ADE

ANALYSIS FOR ECONOMIC DECISIONS

Study on the relevance and the effectiveness of ERDF and Cohesion Fund support to Regions with Specific Geographical Features – Islands, Mountainous and Sparsely Populated areas

Second Intermediate Report

June 2011

Study coordinated by *A*DE

2.2   Sterea Ellada

1.   Identification

1.1. Identification of NUTS2 area and corresponding NUTS3 region(s)

Sterea Ellada NUTS2 region (GR24) is composed by five NUTS3 areas (departments): Voiotia (GR241), Evvoia (GR242), Evrytania (GR243), Fthiotida (GR244) and Fokida (GR245);
Sterea Ellada is one of the 13 Greek NUTS2 regions.

1.2. Identification of relevant programmes supported by ERDF or Cohesion funds

Sterea Ellada Region was under Objective 1 during 2000-2006 and it is under Convergence Phasing – in Objective during the 2007-2013 period; actions in the region were financed mainly by the regional OPs program (ref. code 2000 GR 161 PO 005) but also by Cohesion Fund (as Greece's GDP is less than 90% of the EU average) and national sectoral programs covering more than one continental regions. During the 2007-13 period finances come from a common operational program for Sterea Ellada, Thessalia and Ipeiros (ref cod 2007 GR 16 UP 001) and from the Cohesion Fund.

2.   Regional features and Domestic Policy Responses

2.1. Main characteristics of NUTS2 and NUTS3 regions:

Sterea Ellada is a region composed by five NUTS3 areas, stretching over 15,500 km2 with a population a bit more than half a million people and very low population density (35.7 inh./km2) with characteristics of geographical, economic social and environmental dualism.

Sterea Ellada region is a very heterogeneous region when examined from a geographical point of view: the Evvoia department is an "ex-insular" one as the main island (Evvoia) is linked to the rest of the region by a bridge; nevertheless some small islands are situated around Evvoia constituting only 0.7% of the whole area's surface. All the 5 departments are rather mountainous ones as 48% of the total surface of the region is classified as such. Three of them are classified as mountainous according to EU regulations: Evrytania, Fthiotida and Fokida and one of them (Evrytania) as a sparsely populated area.

Sterea Ellada has also enormous differences as it concerns the degree of isolation: Voiotia and Fthiotida are crossed by the main motorway and railway linking the capital Athens (and South Greece) to Thessaloniki (and Northern Greece); this fact places these NUTS3 areas (mainly their plain parts) very close to the capital. Fokida and mainly Evrytania have to cross several high mountains to communicate with the main road and railway network. Evvoia, besides the bridge that links the capital town with the rest of the region, has also short maritime links with the mainland in the north and the south part.
Almost all the departments are very rich in minerals and important companies have developed their activities there during the previous decades. Voiotia has taken advantage of its closeness to the capital, hosting already from the 1950s a big number of industries. This industrial concentration generated many accompanying economic activities but also

important environmental problems (mainly in Voiotia and generally near the national transport networks), especially in water and soil resources.

In Fthiotida and in Northern Evvoia, there are two important thermal centres for Greece. Generally the area has benefitted from its proximity to the Greek capital, Athens, and many places have been developed as tourism and/or residential areas for summer and winter vacations and weekends. Finally, one of the most famous worldwide archaeological sites, Delphi, is situated in Fokida.

Mountainous areas are not treated as specific in Greece as they constitute the "rule" for most of the NUTS3 areas and the plains are the exceptions. Nevertheless "mountainous" characteristics are considered as handicaps for the development pattern of mass production located in the plains, in coastal areas, near the big cities and near main transport networks taking advantage of scale and agglomeration economies. This is the "success profile" at the EU level that is "rewarded" by a cumulative effect (European Pentagon, MEGA agglomerations). Low population concentrations in small settlements, low accessibility, unavailability of flat land for intensive agriculture create low attractiveness and don't attract young, active, educated population and modern, competitive activities.

