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Annex of the Final Report

Mini-case studies of good practice examples

Work Package 12

*Ex post evaluation of Cohesion Policy programmes
2007-2013, focusing on the European Regional
Development Fund (ERDF), the European Social Fund (ESF)
and the Cohesion Fund (CF)*

Contract: 2014CE16BAT046

*March 2016
Submitted by: KPMG and Prognos*



prognos

EUROPEAN COMMISSION

Directorate-General for Regional and Urban Policy
Directorate B - Policy
Unit B.2 Evaluation and European Semester

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Mini-case studies of good practice examples

Annex Task 6: Final Report

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Luxembourg: Publications Office of the European Union, 2016

ISBN 978-92-79-61962-5

doi: 10.2776/042100

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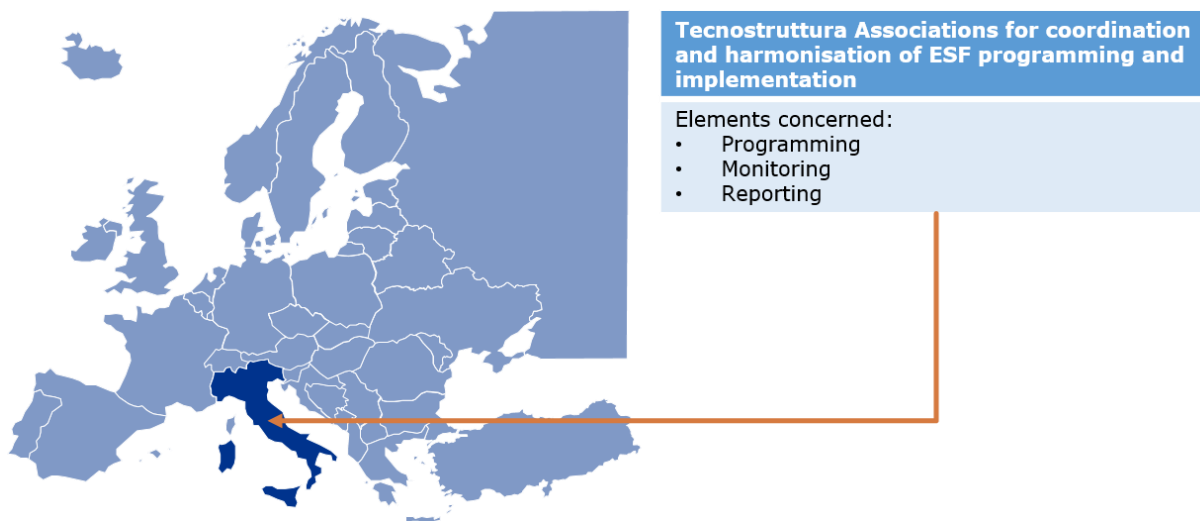
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1. TECNOSTRUTTURA ASSOCIATIONS FOR COORDINATION AND HARMONISATION OF ESF PROGRAMMING AND IMPLEMENTATION



Good practice description

Tecnostruttura is a coordination and technical assistance association in which all regional governments (i.e. its constituency) participate. The association provided its support to Italian ESF Programmes through the shared project 'Institutional Technical Assistance to Regions and Autonomous Provinces – POR FSE 2007–13', approved in 2008. The project targeted all Italian administrations without differentiating between competitiveness and convergence objectives. Its declared aim was to enhance, in operational terms, the integration, confrontation and exchange between provincial, regional and national administrations. In general, Tecnostruttura is well placed to facilitate the circulation of good practices and the accumulation of collective intelligence for the development of the programming cycle. It provides a forum for the coordination, discussion and synthesis of regional needs both internally, among regions, and externally with national and European stakeholders.

