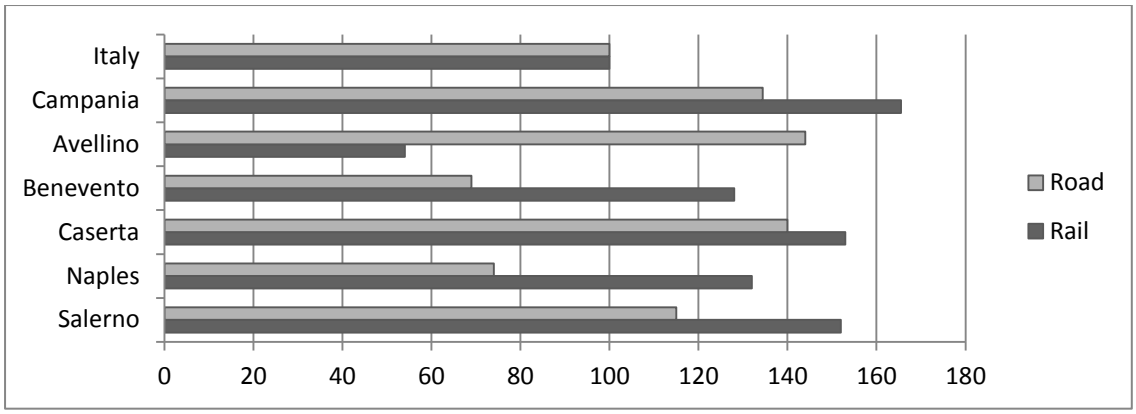
Source: Gentile (2010) *Infrastrutture, industria, servizi di trasporto e logistica in Campania*, Terzo rapporto annuale ACAM 2009, Naples, 8 March 2010 (own translation of title and legend into English).

A further strand of investments related to the realisation of a large logistical platform (inter-porto) in Nola-Marcianise. This received substantial investments in the 1989-93, 1994-99 and 2000-06 periods. The centre has become one of the most important in the whole of Italy, creating 'jobs, movement and the aggregation of industrial settlement' (INT55) and, in 2012, the inter-port has become the logistic hub for the first private high-speed train service in Italy (the train Italo, of the new company NTV).

Further, a substantial amount of new or improved roads were created with the support of regional and multi-regional/national programmes, together with investments in Naples airport and the development of harbours in Naples and Salerno (for detailed output figures, see Section 5.1.1 and the tables in Annex III).

As a result of all these investments, and as discussed in Chapter 2, Campania is currently well connected internally and externally, nationally and internationally, and by land, air and water. For instance, the region now has a network of road and rail that is higher than the Italian average (134.4 percent and 165.5 percent of the Italian averages respectively) and thus higher not just than the Mezzogiorno average values but also than the average provision available to the Centre-North of Italy (98.9 percent and 121.3 percent respectively), albeit with a provision that varies quite significantly across the regional territory (Figure 18). Campania's public transport supply in terms of spatial coverage is second only to Lazio, even though in per capita terms the regional supply of public transport is still below the national average (Donati, 2010).

Figure 18: Road and rail availability relative to the Italian average (Italy = 100)



Source: Elaboration based on data from Gentile (2010) *Infrastrutture, Industria e servizi di trasporto e logistica in Campania*, Terzo rapporto annuale ACAM 2009, Naples, 8 March 2010.

An assessment of the change in the level of accessibility over the period would require general accessibility measures which are not available, though the ESPON database provides an indication of the evolution of the region's accessibility between 2001 and 2006 (ESPON Database data by Spiekermann & Wegener). Table 6, below, shows that by 2001 Campania was more accessible than the Italian average and that general accessibility continued to increase until 2006 (although at a lower growth rate than the rest of Italy). The pattern of air accessibility is not very different, with Campania starting with values higher than Italy and experiencing an absolute increase in the relatively short time-span tracked by the ESPON database (though, again, in the context of a relative decline compared to the rest of Italy). Within the region, Naples is by far the most accessible province by both air and overall (and perhaps for this reason is also the province whose accessibility increased the least). It is plausible that the increase in air accessibility of other provinces is linked to the investments in secondary road connections to link Naples airport to other regional areas.

Table 6: Accessibility, 2001 and 2006

	Multi-modal accessibility	Air Accessibility
	% change 2001-06	% change 2001-06
Italy	**7.4**	**6.4**
Campania	**2.3**	**1.3**
Caserta	**2.9**	**1.5**
Benevento	**3.2**	**1.4**
Naples	**2.2**	**1.4**
Avellino	**2.2**	**1.4**
Salerno	**2.6**	**1.4**

Source: ESPON database, Spiekermann & Wegener. NUTS 0 and NUTS 2 data derived by the authors as weighted averages of relevant NUTS 3 data.

Naples airport – though improved and extended over time – is not yet connected to Naples public rail transport. This is a shortcoming, not least due to the lack of enforcement of the regulated fare for taxi transfers between Naples city centre and the airport.The extension of the public transport system to the airport is planned to take place in forthcoming years (as shown in Figure 17 above).

Leaving overall accessibility aside, it is probably the change in intra-regional mobility patterns and the increased use of local public transport that is more indicative of the impact of the investments

on the regional population. The regional metropolitan system, which as discussed was realised through ERDF support, has induced new 'relational geographies' between the various urban centres in Campania (Regione Campania, NVVIP, 2011: 107). At a more local scale, the new lines and stations of the Naples underground make it faster to use local public transport from peripheral areas to access central neighbourhoods. As noted by an interviewee: 'My secretary from Piscinola needed more than one-and-a-half hours to commute to work; now she needs 25, maximum 30, minutes' (INT1).

Reduced travelling times have been a significant result and can be assumed to have a positive impact on labour, allowing job-seekers to expand their potential commuting area and women to better reconcile family and work (INT18). Although the research uncovered anecdotal evidence suggesting that this is occurring (INT1, INT33), it is difficult to prove the exact extent of this and what are (and are likely to become) the longer-term employment effects of these investments in the absence of ad hoc research. Such impacts are invariably also linked to other factors (not least the state of the economy, which has meant that female employment overall has decreased in the last decade, as has already been discussed). A side effect of the increased internal mobility has been the opening-up of certain areas of Naples (e.g. the Vomero area, the area of Piazza del Plebiscito) to parts of the resident population that until then had been marginalised on the outskirts of the city.

The investments in railways and urban transport have also contributed to a reduction in air pollution. Overall, the total emissions of greenhouse gases at regional and provincial level between 1990 and 2005 have decreased by c. 17 percent, in counter-trend compared to the national average (Autorità Ambientale, 2012: 37), even though traffic congestion in Naples continues to remain a concern.

It is not possible to isolate the exact contribution of ERDF funding to the achievements described above. This is because: (i) different parts of the same investments were realised with different funding sources; (ii) outcomes such as the ones described above are the result of the whole variety of investments implemented over time with different funding streams; and (iii) the considerable use of coherent projects. In the 2000-06 ROP, coherent projects accounted for 75 percent of the certified expenditure under this policy area (Regione Campania, NVVIP, 2011: 104). However, this does not indicate that the ERDF-funded investments would have been undertaken anyway. On the contrary, the ERDF funding was essential to deliver results of this scale. In the field of transport, coherent projects were used to accommodate a longer project cycle than the EU programme period, rather than as mere substitutes, in the context of a carefully built and implemented transport strategy (raising, nevertheless, questions about additionality).

As noted by one of the interviewees, 'Naples underground, the motorway Naples-Pompeii (of which the third lane is now being built), they are all [co-financed by] Community funds: they would never have been realised without them' (INT55). Since 2000, moreover, the regional ERDF programme has been considered useful in tying the investments to a binding timetable, also acting as a framework for domestic transport policy, such as the so-called Legge Obiettivo (Target law) and the Institutional Programme Agreements (INT13).

However, currently the use of the public transport infrastructure realised (and especially urban railways) does not fully match the level of infrastructure built. Maintenance and operating costs are

high, as expected, and, in the context of the current public finances and the region's difficulty to meet the stringent parameters of the stability pact (INT42, INT69), this has meant that some of the structures built are underutilised (or even unused), and that transport supply has been decreasing (INT13).[76] This limits the actual impact on end-users. Having acknowledged this, the overarching judgement formulated remains valid: the ERDF-supported investments for the realisation of transport infrastructure in the metropolitian area of Naples have had a transformative effect on the region and are the one field in which achievements have been the most significant.

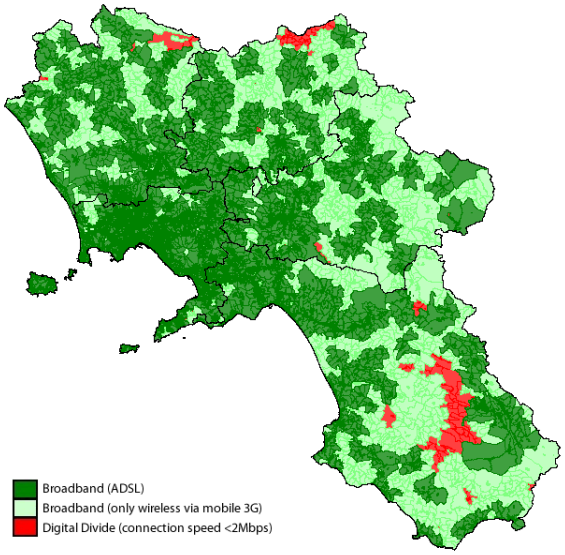
Information and Communication Technologies are also an area in which the programmes have realised important achievements. Broadband infrastructure has been supported since 1994-99,[77] for instance via the creation of network nodes and terminals, and kilometres of fibre optic broadband (more than 18,000 in 1994-99, through investments from the Telecommunications MOP). ERDF support has been instrumental in attaining broadband coverage close to 100 percent, meaning that today Campania is better endowed than some regions of the Centre-North of Italy (a more detailed summary of the outputs realised in this field is provided in Section 5.1.1 and in Annexes IIIA and IIIB). As discussed in Chapter 2, ADSL now covers 92 percent of the resident population with a further 4.2 percent served via 3G (wireless), i.e. a total coverage of 96.2 percent (Figure 19).[78]

[76] The views amongst interviewees on this issue vary, particularly about whether this problem is contingent or structural. Some tended towards the latter view, arguing that 'Naples underground has shattered the finances of the municipality' (INT69), as a result of a perverse logic, according to which new infrastructure was built neglecting the maintenance of infrastructure already in place (INT16) and as a result of an underestimation of the upkeep and running costs that the new infrastructure built would entail (Regione Campania, NVVIP, 2011). On the other hand, other interviewees considered that a public transport system that has increased by 75 percent, such as that of Naples, obviously needs to be maintained and financed, and that this is a matter of political prioritisation (which has now been lost) (INT13). This same consideration also applies to the cost of tickets, which needs to be subsidised (public transport is never profitable). The problem would thus rest not so much on the availability of resources, but on the political willingness to allocate funding to this priority. This view is supported by data published by ASSTRA - the representative body of Italian local public transport providers - according to which 'Campania is the region that has cut the financing of service contracts the most' (INT13).

[77] Previously, investments in telecommunications were also considerable but were focused on telephone lines and services. In 1994-99, the programmes comprised also ICT training (ESF).

[78] http://www.sviluppoeconomico.gov.it/index.php?option=com_content&view=article&idmenu=2689&idarea1=1701&idarea2=0&idarea3=0&idarea4=0&andor=AND&sectionid=1&andorcat=AND&partebassaType=0&idareaCalendario1=0&MvediT=1&showMenu=1&showCat=1&id=2019473&viewType=0

Figure 19: Current broadband coverage and digital divide in Campania[79]



Source: Ministero dello Sviluppo Economico.

The programmes also supported firms and public administrations to undertake ICT-related investments, acquire ICT services and utilise ICT technologies (with training measures). For instance, the 2000-06 ROP supported 1,053 firms across all sectors – handicraft, industry, commerce and services – to undertake ICT investments (a much lower value compared to a target of 2,606 firms, with values achieving generally half the planned target, except for firms in the service sector, which implemented projects exceeding the targeted value by a factor of three, and SMEs, with a number of projects reaching less than a quarter of the planned value - see Annex IIIA for a wider range of figures).

As a result, today, the network for private operators is considered to be functioning well, especially in the provinces of Naples and Salerno (not so much in the province of Caserta). Although still at levels below the national average, private usage of computers and internet in Campania has been increasing steadily over the past decade. Public authorities are also well served, as all municipalities in the region are served by fibre optic broadband. In a sense, therefore, the substantial investments in broadband infrastructure realised over the previous two programme periods have meant that Campania has not accumulated yet another disadvantage compared to other Italian regions, placing it amongst the most endowed in this sphere from the start. What still needs to be improved, however, is the take-up of new technologies in terms of the provision of public services, e.g. in public administration or hospitals (INT57). There were targets on this theme in both the past and current ROPs (which in 2000-06 were exceeded, as illustrated in Annex IIIB).

(ii) Enterprise development

Enterprise support has been a mainstay of ERDF strategies since 1989. The multi-regional/national programmes since 1994 have provided significant funding to firms for investment. At the same time, the regional programmes have realised and/or upgraded industrial/handicraft areas and, especially since 2000, also granted support to firms in the form of investment aids, consultancy advice, support for internationalisation and marketing activities, and cluster support. Support to

[79] Ibid.

businesses for RTDI was also provided by the regional OPs and by the multi-regional/national OPs for Research. On the whole, according to the reclassification of measures and expenditure undertaken for this study, these investments amounted to €5,807 million from 1989-2012 (equivalent to approximately 29 percent of overall expenditure across the period). This proportion did not remain the same across successive funding periods. From 17 percent of expenditure in 1989-93,[80] it increased to a staggering 40 percent in 1994-99, subsequently decreasing to 20 percent in 2000-06 and going up to 35 percent in 2007-13.[81] Especially in the last 15 years, a large portion of the support to the entrepreneurial system[82] in Campania has been co-financed by the Structural Funds (interviewees mentioned that virtually the entire support was co-financed by Structural Funds, e.g. INT63), thus the linkage between achievements and ERDF in this field is strong.

As discussed in Chapter 2, Campania has a considerable industrial basis. Yet, its production structure - 'polarised' (SVIMEZ, 2011: 667) around few outward-oriented large firms with ownership outside the area and a large number of small local firms largely focused on the internal market (SVIMEZ, 2006: 338) - has meant that the 'double shock' represented by the introduction of the euro and the globalisation of markets has been particularly severe (SVIMEZ, 2011: 677). Thus the ERDF programmes have not been able to support firms, especially local SMEs, to become more competitive and outward-orientated.

As in the rest of the Mezzogiorno, Law 488/1992 providing 'incentives for productive activities' has been by far the most important tool for the support of firms in Campania. It was administered[83] by the national ministry for industry/productive activities according to streamlined, transparent and relatively fast procedures,[84] which were appealing especially to larger firms (medium and large). The scheme's main objective was to create employment through the support of fixed investments in new firms or production plants, or the enlargement and upgrading of existing ones. In the 1994-99 period, the funding for thousands of projects meant that the 'fall of public expenditure in infrastructure that occurred after the closure of the *Cassa del Mezzogiorno* did not translate into a debacle for the Mezzogiorno' (INT54). The most important achievement was that upgrading machinery allowed the technological modernisation of plants, supporting firms throughout difficult economic cycles and allowing them to remain on the market (INT54). A study by Pellegrini *et al*. (2010) shows that the scheme has delivered c. 20-30 percent technological additionality in the Mezzogiorno area.

Whereas technological modernisation has been a positive effect, the outcomes in terms of growth and employment, as well as in terms of overall additionality, have been more modest (INT54, INT55). Further, given that the main goal of the scheme was to generate new jobs and that the number of jobs created was one of the selection criteria utilised to rank applicant firms, the firms assisted ended up with a lower productivity than their non-assisted counterparts (INT54), as they expanded employment faster than output. The opportunity to attract funds from this scheme also meant that firms tended to over-invest, also implementing marginal investments (INT54) (despite

[80] This is only the 1989-93 POP value, though, comparable with the expediture percentages of the 1994-99 POP (16 percent) and the 2000-06 ROP (13 percent).
[81] This very high share is due to the very low level of overall expenditure in mid-2012, when data were collected.
[82] With the exception of schemes granting tax breaks in connection with investments and job-creation.
[83] The scheme is no longer in operation.
[84] This varied over time and has not always been the case, but the scheme was governed in principle by a fixed timetable from application to payment.

the fact that the percentage of own capital in the investment was one of the criteria of prioritisation). This said, if the assessment of the performance of the scheme is limited to the new firms created, a positive factor is represented by the fact that they survived for a longer period of time than their non-assisted counterparts (i.e. new firms which did not receive a contribution from the scheme) (INT54).

The ERDF also supported smaller-scale investments in firms, for machinery and other fixed investments as well as for the acquisition of services, via the regional programmes and, in the 1994-99 period, also via the Retex and SMEs CIP, supporting almost 7,000 firms (ISMERI, 2002). These latter programmes proved very appealing to firms due to their straightforward procedures and thus were very successful in terms of uptake (INT3, INT55), but anectotal evidence gathered during interviews suggests that, linked to this, firms sometimes undertook investments because of the opportunity to obtain the grant, rather than because it was a necessary investment (INT55).

Important investments were realised over subsequent periods in creating and upgrading industrial areas and supporting industrial clusters: the Tarì consortium, discussed in the project case study in Annex I, is an iconic example of the type of support provided and the related impact (see also Izzo, 2002: 205-209). However, this type of support has not always been effective even when there have been attempts at introducing a more systemic and integrated approach to the entrepreneurial support – as in the 2000-06 period: 'The result has been industrial development areas without motorway access, non-transparent procedures for the assignment of land, areas built which had no public lighting and so on' (INT63), which has meant, as a result, empty lots in the newly created industrial areas, whereas clusters of SMEs continued to operate in less appropriate locations within urban areas.

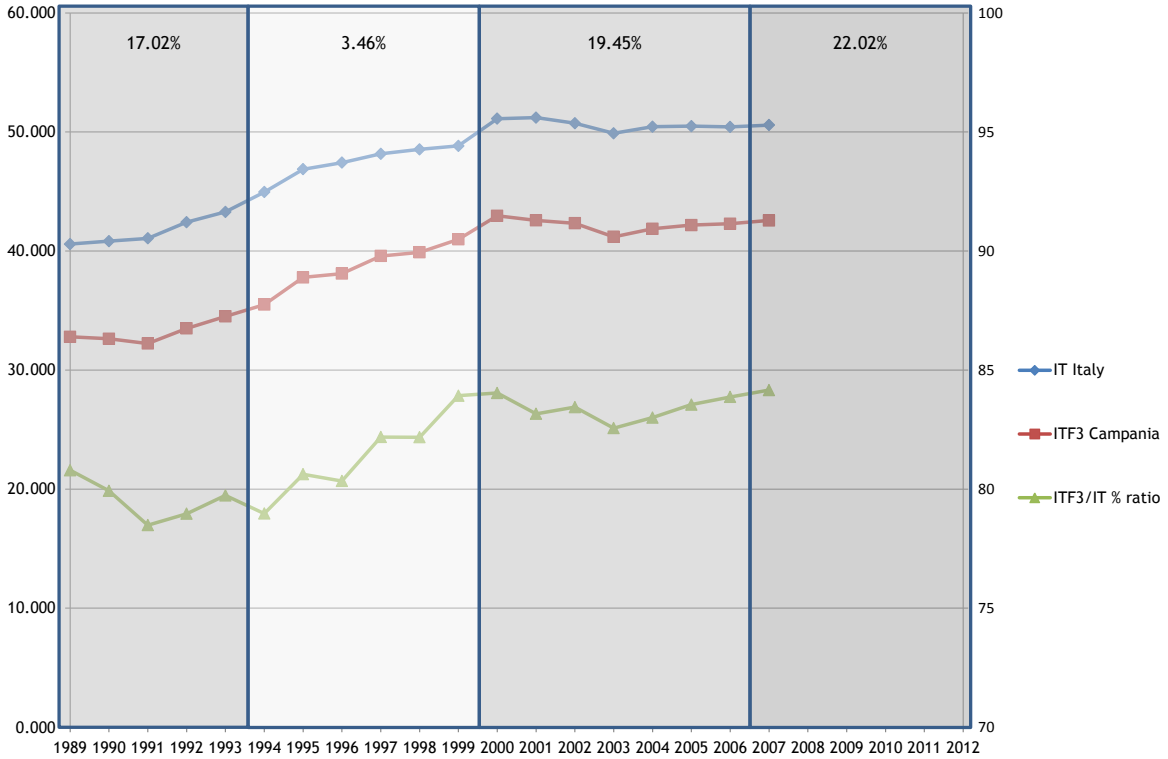
Interventions throughout the programme periods were also implemented to support firms' internationalisation activities, e.g. participation in international fairs and events, animation and promotion activities, particularly in the traditional sectors of specialisation of the region (e.g. agro-industry, shoes and garments, jewellery). This however took place without an overarching regional internationalisation strategy (Regione Campania, NVVIP, 2011: 129). It is difficult to assess whether these interventions were successful in supporting the local economy without looking in more detail into the various sectors of the regional economy and the individual firms (which is beyond the scope of the present investigation).

Some considerations can be drawn from the research conducted: first, the lack of specialisation of support and the attempt to direct funding at various types of schemes and firms rather than focusing on specific priorities have not paid a good dividend (INT54, INT14). Second, the additionality of interventions left much to be desired, and interview and evaluative evidence indicates that deadweight was considerable (INT14, INT54, INT55; Martini and Bondonio, 2012).[85] Third, the public, co-financed intervention has not been able to support the regional productive fabric to become more competitive and catch up with the rest of the country, at least if real GVA is adopted as an indicator of firm competitiveness[86], as shown by the figure reproduced below.

[85] A recent investigation by Martini and Bondonio (2012: 40) on law 488/1992 in Italy (i.e. not in Campania) shows that 'only 12 percent of 488 beneficiaries report full additionality. At the opposite side of the spectrum, over a third report that they would have done the same investment, that is, full deadweight'.

[86] There is no direct indicator of firm competitiveness, as this can lie in many different assets, not all dependent on the firm itself but often also dependent on the production system of the country. Productivity is

Figure 20: Real GVA per employee and Structural Fund expenditure on general support to existing firms for competitiveness (on top) - 1989-2007



Source: Own elaborations from Cambridge econometrics.

Productivity has improved slightly until 2000 and then stagnated (in line with the rest of the country), and competitiveness remains one of the main economic development challenges for Campania's economic fabric.[87]

It is arguable, however, that the incisiveness of ERDF support to entrepreneurial development has been reduced by a number of factors that were largely outwith the reach of this type of support. Enterprises in Campania are affected by the low competitiveness of Italy as a whole (the '*sistema Italia*', as it is often referred to), which is due to a number of factors: low economic growth; higher costs of production factors; slow productivity increases; labour market rigidity; high taxation; and low endowment of strategic factors (Maggioni *et al.*, 2004: 11). Suffice to say that in the latest World Bank ranking on ease of doing business, Italy is now in 87th position, down four since 2011, overtaken by countries such as Albania or Zambia (World Bank, 2012: 6).

adopted as the best proxy, since it measures the capability of firms to produce GVA with an efficient use of its labour force. The total GVA per employee for Campania and for Italy is presented in Figure 20, where data are available for the 1989-2007 period. Moreover, to better detect the impact of small variations, the ratio between productivity in Campania and in Italy overall is also plotted (the lowest row in the diagramme).

[87] An interviewee observed that 'region Campania has a development lag linked to the loss of competitive capacity of the territory. This has negative economies and diseconomies whose removal constrains development and the more time passes, the more the diseconomies grow as the context changes (e.g. with increased competition also for direct foreign investments). Over the years, firms have lost competitive capacity. Such capacity was already reduced because it was linked to the incentives for investments which were very strong, but regulated by domestic choices. When the EU imposed stringent competition rules, the more efficient regions equipped themselves, and those who were lagging, lagged further' (INT17).

However, in addition to this, firms in Campania suffer from a wider set of context-related disadvantages that would need a set of interventions wider than those for entrepreneurial support in the strict sense. Maggioni *et al.* (2004) estimated the differential of costs and revenues faced by a firm operating in the province of Naples compared to a firm operating in a comparator province in the Centre-North of Italy (Parma). This is equal to lower turnover of a staggering 26.5 percentage points and higher management costs of 8.27 percentage points. Seven factors contribute to this differential: the impact of criminality; a less efficient credit market; an inefficient labour market and a labour force mismatched to the needs of firms; a less effectual system of economic infrastructure; less reliable energy supply; a more limited availability of entrepreneurial services (accounting, legal and administrative advice, marketing, feasibility studies etc.); and a reduced effectiveness of the innovation and technology transfer system (Maggioni *et al.*, 2004: 69-75).[88] Whilst some of these areas – such as economic infrastructure (logistics and industrial areas) and innovation – have been the subject of support by the ERDF programmes, others have not been addressed – whether by Cohesion policy or by domestic policies – and thus it can be concluded that there has been a failure in addressing firms' competitiveness and entrepreneurial support in a systemic and integrated manner, with negative impact on the achievements realised and ultimately on the degree to which the ERDF programmes have been able to address needs in this field (utility). This issue is discussed further in Section 5.1.3 of this report, on the institutional factors affecting achievements.

(iii) R&D and Innovation

The achievements in terms of enterprise support have to be read in conjunction with those in the field of research, development, technology transfer and innovation. According to spending calculations based on the reclassification of measures, support for research and innovation through ERDF programmes in Campania amounted to c. €2,109 million to 2012 (equal to circa 11 percent of the overall expenditure across the four funding periods). The proportion of investment allocated to this theme remained basically constant across the first three funding periods, at 8 percent in 1989-93, 9 percent in 1994-99, and 10 percent in 2000-06. The 2007-13 period has seen a significant increase of expenditure on this theme, to 18 percent (up to June 2012), but this reflects the partial implementation of the programme so far, rather than a stronger strategic emphasis placed on this topic. As discussed in Section 5.1.1, the ERDF programmes – both the regional programmes and the multi-regional and national programmes for Research - supported a number of private and public sector initiatives, namely State aids for firms and public-sector research centres and universities infrastructure. The support provided has thus been on the sides of both supply and demand. However, up to 1994-99, the information available on the achievements realised tends to cover the types and number of projects implemented, rather than the outputs and results achieved. For this reason and due to the particular relevance attached to the theme in the 2000-06 ROP, the analysis to follow will focus predominantly on this dimension. The ROP alone invested c. €326 million in this field (Regione Campania, NVVIP, 2011: 127).[89]

[88] Interestingly, the study did not note a differential in the quality of services provided by the PA.

[89] Research and innovation have been a particularly important feature of the 2000-06 ROP strategy due to the joint influence of two factors: the importance attached to this theme by the Lisbon agenda, launched in 2000, and the reform of Title V of the Constitution, which devolved part of this subject matter to the regional authorities. Following the revision of art. 117 of the Italian Constitution, with Constitutional Law no. 1/2003, scientific and technological research and support to innovation for the productive sectors are a 'concurrent' matter.

The key achievement of the 2000-06 ROP in this field – and an example that emerged from interviews as a good practice example in the use of the ERDF resources - was the creation of a number of competence centres in thematic areas identified in the Regional Strategy for the Development of Innovation: analysis and monitoring of the environmental risk; advanced biology and related applications; preservation and full exploitation of cultural and environmental heritage; agro-food production; new technologies for industry; ICT; and transport (by air, sea and land, and related planning) (Regione Campania, 2004). These centres were intended to create synergies between research providers and industry, inducing local collaborations in the newly created regional 'centres of excellence'. A strength of the region was and is the number of highly skilled researchers, but these operated in isolation and were not good at transferring knowledge and technology, and they did not interact with local firms (INT32). The underlying rationale of the intervention was the creation of a regional system of innovation supply, where the competence centres would act 'to strengthen, transfer and disseminate the competencies relating to specific technology domains to the regional economic and entrepreneurial system, with particular reference to the SMEs' (Regione Campania, 2004: 146). In total, 10 competence centres have been funded, with investments focused on university laboratories, collaboration projects between different research providers (i.e. universities, public research authorities, such as CNR and ENEA, publicly-owned research consortia, foundations devoted to research), infrastructure in scientific and technology parks, and similar. Now every competence centre includes between 50 and 100 researchers that can be mobilised by firms, and every centre realises research of an applied nature, outside the 'constraints' of the university system (INT32).

Assessments of the success of these interventions varied markedly amongst the interviewees and the participants in the regional workshop. Some observers argued that the universities were not up to the game, that some of them utilised the resources in a self-serving manner, that results were hampered by 'power-sharing and a lack of competition' (INT33), and that some of the investments in universities had a compensative nature, in that they filled a gap of 'what the State was not doing anymore', i.e. funding basic investments, for instance in the University of Sannio (INT1). Nevertheless, the ex-post evaluation of the ROP considers the ROP's intervention for research in positive terms (Regione Campania, NVVIP, 2011: 129), and a majority of interviewees, whilst acknowledging that there have been weaknesses, praised the achievements realised by this initiative (e.g. INT17, INT22, INT32, INT38, INT60). There are a number of reasons for the positive assessment: first, the support provided to the research centres has increased R&D spend in the region (not an achievement per se, but a fact that marks a step change compared to previous periods and a significant element in the context of the gap that still separates Campania – and Italy - from the Lisbon target of 3 percent of GDP); and, second, because the ROP has funded laboratories, machinery and infrastructure, creating a critical mass that was instrumental to create synergies, interdisciplinarity and researchers' cooperation.

Examples of success include the aeronautic-space industrial pole, which comprises major firms such as Alenia and Officine Fiore. These firms are now facing financial difficulties, but they have a good project design and virtual experimentation centre which is continuing to operate (INT17). Another example is in the bio-technology field, where further projects are being implemented in technology exchange with the local firms and to attract resources from other regions to create small specialist poles (INT17). The agro-industry is another case where applied research has delivered economic returns, e.g. in the production of wine undertaken with the employment of new technologies (a

factor also facilitated by the generational interchange at the helm of wine-making companies, where the new generations have university education and are generally more open to the uptake of technology) (INT32). Thus, some of the competence centres at least have been able to create a system around them and to become financially sustainable, by funding their research activities with part-public, part-private funds, by transforming themselves in public-private structures, or by generating outright private spin-offs, autonomous from the university from which they originated (as with the company IMAST, discussed below) (INT32, INT41).

Not all the 10 competence centres that received support were successful, however, in becoming self-sustaining. Some mainly invested in university laboratories and equipment, but without creating synergies, territorial impact or a longer-lasting legacy (INT17). Of the 10 research centres supported, only four or five are continuing to operate self-sufficiently, investing new resources in applied research, transferring technology in the local productive system and also participating in international calls for tenders. This achievement can be interpreted in different ways and the mixed performance can be explained by a range of factors.

In some areas, such as cultural heritage, there is as yet no regional market for firms operating in the sector that would fund research and technology development with private resources (INT19), and this has meant that the competence centre in this field could not transform itself into a self-sustained structure. Whether this is an indication of failure is the subject of contrasting views, i.e. whether the problem lies with the sector (INT19), or the fact that the approach adopted did not adequately take the reality of the territory into account (INT44).[90]

Some policy-makers interviewed emphasised that the idea was to fertilise the ground and there was never an expectation that all competence centres would become self-sustainable and that therefore a rate of success of around 50 percent was to be considered as a good achievement, given the wider context and the pilot nature of support. It should also be noted that the investment in competence centres was part of a longer-term development strategy that was discontinued with the change of government at the regional level (INT32).

Without doubt, assessing the success of innovation measures is patently not straightforward (Perrin, 2002) and this experience would require in-depth investigation with an ad hoc evaluation, with detailed analysis of the genesis and operation of each competence centre, in order to be able to fully appreciate the achievement realised from the point of view of Campania's economic development and whether the initiative was ultimately successful. Nevertheless, even though this experience was widely regarded as an example of successful use of ERDF resources amongst the interviewees and participants in the regional workshop, a survival rate of less than 50 percent cannot be viewed as a success, in absolute terms; it probably represented a success and an improvement in the Campanian context.

As mentioned in Section 5.1.1, where the reported achievements in this as well as the other themes were summarised, innovation and technology development and transfer have also been realised via the multi-regional and national Operational Programmes, and also with the contribution of

[90] 'The underlying rationale was to create infrastructure for research in support of the local firms: I create many, fund them for their first three years, after this those which survive are those that respond to a demand from the market. The logic was I create the supply, then it is the market that selects. A decent logic but it did not adequately take into account the social and administrative reality in which it was implemented' (INT44).

domestic regional policy resources. An example of a successful intervention which has drawn from different strands of funding is the technological district in the field of polymeric and materials engineering, where the company IMAST Scarl has become a key actor in the context of a new technological cluster on polymeric and materials engineering (INT32, INT41).The technological districts are a relatively recent policy development in Italy, which stemmed from the observation of successful experiences such as the Silicon Valley and Bangalore, and are considered the natural evolution of the Italian experience of spontaneous industrial clusters (SVIMEZ, 2010: 723). The choice to invest in a polymeric and materials engineering technological district in Campania was due to the existence of a spatial concentration of scientific structures of international excellence operating in this field, comprising c. 500 researchers and entailing international connections with top universities across the world, as well as the existence of a production base of c. 20,000 firms that could apply the innovations generated by the research. The ROP - together with domestic resources assigned by CIPE91 (in the context of a Framework Programme Agreement signed by the regional authority and the National Ministry for University and Research in 2004) - funded infrastructure, industrial research projects in large firms, pre-competitive development and TT projects in SMEs, training, and the activities for the start-up and promotion of the district.[92] The district is likely to have a distinct economic impact because it will produce innovations with applications for a number of products in the region's areas of strength: aeronautical/aerospace, automotive, biomedical, electronic, packaging, shipbuilding, civil construction, and leather and textile (Regione Campania, 2004: 78).

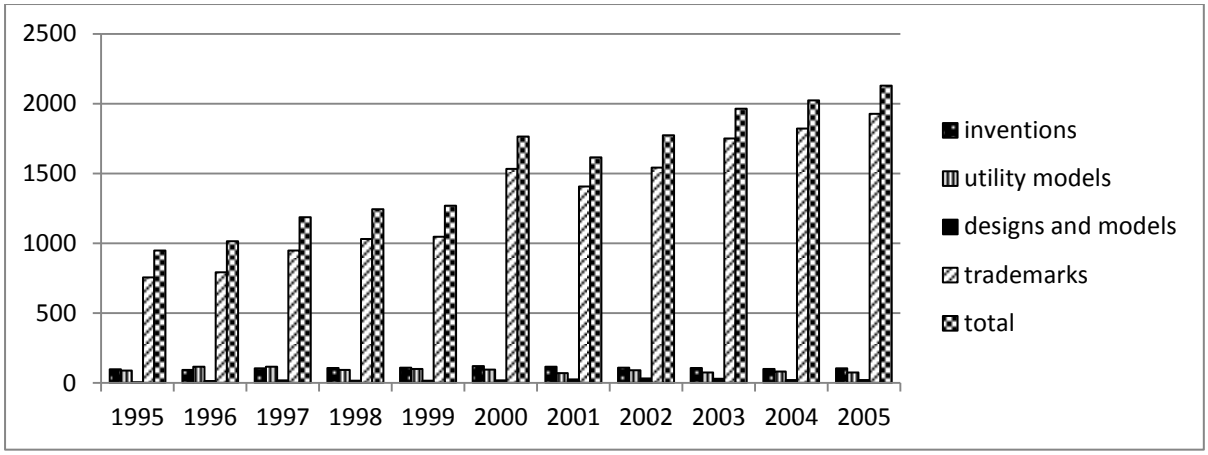
In order to gauge the relative improvement of Campania in relation to its R&D and innovation propensity, it may be useful to resort to a couple of proxies. First, and as discussed in Chapter 2, it should be noted that in spite of the high volume of expenditure in R&D through the support of the ERDF programmes, regional employment in R&D-related activities remains below the national average. It has however been increasing over time (DPS, 2012).

Another proxy for the impact on the Campanian economy of the investments realised in R&D and innovation can be the evolution of patents registration requests made to the national and European patent offices. 1995-2005 data on national patent requests shows an upward trend (see Figure 21 below). A similar upward trend can be observed when considering 2000 to 2005 figures on the numbers of patents registered with EPO, which have also increased, from 8.4 per million inhabitants to 15.3 (Regione Campania, 2010: 12). There are thus signs of improvement over time.

[91] CIPE is the Interministerial Committee for Economic Programming which is in charge of the financial programming of regional policy in Italy.

[92] CIPE Deliberation no. 81, 20 December 2004. The Deliberation allocated to the technological district in Campania c. €34 million of domestic resources, for a total investment of c. of €70 million. It funded a total of 27 technological districts across Italy, of which 13 were in the Mezzogiorno (only one, the one mentioned, was in Campania). The total domestic resources allocated were €307.5 million (SVIMEZ, 2010: 724). It should be noted, however, that this project is not mentioned in the FIR of the ROP 2000-06.

Figure 21: Deposits of patenting requests to the UIBM (*Ufficio Italiano Brevetti e Marchi*), 1995 and 2005



Source: Own elaboration from Camera di Commercio di Napoli data (http://www.na.camcom.it/on-line-sa/Home/Regolazionedelmercato/UfficioBrevettieMarchi/Statistichebrevettimodellidisegni.html).

The specific contribution of the ERDF programmes to the achievements discussed above, compared to other sources of funding and to wider contextual developments, cannot be isolated. As mentioned, various domestic initiatives have operated in this field during the period under review, for instance the national FIT and FRA funds.[93] Since 1999/2000, moreover, the national government has been active in reframing the support for applied research, technology transfer and innovation, reorganising pre-existing instruments and introducing or strengthening new ones aimed particularly at enhancing linkages between research and industry (such as public-private laboratories, technological districts, and the creation of new firms in high-technology sectors from the spin-off from public research).[94] This said, the contribution of the ERDF has been important to the achievements discussed above in two ways: first, because the ERDF programmes, through the negotiation of their content with and the approval by the European Commission, have been a vector for the operationalisation of the strategic lines of the Lisbon agenda (now Europe 2020), providing a framework and legitimisation for regional policy-makers; and, second, because they have channelled important resources to these goals, realising a number of projects and achievements as summarised in Section 5.1.1.

(iv) Structural Adjustment

A further area in which the ERDF programmes have invested throughout the study period has been the support of the tourism sector as a means of diversification of the economic structure of the region and creation of job opportunities. Tourism development represented a small but significant and growing percentage of the final expenditure of programmes (the regional OPs and, in 1994-99, a multi-regional MOP for Tourism). Altogether, the ERDF programmes reviewed in this study

[93] Nationally, the three main research aid schemes have traditionally been the FAR (*Fondo per le Agevolazioni alla Ricerca*, Fund for Aids for Research), the FIT (*Fondo per l'Innovazione Tecnologica*, Fund for Technological Innovation) and Law 488/1992 as it applied to research. Both the FRA and the FIT operated outwith the regional aid maps, but specific resources were allocated for regional aid areas. For its part, Law 488/1992 for research provided grants for projects involving industrial and competitive research implemented in designated regional aid areas.

[94] With the legislative decree no. 297/1999 and the related implementation decree by the Ministry of Education, University and Research no. 593/2000.

invested a total of c. €1,651 million in structural adjustment[95] up to June 2012, a sum equivalent to approximately 8 percent of total expenditure across the four funding periods. This average is shaped largely by a peak share of 11 percent of total expenditure in this theme in the 2000-06 period. Corresponding proportions were comparatively low in 1989-93 (1 percent) and 1994-99 (8 percent). Three percent of ERDF spending in the current period was/is on structural adjustment (on-going).

As early as in the 1989-93 period, the regional Plurifund Operational Programme had funded both restoration projects of areas of potential tourist interest (monuments, museums, archeological areas) and incentives of limited scale to firms operating in the tourism sector, but it is in the 1994-99 period that the latter type of support reached a significant scale. This allowed funding of a considerable number of hotels and other establishments, allowing the upgrading of the accommodation supply (e.g. to three and four stars) and the improvement of the facilities of hotels - providing air conditioning, swimming pools, lifts, etc. - with a territorial impact concentrated particularly in the main renowned tourist attraction areas such as Capri, Ischia, the Amalfi Coast and Naples.[96]

In line with emerging theories on tourism development, which tie the attractiveness of a place as a tourism destination not just to the quality of the services provided by local firms in the sector but to the wider '*ensemble* of activities and amenity factors which, located in a given place, allow an integrated system to be offered to tourists' (Della Corte and Micera, 2007: 16), the approach in the 2000-06 period changed: aids to tourism operators continued to be in place,[97] but they were supplemented by an array of projects in the cultural and natural heritage fields.[98] The ROP supported the reclaiming and usage of natural and cultural sites, including projects such as: infrastructure for the recovery, protection and fruition of archaeological, historical, cultural and naturalistic sites (such as natural parks and Natura 2000 areas); the refurbishment of museums; the

[95] Expenditure under this category includes support to tourism, investments in cultural heritage which are closely related to tourism development, support to firms in cultural sectors, development of NGOs and third-sector firms, investments aiming at supporting transformation of areas affected by industrial crises, support and infrastructure specifically targeting industrial clusters, development of integrated projects, and internationalisation activities through the public sector, as well as interventions aiming at improving the capacity of the public sector to detect and orient change in the economy.

[96] This interview quote is indicative: 'Besides the funds for infrastructure, one of the best investments realised in the 1994-99 period was the funding for tourism. To date, amongst the operators [in the sector], people still say "ah, that POP!" … for the tourism sector the programme has been a blessing; there has been a real revolution of modernity' (INT55).

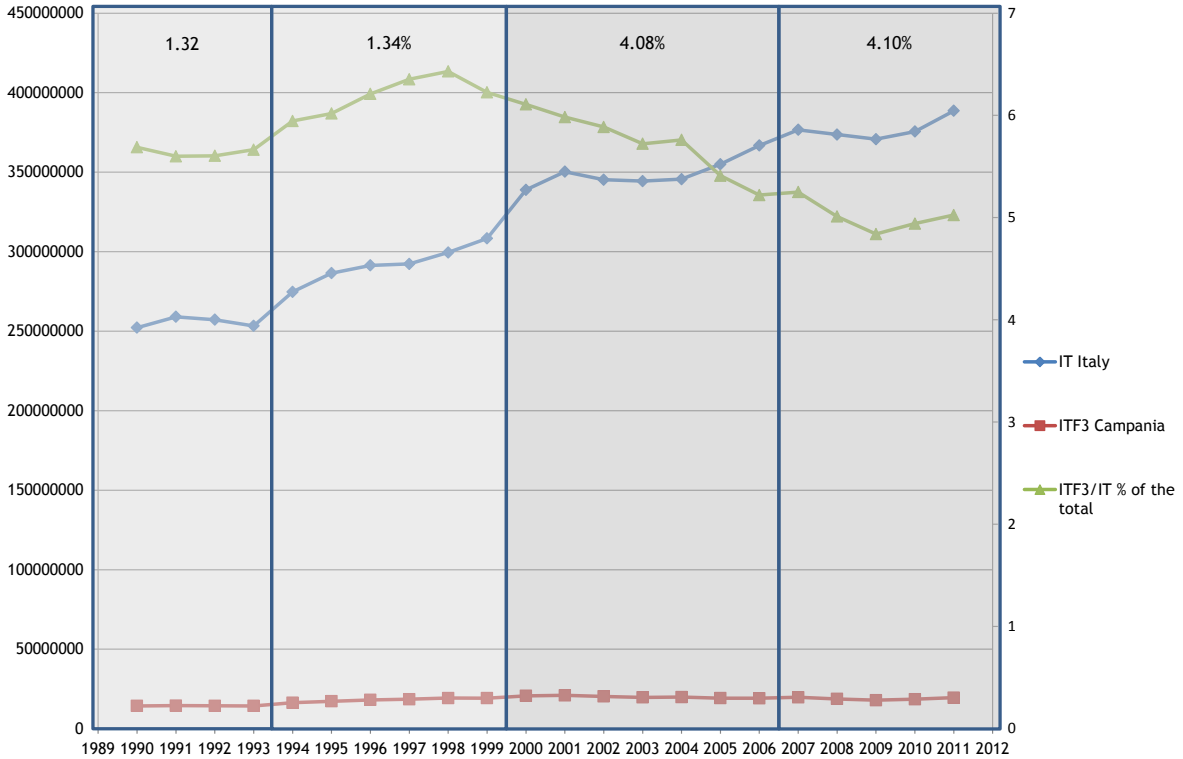
[97] Though implemented with considerable operational problems, as can also be understood by the outputs reported in Table 17 in Annex IIIA. According to an interviewee, 'The 2000-06 programme has been a disaster on this. The same operation of 1994-99 [of ranking lists based on assessment by an ad hoc appraisal commission] was repeated, but this time the ranking was re-done three times, there were various appeals to the TAR [the regional administrative tribunal]: 300 hotels that did not receive funding submitted an appeal to the TAR' (INT55). In addition, it should be noted that during the urban waste crises, aid recipients repeatedly asked for a one-year postponement of the deadline for the achievement of the employment target foreseen in the approved project applications. The regional authority only granted this once, not recognising the exogenous nature of the weak tourist demand. As a result, grants were in a number of cases clawed back (INT62).

[98] This change of approach was also informed by a different understanding of the function and value of the cultural heritage, intended to be not just an attractor for tourism, but also the basis for the cultural heritage industry (e.g. restoration) and an identitarian resource capable of increasing the degree of civicness. It should be noted that for the purposes of the classification of expenditure, investments in culture are included in the category of social cohesion. This is in keeping with the methodology of the overall study. The classification of expenditure undertaken for the Campania case study, in fact, fed data for the comparative elaborations that are presented in the project's final report and that span all the 15 case studies realised under this project, as per terms of reference.

construction of marinas or of the surrounding infrastructure; the implementation of marketing and promotion activities; support for the creation of tourism 'itineraries' (e.g. oeno-gastronomic-archeological itineraries); the organisation of events (e.g. theatre, music, oeno-gastronomic) and similar. The focus was especially on six main 'attractors' - the Caserta Royal Palace, Naples, Pompeii-Herculaneum, Padula Charterhouse, Velia and the Phlegraean Fields (INT33). The intentions were: (i) to increase the tourism appeal of the region beyond the traditional locations (e.g. the Amalfi coast and Capri); (ii) to extend the tourist season beyond the summer months, exploiting the mild climate of the area; and (iii) to widen the tourist market to local consumers (INT53).[99]

In order to measure the achievements in the development of tourism, the most comprehensive proxy is probably the number of nights spent in tourist accommodation establishments (which takes into account all tourism establishments and is better than simple arrivals because it considers the length of stay). This is presented in Figure 22 below, for both Campania and Italy.

Figure 22: Nights spent in tourist accommodation establishments (Structural Funds expenditure on tourism on top)



Source: Own elaborations from Eurostat Data.

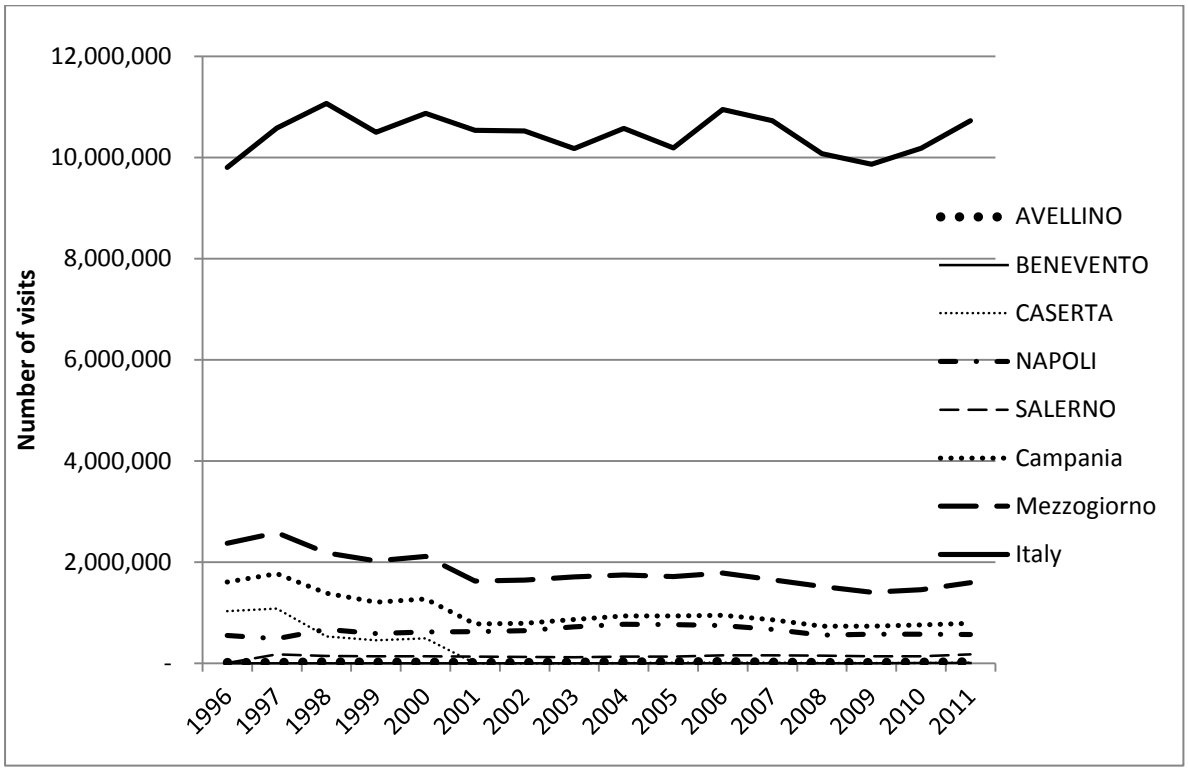
The figure shows a relatively stable increase in the number of stays in Italy until 2007, i.e. until the start of the economic crisis. The same increase was evident, stronger in fact, in Campania but only until 1998. From 1989 to 1998, Campania increased its tourist share from 5.6 percent to 6.4 percent of the Italian total. This trend, however, reverted in 1998 and a decade later, in 2009, the region

[99] This matched local and national policies in matters of cultural heritage, such as the goal to open « ten museums in ten years » serving local communities in neighbouring areas of Naples conceived by the Soprintendenza Archeologica di Napoli during the late 1990s and early 2000s (INT**).

went back to represent only 4.8 percent of the Italian total, only to pick up again in 2009/10 (+3.4 percent, Osservatorio Nazionale del Turismo, 2011). Whilst the number of overnight stays in Italy continuously grew in the period observed, Campania has been unable to maintain its relative share.