Consequently the phenomenon of "out-migration" of population and activities cannot be easily reversed because, combined with the specific territorial characteristics, there is a relative lack of social and public services, of cultural opportunities, of ICT provision, which cumulatively have a negative effect on economic development prospects. On the other hand, there are other advantages including environmental quality, accessibility to natural resources and a relatively higher quality of life due to the smaller size of settlements and increased community cohesion. Overcoming the territorial handicaps, however, requires an integrated development plan based on harnessing new technologies and on the principles of sustainable development.

2.2. Position, trends and dynamics

Geographical and Population indicators for the Sterea Ellada Region

GEO	Area size (km2)	Average altitude (m)	Popn (2008)	Popn density (2008)	Population change 1961-1981 (%)	Population change 1981-2001 (%)	Births – deaths 2000 (/1000 inh.)	Births – deaths 2008 (/1000 inh.)	Ageing index 2001
Greece	131,957	143	10,934,097	85,3	16.1	12.2	-0.2	0.93	110
Sterea Ellada	15,549	195	554,426	35,7	13.3	3.7	-2.7	-1.4	120
Voiotia	2,952	234	125,309	42,4	2.6	5.95	-2.1	-0.1	114
Evoia	4,167	70	206,382	49,5	13.4	10.1	-1.5	-0.2	116
Eyrytania	1,869	848	19,492	10,4	-34.0	-25.5	-7.8	-5.6	136
Fthiotida	4,441	205	166,298	37,4	1.2	4.8	-3.3	-2.2	135
Fokida	2,120	375	37,588	17,7	-7.6	-14.4	-6.2	-6.4	173

Source: ELSTAT (www.statistics.gr), processed by the authors

Some of the NUTS3 areas in the Region are characterized by even lower densities, with Evrytania scoring the lowest density in Greece NUTS3 areas with 10.4 inh/km^2. Evrytania is the only NUTS3 in Greece characterized as sparsely populated; the region's population is increasing, but with lower rates than the national average and with very important regional differences: Fokida and Evrytania keep on losing population throughout the last 40 years, especially Evrytania, which again presents the highest population loss in all NUTS3 areas in Greece. Given this fact, it is not surprising that the natural growth of the population is very negative for Evrytania and Fokida and slightly negative for the rest NUTS3 areas and the region as a whole. Population increase can be attributed to incoming migrants, mostly from the Balkan countries. Also not surprisingly, the population of the region is relatively older compared to the national average, with Fokida scoring one of the highest values for Greece.

Concerning its **main geographical features**, the area is very diverse: one of the NUTS3 areas (Evoia) is an island, albeit permanently connected via a bridge with continental Greece, including other smaller islands (Skyros island is the bigger one). Evrytania is one of the most mountainous NUTS3 areas of Greece with steep slopes and many ridges as part of the southern tip of the Pindus range. The areas in the east of the region (where the national transport networks and most of the population are located) are characterized by some of the most productive plains of Greece, one of which, the *terra rosa* plain of Voiotia being one of the first European sites of cultivation of the Neolithic. Environmental pressures are also endandered by the intensive cultivation of this plane area.

The active population in the region is lower as a share of the total population compared to the national average, with one exception (Voiotia) due to the presence of the most important industrial zone in Greece in the borders with Attiki NUTS2 Region (where the capital Athens is located). This is reflected in its high GDP per capita, although a major part of this GDP "leaks" to nearby Athens where many of the workers and executives live and where is the seat of the companies. The rest of the NUTS3 areas score very low, especially Evrytania, which is systematically in the five lowest places in the list of Greek NUTS3 regions, with a GDP per capita slightly higher that the half of the national average.

Concerning **socio-economic convergence patterns**, the region diverged from the Greek and EU GDP per capita during the 2000s; despite the fact the values of the indicator are positive. Differences of GDP per capita are partially smoothed out for incomes. Unemployment is slightly higher than the national average, but with very important inter-regional differences for one of the NUTS3 areas (Fokida), where low unemployment rates could reflect the unavailability of jobs that causes out-migration, rather than high employment rates. The economy follows the structure of the Voiotia NUTS3 area, where the presence of the industries raises the overall share of manufacture to very high degrees (more than 50% of GDP comes from manufacturing, the single highest percentage in Greece and one of the highest in the EU); energy (conventional and renwable) and minerals production has also an important role in the area (Evvoia and Fthiotida). In the rest of the NUTS3 areas non-market services, commerce and tourism are the most important activities. Agriculture scores very low for all areas expect Fthiotida. R & D are very low in the Region, with an average of 0.18% of the GRP – much lower than the national average, despite the presence of the industrial zone in Voiotia.

