



**Expert evaluation network
delivering policy analysis on the
performance of Cohesion policy 2007-2013
Year 2 – 2012**

**Task 2: Country Report on Achievements of
Cohesion policy**

Germany

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**A report to the European Commission
Directorate-General Regional and Urban Policy**

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List of abbreviations

- AIR Annual Implementation Report
- CBC Cross-Border Cooperation
- MA Managing Authority
- OP Operational Programme

EXECUTIVE SUMMARY

The overall orientation of regional development strategies in Germany did not change over the past year. Investment in SMEs, R&D, infrastructure, urban development, and environmental measures are the backbone of regional strategies for both national and ERDF programmes. Changes to programmes in Germany tend to be caused by problems of implementation or by modifications made for political reasons, but not as a reaction to the crisis. The changes made have led to an even stronger emphasis on R&D.

Germany has not been hit very hard by the crisis so far and recovered quickly from the economic downturn in 2008-2009. There is, however, a danger of a second round effect with German exports depressed by reduced demand due to problems elsewhere. But for regional development policy the crisis has not had an important effect – either in terms of the content being changed or in terms of financial constraints on co-funding.

Commitment rates of the German ERDF programmes increased significantly in 2011, rising to some 73% in both Convergence and Competitiveness regions by the end of the year. Expenditure by beneficiaries also increased, from 30% of available resources to 42% over the year. If commitments continue at the same rate as in 2011, the funds could be completely committed by 2013, but if expenditure is to be completed by the end of 2015, further efforts are needed to speed up payments.

The number of projects carried out continues to rise. The Annual Implementation Reports (AIRs) show that some 7,200 jobs have been created in Competitiveness regions and 25,900 jobs in Convergence ones. The different policy areas show that a high level of output has been achieved. The policy areas of enterprise support – including investment in enterprises and R&D – transport, territorial development and the environment and energy are those where the most significant achievements have been made so far.

Some additional mid-term evaluations and similar studies have been completed during since the last report, showing favourable effects for R&D programmes (in Berlin and Schleswig-Holstein) as well as for investment in enterprises (in Schleswig-Holstein and Mecklenburg-Vorpommern). The main national means for providing investment grants to enterprises, the Joint Task, is co-financed by the ERDF in most Länder. An evaluation undertaken to analyse the employment effects of grants concluded that they led to a significant increase in jobs in the enterprises supported.

Eight new evaluations have been published since last year's report. Most of them are comprehensive mid-term evaluations covering a whole programme or part of a programme. In terms of methods used, evaluations are - roughly summarised - not of outstanding quality. Strengths lie rather in good theory-based approaches with a rich contextualisation than in counterfactual studies.

As for the main challenges, most of the points raised in last year's report remain valid. The focus of Managing Authorities (MAs) is now on speeding up implementation and more particularly payments. It will be interesting to monitor the progress of financial engineering instruments as they might be a specific risk for absorbing the funding available if not paid out once completely.

1. THE SOCIO-ECONOMIC CONTEXT

Main points from previous country report:

- The crisis mainly hit the export-oriented sectors in Germany, but after a decline of GDP in 2009, there was already significant growth in 2010 and unemployment fell to its lowest level since 1992.
- Regions have been affected differently, mainly depending on their export orientation and sectoral structure. But generally speaking, they recovered quickly from the crisis and their GDP was already back to the same level as before the crisis in 2010.
- A broad set of measures was applied to reduce the effects of the crisis, including changes in taxes and investment programmes. In the labour market, short-time working benefits were important as they kept employees in jobs and facilitated a quick recovery.
- The crisis led to an increase of the public sector deficit. Under the new debt rule in the constitutional law, consolidation of public sector budget is becoming an issue. By 2020 the Länder and the Federal government are obliged to achieve balanced budgets.
- Generally speaking, regional development problems are related to the need for structural readjustment (as in the Ruhrgebiet, Bremen, Bremerhaven, Berlin and parts of East Germany) or significant structural weaknesses partly due to a peripheral situation (like parts of Bayern and East Germany).

Economic developments in Germany since 2009 have seen a recovery of GDP to the level which existed before the crisis (Sachverständigenrat zur Begutachtung der gesamtwirtschaftlichen Entwicklung 2011). But the second quarter 2011 disappointed the optimistic expectations of continuing growth at a high rate. The main risk for the future comes from outside since the economy is heavily dependent on exports, but many of the most important trading partners are either affected by the Euro-crisis or the worldwide financial crisis. Recently, domestic demand has played a more important role as a driver of economic development than over the past few decades. So, modest growth seems to be the most realistic scenario for the near future. The state of public finances is better than in most European countries. So far, there is no visible effect of the crisis on regional development.

There are no fundamental changes in the pattern of regional disparities since last year's report: GDP continues to grow in all the Länder and unemployment rates are declining continuously. Disparities within the Länder remain visible. There are parts of the country, where unemployment rates are still well above the national and EU averages: The highest values are in East Germany, where the northern part is more affected than the south. But also in West Germany there are regions with problematic developments: the northern part of the Ruhrgebiet, or Bremen and Bremerhaven for instance. This highlights the fact that the pattern of regional disparities is changing. While the East-West divide is still important, disparities within both East and West Germany are growing. The regions undergoing profound structural change (like the Ruhrgebiet or Bremerhaven) and those peripheral regions with declining population seem to be the most problematic parts of the country. As a number of different factors contribute to regional performance a more systematic analysis is required to reveal the full pattern of disparities.

It is questionable whether structural disparities are likely to change much from one year to another. In practice, underlying factors like the structural features of the economy, R&D capacity, the skills of the labour force or infrastructure endowment hardly tend to change at all from one year to another. What we see when comparing the situation of today with that in earlier years are cyclical effects rather than structural changes. A cyclical development might affect regions differently, but this should not be interpreted as changes in the underlying structural development problems. A cyclical crisis in turn can reinforce structural problems, but the structural characteristics as such are unlikely to change very quickly.

As in previous years, the effects of the crisis on different regions are relatively limited. In 2009, during the recession in Germany, the pattern was more or less that the export-oriented regions suffered more than the others. But on the other hand, they recovered more quickly. Fiscal consolidation is a policy issue, but this is not so much a reaction to the crisis, but an effect of the new debt rule that was adopted in 2009. The rule was introduced in German constitutional law as result of a reform process lasting several years, so it cannot be seen as reaction to the crisis. The background is that for decades public debt has been rising. The new debt rule limits annual borrowing to 0.35% of GDP at the Federal level from 2020. The Länder will then no longer be allowed to borrow. The consequence is mainly that the Länder need to consolidate their budgets over the coming years. Due to the way the German tax system is organised, the possibilities of increasing revenue are limited. So the only way for the Länder to reduce deficits is to limit their expenditure. It is most likely that this will also affect the Länder's use of grants and loans – so there might be a reduction in national co-financing.

Currently the consolidation measures adopted are not (yet) affecting development policy. For the next funding period, shortages in co-financing might be an issue in certain areas. There is no danger of a severe shortage of co-financing, but efforts are likely to be concentrated in the next funding period.¹ A specific problem – but also independent of the economic and fiscal crisis – is the crisis of the financing system at local level. Thus, although the availability of co-financing is not generally questioned, there are some relevant developments for both Länder and local authorities that provide the bulk of public co-financing. First signs can already be seen: for instance the AIR of Nordrhein-Westfalen states that the local communities lack resources for co-financing.

There is no sign of a shift in political emphasis from regional development policies to growth and employment policies. Due to the pattern of responsibilities in the German federal system, it is also unlikely to occur: The responsibility for regional development lies exclusively with the Länder, whilst labour market policy and macroeconomic policy are mainly federal matters. So there is no direct conflict between the two.

¹ Certainly, not all Länder are hit equally by the consequences of the debt rule. Länder with very high debt (e.g. Berlin, Bremen) are more affected than others.

2. THE REGIONAL DEVELOPMENT POLICY PURSUED, THE EU CONTRIBUTION TO THIS AND POLICY ACHIEVEMENTS OVER THE PERIOD

THE REGIONAL DEVELOPMENT POLICY PURSUED

Main points from previous country reports:

- Regional policy as an important structural policy in Germany is part of general economic policy. The most important instrument is the Joint Task.² But the Joint Task is not only a policy measure; it is also a strategic and legal framework. The system of state aid rules is linked to the definition of eligible areas under the Joint Task. The differential rates of assistance agreed under this framework define the main pattern of regional incentives for regional development.
- Last year's report compared the size of funding under the Joint Task to the ERDF. The ERDF provides four times more resources than the Joint Task in Competitiveness regions, in Convergence regions, it provides 1.5 times more. The scope of the ERDF is also much broader including in particular R&D programmes that cannot be financed by the Joint Task.
- In Germany, all Länder receive some ERDF financing. Roughly speaking, development policies at regional level cover more or less the same elements: R&D (both in enterprises and collaborative), investment in enterprises, business start-ups, investment in certain infrastructure and integrated urban development.
- While these are the core elements of most regional development strategies, a number of other measures are also included in ERDF programmes, up to 20 or so in some cases.
- The focus of financial support is on investment in enterprises (including R&D), R&D infrastructure, R&D activities and integrated urban and rural development. The relative importance of these differs between Competitiveness and Convergence OPs (see Annex Table C)
- Most of the Länder have developed cluster strategies and areas of specialisation to guide their policies.³ Some concentrate support on specific parts of their regions – either on a “growth-poles” or on areas which are lagging behind.
- Support under the Cross-Border Cooperation (CBC)-programmes is directed in part to the same areas as mainstream programmes: innovation and investment. Infrastructure is generally less important due to smaller budgets, but, on the other hand, social and cultural co-operation which are not prominent in mainstream programmes are more important as they can help to intensify cooperation.

Changes have been made to several programmes but these have not radically altered the strategies being followed. No changes requiring formal approval from the Commission have been made to two Convergence (Niedersachsen and the Federal transport programme) and two Competitiveness programmes (Hessen and Bremen). By the end of 2011, nine procedures for programme changes had been completed. The Nordrhein-Westfalen and Sachsen programmes

² See

<http://www.bmwi.de/DE/Themen/Wirtschaft/Wirtschaftspolitik/Regionalpolitik/gemeinschaftsaufgabe.html>

³ See Annex for more information on this.

have been changed twice (see Annex Table D). In 2012, four more programme changes were approved, another five are in the process of being considered.

The reasons for changing the programmes are predominantly of an administrative – i.e. a response to problems or delays in implementation – or of a political nature. For instance in Sachsen-Anhalt financial engineering instruments could only be established with a delay and as a consequence of this and of changing political preferences after elections, funds were partly shifted to other measures. As German ERDF programmes normally consist of a larger number of different measures (up to 25 or 30), parts of programmes tend to develop at different rates. Although this is often seen as a problem of implementation, it might actually stem from overly optimistic planning initially. The MAs tend to react to delayed implementation by shifting funds to other measure, often introduced especially for the purpose. Changes are in many cases ultimately driven by political decisions of Länder governments to use funds for measures that have not been financed so far. In Sachsen, therefore, a new loan instrument and innovation vouchers have, for example, been introduced, in Sachsen-Anhalt, a new measure to support energy efficiency and in Nordrhein-Westfalen new loan instruments.

The crisis has not necessitated changes to programmes in most cases. Several AIRs reports state this explicitly. In their application for change, some Länder refer to the crisis as justification, but most of them simply mention problems in implementation as the main reason. The actual change made is often only a minor shift of resources or the introduction of a new measure. Only four programmes shifted more than 7% of the budget between priorities (Berlin, Nordrhein-Westfalen, Saarland, Schleswig-Holstein). Constraints on public finances have not led to major programme changes so far. The main bottleneck in this regard is the difficult financial situation of some local authorities, which has led to some problems of implementation in areas where they need to provide co-financing.

The overall pattern of the changes made up to now can be summarised as follows (see Annex Table C for more detail)⁴.

- In Competitiveness regions, there have been shifts of funding to RTD, mainly infrastructure and centres of competence (from 6.6% to 10.1% of total ERDF) as well as investment in firms directly linked to RTD (3.9% to 5.2%). The “other investment in firms” category, which mainly includes grants for investment in enterprises from the Joint Task, has also been increased. The programmes have, therefore, become more innovation-oriented and enterprise focused as a result of the changes.
- In Convergence regions, the same kind of shift has occurred, with more focus than before on innovation, though the allocation to regional and local roads has also been increased (9.6 % to 13.3 %).

Funding in both Convergence and Competitiveness programmes has become more concentrated as a result of the changes, with the 10 most important thematic priorities accounting for 80.8% of the budget in Convergence regions and 65.1% in Competitiveness ones.