However, if in terms of number of overnight stays the achievements induced by the programmes can be considered disappointing, it should also be acknowledged that the impact of the ERDF programmes on tourism as a means for structural adjustment should not be solely appraised based on the overall tourist presence. The 2000-06 programme contributed to developing an endogenous tourist and leisure demand (INT53), as has been noted, and to extend the length of the tourist season. The ROP's FIR notes a considerable increase of arrivals and stays outside the summer months, stressing at the same time that the 'short break' trend has resulted in a lower average length of stay overall, suggesting the increase of a more local or medium-range type of demand (with a negative consequence on the overall tourist figures discussed above) (Regione Campania, 2010a: 427). An indicator that can be utilised to assess change in the more local demand for tourism is the number of visits to museums (Figure 23). Again the trend is disappointing (negative), with the exception of a positive curve in the early/mid-2000s, thanks particularly to the positive performance of the province of Naples in this period (coinciding with Naples' 'renaissance', as discussed in more detail in the next section).

Figure 23: Visits to museums in Italy, Campania, Mezzogiorno and the Campania provinces, 1996-2011



Source: Own elaboration from ISTAT data.

This unsatisfactory trend could not be countered by the relatively small nature of the interventions realised in this field with the 2000-06 programme, e.g. the refurbishment of relatively small tourist attractions such as the Museum of the Phlegrean Fields in Baia, which contains the archaeological finds from the submerged Roman town of Baia in, which are by nature unlikely to attract numbers of tourists comparable to the main attractions of Naples such as the National Archaeological

Museum in Naples (and in fact this was never intended to be the ambition of this type of project). It is also linked to the lack of data on the fruition of un-ticketed leisure activities (e.g. walks in natural parks, use of cycle-paths, participation of the public in local fairs and eno-gastronomic events etc.) and of non-state museums (e.g. monuments owned by religious organisations, municipalities, foundations, private owners – the recording of ticketing by the national statistics institute is only kept for state-owned museums). Fundamentally, however, this disappointing performance can be linked to the problems of operation, maintenance and upkeep of the infrastructure built and structures refurbished. This is a theme that emerged strongly during fieldwork and in the ex-post evaluation of the 2000-06 ROP. For instance, the ROP funded the cycle-path of Paestum, yet this now lies 'in a terrible condition' (INT22). Museums were refurbished, but the municipalities or the state services in charge of running them[100] lack the resources that are necessary to keep them open full-time or to make the full exhibition area accessible to the public; this is the case for example with the Flavio Amphitheatre in Pozzuoli, the Museum of the Phlegrean Fields at Baia, and even with Naples' renowned National Archaeological Museum, which has rooms that are closed to the public (INT62).

More generally, as the headlines on the disarray in Pompeii in the recent press show, interventions for the protection and maintenance of cultural, archeological and natural heritage, in a region as well endowed with such heritage as Campania, would need a much greater critical mass to be able to have an impact.

All in all, it can confidently be stated that the programmes achieved a disappointing performance in the field of tourism. This cannot be explained solely by the economic crisis, which started only in 2008 and impacted on the tourist presence across the entire country, not just in Campania. The most severe impact on the attractiveness of the region as a tourist destination arguably came from the two urban waste crises during the 2000s. The tourist presence in Campania, including foreign tourists, declined sharply concomitant with each crisis, and this had the added negative effect of jeopardising private investments co-funded by the ROP (INT62; Regione Campania, 2010a). Moreover, the region has also been affected by the negative image linked to petty delinquency in the city of Naples and to the *camorra* killing sprees reported in the national and international press.[101] Naples and surrounding areas are not perceived as safe areas to visit and this has had a negative impact on tourism, also affecting the rest of the region.

In sum, the measures put in place to support tourism under the ERDF OP have not been able to (and arguably could not) adequately support the local tourism industry to allow it to counteract the increased competition coming from the emerging markets (Regione Campania, 2010a) or to take advantage of the recent increase in world tourism demand[102] (SVIMEZ, 2010). Today, despite the ERDF resources spent and the extraordinary endowment of cultural and natural resources, Campania is only 29th in the ranking of European regions concerning the attraction of foreign tourism (Osservatorio Nazionale del Turismo, 2011: 44).

[100] The so-called 'sopraintendenze', i.e. local offices of the Ministry for Cultural Heritage.
[101] For instance, unauthored (2005) 'See it and die; the trouble with Naples', *The Economist*, 22 January 2005.
[102] The number of international arrivals across the world was 536 million in 1995; it increased to 924 million in 2008, and is forecasted to reach 1.5 billion in 2010 (SVIMEZ, 2009).

(v) Territorial issues

Programmes over successive periods addressed three types of territorial issues: the quality of life in the main urban centres; the quality of life in the more marginal rural areas; and the interrelation between the two sets of areas. Important achievements were realised in all these spheres.[103]

The improvement of the quality of life in rural areas has entailed a series of investments: from the already discussed creation of transport links, irrigation pipelines (funded by the ERDF in the 1994-99 period), and telecommunication infrastructure; to the creation of employment opportunities linked to productive clusters and a modernised and high-quality agricultural and eno-gastronomic production; to the provision of services for residents, such as homecare assistance, telemedicine and tele-first-aid, and of social aggregation activities for the young and the elderly; to the development of tourism activities. This type of support to the more rural and peripheral areas of the region has been a mainstay of the ERDF programmes throughout the study period. Indeed, even before: the 1988-92 Integrated Mediterranean Programme in Campania had focused explicitly on the regional internal areas, due to their disadvantages, and provided various types of support ranging from basic soil protection to the improvement of agricultural production, the development of tourism development in rural areas, and the creation and modernisation of industrial and handicraft activities (Nomisma, 1992: 32). In this area, a very important role was played by the investments realised with the co-financing of the EAGGF/EARDF, something that emerged very strongly from the interviews and the workshop, linked to the efficient administration of such funds within the regional authority (e.g. INT33, INT68, INT37). Despite being a feature of ERDF strategies since the early days, support to the region's rural areas via the ERDF programmes has not been a predominant part of the ERDF programmes' strategies.

Across the entire study period, the interventions realised have delivered a diversified range of outputs: (i) the refurbishment of squares, buildings in historic centres, urban parks, pavements and similar (*arredo urbano*); (ii) the creation or modernisation/restoration of various types of social and leisure infrastructure (such as aggregation centres for the young, the elderly and the disabled; homes for disadvantaged minors, the elderly and the homeless; sports centres; theatres and concert halls; libraries and multi-purpose cultural facilities etc.); (iii) community economic development initiatives, support to entrepreneurship, supplemented by works in intra-urban industrial areas; (iv) actions for the differentiated collection of waste; (v) video-surveillance; and even (vi) basic urbanisation works (e.g. sewerage), all supplemented by (ESF) investments for certain social services and the already-mentioned investments in urban transport (Naples underground system, but also roads, parking spaces etc.). The approach to urban development has been an 'integrated' one (INT18).[104] The outcomes have probably been most visible in Naples and Salerno, Campania's two largest cities, both of which had received support from the URBAN CIP in the 1994-99 period.

[103] According to the classification of expenditure realised for this research, the theme 'spatial distribution of economic activity' received c. €132 million of ERDF investment, regional and multi-regional, across the four periods to date (equivalent to approximately 0.8 percent of overall expenditure). However, this figure is underestimanted as it is based solely upon the 2000-2006 period, given that the main expenditure in the region in the three remaining periods was attributed to other themes, as territorial development was a secondary goal of measures that pursued primarily other themes. In 2000-2006, investment in the spatial distribution of economic activity stood at 1.2 percent of the total across all themes.

[104] 'An integrated urban development approach, not the approach of the *quartiers en crise*. Not just focused on social cohesion, because otherwise it does not have an impact' (INT18).

In Salerno, the Urban CIP during 1994-99, the ROP 2000-06 and the current PIÙ Europa (ROP 2007-13) have helped transform the historic centre from a segregated neighbourhood, where 'one would be scared to enter' (INT36) into the pulsing heart of a town that is now known as a 'town of excellence' and of 'architecture', as well as for its nightlife, the now renowned 'Salerno movida' (INT2, INT36). Soaring house prices reflect the improvements in the city. They were realised through an integrated strategy, carried out across the various programme periods,[105] which comprised not only investment projects as summarised above, but also (non-cofinanced) governance, regulatory and promotional measures.

The ERDF-funded investments have included the refurbishment of the municipal theatre, of the main square, of various buildings in the historic centre; urbanisation projects of various sorts; the construction of streets and of a ring-road; the building of a sports centre and of a *polo annonario* (i.e. a serviced and modern fish, fruit, vegetables and flower market); in addition to video-surveillance in the city centre and to differentiated waste collection and disposal. More such works are underway with co-financing from the PIÙ Europa, the most iconic of which is certainly the creation of a new square, Piazza della Libertà,[106] at the end of the sea promenade (designed by the famous Catalan architect Ricardo Bofill). These investments have been complemented by non-ERDF-funded initiatives, such as the injection of an increased number of police units to patrol the town, in order to ensure a visible police presence for a long period of time throughout the day (INT36); a clampdown on prostitution in the city centre (INT36); a crackdown on illegal building practices and street-trading (with agreements with ambulant traders which led to the creation of two ethnic markets) (INT36); activities to fight drug and alcohol abuse, to integrate immigrants and to promote the integration of women in the labour market; and the organisation of cultural events, including in winter (e.g. the display '*luci d'artista*'). These latter initiatives are proving useful in keeping the town alive and economically viable outside the tourist season.

This composite approach to urban development has rendered the city of Salerno a better place to live, but also a more attractive tourist destination, allowing it to reconfigure itself into a hub for access to the nearby sites of the Amalfi Coast, Paestum, Pompeii and Hercolaneum - all of which were granted UNESCO World Heritage Sites status in 1998. Agreements with the main cruise operators have also meant that Salerno has now become a major drop-off point, an alternative to Naples (INT2). Tourism and the refurbishment of the city centre have been an engine for the local economy, as are the better transport links with Naples and the Centre-North of Italy. Currently, investments for the modernisation of the town are being continued with support from the PIÙ Europa, and, increasingly, for the part that relates to large infrastructure, with private resources via project-financing (INT2). The city still has a number of challenges to solve, particularly of a social nature (e.g. immigration, an increasing number of drug addicts), but the transformation realised is unanimously acknowledged and achievements are tangible: for example, today Salerno has a rate of differentiated waste collection that is the highest in the entire Mezzogiorno (INT57).

Naples' urban renewal path has been similar and brought the city to experience a 'renaissance' during the mid-1990s to mid-2000s, as testified by this article extract from *The Economist*:

[105] Facilitated by the political continuity: the same mayor has been in post since 1993, except for an interruption of five years (due to electoral rules) during which the mayor was nevertheless from the same political party.
[106] http://www.comune.salerno.it/client/scheda_news.aspx?news=1648&prov=76&stile=7 .

> 'Naples is another Barcelona or Bilbao: a southern European rustbelt city striving to relaunch itself through art, tourism and big infrastructure projects. A keystone is an underground railway system, due to be finished in 2011.[107] By then, Naples, with just over a million inhabitants, should have three new lines, integrated with suburban railways and the city's funiculars to create a network of some 100 stations. Many newer ones are being used to display art works …. In a ballot conducted by the monthly Giornale dell'Arte, critics voted Naples the city that contributed most to the arts in Italy in 2004. They also said that the best exhibitions of the year were in Naples … These and other top-flight cultural events help to explain why the city has become such a popular tourist destination.'[108]

This description is in stark contrast not just with the image that is traditionally associated with the city - legacy of a history of social polarisation, poverty and deprivation, as depicted famously by Matilde Serao in the late XIX Century – but also with the situation of the early to mid-1990s, when Naples is described as 'a city on its knees' (Sales, 2012:144).[109]

Starting with the OP Pianura, then the 1994-99 Urban CIP, and subsequently with regional OPs,[110] the city benefited from considerable investments for the regeneration of its historic centre, seaside and port, which went hand-in-hand with the public transport investments already discussed. The G7 summit meeting hosted in 1994 represented the first occasion to reclaim parts of the city (INT51, INT27) and gave visibility to the city's renewal efforts,[111] which were continued in subsequent periods. The historic centre was declared a UNESCO World Heritage Site in 1995.

Just as in Salerno, the ERDF investments in Naples have been a fundamental driver in determining the radical change described in the situation of the two cities. In both cities, the ERDF programmes tallied with the institutional changes introduced in Italy in the early 1990s, linked to a change in the procedures for the election of mayors, which gave mayors more visibility and responsibilities, but within limited financial autonomy and resources. The ERDF programmes were grasped as an opportunity by the mayors, as they provided the resources and tools to implement their newly acquired competences and to realise their ambitions.

Furthermore, the ERDF was the key tool for the introduction of an integrated approach to urban development and this understanding of urban development as an 'integrated' endeavour was a crucial element in determining the scale of the results achieved. This meant focusing not solely on social inclusion (INT18) or infrastructure (INT36), but undertaking a cross-sectoral, systemic effort, supplementing the intervention of ERDF with social, regulatory and governance measures. This enabled the generation of a change of image and perception, as much as in the substance of the quality of life of residents. In Naples, the closure to traffic of the iconic Plebiscito Square (in 1994),

[107] Which, as discussed, has not been the case.
[108] 'See it and die; the trouble with Naples', *The Economist*, 22 January 2005.
[109] 'The municipality is in financial trouble with a debt of 2 billion lire, many large firms have closed, the organised unemployed block the main streets with their protest every day, tap water runs brown and polluted, milk from the milk plant is infected with E.Coli, the streets are full of rubbish, the city is cut in two for the closure of the two funiculars that link the lower and the upper parts, the sea is polluted in every section. Tangentopoli has put a section of the city's political and entrepreneurial ruling class in jail, including the former communist party … at the end of 1993, citizens' perception of Naples is like being in a third post-war period' (Sales, 2012: 158, own translation from Italian).
[110] Including an Integrated Programme for Urban Development in the 2000-06 period which was assessed to have been on the whole useful, despite having spent only 28 percent of its resources as initially planned (Andreoli and Magrassi, 2011).
[111] *Ibidem*. Also Sales, 2012.

which had been turned into a parking space (Sales, 2012: 174), and of the Lungomare Caracciolo (in 2012), for instance, were essential to deliver the new image of the city, with positive repercussions on tourism.

However, even though it is clear that the city has changed for the better and the ERDF has been an important tool for this change,[112] it has to be acknowledged that in this case both outcomes – i.e. the change of image and the quality of life - are not being fully sustained. The two waste crises, in particular, had a profound impact on the city, its residents and its projected image.

Lastly, it should be noted that the ERDF programmes, and in particular the investments in the regional metropolitan system, have also had a marked impact in changing the interrelation between different towns and cities. 'A significant change … in the regional urban frame was induced by the interventions of the regional metropolitan transport system which have also modified, in some cases, the relational geographies of the network of urban centres' (Regione Campania, NVVIP, 2011: 107).[113] Other projects - e.g. the ones supporting the newly founded Universities - also concurred to a more equal distribution of urban functions.

(vi) Environmental Sustainability

Approximately €2,905 million were invested in environmental sustainability in Campania through ERDF programmes, from 1989 to 2010, a sum equivalent to circa 15 percent of total expenditure across all themes in the four programme periods combined. As a proportion of total ERDF spend, the relative share of this theme varied from 24 percent in 1989-1993, to 22 percent in 1994-1999, to 28 percent in 2000-2006, and to 16 percent in the current period (although spending is still on-going). Despite the considerable share of investment, achievements in the environmental sector have been low compared to targets and inadequate in relation to need (but possibly linked to the sheer scope and volume of such need, contrasted with the more confined remit and potential of Cohesion policy).The interviews undertaken and the discussions during the regional workshop highlighted that there is a strong consensus on this overall assessment (though the assessments obtained via the online survey are somewhat more positive).

Nevertheless, the reality, in such a complex and composite field, is naturally nuanced. While the overall judgment is by necessity influenced by the urban and industrial waste crises in the provinces of Naples and Caserta, many interventions linked to environmental sustainability, like the creation of national natural parks and protected areas, have indeed been delivered successfully and with positive outcomes (INT46). Positive achievements were also obtained in terms of the reduction of CO2 emissions linked to traffic (as already noted), in some water infrastructure (notwithstanding management problems), in the differentiated collection and treatment of waste in some provinces (e.g. Avellino and Salerno), and the securitisation of areas facing hydrogeological risk. For instance, between 1995 and 2010, Campania has closed the gap in the percentage of families reporting service interruptions in water supply that it held with the rest of Italy (in 1995 such percentage was

[112] This observation recorded during the workshop is eloquent in this respect: 'I came to Naples in 1988: there was crazy traffic, Plebiscito Square was engulfed in traffic. Today, to come to the workshop I took the underground and then I walked. The underground was full of university students. A group were discussing the location of certain stops and where to change-over'.

[113] The evaluation, however, also remarks that the potential for synergies between the two distinct sets of interventions - those for the transport network and those targeting particularly the urban areas - were limited by 'the lack of a linkage between programming and planning' across these two sets of actions.

21.5 percent, vis-à-vis Italy's 14.5 percent; in 2010 it decreased to 11.9 percent, still slightly higher than Italy's 10.8, having briefly been lower, at 10.9 percent, than Italy's 11.5 in 2009). Between 2005 and 2008, the share of water distributed has also increased from 59.8 percent to 61.2 percent (ISTAT data).[114] The creation of an environmental monitoring system is also a positive achievement of ERDF support.

However, on the whole, and as discussed in depth in Chapter 2, the environmental situation of the region remains impaired by considerable problems and by an unresolved dichotomy between internal and coastal areas, and between the large metropolitan area and the remaining regional territory characterised by a network of small and medium-sized towns.

Failings are particularly evident in the water and waste sectors. Despite the realisation of many water purification plants - leading to improvements in the share of population served by wastewater treatment, which in both 2005, at 85.5 percent, and 2008, at 88.6, has been higher than the Italian averages of 72.3 and 75.9 percent [115] - and water pipelines (see Annexes IIIA and IIIB), since the very first programme period covered by this study 'the problem of the purification of waters in Campania has remained substantially unresolved (so much so that in the current programme, five major projects were proposed focused on water purification systems, for a total of €535 million)' (Regione Campania, NVVIP, 2011: 100).[116]

Similar shortcomings were observed in the quality of coastal water which, with specific exceptions in unlikely areas, has not significantly improved over the last decade (Autorità Ambientale, forthcoming: 16) and in the waste sector. As noted in Section 5.1.1, in this latter field the ERDF programmes have been able to realise only a very limited portion of the planned investments and achievements: the 2000-06 ROP, in particular, which was meant to realise over 150 projects for the storage, treatment and recycling of solid waste - such as plants, municipal depots and waste collection equipment – and 22 projects for the treatment of organic and non-organic waste, severely underperformed, being able to realise less than half than the projects planned (see Annex IIIa).[117]

The causes for these failings have been complex and probably largely outwith the reach of the ERDF programmes. They have included the lagging institutional, planning and implementation capacity in environmental sectors, particularly in the field of urban waste in the congested coastal areas; the inability at national level to manage interests and conflicts arising around land reclamation (INT33); local organised crime transforming agricultural land into illegal industrial waste dumps, in order to take advantage of the low enforcement of industrial waste legislation; feeble control on land use;

[114] This suggests a partial recovery from a decrease between 1999 (when it was 66.9 percent) and 2005. However, ISTAT warns that methodological differences in measurement require great caution in comparing 1999 data with subsequent data.
[115] ISTAT collects these data in connection with DPS project *Obiettivi di Servizio*.
[116] Some of these are planned in the area between Naples and Caserta, which has doubled its population during the last two decades. Whereas in this same area during the 1980s and 1990s new major roads and highways have been built, with support from ERDF, in order to lessen congestion and to build escape routes in case of volcanic eruptions (INT30), an equal level of investments required in the waterwaste and water distribution network have not materialised. This compounded problems arising from poor management and maintenance of the infrastructure which had, indeed, been built in the area (INT71).
[117] An assessment endorsed by those interviewed and/or by interventions in the workshop. This statement by one of the interviewees is representative of the general perception that in this field 'one has not been able to do anything, what has been funded has only been the differentiated collection of waste' (since the 1994-99 POP) (INT33).

and, especially, a context of constant low capacity for management and maintenance, compounded, in the last decade, by decreasing total current expenditure in the region.

(vii) Social Inclusion

The theme of social inclusion was addressed in the ERDF programmes throughout the entire period reviewed. A total of c. €1,313 million was invested in this theme through regional and multi-regional ERDF programmes in Campania, equivalent to approximately 7 percent of the total across all themes. This proportion remained relatively constant over time, except for the 1994-99 period, as follows: 14 percent in 1989-1993, 2 percent in 1994-1999, 8 percent in 2000-2006, and 14 percent in 2007-2013 (applicable up to and including 2012 only - spending for the current period is on-going). Social inclusion was mainly the specific focus of ESF measures[118] and, since the ESF is not the main concern of the present study, this theme is not discussed in detail. Nevertheless, a few important issues can be mentioned.

First, social cohesion has been improved by the ERDF investments in integrated urban development and the provision of essential and social services in rural areas (discussed above). Important (ERDF) achievements in this field were also realised thanks to subsequent 'School' MOPs, which have improved the physical infrastructure of school buildings, funded the realisation or upgrading of multi-purpose centres usable by the local communities, and strengthened the infrastructure of schools providing life-long learning, evening education and other services to communities. As discussed in Section 5.1.1, the programmes also funded broadband, laboratories and structures to support teachers (e.g. libraries, areas for the use of internet or the development of multi-media tools). These investments were conceived exactly as a tool for social inclusion, i.e. from the perspective that schools are 'a service to the territory, for instance via the opening of school buildings in the afternoons' (INT50).

Second, according to interview evidence, the ERDF programmes, particularly the 2000-06 ROP, have been instrumental in determining an improvement in the way social policies were organised at the regional, and subsequently municipal, level. [119] The 2000-06 ROP provided a strong stimulus for the adoption of the first 'Social Plan', i.e. a dedicated strategy for social cohesion in the region, by establishing this as a requirement (INT33). Such plans are currently also in place at sub-regional levels, and the PIÙ Europa programmes financed by the current ROP contribute to investments that are part of these wider thematic strategies.

[118] Furthter, the regional authority during the 2000-06 period intervened in this field also with domestic resources, piloting an innovative anti-poverty initiative (so-called 'reddito di cittadinanza', which translated would mean 'citizenship income'). This entailed providing monthly financial support to families with many children and very modest incomes, and free public transport on the condition that the children would be sent to school.

[119] This is not to suggest that the implementation of ESF measures has been satisfactory. On the contrary, interview evidence suggests that ESF interventions within the ERDF programmes has been an area where achievements have been below expectations. This has been partly due to the misuse of the Fund, e.g. for training courses that were a masked form of welfare support (for unemployed or even for those employed in the shadow economy) or that were inadequate in terms of quality or responsiveness to real needs. An interviewee observed: '*hanno pagato formatori che non formavano e gente in formazione che non si formava*', which translated means 'they paid trainers that did not train, and trainees that did not learn' (INT16). More seriously, there have also been cases of frauds in relation to some projects and these obviously depressed achievements (INT16, INT52; 'Almost 3,000 persons in Campania were mobilised in fake training activities. People only went to sign [the register], obtaining a remuneration of almost €500 per month', INT16). However, such evidence would have to be complemented with wider documental analysis in order to formulate a sound judgement on this type of intervention.

Lastly, it should be noted that although the ERDF measures have had some impact on social inclusion, the regional situation is still grave, as discussed in Chapter 2. In 2007, even before the economic crisis, a staggering 37.9 percent of residents (individuals) were at risk of poverty (SVIMEZ, 2010). Although the significance of this datum is tempered by the incidence of the shadow economy, social inclusion remain a serious concern that still needs to be solved: in 2008, and thus before the economic crisis could cast its effects, 6.4 percent of Campania households found it hard to cope with the purchase of food, and 24.2 percent, 25.3 percent and 32.2 percent struggled to cope with the payment of heating bills, health fees and clothing expenses respectively (SVIMEZ, 2010: 425).

(viii) Other themes

Administrative and institutional capacity

A consensus that emerged is that the ERDF programmes have led to a significant improvement in the administrative capacity of the officials working in the regional authority. Improvements did not prove to be entirely sustainable, and there are still considerable shortcomings in the administration of the ERDF resources, as is testified by the poor performance of the current programme.[120] Nevertheless, 'Regione Campania today bears no relation to what it was [and] certainly the Structural Funds have contributed to this' (INT56). This topic is discussed in more detail in subsequent sections of this report.

Legality and security

The ERDF programmes have injected considerable resources – over €683 million (current prices) - for the improvement of legality and security in Campania, particularly via the multi-regional/national dedicated programmes.[121] Yet in this field the desired change has not materialised. The *camorra* and its hold on the economy are still strong. In their analysis of the province of Naples, Guadalupi and Sorrentino (2004: 85) found that 'there isn't an urban area belonging to the province of Naples in which criminal associations do not operate, whether with more or lesser strength'. Indeed, some observers argue that the *camorra* (just like organised crime in Italy more generally) has strengthened in recent years, for example increasing its presence in legal economic activities (Cantone and Di Feo, 2010) and via a generalised cultural shift 'from cohabitation to connivance' (Cantone and Di Feo, 2010: 10).

Thus, in this sphere ERDF programmes have not been able to contribute to solve the problem. An effective challenge to organised crime is essential to allow economic development to take place and to create the social capital that is necessary to achieve durable and irreversible change. Most of the resources of the ERDF programmes were spent on interventions such as video-surveillance

[120] See also D'Antonio, 2010. In this pamphlet, D'Antonio, an academic who served for a brief stint as regional Minister for Economic Programming in the second Bassolino government (from February 2008 to March 2010), highlights that 'in the bureaucracy of Regione Campania, particularly amongst the officials responsible for the management of the European Regional Development Fund (ERDF), work was undertaken with considerable communication deficiencies between the officials themselves, with lack of coordination, with extremely slow execution times' (D'Antonio, 2010: 43). As discussed in more detail below, this assessment relates to a phase of the operation of the regional administration in which an initial renewal impetus had, on the whole, been lost.

[121] This figure comprises the expenditure realised also for environmental safety and civil protection in the POP and ROPs across all periods and the expenditure realised in Campania by the NOPs Security 2000-06 and 2007-13. Data on the 1994-99 MOP Security are not available.

systems. This type of support has worked in certain parts of the region, where the problem has largely been one of micro-criminality (petty crimes, drugs use), but is arguably unsuited to solve the pervasiveness of organised crime in parts of the regional territory (INT60).

The measures for the re-use of confiscated goods for the provision of much-needed social services have been rather marginal too (because they have received comparatively few funds and have operated at a small scale), albeit symbolically important.

It should be questioned, however, whether the lack of achievements in this area represents a failing of the ERDF programmes or rather – as this report would argue – a matter that falls largely beyond the reach of Cohesion policy. An effective challenge to organised crime would require a systematic and comprehensive policy response aimed at the '*decamorrizzazione'* and 'de-racketisation' of the territory, i.e. 'bottom-up initiatives to reinstate freedom' and the enforcement of measures to release public procurement from the hold of organised crime[122] (Grasso, 2004: 72; INT60). Such a systematic policy would include features and investments which clearly exceed the scope of the ERDF (although the ERDF programmes can participate in the effort through specific projects, as they have endeavoured to do thus far, and must consider this issue in programme design, because, as has been seen, neglecting it impairs the likelihood of success of any investment in crime-ridden areas).

5.1.3 Institutional factors affecting achievements

Over the study period, a number of institutional factors have affected achievements. These factors are both regional and national.

Regional institutional and administrative capacity

Probably the most important of the institutional factors affecting achievements is the level of institutional and administrative capacity in the regional authority. In itself, this has been a theme that the ERDF programmes have sought to address in subsequent programme periods, achieving some important improvements. However, advances were limited to the offices dealing directly with Cohesion policy and were not sustained.

Especially in the earliest period, 1989-93, the regional administration in Campania was not prepared to accommodate the challenges of the rules of European funding – integrated approach, multi-annual programming, co-financing – which were 'different in spirit and nature from those applied to domestic policies' (INT3). The domestic reorganisation of national-level responsibilities for this policy – from being centralised in the hands of a single Ministry for the Mezzogiorno, to being distributed to different national ministries and (in smaller proportion) the regional authorities (Florio, 1994) - did not help. At the end of the 1980s, the regional authority was still operating with staff drawn from other administrations,[123] and they often lacked the required competences. As eloquently put by one interviewee:

> In the early 1990s, the staff of the regional authority 'hadn't been recruited through a public competition. I have met *dirigenti* in those years who, until they entered the regional

[122] For instance, by regulating that acquiescent entrpreneurs are not just fined but also lose the right to operate on the market, thus redressing market asymmetries (Grasso, 2004: 73).
[123] Mainly with secondments (INT1).

> authority, had worked as stretcher-bearers in hospitals, but found themselves directing a huge financial portfolio and very delicate policy areas - without university qualifications: the public competition for senior management (*dirigenza*) did not even foresee it' (INT3).[124]

This assessment of the inadequacy of the regional machinery in the first two programme periods, both in general and specifically in relation to Cohesion policy, emerged strongly in interviews (e.g. INT1, INT3, INT33, INT37, INT52, INT70) and is reported in evaluation studies and literature (ISMERI EUROPA, 1995; Giannelli and Profeti, 2006; La Spina, 2003). During the entire first decade of the period under review, Campania was one of the Italian regions (together with Sicily and Calabria) which were the most 'resistant' and 'refractory' to the principles, underlying philosophy and procedures of the Structural Funds (Giannelli and Profeti, 2006).

Problems were varied and had various roots: at the apex of the institutional system, they reflected the existence of a fragmented rather than collegial political and governmental leadership. Every regional minister represented 'a specific constituency, bearer of particular interests and pinnacle of an administrative apparatus under its direct control, operating by and large in an entirely disconnected manner from the rest of the machinery' (Giannelli and Profeti, 2006: 227). This internal fragmentation was exacerbated by the fact that each regional ministry was subdivided into various units: in the early 1990s, the regional authority counted as many as 29 'general areas of intervention' (Giannelli and Profeti, 2006: 234). The administration was over-sized and antiquated, 'embedded in rites and procedures of other times. Rooms full of papers, offices without computers, a very high average age of the employees. Not even one paragraph of the Bassanini reform[125] has been received' (Bassolino, 2011: 87).

Within this broader framework, the structure devoted to the implementation of the Structural Funds programmes was 'minimal', made by 'a single referent devoted to community policies and a net separation between the Funds' (INT52). Because the person in charge of the ERDF 'had a very in-depth knowledge of the administrative machinery of the region and an attitude of practical resolution of issues, he could use this knowledge to satisfy the requests by the Commission' (INT52); however, this was not sufficient to overcome the particularistic attitude of regional ministers, or the inefficiencies and outdated mentality of the administration. For instance, the approach adopted to select projects was formalistic and pragmatic, based on financial/procedural requisites, rather than strategic fit.[126]

This inadequate level of institutional capacity was obviously detrimental to the achievements: it caused the lack of a strategic approach, undermining the potential of the investments to generate synergies and added value; it was one of the roots of the considerable use of coherent projects, which reduced the additionality of support; it determined implementation delays and difficulties;

[124] Although this view seems to dominate, there was also contrasting evidence, as witnessed by this interviewee: 'With regard to the degree of professionalism in Regione Campania, in the olden days of the *dirigente veniva dalla gavetta,* one would become coordinator after he had demonstrated competence. Many had two university degrees, there was strong experience' (INT55).

[125] A reform introduced with four laws approved between 1997 and 1999 introducing the simplification of administrative procedures and the decentralisation of administrative functions from the central State to the regions.

[126] Project assessors checked whether: (i) the project form had been filled in and cost-benefit analysis, where required, done; (ii) there was documented availability of resources for the domestic co-financing share; (iii) observance of community legislation on public procurement had been respected; and (iv) the project or the part of a project for which co-fonding was sought (*lotto*) was ready to be implemented (*progettazione esecutiva*) (Regione Campania, undated).

and it meant that the regional government was unable to adequately gauge and respond to the needs of local populations (INT65).

The situation changed markedly, albeit briefly, during the 2000-06 programme period. The newly elected President Bassolino promoted a radical process of renewal of the administration, which was contested internally. There were appointments to a few senior positions of high-profile, experienced staff, selected from outside the regional administration, the recruitment of new staff with public competitions - for the first time - and a comprehensive reform of the organisation of the regional government administration. All of this was compounded by the appointment as regional ministers of high-profile technical figures chosen from outside the regional council and directly responsible to the President (such as Ministers Cascetta and Nicolais in the fields of transport and research, both academics loaned to politics).[127] Regional ministers enjoyed a high degree of autonomy in carrying forward their work, but were also backed by the strong endorsement of the President. The ERDF programme was put in the hands of a competent and dynamic administrator who was able to imprint a strong impetus on implementation (Bassolino, 2011; Giannelli and Profeti, 2006; INT1, INT33, INT52, INT56, and various others). As a result of these changes, during the first Bassolino mandate the region became a good-practice example in the implementation of the Community method (Giannelli and Profeti, 2006; INT1, INT33, INT52, INT56 and various others).[128]

This process, however, never managed to properly spillover to the wider administrative structure and to overcome the inability of the regional administration to effectively interact with local communities (Marra *et al.*, 2012), and it was interrupted during the second Bassolino mandate. The enlargement of the political majority supporting the regional government – largely in response to national political developments (Bassolino, 2011) - meant the reversal of the process and a return to the old particularistic logics of political control of the policy process. Key actors, including the Head of the ERDF Managing Authority, left the administration. As the group of administrators in charge of the regional programme had remained fairly 'isolated' from the rest of the administrative structure (despite cross-fertilisation attempts), the progress made left only few durable traces. This and the change of government that followed (in 2010)[129] meant that the progress realised was largely lost. According to many interviewees, Campania is today experiencing an institutional regression (e.g. INT18, INT60).

There have been consequences not just for the implementation performance of the current OP - currently being addressed via a 'strengthened cooperation'[130] between regional, national and European authorities (INT48, INT59) and an extensive reprogramming excercise – but also for the legacy and sustainability of past investments and experiences. Past achievements need to be read in this light.

[127] This was made possible by the recent electoral reform – Constitutional Law no. 3/2001 – which, by establishing the direct election of the regional President and introducing a new, semi-presidential government system, had freed the President from post-vote political and party logics and negotiations (Musella, 2009). Indeed, President Bassolino had notified his prospective team of regional ministers for his first mandate already during the electoral campaign (Bassolino, 2011).

[128] A more detailed review of the structure and functioning of the regional administrative machinery can be found in Giannelli and Profeti, 2006.

[129] Due also to the spoil system in place, whereby every change of government entails a reorganisation of the regional administration. This fact was assessed very negatively in interviews by representatives of the economic stakeholders.

[130] This has entailed the creation of a national/regional task force to accelerate expenditure.

National-level developments

A second group of institutional factors pertains to national-level developments. They are: the evolution of domestic capital spending; the impact of the Stability and Growth Pact on the availability of national co-financing; the coordination role played by the Department for Development and Economic Cohesion; and the absence of a national policy for industrial development.

The most important amongst the national-level factors affecting achievements is the 'overall weight of public expenditure in the South' (Trigilia, 1992), that is the overall amount of capital public spending that has been assigned to this macro-region and to Campania specifically. This is important because the 'additional' expenditure (i.e. the territorially-targeted expenditure aimed at catching-up) represents only a fraction of the total capital spending, as discussed in Chapter 4.[131] The decline of public capital spending net of regional policy resources in the past decades and particularly in recent years has meant that regional policy funding has been utilised to fund investments - such as the high-speed high-capacity Rome-Naples rail line - that in the remainder of the country were supported by ordinary (i.e. non-regional policy) resources (Viesti, 2009: 55; Camera dei Deputati, 2010). Compounded by the cuts in domestic regional development funding from 2008 onwards (DPS, 2011), the consequences for Campania have been significant. ERDF programmes had to compensate for the relative lack of domestic capital spending, have lost additionality (Regione Campania, NVVIP, 2011), and have been directed to areas of spend that are not directly linked to development, for instance 'maintenance works which are necessary but induce little growth' (INT14; also INT4, INT69). As noted by one interviewee,

> 'The real challenge is that the State doesn't do what it should do: high-speed railways; essential services to citizens, for instance social and health services; local public transport; water; waste. In Campania, the tax for the disposal of municipal solid waste is the highest in Italy! … The problem of Campania is that today the essential public services are not provided. The overall public expenditure in the South of Italy is 30-40 percent lower than in the rest of the country. The political datum is that one has chosen to favour the productive part of the country [the Centre-North] … it is unrealistic to talk about development policy where the State does not provide essential services' (INT69).

The factors discussed above have also caused the interruption of many investment projects and have been one of the causes for the stoppage of regional-level industrial policy, the above-mentioned PASER. The effects of this have been exacerbated by the absence of a domestic industrial policy at the national level (Brancati, 2010; SVIMEZ, various years; Viesti, 2009), which has had an obvious detrimental impact on the achievements that could be realised in the field of entrepreneurial support (INT52).

[131] Italian Governments from 2001 to 2007 had set the target of a quota of total public capital expenditure in the Mezzogiorno (ordinary plus 'additional', i.e. for regional policy) of 45 percent. This was to be attained gradually by increasing the share of 'ordinary' capital expenditure in this macro-area to 30 percent, an intermediate measure between this area's GDP and population shares (respectively 24 percent and 36 percent) (Ministero dell'Economia e delle Finanze 2002: 122). However, these targets were never achieved in practice: on the contrary, in real terms in the 2001-06 period, both ratios decreased (Viesti, 2009: 54). Total public sector expenditure in the Mezzogiorno remained at 31 percent of total public sector expenditure, whereas capital expenditure decreased between the end of the 1990s to the current period (DPS, 2012: 127). The inequality is also shown by per capita expenditure in different policy areas (DPS, 2012).

The implementation of the ERDF programmes, particularly from the last few years of the 2000-06 programme period, has also been negatively affected by the grave financial situation of Italy as a whole. In 2011, Italy had a public debt of 120.1 percent of GDP, second only to Greece amongst the EU Member States (ISTAT, 2012). The Stability and Growth Pact is imposing severe constraints on public spending by the local authorities and as such is impacting Campania's ability to find the necessary domestic co-financing (Regione Campania, NVVIP, 2011: 3). Further, the applicability of the Pact to the domestic co-financing of Structural Funds programmes has constrained the regional and local authorities' ability to spend in the latest months of each year, impacting on the payments for co-financed investments (Regione Campania, NVVIP, 2011: 149). In 2012, this problem was 'solved' by increasing co-financing rates which, however, has had the effect of further reducing the overall value of the programmes.

One last national-level development that has had significant consequences in Campania has been the progressive loss of 'weight' of the national department in charge of regional development, the Department for Development and Economic Cohesion, broadly in the period from mid-2000 to the appointment of the Monti government, in November 2011 (Polverari, 2011 and forthcoming). The upgrading of the regional administrative structure in charge of the implementation of the ERDF programme during the early 2000s had relied on a close linkage with such a national authority, as those actors within the region 'that were responsible for development policies had found their legitimisation in Rome and when Rome collapsed, they found themselves isolated and thus also collapsed' (INT14).[132]

5.2 Complementarities and synergies

This section reviews the extent to which different ERDF-inclusive programmes and different Structural Funds were complementary, and whether complementarities and synergies were achieved between the ERDF programmes and domestic-funded programmes.

5.2.1 Complementarity between ERDF-funded programmes

Despite the existence in each programme period of an overarching strategy for the entire South of Italy – the Community Support Frameworks until 2006 and the National Strategic Reference Framework subsequently - a constant throughout the four programme periods reviewed has been the lack of real (as opposed to nominal) integration and synergy between the ROPs and MOPs/NOPs.[133] Other than in a few spheres – notably, those of education (with the MOPs/NOPs on 'School') and, limited to 2000-06, transport and research - national and regional Operational Programmes have generally proceeded as parallel tracks (Regione Campania, 2000; ISMERI, 1995; INT56 and INT70). This was to be expected with the weak strategies of 1989-93 and 1994-99,

[132] Although it should be acknowledged that, even at its peak, the Department was criticised for being too far removed from reality, for excessively relying on economic theory and desk analysis rather than on fieldwork and closer attention to local communities (which would have been better suited to uncover how the economy and society reacted to the policy). This produced impeccable documents and large amounts of data and information - a distinct improvement over the past - but also provided a 'screen' behind which ineffectiveness and opportunistic behaviour thrived, depressing policy achievements and wasting opportunities for change (Meldolesi, 2009: 73-134).

[133] The mid-term evaluation of the 2000-06 CSF observes that 'the integration between administrations is spreading: the results, however, are more in the direction of avoiding overlaps (for example between Ministries of Productive Activities and Research) than that of finding synergies (which appear scarce, even between cultural resources and tourism)'. *Vision & Value*, The London School of Economics and Political Science (2003: 11), own translation from Italian.

compounded by the institutional changes unleashed by the end of Special Intervention. However, the mismatch, albeit limited to implementation, also holds true for the 2000-06 and 2007-13 programme periods, where the overarching strategy was well construed and had been developed through intense cooperation among regional and national authorities. The common strategic orientation and assumptions, however, were not succesfully operationalised, even though instruments intended to achieve synergy also existed at operational level (such as foreseeing that representatives from the regional authorities would participate in the Monitoring Committees of the NOPs and vice-versa, and the establishment of multi-level thematic workgroups).

Interviewees at both regional and national levels tended to attribute this lack of integration to the sectoral mentality of national ministries, considered to view the Structural Funds as a funding source like any other, to be used to carry out 'investments *in* the regions, rather than interregional investments' (INT66). Another cause for the lack of integration has been the attitudinal response generated in the regions by the decentralisation and devolution reforms introduced between the late 1990s and early 2000s: rather than attempting to exploit the pool of knowledge available at the national level, regional actors focused on gaining, for the newly acquired competences, operational autonomy (and resources) from the centre.

This lack of integration has had important consequences for the achievements that could be realized, because synergies and complementarities that could have been obtained in all fields between the two types of programmes were not pursued. Furthermore, the 'lack of a strategic supra-regional dimension' (INT66) limited the potential to foster synergies by investing in projects that cut across the territory of more than one region (for instance, the Samnium, an area that cuts across the territories of Campania, Basilicata, Molise and Apulia). Until the early 1990s, this supra-regional scale was covered by the Agensud. When this was closed, it left a gap that neither the national ministries, nor the Department for Development and Economic Cohesion, nor the regions themselves were able to fill. Attempts in this direction in 2007-13, with the two interregional OPs, have failed: the failure of the NOIP Cultural Heritage Attractors soon extended, via changes in the organisational setting, to the NOIP Energy, which had initially worked.

The exceptions noted above – in the fields of education, transport and research - can be explained essentially by an actor-centred perspective. For the School MOPs/NOPs, it was managerial continuity within the MOPs/NOPs, i.e. the fact that the same official remained in charge throughout various programme phases, which allowed the pursuit of a long-term strategy of engagement with the regional authorities. For the research and transport fields, it was the technical and strategic ability of the two regional ministers that made the difference. In the research field, synergy was also facilitated by the good relations between the then Deputy Minister for Research in the national government (the current regional President) and the then regional Minister: from the same region, they knew each other and were able to establish fruitful cooperation. The fact that apical (political) decision-makers were also technical experts in these fields helped maintain capable managers in office. Furthermore, the fact of belonging to the same professional 'community' meant that it was easier for decision-makers and officials to understand each other and to work together even across political lines.

The complementarity between different EU Funds also left much to be desired. At the national level, this was largely lacking for the reasons just illustrated, whilst at the regional level the funds were implemented separately (even if within a single, multi-fund programme). Complementarity

between ESF and ERDF was minimal, except in specific domains, such as education in the 2000-06 and 2007-13 School NOPs, and ICT and business support in the 2000-06 Local Entrepreneurial Development NOP. The separation with which the two funds have traditionally operated in Bruxelles has exacerbated this problem, cascading the effects of the lack of integration in the programmes and on the ground. Even when there were attempts to achieve complementarities and synergies between the two funds, for instance within the 2000-06 Territorial Integrated Projects, such attempts were not successful, not least because of the difficulty to reconcile different rules and coordinate actors operating in different administrative units (Casavola and Bianchi, 2008 and INT62, which pointed out the exception of PIT Phlegrean Fields). At least since 1994-99, there seems to have been a tacit separation of tasks between the ERDF and the EAGGF/EAFRD, particularly in relation to areas within the region that received support from one or the other fund (whereby the ERDF invested especially in urban areas and along the coast and the EAGGF in the more rural hinterland).

5.2.1 Complementarity with non-EU-funded programmes

The field of transport is also the main field in which complementarity and integration can be observed between ERDF programmes and domestic spending programmes. Some of the investments in Naples' underground, for instance, and the Battipaglia logistical hub, in the province of Salerno, were funded by the national 'Legge Obiettivo' (Steer Davies Gleaves, 2010: 113), the main domestic instrument for the realisation of major strategic infrastructure in the most recent years. More limited coordination in other fields was achieved via the Institutional Framework Agreements.

6. ASSESSMENT OF ACHIEVEMENTS AGAINST OBJECTIVES AND NEEDS (EFFECTIVENESS AND UTILITY)

6.1 Overall achievements of ERDF programmes measured against programme objectives (effectiveness)

In this research, effectiveness is defined as the extent to which programme objectives were achieved, distinguishing, where relevant, between objectives stated in programme documents and those that were imputed by the research team. Effectiveness can be assessed both by looking at the achievements in relation to the overarching goals of programmes and by contrasting the former with the targets relating to specific measures and/or priorities. Since prior to 2000-06 the systematic quantification of targets was largely absent, this chapter focuses predominantly on the first aspect.[134] Effectiveness in relation to priority and measure targets is thus only assessed for the 2000-06 ROP (for the 2007-13 OP, given the slow progress of the programme and the reprogramming exercise underway, such an assessment would be premature). In addition, since a major role in generating achievements was also played by the MOPs/NOPs, particularly in the early programme periods, these programmes are also considered, by assessing the extent to which they contributed to the overarching regional development goals of the POPs/ROPs.[135]

Although the analysis to follow is period-by-period, as has been noted, many of the investments realised by the ROPs related to portions of wider projects which were supported by subsequent programmes. It is thus mainly diachronically that it makes sense to consider the achievements realised, as has already been noted.

1989-93

During 1989-93, as has been discussed, the ROP had three main declared objectives: to increase employment; to improve the quality of life; and to increase the competitiveness of the regional system. Of these three objectives, only the first is readily quantifiable. It was not reached.

It is more difficult to assess whether the objective of improving the quality of life was achieved, given the limitations on output data in the 1989-93 programmes and the complexity inherent in this theme (i.e. what was meant by quality of life and the appropriate indicators to measure it). It is plausible to assume that the transport and environmental infrastructure built or upgraded via the programme, summarised in Section 5.1, contributed to an improvement in living conditions. However, it is not possible to assess the actual extent of this, nor the specific contribution of the 1989-93 POP. What can be said with a fair degree of certainty is that residents of the parts of Naples served by the new rail transport infrastructure have been positively affected by this, as have the residents of areas served by the new water purification plants and sewage systems, but the exact number of these and the related improvement to more widely-defined 'quality of life' cannot be quantified.

[134] The FIR of the 1994-99 POP, which was drafted in 2003, provides targets for some interventions. However, it is not clear whether such targets had been defined in the programme at the time of approval. Moreoever, there are considerable discrepancies in many cases between the targeted and achieved values. This casts doubts on the reliability of target figures (e.g. achievement rates are 400 percent, even over 1,000 percent in one case).

[135] This clearly does not equate with an assessment of the effectiveness of MOPs and NOPs. Since MOPs/NOPs' strategies are couched in a multi-regional frame, assessing effectiveness specifically with regard to Campania would be both arduous (given the unavailability of region-specific achievements data) and largely arbitrary.

The competitiveness of the regional system has been partially enhanced by some of the investments realised (the support to SMEs in industrial areas throughout the regional territory,[136] the roads built to connect them, the Nola Inter-port), but there is little evidence of a quantum leap.