1.1 Background

Institutional fragmentation and poor coordination across and even within various levels of governance pose important challenges to the implementation of Cohesion Policy. In the area of programming, these can result in policies that are incoherent, too broadly defined or detached from a region's needs. In monitoring and reporting, fragmentation and lack of coordination can hamper a country's ability to gain a comprehensive picture of the state of achievement and relevance of policy objectives. This can prevent a systematic and strategic reflection on what is being implemented, which has the potential to negatively affect the effectiveness of Cohesion Policy by lowering accountability, responsiveness and ultimately the delivery of (relevant) results. A recent report from the Expert Evaluation Network of DG REGIO on the performance of Cohesion Policy confirms that, in general, 'There is a need for better coordination and integration between policies and funding as well as for more precise definitions of policy goals and of what they are intended to achieve from the financial resources made available'.¹ This also applies to the

¹ See: Ciffolilli, A. et al. (2014). Expert Evaluation Network on the performance of Cohesion Policy 2007–2013. Synthesis of National Reports 2013, p. 94-100, and further reports by the Expert Evaluation Network delivering policy analysis on the performance of Cohesion Policy 2007–2013 (2013).

policy field of employment and social affairs, where national regulation and standards play an important role, and interregional spillover effects can be sizeable.²

Italy has a regional public administration system characterised by 'concurrent' competencies of national and regional governments in a wide range of policy areas, especially since the constitutional reform of 2001. After this reform, only a few policies have been exclusively managed at the national level, with the majority being implemented at the regional level, although national administrations sometimes retain the role of coordinating and promoting national standards. The setup of Cohesion Policy delivery in Italy reflects the complexity of this administrative system: Italy implemented 58 Operational Programmes in the 2007-2013 programming period, managed at international, national and regional levels. A total of 42 Operational Programmes were implemented regionally, and only six Operational Programmes, focusing on horizontal issues, were implemented nationally. The ESF financed 24 Operational Programmes in the 2007-2013 period. Three of these were national, while the remaining 21 were regional. The Italian association 'Tecnostruttura delle Regioni per il Fondo Sociale Europeo' (henceforth Tecnostruttura) provided its support to these latter 21 Programmes and emerged as a good-practice example for its ability to confront institutional fragmentation and put forth an institutional solution to promoting coordination in the conception and delivery of Operational Programmes in the area of employment and social affairs.

1.2 Good practice description

Tecnostruttura is a coordination and technical assistance association in which all regional governments (i.e. its constituency) participate. It officially formed in 2002, though it had been active since the mid-1990s as a working group within the Permanent Conference of Italian Regions and Autonomous Provinces ('Conferenza Permanente delle Regioni e delle Province Autonome'). Tecnostruttura is legally a private law-based operating agency at the service of regional governments in the programming and delivery of Cohesion Policy Funds. According to its Statute,³ the institutional bodies composing Tecnostruttura are: the General Assembly ('Assemblea dei soci'), the President and the Vice-President, the Executive Committee and the Board of Auditors. The General Assembly consists of representatives of each participating region or autonomous province, and specifically the President of the Region or a person delegated by the President of the Region. The Assembly is chaired by a President or, in the case of his or her absence, by a Vice-President, and meets at least twice a year. Moreover, when at least five members of the association request to meet, the Assembly convenes within ten days.

Tecnostruttura is financed through a yearly membership fee of EUR 40,000, paid by each region or autonomous province, and by technical assistance resources granted for its activities.⁴ According to the Italian open data platform OpenCoesione, Tecnostruttura obtained about EUR 8.6 million in technical assistance contributions for activities carried out in the 2007-2013 period.⁵

Tecnostruttura is well placed to facilitate the circulation of good practices and the accumulation of collective intelligence for the development of the programming cycle. It

² See Chapters 3 and 5 of the Final Report of this Work Package for more information.

³ The Statute of Tecnostruttura is available online at: http://www.tecnostruttura.it/info-statuto/show.php?id_pagina=51

⁴ For an overview of Tecnostruttura's revenues in 2016, see: http://www.tecnostruttura.it/show.php?id_pagina=1310

⁵ See query run on the OpenCoesione online database on 14 February 2016: http://www.opencoesione.gov.it/progetti/?q=tecnostruttura&selected_facets=fonte:FS0713

provides a forum for the coordination, discussion and synthesis of regional needs, both internally, among regions, and externally with national and European stakeholders. The association provided its support to Italian ESF Programmes through the shared project 'Institutional Technical Assistance to Regions and Autonomous Provinces - POR FSE 2007-2013', approved in 2008. The project targeted all Italian administrations, without differentiating between competitiveness and convergence objectives. Its declared aim was to enhance, in operational terms, the integration, confrontation and exchange between provincial, regional, and national administrations. To this end, Tecnostruttura defined a multi-annual activity plan, whose implementation was carried out under the close scrutiny of the involved stakeholders (the regions and the autonomous provinces), to whom Tecnostruttura reported annually.