As mentioned above, unlike in other countries the fiscal situation in Germany is not a real issue – at least at the Federal and Länder level. There is a long-term effort towards budgetary consolidation, but as the deadline to meet the requirements of the new debt rule is 2020,

⁴ The data include all changes approved by the Commission up to August 2012.

consolidation can be planned and achieved in a structured way. In the short term, therefore, the role of ERDF and its contribution to maintaining public investment levels will not change. In the next programming period, the importance of ERDF might increase as under the debt rule the room for national spending may narrow. At the same time, the importance of the ERDF for the Länder will increase– even if the ERDF amount is likely to be reduced in absolute terms.

Youth unemployment in Germany is comparatively low: the unemployment rate of 15 to 24 year olds was 8.1% in August 2012 as compared with an EU average of 22.7%. But in some Länder, the rate is much higher than the average: In Bremen, it is close to 16% and in Berlin over 13%, the two highest rates in the country. But overall, youth unemployment is not a major problem in most German regions and not a prime target for ERDF programmes. Nevertheless, there are some minor aspects in programmes which affect youth unemployment:

- In some programmes, infrastructure for education and training or projects to improve co-operation between schools and enterprises is being financed. The young are therefore a target group in these cases (in Nordrhein-Westfalen or in schools in Brandenburg).
- As part of integrated strategies for urban development, one target group are disadvantaged young people (e.g. in Niedersachsen; Bremen; Baden-Württemberg and Berlin).

In its recent credit market outlook, the public development bank KfW states that the “financing conditions for enterprises are currently good”⁵. Germany profits from liquidity flowing back from abroad and interest rates are low. The short-term outlook is not too favourable, but there is no threat of a credit crunch. ERDF programmes, therefore, have introduced any specific measures to ensure access of SMEs to finance. In a few cases, financial engineering instruments have been adjusted but not as a response to new problems of credit availability.

POLICY IMPLEMENTATION⁶

Main points from previous country report:

- The commitment rate of the ERDF was some 57% for both Convergence and Competitiveness programmes.
- The implementation rate (certified expenditure/total allocation) at the end of 2010 was 29.8% both for Convergence and Competitiveness programmes. Compared to 2009 this represented significant progress.
- Progress in implementation varies greatly between programmes. Some have already spent more than half of their budget, others not even 10%. There are also significant variations within programmes.

⁵ See http://www.kfw.de/kfw/de/I/II/Download_Center/Fachthemen/Research/PDF-Dokumente/KfW-Kreditmarktausblick/Kreditmarktausblick_2012_09_12.pdf

⁶ The indicators used in this section come from the AIR for 2011, which relate to the situation up to the end of 2011. A more up-to-date view of the aggregate position (though not of the situation in the different policy areas) is presented in the Synthesis Report for 2012 of the Expert evaluation network delivering policy analysis on the performance of Cohesion policy 2007-2013 which is based on data for payments from the ERDF and Cohesion Fund up to the end of 2012, i.e. after the present report was completed.

The overall commitment of the ERDF available at the end of 2011 was 74.1% in Convergence programmes and 73.5% in Competitiveness programmes. Convergence programmes increased the amount of committed funds from EUR 6,500 million to EUR 8,400 million, Competitiveness programmes from EUR 2,700 million to EUR 3,500 million. Compared to the situation at the end of 2010, commitments increased by around 16.5 percentage points in both Convergence and Competitiveness regions. In the last two years, the rate of commitment has increased and at the present rate, the funds will be completely committed by mid-2013.

Table 1 - Commitment rates

	ERDF Plan	ERDF		Commitment rate	
	(EUR million)	(EUR million)		(%)	
		2010	2011	2010	2011
Convergence	11,361.1	6,541.0	8,416.9	57.6	74.1
Competitiveness	4,746.9	2,714.2	3,486.7	57.2	73.5

Source: AIRs, own calculation. See equally Excel Table 4 - there might be a slight variation with the data presented here because the cut-off dates are not exactly the same.

Table 2 - Implementation rates

State	Implementation Rate B (of the 2011 country report) based on Expenditure of Beneficiaries in %			Implementation Rate A (of the 2011 country report) based on Certified Eligible Expenditure in %		
	2009	2010	2011	2009	2010	2011
Baden-Württemberg	10.3	19.2	33.5	6.8	12.2	27.8
Bayern	8.0	20.0	30.2	7.1	12.3	26.2
Berlin	17.2	30.8	46.5	6.4	11.9	34.1
Bremen	34.5	51.5		19.2	31.1	55.6
Hamburg	0.8	4.0	23.8	0.8	4.0	23.8
Hessen	19.0	35.0	53.0	8.0	28.4	47.4
Niedersachsen-Ziel2	37.7	57.7		9.7	35.7	34.3
Nordrhein-Westfalen	9.2	20.6	30.8	6.8	17.1	28.1
Rheinland-Pfalz	28.6	54.6		13.9	42.2	56.2
Saarland	4.2	11.3	21.8	3.7	8.7	20.0
Schleswig-Holstein	12.2	23.6			23.6	40.0
Total Competitiveness	16.1	29.8	35.5	8.3	20.0	33.5
Brandenburg	14.0	34.5	47.6	11.8	20.0	35.4
Bund	14.7	20.5	32.3	14.1	17.1	28.4
Mecklenburg-Vorpommern	34.7	46.8	57.3	30.7	40.9	50.3
Niedersachsen-Ziel1	37.3	52.9		16.9	33.3	52.6
Sachsen	10.4	18.4		10.4	18.4	30.6
Sachsen-Anhalt	24.2	32.5	49.7	21.9	32.5	45.4
Thüringen	9.9	31.7	44.7	9.9	31.7	44.7
Total Convergence	17.8	29.8	45.7	15.5	25.7	41.9
TOTAL	17.1	29.8	41.5	12.5	23.4	38.5

Commitment is the first step in the process leading to expenditure by beneficiaries and application for payment to the Commission. Due to changes in the requirements for AIRs, the information on expenditure by beneficiaries is not mandatory any longer and, therefore, not now available, which makes appraisal of progress in this regard difficult⁷.

⁷ Data quality remains an issue. Data for some OP are implausible (for instance because of reporting annual instead of cumulative figures). Implausible values have not been taken into account for

Expenditure by beneficiaries made good progress in Convergence programmes, where some 46% of the budget had been spent by the end of 2011. Expenditure speeded up compared to the previous year. This is not so in Competitiveness programmes, where only modest progress was made in 2011 and the implementation rate was 10 percentage points lower than in Convergence programmes. This is surprising since faster progress would be expected in Competitiveness programmes, mainly because infrastructure, on which payments are often delayed, is of minor importance. As there have been data problems here, these could be part of the explanation.

Certified eligible expenditure also shows some increase. For Competitiveness programmes, claims for payment sent to the Commission amounted to some 33% of the budget at the end of 2011, for Convergence programmes 42%. After five years of the programming period, some 60% remains to be spent in only four years (up until the end of 2015): Payment needs to speed up significantly to achieve this.

The delays in implementation are attributed in the AIRs to a lower demand for funding on the part of the private sectors, mainly enterprises, in some Länder. This is not supported by the commitment rates, which show the opposite: Commitment rates in the “Enterprise support” policy area are highest than in other in both Competitiveness and Convergence regions (see Table 3)⁸. Comparing commitments to the planned allocation of funds shows that “Human Resources”, “Transport” and “territorial development” (in Competitiveness regions only) have the lowest commitment rates. For Transport and Territorial development, low commitments might reflect the importance of infrastructure, for which there also tends to be a long time-between commitment and expenditure.

Table 3 - Commitment Rates (only ERDF) by main policy area

Main policy area	Convergence		Competitiveness	
	EUR million	%	EUR million	%
Enterprise support	4,292.0	78.2	2,021.8	81.8
Territorial development	932.2	74.5	545.4	64.5
Transport	2,074.2	68.5	81.1	65.9
Environment and Energy	949.6	70	428.1	70.2
Human Resources	9.0	44.5	334.3	59.1
Technical Assistance	159.9	69.1	76.0	57.6
Total	8,416.9	74.1	3,486.7	73.5

In practice, the extent to which demand has declined due to the crisis depends on the economic structure of the region: If it is strongly export orientated, it has not only been hit harder by the crisis, but might also have experienced a larger decline in demand for funding: if there is fall in

calculations. An additional problem is that data quality varies between programmes (the section on data quality in chapter 3)

⁸ One should be carefully interpret these figures as they are calculated on the basis of the categorisation system. The indicative allocation is obviously a comparatively vague planning: For Competitiveness regions commitments can be found in four codes where no indicative allocation is foreseen (Convergence: 4 codes). On the other hand six codes with indicative allocation have no commitment (in Convergence: 6 codes). For Convergence regions in total 15 codes have commitment rates of more than 100%, the highest value is 1,908.6% (Competitiveness: 5 codes, highest value: 963.7%).

exports, planned investment might be postponed. But private sector demand is not likely to be the most important reason for expenditure delays. Not all Länder report such problems and the common feature is the late start of expenditure, which for most programmes occurred only in 2009, implying that expenditure has taken place over a 3-year period rather than over 5 years.⁹ Delays in the expenditure on individual measures are more or less normal when a programme is composed of 20 or more measures. The reasons can be varied (from planning to administrative bottlenecks in handling payments). For several programmes, some measures have been excluded from requests for payment due to findings of audit and control and will only be included once the underlying problems have been solved. Most of the programmes on which progress has been relatively slow experienced changes to their content. To speed up implementation, funds have been shifted to other measures or priorities and/or new measures have been introduced. Similar action has been taken previously in many programmes but in a way which did not require formal changes. In addition to adjusting programmes, MAs have recently shifted emphasis from commitments, which were the focus in earlier years, to expenditure.

For the six CBC programmes with MAs in Germany, the commitment rate is 83.2% on average and even the programme with the slowest rate of progress has a commitment rate of 75.5%, the same as mainstream programmes. The most advanced programmes already have some 92% of their budget committed to projects. So the CBC-programmes have made more progress in implementation than the mainstream programmes. On the other hand, actual expenditure is very low, certified eligible expenditure averaging only 22.5% of the funding available on the 6 programmes, much less than for Convergence and Competitiveness programmes. The need to speed up expenditure, therefore, is even more pressing for CBC programmes.

ACHIEVEMENTS OF THE PROGRAMMES SO FAR

Main points from previous country report:

- Data on physical indicators are of varying quality. Measurement can be made either when project are selected or when they are finished or, perhaps, on the basis of annual surveys. Independent from when the measurement is taken, data quality varies. Furthermore, documentation of data quality is usually incomplete if not non-existent. This makes it difficult to work with the data and limits the reliability of the results. This is still valid for the 2011 reports.
- In 2010, there was a significant increase in project numbers. For instance, more than 6,000 R&D projects had been funded.
- The programmes reported that 1,096 jobs had already been created in Competitiveness regions by projects that had been completed. For Convergence regions, the figures are even higher (4,968). These are the figures from programmes collecting data for the projects already finished. For the programmes reporting only data collected at the

⁹ We commented on the reasons for the delayed start of expenditure in earlier reports. The main reason is the overlapping of funding periods: MAs give priority to spending funds from the previous period, so that the start of the new one is delayed. There are a number of additional factors (such as too optimistic planning, additional time needed to set up new measures, poor design of measures and budget rules).

commitment stage, significantly higher figures for additional jobs can be expected (some 20,000).

- There are significant achievements in the different policy areas, particularly in Enterprise support, with R&D as well as investment in SMEs, though also in transport, environment and energy and territorial development.

Problems of data quality remain important as described at the end of this chapter. As indicators have not been coordinated between programmes, using the proposed core indicators (Working Paper 2 of DG Regio) is the only basis to establish data for more than one programme. As the Core indicators are not mandatory, the data basis differs from indicator to indicator. This needs to be taken into account when processing the data.

The largest share of ERDF financing goes to the Enterprise support policy area, comprising both investment and innovation related instruments. In Convergence regions, the share is 51%, in Competitiveness regions nearly 58%. The relative size of funding going to the other policy areas differs between Competitiveness and Convergence regions. In Convergence regions, 24.6% of the budget goes to transport – partly because of the Federal programme focused on transport. Territorial development and the environment and energy are next largest with some 11% going to each. In Competitiveness regions, territorial development is the second largest policy area, much of funding going on integrated urban development. Some 9.6% of ERDF commitments are to the environment and energy. The share going to transport is much lower than in Convergence regions, accounting for only 2.3% of commitments. On the other hand Competitiveness programmes invest 9.6% of their ERDF budget in Human resources, an area which hardly figures at all in Convergence regions.