On the whole, a conclusion that can be drawn from the analysis is that the POP was largely ineffectual but that this was inevitable given the scope of the objectives against the actual latitude of the programme. The assessment formulated does not change substantially if the achievements of the MOPs of that period are included in the equation, on account of the limited information available.

In reading this assessment of effectiveness of the ERDF programmes in Campania in the 1989-93 period, one should bear in mind that the POP was only one of a number of interventions implemented in the region (i.e. other co-funded but nationally-led programmes and non-cofunded investment programmes), on which the achievements of the three goals discussed above obviously also depended. In addition, the assessment of effectiveness formulated here needs to be regarded with caution given the substantive deficiencies in the data upon which it relies.

1994-99

The 1994-99 Campania POP had four overarching aims: to strengthen infrastructure, to modernise productive structures, to develop non-traditional sectors and, again, to improve quality of life.

The first goal has certainly been achieved. It is of course unorthodox to talk about effectiveness in the absence of a quantified target, but it is certain that the POP has increased the infrastructure endowment of the region, especially with regard to transport infrastructure. This is even more the case if the achievements delivered by some MOPs during the period (e.g. Roads, Airports, Civil Protection) are also considered.

The modernisation of productive structures, particularly intended to upgrade production machinery, appears to have been achieved, but only in part. The POP and the MOP Industry both funded business aids for machinery. However, despite the slight increases in productivity until 2000, which suggest that a degree of modernisation has been achieved, the figures of the ex-post evaluation of the Italian 1994-99 CSF indicate that this has been lower than what could have been expected (fewer than 7,000 firms supported in the period, a mere 2.6 percent of existing businesses in the region,[137] the lowest value amongst all Italian Objective 1 regions) (ISMERI, 2002).

The objective of developing non-traditional sectors has been achieved to an extent, with an increase of 18.3 percent of tourist accommodation and c. 29,500 new beds. Whereas the tourist presence in the region increased, it was not steep and only extended until 2001. Figures on museums visits show an increase from 2001 to 2006, which appears in line with the investments realised in museums and the wider restoration of cultural heritage sites during 1994-99 (of which the programme realised many). Whether the achievements adequately reflect the financial input (almost one-quarter of the programme expenditure) is doubtful.

[136] Even though anedoctal evidence highlights that some industrial areas remained virtually empty, as confirmed by subsequent orientations not to build new areas but just to upgrade existing ones.
[137] Probably an even lower percentage in real terms, since during those years a large number of firms operated in the shadow economy (Meldolesi and Aniello, 1998).

Investments in the regeneration of urban centres, particularly in Naples, but also the creation of environmental infrastructure and transport infrastructure has had positive effects on the quality of life, particularly in the metropolitan area of Naples. Considering the Urban CIP and some MOPs as well makes this assessment all the more valid. It is however not possible to quantifiy the extent of this improvement.

The 1994-99 POP did not include an explicit objective on job creation. However, this was an underlying theme of the programme. According to the ex-post evaluation of the 1994-99 Italian CSF, altogether the programmes implemented in Campania during this period have been estimated to have generated almost 18,000 'temporary' jobs and almost 10,000 new jobs (ISMERI, 2002: 158). Compared to the relative share of resources absorbed and the employment generated in other Objective 1 regions, this appears modest.

2000-06

The 2000-06 ROP had a wider range of objectives than its predecessors, reflecting a change in the strategic underpinning of the policy. In contrast to 1994-99, employment growth became an explicit goal of the ROP, alongside sustainable and equitable development, improvement in the quality of life, territorial balance, and the increase of competitiveness in the regional productive structure. The detailed ex-post evaluation, undertaken in 2011, concludes that the programme has been largely ineffectual, both in relation to the targets for specific measures (outputs and results) and, more fundamentally, with regard to the overall objectives.

> 'The rigorous examination of the Programme's targets (both general and sectoral)… shows, on the whole, results that are not always positive and that have disregarded many of the objectives set and expectations generated. This is not just due to the "ambitious" nature of some of the targets identified at the time of programming, to the high fragmentation of the interventions foreseen, or a too-complex procedural system. It has also been due to the substantial lack of readiness of the administrative machinery and a not-always-effective implementation system. All of these factors, together with a de facto inefficient monitoring system, have not allowed correction of the programme *in itinere*, if not to respond to expenditure difficulties and accounting constraints - by changing, sometimes, the target values to be achieved. In sum, the 2000-06 ROP has not been able to impact on the elements of backwardness that characterised the regional socio-economic system at the beginning of the programme period and, indeed, in many cases it has accompanied a retrenchment of the regional condition against national and European comparisons' (Regione Campania, NVVIP: 16, own translation from Italian).

Indeed, employment rates have remained stable in the whole period from 1995 to 2010 and thus the desired improvement in employment rates did not materialise. Nevertheless, and as discussed in Chapter 5, the regional programme, both alone and in conjunction with some of the NOPs, improved the quality of life (in environmental and social terms), territorial balance and competitiveness in the regional productive structure. However, the achievements fell short of meeting needs and might not necessarily be commensurate with the resources spent.

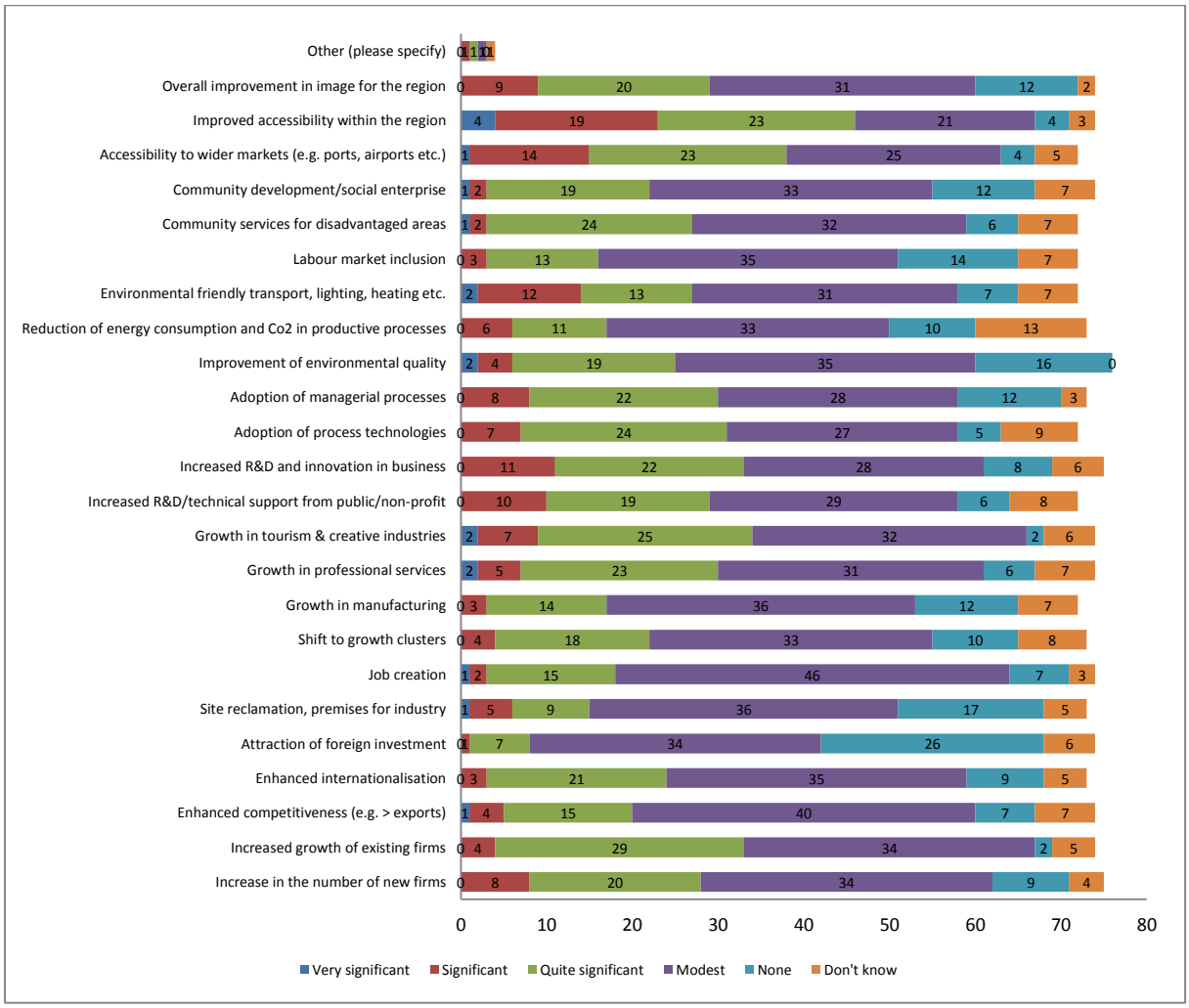
Unlike its predecessors, the ROP was linked to about 350 indicators (between output and result indicators), most of which had associated quantified targets. As shown in Table 17 in Annex IIIA,

targets were achieved for only c. 40 percent of the indicators, despite downward revisions. This is a disappointing figure.

There is not enough data to support an assessment of the extent to which the NOPs contributed to the ROP's goals. Nevertheless, given the limited complementarity between the two sets of programmes (regional and national), it is fair to infer that, with the notable exceptions of the themes of transport and research, the overall effectiveness in delivering the objectives of the ERDF programmes was limited. The onset of the economic crisis, in 2008, aggravated these shortcomings and radically changed the scenario compared to when the policy response was devised. It is plausible that, if the ROP had not been in place, the impact of the crisis on Campania's socio-economic situation would have been even graver.

If all three programme periods reviewed in this Chapter (1989-93, 1994-99 and 2000-06) are considering longitudinally, the conclusion that can be drawn is that the effectiveness of ERDF programmes has been limited. This assessment to some extent matches the perceptions of those stakeholders who contributed to the online survey, as shown in Figure 24, according to whom 'quite significant and above' achievements were realised by the ERDF-supported programmes in Campania only in the field of intra-regional transport (improved accessibility within the region).

Figure 24: Online survey responses to: 'Could you please assess the extent to which the ERDF programmes delivered achievements in the fields outlined below (across the entire period, i.e. 1989 to date)?'



Source: Online survey. Figures reported are the actual responses.

Naturally, this assessment of effectiveness is influenced by the nature of the goals set by the programmes, which were overestimated, in both scope and scale, and thus unrealistic. The ERDF programmes could not solve all of the problems of the region and were not the only, not even the most significant, policy lever available. This awareness was not apparent in the programme documents.

A number of factors hindered effectiveness across the study period. They include:

- *The neglect of absorption capacity* - especially in earlier periods, strategy drafting and negotiations with the Commission only partially took into consideration past experience and the actual degree of absorption capacity of regional stakeholders. As a result, during implementation, resources were often shifted from one priority or measure to another. This altered the relative weight of different priorities in the programmes and thus the programme's de facto strategic orientation.

- *The length and administrative complexity of the project cycle in infrastructure* – the fact that in the field of infrastructure the project cycles generally exceed the length of the programme period was not taken into consideration when drafting the programmes in early periods (Florio, undated). This resulted in the widespread use of coherent projects, which only seldom had a direct link to the programmes' strategies (with the notable exception of transport infrastructure since 2000).

- The *availability of co-financing* has been a problem throughout the study period, worsening in the current one. It contributed to delaying or altering programmes, undermining the programmes' potential to achieve the goals initially set (INT29).

- *Implementation difficulties* were frequent and were due not just to administrative inefficiencies (e.g. delays, contradictory decisions between different authorities) but also to a high propensity of potential beneficiaries to challenge award decisions in court, linked in part to a historically-high degree of irregularities (spurring distrust in public decision-making) but also to a high dependency of some sectors of the regional economy on public procurement and State aids, creating a strong incentive to try and overturn decisions.

- *EU funding rules with regard to financial management* – just like elsewhere in Europe (Bachtler *et al.*, 2009), EU rules governing expenditure, notably those on expenditure claims and automatic decommittment, have resulted in a substitution of novel or innovative projects, which have by nature a longer project cycle (UVAL, 2006), with easy-to-implement projects (irrespective of their added value). For example, in 2000-06, this resulted in abandoning ambitions to achieve integration between ESF and ERDF within the Integrated Territorial Projects (Regione Campania, NVVIP, 2011; INT5).

- *Political turnover* - at the beginning of both the 2000-06 and the 2007-13 programme periods, changes of political leadership, both at the national and regional levels, intervened after the programmes had been launched. This caused delays due to administrative turnovers and changes of strategic orientation by new political leaderships. For the current ROP, in particular, the political change generated a prolonged, stalled a

situation which, as has been mentioned, is likely to significantly cut the prospective achievements that the programme will be able to realise (INT21, INT27, INT70, INT50). It has also caused discontinuities in support in certain fields, in particular innovation and entrepreneurial support, which are likely to have detrimental effects on effectiveness.

- Particularly in the 2000-06 period, there was a *dispersion of the policy effort into too many themes and funding streams* (NVVIP, 2011; INT17, INT18, INT55, INT44, INT70), which exceeded the available strategic and managerial capacity. This complicated implementation and proved detrimental to the achievement of the necessary critical mass, for instance in the field of cultural resources.

Table 7 provides a synthetic overview of the achievements compared to the programmes' imputed objectives for each theme. As can be seen, the programmes have underachieved in the field of enterprise support and overachieved in the field of infrastructure (particularly transport).

Table 7: Achievements compared with imputed objectives for eight thematic axes

	1989-93		1994-99		2000-06		2007-13	
Thematic axis	**Imputed objectives**	**Achieve-ments**	**Imputed objectives**	**Achieve-ments**	**Imputed objectives**	**Achieve-ments**	**Imputed objectives**	**Achieve-ments**
Enterprise	+	2	++	2	++	2	--	1
Structural adjustment	-	3	=	3	+	3	+	2
Innovation	-	3	++	3	++	3	++	2
Environmental sustainability	+	2	+	2	+	2	+	3
Labour market	-	2	=	2	=	2	--	2
Social cohesion	--	3	-	3	+	3	++	3
Spatial cohesion	--	3	--	3	+	4	-	2
Infrastructure	++	4	++	4	++	5	++	4

Imputed Objectives
++ Very high effort, this axis is a central aspect of the regional development strategy
+ High effort, this axis is an important element in the regional development strategy
= Average effort, this axis is included in the regional development strategy but is not particularly important
- Low effort: this axis is only marginally considered in the regional development strategy
-- No effort at all on this axis

Achievements scale (end of period with respect to beginning of period)
5 Very high achievement, the results for this axis are much above expectations given the effort put into it and ex-ante conditions
4 High achievement, the results for this axis are above expectations given the effort put into it and ex-ante conditions
3 Average achievement, the results for this axis are those which could be expected given the effort put into it and ex-ante conditions
2 Negative achievement, the results for this axis are below expectations given the effort put into it and ex-ante conditions
1 Very negative achievement, the results for this axis are considerably below expectations or even nil

Note: 2007-13 shaded as it is too early to say definitively, and those values indicated are early estimates that may be subject to change.

6.2 Overall contribution of ERDF programmes to regional development (utility)

Utility is defined as the extent to which the overall achievements met the needs of the region, as they can be defined and understood today. It can be appraised in two ways: first, by assessing whether the region's needs and problems have changed for the better and, if so, whether the ERDF programmes played a role in this change; second, by considering whether the 'right' needs were addressed, i.e. making a judgement about whether the achievements realised were those that were most needed to improve the situation and development prospects of the region for the longer term.

It is therefore useful to firstly recall what the needs were. As discussed in Chapter 2, throughout the study period – 1989 to date – the region has persistently faced a number of challenges: low GDP per capita; the need to support a process of industrial conversion from obsolete, mainly large-scale, production and to support entrepreneurial activities and clusters; the necessity to address fundamental social challenges (including poverty, high unemployment rates and irregular labour); and the need to resolve environmental challenges related to the usage and preservation of natural resources and persisting territorial cleavages, connected to the skewed population pattern and related to the availability of public services.

The ERDF programmes have substantially met regional needs in some fields, especially transport, both within the region and with the main Rome-Milan axis. In addition, they have met needs for urban regeneration and development, telecommunications and digital endowment, and, together with the separate EAGGF programmes (since 2007), territorial development in rural/inland areas. Campania's transport infrastructure today is in line with or above national standards, its broadband coverage matches the national average, its main cities – Naples and Salerno – have improved considerably in terms of liveability (safety, usability of public spaces, image, public transport etc.), and the rural hinterland is more economically diversified than it was 23 years ago.

In other areas, the ERDF programmes have been useful, but have not been able to address fully the underlying development needs that they were intended to address. This is the case in the field of entrepreneurial development and structural change, in the field of R&D and innovation, and in the field of social cohesion (though for a complete assessment of this theme, the ESF interventions would need to be considered in more detail).

Support to firms was not sufficiently geared towards competitiveness; it neglected a section of the region's entrepreneurial class; and ERDF programmes alone could not (and could not be expected to) overcome the effects of a wider environment that is not conducive to entrepreneurial activities. Incentives provided over time have allowed firms to remain temporarily in the market, but they did not prompt firms to step-up their game and, in so doing, increase productivity. A role in this was played, particularly since 2000, by an understanding of innovation as a 'high' concept, applicable to high-productivity, high-techonology sectors (such as aerospace, automotive, biotechnologies), but not sufficiently geared to the traditional sectors that are still a strong component of the regional productive fabric (clothing, shoe-making, jewellery, etc.). Indeed, firms operating in traditional sectors - such as textiles, fashion and leather – continue to be important in the regional economic outlook, and Campanian firms in these fields represent a significant share of the national industry. Yet, there has not been adequate support to embed innovation in these more traditional industries and their clusters (intended beyond the upgrading of machinery, for instance as design,

materials and process innovation). More recently, the above-mentioned understanding of innovation, together with a wider restriction on public finances and a lack of industrial policy at the national level, has led to focusing support in a way that penalises the traditional industries almost completely left out from any form of support (e.g. INT64). A second, albeit perhaps less important, factor has been the neglect of a section of the region's enterpreneurial class, i.e. the large number of small and micro-firms. The support of ERDF programmes has been largely targeted at medium-sized and large firms (e.g. the aforementioned law 488/92 was directed primarily at them). This might have made sense at the time from an economic point of view, but it neglected the employment and social impact of the wide array of small and micro- handicraft firms. Lastly, and as already discussed, entrepreneurial activities in Campania pay the price of a context that hinders competitiveness. This clearly reduced the utility of business support provided. As noted by one interviewee, firms in Campania need first and foremost a suitable context (INT63): the ERDF programmes could address this only in part, and their utility was limited by the extent to which they could not affect the other factors.

In terms of **research and innovation**, the region has some features that stand out in the national panorama – for example, the polymeric technological district mentioned in Chapter 5. It also has a system of higher education that is strong in some technological fields and that, thanks to the policies implemented in 2000-06, is trying, in part at least, to get closer to the productive fabric. Yet, the achievements in this sphere have not been able to fully address the underlying needs, particularly to increase R&D employment levels, especially in the business sector, and to better connect research suppliers and businesses. Besides, as has been seen, not all projects have been successful and overall gains do not appear fully in tune with the potential of the region. There is a feeling that the experience of the competence centres, in particular, would have delivered different results had it continued in the current programme. Equally, it should be acknowledged that context factors have negatively affected this field (e.g. despite the increase in R&D expenditure, a persisting relative lack of job opportunities and leadership in this area is consolidating the trend that sees qualified human resources emigrating to seek career opportunities elsewhere).

ERDF support has delivered only a limited degree of utility also in the **tourism** sector. Achievements here have been mixed. In this, the wider context – e.g. poor image of the region due to the petty crime, impact of the urban waste crises - has certainly played a role. But what has also played a role has been the lack of continuity in the type of support provided, particularly in the transition between the 2000-06 and the 2007-13 programmes. Beyond the policy, the inability to maximise the returns on the investments by providing the necessary collateral investments for the on-going maintenance and operation of the refurbished public attractions also diminished the utility of ERDF support in this field.

With regard to **social inclusion**, the ERDF programmes have certainly contributed to improve social cohesion, as already discussed, by improving educational infrastructure, by supporting the provision of essential services and of social services (e.g. nurseries), and by determining a change in approach to regional-level policy-making in this field. However, utility has been fundamentally hindered by the failure to tackle poverty, organised crime and the shadow economy more widely. In view of these issues, and in the absence of a wider policy response to address them, any support provided by ERDF programmes could be no more than palliative (and thus, as such, important nonetheless, but not sufficient to fully meet needs. SVIMEZ has estimated that undeclared labour in

2006 - i.e. 17 years into the period reviewed - represented 21 percent of the total workforce (SVIMEZ, 2007: 335). Faced with figures of this gravity, one may wonder whether in reality there has been some form of devil's deal (Tendler, 2002) whereby the shadow economy has been perhaps 'tolerated' as a necessary evil, useful to preserve a precarious social balance in potentially explosive contexts, rather than purposefully challenged. Neglecting this part of the economy has frustrated the energies of both firms and workers, depriving the region of a source of growth (Meldolesi, 2009).

The one theme amongst the eight utilised for this study in which the utility of ERDF support has been on the whole perhaps the most disappointing is the **environmental theme**. Achievements have been low compared to the targets set, to the level of need and to the considerable resources spent. There have been notable improvements in the field of protected areas and natural parks, with regard to the improvement of the quality of the air in relation to traffic emissions, and in relation to the introduction of differentiated waste collection and disposal in some parts of the regional territory. However, and notwithstanding the basic infrastructure created throughout the study period (e.g. sewerage systems and depurator plants), Campania today is not significantly better off than 20 years ago. It still faces considerable environmental challenges. Soil pollution, land decontamination, water pollution, and urban waste disposal are aspects of the regional environmental situation that remained (and in some cases even worsened) throughout the four programme cycles. A synthetic appraisal of the degree to which achievements matched need can be found in Table 8 below.

Table 8: Need compared with achievements for eight thematic axes

	1989-93		1994-99		2000-06		2007-13	
Thematic axis	**Need**	**Achieve-ments**	**Need**	**Achieve-ments**	**Need**	**Achieve-ments**	**Need**	**Achieve-ments**
Enterprise	+	2	+	2	+	2	++	1
Structural adjustment	++	3	++	3	++	3	++	2
Innovation	+	3	+	3	+	3	+	2
Environmental sustainability	++	2	++	2	++	2	++	3
Labour market	++	2	++	2	++	2	++	2
Social cohesion	++	3	++	3	++	3	++	3
Spatial cohesion	++	3	++	3	+	4	+	2
Infrastructure	++	4	++	4	+	5	+	4

Imputed Objectives
Needs Scale (evaluation of the region at the start of the period)
++ Very high need: the region is highly deprived on this axis
+ High need: the region is somewhat deprived on this axis
= Average need: the region is around the national mean on this axis
- Low need: the region is above the national mean on this axis
-- Very low need: the region is already a European front-runner on this axis
Imputed Objectives

Achievements scale (end of period with respect to beginning of period)
5 Very high achievement, the results for this axis are much above expectations given the effort put into it and ex-ante conditions
4 High achievement, the results for this axis are above expectations given the effort put into it and ex-ante conditions
3 Average achievement, the results for this axis are those which could be expected given the effort put into it and ex-ante conditions
2 Negative achievement, the results for this axis are below expectations given the effort put into it and ex-ante conditions
1 Very negative achievement, the results for this axis are considerably below expectations or even nil

Note: 2007-13 shaded as it is too early to say definitively, and those values indicated are early estimates that may be subject to change.

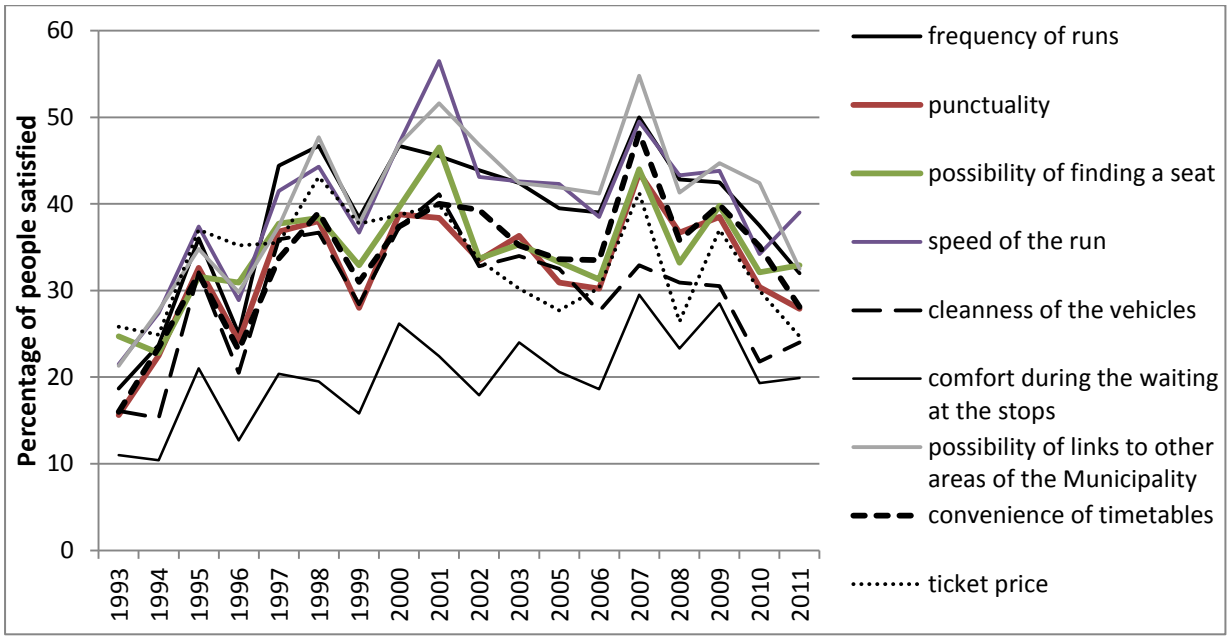
All in all, what emerges from considering the utility of ERDF support in the different themes is a mixed picture, with a strong champion: transport infrastructure. However, this assessment needs to be qualified with an important specification: although considerable infrastructure was built, changing for the better infra-regional mobility and the linkage of Naples with Rome and Milan, today the utility of the urban and infra-regional transport infrastructure built is reduced by the underutilisation that results from the lack of resources for operational and maintenance costs, in turn deriving from decreasing ordinary expenditure. This consideration, which emerged during the interviews, appears endorsed by the declining satisfaction rate with local public transport reported in Figure 25 below, for instance regarding the frequency of service.

The shortage of operational and maintenance resources has meant that the investments realised have become underutilised. This is the case not just in the transport sector but also in other fields such as environmental infrastructure (namely wastewater treatment plants, which have increased

their coverage but failed to improve the overall quality of coastal water, Regione Campania, Autorità Ambientale, forthcoming) and the cultural field (museums, archaeological areas). Similar problems were found in relation to industrial areas, where the maintenance of public infrastructure can fall behind after the initial investment. Thus, the utility of what has been realised is lower than what it could have been (due to public finance constraints, or indeed political decisions and/or managerial ability).

All this is not intended to mean that the utility of the ERDF programmes has been unimportant. Without the programmes, the situation of the region today would be worse and, indeed, Campania today is in many respects far better off than it was in 1989. This view emerged both in interviews and at the regional workshop. However, the ERDF programmes cannot substitute for ordinary capital spending and fully compensate for the decline in this resource that has occurred throughout the past decade (Viesti 2009), nor resolve all sets of need afflicting the region.

Figure 25: Satisfaction with public transport provision in Campania – 1993-2011



Source: Own elaboration from ISTAT data.

As for the second perspective of whether the 'right' needs were addressed, the evidence is less encouraging. Campania remains a lagging region compared to the rest of Italy and Europe. Its Objective 1/Convergence status has not changed, not even after the enlargement eastward in 2004. Indeed, the trend in the region's share of the national GDP has been declining from 1985 to 2010, as has GDP per capita relative to the national average. Productive activities struggle to implement the changes that would be necessary to grow. If the challenges affecting the productive structure of Campania have changed over time - industrial conversion in the 1980s, ability to compete in a globalised economy today – the same difficulty of keeping up with change persists. From a social point of view, Campania has consistently shown high rates of poverty, unemployment and worklessness (SVIMEZ, 2012) throughout the study period, and serious social problems continue to hamper the region's development prospects, particularly organised crime.

This raises questions not just about what was achieved, i.e. the positive change induced by the ERDF support, but also what was not achieved and should have been. It also invites the question of

whether more selectivity should have been pursued in addressing only some, as opposed to the full spectrum, of the needs, perhaps in selected fields, in view of the likely limited impact that the programmes could be expected to have in certain fields given the existing contextual factors (or perhaps to achieve critical mass).

6.3 Key elements of success and failure

This chapter concludes with a review of the key elements of success and failure. By nature, many aspects are characterised by both light and shadow, especially in the fields where an innovative policy has been implemented (e.g. research), in those where contexts vary greatly, so that similar policy tools achieve different outcomes (e.g. environmental investments), and in those where territorial differences also meant different policy mixes. With regard to the PIT, for example, some have been successful, such as the one for the Phlaegrean Fields (illustrated in Annex I), but others haven't..

6.3.1 Good practices and successes

The main good practice that emerges from the research is the approach that has been put in place for the realisation of transport infrastructure, especially urban transport and railways, particularly in the 2000-2010 timeframe.

First, the key strengths of this approach can be summarised as: strategic planning and integration, leadership, and knowledge-based policy-making. Strategic planning was ensured by framing all transport investments in a comprehensive regional strategy, a Regional Transport Plan, a novelty in the regional programming landscape, introduced in the early 2000s. This made it possible to continue to implement projects that had been started in previous programme periods; to maximise the use of *all* available resources (from the ERDF programmes, both national and regional, as well as from different strands of domestic sources); and to coherently link transport infrastructure projects that had already been realised in a wider synergic picture (particularly in rail transport).

Second, the existence of strong leadership: the regional minister, an internationally respected expert in this field, had a clear vision of the needs in the field of transport in Campania and what needed to be done to address this, and he could also pursue it, thanks to a team of competent regional officials around him (which was not the case across the entire regional administration) and strong endorsement from the top political level (President Bassolino).[138]

Lastly, a solid anchoring of policy on research and data made the policy relevant (including the monitoring and analysis of the effects of the investments realised on the transport preferences of users, a practice that has since been discontinued).

This field has not been free from problems, e.g. increasing costs due to variants to the original plans, the length of time taken to realise investments,[139] the discussed operations and maintenance issue and also additionality concerns linked to the considerable use of coherent projects.

[138] Strong leadership by a recognised expert in the field who acted as regional minister, competent regional officials working as a team also characterised the policy on research during those same years (INT19). In the case of research, in addition, there was also a good relationship with the national vice-minister across political sides (INT32) and with national bodies involved in implementation (INT38).

[139] 'One has lost the memory of how the places were before the construction sites; Piazza Garibaldi has been a construction site for the past 15-20 years' (INT17).

Nevertheless, the achievements have been remarkable: in this sphere, largely thanks to this approach, Campania today is not even remotely comparable to what it was 23 years ago. However, as mentioned, whether these achievements are going to be sustained in future years will depend first and foremost on the political choices made by the governments that will run the Campania region and Italy in future.

6.3.2 Bad practices and failings

There are a number of general 'bad practices', not specific to a particular policy field, which have hampered achievements:

- A **lack of continuity in the policy choices pursued** from one programme period to the next, exacerbated by government changes at national and regional levels that ushered in new policy paradigms. Structural policies are long term and need continuity to be able to deliver dividends.

- Related, **limited use of evaluation evidence to inform policy**. National and regional authorities have only recently started performing ex-post evaluations, which have not yet been fed into policy-making and implementation. Thus, policy is not evidence-driven and the political debate does not revolve around results and data. This means that policy-makers do not know how the economic and social fabric reacts to policies, which in turn, makes policies less effective and vulnerable: with any change of government, new strategic approaches emerge 'that always delete as a matter of principle what was done by the previous government' (INT63).

- A **dispersion of funding** into probably too many streams and fields, as if the ERDF programmes were the answer to all problems. This is not a criticism of the size of projects, which does not seem to have been a weakness per se, but a criticism of the lack of prioritisation and competence subdivision with other, non-cofunded, streams of public spending, and, more recently, the use of ERDF resources to fund investments that are not linked to development, such as the maintenance works (INT4, INT69).

- A **general deficiency of implementation capacity**, which means that considerable effort has gone into programme processes that were subsequently not implemented. As noted by an interviewee, 'one creates committees, bodies, people who study … but nobody defines who does what and in which timetable; there is a lack of public management that is there irrespective [of the government of the day]' (INT63). This deficiency includes the delicate passage from project completion to operation (and maintenance). Existing instruments (e.g., management plans or agreements among public bodies at national, regional and local levels) have often proven insufficient to guarantee sufficient resources for operations to proceed smoothly once they have been realised.

- A **predominant focus on procedural and financial progress, which prevented managing authorities from focusing on results**.[140] Implementation capacity and focus on procedural

[140] This focus appeared evident in most actors at all levels (EU, national and regional). It also possesses a positive side: the Italian administration built systems to record, assess, and divulge precise data on the limits to additionality at the national level. Among these limits feature changes (and outright reductions) in national

and financial matters have been at the root of the conspicuous use of coherent projects. In the field of major transport infrastructure projects, resorting to projects already funded with domestic resources was a useful devise to overcome the long project-cycle of this type of investments (which largely exceeds the timeframe of a Cohesion policy programme period) and to realise an overarching longer-term transport strategy, pulling different sets of resources towards a common aim (at least in the 2000-06 period). However, it meant a loss of additionality (and thus lower achievements) as investments that should have been undertaken with domestic resources were undertaken with resources from EU Cohesion policy. In other fields, however, resorting to coherent projects was due to the inability to estimate adequately the demand for projects or to generate sufficient demand for projects or project pipelines.

A specific set of bad practices was observed in the field of entrepreneurial support: lack of fit between need and policy supply (e.g. in the innovation and internationalisation of firms operating in traditional sectors, credit and support needs of smaller firms); procedural slowness at both regional and national levels in the appraisal of projects and payment of contributions (despite efforts and improvements realised over time);[141] a general lack of understanding of the practical constraints faced by firms which impacts on the palatability of the support on offer (e.g. because of the administrative burden and audit implications that follow from obtaining support); and a lack of certainty of support linked to the failure to provide strategic continuity.

resources devoted to regional policies (discussed in the chapter on the financial analysis) and Managing Authorities' resorting to coherent projects (discussed in more details on page 37).

[141] Interviewees proudly mentioned cases in which the regional machinery managed to dramatically reduce selection times, through focused efforts (INT19), thus showing that, indeed, the regional authority can elicit resources and instruments to overcome this issue.

7. CONCLUSIONS

This final section brings together the findings that emerged from the case study research in Campania, with conclusions organised according to the three sets of evaluation questions (EQ) posed in the call to tender.

7.1 EQ1: To what extent did the programmes address regional needs and problems over time?)

EQ1a: What were the initial regional needs and problems and how did they evolve?

Throughout the study period – 1989 to date – the region has persistently faced a number of challenges: low GDP per capita; a complex productive fabric, coupling industrial decline in some areas and persistent backwardness in others; grave social challenges, such as poverty, unemployment, irregular labour and organised crime; and environmental challenges related to the usage and preservation of natural resources.

At the end of the 1980s, Campania was one of the poorest regions in Italy, with a GDP per capita amounting to 66 percent of the national average. The industrial crisis of large firms, mainly located in the coastal area, entailed the need to reclaim dismissed sites, provide employment opportunities for the region's large population and tap into the growth and employment potential represented by tourism and the cultural industries. The process of economic transition to a more complex productive structure of medium and large firms co-existing with clusters of SMEs also required supporting the existing and incipient industrial clusters (mainly active in light industry or agro-industry, formed by small and micro-firms, and partly operating in the shadow economy) in order to strengthen them, thus absorbing unemployment and exploiting existing skills and entrepreneurial abilities (Meldolesi and Aniello, 2008). Partly related, the region also needed to develop its research potential and to build linkages between research and the productive sector. At this time, a range of territorial cleavages also needed to be addressed: the metropolitan area of Naples, which was growing in population, needed housing, public services and measures to relieve congestion, whilst at the same time the region’s internal areas required to be better linked with the main poles and to diversify their economies. The protection, management and maintenance of the copious cultural and natural heritage of the region also required attention. There were also important environmental challenges, such as soil erosion, the pollution of freshwater and coastlines, air quality in the most heavily urbanised areas and the need to decontaminate brownfield sites. Furthermore, large areas of the region were still recovering from the recent seismic damage (a need that was soon met). Throughout the study period, a slow civil justice has obstructed development of the productive system and the attraction of FDI. The labour market was plagued by high levels of undeclared work, low activity rates, especially for women, and high unemployment rates. Thanks to the investments realised by the Cassa per il Mezzogiorno, the endowment of transport infrastructure was in line with Italian standards, but the infrastructure needed to be expanded and upgraded to meet the demands of a growing population in the highly urbanised areas, improve infra-regional connectivity and support economic activities.

During the 1990s, the region made some progress in relation to the provision of basic services and in addressing territorial imbalances, through improvements and requalification of the infrastructure

endowment of the region, especially in water, wastewater and transport infrastructure, energy distribution, telecommunications and logistics. Research capacity also developed during the 1990s, particularly on the side of supply, with the result that the regional endogenous research capacity, both public and private, had significantly improved by the end of the period.

However, the needs the productive system and those in the environmental field remained largely unmet. SMEs, in particular, needed to prepare for the increase in international competition that would materialise in the 2000s. Clusters continued to need to be supported to become competitive, besides resorting to price competition (which they pursued through undeclared work and by lowering security standards). Non-cluster medium-and-large firms in advanced sectors also needed to be helped to innovate and to link up to the growing research capacity of the region, as well as to access financial markets. Environmental challenges also remained high, with the exacerbation, due to population growth in already densely inhabited areas and the illegal dumping of hazardous material, of the problem of urban waste disposal (which probably contributes to the lower life expectancy in Campania when compared with the rest of Italy).

These needs continued to persist well into the 2000s, leading to the current situation in which the crisis is further restricting access to finance for firms of all sizes, slowing down economic activity and accelerating change in the clusters' structure (local firms started delocalising abroad during the early 2000s, which, while a sign of success for the individual firm, harmed weaker sub-suppliers). Research continued to be fostered and, although a degree of disconnection between the research system and the productive system continued into the 2000s, the need to improve and widen the public and private research capacity of the region by the end of the programme period had partially been met, with all indicators connected to research showing a consistent upward trend. This still needs to be sustained, however, especially in view of the negative effects of the crisis on both private and public expenditure in research.

Overall, almost 25 years on, some of the initial needs of the region have been met or partially met, notably: the provision of some basic infrastructure (water, wastewater); the endowment of transport infrastructure, and thus the accessibility of internal areas, mobility within the metropolitan area of Naples, and connectivity of the regional poles with the rest of the country and internationally; and the economic diversification and development of interior areas. Meeting these needs in a sustainable way, however, requires continuing efforts in terms of maintenance and the operation of infrastructure. Further, significant challenges and unmet needs persist. Per capita GDP relative to the national average has not converged (in the 2005-2010 period it was 62 percent, lower than in 1985-89, despite a negative performance of Italy as a whole); social problems continue to be acute (poverty, income inequality and social cleavages, unequal access to social services, gender issues and the grip of organised crime over economic activities, although poverty figures improved in the mid-2000s); and environmental issues persist. The current financial crisis has uncovered an unmet need for a stronger resiliency of the regional economy. The 2008 crisis has hit the economy of Campania harder than the rest of the Mezzogiorno (and Italy) and recovery is a distant prospect.

A low institutional capacity at all levels has plagued the region throughout the study period, affecting the ability to effectively interact with local bodies, to enforce rules, to implement policies and to operate, manage and maintain the infrastructure systems built. During the study period, improvements have been driven by the ERDF programmes - for instance, better strategic

and operational capacities within the regional administration, improved monitoring and evaluation of the outputs and effects of policy, the creation of an institutional infrastructure of sectoral plans, and the institution of a regional 'environmental authority' which monitors environmental phenomena. However, some of the improvements realised proved fragile, and although the need to reinforce the regional governance and administration have partially been met, they will have to be sustained with continued and renewed efforts.

EQ1b: What was the strategy of ERDF programmes in each programme period? How did they evolve?

Campania has been eligible for ERDF throughout the period from 1989 to date, through regional and multi-regional programmes, as well as through Global Grants and CIPs. The very concept of strategy developed over the study period: fully-fledged programme strategies were not in place for the first two programme periods (despite the existence of Community Suppport Frameworks, which provided only limited orientation). Whilst framed within a national strategy represented by the CSFs, in the first two periods the two sets of programmes were planned and implemented independently from one another. A fully-fledged, shared strategy, assisted by common evaluation, monitoring and reporting arrangements, emerged only in 1999, and informed the 2000-06 CSF Ob. 1 and the 2007-13 NSF. Still, with some notable exceptions, integration remained largely nominal, and synergies and complementarities were not pursued between NOPs and ROPs.

When observing the explicit goals of Campania's programmes, some orientations remain constant throughout the periods: (i) investments in transport and water infrastructure; (ii) environmental infrastructure; (iii) support for firms; (iv) support to tourism, natural and cultural heritage; and (v) urban renewal. A lower weight given to environmental and social (especially gender) issues in implicit strategies than in explicit strategies results from a comparison between initial allocations and expenditure, and it is common to most programmes.

Earlier programmes focused on infrastructure - environmental (water, urban waste and soil protection), transport (with a large share to railways and roads), telecommunications, energy, cultural heritage, and urban renewal - following the strategic lines of the Special Intervention. It is difficult to discern a coherent, fully-fledged strategy in both the 1989-93 and 1994-99 interventions, except that the focus on infrastructure and support to firms reflected a theory of development in which infrastructure and capital endowment are pre-conditions for economic development, whereas social development has limited importance, since improvements trickle down through the entire society.

A strand of support for firms developed over time, increasing between 1989-93 and 1994-99 and focusing on State aids and industrial infrastructure (new industrial areas in 1989-93, and upgrading of existing areas in 1994-99). Starting with the 1994-99 programmes, there has been growing support to 'local development', i.e. the idea that specialisation areas and clusters need forms of integrated interventions. A partial neglect of the needs of clusters resulted from an actual focus on medium-sized and large firms (despite the explicit reference to small firms and cluster needs in programme documents), and from the majority of resources for business support being allocated to State aid schemes focusing on individual firms, rather than on integrated approaches. A strand of support for urban regeneration and community development in the poorer areas of Naples and, later, in other towns and cities has also been present throughout the study period. Research and

innovation have received increasing importance since 1994-99, but especially in 2000-06 and in 2007-13.

In 2000-06 and 2007-13, the CSF and the National Strategic Framework provided a coherent strategy and a theoretical underpinning. The 2000-06 CSF evolved from the previous focus on infrastructure and capital creation to an approach based on strengthening institutional capacities at regional, local and national levels and on endogenous development theories - investments in infrastructure or in enterprise support were, indeed, pursued, but with a different approach, taking into consideration the need for a sustainable framework for their planning and operation. The ROP fully embraced two characteristic features of the CSF strategy: first, strengthening of institutional capacity, by drafting sectoral plans and aiming at improving monitoring capacity in various sectors and, second, approaching local development through integrated projects, which were to absorb 40 percent of CSF funds (implementation later revealed that this goal exceeded the needs and capacity of territories). Strategic orientations promanating from the CSF (namely, the role of cultural heritage and of city renewal as bases for a recovery of identity) fitted in with political approaches already fully developed in the region. Regional transport and research strategies found a favourable environment in the CSF.

A similar approach was pursued further by the 2007-13 National Strategic Framework, which focused more on results in terms of services for citizens, and in addition it aimed at integrating Structural Funds with domestic regional policy. The change in regulation, requiring that each programme be funded by one Structural Fund and separating the Fisheries Fund and EARDF, however, made it more difficult to discern strategic orientations and the very entity of total policy effort. The ROP acknowledged the need to face severe environmental emergencies, and modified the role of investments in cultural heritage (which were subordinated to improving the economic outlook of tourism) and of business support (limited to research and innovation). The ROP also provided a different strategic ground for local development, substituting a new instrument (the *Accordi di reciprocità*) for the PIT tool. Research and transport, instead, continued along the lines of the previous programme period. NOPs (namely Transport and Mobility, and Legality and Security) maintained the strategies of the previous period, with the ERDF and ESF School NOPs building an even stronger strategy for improvements in school buildings and equipment and in improving quality of education, especially in weaker sectors. A distinctive change affected business support: the end of the law 488 financing scheme led to the creation of a NOP for Research and Competitiveness merging the previously separate NOPs Local Entrepreneurial Development and Research. Two new 'interregional' Operational Programmes (InOPs) aimed at innovating both the conception of interregional strategies for renewable energy and cultural heritage.

EQ1c: What were the priorities and objectives of ERDF programmes in each programme period? How did they evolve? Were the objectives SMART?

The 1989-93 regional programme (POP Campania) had three global objectives: increase in employment levels; improvements in quality of life; and competitiveness of the regional system. The POP had seven priorities: communications; State aid to handicraft firms; tourism; water pipeline infrastructure; environment; research, development and innovation; and technical assistance. Programmes still aimed at creating preconditions for development by filling infrastructural gaps and easing congestion and compensating for localisation disadvantages. The concept of gaps, however, included both quantitative insufficiency of infrastructure and its quality

(for example, not only the length of the rail network, but also whether lines were single-track and/or electrified). By far the main priorities were to realise infrastructure investments in the fields of water distribution, wastewater and transport (roads and railways), followed by support to firms, tourism development, cultural heritage and urban renewal.

Under the framework of the 1994-99 CSF, the Campania regional authority managed the 1994-99 Pluri-fund Operational Programme Campania 1994-99 (POP), the Operational Programme 'Pianura' and the Global Grant 'Naples Historic Centre'. The POP had four global objectives: strengthening infrastructure; modernising productive structures; developing non-traditional sectors; and improving quality of life. The programme comprised six priorities: communications; industry and handicraft firms; tourism; ERDF-funded irrigation; infrastructure; and implementation of the Operational Programme. The main priorities were transport (roads and railways) and logistics, water and wastewater investments, tourism development and enterprise support. During the programme period, national authorities managed 15 ERDF-funded Multi-regional Programmes: Environment; Energy; Industry; Legality and Security; Civil Protection; Roads; Water Resources; Tourism; R&D and Innovation; Railways; Telecommunications; Airport infrastructure; Education; Territorial Pacts for Employment; and Technical Assistance. For both the ROP and the NOPs, the main strategy revolved around the creation of public and private capital. The NOPs focused on enterprise support (including support to local development), on transport infrastructure (roads, railways, and airports), and on research and innovation.

In the late 1990s, regional policy in Italy regained centre stage. The 2000-06 Community Support Framework (CSF) provided a common strategy for all ROPs and NOPs. It was inspired by regional development theories: it put knowledge and governance at the centre, rejected the ideas of filling gaps and compensating localisation disadvantages, recognised the relative dimension of resources vis-à-vis the magnitude of needs, and aimed to induce behaviour discontinuities in the economy and in society. Explicit strategies in the NOPs and in the ROP shared the strategic choices of the CSF. The ROP 2000-06 had the following objectives: growth of female and male employment; sustainable and equitable development; improvement in quality of life; territorial balance; and increase of competitiveness of the region's productive structure. It was structured around the six CSF priorities (plus technical assistance): Natural resources, Cultural heritage, Human resources, Local development, Urban development, and Service networks and nodes. It devoted 40 percent of resources to instruments for local development (PIT). Six (out of seven) NOPs were co-financed by the ERDF and all of them operated in Campania: Transport, Research, Education, Local development, Legality and security, and Technical Assistance. Explicit strategies fitted more with identified needs than in previous programme periods. The main focus was on transport (roads, railways, and public rail urban transport), environmental sustainability (water cycle, soil protection, energy, parks and institutional capacity-building in all sectors), cultural heritage and urban renewal, and research and innovation. When considering all NOPs and the ROP, implicit strategies assigned a lower weight (vis-à-vis explicit ones) to areas such as irregular work, support for small enterprises and clusters, and support for environmental sustainability of economic activities. As far as legality and security are concerned, the focus was more on building surveillance infrastructure and equipment than on actions spreading a culture of legality.

The 2007-13 National Strategic Framework (NSF) and Campania ERDF ROP represent an evolution of the 2000-06 strategies, focusing further on quality of life. The current Campania ERDF ROP has seven priorities: Environmental sustainability and touristic and cultural attractiveness;

Competitiveness of the regional productive structure; Energy; Accessibility and transport; Information society; Urban development and quality of life; and Technical assistance. The ROP's explicit strategy acknowledged the need to tackle severe environmental emergencies, first of all in urban solid waste in the provinces of Naples and Caserta. Cultural heritage was again subordinated to tourism. Business support was exclusively limited to research and innovation. Research and transport followed the lines of the previous programme period. The range of NOPs also changed: Research and competitiveness, Legality and security, Networks and mobility and two NOPs (one ERDF, the other for ESF) for education and technical assistance. Two interregional Operational Programmes (InOPs, a new type of interregional programme) for renewable energy and cultural heritage were also added. Changes in political orientation at both national and regional level sharply modified implicit strategies soon after the launch of the programmes, through cuts in financial resources and reductions in national coordination activities (until the end of 2011). Currently, the emerging orientations in the region point towards a renewed stress on major (infrastructure) projects. The reprogramming exercise was still on-going at the time in which the study was undertaken (May-October2012).