According to the plan, and in accordance with the terms of its remit,⁶ Tecnostruttura performs the following core services for its members.

- It gathers information on programming or implementation problems experienced by the regions; provides analysis, synthesis and evaluation thereof; and represents regional and local administrations in their needs, by coordinating appropriate responses.
- It provides operational, technical and juridical support by making relevant documentation available to regional and local administrations.
- It carries out information, documentation and promotion activities, delivered centrally from its legal office in Rome, on subjects relevant to its constituents' needs.⁷
- It performs analyses and studies on the structures, functioning and use of the ESF funding, with particular attention paid to good practice.
- It regularly monitors and communicates the development and implementation of national and regional policies on the labour market, professional development, and education.
- It regularly produces technical publications, namely the online magazine 'Arianna News', the quarterly journal 'QT-Quaderni di Tecnostruttura' (published since 2000) and two specialised series, 'Instruments' and 'Library of the Regions', to promote and make full use of good practice.
- It provides a formalised setting for peer learning amongst participating officials and directors of regional administrations.
- It delivers training to officials of regional administrations on technical matters falling within its area of competence.

In the past, Tecnostruttura has also supported regions in project selection activities by carrying out a first-level technical assessment and pooling of viable proposals into a so-called 'project park'.⁸ Tecnostruttura also played an important role in coordinating the programming of the 2014-2020 period.

⁶ See the Statute of Tecnostruttura.

⁷ These are organised into eight macro areas: programming of ESF resources, education, interregional/transnational programmes, labour and employment, reform of title V of the constitution, professions, research and innovation and sustainable development. A more detailed overview of these themes is available at: http://www.tecnostruttura.it/info-temi/show.php?id_pagina=8

⁸ This task, however, was not performed during the 2007-13 period. For further details, see: http://www.tecnostruttura.it/info-parco_progetti/show.php?id_pagina=219

1.3 Main benefits

Our analysis reveals that, with Tecnostruttura, Italy successfully established a programming and implementation support structure that harmonises the individual positions of all regions into a 'system perspective', with positive repercussions on policy development and delivery processes. In Italy, programming exhibited a more balanced application of regional and national inputs, including the development of both the National Strategic Reference Framework (NSRF) and the Operational Programmes, which was partly facilitated by Tecnostruttura. More specifically, the following primary benefits linked to Tecnostruttura were identified:

- the provision of an inter-institutional forum for discussing and solving problems related to the programming and implementation of Programmes in all Italian regions;
- better identification, in all regional contexts, of specific needs and features, taking into consideration how they relate to national and European stances;
- action at the regional level to harmonise interventions and, when needed, operate changes and corrections during the implementation stage to achieve this purpose;
- the identification of and learning from good practice in all regions;
- delivery of continuous support to regions to overcome problems related to policy content or implementation procedures;
- better coordination and knowledge sharing of implementation procedures, leading to more effective linkages among these procedures across Italian regions.

Finally, although it does not expressly mention Tecnostruttura, a 2010 OECD report on Policies to Promote Regulatory Reform and Entrepreneurship at the Subnational Level highlights the Italian 'Conference System' mechanism—on which grounds Tecnostruttura was established—as a successful practice for institutional solutions for the vertical and horizontal coordination of regulatory activities.⁹

1.4 Factors for success

Contextual factors

No specific contextual factors were identified for the successful implementation of Tecnostruttura. There are, however, contextual factors that determine whether or not establishing an organisation of this kind is desirable for a country; that is, whether or not a country needs an institution responsible for coordination and technical assistance. This solution could be most beneficial for Member States characterised by:

- a fragmented institutional environment with decentralised policy-making responsibilities; and, consequently,
- highly decentralised implementation structures for Cohesion Policy that could hinder coordinated policy responses, particularly in the presence of spillover across regions.