The accessibility of the region is very diverse as a result of its diverse geography: proximity to Athens and its travel infrastructure is obviously a very important factor, but also the relief is another very important factor, especially for Evrytania and Fokida. The multimodal accessibility index calculated by ESPON, offers some quantitative evidence for these differences, but it has to be noted that the calculations used shed the existing differences rather than illuminating them. For example, Evoia is very close to the international airport of Athens and access to the capital is relatively easy and fast through the Athens – Thessaloniki highway (one hour drive from the capital of Halkida), is given a value of 66 in the multimodal index. Evrytania, which is not only mountainous but also with very steep slopes and Athens, is a good three hours drive from its capital Karpenisi is given a value of 40 in the multimodal index. For urban dynamism, only three cities are characterized as Functional Urban Areas (FUAs): Halkida with a value of 1.6, Lamia in Fthiotida with a value of 1.3 and Thebes in Voiotia with a value of 1. Their closeness to Athens does not permit to them to be developed as "autonomous" centers, but as satellite towns of the capital.

Indicators for active, GDP, income and unemployment for the Sterea Ellada Region

GEO	Active % of population 2001	GDP / capita (Greece = 100, 2007)	GDP change 2000–2008 %	Income / taxpayer (Greece = 100, 2007)	Unemployment rate % (2009)	Agriculture % of GDP (2007)	Manufacture % of GDP (2007)	Services % of GDP (2007)
Greece	42,2	100	38,3	100	9,5	3,8	10,4	76,5
Sterea Ellada	39,7	99,4	22,4	91	10,5	8	30,2	50
Voiotia	43,6	143,5	9,2	91,6	12,8	8,5	52,3	28,8
Evoia	38,6	78,8	29,1	92,8	12,3	6,4	20,6	58,7
Eyrytania	36,6	54,8	10,5	79,1	12,8	6,2	4,1	77,2
Fthiotida	40,1	72,7	14,7	90,1	4,4	10,7	18,2	61
Fokida	34,9	70,6	21,4	92	14	9	4,6	73

Source: ELSTAT (www.statistics.gr), processed by the authors

In conclusion, the main challenges that the region faces are both geographical, since it is a very diverse region; economic, since the presence of the industrial park in a central area of the whole region hides the economic stagnation if not under development of some of its NUTS3 areas, especially the mountainous Evrytania and Fokida. Social and demographic challenges include the continuing population loss of the same NUTS3 areas. These challenges seem to be a constraint for the development of the area taking into account that its industrial development has been "elevated" now that it is classified as a 'phasing- in' area.

2.3. Domestic Policy Responses
Even if in Greece mountains represent almost 60% of the territory and about 30% of the population, there is no specific policy to address in an integrated way the "mountain character". The problems entailed since the integration of Greece in EU, even if during the 1960s and the 1970s many specific programs were established for different mountainous and rural areas under vigorous socio-economic "desertification" (Evrytania included). All national regulations and all sectoral policies used to be uniform covering in the same way all

the territory. Since the integration of Greece within EU, domestic policy is principally driven by European regulations and financed from ERDF.

National policies for specific areas, as the "Pindus program", has limited success as it was "infrastructure" based and the innovative actions necessary to overcome natural handicaps and to build on local advantages have not been supported as needed.

3. ERDF and CF (where relevant) Programme priorities and fields of intervention

The budget allocation of OPs for the 2000-6 period was 508.6 mio Euro and for the period 2007-2013 is 525 mio. Euro. From the CF, Sterea Ellada has received 242.2 mio. Euro (2000-6) for investment in transport and environmental infrastructures (mainly in Fthiotida - 203.9 mio. Euro -for the national network- but not in Fokida and in Evrytania). For the period 2007-13 an extra amount of investments of 209 mio. Euro has also been committed from national sectoral programs.