Table 4 - Commitment (only ERDF) by main policy area

Main policy area	Convergence		Competitiveness	
	EUR million	%	EUR million	%
Enterprise Environment	4,292.0	51.0	2,021.8	58.0
Territorial development	932.2	11.1	545.4	15.6
Transport	2,074.2	24.6	81.1	2.3
Environment and Energy	949.6	11.3	428.1	12.3
Human Resources	9.0	0.1	334.3	9.6
Technical Assistance	159.9	1.9	76.0	2.2
Total	8,416.9	100.0	3,486.7	100.0

Source: AIRs, own calculation.

The **number of jobs created** is the only core indicator at programme level. Altogether, the data from the AIRs mention 17,929 jobs created in Competitiveness programmes and 28,220 in Convergence programmes. There are, however, differences in measurement.

Table 5 - Jobs created

	Competitiveness				Convergence			
	2009	2010	2011	No. of programmes	2009	2010	2011	No. of programmes
Jobs created	6,443	10,732	17,929	7	14,784	20,586	28,220	6
Of this for men	3,777	7,025	11,541	7	13,337	17,501	17,592	6
Of this for women	1,817	3,434	6,008	7	5,938	7,479	9,874	6

Source: AIR, own calculation. Figures are cumulative, i.e. 2011 values include results reported in 2009 and 2010.

To put the figures into context, they could be related to the number of open positions indicated by official national statistics. In 2011, on average 466,049 job vacancies were registered across Germany. So total jobs created by ERDF programmes from 2007-2011 amounted to some 10% of the job vacancies in 2011. This comparison needs to be interpreted carefully as the figure on jobs created is a gross-figure – displacement effects would reduce it significantly. Nevertheless, ERDF support has clearly had perceptible effects in terms of jobs created.

Enterprise support

This policy area accounts for nearly 50% of the overall allocated ERDF budget for Germany. Of the total allocation to this policy area of EUR 7,960 million nearly 80% had been committed by the end of 2011 (79.3%). The commitment rate is slightly higher for Competitiveness programmes than Convergence ones.

In **RTD**, there were 1,727 cooperation projects between enterprises and research institutions which is 600 projects more than in 2010. In Competitiveness programmes especially, a large number of new cooperation projects were launched in 2011. There is no information available to put this into context (like for instance a total of all R&D-projects supported by Länder programmes).

Table 6 - RTDI Physical Indicators

	Competitiveness			Convergence		
	2009	2010	2011	2009	2010	2011
No. of cooperation projects	369	688	1.085	149	437	642
	Data from 10 out of 11 programmes			Data from 6 out of 6 ¹⁰ programmes		
Research jobs created	68	232	323	38	147	351
	Data from 4 out of 11 programmes			Data from 4 out of 6 programmes		
No. of projects (information society)	18	37	44	52	125	245
	Data from 6 out of 11 programmes			Data from 4 out of 6 programmes		

Source: AIR, own calculation. Figures are cumulative, i.e. 2011 values include results reported in 2009 and 2010.

The AIRs report 323 research jobs created in Competitiveness programmes and 351 in Convergence programmes. The basis of the data is comparatively weak. As R&D schemes are common, the actual effect will be much larger. Another problem is that the indicator does not

¹⁰ There are seven Convergence programmes, but the Federal programme on transport infrastructure is not relevant for all policy areas except transport.

specify whether the research jobs relate to enterprises or to research institutions. Compared to a total of 530,000 R&D-jobs in Germany (2009), the additional ERDF-financed jobs represent just 0.1%. Moreover, this is before taking account of deadweight and replacement effects, though it is a positive finding that the gross effects induced by ERDF are large enough to be visible when compared to national aggregate figures.

A specific evaluation of R&D projects in Sachsen-Anhalt (Ramböll Management 2011), finds positive effects for the enterprises supported, which were able to increase their market share and create new jobs. The overall conclusion is very positive. In addition, the results of a comparison group analysis which was part of the mid-term evaluation in Berlin (ÖIR Österreichisches Institut für Raumplanung & Fraunhofer ISI 2012) supports this positive assessment (see Chapter 4).

Investment in R&D infrastructure is larger than for R&D in enterprises. There are no specific indicators to describe achievements. Typically this type of support goes to application-oriented research institutes. In the German innovation system for instance the institutes of the Fraunhofer society play an important role as they are designed to support research of direct use in industry. ERDF supports investment in buildings and equipment for this type of institution. The AIRs and additional information (e.g. from evaluations) highlight the fact that this support contributes to the development of the regional innovation systems. Fraunhofer-institutes and similar organisations often play an important role in regional clusters and networks.

Overall 289 projects have been undertaken to support the development of the information society, including broadband infrastructure as well as the development of applications and services. The increase of project numbers in 2011 was especially large in Convergence regions (120 new projects).

Direct support for SMEs is dominated by investment grants and related support. A total of 4,512 projects have been co-financed. The Joint Task “improvement of regional economic structure”, in which grants figure prominently, is important in this regard. Funding is focused on the eastern part of Germany. While grants are the main means of support, many Länder also use credit schemes of different kinds or equity funds. ERDF support induced private investment (the broadest indicator used) of EUR 4,359.0 million in Competitiveness regions and EUR 5,358.7 million in Convergence regions. In total, ERDF-induced investment over the years 2007-2011 amounts to some 2.4% of annual gross fixed capital formation in Germany. Again, while it is not possible simply to take the reported gross figures and ignore deadweight and displacement effects, this is a significant figure. Evaluation of this type of intervention undertaken in Mecklenburg-Vorpommern found positive effects on productivity (see chapter 4, GEFRA Gesellschaft für Finanz und Regionalanalysen & MR Gesellschaft für Regionalberatung, 2012).

Table 7 - Direct support for SME – Physical indicators

	Competitiveness			Convergence		
	2009	2010	2011	2009	2010	2011
No. of projects	766	1524	1,797	849	1784	2,715
	Data from 5 out of 11 programmes			Data from 4 out of 6 programmes		
No. of start-ups supported	108	162	224	151	233	273
	Data from 6 out of 11 programmes			Data from 5 out of 6 programmes		
Jobs created	7,316	12,909	18,298	4,773	7,033	10,579
	Data from 7 out of 11 programmes			Data from 5 out of 6 programmes		
Investment induced (EUR million)	--	--	4,539.0	2,434.1	3,538.05	5,358.7
	Data from 11 out of 11 programmes			Data from 5 out of 6 programmes		

Source: AIR, own calculation. Figures are cumulative, i.e. 2011 values include results reported in 2009 and 2010.

The share of business start-ups supported is comparatively small, 497 in all. But this refers only to the start-ups in the group of enterprises receiving direct investment support and the basis of the data is weak, especially in for Competitiveness regions. Support is not focused on start-ups as such but covers investment of existing firms in new plants and modernisation measures. Some types of support are simply not covered by this indicator: many programmes provide advice and coaching to start-ups, and micro-credit schemes which are typically targeted at start-ups are also not covered by this indicator.

Human resources

Only 3.6% of the total German ERDF budget is allocated to this policy area, most of it in Competitiveness regions (3.5%). The commitment rate in this policy area is lowest of all the areas: only 58.6% of the allocated budget had been committed by end of 2011. The only area of relevance here is investment in the education system. 594 projects fall into this category.

27,706 students have been assisted by projects so far. Given the small allocation of funding, it is surprising how much has been achieved in Convergence regions. The explanation is that the basis of data in Competitiveness regions is extremely weak and measurement varies: even if the ERDF provides only a small amount of support to an organisation (school or university), the total number of students is counted as benefiting in some cases. Moreover, there does not seem a clear rule to be applied to distinguish between “places” for students, which is counted in some Länder, and the actual number of people (which usually higher than the figures for official capacity).

Table 8 -Human Resources – Physical Indicators

	Competitiveness			Convergence		
	2009	2010	2011	2009	2010	2011
No. of benefiting students	1,600	1,330	2,930	7,719	11,479	24,776
	Data from 1 out of 11 programmes			Data from 4 out of 6 programmes		

Source: AIR, own calculation. Figures are cumulative, i.e. 2011 values include results reported in 2009 and 2010.

To put these figures into context is quite complicated without additional information on the types of project. For instance both schools and universities have benefited but the two are not

distinguished which makes it difficult to identify a suitable benchmark against which to compare the results.

Transport

The ERDF allocation to transport amounts to EUR 3,100 million, which represents 19.5% of the overall ERDF in Germany. Most of it goes to the Convergence regions, where the Federal programme for transport infrastructure is the main source of co-financing. The projects supported are motorways, national roads and railways. These are selected on the basis of a continuously updated plan (Federal transport infrastructure plan). Projects in the Federal transport programme are normal major one which have been subject to a detailed ex-ante assessment¹¹. In addition, the Länder complement Federal activities by investing in projects to improve transport infrastructure at the regional and local level. The ERDF makes only a comparatively small contribution to financing investment in transport and this is concentrated in Convergence regions (Annex Figure C shows the ERDF-co-financed projects). Commitments by end of 2011 were 68.7% of the financing available.

Overall, 160.7 km of new roads have been constructed and 240.3 km improved over the period up to the end of 2011. Of the 137.1 km of new roads in Convergence regions, 80.1 km are national roads, of which 62.5 km are motorways. Since 2007, 314 km of new motorways have been built in Germany, so that ERDF co-financed projects account for a fifth of the total.

Table 9 - Transport – Physical Indicators

	Competitiveness			Convergence		
	2009	2010	2011	2009	2010	2011
Km of new roads	10.5	17.8	23.6	102.2	114.6	137.1
Km of reconstructed roads				112.1	181.7	240.3
Km of new railways				147.0	196.0	216.2
Of which TEN				122.0	122.0	129.5
Km of reconstructed railways				0.0	0.0	66.3
Value for time-savings in EUR/year (road)				153,400	153,400	196,200
Value of time-savings in EUR/years (rail)				151,000	151,000	189,058

Source: AIR, own calculation, data from the Federal OP for transport infrastructure, and up to 4 other Convergence programmes. Figures are cumulative, i.e. 2011 values include results reported in 2009 and 2010.

In addition, 216.2 km of new railway lines have been constructed so far, of which 129.5 km are on TEN-T routes, while 66.3 km of railway line have been improved. For projects in the Federal programme, cost-benefit analysis carried out beforehand estimates the value of time savings per year to be EUR 196,200 for the 90.1 km of new road built and EUR 189,100 for the 134.2 km of new railway line laid.

Energy and Environment

The ERDF allocated to this policy area amounts to EUR 2,000 million, 12.2% of the overall German ERDF budget, with significant sums allocated in both Convergence and Competitiveness

¹¹ See Annex Figure F for a map of the projects selected so far.

regions. The commitment rate by end of 2011 was 70.1% of the funding available, slightly below the average, with 1,238 projects being co-financed to support renewable energy and 75 projects for risk prevention.

The additional capacity created for renewable energy amounts to 1,897.7 MW, almost all of it in Sachsen (1,861.7 MW). Though there is no information on the share of ERDF-funded projects producing electricity, heat or fuel, so it is not possible to compare figures directly, the additional capacity represents 2.8% of the total capacity to produce electricity from renewable sources in Germany (65,698 MW) in 2011.

Greenhouse gas emissions will – according to the figures from the AIR – be reduced by 57,863.4 kt per year. The figure for Competitiveness regions is high due to that reported for Nordrhein-Westfalen, where the measurement of the indicator differs from that in other Länder, by including not only renewable energy projects but also the effects from investment in enterprises and the expected long-term effects of a programme offering advice for reducing energy consumption in buildings. Excluding Nordrhein-Westfalen reduces the reduction of greenhouse gas emissions in Competitiveness regions substantially to 121.6 kt a year. With the effects in Convergence regions this makes a total annual reduction of 725.4 kt, around 0.1% of total CO₂-emissions from primary energy consumption in Germany (824,623 kt in 2008).

Table 10 - Energy and Environment

	Competitiveness			Convergence		
	2009	2010	2011	2009	2010	2011
Additional capacity of renewable energies (MW)	1.6	3.9	12.0	30.5	536.9	1,885.7
	Data from 2 out of 11 programmes			Data from 4 out of 6 programmes		
Reduction of greenhouse emissions (kt)	(48,322.5)	(54,720.9)	(57,259.6) 121.6*	473.3	517.4	603.8
	Data from 3 out of 11 programmes			Data from 3 out of 7 programmes (The federal programme is reporting this indicators)		
Additional population served by waste water projects	14,815	35,064	38,676	72,497	74,414	112,076
	Data from 1 out of 11 programmes			Data from 4 out of 6 programmes		
Area rehabilitated (sq. km.)			67.4			19.4
No. of people benefiting from flood prevention measures	26,104	30,666	46,627	13,736	15,441	28,785
	Data from 3 out of 11 programmes			Data from 2 out of 6 programmes		

Source: AIR, own calculation. Figures are cumulative, i.e. 2011 values include results reported in 2009 and 2010.