The extent to which the objectives were SMART has varied markedly over the study period, with important improvements realised over time, but remaining weaknesses relating to the quantification (and thus attainability) of targets and the appreciation of the timeframes necessary to realise some of the desired changes:

- The scant available information on 1989-93 programmes and interview evidence suggest that programme objectives at this time were not SMART – specific, measurable, attainable, relevant and timely – nor were they associated with quantified targets to be reached. There were also no monitoring systems in place to measure advancements towards the achievement of programme goals.

- The objectives were not SMART in the programmes of the 1994-99 period either, nor were they associated with quantified targets, and there was no systematic monitoring system in place or explicit links between policy instruments and goals.

- Things improved in the 2000-06 period, following a national effort aimed at leading programme authorities to link programme objectives to the policy initiatives implemented, make them SMART and quantify targets to be reached. In particular, the then Department for Development Policies (DPS) provided managing authorities with guidance to ensure that the indicators chosen to measure the objectives would be specific to the actions funded and that targets would be both attainable and realistic. The success of these initiatives has been partial: indicator batteries improved in terms of specificity and relevance, but in the Campania ROP, for instance, targets were largely unrealistic and had to be reviewed throughout the period. Measurability was not always achieved, as a number of indicators required ad hoc investigations to be populated. Linking objectives to time proved challenging, with the exception of the subset of indicators which were chosen to be part of the performance reserve.

- As for the current programme period, during the programming phase national and regional programmers improved the SMARTness of the objectives through an explicit effort to improve the theories underlying the strategy and the measurability of achievements. Both

the choice of indicators (e.g. the choice of focusing on output indicators) and the construction of the monitoring system (which includes output, job-creation and programme-specific indicators) built on the learning realised from the 2000-06 experience. As a result, programme objectives for this period are generally SMART.

In sum, objectives have become more specific over time, progress was made in relation to their measurability (but with persisting difficulties in 2000-06), and attainability has been mixed across policy areas, requiring frequent modification of the programmes to re-estimate targets. Broadly, programme objectives, at least as far as the ROPs were concerned, were relevant and based on sound diagnoses of the region's need, but there was often little prioritisation and a lack of understanding that the ERDF support could only stretch so far (and not address *all* needs). The objectives have largely been timely in terms of addressing needs that were immediate. However, as noted, the appreciation of the timescale required for interventions to deliver the intended achievements has been often wanting, and objectives were not always measurable and were often too ambitious to be achieved.

EQ1d: What has ERDF support been spent on in each programme period? Have there been significant transfers from initial allocations of ERDF resources to other priorities in any period?

Over the study period, the volume of ERDF resources allocated to Campania has been substantial - €19,813 million (constant 2000 prices) - and has co-existed with large amounts of domestic public capital spending, both additional spending (i.e. for regional development) and non-spatially targeted public expenditure, which have however dramatically decreased since 2009.

As a share of regional GDP, expenditure has increased over time until mid-2000, then decreased (except a relative peak in 2008, when the 2000-06 and 2007-13 programme periods overlapped), following a similar trend as the evolution of real expenditure, given the slow performance of regional GDP until 2008. Although these estimates should be treated with great caution, the percentage of annual expenditure on regional GDP (ranging from 0.5 percent in 2010 to just over 2.5 percent in 2004) approximates an indication of the potential impact of Structural Funds on the economy of Campania. This rough estimate points at a decline of its potential impact over the study period, compounded, in the last decade and especially in the most recent years, by a further decline in total public expenditure in the Mezzogiorno.

National and regional programme strategies have evolved over time from an intervention based on transport (roads and railways in the 1989-93 POP, a wider set, including ports, airports and urban rail transport starting from the 1994-99 programme period, for a total of €5,251 million), environmental infrastructure (including water and wastewater infrastructure, energy distribution and renewable sources of energy, soil protection, environmental enhancement in parks, urban solid waste infrastructure and equipment, amounting to a total of €2,905 million) and enterprise support (including State aids, local development and integrated schemes, and infrastructure in industrial areas, amounting to a total of €5,808 million) towards: development of industrial clusters, tourism, urban renewal, and cultural heritage (€1,651 million); legality and social cohesion (€1,314 million); and research and innovation (€2,110 million). The 2007-13 ROP reverses this evolution, bringing concentration back onto infrastructure. This is partially compensated by the NOPs, which are maintaining a more composite and 'softer' expenditure pattern.

The transformation of allocations into expenditure has proven problematic throughout the study period, requiring frequent reallocation of funds within programmes and across programmes, e.g. transferring to MOPs/NOPs (such as the MOP Industry/NOP Local Entrepreneurial Development) funds which were originally allocated to POPs/ROPs. As a consequence, in all programme periods, spending difficulties were solved by resorting to 'coherent projects' (around 42 percent in total for 2000-06).

There were transfers of resources between priorities during implementation. Considering solely the 2000-06 programme period's ROP, for which both the final version of the financial plan and that followed the mid-term review are available, there were significant gains in the infrastructure-related priority of 'Networks supporting development' and a loss for the cultural resources priority (though the exact nature of the shift cannot be quantified, given that the programme also gained resources more widely). The 'cities' priority also gained resources during implementation. As well as shifts among programme priorities, discrepancies between planned and actual expenditure materialised in the internal composition of actual expenditure within priorities, for example in the fields of entrepreneurial support and solid urban waste. Shifts and discrepancies often did not reflect diverging implicit strategies, but were a pragmatic response to the constraints of EU regulations, implementation difficulties and changing operational priorities.

7.1 EQ2: To what extent do ERDF achievements meet regional objectives and needs in each programme period and across all periods?

The ERDF programmes realised a considerable amount of achievements in various policy areas,[142] reflecting the wide-ranging nature of the strategies and the array of programmes implemented (both regional and multi-regional/national). These achievements responded to some of the needs identified in the programme documents, and reflected in the programmes' and CSF's objectives, but not all. In some fields (most notably in urban waste collection), programmes produced different achievements in the various areas of the region. Different contexts allowed for differences even in implementation.

EQ2a: What are the reported achievements of each programme period?

On the whole, the most significant achievements were realised in the fields of transport, telecommunications and ICT infrastructure (both broadband and equipment), urban renewal in Naples and Salerno, cultural heritage, parks and natural areas, school infrastructure (buildings, laboratories and ICT infrastructure and equipment), and in supporting the competitiveness of some productive sectors (e.g. wine-making). Since 2000, achievements were also realised in the research and innovation sphere, for instance the realisation of public-funded competence centres and the support to R&D projects. Achievements in environmental infrastructure have been mixed both territorially and in relation to the different types of infrastructure realised.

During the 1989-93 period, monitoring and reporting focused mainly on financial progress. This was the case for both the Campania POP, which did not have a monitoring system in place (Regione Campania, 2000: 15; ISMERI EUROPA, 1995: 197, 207), as well as for the majority of MOPs (ISMERI EUROPA, 1995: 24, 207). Nevertheless, an indication of what the programmes realised in this period was obtained from the cross-reading of the Final Implementation Report of the POP, produced by

[142] Reported achievements are summarised in detail in Section 5.1.1 and in the tables in Annex III.

the Regional Authority in 2000, the CSF's ex-post evaluation realised by ISMERI EUROPA in 1995, and the 1994-99 CSF. These sources, which are hampered by data deficiencies that were illustrated in the main report, indicate that most of the achievements concerned the realisation of environmental and transport infrastructure, particularly aqueducts and water distribution plants and networks (e.g. more than 40 kilometres of new waterways), sewerage networks (again circa 40 kilometres of new or upgraded sewerage), roads (c. 61 kilometres of new or improved roads) and, to a much more limited extent, rail tracks (a modest creation of 5 kilometres of new tracks). In addition, the ERDF programmes also assisted a number of firms in the handicraft, industrial and tourism sectors (450 handicraft firms, 500 industrial firms and 131 tourism firms), supported the realisation or upgrading of industrial areas for handicraft firms (circa 200 sites), and funded the restoration of monuments and archaeological areas, the recuperation of nine historical centres or districts within historical centres, as well as the creation of R&D infrastructure in the region of 5,500 square metres of new space, as well as supporting a handful of R&D&I projects (4). The above sources do not provide any indication of the number of jobs created or maintained or other wider context indicators.

The documentation on the 1994-99 programmes is richer with respect to the provision of information on reported achievements. At the regional level, in particular, a new monitoring system was established in 1998. Although the programme was well underway at this point, this enabled the programme authorities to provide a detailed account of the outputs realised under different measures under the 1994-99 POP. The gross effects of the 1994-99 programmes – the POP and the MOPs – are estimated in the ex-post evaluation of the 1994-99 CSF (in selected fields), notably: an increase in the stock of roads (all types of roads) of 1.9 percent; 28.2 percent of new rail tracks and 12.4 percent dual track provision; the creation of 18,137 kilometres of new fibre optic (from a baseline of zero); 23 new water purification plants (7.6 percent increase compared to what was already in place); support to almost 7,000 firms in the industry and tourism sectors (a mere 2.6 percent of the existing businesses, and the lowest value across all Objective 1 regions); and, an increase of 18.3 percent in the provision of tourist accommodation (i.e. 29,534 beds, most of which – 27,504 - in traditional accommodation and 2,030 via the support of so-called agri-tourism). According to the evaluation, altogether the programmes implemented as part of the 1994-99 CSF generated 17,646 'temporary' jobs (i.e. employment linked to the delivery of the interventions/projects) in Campania, equivalent to 8.71 percent of the total temporary employment generated by the CSF, and 9,629 permanent new jobs, equal to 4.75 percent of the total new jobs created by the CSF (ISMERI, 2002: 158) - a rather marginal impact in terms of employment if compared to other eligible regions and the relative share of resources absorbed.

Further efforts to strengthen the comprehensiveness of monitoring systems were made in the 2000-06 period, at both national and regional levels. Within Campania, this resulted in the identification for the ROP of a battery of circa 350 indicators, between output, results and impact indicators (not all of which were subsequently populated). A detailed review of reported achievements of the ROPs can be found in the FIR and in the ex-post evaluation realised by the regional evaluation unit (Regione Campania, NVIPP 2011) and has been summarised in Annex IIIA of this report. The FIR of the NOPs also includes a detailed account of reported achievements, but seldom regionally disaggregated. The main achievements of the ROPs include outputs and results in the transport and ICT sectors (e.g.the connection of 422 municipalities to the ICT network), the creation or upgrading of industrial areas (80 projects), the provision of aids to c. 400 firms (all sectors), the realisation of

97 environmental monitoring stations, further upgrading of water and sewage infrastructure, and many others. Some indication of important reported achievements realised in Campania in this period are also found in the FIRs of the Transport, Local Entrepreneurial Development, Research and School NOPs. For instance, a 7.9 percent increase in the long-distance rail network, and 442 kilometres and 1,359 kilometres of new highway and national roads respectively; more than 3,000 investment aids; circa 300 R&D projects resulting in circa 200 process and 219 product innovations; and an increase in the use of internet within families of almost 23 percent (from 2003 to 2009). There are no estimates, in the sources above, of the employment impact of the programme. The ex-post evaluation, nevertheless, points out that '*the ROP has not succeeded in affecting the factors behind the region's lagging status which characterised the Campanian socio-economic system at the beginning of the programme period and, on the contrary, in many cases it has gone hand in hand with a noticeable retrenchment of the regional situation, both nationally and in EU terms*' (own translation from the Italian text, Regione Campania, NVIPP 2011: 16).

Further efforts to strengthen the accuracy and relevance of monitoring systems were made for the current programmes. However, the delayed implementation of the ROP and NOPs, and the extensive on-going reprogramming of the ROP, mean that a review of reported achievements would be meaningless at the time of writing.

Two important caveats should be noted when considering reported achievements. First, a fundamental shortcoming of the indicator systems of all programmes has been the inability to track results indicators, and thus also job creation - linked to the fact that the evolution of this type of indicator by nature goes beyond the duration of the programme and that, even during the programme, they need to be tracked down through ad hoc activities, which did not take place (studies, evaluations, statistical work). Employment-creation was consistently monitored only as part of the national programmes for industry/local economic development (in connection with law 488/92). Thus, on the entirety of programmes, there are no reliable indications of the employment impact of the programmes. Second, the lack of regionally disaggregated targets and achievements for the MOPs/NOPs is a fundamental weakness, particularly for a region such as Campania which has benefited considerably from the MOPs/NOPs. From 2000-06, improvements were introduced through the establishment of a national monitoring system which assigned unique codes to individual projects (across all programmes, regional and national) and tracked their progress. However, such monitoring has been mainly a tool to track territorially the progress with expenditure, rather than the outputs realised and, even more so, the results achieved (but this represents nevertheless an improvement compared to the pre-2000 period, insofar as the system allows precise identification of the projects implemented in any given region).

EQ2b: To what extent were objectives achieved in each programme period?

The degree to which programme objectives, and in particular the objectives declared in the regional programmes, were attained was limited by the fact that goals were not appropriately defined (particularly in the early periods) in terms of being specific and measurable, and were generally too ambitious. The programmes did not appear to acknowledge the limited scope of the ERDF programmes, compared to the wider (much larger) domestic funding, and tried to address too many needs, without pursuing the necessary competence subdivision and complementarity with other funding sources.

Nevertheless, with these caveats in mind and notwithstanding the data deficiencies existing on the quantification of achievements of earlier programmes, if one contrasts the achievements in relation to the overarching goals of programmes the following pattern emerges.

- During 1989-93, the ROP had three main declared objectives: to increase employment, to improve the quality of life, and to increase the competitiveness of the regional system. Of these three objectives, only the first is readily quantifiable and it was not reached. It is more difficult to assess whether the objective of improving the quality of life was achieved, given the limitations on output data in the 1989-93 programmes and the complexity inherent in this theme. It is however plausible to assume that the transport and environmental infrastructure built or upgraded via the programme contributed to an improvement in living conditions. However, it is not possible to assess the actual extent of this, nor the specific contribution of the 1989-93 POP. Lastly, the competitiveness of the regional system has been partially enhanced by some of the investments realised (the support to SMEs in industrial areas throughout the regional territory, the roads built to connect them, the Nola Inter-port), but there is little evidence of a quantum leap.

- The 1994-99 Campania POP had four overarching aims: to strengthen infrastructure, to modernise productive structures, to develop non-traditional sectors and, again, to improve quality of life. The first goal has certainly been achieved, as the POP has increased the infrastructure endowment of the region, especially with regard to transport infrastructure. The modernisation of productive structures, particularly intended to upgrade production machinery, has been achieved to an extent. The POP and the MOP Industry both funded business aids for machinery. However, despite the slight increases in productivity until 2000, which suggest that a degree of modernisation has been achieved, the figures of the ex-post evaluation of the Italian 1994-99 CSF indicate that this has been lower than what could have been expected (fewer than 7,000 firms supported in the period, a mere 2.6 percent of existing businesses in the region, the lowest value amongst all Italian Objective 1 regions) (ISMERI, 2002). The objective of developing non-traditional sectors has also been achieved to an extent, with an increase of 18.3 percent of tourist accommodation and c. 29,500 new beds. However, whilst tourist presence in the region increased, this increase has not been considerable and occurred only until 2001. Lastly, investments in the regeneration of urban centres, particularly in Naples, but also the creation of environmental infrastructure and transport infrastructure have had positive effects on the quality of life, particularly in the metropolitan area of Naples. Considering the Urban CIP and some MOPs as well makes this assessment all the more valid. Once again, however, it is not possible to quantifiy the extent of this improvement.

- The 2000-06 ROP had a wider range of objectives than its predecessors, reflecting a change in the strategic underpinning of the policy. In contrast with 1994-99, employment growth became an explicit goal of the ROP, alongside sustainable and equitable development, improvement in the quality of life, territorial balance, and the increase of competitiveness in the regional productive structure. The detailed ex-post evaluation, undertaken in 2011, concludes that the programme has been largely ineffectual, both in relation to the targets for specific measures (outputs and results) and, more fundamentally, with regard to the overall objectives.

Considering longitudinally the three programme periods from 1989 to 2006 (for 2007-13 it is too soon to talk about effectiveness), a conclusion of the research is that the effectiveness of the ERDF programmes has been on the whole quite limited. In particular, either implicitly (in 1989-93 and 1994-99) or explicitly (in 2000-06), the programmes aimed to improve employment rates. This goal was not achieved.

In order to assess the extent to which objectives were achieved, it is also useful to contrast the specific targets and actual achievements associated with individual programme measures. Given that there were no region-specific targets for the majority of MOPs/NOPs - there were some for the 2000-06 NOPs Local Entrepreneurial Development and Research, and they were in both cases exceeded - it is useful to confine the analysis to the regional Operational Programmes:

- In the 1989-93 POP, the limited and partial information available on actual outputs indicates that only a handful of the outputs, notably those on State aid to handicraft firms and to tourism firms, were reached or exceeded. There does not appear to be any other meaningful information on the actual achievement in other fields covered by the programme;

- As far as the 1994-99 POP is concerned, again there are gaps in the information available on reported achievements. Nevertheless, where this information is available, it indicates that in the majority of cases outputs were vastly exceeded (e.g. in the creation of industrial areas, cultural heritage projects, R&D projects), which however raises doubts about the accuracy of the programme's target-setting;

- The 2000-06 ROP is the most complete in its inclusion of both quantified targets and tracking the related achievements. The programme had circa 350 indicators (between output and result indicators), most of which had quantified targets associated with them. Such targets were achieved for only c. 40 percent of the indicators, despite downward revisions in some cases.

EQ2c: To what extent were needs met in each programme period? To what extent can observed changes in regional needs and problems be imputed to ERDF programmes over time?

In 1989, at the beginning of the study period, Campania had needs that were considered to be very high in almost all eight thematic axes (all except for enterprise and innovation, where need has been appraised as high). These needs were not adequately recognised in the regional strategy at the time, in all fields except for infrastructure – which received the highest attention – and enterprise. Not surprisingly then, the achievements realised were not able to address the extent and scope of such diverse and wide-ranging needs. High achievements were only registered in the field of infrastructure, mainly transport and telecommunications infrastructure.

In 1994-99, the situation did not change much, with needs remaining as high as before in all thematic areas. The programme's imputed objectives placed particular emphasis on enterprise, innovation and infrastructure, and once again the field of infrastructure, notably transport and telecommunications infrastructure, emerges as the one field in which positive change was induced in the region thanks to the ERDF programmes.

In 2000-06, the programme's imputed objectives became much better able to capture regional needs, with the exception of the environmental need which was afforded less priority than would have probably been necessary. However, once again achievements fell short of what could have been expected given the policy effort in all fields except for that of infrastructure (especially transport but also telecommunications infrastructure) and intra-regional spatial cohesion.

Considering the entire study period as a whole, Campania now has transport infrastructure that is in line with or above national standards, a level of broadband coverage that is well in line with the national average, its main cities – Naples and Salerno – have improved considerably in terms of liveability (safety, usability of public spaces, image, public transport etc.) and the rural hinterland is more economically diversified than it was 23 years ago. These achievements, which responded to real needs, would not have been possible without the contribution of the ERDF programmes.

In other areas, the support provided by ERDF programmes has determined achievements that have been useful, on the whole, but which have not been able to fully meet the underlying development needs that they were meant to address. This is the case with entrepreneurial development and structural change, R&D&I, and social cohesion (though for a complete assessment of this theme one would need to consider the ESF interventions in more detail). The ERDF programmes failed to fully tackle environmental needs, which were met only in some sectors – e.g. the supply of water to households and businesses. Finally, needs have remained in areas where the ERDF does not intervene, or has little influence (such as health, justice, and housing).

Even where achievements have been greatest, however, domestic factors, particularly the unavailability of resources to cover running and maintenance costs and difficulties in ensuring compliance with rules (e.g. land management), are reducing the overall utility of the infrastructure that has been realised through the ERDF programmes. This is true particularly for transport, culture, some environmental infrastructure (e.g. water cycle management, especially sewage collection and treatment) and industrial infrastructure.

More generally, Campania remains a lagging region compared to the rest of Italy and Europe. Throughout the study period, it has remained an Objective 1/Convergence region and failed to catch up with the rest of Italy and with European averages. Indeed, the region's GDP share in the national economy reduced steadily from 1985 to 2010, as has GDP per capita relative to the national average. It is behind the other regions in recovering from the crisis. Manufacturing is struggling to implement the changes that would be necessary to increase competitiveness and participate more successfully in the international markets. Services based on cultural and natural heritage are far from achieving their full potential. The region continues to have the same problems of poverty, unemployment, worklessness, hidden employment and organised crime that it had two decades ago. Thus, the ERDF programmes realised important achievements, but on the whole were not able to deliver the necessary long-term, structural and sustainable change of the regional economy that was needed.

EQ2d: What have been the complementarities and synergies of ERDF interventions with ESF, EAGGF/EAFRD, and with domestic regional policy interventions?

The complementarity and synergy of ERDF interventions with ESF and EAGGF/EAFRD and with domestic regional policy interventions left much to be desired.

At the national level, this was largely lacking due to the lack of communication between sectoral ministries and the regional authority, whilst at the regional level the funds were implemented separately (even if within a single, multi-fund programme). Complementarity between ESF and ERDF was minimal, except in specific domains, such as education in the 2000-06 and 2007-13 School NOPs, and ICT and business support in the 2000-06 Local Entrepreneurial Development NOP. The separation with which the two funds have traditionally operated in Brussels has exacerbated this problem, cascading the effects of the lack of integration in the programmes and on the ground. Even when there were attempts to achieve complementarities and synergies between the two funds, for instance within the 2000-06 Territorial Integrated Projects, such attempts were unsuccessful, not least because of the difficulty of reconciling different rules and coordinating actors operating in different administrative units (Casavola and Bianchi, 2008; and INT62, which pointed out the exception of PIT Phlegrean Fields).

At least since 1994-99, there seems to have been a tacit separation of tasks between the ERDF and the EAGGF, particularly in relation to areas within the region that received support from one or the other fund (whereby the ERDF invested especially in urban areas and along the coast and the EAGGF in the more rural hinterland, or with ERDF interventions for example related to irrigation, agri-tourism establishments, the building of roads and ICT infrastructure in rural areas, the provision of social infrastructure and support of economic activities in agriculture and eno-gastronomic activities, with the EAGGF providing support mainly targeted at agricultural activities.

Complementarity and integration can be observed between ERDF programmes and domestic spending programmes, particularly in the field of transport infrastructure. Some of the investments in Naples' underground, for instance, and the Battipaglia logistical hub, in the province of Salerno, were funded by a national infrastructure law ('Legge Obiettivo', the main domestic instrument for the realisation of major strategic infrastructure in the most recent years). More limited coordination in other fields, notably economic development, was achieved via the Institutional Framework Agreements.

EQ2e: What has been the overall contribution of ERDF programmes to regional development?

At the beginning of the study period, Campania was one of the poorest regions in Italy, with a GDP per capita amounting to a mere two-thirds of the national average, and throughout the study period the region has persistently faced a number of challenges, which included not just low GDP per capita but also: a complex productive fabric, characterised by industrial decline in some areas and persistent backwardness in others; poverty, unemployment, irregular labour and high rates of organised crime; significant environmental challenges related to the usage and preservation of natural resources; and the potential to tap underutilised development potential, for instance in the fields of tourism and in the internal areas.

The ERDF programmes represented an important financial tool for regional development, particularly in the wave of the suppression of the Special Intervention. They also contributed to improve the practice of policy design, sectoral planning and implementation, especially during and after the 2000-06 programme period. ERDF spending in the region has contributed to addressing many of the needs of the region, but was unable to resolve them (except for the field of infrastructure), partly as a consequence of the magnitude and breadth of the needs faced.

ERDF was central in helping to meet needs for improved basic public services – such as water, sewerage and water purification systems, schools, hospitals, ICT and most of all, transport infrastructure. The programmes – regional and multi-regional/national - also contributed to improving the economic diversification of internal areas and generating more efficient exploitation of the regional assets for touristic purposes, and to improving the regional standing in terms of R&D&I.

ERDF spending has been less successful in meeting the needs of firms and in supporting the regional economy in the undertaking of a transition towards high-quality productions, rendered necessary by the mutated international commercial context. In this respect, the ERDF programmes were in part ineffectual because their strategies did not adequately capture the variegated needs of the productive sector, and because on their own they could not overcome the wider contextual conditions that affected the development of the Campanian productive fabric, which were beyond the reach of the ERDF.

7.4 EQ3: What are the main lessons learnt on the effectiveness and utility of ERDF interventions in each region?

The main lessons that have emerged from the research include: the need for an increased thematic focus, in acknowledgement that the ERDF programmes are a minor portion of the entire public capital spending flowing to the region; the necessity to ensure coordination and synergy with domestic funding and with other European policies and funds, as well as to ensure that ERDF funding does not displace or replace domestic investments; the importance of policy continuity, in acknowledgement that structural policies need time in order to address long-term challenges; the necessity to reflect local needs more accurately in the policy response (particularly in the field of entrepreneurial support) and thus to dialogue more closely with the policy's end-users in order to gauge specific needs and problems; the necessity to take into account the differences in the territorial contexts which underlie different implementation conditions and thus performance (as has been witnessed in the field of environmental infrastructure); and, very importantly, the need to consider what happens to projects after they have been realised, and to plan ahead for the management and maintenance costs that the investments realised will require in future years. The most important lesson is probably the understanding that the ERDF's effectiveness and utility are constrained upstream if domestic policies and spending do not simultaneously address other context factors – such as the need for a 'safe' context or the emergence of hidden employment - that are fundamental to enable the policy to induce long-lasting change.

EQ3a: What are the main good/bad practices?

The main good practice has been the integrated and strategic approach implemented in the field of transport infrastructure, through the regional transport plan. This maximised the use of resources, the synergy between different funding streams, and ensured the realisation of a long-term vision for the development of the region. More generally, the research indicates that ERDF programmes have worked best where three drivers were combined: a clear political commitment; a strategic vision based on first-hand knowledge of a sector; and the technical and administrative ability to realise that vision. This has been particularly evident in the 2000-2010 period in the fields of transport and research and innovation.

Another good practice, although transient, has been the process of renewal of the public administration and capacity-building implemented during the first Bassolino mandate. This injected new enthusiasm and expertise into the programmes, which delivered some dividends at the time in relation to the efficiency in programme delivery.

The main bad practice is the difficulty in implementing the strategies devised. Considerable effort has generally gone into the development of strategies, policy documents, consultation documents and events - but with relatively little follow-up in terms of implementation. Institutional capacity at the regional level has improved, but remains an issue. Problems have affected project selection and relations with local authorities, and have resulted in an extensive use of coherent projects. Addressing these issues requires more support from - and strengthened interaction during implementation with - national coordination authorities and the European Commission. In turn, this is possible only if funding, coordination, programming and implementing authorities know the local economic and social realities, and if they feed fieldwork-based, ex-post evaluative knowledge back into programme design and implementation.

Other bad practices have been the lack of continuity in the pursuit of policy choices from one programme period to the next (particularly from 2000-06 to 2007-13), the limited use of evaluation to inform policy, the dispersion of funding and lack of prioritisation and competence subdivision between different sources of public expenditure, and, although partly dictated by the regulations and their interpretation upstream, a focus on financial progress and procedural correctness, to the detriment of a results-orientation.

EQ3b: What conclusions can be drawn for improving ERDF programme design, implementation, results-based management, achievements?

The experience of implementing ERDF programmes in Campania provides useful insights for the improvement of future ERDF programmes.

The **design of programme strategies** has improved steadily over time. Whereas initial programmes were more or less the aggregation of 'what was feasible' under the regulations, in order to suit the differing agendas and priorities of the various regional Ministers and DGs within the regional administration, in 2000-06 and 2007-13 a more explicit effort was made to devise strategies driven by need, an effort that has been evident through the close correspondence between needs and strategies in the regional programmes. However, such improvement remains hampered by important shortcomings and there is room for further amelioration: first, future programmes need to recognise that the reach of ERDF programmes is limited and that there needs to be a **subdivision of tasks** between this source of funding and the parallel (much wider) public capital spending programmes. This means inherently increasing the **focus** of programmes and thus allowing them to achieve a higher critical mass in the fields of intervention (which does not necessarily require reducing the average size of projects or focusing on innovation and R&D for instance). This is not an easy task, however, as it would imply transparency and predictability in domestic capital spending, something which cannot be taken for granted, not least given the uncertain evolution of the Italian institutional assets in the wake of the recent and as yet incomplete federalist reform. Second, future programmes need to be better **anchored on evaluation knowledge**. The regional authority has only recently started to undertake ex-post evaluations, and there is no evidence to show that the results of such evaluations actually feed back into the decision-making process regarding policy

design and implementation. A more systematic undertaking and consideration of evaluation evidence on policy successes and failures would arguably result in programmes that are more effective, allowing avoidance of past mistakes that resulted in missed targets and policies that are too exposed to volatile political preferences.

A number of conclusions can also be drawn to improve future **implementation**. The successful case of the interventions realised in the field of transport infrastructure shows that even complex, large-scale projects, that require a long time to be implemented, can be successfully implemented provided that there is a clear vision at the apex and the ability to effectively manage the project cycle. This means that political direction is essential for the success of public investments, as much as the managerial capacity of staff working in the regional or national administrations. Once the political commitment fails or is momentarily suspended - e.g. because there is a change of government – programme managers cannot on their own effectively continue to manage the interventions.

More generally, there is a need to recognise that successful programmes are not just programmes that are well written, internally coherent and 'owned' by stakeholders, but programmes that also have the concrete potential to be successfully implemented. This means that just as programme design has to be 'sensitive' to what is feasible in a given institutional context, efforts need to be placed at all institutional levels – from the apical political sphere to the grassroots level of project implementers – to **raise capacity** and implementation ability where needed. This in turn results in projects that are better-designed, better-delivered, and more able to accurately estimate targeted achievements and to report on them (and thus leads to a more reliable monitoring system). Targeted capacity building-efforts, however, require willingness to engage without prejudice in an unbiased stock-taking exercise of policy failure, a politically sensitive exercise that should be stimulated and supported by the European Commission and the national coordinating authority.

A second issue is the necessity **for flexibility**. The example of the aids measure for firms operating in the tourism sector is particularly illustrative of this. In 2000-06, a number of grant holders were unable to keep up with their investment plans and employment expansion, due to the slowdown experienced not least as a result of the waste crisis. The fact that the regional authority only granted one prorogation to the projects for meeting such targets meant that a number of recipients had to give up their awards, with perverse effects on the programme's financial progress, its end-performance and, ultimately, its overall impact on the regional economy.

As far as **results-based management** is concerned, it is important to recognise the tensions and trade-offs faced by programme managers and project holders. If on paper programmes must deliver certain achievements, but in practice the emphasis placed on programme managers and projects alike is on procedural compliance and expenditure, then this will take precedence over delivering outputs and results: the extensive use of coherent projects can be viewed in part as a response to this. This tension has also affected the way programme monitoring has been utilised. Programme monitoring has improved steadily over the four programme periods, from being initially absent altogether, to being rather sophisticated and comprehensive (albeit not successfully implemented across the entirety of the measures and interventions implemented, as has been seen). The information from the monitoring system, however, has mostly served the purpose of adapting the programmes in itinere in order to ensure that expenditure targets were met. The only attempt to systematically utilise the monitoring system data to gauge and quantify the achievements of the

programmes, in relation to the 2000-06 ROP, has been a partial success, given the limitation in the data available. This is an experience that the regional authority should build upon, improving the quality, reliability and timeliness of the information provided within the monitoring system.

A further fundamental point in relation to results-based management is the necessity to change the predominant separation between regional and national programmes, not just through integrated monitoring systems (as is being implemented, but mainly with regard to procedural and financial information, rather than with a focus on achievements), but also with regional targets assigned to the individual NOPs and an effort to integrate the different programmes upstream, not just on paper – by framing them as part of wider CSFs/NSRFs – but also operationally, i.e. thinking from the outset in terms of what achievements, regionally, each programme should deliver and how such achievements together would create synergies, added value, impact and wider spillover effects (across regions).

The field of entrepreneurial support requires to be considered specifically. Although it has been a principal focus of support throughout the study period, this field has not delivered the necessary step-change in the regional economy. It has allowed firms to survive (thus retaining employees), but has not assisted them to foresee the need and implement the reforms that would have been necessary to become more resilient and competitive. This failure has been due primarily to a failed appreciation of the true needs of the Campanian economic and entrepreneurial fabric, a lack of understanding of the practical constraints faced by firms which impact on the palatability of the support on offer (e.g. because of the administrative burden and audit implications associated with obtaining support), a failure to provide continuity in support and to recognise that the policy could not be successful if other, wider, contextual factors that weigh on the operation and performance of firms, were not also solved. This carries important lessons for future programming of the ERDF funds and public policy more generally.

Lastly, as far as the programmes' **achievements** are concerned, a key conclusion relates to the difference that exists between medium-term and long-term achievements, in other words between results and medium-term impacts and longer-lasting impacts. In a number of fields – mainly in relation to transport, cultural and basic infrastructure - the ERDF programmes were indeed able to deliver results and these results did, for a period, return the desired outcomes. However, such dividend has not been sustained over time because of the inability or unwillingness to finance the operation and maintenance costs of the infrastructure and structures built (e.g. roads, metropolitan transport links, museums, cycle paths). This calls for more accurate long-term planning and forecasting ability within the regional and national authorities in charge of programming.

Equally, there is a need to recognise that improvements are not durable if they are not sustained, and that as old needs are addressed, new needs might emerge. The regional context changes and what might have been a positive achievement at one stage may need to be revisited later on, given the changing endogenous and exogenous contexts which affect the quality of life, wealth and economic and social prospects of residents in the region. In illustration, the continuing trend towards a concentration of population in the coastal areas means that even though considerable investments were undertaken to realise environmental infrastructure, for instance, the need for such investments is still high, requiring renewed policy attention. Not being able to anticipate the evolution of need in the context of long-term development policies such as Cohesion policy is in

itself an element of weakness, which has the potential to limit the impact of the investments realised (e.g. realising a wastewater plant for a certain capacity, without foreseeing that by the time the plan is in operation the required capacity would be higher).

Furthermore, in estimating ex-ante achievements and then pursuing them through implementation, it is essential to recognise the interplay between policies and between the policies implemented and the context in which they operate. As has been mentioned many times throughout this report, it is overly ambitious to expect the ERDF programmes to deliver reduced unemployment and improvements in GDP per head, if at the same time the factors that affect the way the labour market and firms operate (sometimes in the shadows), and which the ERDF programmes cannot control, remain unaddressed.

8. ANNEX I – ANALYSIS OF PROJECT SAMPLES

8.1 Il Tarì[143]

Summary description

The creation of the service and production centre 'Il Tarì,'[144] managed by the goldsmith consortium by the same name, is the first example of ERDF support to a large private investment. The construction of the centre was supported in the first instance by the 1989-93 POP but also received various forms of (decreasing) support during the following programme periods. Tapping into domestic and EU resources, a group of entrepreneurs from one of Campania's goldsmith clusters managed to collectively solve challenges - such as the availability of industrial infrastructure, legality and security, common services, training and internationalisation - which affected and still affect other clusters of small firms in the region. The main output of this effort, the creation of the service centre Il Tarì, has spurred further initiatives and produced the intended effects in terms of a more secure and appropriate localisation, the provision of shared services to firms and the facilitation of growth and export strategies (Izzo, 2006).

Underlying problem and context

The creation of the service centre 'Il Tarì' and the decision to move wholesale trade and production to a new location arose as solutions to two main problems, notably the security of operators and the congestion of an area that had outgrown its potential (INT25, Izzo, 2006). Most of the firms in the consortium were originally located in the *Borgo degli Orefici* (Borough of Goldsmiths) in the centre of Naples. In this location, the goldsmith cluster had attracted unwanted attention from organised crime which had made it excessively vulnerable. This area was the historical location of handicraft activity in this field since the 1500s. By the end of the twentieth century, facilities had become inadequate and work conditions unacceptable and not compliant with health and safety regulations. Congestion was compounded by the coexistence in the *Borgo Orefici* of a mix of functions: production, wholesale trade and retail.

These issues, which have been to an extent common to other clusters in Campania, were all the more severe in this case, due to the peculiar nature of the goldsmiths' trade: the intrinsic value of even very small quantities of raw materials and their easy marketability. Congestion was inevitable in an area where the cluster had coalesced during five centuries (the cluster apparently originated from one of the most ancient guilds in Naples, in the 1200s, and relocated to the Borough of Goldsmiths in the 1400s because it had outgrown its original location - INT25).

Most firms were and still are small and very small, counting as few as three employees. Many are family firms who have been in their trade for generations: they all know each other and have complex interactions, ranging from competition to cooperation, as in all districts. One of two jewellery clusters in Campania - the other one being the cluster of Torre del Greco, specialising in coral and cameos - the *Borgo Orefici* cluster produced medium-to-high-quality jewels for the Mezzogiorno market and for export. It was, however, weaker (in terms of quality, export and

[143] This project case study is based on available literature and websites (cited in the text), monitoring and financial data obtained by the research team from various sources, formal interviews and informal exchanges with unnamed employees and operators on site.
[144] The name refers to a coin, originally an Arab coin, circulating in the Kingdom of Naples.

market share) than producers in Arezzo and Vicenza. In this context, the global objective of the project 'Il Tarì' was to support SMEs in the newly established consortium in their growth through: (i) common services, such as credit, secure transportation of materials and products, and a post office; (ii) the organisation of annual events; and (iii) training.

Description

Il Tarì is the name of both the consortium and of the service centre located in the industrial area of Marcianise, near Caserta, where consortium firms moved their wholesale trade activities and, in some cases, production and headquarters. Many of the consortium firms maintained retail centres (and some headquarters and even some production phases) in the original location in Naples. The consortium counts currently around 400 members - up from the original 190 (INT25). The president, Gianni Carità, an entrepreneur himself, was the founder of the consortium and has been its leader since its launch.

The centre now hosts around 400 firms, including branches of firms from other parts of Italy. It attracts retailers from the entire Mezzogiorno. Firms are active in various specialisations: jewellery, goldsmithery, pearls and gems, corals and cameos, watchmaking, silver and bijoux, covering a wide range of production phases and inputs (e.g. jewellery cases).

Its location - over a surface of 135,000 square metres (including open spaces) - is easily accessible, being close to Naples and Caserta train stations (to which it is connected by public transport), the Milan-Naples motorway and Naples airport. The facility is isolated from the outside, with a heavily guarded access point and surrounding walls (it is only accessible to sector operators holding certified credentials). On the inside, the layout is spacious and functional, with outdoor space, covered galleries, plush interiors and impeccable maintenance. The original layout of the centre left abundant outdoor space, with the function of both providing a spacious and agreeable open space and of accommodating the growth of the consortium activities. Indeed, as the consortium increased its membership, buildings have been enlarged and new buildings were added over time (up to the current 80,000 square metres for production and wholesale trade and 9,500 square metres for fairs and events, www.tari.it).

The centre hosts wholesale trade, production and the administrative activities of the firms located in its premises (of which 30 percent engage in production, 30 percent in services and 40 percent operate in trade), as well as shared services such as a post office, various banks, childcare facilities, insurance companies, ICT services, restaurants and a hairdresser. All services (e.g. cleaning and security) are managed by the consortium, either directly or through controlled enterprises. In doing this, the consortium aims at ensuring maximum security and quality standards (INT25).

Il Tarì hosts three annual sectoral fairs, attracting around 25,000 people per edition. Together with the homonymous Foundation (owned by the consortium and, with a minority share, by the Campania regional authority), the consortium manages a specialised school – the Tarì Design School – which offers training courses and masters in goldsmith art, gemmology, watch craftsmanship, jewellery design and fashion design. The Foundation also sponsors other events and, together with the Comitato Leonardo (an initiative of the Italian Institute for Foreign Trade and the employers' association Confindustria), offers a prize for the best thesis on made-in-Italy jewellery.

As recalled above, the initiative to create the consortium was taken by one of the entrepreneurs of the *Borgo degli Orefici* in 1987. The consortium was established in 1990. That year, the scheme *Contratto di programma* (an 'agreement' between the State and a large firm) was extended to consortia of firms. This paved the way for the major investment in the construction of the centre and the delocalisation of part of firms from the *Borgo Orefici*. Retail activities, and in some cases production and headquarters, remain to date in the *Borgo Orefici*, which was also renovated, also using ERDF funds, during the 2000-06 programme period.

Over the four programme periods, the ERDF has supported the consortium – both directly and indirectly - in many ways, through:

- funding for the creation of the service centre in the industrial area of Marcianise, near Caserta (POP Campania 1989-93);
- the subsequent upgrading and expansion of the centre (POP Campania 1994-99);
- support for the organisation of events in 2002 (ROP Campania 2000-06);
- aids to SMEs taking part in the consortium (ROP Campania 2000-06);
- the provision of common services for the entire jewellery sector, including also firms in *Borgo degli Orefici* and in the Torre del Greco cluster, such as the creation of an incubator, support for the participation in a sector fair in New York, funding for advertisement campaigns, and technical assistance for the management and delivery of the integrated project (through an Integrated Cluster Project[145] funded by the 2000-06 ROP);
- training and aids to individual firms for investments and/or research, in some cases including training (2000-06 NOPs Local Entrepreneurial Development and Research);
- support to individual firms for training and research (ROP Campania 2007-13).

The Tarì is a complex investment spanning many programme periods and involving a number of actors: the region, the European Commission, the national government, and, of course, the consortium and its members. Each of these actors probably had its own theories at the time. Seen in retrospect, however, the main theoretical element behind the establishment of the consortium can be reconstructed on the basis of the theory of industrial districts (Becattini, 1989) and flexible specialisation (Piore and Sabel, 1984). In industrial clusters, small firm size need not be a limitation, if firms organise and perform functions collectively, such as research, training, and internationalisation. Within clusters, competition leaves space for forms of cooperation, and, especially in trades where creativity and ideas play a large part in determining the marketability of products (e.g. fashion, jewellery, or high-tech), physical contiguity plays an important role in determining the success of all firms in the cluster. In a sense, a cluster may be considered as – and should be compared to – a large firm where transactions are mediated not by organisational devices but, rather, through the market. This is probably also the rationale of the 1990 extension of the Contratti di Programma law to clusters, which financed common services for groups of firms (INT25).

[145] *Progetto Integrato di Filiera*, one of the modalities in which the regional government interpreted the Integrated Territorial Projects (PIT), discussed in earlier parts of this report.

The Tarì consortium's strategy is based on the idea that limitations to the expansion of the goldsmiths' trade – both nationally and internationally – resulted from vulnerability to crime, perception of this vulnerability by external operators, and from physical and social limitation to the activity of firms in the *Borgo degli Orefici* location. The instrument chosen - better premises in a very accessible location - allowed to increase security, to separate functions (namely wholesale trade from locally-based retail), and to improve work conditions for designers, goldsmiths, and salespeople. Through the new premises, the consortium also aimed at building a more international image for the goldsmith cluster, while attempting to retain its positive features, such as the know-how of the best artisans. The mechanisms act on external actors, such as prospective clients (via a more professional, secure, agreeable, and accessible location, which eliminates the disadvantages of *Borgo degli Orefici* while accentuating the opportunity it afforded of meeting a high number of producers in just one visit), local criminals (who meet with obstacles against both petty crime, which is impossible in the heavily guarded centre, and more serious activities, such as extracting levies from producers, since the consortium controls all activities inside and can more easily resist infiltrations and pressures - INT25), and competitors (who have found that it is convenient to establish a location within the Tarì service centre in order to reach the Mezzogiorno markets – INT25). They, however, also act vis-à-vis internal actors, namely the firms, by giving them 'dignity' (they do not need to hide their activity and wealth – INT25), and by building new formal ways of training and hiring new personnel (through training courses and the school) while preserving informal links - which form the backbone of clusters.

Outputs and achievements

The main output of the large investments of the 1990s is the building of the centre (the total investment amounting to €35,271,258 in 1989-93 and to €14,126,971 in 1994-99, of which €3.531.740 from the ERDF). Further outputs relate to events (especially the 2002 events which directly received ERDF funds) and some of the training activities.

The centre continues to host wholesale trade and production activities of around 400 firms active in the sector, it provides common services, and hosts three annual sector fairs. As noted above, the consortium supports a Foundation and a school (providing specialised training). Before the crisis, consortium firms exported around 30 percent of the production (INT25). Tarì firms were achieved higher increases in exports (+30 percent in the 1990s and 2000s, Izzo, 2006) than other Italian districts (Vicenza, Arezzo, Valenza) (Izzo, 2006) at least until the crisis. The crisis hit the sector and, as a consequence, the centre (information collected through fieldwork alluded to a decrease in demand for lots within the centre). The consortium, however, is reacting by intensifying internationalisation activities.

An intangible, but nevertheless important result is 'having given dignity to the goldsmiths' (INT25) who, in their historical location in the city centre of Naples, had inappropriate, exceedingly small premises and were forced to disguise their trade, their wealth and their success in order to fend off potential threats from urban criminal organisations.

The European Commission identified the initiative as a success as early as 1997 (Commissione Europea, 1997), but the local community has even more eloquently recognised it by replicating it: in the following years, other consortia were created in the same sector. The 2000-06 ROP project 'Goldsmiths' Pole' took after this experience: the goal was to 'build a goldsmith pole in Campania

through integrated actions aiming at creating service centres for firms operating in the jewellery sector' (Regione Campania, NVVIP, 2009). Since very early in the history of the centre (INT25), there have also been attempts at replicating this experience abroad (e.g. Portugal, South Africa) (Izzo, 2006).

There are limits to the experience of the Tarì. First, it never managed to involve all the firms in the original cluster. Many firms in Borgo degli Orefici did not adhere to the consortium and remained where they were, some of them creating another consortium (and also relocating) later on. Furthermore, it has encountered difficulties in maintaining reciprocal trust among the members, which has limited the effectiveness of some common services (INT54).

Value-added

Interviewees mentioned two types of value-added from the EU. First, while EU funds were only a part of the total financial resources, they made the financial pressure on the consortium manageable. This allowed the consortium to retain ownership of the premises, thus remaining autonomous from its own members and to have the financial resources necessary to internalise all services, as is necessary to ensure the very high level of security needed. Second, the EU resources balanced domestic ones, granting the consortium a stronger position in interactions with national public authorities. For example, the input from the European Commission rapporteur was greatly appreciated in solving issues and reducing delays in interactions with the regional government (INT25).

Management and monitoring issues

The original ERDF contribution was initially paralysed, ostensibly because the regional authority responsible for ERDF lacked experience with private investments of this kind, having previously managed only large infrastructure projects. A solution came from a fruitful interaction with the then European Commission rapporteur.

Conclusions

The initiative presents a number of ingredients which made it successful. First, the fact that the investment idea came from within the cluster ensured that it responded to deeply-felt needs. The public sector supported the project, but did not elicit it. Second, it coalesced the interests and activities of a large number of firms, without, however, the ambition to unite all the operators in the sector, which would have been unrealistic. Third, common norms and procedures are shared and respected. These include extremely strict access rules, attention to maintenance and decor, and the decision not to outsource common internal services. Further, the consortium has invested in training through its school, thus adding a formal channel for transferring its traditional know-how while allowing for innovation and it has struck a balance between opening up to firms from the other Italian regions and foreign poles (such as Arezzo and Vicenza) and retaining both the cluster's cumulated know-how and the small, family-run character of firms.

Figure 26: Support provided to the Tarì service centre throughout the period reviewed

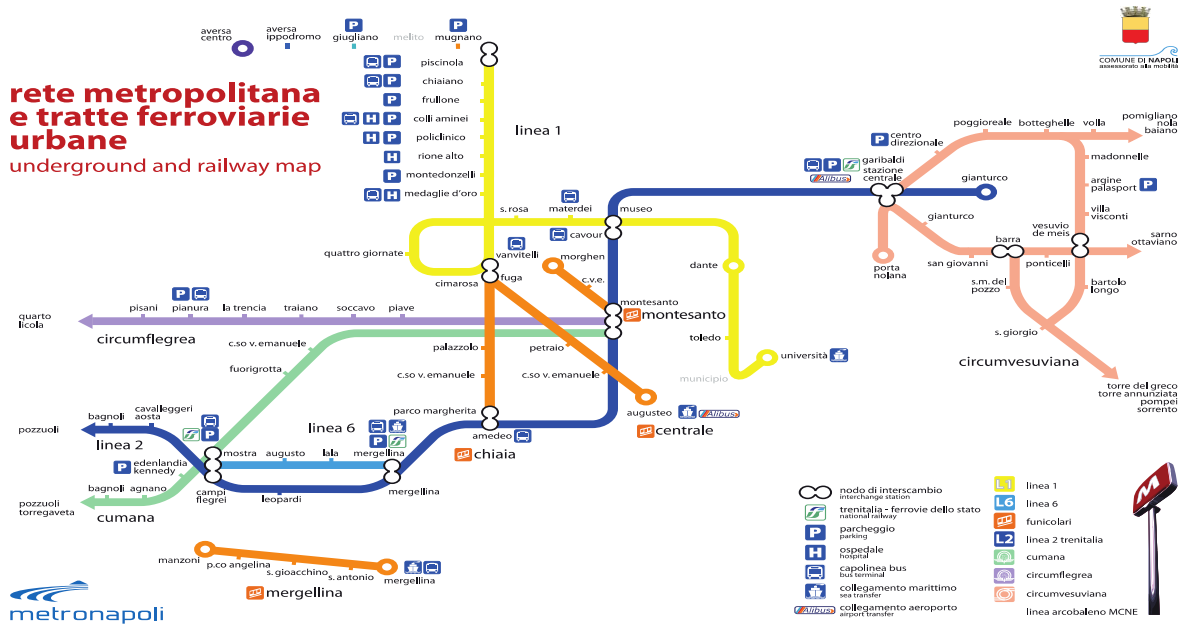
Programme Period	Programme name	Aid to firms	Fairs/ Events	Infrastructure	Training
1989-93	1989-93 POP Campania	-	-	√	-
1994-99	1994-99 POP Campania	-	-	√	-
2000-06	2000-06 ROP Campania	√	√	√	√
	2000-06 NOP Scientific Research	√	-	-	√
	2000-06 NOP School	-	-	-	√
	2000-06 NOP Local entrepreneurial development	√	-	-	√
2007-13	2007-13 ROP Campania	√	-	-	-
	2007-13 NOP Research	√	-	-	-
	2007-13 ROP ESF Campania	-	-	-	√

8.2 The Underground Urban Transport System (*Metropolitana*) in Naples

Summary description

Serving one of the most densely populated areas in Europe, the Underground Urban Transport System of Naples has a long history, frayed with delays and obstacles, and still evolving (Figure 27 shows its current layout).