The way in which priorities are formulated between the two programming periods are totally different, and therefore it is very difficult to make any concrete comparisons.

Allocation by priority – comparison between Ops

2000-2006		2007-2013	
Reduction of duality phenomena in mountainous and rural areas	68,9MEuro	Accessibility	102,2MEuro
Environmental Protection. Exploitation of cultural and historical advantages. Tourism Development	127,1MEuro	Digital convergence and entrepreneurship	199,1MEuro
General and social development. Strengthening of the role of Urban Centres	221,9MEuro	Sustainable development	212,3MEuro
Assistance-modernization of enterprises and connection with the local economy	86,4MEuro	Technical assistance	6,3 MEuro
Technical Assistance	4,1MEuro		

Source: European Commission, 2011.

Budget of OPs (private expenditure included) and CF 2000-2006 of Sterea Ellada per field of intervention (per cent)

Level 3 name	Voiotia	Evvoia	Evrytania	Fthiotida	Fokida	Sterea Ellada
Level 3 code	GR241	GR242	GR243	GR244	GR245	GR24
14 Fisheries	1,45	3,56	0,00	0,64	0,63	1,40
15 Assisting large business organisations	11,79	0,95	1,05	1,60	0,49	3,25
16 Assisting SMEs and the craft sector	26,02	17,80	2,13	3,02	1,94	10,39
17 Tourism	1,99	6,31	5,64	1,32	9,97	3,25
18 Research, technological development and innovation (RTDI)	0,83	0,38	0,00	0,06	0,05	0,27
21 Labour market policy	0,02	0,00	0,00	0,00	0,05	0,01
22 Social inclusion	0,02	0,01	0,06	0,00	0,06	0,01
23 Developing	0,43	1,00	0,78	0,45	0,61	0,59

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WITH SPECIFIC GEOGRAPHICAL FEATURES - ISLANDS, MOUNTAINOUS
AND SPARSELY POPULATED AREAS

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education and vocational training						
31 Transport infrastructure	28,51	37,29	51,73	76,33	35,39	55,45
32 Telecommunication infrastructure and information society	7,75	6,90	11,56	3,17	12,47	5,74
33 Energy infrastructure	1,67	2,01	0,00	0,16	0,70	0,87
34 Environmental infrastructure	7,19	9,48	5,96	3,56	10,74	6,07
35 Planning and rehabilitation	7,70	2,87	6,21	1,77	12,14	3,93
36 Social and public health infrastructure	4,07	5,72	12,01	7,31	7,80	6,57
41 Technical Assistance and innovative actions	0,56	5,73	2,86	0,58	6,96	2,19
Total %	100,00	100,00	100,00	100,00	100,00	100,00
Total Euro	226.447.048	268.225.553	46.939.662	608.332.959	77.599.684	1.227.544.906
	18,45%	21,85%	3,82%	49,56%	6,32	100

Source: European Commission, 2011.

From the comparison of the use of the funds in Sterea Ellada (NUTS2), the mountain departments and all the EU mountain areas of Objective 1 we can observe:

- Sterea Ellada as a region spent 82.2% of the allocated budget in basic infrastructure (mainly in transport infrastructures – 61.5%) compared to 71.1% for all EU Objective 1 regions (33.6% for transport); consequently the expenditure to ameliorate productive environment was particularly low (15.5%) and for research, Technological Development and Innovation quasi inexistent (0.2%) compared to 6.2% for EU Objective 1 regions;

- The three mountainous NUTS3 regions of Sterea Ellada have invested in productive environment between 5 and 13.1% when the average for EU Objective 1 mountain areas was 26.7%. More particularly in RTDI the 3 regions have invested less than 0.1% when the average investment for all mountainous regions was 4.1%;

- in the sparsely populated area of Evrytania the authorities have spent 87.5% in basic infrastructure and only 8.8% to ameliorate the productive environment -0% for RTDI-, compared to 60% and 37.2% (9.3% for RTDI) in the Objective 1 sparsely populated areas of the EU.