(*) excluding Nordrhein-Westfalen for which the measure is not appropriate.

Support is provided to wastewater projects mainly in Convergence regions. Overall, over 150,000 people are estimated to have benefited from these, though the way that they have done so differs. Some projects have led to the upgrading of existing plants, and for these the whole population served by the plants is counted, while others have been connected for the first time to main drainage systems, so the two cannot really be added together.

The surface area rehabilitated as a result of other projects carried out amounts to 83.7 sq. km, while over 75,000 people have benefited from flood prevention measures in Convergence regions (Thüringen and Sachsen) and Competitiveness regions (mainly Bayern).

Territorial development

Territorial development with a budget of EUR 2,100 million, 13% of the overall ERDF available in Germany, is important in both Convergence and Competitiveness regions. The commitment rate (70.4%) is again slightly below average.

In tourism, 564 projects had been supported by end of 2011, with the creation of 928 jobs being reported in Convergence regions, though this relates to only one programme. The importance of tourism in OP strategies differs, with some Länder, such as Mecklenburg-Vorpommern situated at the Baltic Sea, putting strong emphasis on it, and other very little.

A total of 3,446 projects have been co-financed as part of integrated strategies for urban development, 1,622 of them aimed at improving attractiveness and ensuring sustainability, 1,365 supporting business development, entrepreneurship and new technologies and 459 providing services to promote equal opportunities and social inclusion for minorities and young people. As these projects are part of wider strategies, additional information is needed to assess their effects.

Table 11 - Territorial Development - Physical Indicators

	Competitiveness			Convergence		
	2009	2010	2011	2009	2010	2011
No. of projects (tourism)	91	139	162	214	363	382
	Data from 5 out of 11 programmes			Data from 4 out of 6 programmes		
No. of jobs created (tourism)						928
						Data from 1 out of 6 programmes
No. of projects ensuring sustainability ...	767	1,068	1,130	126	287	492
	Data from 7 out of 11 programmes			Data from 6 out of 6 programmes		
No. of projects to promote business...	33	122	324	101	474	1,041
	Data from 5 out of 11 programmes			Data from 3 out of 6 programmes		
No. of projects offering services to promote equal opportunities...	258	376	394	15	38	65
	Data from 3 out of 11 programmes			Data from 2 out of 6 programmes		

Source: AIR, own calculation. Figures are cumulative, i.e. 2011 values include results reported in 2009 and 2010.

Cross-border Co-operation

The 6 CBC-programmes managed by Germany show a different division of funding between policy areas. The most important is territorial development with a share of 31% of ERDF commitments, the environment and energy each accounting for some 15% and human resources for 11%. Less than 1% is allocated to enterprise support. This division reflects the focus of programmes on cooperation, though very small amount of funding going to enterprise support is striking.

CBC is aimed at overcoming obstacles to cooperation and strengthening contact across borders in order to free up forces for development. Consequently, the core indicators relate to evidence of the intensity of cooperation involved in projects. Four criteria are used: joint development, joint implementation, joint staffing and joint financing. Over half of all projects meet all four criteria.

As regards the areas of intervention, 208 projects are concerned with the joint use of infrastructure, 151 with improving joint protection and management of the environment and 135 with collaboration on public services. Just over 78,900 people have participated in joint education and training activities, and, as a result of projects, 2,814 found a new job on the other side of the border.

Effects in the different policy areas

Although the information available in the AIRs gives no indication of the wider effects of the projects carried out, evaluation studies suggest the following:

- As regards the enterprise environment, support to R&D in enterprises has proved to be effective and positive results have been found by a comprehensive evaluation of the effects of ERDF intervention in developing regional innovation systems (Prognos AG 2010).
- Measures to increase investment in enterprises have also been found to be effective, resulting in productivity gains and structural adjustment, especially in technology-intensive sectors (*GEFRA Gesellschaft für Finanz- und Regionalanalysen & MR Gesellschaft für Regionalberatung 2012*)
- The mid-term evaluations conclude that most measures have been effective in the sense of achieving their specific targets (*ÖIR Österreichisches Institut für Raumplanung & Fraunhofer ISI 2012; Prognos AG u. a. 2010; Ramböll Management & Metis 2010; GEFRA Gesellschaft für Finanz- und Regionalanalysen & MR Gesellschaft für Regionalberatung 2011*)
- There is hardly any evidence on the effectiveness of the mix of measures and whether a different mix would better results.

Data Quality

The quality of the data included in the AIRs has not improved significantly. For physical data, the following main issues are relevant:

- The quality of data depends on when during the implementation process it has been recorded (at the commitment stage or at the end of projects). A third approach is to collect data by annual surveys of participants. In a strict sense, data collected in these different ways cannot really be aggregated.
- The basic population of projects is not the same across programmes. Some programmes report data on all projects selected, others only on projects finished and yet others on all projects included in claims for payment sent to the Commission.
- In practice, all the possible combinations of the above (timing and the projects covered) can be found in the data reported in the AIRs. Interpretation and aggregation of these differing kinds of data is extremely complicated.

- There are 'implausible' features of the data that are most likely caused by errors in measurement units, for example, project numbers of 0.19 are reported and kt is mistaken for t. Using the data requires careful examination and correction of these errors.
- Data are in most cases not coherent with last year's report. Changes in many cases are not explained. Changes can clearly occur for different reasons, but it would be helpful to have at least some information on the reasons for the changes.
- In general the documentation of the data is patchy. Information on the different variants as regards the time when data are recorded or the population of projects covered is made explicit only exceptionally. For many programmes, hardly anything relevant except the naked figures is reported. Without indicating the context, the data often lack any reasonable meaning.

As described in last year's report, actual data quality varies for physical data. Although the data should be reported for actual achievements, the reports actually contain different measurement points. Some Länder are reporting data on achievements of projects actually finished. Others collect data by annual surveys: Achievement data is partly coming from projects that are still running in this case. Finally, we find Länder where data is only collect at project application (some of them reporting for all selected projects, some only for finished projects). The different quality of data is not clearly documented. In some cases the actual quality of data wasn't even known by those preparing the AIR (as data was produced elsewhere - at Bank or a service provider) Meanwhile, we know that data quality might even vary between indicators for one and the same programme. The combination of varying quality, missing documentation and lacking knowledge inhibits a clear and systematic presentation of the physical data. Therefore the data should be read with caution.

The indicator definitions themselves are insufficient in some cases, such as in the case of data on R&D jobs, not clarifying whether jobs in both enterprises and research units should be counted or what is meant by a 'student'. That makes it difficult to put the figures into context. The fact that data relate to gross-figures (and so neglect deadweight and displacement effects) makes it difficult to compare them or relate them to external data.

3. EFFECTS OF INTERVENTION

Main points from previous country report:

- Based on the HERMIN-macroeconomic model, a gain in GDP of 1.5% for the period up to 2015 and of 0.7% in the following years is estimated. Employment is estimated to be 1.4% higher up until 2015 and 0.4% higher in the longer term compared to a situation without funding. No new studies on macro-effects are available.
- A number of mid-term evaluations and specific studies were cited: The HERMIN-based analysis for Thüringen leads to results of a similar size to those for East Germany in total. In Sachsen, no comprehensive evaluation of the whole programme is planned but instead a series of thematic studies has been launched. Innovation-related measures are expected to lead to some 2,500 to 3,000 additional jobs (full time equivalent) per year, while the priority measures for improving competitiveness are estimated to lead to 9-12,000 additional jobs (full-time equivalent). The ERDF accounts for 11.8% of gross fixed investment in industry in the region.

The analysis carried out as part of the mid-term evaluation of the ERDF programme in Berlin shows clear effects on employment and gross value added: In both respects, enterprises receiving support performed better than others.

The mid-term evaluation for Schleswig-Holstein concluded that support for cluster development and investment in businesses was successful, but the policy did not fully achieve its aim of directing investment to the weaker parts of the region.

Using a combination of micro- and macroeconomic methods, evaluation of support for investment in enterprises in Mecklenburg-Vorpommern suggests that it induced additional investment and led to some gains in productivity.

A recent evaluation of the Joint Task, which is an important part of most ERDF-programmes, covering the period 1998-2008, found that the SMEs supported increased employment 4.6% a year, more in the east-German Länder than the west-German, as compared with a reduction of 5.0% a year in non-supported firms. The difference is reduced when firms in the two groups are matched and account is taken of different developments in the years before the funding, but it remains significant.

4. EVALUATIONS AND GOOD PRACTICE IN EVALUATION

As depicted in the previous reports, **strategies for evaluation** are defined at programme level (see the 2010 report for an overview of evaluation plans). The particular approaches taken by the Länder vary, some using continuous, on-going evaluations, others focusing on single studies (partly under a comprehensive evaluation plan). There are also some Länder which have not yet conducted any ERDF-related evaluations (Hessen, Baden-Württemberg, and Rheinland-Pfalz where an evaluation was started in 2011). In general, the following aspects are features of the overall evaluation landscape:

- Overall, Länder with smaller programmes (in terms of budget) tend to rely on periodic evaluations of particular issues rather than comprehensive on-going evaluations.
- Länder which carry out on-going evaluations often combine evaluation and monitoring tasks, including also IT-related issues of implementing indicator systems. In addition, support from external experts often includes services such as producing annual reports and similar reporting tasks closely linked to monitoring data.
- The Länder are in general following their evaluation strategies as planned. In some cases there is a delay compared to the original schedule (e.g. Hamburg¹²), but there is no general tendency of not implementing evaluation plans.
- There is no indication that there could be a lack of capacity for carrying out evaluations on the part of evaluation providers – in contrast to the previous funding period, when mid-term evaluations and their updates were put out to tender more or less simultaneously, leading to bottlenecks among providers. Currently, however, a large number of ex-ante evaluations for the 2014-2020 period are being launched together with a number of service contracts issued for drafting OPs or SWOT-analysis, threatening to lead to a shortage of capacity among evaluators. There are some first tender procedures for ex ante evaluations where not a single bid has been submitted.

¹² In this case delay in evaluation is justified as programme implementation makes only slow progress.

Table 12 lists recently conducted evaluations and studies in the context of the ERDF, which have been published since the last country report. An overview of evaluations so far covered by the 2010 and 2011 country reports is provided in Annex Tables F and G.

Table 12 - Evaluations covered in country report 2012

Title and date of completion	Policy area and scope (*)	Main objectives (*)	Main findings	Method (*)	Full reference or link to publication
Stand und Perspektiven der EFRE Förderung in Bayern - Zwischenevaluation des Operationellen Programms des EFRE im Ziel RWB Bayern 2007-2013 2011	9 Comprehensive midterm evaluation of the EFRE OP Special focus on investment in firms and innovative funding instruments	2 3 Analysis of program implementation and effects of OP Assessment of strategic approach Strategy development towards upcoming FP 2014-2020	Overall assessment of program implementation and strategy is positive. Regional concentration of ERDF funding has positive impact in respective regions. Promotion of investments in firms has positive impact as the economic development of funded firms tends to be more positive than those of firms not funded. Innovative funding instruments contribute to regional competitiveness and employment in structurally weak regions.	3 4 Mixed-method approach including document analysis, monitoring data, interviews, official statistics, micro-economic methods	Prognos AG 2011 http://www.stmwivt.bayern.de/EFRE/Downloads/Wettbewerbsfaehigkeit_Beschaeftigung/Stand_und_Perspektiven_der_EFRE_Foerderung_in_Bayern_Zwischenevaluation.pdf
Halbzeitbewertung des Operationellen Programms für den Europäischen Fonds für regionale Entwicklung (EFRE) in Berlin 2011	9 Comprehensive midterm evaluation of the EFRE OP, special focus on R&D funding for firms	2 3 Analysis of program implementation and effects of OP Assessment of strategic approach Strategy development towards upcoming FP 2014-2020	Overall assessment of program implementation and strategy is positive. Micro-economic analysis indicates positive effects of funding on employment and gross value added of supported firms.	3 4 Mixed-method approach including document analysis, monitoring data, expert interviews, surveys, official statistics, micro-economic methods	ÖIR Österreichisches Institut für Raumplanung, Fraunhofer Institut für System- und Innovationsforschung ISI 2011 http://www.berlin.de/imperia/md/content/senwaf/struktur/efre/ergebnis_sederfoerderung/efre_halbzeitbewertung_2012_05_25.pdf?start&ts=1339577173&file=efre_halbzeitbewertung_2012_05_25.pdf
Evaluation der Förderung der Verkehrsinfrastruktur und Mobilität durch den EFRE Themenspezifische Bewertungsstudie im Rahmen des Dienstleistungsauftrags Bewertung und Externe Begleitung des Einsatzes des EFRE 2007-2013 in Mecklenburg-	4 Focused on particular field of action (transport infrastructure and mobility)	2 3 Analysis of results and effects/efficiency Strategy development and improvement of implementation	ERDF funding is substantial for the region's development of transport infrastructure and contributes to the region's overall competitiveness. Several proposals for future adjustments in funding.	3 4 Mixed-method approach including document analysis, monitoring data, case studies	GEFRA – Gesellschaft für Finanz- und Regionalanalysen GbR, MR Gesellschaft für Regionalberatung mbH 2012a