Figure 27: Map of the existing underground and urban rail system of Naples



With lines conceived at different times and inspired by different strategies, it emerged as a unitary project only during the 1990s and the 2000s (INT13, INT1; Russo, 2007), connecting existing infrastructure with projects which had been conceived since the 1960s, namely the *Metropolitana Collinare* (The 'Underground of the Hills'), currently Line 1, or the *Linea Tranviaria Veloce* ('Rapid Tram Transit'), transformed over time in what is now Line 6. Since the 1970s, the layout of each line, concessions, linkages among lines, and the number, location and design of the stations have undergone deep modifications, as did the symbolism of the overall project.

The main changes happened in the mid-1990s, when the Municipality of Naples developed a technical and political vision of an integrated, multi-modal transport system, connecting the various parts of the city, the city to its vast hinterland, and the metropolitan area to the region as a whole (INT1 and INT13). The backbone of this system is the Underground Transport System. This vision was supported by a strategy and programming system which managed to accelerate the Underground Transport Project (INT13) or, better, to lessen the enormous delays which had accumulated over time.

Since the 1990s, Structural Funds have accompanied the municipality's vision of the Underground transport system as one component part of an integrated, multi-modal transportation. The story of the Underground urban transport system shows how technical knowledge and political leadership can merge in providing a new direction - and a new symbolism - to an infrastructure so as to deeply change traffic directions and citizens' habits. The Underground connects socially different areas of the city. Its conception links policies which are often at odds, such as cultural heritage and urban transport (Palestino, 2007), especially when the transport policy is based on heavy infrastructure which cuts through a densely inhabited area with archaeological sites. However, positive achievements have proven vulnerable to management and financial sustainability issues: infrastructure construction and opening of new stations continue to date. Supply, however, has been recently declining, due to the regional budget financial predicament.

Underlying problem and context

Notwithstanding high levels of infrastructure density, the metropolitan area of Naples has long suffered from congestion, due to high population density and to its peculiar morphology - Naples is built partially on hills, has a very large historic centre and a wide hinterland which branches well into the province of Caserta (the city of Caserta is only some 20 km away). The two main industrial development areas are respectively in the North (towards Bagnoli and the Phlegraean Fields) and the south of the city (towards Portici and Castellammare di Stabia), connected by a coastal strip interrupted by hills and bordering both the centre of the city and the touristic, passenger, and commercial ports. Issues refer to connecting the central areas of the city, with their naturalistic and cultural heritage, with peripheral areas (Russo, 2007). Within the city, fractures and separations physically underline social divides.

Of course, the situation has elicited, over time, a great amount of investments, from various sources. A major issue, however, well into the beginning of the study period, was the great number of projects started but unfinished (Russo, 2007). This resulted from the lack of a strategy and of programming, which made the entire system vulnerable and prevented the solution of the problems which arose, such as the consequences of the earthquake of 1980, financial issues, or political changes at the municipal level. For example, Line 1 construction sites remained open - obstructing streets and piazzas - for years in a row (in some cases for 12 or 13 years and longer), adding to the congestion and creating problems to the citizenry.

Description

The Underground Urban Transport System of Naples connects various underground lines, most of which (with the exception of line 1, line 6, [146] and of the four funicular rails) branch out of the city of Naples towards the metropolitan area and beyond (e.g., line 2, from Pozzuoli to Gianturco, linking the two main industrial poles of the metropolitan areas, originally a part of the national train system, only recently devoted to metropolitan and regional trains; Circumvesuviana, towards the three directions of Sarno, Baiano, and Sorrento; Circumflegrea and Cumana, both connecting the Northern parts of the province of Naples, towards the Phlegraean Fields; and the 'Rainbow' line, reaching Aversa).[147]

The new lines built during the study period (namely Line 1 and Line 6) have been conceived during the 1960s. In 1963, the discussions began about a connection between the neighbourhood 'Vomero' and the centre city, initially with new a funicular railway, then, as the technical features of the project became more precise, with an underground track line (*Metropolitana Collinare*). The 1980 earthquake and (more intractable) financial problems slowed down the construction and arrested work in the construction sites which, however, remained as gaping holes in the urban fabric.

In the mid-1990s, the Municipality of Naples renegotiated the concession contract with the company (M.N. Metropolitana di Napoli), revising prices. This unblocked national funds and forced the company to renew its management and structure.

In the meantime, the Municipal Urban Transport Plan was approved in 1997, in coordination with the City Plan. This, together with an institutional reorganisation of responsibilities on transport within the Municipality of Naples, formed a programming environment which allowed solution of the problems, e.g. in funding, and to effectively communicate the vision to the citizenry and to the various actors.

Other important landmarks were the 2002 regional Reform of Local Public Transport and Mobility in Campania, which reorganised planning and services, and the introduction of integrated ticketing (which brought about an increase in monthly and annual passes) (ACAM, 2010). In 2003, the 100 Stations Plan provided for inserting contemporary artists' artwork in some of the Underground stations (initially only Line 1, later Line 6 and other stations). Especially on Line 1, stations are in key points, which are symbols of the physical and social discontinuities in the urban fabric (Russo, 2007). Coherently with the key features of the urban strategy followed at the Municipality of Naples (the Mayor of Naples in the 1990s was by now the President of the Region), it was decided to transform some of the stations into contemporary art museums, starting with the architectural design of each station, which was attributed to famous architects (INT1). Around the stations, urban furniture and refurbishing coupled, on occasions, with renewal and insertion of architectural

[146] Line 1 (15,3 km.) serves 110,000 travellers per working day (and 40,000 during holidays) among 16 stations, with around 220 daily trips between 6:00 and 23:00 (rush hour frequency is 7 minutes. Line 6 (2.3 km.) is heavily underutilised (www.metro.na.it). Probably due to the long time elapsed since Line 1 original planning or to the complexities of climbing hills with an underground transport system, noise inside the wagons is very high.

[147] The entire system is ultimately conceived as based on three circles and two axes: the first circle will be constituted by Line 1; the second one by line 7 (Cumana, Circumflegrea); the third one by Circumvesuviana. The two axes are line 2 (from Pozzuoli to Gianturco) and by one of the Cumana lines.

decorations in the neighbouring public and private building (namely around the Materdei station, increasing real estate values).[148]

Structural Funds financed the track lines and galleries, the construction of the stations, and parts of the contemporary art programme in the stations, mainly through the regional Operational Programmes, while national Operational Programmes concentrated on general accessibility of the region (Table 9).

Table 9: Structural Funds Operational Programmes financing projects within the Underground Urban Transport System of Naples

Programme Period	Programme name	Projects	Coherent projects
1989-93	1989-93 POP Campania	NA	NA
1994-99	1994-99 POP Campania	√	√
2000-06	2000-06 ROP Campania	√	√
	2000-06 NOP Transport	√	√
2007-13	2007-13 ROP Campania	√	
	2007-13 NOP Networks and Mobility	-	

Source: own elaboration on data collected by study team.

Outputs and achievements

The Underground Urban Transportation System is deemed one of the most successful parts of ERDF-funded policies in Campania (INT33, INT1, INT43, Russo, 2007[149] and Palestino, 2007[150]) in terms of outputs, of institutional growth, and of changes in residents' transportation habits, lifestyles, and opportunities (INT1, ACAM 2010; Palestino, 2007).

Over the study period, two underground lines have started operations. Line 1 has gradually increased its length and number of stations. Existing lines have been re-structured and, more importantly, connected and coordinated, in some cases physically, through an integrated ticketing system, and through a common strategic framework.

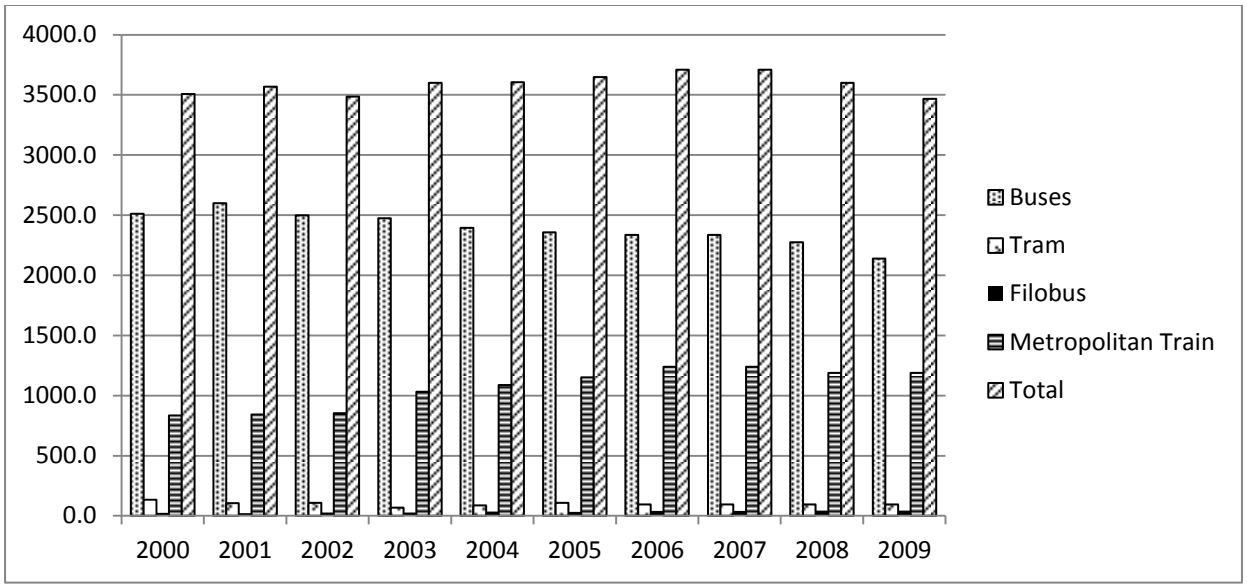
Investments in the underground transport system were part of an integrated strategy involving all modalities. Environmental considerations (including the bad air quality in Naples, ACAM, 2010) led to substituting underground transport for buses Figure 29. In Naples, underground transport accounted for 55 percent of all modal transport in 2009, in line with other European metropolitan areas such as London, Paris, and Madrid (ACAM, 2010, p. 95). Another indicator of the increase in the use of the Underground Transport System is signalled by the increase in the number of travellers (+40 percent between 2003 and 2009) walking through the underground exchange corridor between Line 1 and Line 2 of the Underground Transport System (ACAM, 2010).

[148] Many Line 1 stations were designed by famous architects (Vanvitelli - Michele Capobianco, Museo and Dante - Gae Aulenti, Salvator Rosa and Materdei - Alessandro Mendini, Cilea-Quattro Giornate - Domenico Orlacchio, Università - Karim Rashid); Line 6 stations were designed by Studio Protec. Each station hosts artwork by contemporary artists. www.metro.na.it/metro/index.php?option=com_content&task=view&id=687&Itemid=212

[149] The most successful urban policy since the 1990s to the mid 2000s is the redesign of mobility and of public transport in the metropolitan area (Russo, 2007)

[150] The Underground Urban Transport System is the 'most significant intervention carried out by the Municipality, which has really impacted on the city, modifying lifestyles, habits, and real estate markets.' (Palestino, 2007, p. 221).

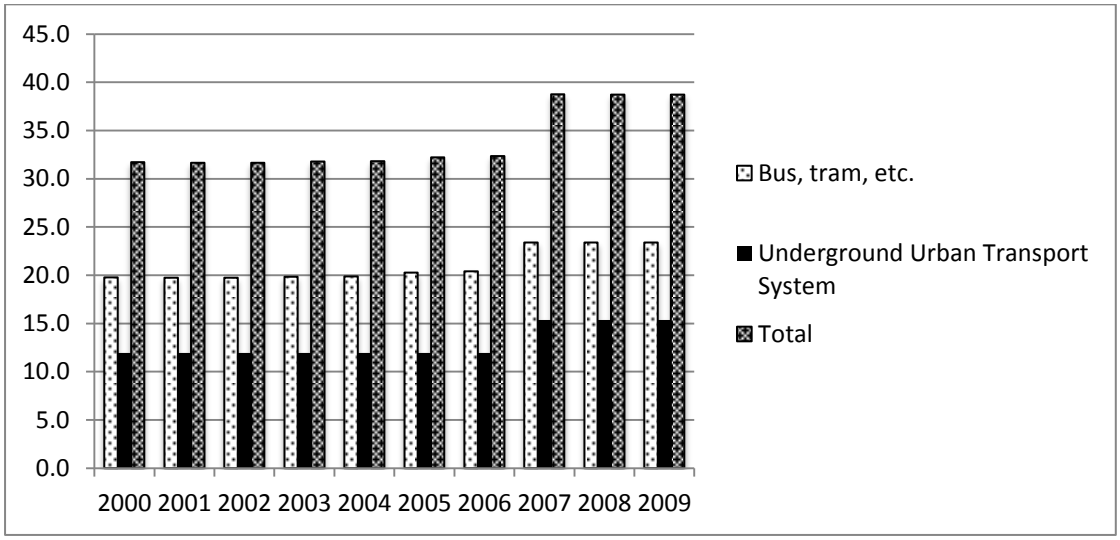
Figure 28: Number of seat*km by modality and total in Naples (million) (2000-2009).



Source: Own elaboration on ISTAT data, Dati ambientali nelle città.

There was not, however, a simple decrease in bus transport supply. The bus system was also transformed, as is evident from Figure 29, showing the changes in the number of stops by transport modality in Naples (showing a slow growth in bus stops until 2007 and a sharp discontinuity in 2007, when Line 6 entered into operation).

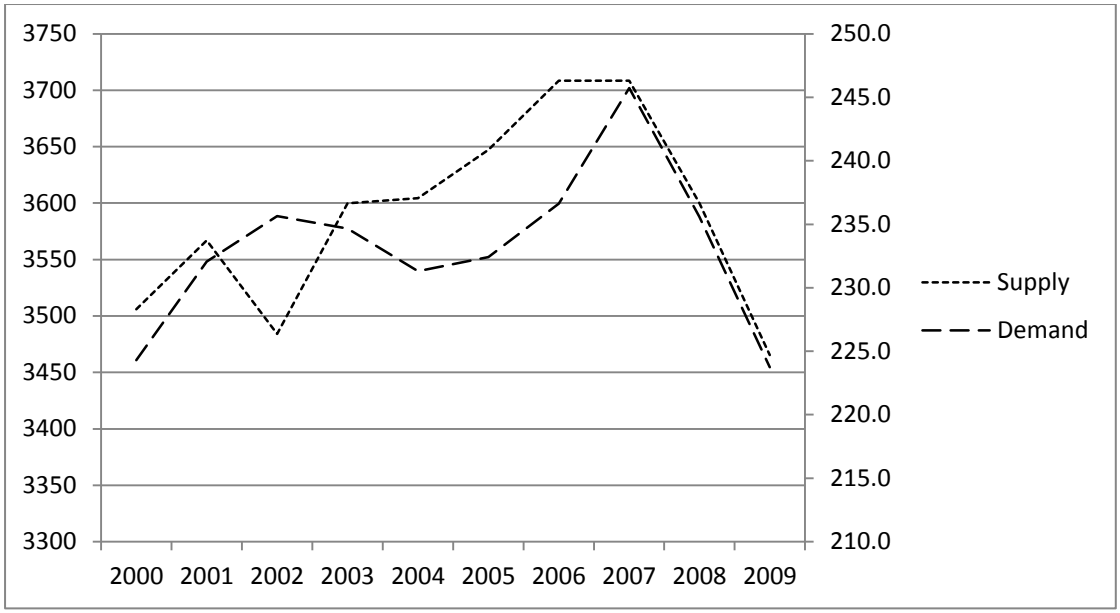
Figure 29: Transport system stops and stations by modality and total, 2000-2009 (No of stops per km)



Source: Own elaboration on ISTAT data, Dati ambientali nelle città.

As a result of increased supply, a higher public transport demand could be satisfied, at least until both were reduced by the Figure 30.

Figure 30: Public transport supply (seat by km, million) and public transport demand (annual travellers per resident), 2000-2009



Source: own elaboration on ISTAT data, Dati ambientali nelle città.

Supply and demand data cover the period until 2009. Since then, supply has further decreased (INT13). The reduction has not been caused by reductions in infrastructure endowments - actually infrastructure construction has continued producing further outputs (e.g. in September 2012 a new Line 1 station, Toledo, has opened). Rather, management and financial sustainability issues have limited the operation of some of the lines which operate in the wider metropolitan area, namely Cumana.

The new lines and stations of the Underground Urban Transport System make it faster to use local public transport from peripheral areas to access central neighbourhoods. This has increased transportation 'equity', allowing people from deprived areas to utilise central, upgraded areas, especially the central area of Piazza Plebiscito, which was one of the first ones to be renovated in the 1990s and is the symbol of urban renewal, where, for example, concerts are held (INT1). Property prices of newly served areas have increased. Social impacts are also appearing: anecdotal evidence suggests that women from deprived neighbourhoods are finding it easier to find paid work in other parts of the city (INT33) and to reconcile work and family life (INT1).

Four main critiques have been advanced. First, the municipal and regional administrations are blamed for excessively focusing on infrastructure construction to the detriment of management and of financial sustainability (see below, paragraph 9.1.6). Second, advances in transport policy have not been closely connected to urban policies and have failed to induce a profound transformation of the urban fabric. In other words, the transport logic predominated on the urban dimension: the change and the vision has not spread beyond the stations (and the surrounding renovated private and public buildings and areas, urban furniture) into the neighbourhoods (Russo, 2007).

Third, the project linking art and transportation through the architectural beauty of the stations and their transformation in contemporary art museums has also been criticised on similar lines: art and architecture were conceived as symbolic and as embellishments, aiming at gathering

consensus, but not at accompanying social and urban transformations in the community (Palestino, 2007). The architectural design for the stations was commissioned after functional decisions had been made. The continuity with the symbolic function of cultural policy within urban policies (which had, especially in the early 1990s, counted on participation) was limited: there was no cooperation with the community, except for links to potential gatekeepers (superintendents, art merchants, political opposition in the Municipal Council) (Palestino, 2007).

Finally, it has been claimed that the resources expended on art and architecture were excessive: these same resources could have been used in infrastructure (INT71). It is difficult to gather conclusive elements to judge on this claim from monitoring data. Nevertheless, it seems that, however expensive project design by top architectural stars may be, these costs are not comparable with the costs of infrastructure construction. In addition, at least some of the costs for acquiring artworks were covered by a national cultural heritage law (Palestino, 2007): therefore, whatever their amount, they could not be used directly on the infrastructure.

Value-added

Structural Funds have financed projects (tracks, stations, cultural heritage investments) of the Underground transport system since the 1990s, as a minor component of total national funding (INT13). They have supported the municipality's vision of the Underground transport system as one component of an integrated, multi-modal transportation system.

Even with the acceleration since the end of the 1990s, the timing of projects exceeded Structural Funds financial regulations - which were particularly strict during the 2000-06 programme period. Regional and municipal authorities utilised nationally-funded projects to 'lengthen' this cycle and as a leverage for Structural Funds resources. Through this mechanism, Structural Funds ensured continuity of funding to the overall project. The EU contribution, therefore, goes beyond the mere financial contribution, and was claimed to be crucial (INT13).

Management and monitoring issues

There are two sets of management issues: first, issues affecting infrastructure construction and financing and, second, issues arising from the management of the built infrastructure and the financing of the services.

The first set of issues especially marred the initial period of the infrastructure, until the end of the 1990s, creating delays and blocks in infrastructure construction, namely for Line 1 and Line 6. Infrastructure construction lingered, and construction sites occupied streets and piazzas for years. Lessened in recent years, these issues need constant attention - the entire transport system is far from being completed.

There was no single programming framework linking together urban transport infrastructure projects. This made the typical financing problem of this type of infrastructure intractable (i.e. total project costs widely exceed available resources at every point in time, therefore local authorities have to gather resources sequentially). This happened for the realisation of Line 1 (Russo, 2007) and was only solved when, in the mid-1990s, an urban transport plan and a vision, supported by technical studies and preparation and by political will, were in place.

Lack of programming also left project implementation without orientation whenever financial, technical, or design problems arose. Currently, the existence of a coherent programming framework provides for an environment in which it is easier to utilise, for example, nationally-financed projects to accommodate for differences in project and financial programming cycles within the Structural Funds framework (INT13) or to alter projects if needed. When the old project of the *Linea Tranviaria Veloce* (Rapid Tram Transit) construction met with unprecedented technical issues, construction was blocked for years - an abandoned construction site is currently open to guided tours. The project has recently been resumed as Line 6 of the Underground transport system.

The second set of problems refers to management of the infrastructure and transport service supply. In recent years, supply has strongly decreased (INT13) because of financial problems. There is no agreement on the reasons for this situation. Current difficulties are blamed on the past municipal and regional administrations' excessive preoccupation with infrastructure construction - and with its technical challenges and political pay-offs (Regione Campania, NVVIP, 2011). The result was neglect of institutional and financial structures of private and public organisations dealing with public local transport.

These claims are met with the contention that local public transport is always, and everywhere, supported by public budgets (INT13). Lack of resources to support local public transport services in the Naples metropolitan area, therefore, results from a political choice of the current regional administration, and not by past choices (INT13).

Conclusions

Through their support to the construction of the Underground Transport System in Naples, Structural Funds have contributed to the implementation of a full-fledged, successful transport policy aimed at solving congestion problems in a part of the city, at increasing reciprocal accessibility of peripheral areas and central parts of town, and at transforming transport patterns. Notwithstanding the confusing effect of the crisis on transport data, there are the first signs that these changes opened up opportunities for people, especially in peripheral areas (Palestino, 2007), and of positive effects on gender and social equality (INT1).

These achievements, however, have proven vulnerable to management and financial issues and to political upheavals. This is in line with conclusions on other projects, but appears all the more worrying because the policy was accompanied by careful communication of its aims and achievements with a view of increasing popular support.

8.3 Phlegraean Fields (Campi Flegrei)[151]

Summary description

The Integrated Territorial Project (PIT) 'Campi Flegrei' (Phlegraean Fields, literally Fire Land), an area-based project funded by the ROP 2000-06, aimed at effecting structural adjustment in an area North of Naples. The goal was to induce a shift from relying on industrial activities to realising the

[151] Interviews in this project case study are identified with the * symbol and not with numbers to prevent identification.

full touristic and productive potential of the rich endowment of archaeological, historical, naturalistic, architectonic, entrepreneurial and cultural heritage of the area.

Following previous attempts at area-based programming (a Territorial Pact), the project signals which elements are key in determining the emergence and implementation of successful area-based, integrated projects for local development, such as the importance of time in developing partnerships and the need to build and maintain trust. The project also demonstrates EU value-added, namely the high visibility of available resources and the opportunity to build a narrative of development projects around which to coalesce consensus and spur action. Finally, the project highlights fundamental weaknesses of development policies in general (World Bank, 1997) and of Structural Funds operations in particular, such as low resilience of achievements in absence of public sector attention once projects are implemented, during the delicate passage towards full operation, and of feasible management arrangements.

Underlying problem and context

A highly industrialised area for most of the 1900s,[152] Phlegraean Fields gradually lost most industrial activities after the 1970s. The rapid industrial decline was compounded by the two bradyseism crises of the 1970s and of the 1980s, which damaged private and public real estate[153] and obstructed the operation of the fishing and touristic port of Pozzuoli. The crises culminated in the evacuation and abandonment of *Rione Terra*, the historic centre of Pozzuoli and in the construction of new neighbourhoods (*Monte Ruscello*). At the same time, the land management rules of the time failed to regulate the growth of residential and touristic real estate, accelerated by the building of a metropolitan highway from Naples to the North of the area. Uncontrolled construction altered the landscape, created congestion problems and added to environmental pressure.

As large firms shut down or abandoned the area, an alternate vocation of the area emerged: the area's long history and the archaeological and architectural heritage it had left,[154] its cultural symbolism,[155] its natural resources, agriculture and the thermal activities suggested the possibility of restructuring the area's economy towards tourism and economic activities connected with cultural heritage.

In order to do this, however, some obstacles had to be faced. Touristic activities, indeed, existed, but they were limited to thermal activities and bathing, to daily trips during a short bathing season (July and August) and a users' group confined to the metropolitan area of Naples (Escalona, no date; interview*[156]). Similarly, leisure activities only activated a local demand. Furthermore, albeit

[152] Its main productions were steel and chemicals production at Bagnoli, in the Northwest part of the municipality of Naples; ICT, research, and aerospace in Pozzuoli; ship-building and ship maintenance, as well as extraction activities in the entire area. Firm size in all these activities - with some exceptions in ship-building and ship maintenance - was predominantly large.

[153] Damages resulted from the high number of seismic shocks per day (hundreds, many of which perceivable) over extended periods of months, as land raised over the sea level.

[154] The area had been colonised by ancient Greeks, while its natural ports, abundance of coastal lakes, availability of water, and proximity to the main communication roads with Rome had justified localising here one of the main navy ports of ancient Rome (Misenum) and the main port for cereals before the construction of the Ostia port (Pozzuoli). Furthermore, the beauty of the coast, its agreeable weather and its richness in natural thermal waters had made the area a seaside resort for the wealthy since Roman times throughout the middle ages.

[155] Secondary volcanic phenomena had induced ancient poets, among which Vergilius, to imagine that the entrance to the afterworld was in this area.

[156] Interview code omitted to prevent identification.

having been one of the stop-overs of the Grand Tour of Italy in the 1700s and the 1800s, the area's natural and cultural heritage was not well known.

The PIT built upon a previous attempt at area-based development programming: a Territorial Pact started in 1997-98.[157] The Pact, focusing on State aid for businesses more than on infrastructure, had elicited great participation in the identification of a common strategy, especially among socio-economic partners and economic operators, namely entrepreneurs. It created - and frustrated - great expectations: there were 123 applications which were, however, never processed (INT*)[158]. The Pact experience, therefore, was a mixed blessing: it had created the competencies to negotiate a common development strategy. At the same time, however, PIT promoters had to demonstrate that this time around the project would go ahead.

Description

The PIT area includes the North-Western part of the municipality of Naples and the municipalities of Bacoli, Monte di Procida, Pozzuoli, and Quarto.[159] The area is a regional naturalistic park.[160] It has a very strong identity (INT*), recognised also by neighbouring areas (INT5).

The Territorial Integrated Projects (PIT) were the instrument, introduced by the CSF 2000-06, to allow for area-based development. They differed from the Territorial Pacts which, until the beginning of the 2000s, had been formulated on the basis of essentially private sector partnerships (even though local authorities also participated) in direct cooperation with national authorities. The PITs, on the other hand, were created according to rules issued by the regional authority. Local partnerships, where public authorities had a much larger role, were responsible to design and implement projects.

The PIT Phlegraean Fields redressed the Territorial Pact focus on enterprise support adding infrastructure (mostly restoration and recovery of naturalistic and cultural heritage), research, training and intangible activities such as theatre and musical events, action-research[161] (Argyris *et al.*, 1985; (INT*) and tried to build a system which would operate on time and effectively, providing trust (Escalona, 2011) and developing a common vision.

All in all, the ROP devoted around €169.99 million to the PIT, making it one of the five largest PITs in Campania (Regione Campania, NVVIP, 2011)—as with the other PITs, expenditure was lower than anticipated: it amounted to 70.16 million.[162] Whereas all the 16 "main" projects (*progetti portanti*:

[157] The Territorial Pact included, in addition to the PIT municipalities, also Procida. It was never implemented.
[158] Code omitted to prevent identification.
[159] The Phlegraean Fields is an area on the coast in the North-West of the province of Naples. It is an intensely urbanised area. It includes Bacoli, Monte di Procida, Pozzuoli e Quarto which altogether have a population of 163,000 and an average density of 2,478 residents per square km (Urbanistica Informazione, 2011).
[160] The area of Phlegraean Fields was established as regional Naturalistic Park in 1993. Regional law no. 33 of 1st September 1993, www.parcodeicampiflegrei.it/on-line/Home.html.
[161] Action Resarch is a methodology of active resaerch which includes a component of territorial animation in the areas that are subject of research: researchers gather information, support design of actions and even their implementation (e.g. the research of an industrial cluster which concludes with the adoption of a quality standard disciplinary or the creation of a consortium). An example is the report on action research available at http://www.uc-cam.camcom.gov.it/files/OsservatorioEconomico/campi%20flegrei.pdf
[162] This is the research team's estimate from monitoring data. Since data was extracted from the monitoring system at a later date, it is lower than the estimate (roughly €72.43 million) which can be evinced from the evaluation of PITs by the Campania Evaluation Unit (Regione Campania, NVVIP, 2011: page 68).

the projects which acted as pillars to support the strategic architecture of the PIT) were completed (Nucleo di Valutazione, 2011: page 75), a large part of the difference (around 20 million) is due to lower absorption of original allocations to state aids to enterprises. Among projects which were not completed, there is one aiming at exploiting the restored cultural heritage (INT***). In line with the guidelines formulated by the Regional Authority, the project focused on cultural heritage and absorbed most resources from measures under two priorities: cultural heritage and human resources. Each PIT was to be based on a 'key idea' (idea forza). The PIT Phlegraean Fields identified it as the realisation of an exceptional archaeological and natural itinerary which would spur economic and cultural growth, linking even physically the archaeological, architectural, leisure and naturalistic emergences dispersed in the 75 square km of the area through a 64 km-long walking trail and cycle lanes.

The PIT had three goals: (i) to protect and restore environmental and cultural heritage. For this same goal there had been also previous projects, some funded by the 1994-99 ROP, but these had not been systematic; (ii) to build a physical and conceptual tour (a 'Re-tour', as mentioned below) of the area; and (iii) to establish a network of SMEs operating on cultural and natural heritage (INT*).

The PIT was connected to other Integrated Projects, thematic rather than area-based. The first one, on touristic ports (Portualità turistica), financed ports infrastructure in Baia, Bacoli and Monte di Procida. The second one on Spa tourism (Filiera termale) provided business support to a firm.

When, in 2005, the person responsible for the PIT (a Region's employee who had also been former Secretary for city planning at the Municipality of Bacoli and had played a role in the previous Territorial Pact) also became the president of the Natural Park, environmental projects entered the PIT strategy, even though there was an imperfect integration among ROP priorities (INT*). Although the scarce cooperation across Structural Funds, administration sectors and administrative branches in the same regional authority proved to be a common feature of the PITs across Italy (Casavola and Bianchi, 2008), in this case the coincidence of various roles in the same person helped to overcome this problem.

Other regional projects supported the strategy too. First, albeit temporarily, there was the regional transport policy. Although the area is well connected (via the metropolitan train 'Cumana', via the regional metropolitan trains and buses, and via a high-density highway network), it is still congested. Until 2010, principally to serve tourists but attracting residents as well, the coast of Phlegraean Fields was linked to Naples, to the islands and to the Southern coast (Sorrento, Capri, Positano, Amalfi and the sea-resorts of Cilento, linking sea resorts in the two provinces of Naples and Salerno), with sea links through the so-called 'Metrò del Mare', which operated during the Spring and Summer months. Since 2011, however, due to the region's budgetary restrictions, the service has been restricted to the Southern area, excluding the Campi Flegrei ports and is currently discontinued (2013).

Second, there was the inclusion of Phlegraean Fields in the 'ArteCard' Campania. ArteCard Campania is a transport-cultural heritage integrated scheme aiming at allowing access at museums, monuments and naturalistic points along various itineraries, using the same card to access museums and points of interest, obtain services and utilise public transportation.

Third, in addition to PIT investments, the area also attracted further investments from the ROP Campania, supporting enterprises, sewerage and purification plants and ducts, and soil protection.

The explicit theory underlying the PIT was that the previous development model, based on industrial development, was 'wrong' (Escalona, 2011; INT*), because it did not respect the area's vocation. A more resilient and sustainable development was to be achieved through a sharp shift from the industrial development model to the full exploitation (valorizzazione) of cultural and natural heritage, the processing of agricultural produce (wine), tourism and the creation of SMEs active in cultural heritage. A business network would contribute to make the whole system financially sustainable: 'monuments should earn their living' (Escalona, 2011).

The strategy aimed at the upper segments of the tourist market, namely international cultural tourism, rather than mass tourism such as in Pompeii, and at lengthening the tourist season. It was conceived in phases: in a first phase, it targeted residents in the metropolitan area, to then expand and reach international tourists in a second stage. In the first phase, attention was also given to local residents, in order to build a sense of identity and effect a cultural change (Pomella, 2008). The motto of the PIT, 'Re-tour to Phlegraean Fields,' evokes the 1700s Grand Tour (Regione Campania, NVVIP, 2011) and expresses the ambition to raise the area again to the status of international attractor for wealthy travellers interested in cultural heritage - not only physical monuments, museums, archaeological sites, and naturalistic points of interest and trails, but also theatre, music, festivals, and food and wine tours, based on the rich cuisine of the area and a renewed tradition of wine-making and, more generally, on the cultural richness of the area (with its mix of archaeological, naturalistic and historical heritage).

The project was reshaped 7 times between 2003 and 2008 - through a wide partnership inclusive of the Regional and local authorities and local actors, the church, local associations, socio-economic partners, the business community and even schools (there were altogether 88 meetings, INT*). The partnership proved that this method can diffuse and solve conflicts beforehand, preventing further problems and delays down the road (INT*).

Outputs and achievements

Achievements from the over 100[163] projects implemented under the PIT include physical outputs such as:

- the restoration of the Basilica of Pozzuoli (whose project called 'In praise of the Palimpsest' was selected through an international competition, and alludes to the many layers and multiple uses of each building and corner in an area which is in constant evolution for natural and historical reasons);

- the creation of the Archaeological Museum of the Phlegraean Fields in the Castle of Baia, which exhibits (among remains dating to as early the VIII century B.C., from Italic civilisations, Greek colonies, and Roman villas and military and commercial infrastructure, found in the area) statues and other material found in the submarine excavations in the submerged city of Baia;

[163] Of which 33 funded through ESF.

- the renovation of Rione Terra;
- the realisation of parts of the trekking trial 'Re-tour';
- the recovery and usage of confiscated facilities (Villa Ferretti, a villa of the XIX Century, still not used);
- various naturalistic projects such as the Bird Sanctuary of Cape Miseno and coastal consolidations;
- cycle lanes around lakes;
- the port of Monte di Procida, Acquamorta.
- ESF-funded training initiatives - unlike other PITs, where integration was rare (Casavola and Bianchi, 2008)[164] - and
- business support for firms active in tourism and cultural heritage.

There have been immaterial outputs too, such as ten great events (e.g. international architectural workshops), cultural events,[165] eleven publications, dissemination activities, action-research, initiatives involving schools (Arteascuola), and the permanent laboratory of the project, *Lapis*, mixing planning for innovative tourism development and training for unemployed youth and for local public services.

Success claims are based on the permanence, after the closure of the investment activities, and without further funds, of 'soft' initiatives in the areas: there are now new projects that are being implemented without public funding but thanks to the sensitivities, methods and knowledge generated via the PIT (e.g. Malazé, an archaeological, wine and food annual festival whose latest edition took place on 8-12 September 2012; various theatre/opera events; the Pozzuoli Jazz Festival – INT*; local associations organising tours in the Museum of the Phlaegrean Fields – INT**). A problem is that often event organisers cannot afford the prestigious public facilities restored through the PIT. Paradoxically, it is easier for them to be sponsored by private firms who provide them with free facilities (INT*).[166] The Final Implementation Report of the ROP Campania mentions the PIT Phlegraean Fields among the ones which have spread knowledge about the cultural heritage of the Region (Regione Campania, 2012: page 200). PIT-funded excavations produced scientific advances (INT***)

Value-added

The EU contribution was fundamental for the realisation of the projects that composed the PIT. According to interview evidence, without EU support these projects would not have been realised (INT*, INT***). The ROP (and the CSF) has also helped in creating the peculiar type of partnership,

[164] ESF expenditure amounted to 5.1% of the total, the highest rate among PITs focused on cultural attractors and higher than the scant average of 2% of all PIT expenses.
[165] Among the events, 2006 'Flegreinarte' Rione Terra (music and theatre); 2007 'Alla scoperta dei Campi Flegrei'; Bizet's Carmen in the ancient Thermae at Baia and Puccini's Tosca at the Arena Flegrea; 'A sciaveca', a theatrical production based on the Phlegraean Fields.
[166] http://eventi.luvionline.com/?s=pozzuoli-na-il-bosco-e-la-luna&h=1

involving the Region and local actors, in imposing (and legitimising) procedures (such as partnerships, planning and monitoring – INT***), and in eliciting a new strategic vision for the development of the area. Regional guidelines on the Integrated Territorial Projects provided for clear, understandable procedures and requested that PIT promoters develop and communicate a clear strategy, in a way still unparalleled by domestic resources (INT*). The EU framework - which was used as a model by the 'New Programming' - required that strategies be explicit and public. Structural Funds programming and its rules (both the EU rules and the national ones) allowed a great visibility to programme resources and to the projects, and designed a framework in which the local partnership could conceive and pursue an integrated strategy, which combined various types of interventions (State aids, infrastructure, environment, training, education, material and immaterial cultural heritage). The more transparent framework also contributed to make a strategy which had slowly matured over the preceding decade and local actors and leaders to emerge.

Even though the way Structural Funds operate is not particularly conducive to integration - given the many priorities and measures, and the different funds involved – their procedures (programming, monitoring, surveillance) afford visibility of the programme. This, coupled with the ability of national and regional authorities to at least build a rhetoric of integration, has had positive effects on local actors which were willing and able to navigate the difficulties. This, however, has not shielded the project from difficulties and political upheavals. Further, project design and delivery weren't adequately supported. The insistence of the 2000-06 CSF on the establishment of 'management plans' for each PIT was not matched by sufficient resources to implement these (not so much financial, but administrative, managerial and political resources) nor by credible and effective instruments (INT***). As a result, operations of restored or created infrastructure is problematic: the bodies responsible for operations struggle (INT*** and INT**).

Management and monitoring issues

The main issue arising from the PIT Phlegraean Fields is the lack of follow-up after the conclusion of the initiative. For instance, given the lack of adequate resources, the museums and monuments refurbished are closed, open only for a few hours each day or, as is the case of the Archaeological Museum in Baia, only part of the exhibit area is made accessible to visitors. What has been missing is attention to the final part of the work, after the conclusion of the physical works (construction or restoration). A large part of the investments realised need to be operated, managed, and, ultimately, maintained. The fact that this is not the case is having a negative impact on the morale of local communities, who feel 'seduced and abandoned' (INT*). One of the main lessons of this experience is thus that mechanisms should be built-in to ensure that what has been achieved continues to produce benefits after the conclusion of projects (INT*).

The 2007-13 ERDF Operational Programme and the 2007-13 Rural Development Programme are funding many projects in continuity with the PIT, the main instance being a large *PIRAP* (Integrated Rural Projects in Protected Areas) within the Rural Development Programme. Once again, however, what is being realised are investment projects: i.e. projects to create physical or immaterial outputs which may complement the past ones, but do not solve the management problems (INT*).

A second issue which emerged during the implementation of the PIT, already noted above, relates to the intrinsic difficulties of integrating different types of intervention, which are compounded by rigid boundaries between EU funds.

Conclusions

Area-based, local development policies allow for local plans and strategies to surface bottom-up and to be implemented with the commitment derived from a strong sense of ownership. However, local development takes time - longer than a single programme period – and the strategic and operational changes between a programme period and the next can be significant, can prevent consolidation of progress (INT26), and may constrain the ability of local actors to implement a long-term vision. Further, the longer-term legacy of projects such as those in the fields of cultural and environmental heritage relies on ongoing financial and institutional support – e.g. for upkeep and management – and thus require a commitment that goes beyond the life of the intervention.

9. ANNEX II – STRUCTURE OF CAMPANIA PROGRAMMES 1989-2013

Table 10: Campania POP 1989-93, Financial allocations and actual expenditure

Priority	Total initial allocation (I)	Total actual expenditure allocation (F)	Total public (£)												Private	
			EU						Domestic							
			ERDF (I)	ERDF (F)	ESF (I)	ESF (F)	EAGGF (I)	EAGGF (F)	Nat. (I)	Nat. (F)	Reg. (I)	Reg. (F)	Other dom. (I)	Other dom. (F)	Private (I)	Private (F)*
Communication	606.101	605.040	272.261	271.824	-	-	-	-	333.840	333.216	-	-	-	-	-	-
State aids to handicraft firms	331.483	305.637	136.942	131.534	-	-	-	-	157.187	152.439	-	-	-	-	37.354	21.664
Tourism	283.359	282.349	128.833	129.504	-	-	-	-	143.863	145.744	-	-	-	-	10.663	7.101
Aqueduct infrastructures	309.182	289.099	127.029	121.267	-	-	-	-	182.153	167.832	-	-	-	-	-	-
Environment	178.053	165.602	70.238	65.219	-	-	-	-	107.815	100.383	-	-	-	-	-	-
Research, Development and Innovation	148.378	147.447	57.138	56779	-	-	-	-	91.240	90.668	-	-	-	-	-	-
Technical assistance, communication	2.223	345	1.113	173	-	-	-	-	1.110	172	-	-	-	-	-	-
TOTAL	1.858.779	1.795.519	793.554	776.300	-	-	-	-	1.017.208	990.454	-	-	-	-	48.017	28.765

Source: Data provided by interviewee (code omitted to prevent identification).

Table 11: Campania POP 1994-99, Financial allocations and actual expenditure

Priority	Total initial allocation (I)	Total actual expenditure (F)*	Total public (migliaia di €)												Private	
			EU						Domestic							
			ERDF (I)	ERDF (F)	ESF (I)	ESF (F)	EAGGF (I)	EAGGF (F)	Nat (I)	Nat (F)	Reg (I)	Reg (F)	Other dom. (I)	Other dom. (F)	Private (I)	Private (F)
Communications	535.527.000	554.742.882	197.175	n.a.	-	n.a.	-	n.a.	138.023	n.a.	29.670	n.a.	29.484	n.a.	141.175	n.a.
Industry and Artisan Firms	335.032.000	308.076.353	92.678	n.a.	-	n.a.	-	n.a.	64.875	n.a.	24.482	n.a.	3.322	n.a.	149.675	n.a.
Tourism	485.351.000	516.667.613	157.864	n.a.	-	n.a.	-	n.a.	110.504	n.a.	24.506	n.a.	22.853	n.a.	169.624	n.a.
ERDF Irrigation	47.412.000	48.324.872	23.706	n.a.	-	n.a.	-	n.a.	16.594	n.a.	598	n.a.	6.514	n.a.	0	n.a.
Supporting Infrastructure	753.535.000	757.542.595	292.377	n.a.	-	n.a.	-	n.a.	204.664	n.a.	46.809	n.a.	40.903	n.a.	168.782	n.a.
Operational Program Implementation	7.143.000	6.992.634	5.000	n.a.	-	n.a.	-	n.a.	0	n.a.	2.143	n.a.	0	n.a.	0	n.a.
TOTAL	2.164.000.000	2.192.346.950	768.800	n.a.	-	n.a.	-	n.a.	534.660	n.a.	128.208	n.a.	103.076	n.a.	629.256	n.a.

Source: Own elaboration on data provided by interviewee (code omitted to prevent identification) and by IGRUE.

Table 12: Campania ROP 2000-06, Financial allocations and actual expenditure

Priority	Total initial allocation (I)	Total actual expenditure (F)		Total public (€)													Private	
				EU							Domestic							
			ERDF (I)	ERDF (F)	ESF (I)	ESF (F)	FEAOG (I)	FEAOG (F)	SFOP (I)	SFOP (F)	Nat. (I)	Nat. (F)	Reg. (I)	Reg. (F)	Other dom. (I)	Other dom. (F)	Private (I)	Private (F)
Natural resources	1.856.915.009	1.884.433.228	635.346.400	1.547.979.301	9.055.880	3.772.715	348.856.440	328.908.498	-	-	569.124.137	673.554.091	243.910.014	288.666.039			647.138	
Cultural resources	564.303.183	550.448.475	563.218.520	534.662.289	1.084.663	15.786.185,55	-	-	-	-	197.200.605	192.656.966	84.535.667	82.567.271			661.586	
Human resources	1.290.199.242	1.339.460.046	-	-	1.290.199.242	1.339.460.046	-	-	-	-	318.847.735	468.811.016	136.589.290	200.919.007			10.947.230	
Local development systems	2.143.628.493	2.114.856.971	1.299.202.000	1.240.651.112	-	0	744.893.403	781.799.811,1	95.623.000	92.406.048	632.245.198	740.199.940	270.971.241	317.619.461			50.058.384	
Cities, local authorities & quality of life	436.027.664	411.490.039	436.027.664	411.490.039	-	-	-	-	-	-	152.609	144.021.514	65.404.149	61.723.506				
Networks supporting development	1.290.140.115	1.344.598.695	1.290.140.115	1.344.598.695	-	-	-	-	-	-	451.549.040	470.609.543	193.521.018	201.689.804				
Technical assistance	66.972.000	66.323.332	66.972.000	66.323.332	-	-	-	-	-	-	23.440.200	23.213.166	10.045.800	9.948.500				
TOTAL	7.711.610.787	7.598.185.706	4.290.906.699	5.145.704.768	1.300.339.785	1.359.018.947	1.093.749.843	1.110.708.309	95.623.000	92.406.048	2.192.559.524	2.713.066.236	1.004.977.179	1.163.133.588			62.314.338	

Sources: Initial Allocations – Regional Operational Programme Campania 2000-06 (programme and programme complement, 2009 version); Actual Expenditure - ownelaboration based on national monitoring data, June 2012.

Table 13:Campania ROP 2007-13, Financial allocations and actual expenditure

Priority	Total initial allocation (I)	Total actual expenditure (F)	Total public (€million)								Private	
			EU		Domestic							
			ERDF (I)	ERDF (F)	Nat. (I)	Nat. (F)	Reg. (I)	Reg. (F)	Other dom. (I)	Other dom. (F)	Private (I)	Private (F)
Environment - Cultural Resources and Tourism	2.025.000.000	167.390.909	1.012.500.000	167.390.909	708.750.000	406.765.105	303.750.000	123.750.086	0	99.075.280	0	23.707.150
Research, Development and Innovation - Productive territorial systems and employment - Internationalization	1.215.000.000	152.861.908	607.500.000	152.861.908	425.250.000	195.311.699	182.250.000	71484669.19	0	27.906.697	0	158.957.911
Energy	300.000.000	627.508	150.000.000	7.661.001	105.000.000	5.448.052	488.250.000	2.212.649	0	441.598	0	0
Networks and services for mobility -	1.200.000.000	331.069.373	600.000.000	331.069.373	420.000.000	513.648.320	180.000.000	90.833.911	0	801.015.000	0	849.329.684
Research Development and Innovation	395.000.000	14.773.661	197.500.000	55.860.803	138.250.000	46.537.797	59.250.000	18.020.017	0	2.803.684	0	9.705.712
Cities and Urban areas	1.505.000.000	221.203.330	752.500.000	445.586.599	526.750.000	345.853.844	225.750.000	99.732.756	0	5.392.032	0	0
Technical Assistance and Territorial Cooperation	224.795.000	22.630.029	112.397.500	21.410.013	78.678.250	15.710.545	33.719.250	13.655.226	0	0		0
TOTAL	6.864.796.000	910.556.717	3.432.397.500	1.181.840.606	2.402.678.250	1.529.275.362	1.472.969.250	348.204.645	0	936927079		1.041.700.457

Source: Initial allocations - Regional Operational Programme Campania 2007-13 and Giunta Deliberation of 11 January 2008, no. 26; Actual expenditure - own elaboration based on national monitoring data, June 2012.