Budget of approved OPs and payments until 2010 per field of intervention for the 2007-2013 RDP of Sterea Ellada

Axis	Category	Field of Intervention	Allocated	Budget of projects approved	Payments
02	11	Information society technologies (access, security, e-content, etc.)	61.600.700		
02	22	National roads		18.390.016	1.986.836
02	23	Regional/local roads		59.998.450	5.121.407
02	30	Ports		14.904.480	0
02	33	Electricity			
02	35	Natural gas			
02	36	Natural gas (DED)			
05	11	Information and communication technologies	138.141.600	59.958	0
05	13	Services and application for citizens		9.602.700	744.600
05	43	Energy efficiency and management			
05	44	Urban and industrial waste treatment		5.912.643	2.978.319
05	45	Management and distribution of water		2.600.000	0
05	46	Sewage treatment			
05	58	Protection and conservation of cultural heritage			
05	59	Cultural infrastructure			
05	61	Integrated plans for urban and rural regeneration			
05	69	Improvement of access of women to jobs		4.036.276	0
05	75	Education Infrastructure		50.050.998	3.300.154
05	76	Health Infrastructure		6.665.294	1.308.107
05	79	Other social infrastructure		981.542	450.403
08	03	Transfer of technology and improvement of cooperation networks for SMEs and innovation institutions	163.201.360		
08	04	R& D assistance for SMEs			
08	05	Advanced services for the support of companies and networks		14.362.995	4.000.000
08	08	Other investments to companies		68.964.259	35.843.668
08	09	Other measures for the support of research and innovation of SMEs			
08	10	Telecommunications infrastructure			
08	12	Information society technologies		2.393.759	0
08	13	Services and applications for citizens		115.475	0
08	14	Services and applications for SMEs (e-trade, lifelong learining etc.)		1.006.476	0
08	81	Improvement of good practices, evaluation and monitoring			
12	85	Preparation, application, monitoring	4.056.340	2.086.964	0
12	86	Evaluation, studies, publications		897.764	18.866

Source: Greek Ministry of Economics and Finance

Even if the comparison between the two programming periods is difficult as the classification of actions has changed, the analysis of the following table gives a clear idea of the changes related to the transfer of the region out of **Objective 1** into **phasing in**. This

change has clearly affected the priorities, as some fields are either not available in the phasing in context, while others have been promoted. As a result, the amounts allocated for basic infrastructure for transport and environment is reduced, while energy and ICT actions allocation increase. This is rather a decision taken at the central level within the limits of national negotiations with the European Commission. A national strategy was "imposed" to all regions for allocating funds through the same axes and the restrictions rather than a specific strategy on the part of the regional authorities.

Allocation by field of intervention – Comparison of Regional OPs between 2000-6 and 2007-13

Fields of intervention	2000-2006	%	2007-2013	%
Transport	179368664	33,16	60231339	11,79
Entrepreneuship - R&D	156013128	28,84	164599250	32,23
Fisheries	4323303	0,80		
Women	0	0,00	4036276	0,79
Protection of environment	72852944	13,47	27906202	5,46
Culture	24495766	4,53	12913133	2,53
Urban regeneration	12714944	2,35	4842425	0,95
Education Infrastructure	41071378	7,59	41504960	8,13
Health and Social Care Infrastucture	42078004	7,78	45195964	8,85
Energy	0	0,00	65685661	12,86
ICT	3875480	0,72	86762635	16,99
Technical assistance	4090478	0,76	10312200	2,02
TOTAL	**540884089**	100,00	**523990045**	100

Source: European Commission, 2011.

4. ERDF and Cohesion Fund strategies and relevance

Even if the mountainous character and intra regional disparities are evoked fairly often within the programming texts there is no analysis based on these two characteristics and on the ways in which the OPs can assist the region to overcome the specificities.

Firstly, CF interventions have nothing to do with geographical specificities but with general national problems; consequently there were actions only in Fthiotida in order to ameliorate the central motorway from Athens to Thessaloniki and no interventions in Fokida and Evrytania, the two other mountainous NUTS3 areas with low accessibility.