Title and date of completion	Policy area and scope (*)	Main objectives (*)	Main findings	Method (*)	Full reference or link to publication
Vorpommern. 2012					
Evaluation der einzelbetrieblichen Investitionsförderung durch den EFRE. Themenspezifische Bewertungsstudie im Rahmen des Dienstleistungsauftrags Bewertung und Externe Begleitung des Einsatzes des EFRE 2007-2013 in Mecklenburg-Vorpommern. 2012	2 Focused on particular field of action (investment in firms)	2 3 Analysis of results and effects/efficiency Strategy development and improvement of implementation	Results indicate high effectiveness of intervention measures on micro-level (inducing additional investment, employment effects, technological capacities) as well as positive effects on macro-level in terms of productivity. Several proposals for future adjustments in funding.	3 4 Mixed-method approach including monitoring data, survey data, micro- and macro-economic analyses	GEFRA – Gesellschaft für Finanz- und Regionalanalysen GbR, MR Gesellschaft für Regionalberatung mbH 2012b
Evaluation der Förderung der wirtschaftsnahen Infrastruktur durch den EFRE. Themenspezifische Bewertungsstudie im Rahmen des Dienstleistungsauftrags Bewertung und Externe Begleitung des Einsatzes des EFRE 2007-2013 in Mecklenburg-Vorpommern. 2012	2 Focused on priority 3 of the OP (emphasis on industrial infrastructure and touristic infrastructure)	3 Analysis of results and effects	Results indicate overall positive effects of ERDF funding on improvement of industrial as well as touristic infrastructure. In contrast, case also studies show that large industrial area/site development is a rather limited approach in trying to foster the competitiveness of structurally weak and periphery regions.	3 4 Mixed-method approach including monitoring data, official statistics, case studies	GEFRA – Gesellschaft für Finanz- und Regionalanalysen GbR, MR Gesellschaft für Regionalberatung mbH 2012c
Bericht 6 der laufenden Bewertung zum Operationellen Programm des Freistaates Sachsen für den Europäischen Fonds für regionale Entwicklung (EFRE) im Ziel "Konvergenz" in der Förderperiode 2007 bis 2013 Bewertung der Prioritätsachse 2 "Verbesserung der Bildungsinfrastruktur" 2011	3 Focused on priority 2 of the OP (educational infrastructure)	2 3 Assessment of strategic approach Analysis of results and effects	Overall assessment of program implementation and strategy is positive. Analysis of effects based on monitoring data is limited due to fact that most projects have not been completed yet. Overall results indicate that positive effects of interventions on educational infrastructure can be expected. Implementation structure is functional, recommendations include improvement of monitoring system.	3 4 Mixed-method approach including document analysis, monitoring data, expert interviews	PricewaterhouseCoopers AG WPG, entera Ingenieurgesellschaft für Planung und Informationstechnologie 2011 http://www.strukturfonds.sachsen.de/set/431/Bericht%20Nr.%206%20der%20laufenden%20Evaluierung%20zum%20OP%20EFRE%202007-2013%20%282%29.pdf
Bericht zur Umsetzung des Querschnittszieles "Chancengleichheit" im Operationellen Programm des Freistaates Sachsen für den	10 Focused on the cross sectional objective of equal opportunity	2 Analysis and assessment of implementation	Study list several recommendations towards integrating and monitoring the sectional objective within OP	3 4 Methods include document analysis	Institut für Selbstmanagement und Innovation (ISI), Dr. Ingeborg Böhm

Title and date of completion	Policy area and scope (*)	Main objectives (*)	Main findings	Method (*)	Full reference or link to publication
Europäischen Fonds für regionale Entwicklung (EFRE) im Ziel "Konvergenz" in der Förderperiode 2007 bis 2013 2012		Strategy development	implementation.	and analysis of monitoring data	Consulting, NetOrg mit pFiFF 2012 http://www.strukturfonds.sachsen.de/set/431/Evaluierung%20zur%20Umsetzung%20der%20Chancengleichheit%20im%20EFRE%20OP.PDF
Themenspezifische Evaluation der Forschungs-, Entwicklungs- und Innovationsförderung. Europäische Strukturfonds Sachsen-Anhalt 2007 - 2013 2011	1 Focused on ERDF-financed support measures for research, development and innovation funding	2 3 Analysis of strategic relevance Analysis of programme implementation Analysis of results and effects	Analysis shows positive overall developments in socio-economic data, RDI funding is still required. Funding programmes are well aligned with one another. Implementation is generally perceived to be positive. Funding has major impact on development of supported actors (competitiveness, innovation potential etc.)	2 3 Mixed-method approach including document analysis, desk research, monitoring data, interviews, survey data	Rambøll Management Consulting GmbH 2011 http://www.sachsen-anhalt.de/fileadmin/Elementbibliothek/Bibliothek Politik und Verwaltung/Bibliothek Europa/Publikationen Berichte/Berichte/12_02_05_Endbericht F E.pdf

Note: (*) Legend

Policy area and scope: 1. RTDI; 2. Enterprise support and ICT; 3. Human Resources (ERDF only); 4. Transport; 5. Environment; 6. Energy; 7. Territorial development (urban areas, tourism, rural development, cultural heritage, health, public security, local development); 8. Capacity and institution building; 9. Multi-area (e.g. evaluations of programmes, mid-term evaluations); 10. Transversal aspects (e.g. gender or equal opportunities, sustainable development, employment)

Main objective and focus: 1. assess the arrangements and procedures for managing or administering programmes; 2. support monitoring, or check the progress made in implementing programmes, such as many mid-term evaluations; 3. assess the outcome or effects of programmes in terms of the results achieved and their contribution to attaining socio-economic policy objectives

Method used: 1. Counterfactual; 2. Cost-benefit analysis; 3. Other quantitative; 4. Qualitative

Recent **evaluations published since the 2011 report** include comprehensive mid-term evaluations covering complete operational programmes as well as studies addressing single priorities or fields of action. Usually, these studies are embedded within evaluation frameworks that apply a continuous, on-going evaluation approach. The main features can be summarised as follows:

- Typical questions addressed are: Is the strategy still adequate? Is implementation progress in line with the plan? How can implementation and output be assessed in relation the quantified targets? What are the results and effects of policy intervention? What conclusions can be drawn for future agenda setting?
- Methodologically, all studies rely on document analysis as well as analysis of socio-economic and monitoring data. In addition, several studies make use of primary data, including interviews, surveys as well as case studies.
- Finally, there are some studies (Prognos 2011; ÖIR/ISI 2012) which attempt to estimate net effects through microeconomic methods (usually from the family of comparison group approaches, e.g. difference in difference), usually focusing on specific support measures. One study (GEFRA/MR 2012b) combines both micro-level and macro-level analysis.

As regards major results, the studies tend to arrive at the following conclusions and recommendations: essentially, overall strategies and programme implementation are adequate, but need to be adjusted with regard to minor activities and policy measures. All studies indicate an overall positive effect of ERDF interventions for the respective regions (see also chapter 3).

While evaluations are still often focused on monitoring and assessing programme implementation, questions of effects and impacts have come to the fore, as programmes are advanced enough to actually measure results. These questions are addressed by more or less descriptive analysis but also include more advanced, comparison group approaches both at micro and macro-level. Whereas these latter studies face certain methodologically problems in terms of data quality (e. g. identification of adequate control group members, lack of data and difficult access to non-participants in funding schemes), and so lead to sometimes non-robust results, they nonetheless provide more useful insights into net-effects of funding. In addition to those studies that are directly related to the present ERDF funding period, there is a variety of other evaluation studies in different policy areas such as RTDI which have been stimulated by the instalment of evaluation routines in the context of EU funding measures.

The actual **integration of evaluations into the policy-making process** is difficult to assess, as research on evaluation (e. g. Patton 1997, Weiss 1998) shows that actual use may be more indirect (process use) than direct (instrumental use). Measured against this background, approaches relying on on-going evaluations (in the form of accompanying research) should allow for a better and closer communication with the officials responsible for commissioning them.

There is no systematic and reliable evidence, however, on whether and how far evaluation results are used in policy making or to modify and develop existing policies. cursory evidence indicates that results of evaluations are incorporated in the actual programme implementation processes (such as adaptation of instruments, modifications of administrative processes or

shifting of funding) as well as providing information for OP amendments. As regards using evaluations in decisions relating to the current period, it is mainly a question of responding to recommendations on a more practical level (e.g. shifting funds between measures). Evaluation results also tend to be used in the process of planning programmes in the upcoming funding period. In this case, the recommendations used are the more strategic ones or those that deal with basic features of the implementation system. The use of evaluations is only rarely revealed in the AIRs. An exception is the recent AIR for Schleswig Holstein, where the use of the mid-term evaluation is discussed.

Based on our personal perceptions, the following points are characteristic of the existing evaluation culture and leave room for improvement concerning the actual discourse on evaluation and the use of evaluation results:

- Notwithstanding the active commitment of individuals and institutions in administration and politics, the dominant rationale of both policy-making in general and regional policy in particular still tends to be about spending money. This is also reflected in the focus and design of most studies. Critical examination of the actual results – and learning from failures – tends to be a secondary objective.
- There is hardly any public debate on the quality of evaluations. Each Federal state undertakes its own evaluations independently. There is no systematic overview and debate on common problems or standards. Exchange of experience is still sporadic and does not lead to systematic learning and overall coordination is lacking (e.g. concerning common core indicators).

As regards further **plans for carrying out evaluations** during the current funding period, a number of Länder with on-going evaluation systems will continue to produce evaluation reports mostly covering particular parts of programmes. An additional issue on the agenda of all Länder is the preparation of strategies for the next funding period. In this context, a variety of tenders for ex-ante evaluations have been launched over the past few months.

As regards identifying examples of good practice, all evaluations conducted so far have specific strengths and weaknesses, which makes it difficult to highlight particular studies. In terms of methodology, among the recent studies, the abovementioned evaluations using micro- and macro-economic approaches (GEFRA/MR 2012b, Prognos 2011; ÖIR/ISI 2012) stand out in respect of ambition and sophistication, but are nonetheless affected by data problems, which makes it difficult to consider them as ‘state of the art’ or best practice.

5. FURTHER REMARKS - NEW CHALLENGES FOR POLICY

Main points from previous country report:

- Due to delayed implementation, the funds will not be spent in line with the official plans in the OPs. Most programmes will need all of the time up until the end of 2015 to be implemented completely. As overlapping with the previous period is one of the most important sources of delay in implementation, it is more than likely that the next period will also start with a delay. This is still the case.
- The question was raised as to whether the programmes are too complex in that they consist of too many measures. This makes day-to-day management complicated and

demanding. Moreover, it makes it difficult clearly to articulate achievements and outcomes of the programmes. There is limited scope under these conditions for performance management in the sense of programmes taking account of progress. MAs are busy with administration rather than strategic management. This issue remains relevant.

- As regards achievements, R&D was highlighted which together with investment in enterprises is most likely to show the most important effects on regional development – and will be important in future strategy.
- There is a need for more systematic exchange on monitoring and evaluation systems. A great deal of knowledge has been accumulated but not shared and used. A forum for continuous learning and improvement on evaluation and monitoring is missing. The issue remains valid. Perhaps some kind of evaluation platform could be established for the next programming period with the task of collecting evidence on certain types of instrument, of making it available to all relevant actors and of launching and moderating discussion on the quality of evaluations and monitoring systems.
- There is a question of how far regional development strategies need to be adjusted in the light of the global challenges mentioned in the Europe2020 strategy. Demographic change in particular might require adaptation of the design of strategy as simple growth orientation is not an option any longer in many regions.

In the remainder of the funding period, the full commitment and spending of funding will be the most important task. Although programmes perform comparatively well – both in terms of spending the funds and achieving relevant output and results – it will be interesting to see if all programmes manage to spend their funds completely. Financial engineering funds are of specific importance in this respect: While they are currently recorded as being spent, they need actually to reach final beneficiaries by the end of the funding period. This is a matter of concern for some MAs. It might be interesting to have a closer look at this in the next country report.