Table 14: Percentage of expenditure and number of measures (in brackets) by objectives (classification based on measures' first objective) - all percentage based on deflated figures, € 2000 prices[167]

Measure objective (main)	1989-1993	1994-1999	2000-2006	2007-2013
Adoption of new technology (including ICT)			0.35 (2)	4.00 (1)
Crime			0 (1)	2.60 (5)
Culture	10.24 (2)		4.09 (1)	2.53 (5)
Digital divide/infrastructure for ICT			1.45 (5)	0.14 (2)
Enterprise	17.02 (2)	3.46 (6)	1.21 (3)	0.11 (2)
Environmental enhancement		0.15 (2)	0.20 (1)	
Environmental sustainability	16.10 (2)	74.79(4)	13.02 (8)	2.93 (9)
Female employment			0.28 (2)	
General accessibility of the region from outside		17.63 (1)	15.74 (10)	1.72 (3)
General support to existing firms for competitiveness			18.24 (11)	21.89(5)
Growth of SMEs			0.28 (1)	
Health				0 (1)
Improvement in the provision of public transport				0 (1)
Innovation			6.01 (3)	3.01 (5)
Innovation, entrepreneurship and industrial development			0 (2)	1.07 (2)
Internal disparities			1.16 (3)	
Internal infrastructural gap/bottleneck/congestion		0 (4)		0 (1)
Introduction of new technology (including ICT)			0.34 (1)	
Labour Market			2.31 (5)	0.09 (1)
Land reclamation			0.05 (1)	
New firms start ups			0.54 (1)	
Pollution / Emission				4.63 (1)
Private R&D and innovation (including innovation in SMEs)	8.21 (1)		1.15 (1)	4.56 (1)
Public R&D (including R&D infrastructure)		0.18 (3)	0.28 (1)	13.72 (2)
Public sector service development			0.68 (7)	0.75 (21)
Regional infrastructural endowment	33.70 (2)	0.52 (2)	11.35 (3)	14.70 (10)
Renewable energy			0.79 (1)	8.88 (8)
Service sector development		0.28 (1)		
Skills shortage (high level skills)			2.79 (8)	
Skills shortage (low and medium level)			1.49 (6)	1.71 (5)
Social Cohesion		0 (1)	1.25 (6)	5.74 (3)
Social/income inequalities			1.28 (2)	0.01 (1)
Structural adjustment (sectoral development)				0.03 (1)
Tourism development	1.32 (1)	1.35 (4)	4.08 (3)	4.10 (4)
Unemployment rate			0.34 (2)	
Urban or rural regeneration	4.16 (1)	1.02 (14)	5.13 (5)	
Waste treatment		0.08 (1)		
Wastewater management	7.81 (2)	0.13 (1)		
MAIN OBJECTIVE NOT AVAILABLE	1.42 (4)	0.41 (8)	4.08 (20)	1.00 (6)
Total	100 (17)	100 (52)	100 (124)	100 (106)

Source: Elaboration on data collected and classified by the research team.

[167] The figures presented in this table are preliminary and will be re-checked for the final version of the case study report that will be submitted as part of the project's Draft Final Report.

10. ANNEX IIIA: REPORTED ACHIEVEMENTS ORGANISED BY THEME

Table 15: Main output indicators for the Plurifund (Regional) Operational Programme 1990-93 by thematic axis

OPERATIONAL PROGRAMME	A OP Target	B Potential Output Approved Projects	% B:A	C Actual Output Approved Projects	% C:B
Enterprise development					
State aid to handicraft firms: No. of firms assisted	375			450	120%
Handicraft sites developed: No. of projects				17	
Handicraft sites developed: No. of sites developed	425			212.5*	50*
Handicraft sites developed: Square m of floor	1,205,000			602,500*	50*
Structural Adjustment					
Aids for investments in tourism: No. of firms assisted	263			131.5*	50*%
Restoration of monuments in touristic areas: No. of projects/tourist areas	8			8	100%
Restoration of monuments in touristic areas: No. of square meters of improved areas	20,000			10,000*	50*
Promotion of archaeological areas: No. of projects				6	
Innovation					
R&D and innovation: Number of projects				4	
R&D and innovation: No. of sites improved	800			400*	50*%
R&D and innovation: Square meters of space provided	10,820			5,480*	50*%
Environmental sustainability (environmental infrastructure)					
Aqueducts: No. of projects				16	
Distribution plants and networks: No. of projects				4	
Distribution plants and networks: increase in water capacity (cubic meters per year)	41.06			20.0*	50*%
Distribution plants and networks: Km of new water mains	85			42.5*	50*%
Distribution plants and networks: Km of improved water mains	10			5*	50*%
Sewage networks: No. of projects				17	
Sewage networks: Km of new water mains	271.1			135.5*	50*%
Sewage networks: increase in water capacity (cubic meters per year)	18.4			9.2*	50*%
Sewage networks: Km of new/upgraded sewers	79.4			39.7*	50*%
Sewage treatment plants: No. of projects				7	
Sewage treatment plants: No. of new water purification lands	5			2.5*	50*%
Environmental and hydro-geological improvement: No. of projects				2	
Territorial issues and social inclusion					
Recuperation of historical districts in urban areas: No. of projects				9	
Infrastructure					
Roads: Number of projects				12	
Roads: Km of new/improved roads	122			61*	50*%
Railways: Number of projects				5	
Railways: Km of new tracks	9.9			4.95*	50*%
Railways: Km of improved tracks	2.1			1.05*	50*%

11. Sources: Regione Campania (2000) *Programma Operativo Plurifondo 1989-93* – FESR, Rapporto Finale di esecuzione FESR, Naples and ISMERI EUROPA (1995) *Evaluation of CSF Italy Objective 1. Final Report*, Rome, p. 122. Target figures (column A) are drawn from the ISMERI EUROPA Evaluation. * indicates estimated value at 31.12.1993.

Table 16: Main output indicators for the Plurifund (Regional) Operational Programme 1994-99 by thematic axis

POP 1994-1999	A SPD Target	B Potential Output Approved Projects	% B:A	C Actual Output Approved Projects	% C:A
Entrepreneurial development					
Output Indicators					
Number of supported firms	NA	2,008		1,090[168]	54.28%
Localisation areas (projects)	NA			14	-
Localisation areas (sq. meters)	83,177			1,320,923	1,588%
SMEs created (number)	750			NA	-
Expected results					
Increase in employment (number of additional jobs (gross)	NA			4,000	-
Structural Adjustment					
Output Indicators					
Number of tourism firms assisted	340			356	104.70%
Incentives to touristic firms (new beds)	13,600			NA	-
Complementary activities for tourism, incl. promotional events and campaigns	266			NA	-
Restoration and preservation of cultural heritage (no. of projects)	5			93	1,860%
Archaeological areas (sq. Km)	1			0.26	26%
Interventions on existing museums (no.)	3			22	733%
Interventions on existing museums (sq. m.)	NA			42,003	-
New cultural initiatives on existing real estate (n no. of projects)	3			48	1,600%
Other tourism infrastructure (no. of projects)	NA			24	-
Expected results[169]	NA			NA	-
Innovation					
University and Research centres buildings sq. meters[170]	50,000			84,274	168.55%
of which Universities	NA			19,904	-
of which Research centres	NA			19,183	-
Research centres - laboratories, number	NA			85	-
Universities - laboratories, number	NA			11	-
Increase in annual expenditure for public research centres (million) (?)[171]	4,000			8,600	215%
R&D projects in public research centres (no. of projects)				146	
Increase annual expenditure for applied R&D in firms (million)[172]	35,338			18,000	50.94%
R&D projects in private firms (no. of projects)	90			152	168.88%
New patents (number/year)	3			NA	-
Expected results					
Energy from renewable sources (Production capacity: Mwh)	60,000			NA	-

[168] The reported figure is 1,199, but 109 of these firms withdrew for various reasons.
[169] It should be noted that the report mentions achievements ('results' and 'impacts'), but without ever quantifying them and without indicating how they were established.
[170] Clearly the figures of sq. meters built in University and research centres do not add up. These figures are reported in the FIR with no comment as to why this may be. It is probably a mistake.
[171] The unit utilised cannot be million Euro, as written in the text.
[172] The unit utilised cannot be million Euro, as written in the text. Furthermore, the baseline is not indicated (which is necessary to establish the 'increase'.

Environmental Sustainability					
Output Indicators					
Water plants for water collection and distribution for agriculture (no. of projects)	NA			6	-
Water collection and distribution (no. of projects)	NA			34	-
Upgrading water reservoirs (no. of projects)	15			15	100%
Water network: collection (km)	NA			194,694	-
Water network: distribution (km)	NA			244,937	-
Energy from renewable sources (number of energy production plants)	16			31	193.75%
Sewage network, km	160			96,369	
Active treatment plants, no.	23			23	100%
Solid waste – no. of disposal or incineration plants	26			-	0
Solid waste – no. of centres for selective solid waste collection	NA			3	-
Natural protected areas (additional ha)	362,000			53,000	146.40%
Natural protected areas (number of surveillance centres)	12			2	16.66%
Natural protected areas (reforestation, no. of interventions)	8			6	75%
Natural protected areas (environmental recovery, no. of interventions)	6			12	200%
Natural protected areas (centres for tourist information, number of interventions)	NA			14	-
Natural protected areas (touristic/didactic itineraries, km)	NA			12.9	-
Expected results					
Irrigated area (ha)	NA			4,532	-
Upgrading of irrigation (ha)	NA			3,120	-
Territorial Issues					
Natural protected areas (restoration of rural villages, sq. meters)	NA			38,000	-
Recovery of urban centres (no. of projects)	50			118	236%
Recovery of urban centres (recovered areas, sq. meters)	NA			489,028	-
Improvement of traffic conditions (parking, urban equipment, number of projects)	NA			194	-
Expected results	NA			NA	-
Labour Market					
Output Indicators					
ICT: trainees (number of people)	NA			500	-
Higher integrated training (number of young people involved)	NA			2,000	-
Expected results					
Employment (net equivalent jobs/year)	NA			3.55	-
ICT Trainees (% of trainees who found a job)	NA			>50%	-
Infrastructure					
Output Indicators					
Total length of new road network (km)	25			82.28	329.12%
Upgrading of existing road network (km)[173]	64			188.89	295.14%
Road network for 100kmq	0.65			2	307%
Roads outside urban centres: new or improved (km)	NA			219.382	-
Urban roads: new or improved (km)	NA			45.860	-
Projects including urbanisation works (number)	NA			12	-

[173] The vast discrepancy between target and achieved values is not explained in the text.

Railways: realisation of double track on concession railway networks	14.852			61.553	414.44
Urban and suburban rail network (new network, in addition to double track, km)	NA			275.814	-
Fixed plants (stations? depots? other?) number	NA			78	-
Docks and wharves (ports, m)	4,000			5,933	148.32%
Port areas (sq. meters)	10,000			138,874	1,388.4%
Airport take-off and manoeuvre areas, sq. km	NA			0.423	-
Airport logistic structure, sq. meters	NA			3,050	-
Airport service areas, sq. Km	NA			0.0254	-

Source: Regione Campania (2003) *Programma Operativo Plurifondo 1994-99, Relazione finale di esecuzione al 30.09.2002*, Naples, March 2003.

Table 17: Main output indicators for the Regional Operational Programme 2000-06 by thematic axis[174]

Regional Operational Programme 2000-06 Campania	A OP Target	B Actual Output Approved Projects	B:A
Enterprise Support			
Output Indicators			
Industrial areas (projects)	65	80	123.07%
Reclamation of brownfield sites (former industrial and military areas) (ha)	3.94	0	0
State aid to handicraft, commercial, industrial, and services firms in urban areas (number of beneficiary firms)	356	414	116.29%
State aid to large firms (number of beneficiary firms)	4	2	50.0%
State aid to handicraft, commercial, industrial, and service firms (number of beneficiary firms)	5,700	12,561	220.4%
Business services (management, organisational, certification, including 90 environmental certification) to SMEs and handicraft firms (number of beneficiary firms)	280	470	167.9%
Financial engineering: guarantee funds (SME) (projects)	220	26	11.8%
Financial engineering: risk capital (SME) (projects)	1,500	20	1.3%
Business services to SMEs and craft firms: technological innovation, management/organisation/certification, start up/tutoring, ICT	60	0	0.0%
Collective services for SMEs and handicraft firms: promotion services, conferences, fairs, information centres, networks (projects)	48	0	0.0%
Collective services for SMEs and handicraft firms: promotion services, conferences, fairs, information centres, networks (firms)	1,824	0	0.0%
Collective services for SMEs and handicraft firms: promotion services, conferences, fairs, information centres, networks (e.g. consortia)	6	0	0.0%
Collective services for SMEs and handicraft firms: territorial marketing (projects)	8	17	212.5%
Collective services for SMEs and handicraft firms: territorial marketing (firms)	304	NA	-
Collective services for SMEs and handicraft firms: territorial marketing (other entities)	1	17	1700.0%
Collective services for SMEs and handicraft firms: international cooperation (projects)	1	0	0.0%
Collective services for SMEs and handicraft firms: international cooperation (firms)	8	0	0.0%
Collective services for SMEs and handicraft firms: international cooperation (other entities)	304	17	5.6%
Productive infrastructure (in urban areas)	2	7	350.0%
Information/service centres for SMEs and handicraft firms (in urban areas)	9	2	22.2%
Promotion services (in urban areas)	6	0	0.0%
State aid for Handicraft firms for ICT investments (number of beneficiary firms)	60	33	55.0%
State aid for commercial firms for ICT investments (number of beneficiary firms)	1,080	500	46.3%
State aid for industrial firms for ICT investments (number of beneficiary firms)	330	157	47.6%
State aid for service firms for ICT investments (number of beneficiary firms)	30	101	336.7%
ICT services for SMEs (number of beneficiary firms)	1,100	262	23.8%
Collective services for internationalisation of handicraft firms and SMEs: support for creation of firms and collective activities (projects)	11	11	100.0%
Collective services for internationalisation of handicraft firms and SMEs: support for creation of firms and collective activities (implementing bodies)	5	5	100.0%
Collective services for internationalisation of handicraft firms and SMEs: support for creation of firms and collective activities (beneficiary firms)	38	60	157.9%
Collective services for internationalisation of handicraft firms and SMEs: promotion services (projects)	11	52	472.7%
Collective services for internationalisation of handicraft firms and SMEs: promotion services (implementing bodies)	5	13	260.0%
Collective services for internationalisation of handicraft firms and SMEs: promotion services (beneficiary firms)	30	60	200.0%

[174] All indicators referring to 'beneficiary firms' are calculated on the basis of self-certification, i.e. based on forms submitted annually by the firms. Their reliability would thus have to be verified with ad hoc investigations.

Collective services for internationalisation of handicraft firms and SMEs: Territorial marketing (projects)	11	52	472.7%
Collective services for internationalisation of handicraft firms and SMEs: Territorial marketing (implementing bodies)	5	13	260.0%
Collective services for internationalisation of handicraft firms and SMEs: Territorial marketing (number of beneficiary firms)	26	60	230.8%
Collective services for internationalisation of handicraft firms and SMEs: conferences (projects)	11	11	100.0%
Collective services for internationalisation of handicraft firms and SMEs: conferences (implementing bodies)	5	5	100.0%
Collective services for internationalisation of handicraft firms and SMEs: conferences (beneficiary firms)	26	30	115.4%
Collective services for internationalisation of handicraft firms and SMEs: fairs and events (projects)	8	160	2000.0%
Collective services for internationalisation of handicraft firms and SMEs: fairs and events (implementing bodies)	5	13	260.0%
Collective services for internationalisation of handicraft firms and SMEs: fairs and events (beneficiary firms)	26	350	1346.2%
Collective services for internationalisation of handicraft firms and SMEs: Information centres/services (projects)	8	2	25.0%
Collective services for internationalisation of handicraft firms and SMEs: Information centres/services (implementing bodies)	4	2	50.0%
Collective services for internationalisation of handicraft firms and SMEs: Information centres/services (beneficiary firms)	26	26	100.0%
Collective services for internationalisation of handicraft firms and SMEs: networks among firms (projects)	8	2	25.0%
Collective services for internationalisation of handicraft firms and SMEs: networks among firms (implementing bodies)	4	2	50.0%
Collective services for internationalisation of handicraft firms and SMEs: networks among firms (beneficiary firms)	26	26	100.0%
Collective services for internationalisation of handicraft firms and SMEs: international cooperation activities (projects)	8	5	62.5%
Collective services for internationalisation of handicraft firms and SMEs: international cooperation activities (implementing bodies)	4	5	125.0%
Collective services for internationalisation of handicraft firms and SMEs: international cooperation activities (firms)	26	26	100.0%
Expected results			
Variation in the number of firms in industrial areas	+640	+339	-
Projected employment increase in firms localised in industrial areas	3,156	4,620	113.5%
Variation in employment (jobs created and maintained) in beneficiary firms in urban areas	25%	NA[175]	125.4%
Total project costs/total public cost	2.00%	2.27%	113.5%
New or maintained jobs in areas where the measure was operational	10,000	12,542	125.4%
Variation in the number of firms reporting credit rationing on total	-5%	NA	100.0%
Gross birth rate for firms in relevant areas	7%	NA	150.0%
Number of environmental certifications in industrial clusters [176]	1	1	100.0%
Number of one-stop business centres in industrial clusters	2	3	150.0%
Variation in value of foreign investments	0.7%	0.2% (2006)	82.6%
Number of social services activated per municipality as per law 328/2000 'Framework law for the integrated system of social services'	90	NA	-
Variation in the number of firms with internet access and e-mail	1,272	1,051	70.0%
Total project cost for business support for ICT/total public costs of projects	2	n.a.	-
E-commerce: variation in the number of firms buying or selling over the internet	1,000	700	70.0%
Number of economic partnerships	770	770	100%
Number of regional cooperation agreements	33	38	115.15%
Variation in regional export/GDP ratio	13%	9.6% (2008)	73.8%
Environmental Sustainability			
Output Indicators			
Regional monitoring system			
Regional environmental plans and programmes (no. of projects)	1	11	1100.0%
Number of feasibility studies	1	1	100.0%
Number of studies and researchers	23	30	130.4%
Number of environmental monitoring stations (*Postazioni di rilevazione*)	97	97	100.0%
Number of operational Centres (for environmental monitoring)	26	21	80.8%
Number of Geographic Information Systems (GIS)	1	1	100.0%
Number of websites/networks for information to the public	1	1	100.0%
Number of dissemination activities/events	9	9	100.0%
Integrated water cycle			
Number of water collection systems: drinking water	6	3	50.0%
Number of water collection systems: multiple water uses	5	6	120.0%
Number of drinking water storage projects	15	26	173.3%

[175] Total employment in beneficiary firms is 391. No information is available on variations in employment.
[176] It is interesting to note that this indicators relates to the leather cluster of Solofra which is responsible for part of the pollution in the lower course of the river Sarno, one of the most polluted rivers in Europe.

Drinking water storage: increase in water capacity (cubic meters)	200,000	586,950	293.5%
Leakage reduction: length of network (km)	503	507.40	100.9%
Urban water distribution networks: km of water mains	503	662.43	131.7%
Sewage network length (km)	503	636.31	126.5%
Sewage treatment plants (primary treatment) (projects)	35	31	88.6%
Sewage treatment plants (primary treatment): equivalent inhabitants for installed projects	125,000	1,671,764	1337.4%
Sewage treatment plants (secondary treatment): projects	35	8	22.9%
Sewage treatment plants (secondary treatment): equivalent inhabitants for installed projects	125,000	722,500.00	578.0%
Information to the public (projects)	4	2	50.0%
Number of communication events	8	0	0.0%
Number of multimedia materials	4	0	0.0%
Number of dissemination activities	12	0	0.0%
Number of plans and programmes	6	0	0.0%
Number of feasibility studies	25	0	0.0%
Number of sector studies and research	8	5	62.5%
Environmental and hydro-geological improvement (projects)	162	195	120.4%
Protection of river banks (projects)	10	1	10.0%
Recuperation of sites and rivers and basins (projects)	20	16	80.0%
Number of sector plans and programmes	10	8	80.0%
Number of feasibility studies	2	1	50.0%
Number of sector studies and research	10	11	110.0%
Recuperation of areas affected by hydro-geological risks (projects)	6	6	100.0%
Upgrading of civil protection structures/services (projects)	39	11	28.2%
Coastal areas protection (projects)	14	3	21.4%
Civil protection Monitoring Systems			
Civil protection monitoring system posts (projects)	372	318	85.5%
Civil protection databases (projects)	1	-	-
Civil protection: number of operational centres	2	1	50.0%
Civil protection: number of Geographic Information Systems (GISs)	5	4	80.0%
Civil protection: relevant population	5.6 m.	-	-
Civil protection relevant area (km^2)	13,600	-	-
Civil protection plans and programmes (projects)	250	-	-
Number of civil protection feasibility studies	3	-	-
Number of civil protection sector studies and research	10	4	40.0%
Solid waste: storage, treatment and recycling plants (municipal waste depots, equipment for waste collection) (projects)	153	66	43.1%
Treatment of organic waste (composting) (projects)	11	3	27.3%
Processing plants for non organic waste (projects)	11	3	27.3%
Urban waste disposal plants: dumps (establishment, safety, former quarries) (projects)	13	10	76.9%
Urban and industrial solid waste separate collection (paper, organic waste, plastic) (number of population affected)	4,030,924	2,942,766	73.0%
State aid for introduction of environmentally compatible technologies: construction of new plants and upgrading of existing plants (number of beneficiary firms)	47	22	46.8%
Solid waste plans and programmes (projects)	5	0	0.0%
Solid waste: websites/networks (projects)	2	4	200.0%
Solid waste: communication events (projects)	1	0	0.0%
Solid waste: multimedia communication materials (projects)	2	1	50.0%
Contaminated areas reclamation (projects)	352	324	92.0%
Reclamation of brownfield sites (projects)	140	137	97.9%
Reclamation of contaminated areas - illegal activities (ha)	118	71.63	60.7%
Restoration of cultural heritage in protected areas and national and regional parks			
Architectural restoration in protected areas and national and regional parks (projects)	50	85	170.0%
Restoration, restructuring, and permanent museum exhibits in protected areas and national and regional parks (projects)	43	25	58.1%
Archives in protected areas and national and regional parks (projects)	43	0	0.0%
Landscape and environmental restoration in protected areas and national and regional parks (projects)	43	160	372.1%
Archaeological sites in protected areas and national and regional parks (projects)	43	19	44.2%
Areas where architectonic restoration, restructuring of museums, archives, landscape restoration, and archaeological sites have been implemented (m^2)	163,370	4,100	2.5%
Natural heritage structures			
Information and reception centres (projects)	65	25	38.5%
Area of paths and trails (m^2)	88,516	210,950	238.3%
Picnic areas (m^2)	88,516	250,368	282.9%
Sports and leisure facilities in protected areas and parks (m^2)	14,000	2,900,00	-
Number of promotional activities	75	23	30.7%
Number of multimedia products	75	7	9.3%
Number of research projects and studies	74	6	8.1%
Number of promotional events	14	0	0.0%
Creation of new touristic packages/products (projects)	14	0	0.0%
Plans and programmes (projects)	10	6	60.0%
Feasibility studies (projects)	12	4	33.3%
Sector studies and research (projects)	10	12	120.0%

Plans, studies and research: affected area (km^2)	2.915	-	-
State aid for creation of microenterprises in regional and national parks: handicraft firms (number of beneficiary firms)	47	154	327.7%
State aid for creation of microenterprises in regional and national parks: commercial firms (number of beneficiary firms)	47	123	261.7%
State aid for creation of microenterprises in regional and national parks: industrial firms (number of beneficiary firms)	260	47	18.1%
State aid for creation of microenterprises in regional and national parks: service firms (number of beneficiary firms)	47	48	102.1%
State aid for creation of social microenterprises in regional and national parks: cultural activities (number of beneficiary firms)	18	-	-
State aid for creation of social microenterprises in regional and national parks: social welfare firms (number of beneficiary firms)	18	-	-
State aid for creation of social microenterprises in regional and national parks: leisure firms (number of beneficiary firms)	15	-	-
State aid for complementary accommodation types: complementary services (number of beneficiary firms)	277	1	0.4%
State aid for complementary accommodation types: firms offering accomodations (number of beneficiary firms)	277	150	54.2%
State aid for complementary accommodation types: number of new sleeping accommodations	2,187	1,322	60.4%
Number of solar energy projects	220	124	56.4%
Solar energy: energy generation capacity (MW)	3	1.80	60%
Number of wind power projects	14	11	78.6%
Wind power: power capacity (MW)	230	137.72	59.9%
Number of hydroelectricity projects	4	1	25.0%
Hydroelectricity: power capacity (MW)	2.2	1.2	54.5%
Number of biomass energy projects	30	10	33.3%
Biomass energy power capacity (MW)	100	14.98	15.0%
Biomass energy: thermic power (MWt) *(Potenza termo-frigorifera installata MWt)*	40	45	112.5%
Total renewable energy generation projects (projects)	268	145	54.1%
Total renewable energy generation capacity (MWe)	380.20	155.71	41.0%
Network efficiency and energy saving			
Network efficiency and energy saving: length of network (km)	N.A.	-	-
Network efficiency and energy saving: number of substations	11	-	-
Network efficiency and energy saving (projects)[177]	11	-	-
Expected results			
Variation in the percentage of inhabitants receiving wastewater treatment in the relevant areas	10%	20.50%	205.0%
Percentage of the regional territory that is subject to monitoring (areas of hydraulic and sea-storm risk)	10%	36%	360.0%
Increase in the surface that is subject to monitoring: km^2 in river basins which are monitored by one monitoring station	+98	+117	119.4%
Increase in the surface that is subject to monitoring: km^2 of underground water streams which are monitored by one monitoring station	+28	+35	125.0%
Percentage of population reachable within 30 minutes in case of danger	30%	80%	266.7%
Variation in the number of cultural heritage sites which can be visited	23%	63.52%	276.2%
Variation in the number of families identifying irregularities in water supply	15%	10.90%	72.7%
Increase in hydrogeological risk mitigation in areas classified as high (R3) and very high (R4) (estimated) (km^2)	1.05%	1.03%	98.1%
Reduction of the surface classified as high landslide risk (R3) as a percentage of total monitored surface	-4.2%	-2.8%	66.7%
Reduction of the surface classified as very high landslide risk (R4) as a percentage of total monitored surface[178]	7.9%	3.2%	208.9%
Industrial Development Areas (ASI) monitored by a monitoring unit as a percentage of the total number of ASIs in Campania	NA	15%	-
Municipalities with more than 45,000 residents which are monitored by a monitoring unit, as a percentage of total municipalities with more than 45,000 residents	NA	19%	-
Average distance (km) between monitoring transepts in coastal sea waters (Legislative decree no. 152/1999)	73	73	100.0%
Percentage change in length of coasts where swimming is not permitted (length of coasts where swimming is not permitted / total length of coasts)	15%	17.3%	115.3%
No. of annual instances when concentration of pollutants was excessive as a percentage of the number of samples	NA	NA	-
Integrated water cycle: change in coverage of equivalent residents in project areas [179]	10%	20.5%	205.0%
Increase in coasts which are protected from erosion/total coasts length - square km	10%	0	0.0%
Variation in amounts of separated solid waste/total of urban solid waste	35%	22.76%	65.0%
Urban solid waste regional management system: total investments as a percentage of total public expenditure	2.2%	2.2%	100.0%

[177] It is difficult to understand whether it is 0 or very little, but from what the text says, it seems 0.

[178] It should be noted that the FIR mentions that this indicator cannot be interpreted as attributable to the programme and that regional offices cannot monitor the entire region.

[179] Coverage ratio of people living in the areas where there have been water projects for drinking water capitation, aqueducts, water storage facilities, distribution networks.

Variation in the amount of material recycled as a percentage of total urban solid waste	35%	22.76%	65.0%
Area (%) contaminated with materials containing asbestos which was reclaimed/total area (estimated in square metres 450,000) for which local authorities have requested financial support for land reclamation (call for bids 'asbestos') (km^2)	50%	132.72%	265.4%
Variation in number of cultural heritage facilities recovered in protected areas and regional/national parks	23%	63.52%	276.2%
Completion of identification of Nature 2000 Special Protection Areas (SPA) and Sites of Community Interest (SCI) and of official identification of managers [180]	86%	50%	58.1%
Annual utilisation of sleeping accommodations in parks	-	NA	-
Variation in number of new and maintained jobs created by integrated projects in regional and national parks	+1,090	NA	-
Variation in number of visitors in tourist accommodation firms (stays)	2%	NA	-
Variation in number of new social cooperative firms operating for the full exploitation of protected areas	20%	0	0.0%
Aid to tourist firms: ratio between total investments activated and total public expenditure	1.7	1.7	100.0%
Percentage variation in number of newly established beneficiary firms (active in sustainable utilisation of natural resources or in tourism, culture and landscape) after 2 years in relation to the number at the beginning of operations	At least 65%	-	-
Variation in new or maintained jobs deriving from investments in integrated projects in parks [181]	+860	+486.8	56.6%
Percentage of energy from renewable sources consumption GWh as a proprtion of total energy consumption in GWh	12%	6.5%	54.2%
Improvements in interruption of energy: frequency of long accidental interruptions (average per user)	NA	-	-
Total activated investments as a percentage of total public expenditure	2.7	2.5	92.6%
Variation of CO_2 emissions (tons of CO_2/year) avoided thanks to financed projects - t CO2	NA	2.8 t CO_2 [182]	-
Innovation			
Output Indicators			
Variation in number of researchers and scholars working in the infrastructures created with the support of the OP	30%	2,150 (40%)	133.3%
Regional research centres network (number of research centres and technology laboratories)	10	11	110.0%
Connection with firms (*Interfaccia per le imprese*): number of beneficiary firms	40	60	150.0%
Connection with firms (*Interfaccia per le imprese*): number of involved firms	120	60	50.0%
Infrastructure for RTDI - number of universities	70	77	110.0%
Infrastructure for RTDI - number of research centres	70	15	21.4%
State aid for innovation and technology transfers: number of beneficiary firms	400	473	118.3%
Total expenditure as a percentage of total public expenditure[183]	1.8%	1.86%	103.3%
Expected results			
Percentage of R&D expenditure by public bodies and by public-private firms in relation to regional GDP	1.49%	1.49%	100.0%
Variation in number of researchers in infrastructure created by financed projects	+30%	2,150 (31%)	103.3%
Number of product, process, and organisational innovations in beneficiary firms	300	445	148.3%
Improvements in profitability in beneficiary firms	NA	NA	-
Structural Adjustment			
Output Indicators			
Variation in the number of cultural sites made available for fruition	23%	63.52%	276.2%
Number of architectural restoration projects	195	249	127.7%
Number of restoration, restructuring, and permanent museum exhibits	57	67	117.5%
Number of archaeological sites	86	88	102.3%
Number of landscape and environmental restoration projects	36	43	119.4%
Number of events/special exhibits	30	30	100.0%
Number of multimedia productions	5	7	140.0%
Number of promotions	11	8	72.7%
Number of events	30	33	110.0%
Number of sector studies and research projects	6	10	166.7%
Number of feasibility studies	6	0	0.0%
Aid to touristic firms: number of beneficiary handicraft firms	25	23	92.0%
Aid to touristic firms: number of beneficiary commercial firms	300	31	10.3%
Aid to touristic firms: number of beneficiary industrial firms	10	0	0.0%
Aid to touristic firms: number of other services	35	267	762.9%
State aid to tourism firms (hotels and other accommodation types): number of beneficiary firms	198	124	62.6%
State aid to tourism firms (hotels and other accommodation): number of accommodations	6,845	NA	-

[180] http://ec.europa.eu/environment/nature/natura2000/db_gis/index_en.htm. This 50% means that the areas were identified but (at the date of the FIR) the managers had not.
[181] This indicator differs from the previous one: they refer to different measures (this is for measure 1.10).
[182] POR Campania FESR 2007-13.
[183] In the FIR this is reported as a result indicator.

Complementary accommodation services: number of beneficiary firms	198	34	17.2%
Complementary accommodation services: number of accommodations	6,845	NA	-
Design (especially gender-sensitive design)/marketing services: number of beneficiary firms	40	1	2.5%
Management/organisation/certification: number of beneficiary firms:	160	123	76.9%
• of which quality certification	70	NA	-
• of which environmental certification	90	NA	-
Number of sports and leisure facilities	33	26	78.8%
Number of facilities for socio-cultural activities	83	104	125.3%
Number of facilities for performances and shows	83	1	1.2%
Number of touristic ports: service areas	5	4	80.0%
Number of touristic ports: logistics	5	8	160.0%
Number of touristic ports: moorings	5	27	540.0%
Number of touristic ports: dredging projects	5	1	20.0%
Number of promotional activities (Tourism Observatory)	20	31	155.0%
Number of tourism fairs	50	78	156.0%
Number of territorial marketing projects for tourism	40	41	102.5%
Number of events	14	16	114.3%
Expected results			
Variation in the supply of accommodation in the territory of reference (hotels and other accommodation types)	30%	5.25% (hotels) 6.2% (other) (188,867)	-
Ratio between total activated investments and total public expenditure	2.1	2.1	100.0%
Variation in the number of regional firms participating in fairs and promotional events; national and international	942 (20%)	2,567 (227%)	272.5%
Variation in the numbers of visitors to museums and archaeological sites	7,700,000 (54%)	5,796,497 (14.5%)	75.3%
Labour productivity in the tourism sector (Added value per unit)	25.4	26.9 (2007)	105.9%
Variation in the number of tourist firms with environmental certification	15%	22.7% (2006)	151.3%
Variation in the number of visitors for reasons of tourism	60%	-5.30%	-8.8%
Variation in the density of visitors (visitors as a % of resident population)	4.8	3.2	66.7%
Variation in visitors in beneficiary firms	18%	n.a.	-
Variation in employment created through co-financed projects	50%	n.a.	-
Ratio of total cost of projects to public funds	1.7	1.7	100.0%
Variation in equivalent jobs in beneficiary firms	(1%) +756	+664	87.8%
Variation in number of new seats in structures for sports and leisure activities	+3,047	+3,857	126.6%
Variation in number of new seats in facilities for performing and shows	+13,521	14,801	109.5%
Variation in number of new slots in structures and services for touristic ports	+520	NA	-
Variation in tourist expenditure in relevant areas (euro)	+5,082,425	+2,502,000	49.2%
Variation in number of off-season tourism visitors (arrivals)	30%	32% (1,452,346)	106.7%
Variation in total number of off-season tourism visitors (stays)	30%	4,620,838 (27%)	90.0%
Average number of nights per stay	4.3	3.18	74.0%
Percentage of foreign visitors out of total visitors (arrivals)	49.7%	31.18%	62.7%
Percentage of foreign visitors out of total visitors (stays)	58.8%	36.57%	62.2%
Social Cohesion			
Output Indicators			
Increase in private investments induced by the support in beneficiary firms of integrated urban renewal projects, in the three years following the aid concession[184]	+ 150% of public contr.	64%[185]	42.7%
Coverage range of the interventions of the measure for the social re-utilisation of confiscated goods	2%	35.3%	1765.0%
Information and reception centres in urban areas (no. of projects)	10	0	0.0%
Sports and leisure facilities in urban areas (no. of projects)	33	10	30.3%
Facilities for socio-cultural activities in urban areas (no. of projects)	6	10	166.7%
Facilities for performances and shows in urban areas (no. of projects)	5	0	0.0%
Parks (green areas) in urban areas (no. of projects)	10	10	100.0%
Street furniture and urban equipment in urban areas (*arredo urbano*) (no. of projects for the creation of new centres or recovery/utilisation of new ones)	24	52	216.7%
Social welfare information centres and desks in urban areas (no. of projects)	10	10	100.0%
Social welfare reception centres (no. of projects)	28	31	110.7%
Other facilities for social welfare activities (no. of projects)	10	10	100.0%
Expected results			
Increase in pro capita availability of public or mixed public-private sports or leisure structures	-	NA	-

[184] This indicator relates to the integrated urban renewal projects, i.e. projects integrate various types of intervention. This was a fundamental feature of concept of integration in the 2000-06 period.
[185] At the time of the research for drafting the FIR the three years had not expired for all firms.

Variation in the supply of social infrastructure in the 5 provincial capitals (number of structures made available)	-	9	-
Variation in number of citizens perceiving that safety has increased through financed interventions	46%	46%	100.0%
Variation in employment (created or maintained jobs) in beneficiary firms	25%	NA	-
Variation in citizen satisfaction for service supply in relevant areas	NA	NA	-
Labour Market[186]			
Output Indicators			
Number of Employment Centres (CPI) (*Centri di Accoglienza*, Reception Centres)	47	0	0.0%
Number of Employment Centres (CPI): equipment	52	0	0.0%
Number of Employment Centres (CPI): additional information desks	15	4	26.7%
Expected results			
Variation in coverage of public and private employment services (users/active population)	20%	24.5%	122.5%
Variation in percentage of firms requesting services out of total firms	20%	n.q.	-
Infrastructure			
Output Indicators			
Metropolitan railways (number of urban projects)	1	0	0.0%
Urban Transport (equipment) (number of projects)	4	6	150.0%
Number of parking lots	3	0	0.0%
Length of urban and sub-urban railway network (completed, updated, and double- or multi-track) (virtual km)	57.43	74.56	129.8%
Length of urban and suburban railway network (new) (virtual km)	6.70	4.22	63.0%
Number of purchases of urban and suburban railway equipment (e.g. trains)	11	11	100.0%
Studies on urban and suburban railways (projects)	7	4	57.1%
Number of exhibits on the Regional Metro System	3	3	100.0%
Number of logistics infrastructure in ports	2	2	100.0%
Area of logistics infrastructure in ports (m^2)	316	316	100.0%
Length of mooring infrastructure (m)	3,766.68	3,723.69	98.9%
Number of studies on regional airport system	1	1	100.0%
Regional and local roads: length of upgraded network (virtual km)	46.78	44.43	95.0%
Regional and local roads: length of new network (virtual km)	1.94	2.21	113.9%
ICT infrastructure: number of network nodes	8,000	8,535	106.7%
ICT infrastructure: number of connected bodies	400	422	105.5%
ICT infrastructure: number of connected information systems	50	52	104.0%
ICT infrastructure: number of connected terminals (networked office automation positions)	8,500	8,535	100.4%
ICT infrastructure: number of other hardware units[187]	1,300	1,311	100.8%
Number of e-mail addresses activated	2,500	2,651	106.0%
Number of digital signatures	750	822	109.6%
Number of information system applications activated	50	55	110.0%
Systems for communication and control: websites and/or portals activated (projects)	250	422	168.8%
Number of ICT services projects	100	62	62.0%
Services and applications for SMEs: number of SMEs	100	62	62.0%
Services and applications for SMEs: number of databases	90	143	158.9%
Services and applications for SMEs: number of services for enterprises (per local authority)	20	20	100.0%
Services and applications for the public: number of services to citizens (per local authority)	35	35	100.0%
Services and applications for SMEs: number of electronic IDs and declarations of services	100,000	45,000	45.0%
Expected results			
Variation in number of travellers per km per year on local public transport (travellers/km)	3,849,980	3,860,780	100.3%
Variation in number of sea-faring travellers per year in the areas of interest	60%	60%	100.0%
Length/width of moors/docks covered by fire security systems (km)	1,890	1,440	76.2%
Ratio of new infrastructure covered by environmental impact mitigation measures as a proportion of km of new infrastructure	n.q.	n.q.	-
Variation in revenues/costs ratio for operation of public transportation services	38%	32%	84.2%
Variation in transport times	NA	NA	-
Variation in number of local authorities connected to ICT networks	400	422	105.5%
Index of reach of ICT in municipalities (resident population in municipalities whose registry office is connected to the S.A.I.A. – 'System for access and exchange of data on population'/total regional population) %	35%	61.5%	175.7%

Source: Regione Campania (2010), Rapporto finale di esecuzione POR Campania 2000-2006, Naples, 2010. Excludes T.A. outputs and results (reported in Annex X-ref). Excludes Technical Assistance. This is the report available on the Region website but is not the final version, which is said to be still under revision at the time of research (summer 2012).

[186] ERDF measures only.
[187] The FIR text is not clear about whether this relates to new technologies.

Table 18: Output indicators for the Campania Regional Operational Programme 2007-13 by thematic axis (ERDF only)

CAMPANIA REGIONAL OPERATIONAL PROGRAMME 2007-13	A SPD Target	B Potential Output Approved Projects	% B:A	C Actual Output Approved Projects	% C:A
Enterprise support					
Productive territorial systems and employment					
New jobs in beneficiary SMEs within three years from the completion of investment (in Annual Labour Units)	-	>1,200	-	NA	-
Export of produce with high/increasing productivity	45.9%	50.0%	91.8%	42.2%	108.8%
Increase in the number of international economic partnership agreements (compared to the goal achieved during the previous programme period)	400	1,000	40.0%	NA	-
No. of projects supporting SMEs (Core Indicator no. 7)*	0	1,430	0.0%	17	0.0%
No. of new jobs created by the aids for investments to SMEs (Core Indicator no. 9) – FTE*	0	447	0.0%	5	0.0%
Environmental Sustainability					
Environment					
Selective collection of urban solid waste/total urban solid waste	10.60%	18%	58.9%	29.3%	36.2%
Percentage of organic waste processed in compost plants for production of quality compost	2.30%	6%	38.3%	1.4%	164.3%
Urban waste processed for compost/total urban waste	2.6%	8%	32.5%	1.4%	185.7%
Urban waste sent to dumps per resident (kg)	304.8	230	132.5%	291	104.7%
Percentage of areas falling within reclaimed SNIs (Sites of National Interest)/total reclaimed areas	NQ	40%	-	72.13%	-
Km of polluted (not suitable for swimming) coasts/km total coasts	17.80%	13%	136.9%	17.35	1.0%
Percentage of utilised water/total of water made available for municipal distribution system	63.20%	70%	90.3%	61%	103.6%
Ratio of equivalent population served by urban wastewater secondary and tertiary treatment systems	75%	80%	93.8%	88.6%	84.7%
Reduction of areas at highest hydrogeological risk (km^2)	2,253	-20%	-	0	-
Reduction of length of coasts exposed to erosion (km)	107 KM	16%	-	NA	-
Coverage rate of interventions aiming at reducing the vulnerability of strategic and/or relevant (in case of collapse) buildings to seismic risks	NQ	25%	-	NA	-
Coverage rate of population exposed to hydrogeological/seismic risks	NQ	40%	-	NA	-
Increase of the surface covered by hydrogeologic risk monitoring	17.80%	27%	65.9%	NA	-
Number of projects relating to waste (Core Indicator no. 27)*	0	15	0.0%	1	0.0%
Additional population served by water-related projects (Core Indicator no. 25) – equivalent/inhabitants	8,714,801	12,480,647	69.8%	1,107,652	786.8%
Additional population served by projects on wastewater (Core Indicator no. 26)*	8,714,801	12,480,647	69.8%	1,211,397	719.4%
Reclaimed area (Core Indicator no. 29) – Sq Km*	0,72	150	-	1,18	-
No. of projects for risk prevention (Core Indicator no. 31)*	0	1,100	0.0%	55	0.0%
Energy					
Gross production of a electric energy from renewable energy plants in % of the internal gross consumption of electric energy (excluding hydroelectric)	3.3%	20%	16.5%	7.6%	43.4%
Quota of electrical energy produced from renewable energy sources on the total of the electric energy production	22.7%	30.0%	75.7%	13.30%	170.7%
Energy saved in a year (MWh)	NA	+5%	0.0%	0	-
Consumption from renewable energy sources on the total energy consumption	6%	12%	50.0%	11.3%	-
Number of projects on renewable energies (Core Indicator no. 23)*	0	271	0.0%	32	0.0%
Innovation					
E-government and e-inclusion					
Percentage of population reached by broadband	89.2%	99%	90.1%	93%	95.9%
Degree of interoperability in the regional public system	NA	NA	-	0	-
Internet usage in firms with more than 10 employees (% of employees that use PCs connected to the internet	19%	30%	63.3%	23%	82.6%
Percentage of firms that use internet as a sales channel	2.95%	6%	49.2%	0	-
Increase in the number of citizens that use health services online	n.d.	+20%	-	0	-
Number of projects for the information society (Core Indicator no. 11)*	0	952	0.0%	106	0.0%
Productive territorial systems and employment					
Variation in the Summary Innovation Index	0.31	0.40	77.5%	0.31	100.0%
Total expenditure in R&I per employee (€)	34.5	65.00		88.45	39.0%
Private expenditure for RTD as a proportion of GDP	0.4%	1.50%	26.7%	0.50%	80.0%
Public expenditure for RTD as a proportion of GDP	1.13%	1.60%	70.6%	0.14%	807.1%

Firms that have introduced product and/or process innovation (% of the total)	22.2%	30.0%	74.0%	22.2%	100.0%
Number of R&D projects (Core Indicator no. 4)*	0	564	0.0%	167	0.0%
Number of cooperative projects between firms and research institutes (Core Indicator no. 5)*	0	561	0.0%	67	0.0%
Structural Adjustment					
Increase of the tourist visitors staying in the beneficiary accommodation firms (*imprese ricettive*)	100	125	80.0%	0	-
Variation in visitor numbers in the sites that have benefited from support for the restoration, conservation and modernisation of cultural heritage	100	120	83.3%	107.72	92.8%
Nights of accommodation in hotels and other accommodation firms in non-summer months (no. of nights spent per inhabitant)	1.27	1.45	87.6%	1.1	115.5%
Variation in the number of off-season visitors	100	120	83.3%	88.36	113.2%
Variation in the degree of tourist satisfaction	100	120	83.3%	NA	-
Number of projects in the Tourism sector (Core Indicator no. 34)*	0	2,464	0.0%	200	0.0%
Number of new jobs created (Turism) (Core Indicator no. 35)*	0	110.333	0.0%	1343	0.0%
Labour Market					
Not applicable					
Social Cohesion					
Variation in population benefiting from projects aimed at the improvement of essential services	NA		-		-
0-3 year old children that use childcare facilities/services over the total number of children in the same age group	8.30%	10.0%	83.0%	2.40%	345.8%
Average increase of the opening of school buildings outside teaching hours	NA	25%	-	-	-
No. of elderly assisted by integrated homecare service as a percentage of the total elderly population (>65 years of age)	1.4%	1.9%	73.7%	1.9%	73.7%
No. of projects to offer services for the promotion of equal opportunities and the social inclusion of minorities and young people in the cities (Core Indicator No. 41)*	0	563	0.0%	68	0.0%
Territorial cohesion					
Priority cities and urban areas					
Percentage of residents in areas interested by urban regeneration projects as a percentage of the total resident population	NA	NA	-	NA	-
Areas put to use as a percentage of the total reclaimed areas	NA	50%	-	-	-
Municipalities in the region covered by complex control services of the territory	10%	13%	76.9%	10%	100.0%
Percentage of municipalities over the total number of municipalities in the region that have launched childcare services	30.50%	33.0%	92.4%	39.6%	77.0%
No. of projects ensuring the sustainability and increasing the attractiveness of cities and smaller towns (urban development) (Core Indicator no. 39)*	0	364	0.0%	23	0.0%
Priority Networks and services for mobility					
Increase in intra-regional accessibility (reduction of journey times hours/distance) (Current value=100)	100	125	80.0%	0	-
Increase in accessibility (Km of road transport saved)(Current value=100)	100	107.5	93.0%	0	-
Infrastructure					
Priority Networks and services for mobility					
Improvement of the extra-regional accessibility (reduction of journey times hours/distance) (Current value=100)	100	115	87.0%	0	
Variation of freight entering and exiting the region by cabotage	3.7%	10%	37.0%	0	-
Transported commercial vehicles	33,800	37,100	91.1%	0	-
Variation in the degree of use of public transport	23.9	33.9	70.5%	0	-
Variations of the posts offered per Km of line (*SIstema della Metropolitana Regionale* - Regional Metropolitan System) (Current value=100)	100	105	95.2%	0	-
Variation in the no. of accidents rate	100	95	105.3%	0	-
Variation in the no. of passengers	256,000	371,200	69.0%	0	-
No. of harbours	23	35	65.7%	0	-
No. of projects (transport) (Core Indicator no. 13)*	0	6	0.0%	0	-
Km of new roads (Core Indicator no. 14)*	0	7	0.0%	0	-
Km of improved roads (Core Indicator no. 16)*	0	7	0.0%	0	-
Km of new rail tracks (Core Indicator no. 17)*	0	5	0.0%	0	-

Source: Regione Campania (2011) *Relazione Annuale di Esecuzione 2010.* Table Excludes TA. *Indicate that the indicator is considered as a results indicator in the source document. Projects are often underway.

11 ANNEX IIIB: REPORTED ACHIEVEMENTS BY PRIORITY

11.1 1989-93 Plurifund (Regional) Operational Programme

POP 1989-93	A SPD Target	B Potential Output Approved Projects	% B:A	C Actual Output Approved Projects	% C:B
COMMUNICATIONS					
Output Indicators					
Road: Number of projects	n.a.			12	
Railways: Number of projects	n.a			5	
SUPPORT FOR HANDICRAFT ACTIVITIES					
Output Indicators					
State aid to artisanal firms: number of firms receiving aid	n.a.			450	
Localization areas: Number of projects	n.a			17	
IMPROVEMENTS IN TOURISM					
Output Indicators					
Support for investments in tourism	n.a.				
Recuperation of monuments in touristic areas: Number of projects	n.a			8	
Promotion of archaeological areas: Number of projects	n.a.			6	
Recuperation of historical districts in urban areas: Number of projects	n.a			9	
IMPROVEMENT OF WATER RESOURCE CAPTATION AND DISTRIBUTION					
Output Indicators				16	
Acqueducts: Number of projects	n.a.				
Distribution plants and networks: Number of projects	n.a			4	
WASTEWATER AND SEWAGE TREATMENT					
Output Indicators					
Sewage networks: Number of projects	n.a.			17	
Sewage treatment plants: Number of projects	n.a			7	
Environmental and hydro-geological recuperation: Number of projects	n.a.			2	
R&D AND INNOVATION					
Output Indicators					
R&D and innovation: Number of projects	n.a.			4	
ACTIONS FOR IMPLEMENTATION OF PROGRAMME					
Output Indicators					
Technical assistance, communication and monitoring	n.a.				