During the period 2000-6 the priority actions had more relation with local problems and needs; an action with direct reference to the mountainous character of the area was included; during the current period the priority actions are fixed centrally and are the same for all the regional OPs. It is very difficult, therefore, to align the regional specificities and needs to different priorities of the program.

Nevertheless, from the presentation of the programs' analytical budget of the 2000-6 period it emerges that there was not any in-depth analysis concerning the specific character of the area and specific measures to address the "mountainous" handicaps. There was no integrated approach for the specific challenges of the area or recognition of the territorial "duality" existing in the region. In addition, from the information about the kind of actions financed in the three mountainous departments (based on the SWECO study) it emerges that basic infrastructure has absorbed more than 80% of the funds and very little support was given to ameliorate the productive environment; innovation has not received any support. Some horizontal actions concerning intervention for the whole mountain chain of Pindus – part of which are the mountainous areas of Sterea Ellada- had no visible success as demonstrated by the economic and demographic situation of the area.

The same situation can be observed within the current OPs where the discussion about the "mountainous" character concerning half of the territory and 14% of the population is completed within one page. The problem of depopulation and the lack of activities (except specific interest tourism) is treated as a problem of intra-regional disparities. Furthermore, the strategic goals and the different actions included in the OPs don't reflect at all the specific situation of the mountainous zone of the region.

5. Quantitative results of the ERDF/CF programme

For the 2000-2006 programming period the indicators are presented per thematic category.

Transport infrastructure (903.6 million euros)
The two targets set for road infrastructure are achieved: 75 km of provincial/interregional roads was improved and 17 km of main regional road axes was constructed.

Theme	Type of indicator	Indicator	Unit	Year target	Target value	Achieved value	Year achieved
Roads	Output	Provincial-Interregional Roads (improved) km	Km	n.a.	70.50	75	2006
	Output	Length of main regional road axes (km)	Km	n.a.	14.36	17	2006

Source: ADE, 2008.

Social and public health infrastructure (80.7 million euros)

Only one target related to the support of health services was set and achieved: 300 new beds in hospitals were created. One special clinical area was also constructed but no target value was available for this indicator.

Measures	Type of indicator	Indicator	Unit	Year target	Target value	Achieved value	Year achieved
Support of Health services	Output	Special clinical areas (Number) Equipment of special hospitality units - Hospitals	Number	n.a.	0	1	2006
	Output	Beds (new) in hospitals	Number	n.a.	300	300	2006

Source: ADE, 2008.

Telecommunication infrastructure and information society (70.4 million euros)

Only one target was set and was achieved for upgrading the infrastructure and equipment in education: 191 new primary and secondary education classrooms were constructed. No target was available for the two other indicators related to the support to actions for innovation and information society. However, 100 new connections with supra local networks were established and 81 Internet Access Centres were created.

Measures	Type of indicator	Indicator	Unit	Year target	Target value	Achieved value	Year achieved
Upgrading of infrastructure and equipment in education	Output	New Primary and Secondary education classrooms	Number	n.a.	158	191	2006
Support of actions for innovation and information society	Output	Connections with supra local networks	Number	n.a.	0	100	2006
	Output	Internet Access Centres	Number	n.a.	0	81	2006

Source: ADE, 2008.

Tourism (39.9 million euros)

Only one target was set in tourism: 5 museums were created or improved and so the target was therefore achieved. No target is available in the domain of promotion of tourism resources but two tourism ports were improved whilst there was no new construction.

Measures	Type of indicator	Indicator	Unit	Year target	Target value	Achieved value	Year achieved
Actions of cultural tourism development	Output	Created or improved museums	Number	n.a.	2	5	2006
Promotion of tourism resources - Upgrading, improvement of tourism infrastructure	Output	Tourism ports constructed (number)	Number	n.a.	0	0	2006
	Output	Tourism ports improved (number)	Number	n.a.	0	2	2006

Source: ADE, 2008.

A summary of the indicators are presented in the following Table.