At the same time, preparation of the new programming period has started. The MAs are busy preparing their Operational Programmes. Most of them have produced some kind of strategic framework and many already begun consultations with partners. The expectation is that the total volume of funds will be reduced significantly, which is leading to an intensive debate about the distribution of funds at the national level. So far, ERDF funds have been focused on weaker regions. There seems to be some argument between the Länder now since those performing better want to get more funding from EU sources. At the national level the preparation of a partnership agreement has already started. A service provider has been chosen to support the Federal Ministry of Economics in preparing the document. Given the fact that most competencies in relation to ERDF are in the Länder, the preparation of the Partnership agreement is technically demanding as time is limited, and it needs somehow to construct a framework around the different Länder programmes which are being developed independently.

Compared to the current period, the legal framework for ERDF will put more emphasis on results. Result indicators in priority level will play an important role in future programmes. As result oriented management is comparatively weak in Germany so far, improving strategic management will be an important issue in the preparation of the future programmes. Issues that are relevant in this respect include the definition of sophisticated result indicators, the

implementation of effective monitoring and evaluation systems as well as the development of management processes allowing for a more strategic management of the programmes. Concentration is an important precondition for this as the management of a large number of comparatively small instruments is rather inefficient. It is also highly visible that the current German administrative system shows some characteristics that are not easy to integrate with efficient result oriented management (MAs are usually located somewhere in the line-organisation and therefore not in a position to actively manage and coordinate, the tradition of defining objectives across several departments or even ministries is not very strongly developed, comprehensive monitoring or controlling systems of funding policies are often lacking).

In terms of achievements, we can get an idea of results for the different policy areas. In policy areas where instruments and project types are very similar across Länder (RTDI, enterprise investment and infrastructure) we can expect a significant impact from ERDF intervention. Although the information base is far from satisfactory, it is sufficient to arrive at some conclusions as to the (likely) effects. What is missing is a closer examination of the mix of instruments in programmes and how far it is adequate and helps to meet the region's needs. It could also be interesting to compare how far Länder with roughly similar context conditions opt for different strategies – and why they do so. To do this requires leaving the national level and engaging in a case-study approach by analysing single (selected) Länder.

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ANNEX 1 - TABLES

See Excel Tables 1 -4:

Excel Table 1 – Regional disparities and trends

Excel Table 2 – Macro-economic developments

Excel Table 3 - Financial allocation by main policy area

Excel Table 3cbc - Financial allocation by main policy area – cross-border cooperation

Excel Table 4 - Commitments by main policy area (by end-2011)

Excel Table 4cbc - Commitments by main policy area (by end-2011) – cross-border cooperation

Annex Table A: - Broad policy areas and correspondence with fields of intervention (FOI)

Policy area		Code	Priority themes
1. Enterprise environment	RTDI and linked activities	01	R&TD activities in research centres
		02	R&TD infrastructure and centres of competence in a specific technology
		05	Advanced support services for firms and groups of firms
		07	Investment in firms directly linked to research and innovation (...)
		74	Developing human potential in the field of research and innovation, in particular through post-graduate studies ...
	Innovation support for SMEs	03	Technology transfer and improvement of cooperation networks ...
		04	Assistance to R&TD, particularly in SMEs (including access to R&TD services in research centres)
		06	Assistance to SMEs for the promotion of environmentally-friendly products and production processes (...)
		09	Other measures to stimulate research and innovation and entrepreneurship in SMEs
		14	Services and applications for SMEs (e-commerce, education and training, networking, etc.)
		15	Other measures for improving access to and efficient use of ICT by SMEs
	ICT and related services	11	Information and communication technologies (...)
		12	Information and communication technologies (TEN-ICT)
		13	Services and applications for citizens (e-health, e-government, e-learning, e-inclusion, etc.)
	Other investment in firms	08	Other investment in firms
	2. Human resources	Education and training	62
63			Design and dissemination of innovative and more productive ways of organising work
64			Development of special services for employment, training and support in connection with restructuring of sectors ...

Policy area		Code	Priority themes
	Labour market policies	72	Design, introduction and implementing of reforms in education and training systems ...
		73	Measures to increase participation in education and training throughout the life-cycle ...
		65	Modernisation and strengthening labour market institutions
		66	Implementing active and preventive measures on the labour market
		67	Measures encouraging active ageing and prolonging working lives
		68	Support for self-employment and business start-up
		69	Measures to improve access to employment and increase sustainable participation and progress of women ...
		70	Specific action to increase migrants' participation in employment ...
		71	Pathways to integration and re-entry into employment for disadvantaged people ...
		80	Promoting the partnerships, pacts and initiatives through the networking of relevant stakeholders
3. Transport	Rail	16	Railways
		17	Railways (TEN-T)
		18	Mobile rail assets
		19	Mobile rail assets (TEN-T)
	Road	20	Motorways
		21	Motorways (TEN-T)
		22	National roads
		23	Regional/local roads
	Other transport	24	Cycle tracks
		25	Urban transport
		26	Multimodal transport
		27	Multimodal transport (TEN-T)
		28	Intelligent transport systems
		29	Airports
30		Ports	
31		Inland waterways (regional and local)	
32	Inland waterways (TEN-T)		
4. Environment and energy	Energy infrastructure	33	Electricity
		34	Electricity (TEN-E)
		35	Natural gas
		36	Natural gas (TEN-E)
		37	Petroleum products
		38	Petroleum products (TEN-E)
		39	Renewable energy: wind
		40	Renewable energy: solar
		41	Renewable energy: biomass
		42	Renewable energy: hydroelectric, geothermal and other
		43	Energy efficiency, co-generation, energy management
	Environment and risk prevention	44	Management of household and industrial waste
		45	Management and distribution of water (drink water)

Policy area		Code	Priority themes
		46	Water treatment (waste water)
		47	Air quality
		48	Integrated prevention and pollution control
		49	Mitigation and adaption to climate change
		50	Rehabilitation of industrial sites and contaminated land
		51	Promotion of biodiversity and nature protection (including Natura 2000)
		52	Promotion of clean urban transport
		53	Risk prevention (...)
		54	Other measures to preserve the environment and prevent risks
5. Territorial development	Social Infrastructure	10	Telephone infrastructure (including broadband networks)
		75	Education infrastructure
		76	Health infrastructure
		77	Childcare infrastructure
		78	Housing infrastructure
		79	Other social infrastructure
	Tourism and culture	55	Promotion of natural assets
		56	Protection and development of natural heritage
		57	Other assistance to improve tourist services
		58	Protection and preservation of the cultural heritage
		59	Development of cultural infrastructure
		60	Other assistance to improve cultural services
	Planning and rehabilitation	61	Integrated projects for urban and rural regeneration
	Other	82	Compensation of any additional costs due to accessibility deficit and territorial fragmentation
		83	Specific action addressed to compensate additional costs due to size market factors
6. Technical assistance		84	Support to compensate additional costs due to climate conditions and relief difficulties
		81	Mechanisms for improving good policy and programme design, monitoring and evaluation ...
		85	Preparation, implementation, monitoring and inspection
		86	Evaluation and studies; information and communication

Annex Table B: Annual GDP growth rates (in %)

	2009	2010	2011
Baden-Württemberg	-7.5	6.8	4.7
Bayern	-1.4	4.5	3.4
Berlin	1.0	2.8	2.7
Brandenburg	-2.7	2.7	3.7
Bremen	-9.4	7.3	4.8
Hamburg	-4.6	4.7	2.5
Hessen	-4.1	3.1	3.6
Mecklenburg-Vorpommern	-2.0	1.7	2.4
Niedersachsen	-4.0	5.8	4.4
Nordrhein-Westfalen	-4.6	3.7	3.7
Rheinland-Pfalz	-2.7	4.1	4.2
Saarland	-10.8	4.7	4.8
Sachsen	-2.8	2.5	3.6
Sachsen-Anhalt	-4.5	3.0	4.2
Schleswig-Holstein	-2.8	1.3	3.0
Thüringen	-3.9	3.7	4.4
Deutschland	-4.0	4.3	3.8
alte Bundesländer including Berlin	-4.1	4.5	3.8
alte Bundesländer excluding Berlin	-4.3	4.6	3.9
neue Bundesländer including Berlin	-2.1	2.8	3.5
neue Bundesländer excluding Berlin	-3.2	2.8	3.7
Germany	-4.0	4.3	3.8

Source: Volkswirtschaftliche Gesamtrechnung der Länder, www.vgrdl.de.

Data for previous years are not available due to revision of the statistics

Annex Table C - Allocation of ERDF Funds to the ten most important policy areas – initial and last OP versions (in %)

Initial OP		Last OP			
Competitiveness					
8	Other investment in firms	12.3	8	Other investment in firms	12.8
61	Integrated projects for urban and rural regeneration	8.6	2	R&TD infrastructure and centres of competence in a specific technology	10.1
3	Technology transfer and improvement of cooperation networks ...	8.1	61	Integrated projects for urban and rural regeneration	8.6
2	R&TD infrastructure and centres of competence in a specific technology	6.6	3	Technology transfer and improvement of cooperation networks ...	6.8
68	Support for self-employment and business start-up	5.2	68	Support for self-employment and business start-up	6.2
1	R&TD activities in research centres	5.0	1	R&TD activities in research centres	5.4
5	Advanced support services for firms and groups of firms	4.2	7	Investment in firms directly linked to research and innovation (...)	5.2
7	Investment in firms directly linked to research and innovation (...)	3.9	50	Rehabilitation of industrial sites and contaminated land	3.6
9	Other measures to stimulate research and innovation and entrepreneurship in SMEs	3.9	4	Assistance to R&TD, particularly in SMEs (including access to R&TD services in research centres)	3.4
4	Assistance to R&TD, particularly in SMEs (including access to R&TD services in research centres)	3.5	5	Advanced support services for firms and groups of firms	3.0
Total		61.2			65.1
Convergence					
8	Other investment in firms	20.3	8	Other investment in firms	24.3
23	Regional/local roads	9.6	2	R&TD infrastructure and centres of competence in a specific technology	13.3
2	R&TD infrastructure and centres of competence in a specific technology	8.6	23	Regional/local roads	10.7
4	Assistance to R&TD, particularly in SMEs (including access to R&TD services in research centres)	6.7	4	Assistance to R&TD, particularly in SMEs (including access to R&TD services in research centres)	7.0
17	Regional/local roads	6.3	61	Integrated projects for urban and rural regeneration	5.9
61	Integrated projects for urban and rural regeneration	5.1	75	Education infrastructure	5.4
20	Motorways	4.1	53	Risk prevention (...)	4.5
53	Risk prevention (...)	3.9	46	Water treatment (waste water)	3.4
75	Education infrastructure	3.8	1	R&TD activities in research centres	3.3
22	National roads	3.3	9	Other measures to stimulate research and innovation and entrepreneurship in SMEs	3.0
		71.8			80.8

Annex Table D - OP-Changes - Overview

Competitiveness	Convergence
Changes 2010	
NRW – Nordrhein-Westfalen – March NRW – Nordrhein-Westfalen – July RP – Rheinland-Pfalz – December	SN – Sachsen – August
Changes 2011	
BW – Baden-Württemberg – July BE – Berlin – November BY – Bayern – December	TH – Thüringen – April SN – Sachsen – April
Changes 2012	
SH – Schleswig-Holstein – April SL – Saarland – August NRW – Nordrhein-Westfalen – open HH – Hamburg – open NI – Niedersachsen – open	ST – Sachsen-Anhalt – June TH – Thüringen – July BB – Brandenburg – open MV – Mecklenburg-Vorpommern – open

Annex Table E - ERDF commitment by economic activity dimension

Economic activity dimension	Convergence		Competitiveness	
	EUR million	%	EUR million	%
public administration	1,581.8	18.8	865.8	24.8
unspecified manufacturing industries	1,430.6	17.0	339.1	9.7
Transport	1,251.0	14.9	25.2	0.7
Construction	931.9	11.1	159.7	4.6
other unspecified services	927.3	11.0	449.7	12.9
Education	560.0	6.7	293.7	8.4
financial intermediation	408.1	4.9	40.4	1.2
activities linked to the environment	313.7	3.7	133.4	3.8
real estate, renting, and business activities	151.2	1.8	309.7	8.9
manufacture of transport equipment	141.3	1.7	27.3	0.8
agriculture, hunt, forestry	135.4	1.6	4.3	0.1
not applicable	134.8	1.6	578.8	16.6
manufacture of food products and beverages	123.9	1.5	26.3	0.8
hotels and restaurants	118.7	1.4	61.5	1.8
wholesale and retail trade	68.7	0.8	33.4	1.0
human health activities	55.5	0.7	43.9	1.3
electricity, gas, steam and hot water supply	26.7	0.3	14.2	0.4
mining and quarrying of energy producing materials	19.7	0.2	0.1	0.0
manufacture of textile and textile products	15.8	0.2	5.9	0.2
post and telecommunications	12.6	0.2	28.6	0.8
collection, purification and distribution of water	6.9	0.1	12.6	0.4
social work, community, social and personal services	1.2	0.0	32.7	0.9
Fishing	0.1	0.0	0.0	0.0
Total	8,416.9	100.0	3,486.7	100.0