11.2 1994-99 Plurifund (Regional) Operational Programme

POP 1994-1999	A SPD Target	B Potential Output Approved Projects	% B:A	C Actual Output Approved Projects	% C:A
PRIORITY Communications					
Output Indicators					
Total length of new road network (km)	25			82,217	329%
Upgrading of existing road network (km)	64			188,895	295%
Road network for 100kmq	0,65			2	308%
roads outside urban centres: new or improved network (km)	n.a.			219,382	
urban roads: new or improved network (km)	n.a			45,860	
projects including urbanization works (number)				12	
Railways: realization of double track on concession railway networks	14,852			61,553	414%
urban and suburban rail network (new network, in addition to double track, km)[188]	n.a.			275,814	
Fixed plants (stations? depots? other?) number[189]	n.a			78	
Docks and wharves (ports, m)	4000			5933	148%
Port areas (sq m)	10,000			13,8874	1,389%
Airport (take-off and maneouver areas), kmq	n.a.			0,4228	
Airport (logistic structure, sq m)	n.a			3050	
Airport (service areas, kmq)	n.a.			0,0254	
Expected results					
ICT Trainees (% of trainees who found a job)	n.a			>50%	
PRIORITY INDUSTRY, ARTISANAT AND SERVICES					
Output Indicators					
Number of firms obtaining aid	n.a.	2,008[190]		1,199	59,71%
Localization areas (projects)[191]	n.a			14	-
Localization areas (mq)	83,177			1,320,923	1,588%
SMEs created (number)	750			n.a.	-
Expected results					
Increase in employment (number of additional jobs)	n.a			4,000	
PRIORITY TOURISM					
Output Indicators[192]					

[188] Includes Naples underground.
[189] Includes the inter-modal terminal Nola-Marcianise.
[190] Out of the original 2008 firms, 809 withdrew for various reasons.
[191] Major projects are common services for service area "Il Tarì", storage buildings in Interporto Campano, and the Service Centre of the ASI Consortium of Naples.
[192] Projects are: the National Archaeological Museum in Naples, the archaeological site in Baia (Campi Flegrei), the Museum of Capodimonte (Naples), the Chartreuse of Padula (SA), the Archibishop's Seminary in Salerno and and the archaeological heritage of Amalfi and Ravello (SA), and the reclaiming of Rione Terra (historical centre) of Pozzuoli (NA, in the Campi Flegrei), which had been damaged and abandoned during the two bradiseism crises of the 1970s and 1980s.

POP 1994-1999	A SPD Target	B Potential Output Approved Projects	% B:A	C Actual Output Approved Projects	% C:A
Incentives to touristic firms (number of firms)	340			356	105%
Incentives to touristic firms (sleeping accomodations)	13600			-	-
Complementary activities, among which promotional events and campaigns	266			-	-
Restauration and preservation of cultural heritage (number of projects)	5			93	1860%
Arcaheological areas (kmq)	1			0,26342	26%
Interventions on existing museums (n)	3			22	733%
Interventions on existing museums (mq)	n.a.			42,003	-
New cultural initiatives on existing real estate (MQ)	n.a			48	-
Other touristic infrastructure (number of projects)	n.a.			24	-
PRIORITY Agricultural resources and supporting infrastructures					
Output Indicators					
Water plants for collection and distribution (number of projects)	n.a.			6	-
Expected results					
Irrigated area (ha)	n.a.			4,532	-
Upgrading of irrigation (ha)	n.a			3,120	-
PRIORITY INFRASTRUCTURE SUPPORTING ECONOMIC ACTIVITIES					
Output Indicators					
Water captation and distribution (number of projects)	n.a.			34	-
Upgrading water reservoirs (number of projects)	15			15	100%
Water network: captation (km)	n.a.			194,694	-
Water network: distribution (km)	n.a			244,937	-
Energy from renewable sources (number of energy production plants)	16			31	194%
Sewerage treatment (sewage network, km)	160			96,369	60%
Sewerage treatment (active treatment plants, number)	23			23	100%
Solid waste (number of disposal or incineration plants)	26				0%
Solid waste (number of centres for selective solid waste collection)	n.a.			3	-
Natural protected areas (additional ha)	362,000			53,000	15%
Natural protected areas (number of surveillance centers)	12			2	17%
Natural protected areas (reforestation, number of interventions)	8			6	75%
Natural protected areas (environmental recovery, number of interventions)	6			12	200%
Natural protected areas (centres for tourist information, number of interventions)	n.a.			14	-
Natural protected areas (touristic/didactic circuits, km)	n.a			12,9	-

POP 1994-1999	A SPD Target	B Potential Output Approved Projects	% B:A	C Actual Output Approved Projects	% C:A
Natural protected areas (restauration of rural villages, mq)	n.a.			38,000	-
Recovery of urban centres (n. of recuperation projects)	50			118	236%
Recovery of urban centres (recovered areas, mq)	n.a.			489,028	-
Improvement of traffic conditions (parking, urban equipment, number of projects)	n.a			194	-
Research (University and research centres buildings mq)	50,000			84,274[193]	168.5%
of which University	n.a.			19,904	-
of which Research centres	n.a			19,183	-
Research centres (laboratories, number)	n.a.			85	-
Universities (laboratories, number)	n.a			11	-
Increase in annual expenditures for public research centres (million) (?)[194]	4,000			8,600	215%
Research R&D projects (number)	n.a.			146	-
Research and innovation in enterprise (increase annual expenditure for applied R&D (million) (?)[195]	35,338			18,000	51%
R&D projects	90			152	169%
New patents (number/year)	3			0	0%
Expected results					
Energy from renewable sources (Production capacity: Mwh)	60000			0	0%
	PRIORITY	***PROMOTION OF HUMAN RESOURCES***			
Output Indicators					
ICT: trainees (number of people)	n.a.			500	-
Higher integrated training (number of young people involved)	n.a			2000	--
Expected results					
Employment (net equivalent jobs/year)	n.a			3,55	-

[193] The numberof University and research centres do not add to the total in the original text.
[194] The text does not specify which unit it is using: it just says "million".
[195] The text does not specify which unit it is using: it just says "million".

11.3 2000-06 Regional Operational Programme

2000-06 ROP	A	B	%	C	%
	OP Target	Potential Output Approved Projects	B:A	Actual Output Approved Projects	C:B
Natural Resources					
Output Indicators					
Variation in the percentage of equivalent inhabitants receiving treatment in the relevant areas		10%		20.50%	205%
Increase in monitored areas (Total of monitored areas that are at risk from hydrogeological instability, hydraulic hazards and sea-storms /Total areas that are at risk from hydrogeological instability, hydraulic hazards and sea-storms		10%		36%	360%
Rate of population which can be reached within 30 minutes in case of danger (percentage of population which can be reached within 30 minutes of the evacuation alarm or of the notification that a dangerous event has occurred/total population)		30%		80%	267%
Variation in the number of cultural heritage sites which can be visited		23%		63.52%	276%
Expected results					
Variation in the number of families reporting disfunction/irregularities in water availability		15%		10.90%	73%
Reduction in the ratio between the area at high risk of landslide (R3) and the monitored area		4.2%		2.01%	48%
Reduction in the ratio between the area at very high risk of landslide (R4) and monitored area		7.9%		3.20%	41%
Cultural Resources					
Output Indicators					
Variation in the number of visitors in museums and archaeological sites		7,700,000		5,796,497	75%
Expected results					
Increase in total visitors for reasons of tourism		60%		-5.30%	-9%
Increase in visitors' density (ratio between visitors and residents)		4.08		3.2	78%

2000-06 ROP	A	B	%	C	%
	OP Target	Potential Output Approved Projects	B:A	Actual Output Approved Projects	C:B
Human Resources					
Output Indicators					
Variation in number of researchers and scholars working in the infrastructures created with the support of the OP		30%		40%	133%
Effectiveness rate of accreditation procedures		60%		60%	100%
Coverage range of the interventions of the measure for the social re-utilisation of confiscated goods		2%		35.30%	1765%
Expected results					
Percentage of R&D expenditure by public bodies and by public-private firms in relation to regional GDP		1.49%		1.49%	100%
Variation of rate of accredited trainers' bodies, participation in professional development courses requested by the procedure		60%		60%	100%
Percentage in perceived security rate resulting from projects activated by the measure		46%		46%	100%
Local Development Territorial Systems					
Output Indicators					
Variation in the supply of accommodation in the territory of reference (hotels and other accommodation types)		30%		5.25%	18%
Ratio between total programme investments and total public expenditure		2.1		2.1	100%
Variation in the number of regional firms participating in fairs and promotional events; national and international		942		2567	273%
Expected results					
Labour productivity in the tourism sector (Added value per unit)		25.4		26.9	106%

2000-06 ROP	A	B	%	C	%
	OP Target	Potential Output Approved Projects	B:A	Actual Output Approved Projects	C:B
Variation of incidence of environmental certification		15%		9.6%	64%
Cities, Local Authorities and Quality of Life					
Output Indicators					
Variation in the supply of social infrastructure in the 5 provincial capitals (number of structures made available)		70		9	13%
Increase in private investments induced by the support in beneficiary firms of integrated urban renewal projects, in the three years following the aid concession[196]		150%		64%	43%
Expected results					
Increase in the pro capite availability of public or mixed sports and leisure facilities in urban areas		n.q.		n.q.	
Employment increase in beneficiary firms (new or maintained jobs)		25%		n.a.	
Networks supporting development					
Output Indicators					
Variation of travelers per km per year on local transportation	3,383,879.60	3,849,980	114 %	3,860,780	100.28%
Variation of sea travelers per year in programme areas		60%		60%	100%
Length/width of moors/docks covered by fire security systems (km)		1,890		1,440	76%
Variation in number of local authorities connected to ICT networks		400		422	106%
Expected results					
Variation in revenues/costs ratio for operation of public transportation services		38%		32%	84%
Index of reach of ICT in municipalities (resident population in municipalities whose registry office is connected to the S.A.I.A. – 'System for access and exchange of data on population'/total regional population) %		35%		61.5	176%
Technical Assistance					
Output Indicators					
Average attainment of targets (% of ROP results indicators)		65%		100%	154%
Met deadlines in transmitting monitoring data to IGRUE %		85%		100%	118%
Dissemination of standard procedures, good practices and methods among Final Beneficiaries: No of final beneficiaries adopting these procedures		85%		80.39%	95%

[196] This indicator relates to the integrated urban renewal projects, i.e. projects integrate various types of intervention. This was a fundamental feature of concept of integration in the 2000-06 period.

2000-06 ROP	A	B	%	C	%
	OP Target	Potential Output Approved Projects	B:A	Actual Output Approved Projects	C:B
Public bodies obtaining resources after signing a Programme Agreement (*Accordo di Programma*) %		65%		94.12%	145%
Expected results					
Dissemination of innovative procedures and organisational models piloted in ROP management (controls, telematic accounting system, procurement procedures, output monitoring) in the Region's ordinary management		n.q.		**0**	0%
Dissemination of ROP standard procedures, good practices and methods for the surveillance and management control among the bodies participating in PIT concertation groups: No of bodies adopting these procedures		85%		100%	118%

11.4 2007-13 Regional Operational Programme

2007-13 ROP	A SPD Target	B Potential Output Approved Projects	% B:A	C Actual Output Approved Projects	% C:B
ENVIRONMENT					
Output Indicators					
Selective collection of urban solid waste/total urban solid waste	10.60%	18%	170%	29.3%	163%
Percentage of organic waste processed in compost plants for production of quality compost	2.30%	6%	261%	1.4%	23%
Urban waste processed for compost/total urban waste	2.6%	8%	308%	1.4%	18%
Urban waste sent to dumps per resident (kg)	304.8	230	75%	291	127%
Percentage of areas falling within reclaimed SINs (Sites of National Interest)/total reclaimed areas	n.q.	40%		72.13%	180%
Km of polluted (not suitable for swimming) coasts/km total coasts	17.80%	13%	73%	17.35	1334 6%
Percentage of utilised water/total of water made available for municipal distribution system	63.20%	70%	111%	61%	87%
Ratio of equivalent population served by urban wastewater secondary and tertiary treatment systems	75%	80%	107%	88.6	1107 5%
Reduction of areas at highest hydrogeological risk (km^2)	2,253	-20%	0%	n.a.	-
Reduction of length of coasts exposed to erosion (km)	107	16%	0%	n.a.	-
Coverage rate of interventions aiming at reducing the vulnerability of strategic and/or relevant (in case of collapse) buildings to seismic risks	n.q.	25%	-	n.a.	-
Coverage rate of population exposed to hydrogeological/seismic risks	n.q.	40%	-	n.a.	-
Increase of the surface covered by hydrogeologic risk monitoring	17.80%	27%	152%	n.a.	-
Increase of the tourist visitors staying in the beneficiary accommodation firms (*imprese ricettive*)	100	125	125%	0	0%
Variation in visitor numbers in the sites that have benefited from support for the restoration, conservation and modernisation of cultural heritage	100	120	120%	107.72	90%
Nights of accommodation in hotels and other accommodation firms in non-summer months (no. of nights spent per inhabitant)	1.27	1.45	114%	1.1	76%
Variation in the number of off-season visitors	100	120	120%	88.36	74%
Variation in the degree of tourist satisfaction	100	120	120%	n.a.	-
Expected results					
Number of projects relating to waste (Core Indicator no. 27)*	0	15		1	7%
Additional population served by water-related projects (Core Indicator no. 25) – equivalent/inhabitants	8,714,801	12,480,647	143%	1,107,652	9%
Additional population served by projects on wastewater (Core Indicator no. 26)*	8,714,801	12,480,647	143%	1,211,397	10%

2007-13 ROP	A SPD Target	B Potential Output Approved Projects	% B:A	C Actual Output Approved Projects	% C:B
Reclaimed area (Core Indicator no. 29) – Sq Km*	0.7163	150	20,941%	1.18	1%
No. of projects for risk prevention (Core Indicator no. 31)*	0	1,100	-	55	5%
Number of projects in the Tourism sector (Core Indicator no. 34)*	0	2,464	-	200	8%
Number of new jobs created (Turism) (Core Indicator no. 35)*	0	110,333	-	1,343	1%
PRODUCTIVE TERRITORIAL SYSTEMS AND EMPLOYMENT					
Output Indicators					
Variation in the Summary Innovation Index	0.31	0.40	77.5%	0.31	78%
Total expenditure in R&I per employee (€)	34.5	65.00		88.45	0.14%
Private expenditure for RTD as a proportion of GDP	0,4%	1,50%	375%	0,50%	33%
Public expenditure for RTD as a proportion of GDP	1.13%	1.60%	70.6%	0.14%	9%
Firms that have introduced product and/or process innovation (% of the total)	22.2%	30.0%	74.0%	22.2%	74%
New jobs in beneficiary SMEs within three years from the completion of investment (in Annual Labour Units)	-	>1,200	-	NA	-
Export of products with high/increasing productivity	45.9%	50.0%	91.8%	42.2%	84%
Increase in the number of international economic partnership agreements (compared to the goal achieved during the previous programming period)	400	1,000	40.0%	NA	-
Expected results					
Number of R&D projects (Core Indicator no. 4)*	0	564	0.0%	167	30%
Number of cooperative projects between firms and research institutes (Core Indicator no. 5)*	0	561	0.0%	67	12%
No. of projects supporting SMEs (Core Indicator no. 7)*	0	1,430	0.0%	17	1%
No. of new jobs created by the aids for investments to SMEs (Core Indicator no. 9) – FTE*	0	447	0.0%	5	1%
ENERGY					
Output Indicators					
Gross production of a electric energy from renewable energy plants in % of the internal gross consumption of electric energy (excluding hydroelectric)	3.3%	20%	16.5%	7.6%	38%
Share of electrical energy produced from renewable energy sources on the total of the electric energy production	22.7%	30.0%	75.7%	13.30%	44%
Energy saved in a year (MWh)	NA	+5%	0.0%	0	0%
Consumption from renewable energy sources on the total energy consumption	6%	12%	50.0%	11.3%	94%
Expected results					
Number of projects on renewable energies (Core Indicator no. 23)*	0	271	0.0%	32	12%
NETWORKS AND SERVICES FOR MOBILITY					
Output Indicators					

2007-13 ROP	A SPD Target	B Potential Output Approved Projects	% B:A	C Actual Output Approved Projects	% C:B
Improvement of extra-regional accessibility (reduction of journey times hours/distance) (Current value=100)	100	115	87.0%	0	0
Variation of freight entering and exiting the region by cabotage	3.7%	10%	37.0%	0	0
Transported commercial vehicles	33,800	37,100	91.1%	0	0
Increase in intra-regional accessibility (reduction of journey times hours/distance) (Current value=100)	100	125	80.0%	0	0
Increase in accessibility (Km of road transport saved)(Current value=100)	100	107.5	93.0%	0	0
Variation in the degree of use of public transport	23.9	33.9	70.5%	0	0
Variations of the posts offered per Km of line (*SIstema della Metropolitana Regionale* - Regional Metropolitan System) (Current value=100)	100	105	95.2%	0	0
Variation in the no. of accidents rate	100	95	105.3 %	0	0
Variation in the no. of passengers	256,000	371,200	69.0%	0	0
No. of harbours	23	35	65.7%	0	0
Expected results					
No. of projects (transport) (Core Indicator no. 13)*	0	6	0.0%	0	0
Km of new roads (Core Indicator no. 14)*	0	7	0.0%	0	0
Km of improved roads (Core Indicator no. 16)*	0	7	0.0%	0	0
Km of new rail tracks (Core Indicator no. 17)*	0	5	0.0%	0	0
E-GOVERNMENT ED E-INCLUSION					
Output Indicators					
Percentage of population reached by broadband	89.2%	99%	90.1%	93%	94%
Degree of interoperability in the regional public system	NA	NA	-	0	
Internet usage in firms with more than 10 employees (% of employees that use PCs connected to the internet	19%	30%	63.3%	23%	77%
Percentage of firms that use internet as a sales channel	2.95%	6%	49.2%	0	0%
Increase in the number of citizens that use health services online	n.d.	+20%	-	0	0%
Expected results					
Number of projects for the information society (Core Indicator no. 11)*	0	952	0.0%	106	11%
CITIES AND URBAN AREAS					
Output Indicators					
Percentage of residents in areas interested by urban regeneration projects as a percentage of the total resident population	NA	NA	-	NA	-
Variation in population benefiting from projects aimed at the improvement of essential services	NA		-		-

2007-13 ROP	A SPD Target	B Potential Output Approved Projects	% B:A	C Actual Output Approved Projects	% C:B
Areas put to use as a percentage of the total reclaimed areas	NA	50%	-	-	-
Municipalities in the region covered by complex control services of the territory	10%	13%	76.9%	10%	77%
0-3 year old children that use childcare facilities/services over the total number of children in the same age group	8.30%	10.0%	83.0%	2.40%	2400 %
Percentage of municipalities over the total number of municipalities in the region that have launched childcare services	30.50%	33.0%	92.4%	39.6%	120%
No. of elderly assisted by integrated homecare service as a percentage of the total elderly population (>65 years of age)	1.4%	1.9%	73.7%	1.9%	100%
Average increase of the opening of school buildings outside teaching hours	NA	25%	-	-	0%
Expected results					#DIV/ 0!
No. of projects ensuring the sustainability and increasing the attractiveness of cities and smaller towns (urban development) (Core Indicator no. 39)*	0	364	0.0%	23	6%
No. of projects to offer services for the promotion of equal opportunities and the social inclusion of minorities and young people in the cities (Core Indicator No. 41)*	0	563	0.0%	68	12%
TECHNICAL ASSISTANCE AND TERRITORIAL COOPERATION					
Output Indicators					
Met deadline during programme implementation %	80	100%	1.25%	0	0
Population aware of the ROP	100	130%	1.30%	0	0
Reduction in the average processing time for ROP project by project type	100	125%	1.25%	0	0
Agreements and interregional operations with measurable results	0	100	-	7	7%

11.5 1994-99 Multi-Regional Operational Programmes

MOP Airport infrastructures 1994-1999	A SPD Target	B Potential Output Approved Projects	% B:A	C Actual Output Approved Projects	% C:B
INTERVENTIONS ON AIRPORT INFRASTRUCTURES					
Output Indicators					
Airside: Naples airport					
Widening of airport apron (square metres)				58,000	
Modernisation of airport apron (square metres)				680,000	
Restructuring of airport apron (square metres)				12,000	
Land side: Naples Airport					
Upgrading of airport structures in compliance with the security and safety plan and to national norms on access to infrastructure				**n.q.**	
Upgrading of electric and air-conditioning plants in the office area on the first floor of the terminal (aiming at ensuring compliance with national labour security law 626)				1,900	
Restructuring of electric and air-conditioning plants in arrivals and departures areas and in the check-in area (square metres).				2,500	
New infrastructures - extension					
Construction of new parking lots				18,000	
Extension of airport building (block B):					
New check in hall (number of halls) (12 desks)				1	
Ticketing areas (number of areas)				2	
Baggage management system improvements (number of carousels)				2	
New logistics terminal (square metres) [197]				2,200[198]	
Electric plant for all airport needs				n.q.	
Extension of passenger terminals block A and D (square metres)[199]				3,300	
Results Indicators					
Increase in apron capacity (number of commercial and general aviation airplanes)				19	
Increase in apron capacity (number of MD80 airliners)				1	
Increase in parking lot capacity (number of cars)				34	
Total final capacity of the restructured airport (passengers/year)[200]				4,000,000	

Source: Ministero delle Infrastrutture e Trasporti - Direzione Aviazione Civile (2004) *Obiettivo 1 Programma Operativo 'Infrastrutture Aeroportuali' 1994-1999*, Rome.

[197] Includes passageways for military purposes.
[198] Only part of the entire project, comprising work on 3,900 mq, completed in 2003 under NOP Transport 2000-06.
[199] Part of the project completed under NOP Transport 2000-06 in 2003.
[200] The FIR only mentions passengers, but the usual measure is passenger/year.

MOP Transportation-Railways 1994-1999	A SPD Target	B Potential Output Approved Projects	% B:A	C Actual Output Approved Projects	% C:A
NETWORK DEVELOPMENT OF MAIN CONNECTION LINES IN THE MEZZOGIORNO					
Output Indicators [201] (entire eligible area)					
New network (km)	152			126	83%
Double track lines (km)	152			126	83%
TEN network	152			126	83%
Roads (No of projects)	7			7	100%
Security and signals (No of plants)	1			1	100%
New network - metropolitan node (km)	106			46	43%
Double tracks - metropolitan node (km)	61			21	34%
Electrified rails - metropolitan node (km)	35			35	100%
TEN network - metropolitan nodes (km)	116			76	66%
Advanced technology - metropolitan nodes (km)	90			0	0%
New network - Measure 3, double tracks (km)	42			42	100%
Double tracks - Measure 3, double tracks (km)	26			26	100%
Electrified rails - Measure 3, double tracks (km)	31			31	100%
TEN network - Measure 3, double tracks (km)	65			65	100%
Elecrified rails - advanced technologies (km)	150			150	100%
Advanced technology rails - advanced technologies (km)	871			612	70%
Eliminated level crossings (No) [202]	86			86	100%
Civil and industrial buildings - advanced technologies (No of projects)	45			45	100%
Road construction - advanced technologies (No of projects)	108			108	100%
Light construction - advanced technologies (No)	4			4	100%
Water plants - advanced technologies (No)	3			3	100%
LFM lightning plans - advanced technologies (No)	25			25	100%

[201] The FIR identifies a number projects located in Campania: various "minor projects" under the measure aiming at realising double tracks (at least some of them "coherent" projects: Strengthening of railway cuttings on the Cassino-Napoli tract, Reinforcement of bridge at Km 168 + 930 on the tract Rome-Naples, Adeguamento galleria S. Alessio, Completamento galleria Spatafora), nodes in metropolitan areas (“Monte del Vesuvio” and “Passante” (not completed on 31-12-2001), alternative routes (Rocca d'Evandro - Vairano and Apice - Benevento), and advanced network technologies (including technologies on the Battipaglia-Reggio Calabria and CTC Caserta-Foggia tracts, plus minor projects sucha as the elimination of level crossings: Cancello-Avellino; Cassino-Naples, Naples-Potenza; Campobasso-Vairano; Battipaglia-Reggio Calabria).

[202] The elimination of level crossings is due to project outputs such as building of flyovers and underpasses. There is no one-to-one correspondance between a project and the corresponding eliminated level crossings, since the same project may eliminate the need for more than one level crossing.

MOP Transportation-Railways 1994-1999	A SPD Target	B Potential Output Approved Projects	% B:A	C Actual Output Approved Projects	% C:A
Maintenance plants - advanced technologies (No)	14			14	100%
Security and signal plants - advanced technologies (No)	164			164	100%
ICT and signal plants - advanced technologies (No)	73			73	100%
Electrical traction plants - advanced technologies (No)	81			81	100%
Fixed and special mechanisms - advanced technologies (No)	1			1	100%
Rail superstructure - advanced technologies (No)	134			134	100%
Output Indicators (Campania only)[203]					
Double track - alternative routes (km)	NA			11	
Cassino - Naples (number of level crossings eliminated by the project)	NA			11	
Naples - Potenza (number of level crossings eliminated by the project)	NA			4	
Campobasso-Vairano (number of level crossings eliminated by the project)	NA			3	
Battipaglia-Reggio Calabria (number of level crossings eliminated by the project)	NA			4	
Cancello-Avellino (number of level crossings eliminated by the project)	NA			10	

Source: Ministero delle Infrastrutture e dei Trasporti Ministero dei Trasporti - *Direzione Generale Programmazione e Coordinamento (1993) Obiettivo 1 programma operativo sviluppo delle infrastrutture per il trasporto Ferroviario nel Mezzogiorno d'Italia Rapporto finale di esecuzione 1994-1999.*

MOP Transportation Roads 1994 - 99	A SPD Target	B Potential Output Approved Projects	% B:A	C Actual Output Approved Projects	% C:A
Infrastructures					
Output Indicators					
Upgrading of highway Salerno – Reggio Calabria (Km)	80			44	55%
Traffic monitoring devices (entire eligible area)	145	136	94%	1	0.7

Source: Ministero delle Infrastrutture e dei Trasporti, Associazione Temporanea di Imprese Ecosfera Spa - Reconta Ernst & Young Spa - Ernst & Young Financial - Business Advisors Spa (2003) *Programma Operativo Sviluppo delle infrastrutture per il trasporto stradale nel Mezzogiorno d'italia. Rapporto Finale di Esecuzione*

[203] These are actually only a subset of actual outputs, since the FIR describes, but does not always quantify, project outputs.

MOP Industry, handicraft activities and services 1994-1999	A SPD Target	B Potential Output Approved Projects	% B:A	C Actual Output Approved Projects	% C:B
PRIORITY INDUSTRY, ARTISANAT AND SERVICES					
Output Indicators (Campania)					
Aid to firms (No of projects) [204]				3,071	
Total investments (billion Lira)				10,223	
State aid (billion Lira)				4,706	
Employment increase (units)				44,318	
Output Indicators (all eligible area)					
Supported firms declaring willingness to adhere to ecological certification or audit (No of firms)				2,444 (50.8% of total)	
Results Indicators (entire eligible area)					
Decrease in special non hazardous waste (kg)[205]				-470,433,291.8	
Decrease in special non hazardous waste (%)				-75%	
Decrease in hazardous waste (kg)				-888,445	
Decrease in hazardous waste (%)				-60%	
Decrease in water used in productive processes (Cubic metres) [12]				-2,318,869	
Decrease in water used in productive processes (%) [12]				-72%	
Utilisation of energy from renewable sources (%)				+3.73%	
Reduction in pollution (such as decreased production of special non-hazardous waste; reduction in atmospheric emissions, hazardous materials recuperation and water purification) (entire MOP eligible area)[206] (No of projects)				92	

Source: Ministero delle Attività Produttive, DG Coordinamento Incentivi alle Imprese (2004) *PON Sviluppo Locale Imprenditoriale*, Rome.

MOP Civil Protection 1994-1999	A SPD Target	B Potential Output Approved Projects	% B:A	C Actual Output Approved Projects	% C:B
Output Indicators					
Slope consolidation (No. of projects)				47	
Management of fresh water resources (No. of projects)				**77**	
Safeguard of coasts and ports (No. of projects)				**1**	
Repair of damaged infrastructures (No. of projects)				**127**	

Source: Presidenza Del Consiglio Dei Ministri - Dipartimento della Protezione Civile (2003) *Programma Operativo Multiregionale "Protezione Civile" Rapporto finale di esecuzione 1994-99.*

[204] Data only refer to the aid scheme "law 488", which absorbed most MOP resources.
[205] Data from self-declarations of a sub-set of firms supported by aid scheme "law 488"
[206] Data refer to MOP measure 1.6

MOP Research, Technological Development and Higher Education 1994 - 1999	A SPD Target	B Potential Output Approved Projects	% B:A	C Actual Output Approved Projects	% C:A
HIGHER EDUCATION AND INFRASTRUCTURE FOR HIGHER EDUCATION					
Output Indicators (entire eligible area except when specified)					
Number of projects	NA			8,183	-
University Degrees (Number)	125			373	298%
Number of Students:	3750			10,186	272%
Males	NA			4,587	-
Females	NA			5,599	-
Hours of instruction (total hours)	NA			8,672,427	-
Funding for Doctorates	3,808			4,149	109%
Number of Students:	3,808			4,149	109%
Males	NA			2,045	-
Females	NA			2,104	-
Hours of instruction (total hours)	6,093,000			13,618,996	224%
Funding for post-degree and post-doctorate studies	1,314			1,724	131%
Number of Students:	1,314			1,724	131%
Males	NA			640	-
Females	NA			1,084	-
Hours of instruction (total hours)	2,102,000			3,101,211	148%
Infrastructures					
Number of projects	NA			52	-
University buildings (Square metres)	NA			410,928	-
New buildings (square metres)	NA			267,984	-
Recuperation and renovation (square metres)	NA			105,452	-
Enlargement (square metres)	NA			37,492	-
Housing for students (Number of projects)	NA			2	-
New student accomodations (Number)	NA			75	-
University Language Centres (Number)	NA			17	-
Language Laboratories (Number)	NA			109	-
Equipped research laboratories (Numero)	NA			283	-
New working stations (Number)	NA			2,561	-
Firms involved (Number)	NA			969	-
University infrastructures in Campania (Number)	NA			11	-
RESEARCH AND INNOVATION-					
Output Indicators					

MOP Research, Technological Development and Higher Education 1994 - 1999	A SPD Target	B Potential Output Approved Projects	% B:A	C Actual Output Approved Projects	% C:A
Research and Innovation Centres					
Research and Development (No of projects)	NA			81	-
Product innovations (Number)	NA			71	-
Process innovations (Number)	NA			111	-
Registered patents (Number)	NA			51	-
New prototypes (Number)	NA			230	-
Technological transfer (No of projects)	NA			123	-
Firms involved as partners (Number)	NA			391	-
Research centres and universities involved as partners (Number of operational units)	NA			274	-
Research funds and contracts (Number)	NA			1,141	-
Created or mainained employment (Year/worker)	NA			1,791	-
Seminars, conferences, workshop (No of Events)	NA			294	-
Publications (Issues)	NA			3,377	-
Information centres (Number)	NA			15	-
PIlot plants (Number)	NA			4	-
Feasibility studies (Number)	NA			6	-
Pilot projects (Number)	NA			23	-
Projects in Campania (Number)	NA			25	-
Industrial research					
Research and Development (No of projects)	NA			120	-
Process innovations (Number)	NA			53	-
Product innovations (Number)	NA			102	-
Patents (Number)	NA			7	-
New prototypes (Number)	NA			87	-
Technological transfers (No of projects)	NA			9	-
Involved firms (Number)	NA			53	-
Research centres and universities involved (Number)	NA			13	-
Scientific publications (Number)	NA			272	-
Research funds and research contracts (Number)	NA			69	-
Generated or maintained employment (year/worker)	NA			5,091	-
Projects in Campania (Number)	NA			56	-
Higher training for industrial research					
Number of projects	NA			31	-
Trainees	NA			412	-
Hours of instruction	NA			678,411	-
Projects in Campania (Number)	NA			14	-
Technological transfer					-
Technological transfer (No of projects)	NA			12	-

MOP Research, Technological Development and Higher Education 1994 - 1999	A SPD Target	B Potential Output Approved Projects	% B:A	C Actual Output Approved Projects	% C:A
Technological transfer interventions:	NA				-
Feasibility studies (Number)	NA			62	-
Pilot projects (Number)	NA			91	-
Analysis of business procedures (check-up aziendali) (Number)	NA			705	-
Product innovations (Number)	NA			4	-
Process innovations (Number)	NA			7	-
Prototypes (Number)	NA			10	-
Pilot plants (Numero)	NA			46	-
Information centres (Number)	NA			38	-
Seminars, conferences, workshops (events)	NA			390	-
Publications (Issues)	NA			124	-
Firms involved in technologic transfer as recipients (No of operational units)	NA			3,417	-
Firms involved in technologic transfer as partners (No of operational units)	NA			244	-
Research centres and universities involved in technologic transfer as partners (No of operational units)	NA			102	-
Created or maintained employment (years/worker)	NA			655	-
Number of projects in Campania	NA			1	-
Training for technological transfer					
Number of projects	NA			58	-
Trainees	NA			3,154	-
Hours of instruction	NA			876,069	-
Campania (No of projects)	NA			29	-
Innovation projects in scientific and technological parks					
R&D (No of projects)	NA			46	-
Created employment (years/worker)	NA			NA	-
Existing researchers (Number)	NA			512	-
Additional researchers (Number)	NA			551	-
Existing technicians (Number)	NA			879	-
Additional technicians (Number)	NA			153	-
Feasibility studies	NA			11	-
Technological transfer actions					
A – prototypes (Number)	NA			297	-
B – patents (Number)	NA			12	-
C – new products (Number)	NA			87	-
D – new processes (Number)	NA			101	-
E – new firms (spin-offs) (Number)	NA			11	-
F – Pilot plants (Number)	NA			55	-
Dissemination					

MOP Research, Technological Development and Higher Education 1994 - 1999	**A SPD Target**	**B Potential Output Approved Projects**	**% B:A**	**C Actual Output Approved Projects**	**% C:A**
A – workshops (Number)	NA			118	-
B – dissemination days (Number)	NA			205	-
C – workshops (Number)	NA			113	-
D – conferences (Number)	NA			9	-
E – congresses (Number)	NA			58	-
F – publications (Number)	NA			58	-
Campania (No of projects)	NA			13	-
Training of operators in scientific and technological parks					
Projects (Number)	NA			6	-
Requalification of personnel – employed trainees (Number)	NA			383	-
Hours of instruction (Number)	NA			80,380	-
Management courses – unemployed trainees (Number)	NA			99	-
hours of instruction (Number)	NA			237,418	-
Campania (No of projects)	NA			1	-

Source: Ministero dell'Università e della Ricerca Scientifica (no date) *Obiettivo 1 P.O. Ricerca, Sviluppo Tecnologico ed Alta Formazione. Rapporto finale di esecuzione 1994 - 99*

11.6 2000-06 National Operational Programmes

NOP Scientific Research, Technical Development and higher Training 2000-2006	A SPD Target	B Potential Output Approved Projects	% B:A	C Actual Output Approved Projects	% C:A
RESEARCH AND DEVELOPMENT IN INDUSTRY AND IN THE MEZZOGIORNO'S STRATEGIC SECTORS					
Output Indicators					
Project number	NA			298	-
Percentage of projects in Campania on total priority projects	NA			43.2%	-
Beneficiary firms	NA			340	-
Universities/Research centres	NA			58	-
Patent applications	NA			71	-
Process innovations	NA			202	-
Product innovations	NA			219	-
New processes	NA			184	-
New products	NA			466	-
New services	NA			105	-
Expected results					
Patent registrations with European Patent Office (EPO) per million inhabitants (2000 and 2006) (%)	8.4			11.1	132%
Internet access among families (2000 and 2009) (%)	12.9			45.3	351%
Internet utilisation in firms (2003 and 2009) (%)	16.1			22.9	142%
Innovation capacity - defined as total R&D activity by firms, universities and public bodies (2000 and 2007) (%)	1			1.2	120%
DEVELOPMENT AND OPENNESS OF SCIENCE AND HIGHER LEARNING STRUCTURES					
Output Indicators					
Project No	NA			55	-
Researchers working in structures (No)	NA			4,346	-
Students working in structures (No)	NA			104,897	-
Technical personnel working in structures (No)	NA			5,191	-
Personnel exposed to new technologies le	NA			9,207	-
Created innovative services	NA			79	-
SW developed ad hoc	NA			55	-
Potential users	NA			501,046	-
DEVELOPMENT OF EXCELLENCIES IN HUMAN CAPITAL					
Output Indicators					
Number of projects	NA			482	-
Beneficiaries of training projects	NA			9,122	-
Training projects (total hours of training)	NA			16,080,948	-
Beneficiaries of University Orientation activities	NA			43,890	-
Orientation Activities	NA			86	-
Expected results					
Employment placement rates (Doctorates)	NA			82%	-
Employment placement rates (masters)	NA			71,.0%	-

Source: Ministero dell'Istruzione, dell'Università e della Ricerca (no date) Obiettivo 1 Programma Operativo Nazionale *Ricerca scientifica, sviluppo tecnologico, alta formazione Rapporto finale 2000-2006.*

NOP "School for Development" 2000-2006	A SPD Target	B Potential Output Approved Projects	% B:A	C Actual Output Approved Projects	% C:A
IMPROVEMENTS IN THE QUALITY OF TEACHING AND DEVELOPMENT OF INFORMATION AND KNOWLEDGE SOCIETY					
Output Indicators					
Upgrading of education systems (ESF): number of projects	NA			6,073	-
New technologies for use and upgrading of teaching methods (ERDF) (No of projects)	NA			1,631	-
Prevention of early school-leaving (ESF) (No of projects)	NA			1,422	-
Infrastructures for school inclusion and social integration (ERDF) (No of projects)	NA			32	-
Higher learning (ESF) (No of projects)	NA			49	-
Continuing education (ESF) (No of projects)	NA			1,118	-
Facilitating school and training choices aiming at improving women's access and participation in the job market (No of projects)	NA			1,283	-
Expected results					
School enrolment by degree level (2001 and 2008):					
Laurea or graduate studies	5.5%			9%	164%
Diploma	21.5%			26%	121%
Professional qualification	2.8%			2.6%	93%
TECHNICAL ASSISTANCE					
Output Indicators					
Technical assistance, control and monitoring: number of projects	NA			58	-

Source: Ministero dell'Istruzione, dell'Università e della Ricerca (2009) *Programma Operativo Nazionale Obiettivo 1 2000-2006 'La scuola per lo sviluppo', Rapporto finale di esecuzione 2010, Rome.*

NOP Technical Assistance and System Actions 2000-06 Ob.1	A SPD Target	B Potential Output Approved Projects	% B:A	C Actual Output Approved Projects	% C:A
TECHNICAL ASSISTANCE AND COORDINATION OF REGIONAL DEVELOPMENT POLICIES					
Output Indicators (entire eligibility area)[207]					
Number of projects				71	
Expected results (entire eligibility area)					
Percentage of met deadlines out of institutional deadlines set by CSF 2000-06 Ob. 1 and NOP Monitoring Authority (%)	80%			95%	119%
Percentage of Technical Assistance days used in cooperation with specific local actors (%)	n.q.			72%	
Guidelines, studies and methodological instruments used in Regions' OP implementation processes (Number)	n.q.			289	
Products realised within the convention ISTAT-Ministry for the Economy (currently Ministry for Economic Development) used for institutional and regional purposes (Number)	n.q.			161	
Key context indicators and variabili di rottura realised (%)	n.q.			178%	
Province-level indicators from DataBase infrastructure met against the total of indicators	n.q.			199.3	
Consolidated expense accounts for Obj. 1 Regions (Number)	n.q.			84	
Consolidated revenue accounts for Obj. 1 Regions (Number)	n.q.			84	
Requests to utilise CPT (Public Territorial Accounts) database for research purposes (Number)	n.q.			107	
National institutional publications using CPT (Public Territorial Accounts) as a source (Number)	n.q.			58	
Population reached through communication projects	n.q.				
Institutional bodies engaged through the CSF Obj.1 communication plan (Number)	n.q.			480	
Contacts on CSF websites (Number)	n.q.			1,000,000	

Source: Ministero per lo Sviluppo Economico (2010). Programma Operativo Nazionale "Assistenza Tecnica e Azioni Di Sistema" PON ATAS – QCS 2000-2006 Ob.1. Rapporto di Esecuzione Finale. Asse I FESR

[207] The programme does not include projects for individual regions.

11.7 2007-13 National Operational Programmes

NOP Scientific Research and Competitiveness 2007-2013	A SPD Target	B Potential Output Approved Projects	% B:A	C Actual Output Approved Projects	% C:B
SUPPORT FOR STRUCTURAL DEVELOPMENT					
Output Indicators (all eligible areas)					
R&D Projects (various typologies, including sustainable development and information society) (No of projects)	160	-		35	22%
Projects including more than 5 bodies differing by nature and dimension (Number)	48	-		1	2%
Collaboration between firms and public bodies (research centres and universities)	480	-		68	14%
Public-private laboratories (Number)	10	-		25	250%
Structures strengthened (Number)	35	-		0	0
Interregional cooperation agreement activated and projects which are complementary to/integrated with other European policies	Btw 8 and 16	-		0	0
Individual apprenticeships (various typologies, including sustainable development and information society) (Number)	7,000	-		0	0
Life-long learning training courses (various typologies, including sustainable development and information society) (Number)	140	-		32	23%
Life- long learning beneficiaries (Number)	1,400	-		267	19%
Expected results (all eligible areas)					
Increase in EPO patent applications per million inhabitants	30	10,3	34%	n.d.	-
Firms having introduced process and product innovation (out of total firms receiving aid)	80	54	68%	0	0
Number of innovative products and services realised out of total of financed projects	1.20	1.00	83%	2.60	
Volume of investments in priority productive tech nological areas	5,900	0	0	0	0
Increase of employment rate of science degree holders (after 3 years)	70	61	87%	n.d.	-
Permanent employment generated by investments in Priority I	6,800	-		417	6%
SUPPORT FOR INNOVATION					
Output Indicators (all eligibility areas)					
Precompetitive development (included sustainable development, energy conservation and ICT) No. of projects	720	-		185	26%
Attraction of investments with high technological content, modernisation and reindustrialisation of crisis areas. No. of projects	22	-		0	0

NOP Scientific Research and Competitiveness 2007-2013	A SPD Target	B Potential Output Approved Projects	% B:A	C Actual Output Approved Projects	% C:B
Support to innovative financial funds or instruments. No. of projects	8	-		1	13%
New innovative firms (of which spin off)	100	-		0	0
R&D on sustainable development and information society No. of projects	95	-		0	0
Individual apprenticeships (by activity type, including sustainable development and information society). No.	12,000	-		4,416	37%
Life-long learning courses (by activity type, including sustainable development and information society)	315	-		0	0
Individuals involved in Life- long learning courses (Number)	3,150	.		0	0
Expected results (all eligibility areas)					
Firms having adopted process and product innovations out of total of firms receiving aid	60-65%	54%		1.7%	
Increase in direct foreign investments out of the total of investments receiving aid	20%	0.12%	0.6%	n.d.	-
Permanent employment generated by Priority II	8,400	-		n.d.	-
Multiplier for investments realised through project financing	5	-		0	0
Investments in risk capital early stage (% of GDP)	0.002	0.001		0	
TECHNICAL ASSISTANCE					
Output Indicators (all eligible areas)					
Additional monitoring systems (additional vis-à-vis national monitoring systems – MONIT)	7	-		9	129%
Communication projects realised involving partnerships	10	-		1	10%
Interinstitutional cooperation programmes activated	n.d.	-		0	-
Expected results (all eligible areas)					
n+2 targed reached in october	n.d.	-		0	-
Reduction of average processing time for projects	-20%	n.d.		0	0
Increase of visits to website	30%	530,000		0	0
Ratio of target population reached through communication projects out of total population in Convergence Regions	30%	n.d.	-	1.74%	0.06%

Source: Ministero dell'Istruzione, dell'Università e della Ricerca (2010), Programma Operativo Nazionale "Ricerca e competitività" 2007-20013 Obiettivo Convergenza. Rapporto annuale di esecuzione.

NOP Governance and Technical Assistance 2007-2013	A SPD Target	B Potential Output Approved Projects	% B:A	C Actual Output Approved Projects	% C:A
ACTIONS SUPPORTING THE INTEGRATED PROGRAMMING PROCESS					
Output Indicators (for all 4 Convergence Regions)	NA			55	-
Studies (Number)	75	0		n.a.	NA
Technical assistance (No of days)	90,000	0		37,782	42%
Evaluation products (Number)	14	0		1	7%
Studies and methodological documents (Number)	10	0		1	10%
Meetings (Number)	n.d.	0		0	0
Events (Number)	90	0		2	2%
Information and communication material (Number)	240	0		2	1%
Databases (Number)	5	0		1	20%
Indicators produced (Number)	250	0		0	0%
Regional and CPT (Territorial Public Accounts) publications (Number)	24	0		1	4%
Expected results (for all 4 Convergence Regions)					
Partnership meetings related to NSF (Number)	15	0		22	147%
Visitors to National Evaluation System websites (No)	40,000	0		16,666	42%
Institutional actors involved through information and communication projects	100%	0		0	0%
Citizens reached by information and communication out of the total of Italian population (%)	100%	0		0	0%
Visitors to NSF websites and other connected web pages (No)	960,000	74,300		763,630	80%
Increase in the number of regional indicators for development policies met (No)	89	0		0	0%
Consolidated revenue accounts for Convergence Objective Regions (No)	21	0		21	100%
Consolidated expense accounts for Convergence Objective Regions (No)	21	0		21	100%
CPT online database queries per year	15,700	15,000		15,021	96%
Regional indicator database (ISTAT website) queries per year	15,000	0		0	0
ACTIONS SUPPORTING IMPROVEMENTS IN THE PUBLIC SECTOR					
Output Indicators (for all 4 Convergence Regions)					
Technical Assistance (No of days)	1,384	0		0	0
Projects (No)	80	0		0	0
Meetings - plenary meetings 2007/2013 (No)	9	0		0	0
Meetings - workshops 2007/2013 (No)	4	0		0	0
Technical assistance (No of days)	350	0		0	0

NOP Governance and Technical Assistance 2007-2013	A SPD Target	B Potential Output Approved Projects	% B:A	C Actual Output Approved Projects	% C:A
Activated twinning (No)	200	0		0	0
Plans for strengthening Central Administrations (No)	12	0		11	92%
Technical assistance (No of days)	135,000			27,847	21%
Studies and methodological documents produced (No)	181	0		181	100%
Models created (No)	5	0		7	140%
Accompanying support for administrations (No of projects)	5	0		1	20%
Expected results					
Activated extra-local competence centres	40	0		0	0
Good practices disseminated through the network	2	0		0	0
Institutional actors involved in the Network (No)	30	0		0	0
Internalised models out of total of presented models	65%	0		0	0
Strengthened operational structures	100%	0		106%	106%
Projects managed by public servants (%)	n.d.	0		n.d.	-
Adopted models	100%	0		0	0
Modified and adopted procedures	5	0		0	0

Source: Ministero per lo Sviluppo Economico (2012). Programma Operativo Nazionale "Governance e Assistenza Tecnica" Ob.1. Rapporto Annuale di Esecuzione 2011.

11.8 2007-13 Interregional Operational Programmes

2007-13 InOP Cultural Heritage	A SPD Target	B Potential Output Approved Projects	% B:A	C Actual Output Approved Projects	% C:A
FULL EXPLOITATION AND INTERREGIONAL INTEGRATION OF CULTURAL, NATURALISTIC AND LANDSCAPE ATTRACTION POLES					
Output Indicators (entire eligible area)					
Restoration, preservation and reclaiming of cultural heritage (No of projects)	50	-		10	20%
Improvement of infrastructure and services for exploitation of naturalistic, landscape and cultural heritage (No of projects)	60	-		3	5%
Improvement of cultural activities and entertainment structures (No of projects)	70	-		1	1.43%
Contrast to abandonment and urban degradation of areas within Poles (No of projects)	100	-		8	8%
National and international cultural programmes and events (No of projects)	30	-		0	0%
Complementary interventions aiming at improving sustainable mobility systems within Poles (No of projects)	4	-		0	0%
Immaterial interventions aiming at promoting interregional integration of touristic supply among Poles (No of projects)	300	-		0	0%
Pilot projects aiming at the full exploitation of cultural, naturalistic and landscape resources (No of projects)	30	-		0	0%
COMPETITIVENESS OF FIRMS IN THE TOURIST, CULTURAL AND ENVIRONMENTAL SECTORS AND PROMOTION OF TOURISM SUPPLY IN CONVERGENCE REGIONS					
Output Indicators (entire eligible area)					
Funded business initiatives aiming at obtaining the environmental certification (No of projects)	200	-		0	0
Support to cooperation among touristic firms for creating interregional hospitality circuits (No of projects)	50	-		0	0
Firms receiving aid to improve quality of hospitality supply (No of projects)	100	-		0	0
Aid to firms active in restoration of cultural heritage and in promotion of excellence cultural networks (Amount of aid: Meuro)	10	-		0	0
Support to promotion and commercialisation of Convergence Region tourist firms on international markets (No of projects)	100	-		0	0
Promotion of tourist supply in Convergence Regions (No of projects)	20	-		0	0
Diversification and deseasonalisation of touristic supply (No of projects)	20	-		0	0
Promotion of resident population's awareness of hospitality and civic service values (No of projects)	15	-		0	0

Source: Regione Campania (2011). Programma Operativo Interregionale "Attrattori culturali, naturali e turismo" FESR 2007-2013. Rapporto Annuale di Esecuzione 2010.