Output, result and impact Indicators of the Sterea Ellada Region 2000 – 2006 RDP

Priority axis	Indicator		Value planned / achieved	% of goal
1*	**Output Indicators**			
	Result Indicators			
	Km of new and improved rural roads % of existing		81,5% / 81,5%	100%
	No of small SMEs and handcrafts supported		100 / 113	113%
	Beneficiaries % of active population		46% / 46%	100%
	Jobs during life time of project		1605 / 2320	144,5 %
	Impact Indicators			
	New full time jobs		175 / 324	133,8 %
2	**Output Indicators**			
	Museum created or upgraded		7 / 8	114,29 %
	Creation or upgrade of tourism ports		4 / 4	100%
	New Infrastructure for Sewage Treatment		4 /4	100%
	Number of interventions for soil protection		1 /1	100%
	Reconstitution of waste dumps		16 / 26	162,5 %
	Result Indicators			
	Equivalent Population serviced from new and improved water networks % of total population		1500 / 2102	140,3 %
	Equivalent Population serviced from new and improved sewage networks % of total population		65% / 68%	100%
	output Indicators			
	New full time jobs		180 / 180	100%
3	**Output Indicators**			
	Km of main roads of the Region		2076km / 2110 km	126,9 %

	Km of regional roads	2990 km / 3110 km	85%
	New hospital beds	300 / 300	100%
	Special health units	4 / 0	0%
	New education rooms	200 / 240	106%
	Studies for urban planning	60 /71	118%
	Number of integrated urban interventions	6 / 6	100
	Result Indicators		
	Number of hospital beds /1000 inh.	2,1 / 2,1	100
	Increase percentage of education – training in 2nd degree education	9,40% / 9,4%	100%
	Population benefiting from integrated interventions	23610 / 23610	100%
	Jobs during life time of project*	2392 / 1291	54%
	Impact Indicators		
	Permanent capital increase of regional companies	92	
	New full time jobs*	284 / 1291	454%
4	**Output Indicators**		
	New SMEs benefited	215 / 670	**761%**
	SMEs benefited through Reg. 70	200 / 450	156%
	Internet access points	75 / 81	100%
	Extra local networks connections	102 / 92	92%
	Result Indicators		
	Hotel beds upgraded	28500 or 15,5% / 21%	**135%**
	Impact Indicators		
	New full time jobs	1200 / 2612	217%

*: Includes also ESF and EAAGF indicators, all output indicators that could be distinct for other Funds are deleted
Source: European Commission, 2011.

For the period 2007-2013 the indicators are presented in the following Table.

Performance Indicators for the RDP of Sterea Ellada 2007-2013

		Current state	Goal
R&D	Number of projects	1	137
Investment payments for SMEs	Number of SMEs	172	1130
	Of which, number of new businesses	0	68
	Jobs (full time or equivalent)	460	1626
	Investments (Euro million)	256,78	
Information society	Number of projects	210	39
	Population covered by broadband networks	0	2,0%
Transport	Number of projects	95	15
	Km of new – improved roads	154	53
	Km of upgraded railroad lines	18,5	4
Renewable energy	Number of projects	12	39
	Extra potential for renewable energy production (MWh)		263.457
	Annual saving of energy from renewable energy investments (equivalent petrol tons)		40.591
Environment	Population served by water management projects (cohesion fund)	159.830	
	Number of projects for solid waste management (cohesion fund)	8	
	Rehabilitation of former dump areas (cohesion fund)	145	
Hazard prevention	Number of projects	60	15
	Number of persons benefiting from forest fire protection and other forest protection measures	605.329	605.329

Tourism	Number of projects	293	208
Education	Number of projects	80	20
	Number of students served	10600	4800
Health	Number of projects	50	16
Urban development, natural and cultural regeneration	Number of projects	51	
Competitiveness	Number of projects for new businesses and new technologies	15	
Social integration	Number of projects for providing equal opportunities	16	

Source: ADE, 2008.

The performance of the current program has to be checked on two levels: (a) the progress of payments and (b) the achievement of the goals.