Annex Table F - Evaluations covered in country report 2011

Title Date of Completion	Policy Area Scope	Main Objectives	Main findings	Reference and link
Niedersachsen Halbzeitbewertung der Interventionen des Europäischen Fonds für regionale Entwicklung (EFRE) 2010	Covering all two Programmes of Niedersachsen	Contribute to strategy development Support implementation Identify first results	The overall assessment of programme implementation and deliver is very positive. Some specific amendments to the strategy are recommended in the light of Europa 2020.	(Prognos AG u. a. 2010)
Nordrhein-Westfalen Evaluation NRW/EU.Mikrodarlehen 2010				(MR Gesellschaft für Regionalberatung 2010)
Sachsen Bewertung der Prioritätsachse 5 - Ausbau und Verbesserung der Infrastruktur für ein nachhaltiges Wirtschaftswachstum 2010	Focused on priority 5 of the OP (infrastructure for sustainable economic growth).	To contribute to improving Strategy and implementation. Analysis of progress in implementation Assessment of strategic approach Analysis of target achievement	Strategy is meeting the needs In single measures, the financial plan has been adjusted and will now be implemented with an ERDF budget of 289 Million Euro. Expected effects will be mostly achieved	(PriceWaterhouseC oopers, Infrastruktur und Umwelt & Bergische Universität Wuppertal 2010)
Sachsen Bewertung der Prioritätsachse 1 "Stärkung von Innovation, Wissenschaft und Forschung" 2011	Focused on priority 1 of the OP (Innovation, Science and Research)	To contribute to improving Strategy and implementation. Monitoring of implementation Monitoring of context development To "understand output, result and impact" (PriceWaterhouseCo oopers u. a. 2011, S.21)	Weaknesses in the monitoring system raised problems during evaluation Positive effects on employment and innovation can be expected. Efficient use of funds can be assumed. Implementation structure are working effectively.	(PriceWaterhouseC oopers u. a. 2011)
Sachsen Bewertung der Prioritätsachse 4 "Verbesserung der Verkehrsinfrastruktur" 2010	Focused on priority 4 (Transport Infrastructure)	To contribute to improving Strategy and implementation.	No need for change in the light of updated socio-economic analysis. Transport infrastructure generally supports development. Implementation is in line with plan. Project selection is transparent.	(PriceWaterhouseC oopers, LUB consulting, u. a. 2010)
Sachsen Bewertung der Prioritätsachse 3 "Steigerung der Wettbewerbsfähigkeit der gewerblichen Wirtschaft" 2010	Focused on priority 3 (improving competitiveness of industry)	To contribute to improving Strategy and implementation. Monitoring of implementation Monitoring of context development	Basic strategic orientation should be maintained. Several proposals for improvement relate to procedural aspects of implementation.	(PriceWaterhouseC oopers, Infrastruktur und Umwelt, Bergische Universität Wuppertal, u. a. 2010)
Sachsen-Anhalt Strategiebericht 2010 - Fondsübergreifende Halbzeitbilanz der EU-	Summary of findings for ERDF, ESF and EAFRD.	What is the contribution of the funds to Implement the main	Implementation is delayed (compared to the previous period). No general need to	(Ramböll Management & Metis 2010)

Title Date of Completion	Policy Area Scope	Main Objectives	Main findings	Reference and link
Fonds in Sachsen-Anhalt 2010		objectives of the Land's strategy implement the comprehensive strategic focus (Innovation, education, investment) implement transversal objectives	adjust strategy. Varying progress of implementation in the different parts of ERDF-programme.	
Thüringen Halbzeitbewertung zum Operationellen Programm des Freistaates Thüringen für den Europäischen Fonds für Regionale Entwicklung (EFRE) 2011	Mid-term-evaluation of the whole programme	No clear, specific objectives for the mid-term-evaluation in the report. General reference to evaluation plan. In fact: developing strategic perspectives for the rest of this period and the next one, based on experience of the current period	Positive assessment of strategic orientation and progress in implementation (171). Only minor need for adjustment in the current period. For the next period, the basic orientation of the strategy should be maintained, but adjusted in some aspects (mainly by shifting weights in reaction to the Europe 2020 strategy).	(GEFRA Gesellschaft für Finanz- und Regionalanalysen & MR Gesellschaft für Regionalberatung 2011)
Schleswig-Holstein Evaluierung des Operationellen Programms EFRE Schleswig-Holstein bzw. des Zukunftsprogramms Wirtschaft (ZPW)	Mid-term evaluation of the whole Programme	Analysis of results and effects, orientation of the intervention for the rest of the current period and the next period (11).	Basically, the policy mix and the instruments chosen fit with the strategic objectives. Some minor financial adjustment could be required. The role of ERDF for the regional policy is to support innovation.	(Prognos AG 2011)

Annex Table G - Evaluations covered in country report 2010

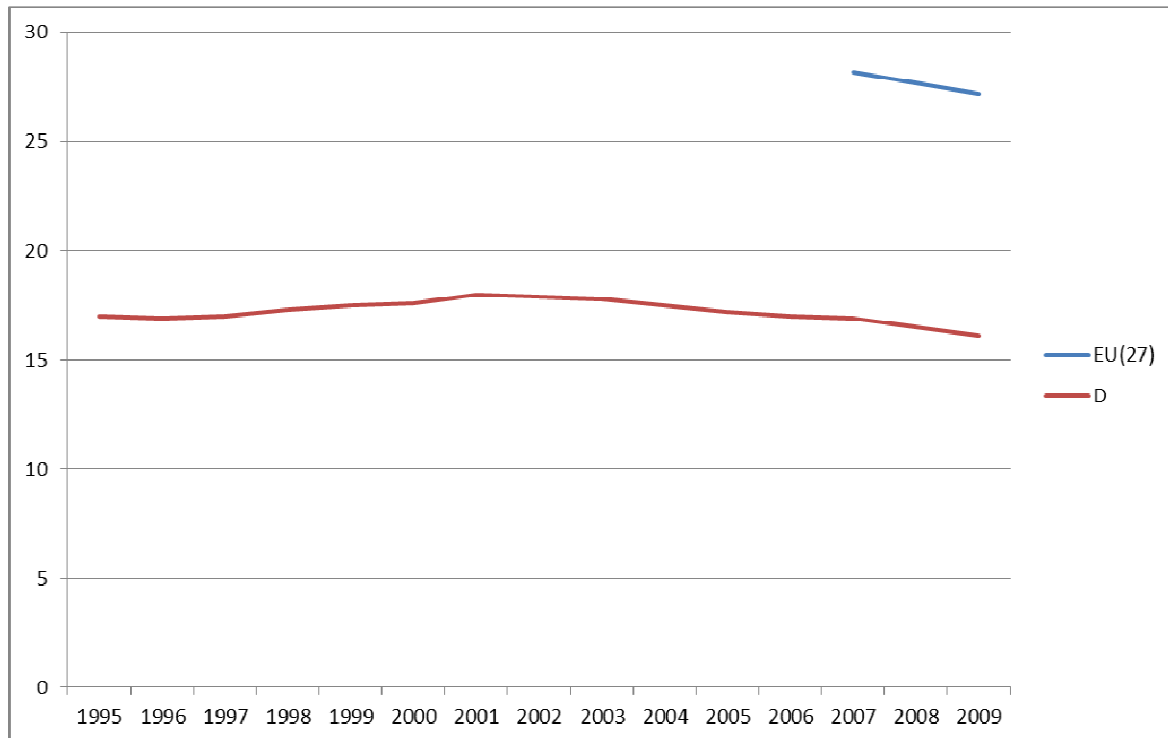
Study	Content, Method and Findings
<p>Bremen, 2010 Analyse zu den Wirkungen der EFRE-Förderung auf das regionale Innovationssystem im Land Bremen und daraus abgeleitete Handlungsoptionen für die Fortführung des RWB-Ziels nach 2013 (Bornemann, Rautenberg, und Breuer 2010)</p>	<p>Evaluation Questions The study analyses in how far ERDF contributes to the development of regional innovations systems, and specific competence areas. The aim is to identify the role of ERDF and the interplay of different types of intervention. Method The method is based on case-studies in three selected competence fields. In each case, a description of ERDF-projects is combined by information collected in interviews and socio-economic data describing the overall development. Findings The core statement is that a combination of different instruments is needed in order to develop competence fields. The case studies show how R&D-projects, support for research organisations, transfer and networks, as well as infrastructure and urban development tools interact. Success factors are being deduced, amongst others: integrated multiannual approach, focus on selected issues, flexible development of funding, orientation to SME, support for transfer (as catalyst for development), etc.</p>
<p>Berlin, 2010 Die n+2-Problematik im Berliner EFRE-Programm – Ursachen und Ansätze zur Abhilfe (Schwab et al. 2010)</p>	<p>Evaluation Questions The study analyses the factors contributing to delay in the implementation of ERDF leading to a risk of losing money according to the n+2-rule. Method Based on a model of process-chains, the study carries out several case-studies to analyse the financial management of different ERDF-financed programmes. A number of risk factors are being identified. Findings There is no single factor being responsible for delay in implementation. The concrete mix varies between instruments. But there are a number of factors leading to a higher risk: mainly the overlapping of funding periods and the discrepancy between the official financial plan and the actual planning on instrument level.</p>
<p>Niedersachsen, 2009 Abschätzung der ökonomischen Effekte der EFRE-Programme zur Verbesserung der Rahmenbedingungen für KMU in Niedersachsen 2007-2013 (Prognos AG und Niedersächsisches Institut für Wirtschaftsforschung 2009)</p>	<p>Evaluation Questions The study tries to assess the economic effects of ERDF intervention (both Competitiveness and Convergence) on enterprises taking into account all relevant instruments (grants, funds, network, consultancy). Method Based on logic models and indicators, the level of output is analysed. To discuss result and impact, results of other studies and statistical data have been used. Furthermore, case studies were undertaken to analyse selected instruments. Results are presented as index values for jobs created per million EUR public investment, differentiated per instrument. Findings As a result, the single instruments are grouped according to their temporary and durable job creation. In addition the direct employment effects for the whole programme have been calculated: This leads to an expected creation of 44.780 new jobs (Convergence + Competitiveness).</p>
<p>Niedersachsen, 2009 Sonderuntersuchung Scoringverfahren. Evaluation der Projektauswahl für EFRE- und ESF-Projekte in Niedersachsen mithilfe von Scoring-Modellen (Niedersächsisches Institut für Wirtschaftsforschung et al. 2009)</p>	<p>Evaluation Questions To improve the quality of selected projects, a scoring procedure has been introduced for both ERDF and ESF. The purpose of the study is to analyse in how far the expected effects have been achieved. Method Analysis of the documents and tools used for selection, analysis of the scoring results, interviews. Findings Firstly, Scoring improves transparency of the selection. Secondly, the scoring can identify projects of good quality. It needs to be analysed in how far the selection of good proposal leads to good effects.</p>
<p>Niedersachsen, 2010 Sonderuntersuchung zu den Regionalisierten Teilbudgets (Prognos AG et al. 2010)</p>	<p>Evaluation Questions The evaluation is mainly focused on the implementation of the regionalised budgets in Niedersachsen. An assessment of the expected results complements the analysis. Method Analysis of documents, Financial data. Interviews, Case Studies. Findings The regional strategies in terms of allocation of funds show significant variations. The involvement of local actors helps to address actors (enterprises, etc.) that have so far not been intensively involved in grant policies. All in all there is a high administrative effort required. Direct employment effects of 3,000 jobs created have been counted.</p>