12. ANNEX IV: LIST OF INTERVIEWEES

Name	Position (current and former roles where relevant)	Place	Date	Form
Maria Adinolfi	Official, Campania Regional Authority	Naples	01/08/2012	Face to face
Giovanni Allucci	CEO Consorzio Agrorinasce	Rome	19/02/2013	Face to face
Iolanda Anselmo	Official, National Evaluation Unit	Rome	05/06/2012	Face to face
Tiziana Arista	Formerly, official in the Campania OP Managing Authority Currently, Task Force Sicily	Rome	13/07/2012	Face to face
Giuseppe Arleo	Tax and Business Consultant	Lancusi di Fisciano (Salerno)	27/07/2012	Face to face
Liliana Bàculo	Professor of Economic Development, University of Naples	Naples	26/06/2012	Face to face
Antonio Bassolino	Former President of Regione Campania (2000-2010); Fondazione Sudd	Naples	28/06/2012	Face to face
Fabrizio Barca	Minister	Rome	26/09/2012	Face to face
Luca Bianchi	Deputy Director, SVIMEZ	Rome	21/06/2012	Face to face
Lello Brancati	Independent Evaluator, MET	Rome	21/06/2012	Face to face
Michele Buonanno	Tax and Business Consultant	Naples	03/08/2012	Face to face
Stefano Caldoro	President of Regione Campania (2010 to present)	Rome	01/08/2012	Face to face
Vincenzo Caputo	President of Regione Campania's Young Entrepreneurs	Naples	06/07/2012	Face to face
Paola Casavola	Director UVAL, National Evaluation Unit	Rome	28/09/2012	Face to face
Ennio Cascetta	Professor, University of Naples Federico II (and Former Regional Minister for Transport)	Naples	20/06/2012	Face to face
Carlo Casillo	Entrepreneur in the clothing and accessories sector	Nola (Naples)	06/07/2012	Face to face
Valeria Castracane	Former civil servant in the Regional OP's secretariat Currently Taslk Force Sicily	Naples	27/06/2012	Face to face
Melania Cavelli	Official, Regional Evaluation Unit	Naples	20/06/2012	Face to face
Luca Celi	Former member of the national Evaluation Unit with competence on legality and security	Rome	14/02/2013	Face to face
Celeste Condorelli	Entrepreneur, health sector	Naples	27/06/2012	Face to face
Eugenio D'angelo	Tax and Business Consultant	Naples	03/08/2012	Face to face
Mariano D'Antonio	Professor of Economics, University of Rome III	Naples	26/06/2012	Face to face
Nino Daniele	Politician, President of ANCI, Former Vice-President of Regione Campania	Naples	27/06/2012	Face to face
Ettore d'Elia	Professor, now town Minister in the Municipality of Bacoli (involved in ROP 1994-99 project selection)	Bacoli (Naples)	28/06/2012	Face to face
Sabina De Luca	Head of Department, Ministry of Economic Development, Department for Development and Economic Cohesion	Rome	28/09/2012	Face to face
Vincenzo De Luca	Mayor of Salerno	Salerno	31/07/2012	Face to face
Tommaso Di Nardo	Local Activist, Scholar and representative of the Ordine nazionale dei Commercialisti	Rome	13/06/2012	Face to face
Paolo Di Nola	Official, Invitalia	Rome	05/06/2012	Face to face
Francesco Escalona	Official, Campania Regional Authority	Naples	19/06/2012	Face to face
Antonio Falessi	Official, Regione Campania (EAGGF/EAFRD)	Naples	06/09/2012	Face to face
Antonio Fantini	Former President of Regione Campania (1983-1989)	Naples	11/09/2012	Face to face
Maura Formisano	Official, Campania Regional Authority	Naples	03/07/2012	Face to face
Valeria Frasca	Official, Campania Regional Authority	Naples	06/09/2012	Face to face

Dario Gargiulo	Head of the Managing Authority, Campania Regional Authority	Naples	28/06/2012	Face to face
Franco Garufi	Director for Cohesion Policy and the Mezzogiorno at CGIL (Trade Union)	Rome	21/06/2012	Face to face
Paola Ibba	Formerly official in the Structural Funds Directorate of the Department for Development and Cohesion (TA programmes 1994-1999 and 2000-2006), currently member of the national Verification Unit and Campania task-force	Rome	20/07/2012	Face to face
Giovanni Laino	Professor, University of Naples Federico II and local development activist	Naples	26/06/2012	Face to face
Giuseppe Leonello	Official, Regional Evaluation Unit	Naples	20/06/2012	Face to face
Angelo Luciano	Professor, University of Naples. Former member of selection committee for R&D projects and programming expert	Naples	29/07/2012	Face to face
Mario Lupacchini	Retired official, Campania Regional Authority (in charge of the 1994-99 ROP)	Naples	26/06/2012	Face to face
Raffaele Lupacchini	Official, Municipality of Salerno	Salerno	26/06/2012	Face to face
Vincenzo Maggioni	Professor of Economics (Strategic Analysis and Family Business), Second University of Naples	Naples	27/06/2012	Face to face
Marco Magrassi	Official, National Evaluation Unit	Rome	05/06/2012	Face to face
Andrea Mairate	Head of Unit, DG Regio	Brussels	12/06/2012	Face to face
Giampiero Marchesi	Former head of the National Evaluation Unit and current member of this	Rome	05/06/2012	Face to face
Maddalena Marselli	*Dirigente*, Special Superintendence for the archaeological heritage of Naples and Pompeii	Naples	02/08/2013	Face to face
Carlo Maurino	Manager, Il Tarì (Goldsmiths' Association)	Caserta	26/07/2012	Face to face
Luigi Mauriello	Official, Campania Regional Authority	Naples	July 2012	Telephone
Luca Meldolesi	Professor of Economic Policy, University of Naples Federico II	Naples	28/06/2012	Face to face
Giuseppe Mele	Former member of the national Evaluation Unit (evaluated 1994-1999 CSF) and current Deputy Director Centro Study Confindustria	Rome	05/06/2012	Face to face
Paola Miniero	Director, Museum Phflaegrean Fields	Naples	02/08/2013	Face to face
Carlo Neri	Rapporteur, European Commission (DG Regio), Former Head of the Managing Authority of the ERDF ROP	Brussels	12/06/2012	Face to face
Gino Nicolais	Professor and President of the Italian Research Institute, CNR (and Former regional Minister for Innovation and Research)	Rome	02/08/2012	Face to face
Guido Pellegrini	Professor of Statistics, University of Rome La Sapienza	Rome	06/06/2012	Face to face
Alberto Piazzi	Rapporteur, DG Regio	Brussels	12/06/2012	Face to face
Arturo Polese	Head of the Evaluation Unit of Campania	Naples	18/06/2012	Face to face
Antonio Rastrelli	Former President of Regione Campania (1995-99)	Naples	05/09/2012	Face to face
Antonio Risi	Environmental Authority, Campania Region	Naples	06/07/2012, 10/07/2012	Face to face
Sergio Saverio Romano	Official, State Accounting Office (Ragioneria generale dello Stato – IGRUE)	Rome	05/06/2012	Face to face
Paola Russo	Official, responsible for industrial policy instruments, Industrialists' Union of Naples	Naples	27/06/2012	Face to face
Isaia Sales	Politician and professor University Suor Orsola Benincasa (and former regional Minister)	Naples	20/06/2012	Face to face
Dino Salvi	Consultant, policy maker, member of the	Rome	23/07/2012	Face to face

	Evaluation Unit of the Presidency of the Council of Ministers			
Marco Spampinato	Independent expert, Former member of the National Evaluation Unit	Rome	05/06/2012	Face to face
Alessandra Taranto	Rapporteur, European Commission	Brussels	12/06/2012	Face to face
Paola Verdinelli De Cesare	Former SF DG at Dept. for Cohesion Policies Dept. for Cohesion Policies	Rome	05/06/2012	Face to face
Alfonso Viola	School Manager, CGIL Campania	Rome	21/06/2012	Face to face
Rosella Vitale	Former official at the Institute for Industrial Promotion, now Invitalia	Rome	04/06/2012	Face to face
Mariella Volpe	Member UVAL/Former Agensud	Rome	19/07/2012	Face to face
Anonymous	National administration	Rome	06/06/2012	Face to face
Anonymous	National administration	Rome	31/08/2012	Face to face
Anonymous	Lending officers - business, Deutsche Bank	Naples	28/07/2012	Face to face

13. ANNEX V: OVERVIEW OF SOURCES USED FOR THE CASE STUDY

Programme name	OP	AIR	FIR	Spend (by measure & by priority/year	Evaluation reports	Strategic interviews	Operational interviews	External interviews	Stakeholder/ Beneficiary interviews	Workshop
1989-93 Community Support Framework Objective 1	Yes (p)	N/A	N/A	Partial	Yes (e)	Yes	No	No	N/A	No
1989-93 POP Campania	No	No	Yes (e)	Partial	Yes (ex post)	Yes	Yes	Yes	Yes	Yes
1989-93 MOP Energy/ gas distribution	No	No	No	No	Yes (O1)	No	No	No	No	No
1989-93 MOP Assistance to Industry and service	No	No	No	No	Yes (O1)	No	No	No	No	No
1989-93 MOP Industrial Areas	No	No	No	No	Yes (O1)	No	No	No	No	No
1989-93 MOP Telecommunications	No	No	No	No	Yes (O1)	No	No	No	No	No
1989-93 MOP Tourism	No	No	No	No	Yes (O1)	No	No	No	No	No
1989-93 MOP Water resources	No	No	No	No	Yes (O1)	No	No	No	No	No
1989-93 MOP Technological Research and Dev.	No	No	Yes	No	Yes (O1)	No	No	No	No	No
1994-99 Community Support Framework Ob.1	Yes (p)	N/A	N/A	Partial	Yes (e)	Yes	Yes	Yes	No	Yes
1994-99 POP Campania	No	No	Yes (e)	Yes	Yes (ex ante)	Yes	Yes	Yes	Yes	Yes
1994-99 MOP Environment	No	No	No but closure letter	Yes	Yes (O1 CSF)	No	No	No	No	No
1994-99 MOP Energy	No	No	No	No	Yes (O1 CSF)	No	No	No	No	No
1994-99 MOP Industry Craft and Services	No	No	No but project data	Partial	Yes (O1 CSF)	Yes	Yes	Yes	No	Yes
1994-99 MOP Technical Assistance	No	No	No	No	Yes (O1 CSF)	No	No	No	No	No
1997-99 MOP Legality and security	No	No	Yes	Yes	Yes (O1 CSF)	No	No	No	No	No

(e) electronic
(p) paper copy

Programme name	OP	AIR	FIR	Spend (by measure & by priority/year	Evaluation reports	Strategic interviews	Operational interviews	External interviews	Stakeholder/ Beneficiary interviews	Workshop
1994-99 MOP Civil Protection and Public Works	No	No	Yes	Yes	Yes (O1 CSF)	No	No	No	No	No
1994-99 MOP Road Infrastructures	No	No	Yes)	Yes	Yes (O1 CSF)	No	No	No	No	No
1994-99 MOP Water resources	No	No	No	Yes	Yes (O1 CSF)	No	No	No	No	No
1994-99 MOP Tourism	No	No	No	No	Yes (O1 CSF)	No	No	No	No	No
1994-99 MOP R&D, Technological Development and Higher Education	No	No	Yes (e)	Yes	Yes (O1 CSF)	No	No	No	No	No
1994-99 MOP Railway Transport	No	No	No	Yes	Yes (O1 CSF)	No	No	No	No	No
1994-99 MOP Telecommunications	No	No	No	Yes	Yes (O1 CSF)	No	No	No	No	No
1994-99 MOP Airport Infrastructure	No	No	Yes (e)	Yes	Yes (O1 CSF)	No	No	No	No	No
1994-99 MOP Education	No	No	Yes (e)	No	No	No	No	No	No	No
1997-99 MOP Territorial Pact for Employment	No	No	No	Yes	No	No	No	No	No	No
2000-06 Community Support Framework Objective 1	Yes (e)	N/A	N/A	Yes	E (ex ante and MTE)	Yes	Yes	Yes	Yes	Yes
2000-06 ROP Campania	Yes (e)	Yes (e)	Yes (e)	Yes	Yes (ex ante, PIT, MTE) E	Yes	Yes	Yes	Yes	Yes
2000-06 NOP Scientific Research	Yes (e)	No	Yes (e)	Yes	E (ex ante and MTE)	No	No	No	No	No
2000-06 NOP School	Yes (e)	No	Yes (e)	Yes	E (ex ante and MTE)	No	No	No	No	No
2000-06 NOP Legality and Security for Development	Yes (e)	No	Yes (e)	Yes	E (ex ante and MTE)	No	No	No	No	No
2000-06 NOP Local entrepreneurial development	Yes (e)	No	Yes (e)	Yes	E (ex ante and MTE)	Yes	Yes	Yes	No	Yes
2000-06 NOP Transport	Yes (e)	No	Yes (e)	Yes	E (ex ante and MTE)	No	No	No	No	No
2000-06 NOP ATAS	Yes (e)	No	Yes (e)	Yes	E (ex ante and MTE)	No	Yes	No	No	No

(e) electronic
(p) paper copy

Programme name	OP	AIR	FIR	Spend (by measure & by priority/year	Evaluation reports	Strategic interviews	Operational interviews	External interviews	Stakeholder/ Beneficiary interviews	Workshop
2007-13 National Strategic Framework	Yes (e)	N/A	N/A	Yes		Yes	Yes	Yes	Yes	Yes
2007-13 ROP Campania	Yes (e)	Yes (e)	N/A	Yes	Yes (Jessica)	Yes	Yes	Yes	Yes	Yes
2007-13 NOP Research & Competitiveness	Yes (e)	Yes (e)	N/A	Yes		No	No	Yes	No	No
2007-13 NOP Mobility	Yes (e)	No	N/A	Yes		No	No	No	No	No
2007-13 NOP Learning Environments	Yes (e)	Yes (e)	N/A	Yes		No	No	No	No	No
2007-13 NOP Legality and Security	Yes (e)	Yes (e)	N/A	Yes		No	No	No	No	No
2007-13 NOP Governance	Yes (e)	Yes (e)	N/A	Yes		No	No	No	No	No
2007-13 InOP Cultural Heritage	Yes (e)	Yes	N/A	Yes		No	No	No	No	No
2007-13 NOP Energy	Yes (e)	No	N/A	Yes		No	No	No	No	No

(e) electronic

(p) paper copy

14. ANNEX VI: REFERENCES

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15. ANNEX VII: SUMMARY OF SURVEY RESULTS

A total of 806 contacts were invited to take part in the online survey for Campania. This number includes those who were interviewed by the case study team, plus additional invitees. The additional invitees were broken down as follows: 77% were local authority contacts (selected senior administrators and political leaders in local authorities and bodies representing them); 12% were a sample of firms (beneficiaries and, where possible, unsuccessful applicants from across the period); 4% were regional/local social partners, third sector organisations and/or trade unions; 1% were from other local interest groups; and 6% were of miscellaneous status, albeit with confirmed links to Cohesion Policy in Campania.

The overall response rate (i.e. those who started the survey and answered at least one question) was 12.5% (101 partial responses), though the percentage of invitees who completed the entire survey (i.e. up to and including the final question) was - expectedly - lower at 7.4% (60 full responses). The response rates to individual questions also varied between 4.3% - 12.5%, because not all respondents answered all questions.

Within the above-mentioned categories, the breakdown of **respondents** was as follows: 41% were local authority contacts; 29% were from the sample of firms; 14% were regional/local social partners, third sector organisations and/or trade unions; 4% were from other local interest groups; and 4% were of miscellaneous status. This means that, proportionally speaking, local authorities were the least responsive group, though due to the large number invited they make up the single largest group of non-interviewee respondents. Amongst those who started the survey, individuals from the sample of firms had the highest completion rate, of 63% (i.e. progressing up to and including the final question). Those from the group of regional/local social partners, third sector organisations and trade unions had the lowest completion rate, of 38%.

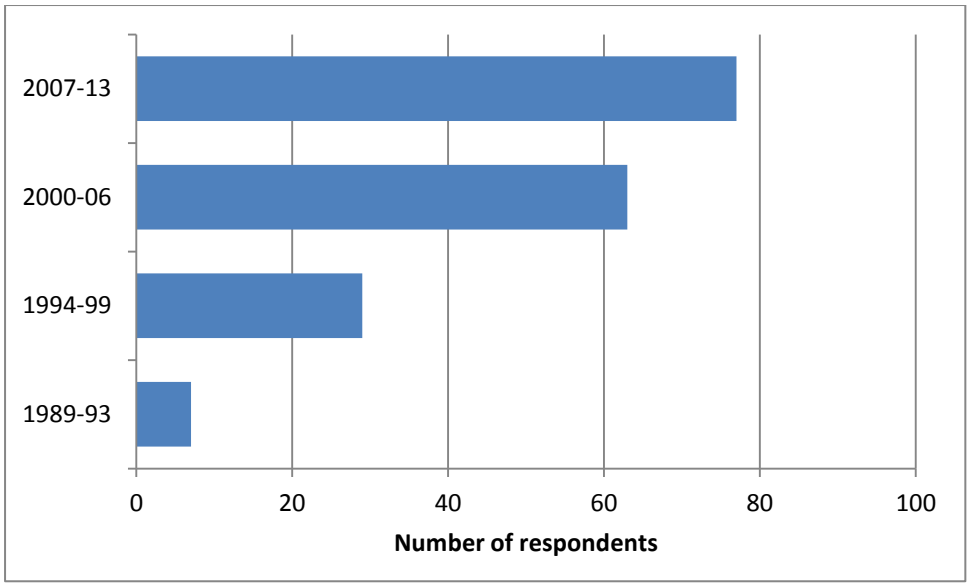
The main results from the survey are summarised in the tables to follow.

Table 19: Type of organisation the respondent represents (a respondent can represent several types of organisation)

Type of organisation	Number of respondents	Percentage
Local authority	27	22%
Regional Government Department/Agency	19	16%
Central Government Department/Agency	19	16%
Firm	16	13%
Socio-economic organisation (e.g. trade union, employers' association, Chamber of Commerce)	9	7%
Interest group (e.g. environmental or social association/ citizens' movement)	7	6%
Political party	0	0%
Other (mainly universities or research organisations)	24	20%
Total	126	100%

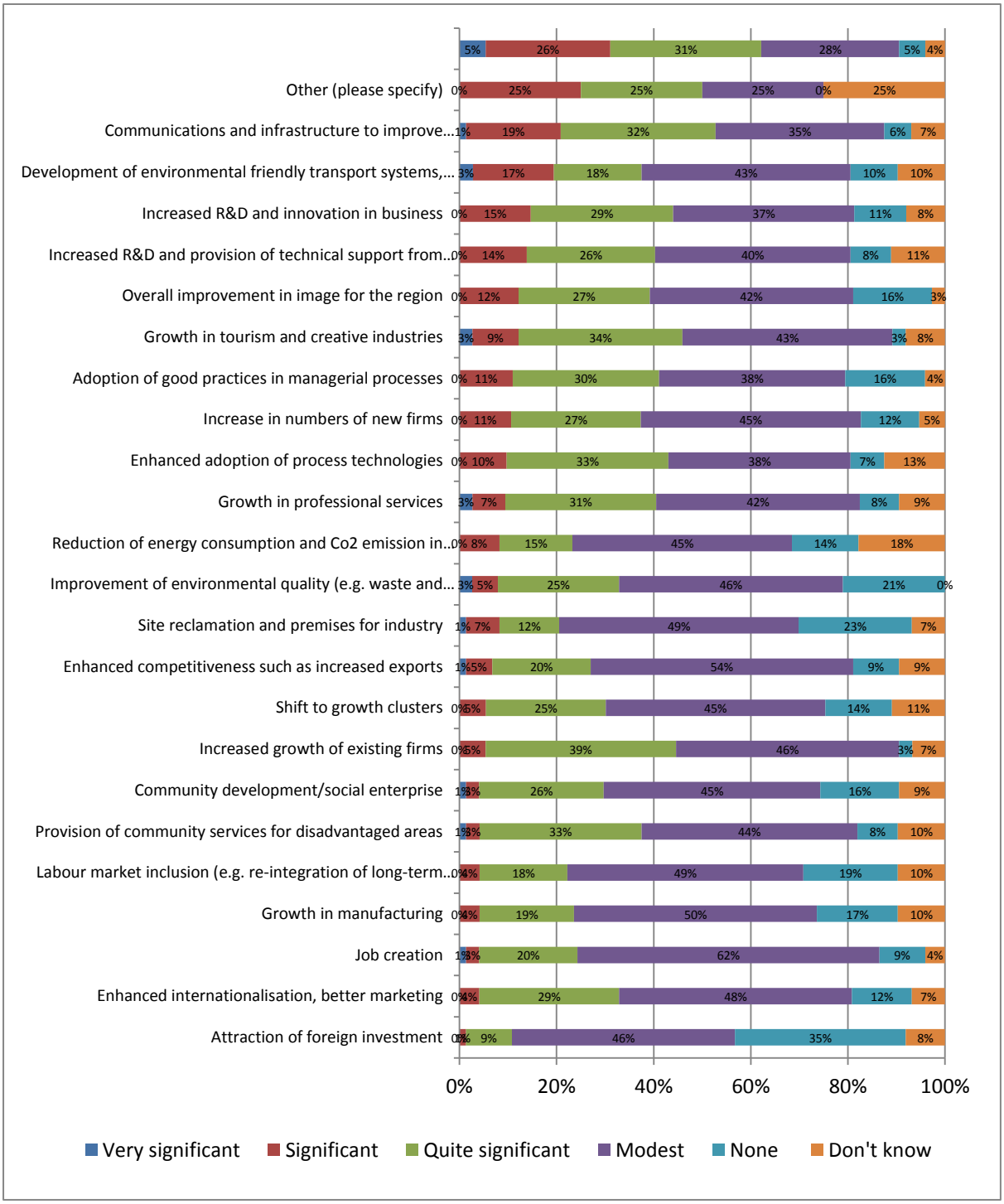
Source: Online survey.

Figure 31: Respondents' participation in the ERDF programmes in different periods (n=89)



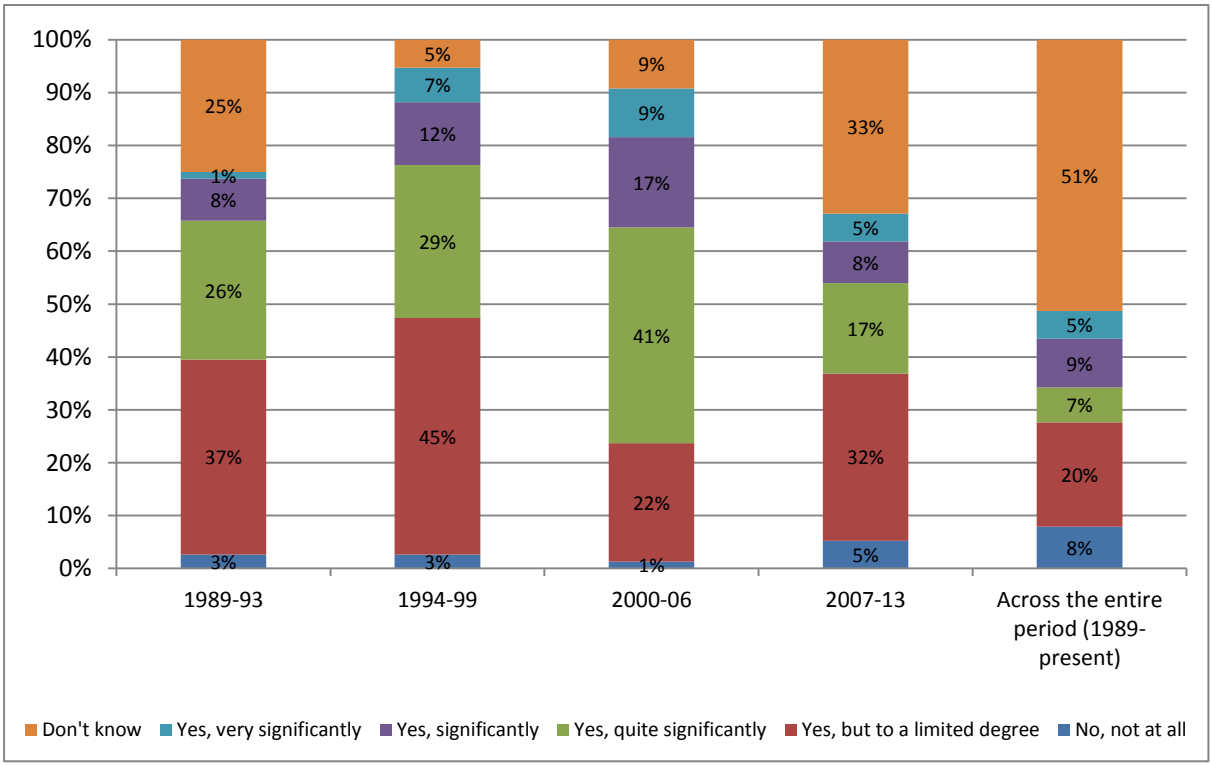
Source: Online survey. Figures reported are the actual responses.

Figure 32: Online survey responses to the question 'Could you please assess the extent to which the ERDF programmes delivered achievements in the fields outlined below (across the entire period, i.e. 1989 to date)?'(n=76)



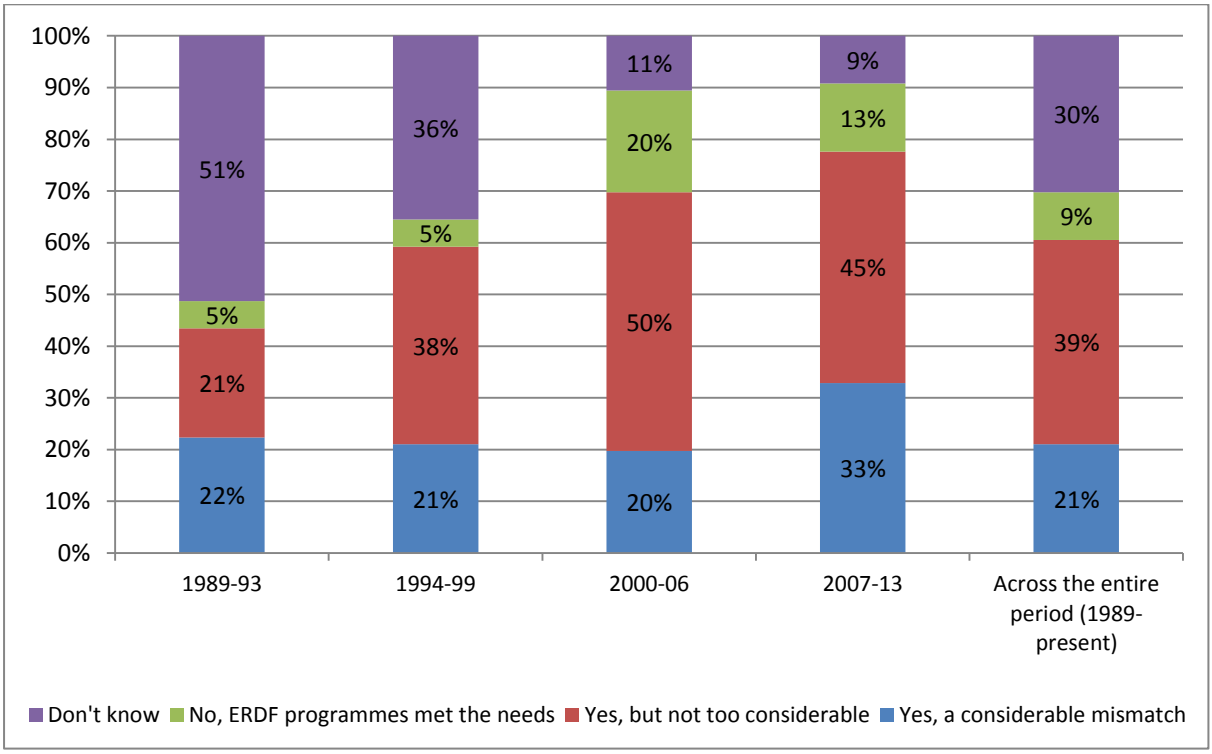
Source: Online survey. Percentages may not sum to 100% due to rounding.

Figure 33: Online survey responses to the question 'In your view, did the objectives of the ERDF programmes address regional needs?', (only includes respondents who were involved in the respective programme period or in all periods) (n=76)



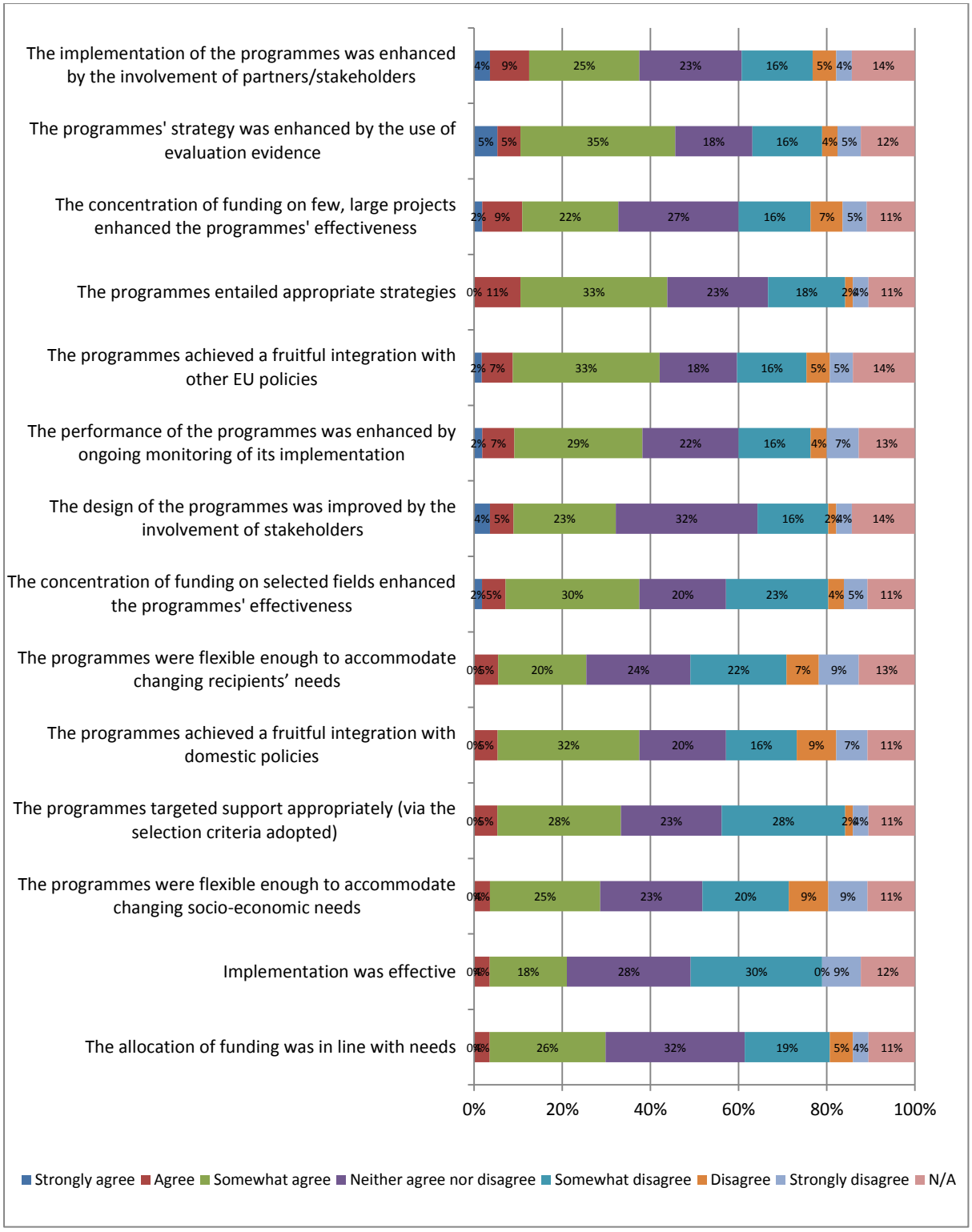
Source: Online survey. Percentages may not sum to 100% due to rounding.

Figure 34: Online survey responses to the question 'In your view, was there ever a mismatch between regional needs and the ERDF support provided?' (n=76)



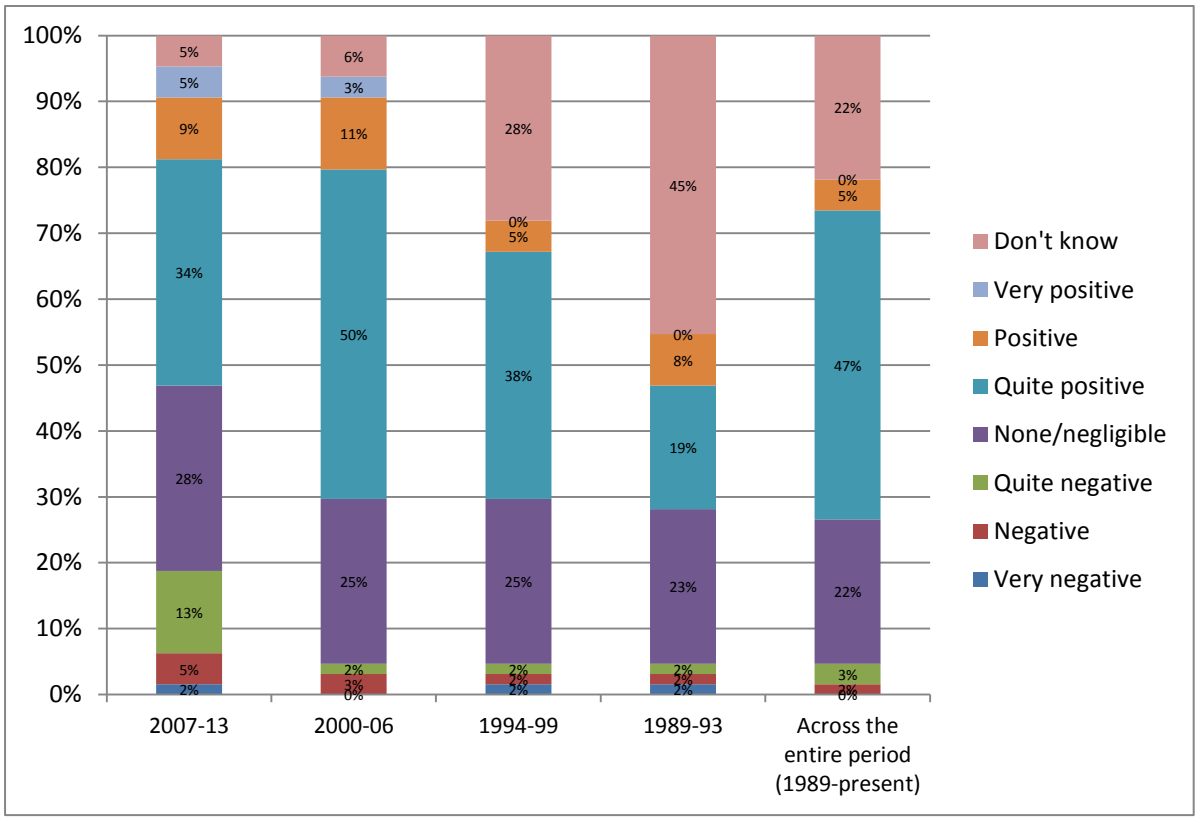
Source: Online survey. Percentages may not sum to 100% due to rounding.

Figure 35: Online survey responses to the question 'For the entire period (i.e. 1989 to date), please rate the following statements' (n=57)



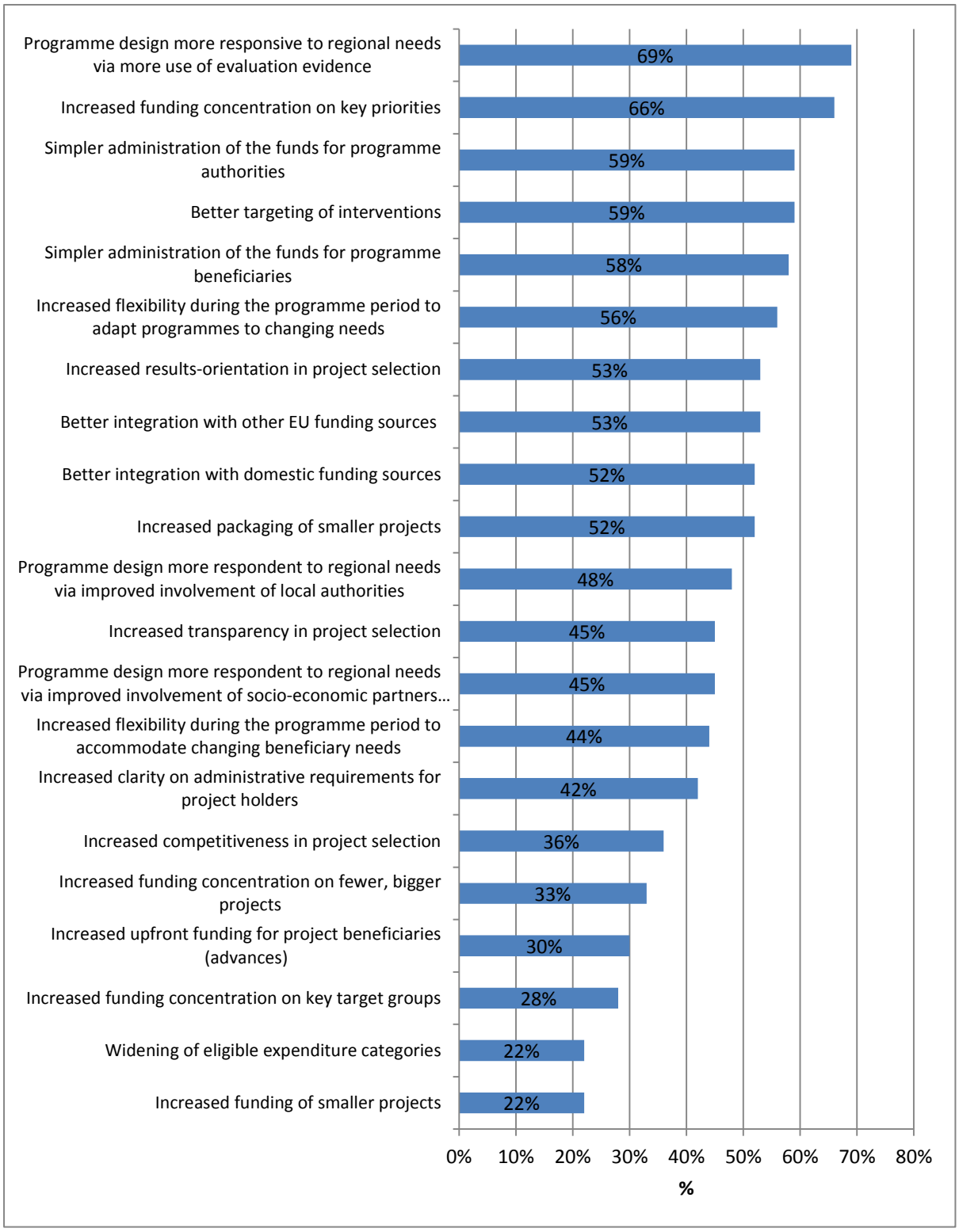
Source: Online survey. Percentages may not sum to 100% due to rounding.

Figure 36: Online survey responses to the question 'On the whole, could you assess the impact of ERDF programmes? For current programmes, please assess the level of impact which you anticipate they will have' (n=64)



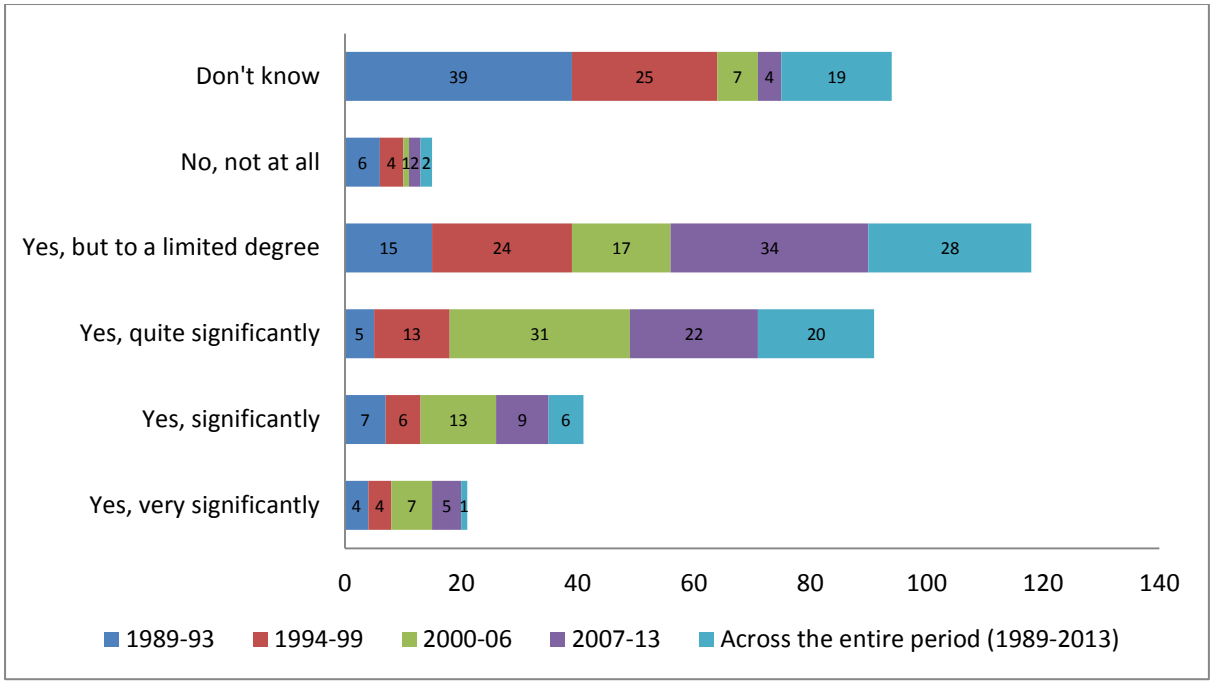
Source: Online survey. Percentages may not sum to 100% due to rounding.

Figure 37: Online survey responses to the question 'Looking to the future, are there any aspects of ERDF design and implementation that would need to be improved to increase the extent to which support meets regional needs and enhance achievements?'



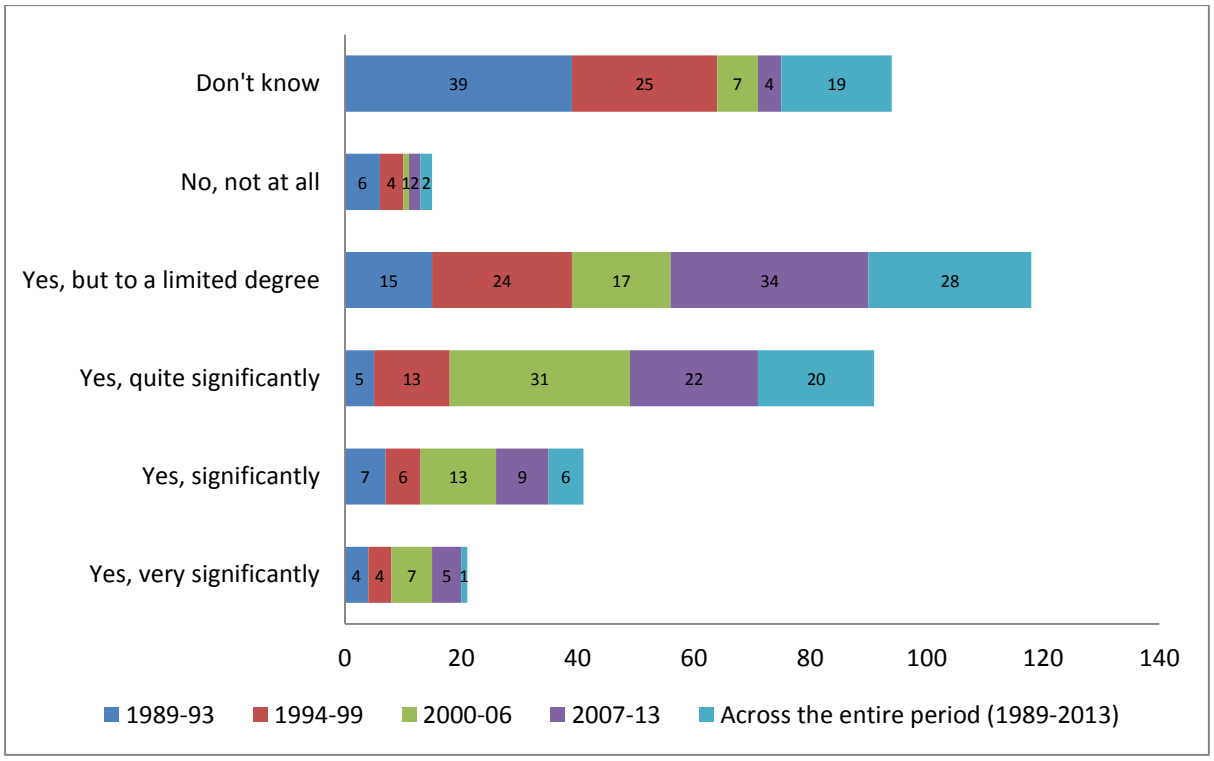
Source: Online survey. Figures reported are the percentages of respondents who considered the listed improvements desirable. Each respondent was able to select multiple options.

Figure 38: Online survey responses to the question 'In your view, did the objectives of the ERDF programmes address regional needs?'



Source: online survey. Figures reported are the actual responses.

Figure 39: Online survey responses to the question 'On the whole, could you assess the impact of ERDF programmes? For current programmes, please assess the level of impact which you anticipate they will have'



Source: online survey. Figures reported are the actual responses.

16 ANNEX VIII: WORKSHOP PARTICIPANTS

The regional workshop was held in Naples on 1 October 2012, from 10.30 to 16.30, in the premises of Regione Campania. The workshop was attended by regional and national level civil servants, evaluators, academics, politicians and socio-economic partners covering all programme periods and all main areas of intervention and themes. The workshop took place following the format of the World Café, with plenary presentations on the preliminary research outcomes, followed by small group discussions of the themes of relevance, effectiveness and utility, and a closing final plenary session.

Invited participants:

Maria Adinolfi	Regione Campania
Antonio Andreoli	Regione Campania
Tiziana Arista	Managing Authority of the ROP ERDF 2000-06
Antonio Bassolino	Former President of Regione Campania and former Major of Naples
Raffaele Brancati	MET
Michele Buonanno	Tax and business consultant
Armando Cartenì	University of Naples Federico II
Paola Casavola	Dipartimento per lo Sviluppo e la Coesione Economica, UVAL
Eugenio D'Angelo	Second University of Naples
Ettore d'Elia	Former University of Naples Federico II and Municipality of Salerno
Ottavia delle Cave	Regione Campania
Maurizio Di Palma	ECOTER
Francesco Escalona	Regione Campania
Antonio Falessi	Regione Campania
Maura Formisano	Regione Campania
Franco Garufi	CGIL, Italian General Confederation of Workers (national)
Giovanni Laino	University of Naples Federico II
Giuseppe Leonello	Regione Campania, Evaluation Unit
Domenico Liotto	Regione Campania
Angelo Luciano	Former University of Naples Federico II
Raffaele Lupacchini	Municipality of Salerno
Vincenzo Maggioni	Second University of Naples
Mita Marra	University of Salerno
Luigi Mauriello	former Regione Campania
Arturo Polese	Regione Campania, Evaluation Unit
Antonio Risi	Regione Campania, Environmental Authority
Paolo Rota	Dipartimento per lo Sviluppo e la Coesione Economica, UVER
Isaia Sales	Università Suor Orsola Benincasa
Paola Verdinelli De Cesare	Dipartimento per lo Sviluppo e la Coesione Economica, UVAL
Rosella Vitale	Invitalia

Participants from the research team

Laura Polverari	University of Strathclyde
Laura Tagle	Consultant
Immacolata Voltura	Consultant

Apologies for last minute impossibility

Luca Bianchi, Valentino Bolic, Valeria Castracane, Celeste Condorelli, Gaetano (Nino) Daniele, Dario Gargiulo, Marco Magrassi, Giuseppe Mele, Paola Russo, Antonio Rastrelli.