. The progress of payments seems to be rather poor as only 10% of the budget has been spent within the first 3 years. From the analysis by axe it is obvious that 2 axes (Urban and industrial waste treatment and assistance to enterprises) have absorbed about 50% of their budget; this obviously concerns projects from the previous programming period that have been transferred to the current one;

. the achievement of goals are inexistent for the actual period;

Some more general conclusions can be made:

• The vast majority of the indicators are output indicators (even those named as result indicators) that reflect more absorption capacities than achievement rates of certain goals necessary to change the state of the region; further more these indicators are too general (mainly in the actual programming period) which makes it very difficult to fail;

• There is no methodology to explain how these indicators are calculated in order to estimate the efficiency of the system and there is no specification for the mountainous area. For instance, there is no information about the per km cost of a national, regional and local road in the mountainous zone and the comparison to cost of construction on the rest of the area; there is no information about the cost of a job created, or the creation of a company etc. Moreover, for the most common impact indicator used, number of jobs created, its calculation is directly linked with the "human-months" required to complete the project and the expected impact in the labour market of the project in question. But the lack of a coherent and robust methodology that can link projects with job creation is missing. The establishment of empirical linkages via researching the impacts of existing projects could prove very useful here.

• We know nothing about the allocation of budget between different actions; we know nothing about the shrinkage of the budget allocated to innovation and the "inflation" of other budgets easy to absorb like the grants to business;

• There are no result and impact indicators in order to examine if the overall goals of the program are achieved and it is difficult to know if the goals of 2000-6 program were achieved after the successful completion of the program in 2008 and the absorption of all the allocated funds. We don't know anything about the diversification of the tourist product, the amelioration of the quality of the services offered; furthermore, we don't know if more tourists came and their impact on regional GDP. There is no information of the kind of business (the activity branch) that are supported and how this has

reinforced the competitiveness of the local economy. Moreover we know nothing for the specific mountainous areas.

- The over-achievement of some of the goals set seems to imply that either the original goals were very low, or that the indicators' values were not changed during the revision of the OP. In any case, this demonstrates once more the lack of a coherent methodology for setting goals and therefore the difficulty in evaluating the results and the impact of projects. Further empirical research would prove very valuable in this regard.

6. ERDF Governance and complementarities with other sources of funding

The governance of EU programs is very centralized in Greece. Everything is decided within the central government and administration and the power left to deconcentrated (ex – Regional authorities) and decentralised bodies (local authorities at the level of NUTS3 and below is very limited (i.e. choice of projects to be financed). The main stakeholders involved in the decision making system are the Ministry of Economy, the Secretary General and the Managing Authority of the region. The vast committee of stakeholders (about 50 persons for Sterea Ellada region during the period 2000-06 and about the same number persons for the OP of Sterea Ellada, Iprios and Thessalia) has only a consultative role even if it is composed by elected members of local authorities, representatives of CCIs, hoteliers, farmers etc.

In July 2011, there will be new rules for the planning and the implementation of EU and national funds. The responsibility will transfer from the centrally appointed General Secretary of Region to the newly elected body at the regional level. This will bring about some potential changes in the system of governance.

The region receives also financial assistance from other EU and national funds for the two programming periods. During the previous programming period there was one integrated multi fund program with actions financed from all the EU funds; in this way the programming and the governance procedures were unified and it was relatively easier for the Stakeholders to have a global view of progress, the problems and the needs of the area and for the Managing Authority to organise better the complementarities between the different actions and adapt the actions to local demands. For instance there was an axis 4 dedicated to "Rural development" (the area has an important rural sector), where actions where funded from ERDF, ESF, EAGGF and FIFG; even for Urban Development there was complementarities between infrastructures and social interventions decided locally of course within the common european and national rules and priorities.

During the current programming period, the decision to manage the EU programs separately has complicated even more the procedures and no real synergies are possible anymore; this is obvious when reading the programming documents and is reinforced by the use of parallel procedures for the different funds.

7. Conclusion

The specific ERDF/CF programmes for Sterea Ellada have not taken into account its specific geographical characteristics. The analysis has demonstrated that the region is very diverse in its natural and human geographical characteristics (some NUTS 3 areas are mountainous and sparsely populated, others very developed, with acute environmental problems), but the OP has failed to incorporate this diversity into its strategies and goals.