Study	Content, Method and Findings
	The target group of this support doesn't overlap with those reached by other instruments (Joint Task): both in terms of sector and size the recipients differ.
Nordrhein-Westfalen 2010 Zukunft der Europäischen Strukturfonds in Nordrhein- Westfalen (GEFRA Gesellschaft für Finanz- und Regionalanalysen und MR Gesellschaft für Regionalberatung 2010)	<p>Evaluation Questions Analyse the effects of Structural Funds intervention in Nordrhein-Westfalen in a long-term perspective.</p> <p>Method General overview of Structural Funds intervention in Nordrhein-Westfalen, Case Studies, analytical discussion of the value added.</p> <p>Findings ERDF was contributing significantly to structural adjustment by improving infrastructure and environmental situation, they allowed for an active contribution to structural change and helped to develop a place-based innovation policy.</p>
Sachsen, 2009 Bewertung des Querschnittszieles Chancengleichheit und Nichtdiskriminierung von Menschen mit Behinderungen (Gisa - Gender-Institut Sachsen-Anhalt und PriceWaterhouseCoopers 2009)	<p>Evaluation Questions Analysis of the role of equal opportunities in ERDF implementation.</p> <p>Method Model based process analysis, Interviews</p> <p>Findings The rather general findings of the evaluation suggest a potential to intensify the implementation of equal opportunities.</p>
Sachsen, 2009 Ad-Hoc-Bewertung zum Änderungsantrag des Freistaates Sachsen für den Europäischen Fonds für Regionale Entwicklung (EFRE) im Ziel „Konvergenz“ in der Förderperiode 2007 bis 2013 (PriceWaterhouseCoopers 2009)	<p>Evaluation Questions Evaluation accompanying an adjustment of the programme, Analysis of significant change in socioeconomic context, update of the SWOT-analysis, short analysis of implementation so far, strategic evaluation of the planned programme change</p> <p>Method Socioeconomic analysis, SWOT-analysis, iterative interactive evaluation, expert assessment</p> <p>Findings The evaluation assesses the planned adjustment as relevant and consistent. It confirms the need for adaptation of the programme</p>
Sachsen-Anhalt, 2009 Stand und Umsetzung des Demografie-TÜV (Ramböll Management Consulting 2009)	<p>Evaluation Questions Sachsen-Anhalt introduced the so called “Demografie-TÜV” to improve the alignment of ERDF interventions to the demographic development. The study analyses implementation and makes suggestions for further development.</p> <p>Method In a mixture of process-analysis and case studies, the study analyses the implementation of the “Demografie-TÜV” in several instruments.</p> <p>Findings Not all implementing units and agencies take the new procedure really serious. Different understandings and interpretations exist. But the procedure is being applied and can be developed.</p>
Sachsen-Anhalt, 2010 Evaluierung der einzelbetrieblichen, kapitalorientierten Förderinstrumente: GRW gewerblich, KMU- Darlehensfonds, Risikokapitalfonds IBG II (Ramböll Management Consulting 2010)	<p>Evaluation Questions The evaluation of selected instruments targeting enterprises is focused on implementation and output: can the targets be achieved? What characteristics have the enterprises funded so far? What are the first results?</p> <p>Method Data and document analysis, interviews, survey (516) enterprises</p> <p>Findings The instruments are suitable to achieve the targets set. The enterprises funded are larger, more innovative and modern than the average - showing the potential for development. The results visible so far are slightly below the target values.</p>
Sachsen-Anhalt, 2009 Evaluation Städtische Dimension – Interim Report (Ramböll Management Consulting 2009)	<p>Evaluation Questions Analysis of the role of cities in Structural Funds delivery and strategy</p> <p>Method Data and document analysis, interviews</p> <p>Findings Interim report, no findings and conclusions.</p>

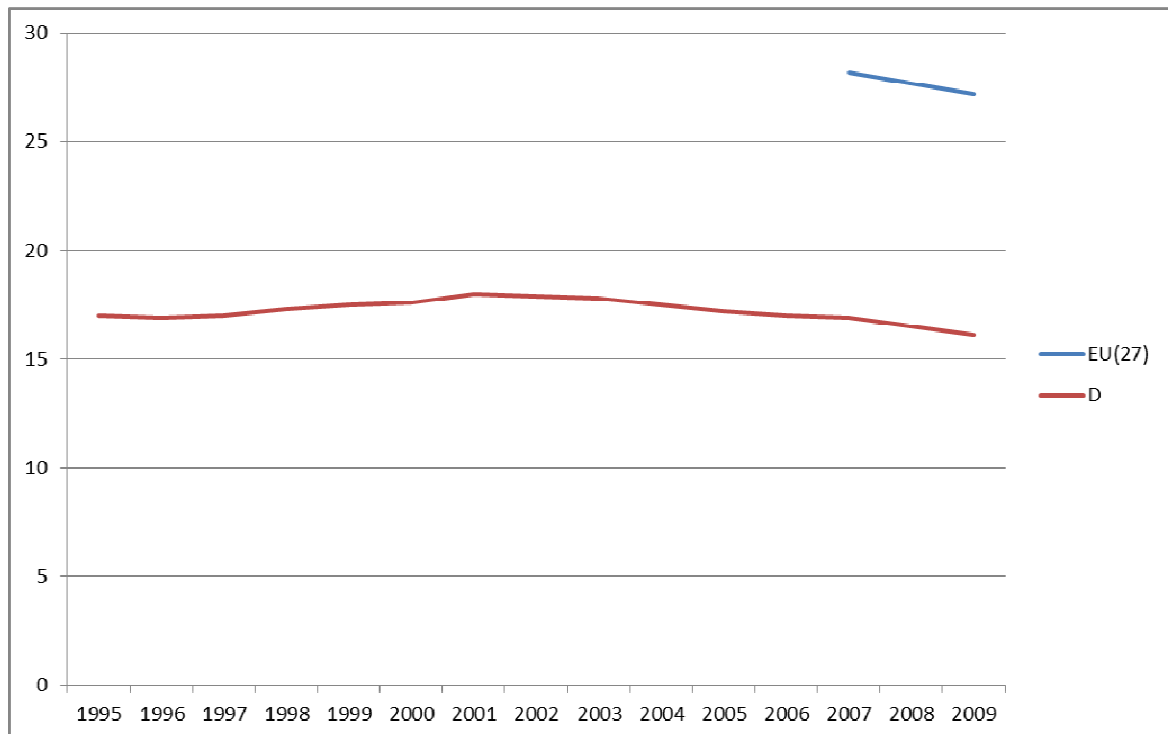
Annex Table H - Payments by the Commission received

Objective	OP/Land	Payments received (EUR million)
Convergence	BB	530.6
	Bund	319.8
	MV	634.4
	NI(Conv)	-
	SN	946.6
	ST	1,023.0
	TH	660.8
	Convergence Total	
Competitiveness	BE	298.4
	BW	50.6
	BY	160.6
	HB	67.3
	HE	98.6
	HH	8.3
	NI(Comp)	-
	NW	360.1
	RP	58.4
	SH	60.4
	SL	-
Competitiveness Total		1,162.8
Total		5,278.1

Source: AIR, financial tables from SFC2007; for BW AIR, report, p.37 (including advance payment)

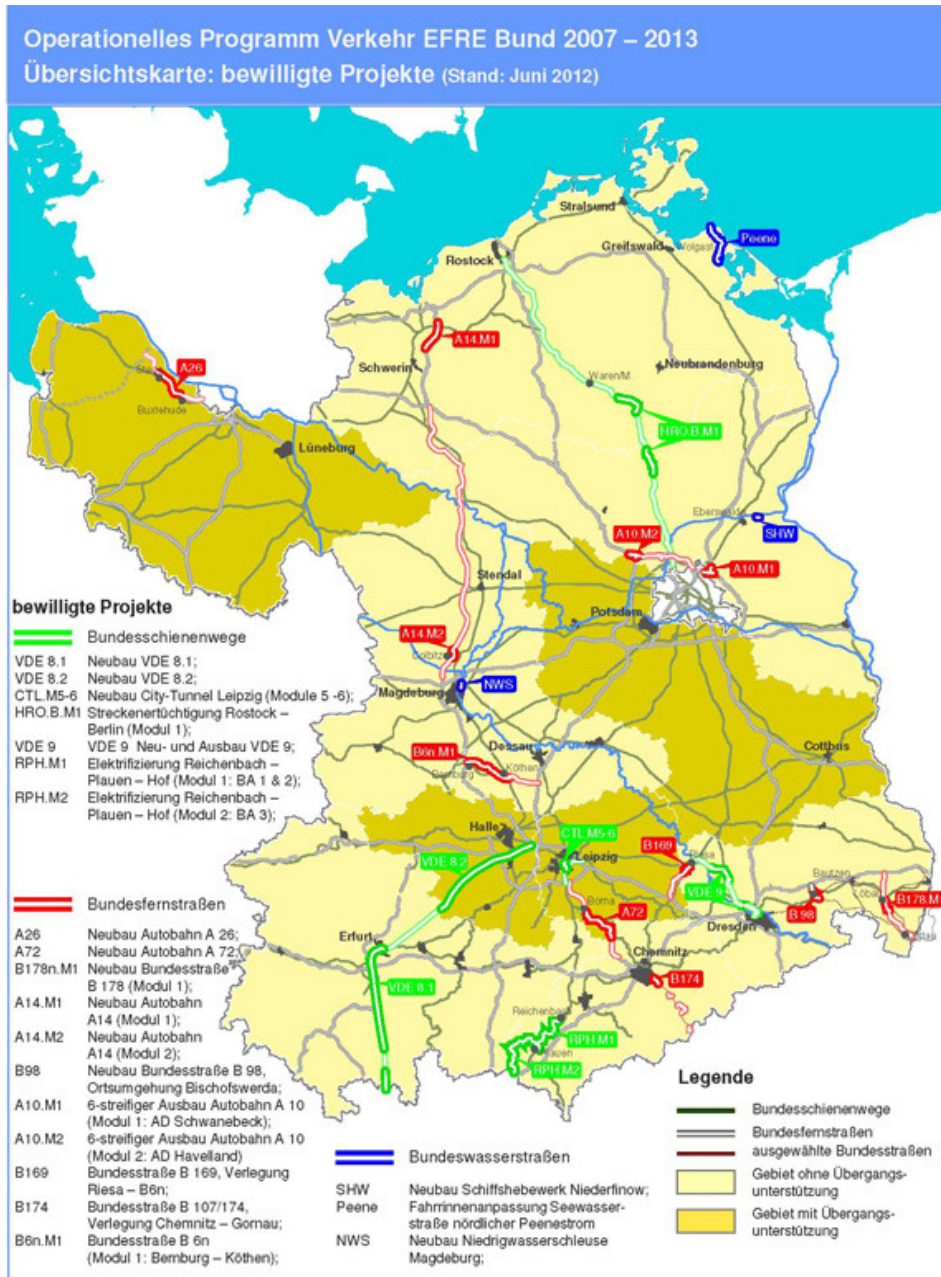
Annex Figure A -Dispersion of regional GDP on Nuts-2-Level - in%

Source: Eurostat

Annex Figure B - Dispersion of regional GDP on Nuts-3-Level - in%

Source: Eurostat

Annex Figure C - Map of the projects under the Federal programme for transport



ANNEX 2 – CLUSTER AND NETWORK POLICY IN GERMANY – SHORT OVERVIEW

Cluster and networks have become subject of numerous political activities in Germany since mid 1990s. Both federal government and Länder have launched varied activities to support co-operation amongst enterprises as well as between enterprises and research organisations.

On Federal level activities to support clusters and networks have been mainly launched by the ministries of economics, of research and of transport, building and urban development (under its responsibility for the development in East Germany). A recent example is the “Leading-edge Cluster competition” launched in 2007. Aiming at taking “Germany to the top of the league of the technologically advanced regions”, this competition has a budget of 200 Mio. €. 5 “leading-edge clusters” have been selected in each of the three rounds of the competition.

One can pursue the objective of supporting clusters and networks with varying intensity and different instruments. Therefore it is contested what actually should be counted as “cluster strategy” (see Koschatzky & Stahlecker 2012; Wessels 2009 as illustration). For the Länder level in Germany one can observe the following:

- All German Länder – except Mecklenburg-Vorpommern – state in their Operational Programmes of the current period that they provide some kind of support for cluster (Bundesministerium für Wirtschaft und Technologie 2009, S.23f.). The programmes emphasise co-operation between enterprises, universities, other research organisations, intermediary bodies, and public authorities.
- In addition, many Länder have formulated explicit Cluster strategies: Bayern (Allianz Bayern innovative), Nordrhein-Westfalen, Schleswig-Holstein are the examples mentioned by Koschatzky and Stahlecker (2012: 20f.). Other Länder have launched cluster competitions (Baden-Württemberg, Hessen) or similar approaches without competitive procedures (Sachsen). Although not mentioning Clusters explicitly, some Länder’s broader innovation strategies comprise elements of supporting fields of competence similar concepts (Berlin, Brandenburg, Saarland, Niedersachsen).

So how many actual cluster strategies one counts, depends on the criteria applied. Länder differ in the way they spell out their strategic orientation and in the way they implement support for cluster and networks. We can observe both strategies and actual instruments for developing cooperation of different actors in all Länder.¹³

¹³ This is also true for Mecklenburg-Vorpommern. While Koschatzky/Stahlecker are right in saying that there is no strategy described in the OP, there is significant support for cooperation networks and efforts of developing a health cluster for instance.