Conceptual and practical factors

The success of Tecnostruttura's processes and services stems from the fact that they are the result of interaction and discussion between the various actors involved in the

⁹ García Villarreal, J. P. (2010): *Successful Practices and Policies to Promote Regulatory Reform and Entrepreneurship at the Sub-national Level*, OECD Working Papers on Public Governance, No. 18, OECD Publishing, p. 30.

programming of ESF resources at the regional level, independent from any other political influence. In particular, the role played by Tecnostruttura, as well as the uniqueness of its institutional representation, are influenced by the following factors.

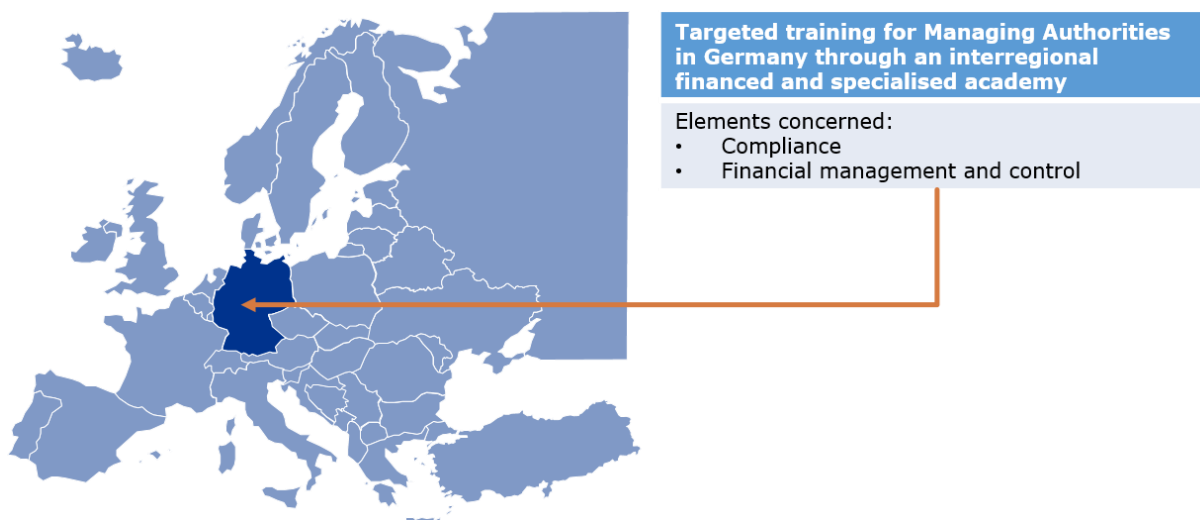
- Regions and autonomous provinces are granted full autonomy in allocating tasks to Tecnostruttura, either directly or through the Conference of Italian Regions, and specify objectives and limits thereof.
- Similarly, regions and autonomous provinces steer the definition of the modalities and institutional settings for participation in and exchange within the association, as well as the scope of the intervention of Tecnostruttura.
- Finally, through the Assembly, regions and autonomous provinces define the overall strategies and priorities of Tecnostruttura's operations.

In sum, the quality of and value added by Tecnostruttura's services hinge on the mandate specified by the regions within the statutory goals of the association. Moreover, the effectiveness of Tecnostruttura's actions are further enhanced by the fact that regional decision-makers directly participate in the peer-exchange process through the Assembly, meaning that learning occurs right where it can make a difference.

1.5 Transferability

This practice can be transferred rather easily to other Member States, since our analysis did not reveal any country-specific or contextual factors on which the success of this measure depends. On the other hand, as previously specified, there are conditions that influence whether or not a country may find the establishment of a coordinating association like Tecnostruttura beneficial. In general, the establishment of coordination mechanisms is of growing importance to the effectiveness of regulatory frameworks in all countries. However, the practice described herein is especially relevant to Member States in which regulatory powers are devolved across government levels, and where Cohesion Policy implementation is decentralised.

2. TARGETED TRAINING FOR MANAGING AUTHORITIES IN GERMANY THROUGH AN INTERREGIONAL FINANCED AND SPECIALISED ACADEMY



Good practice description

A working group consisting of representatives from the national (Bund) and regional (Bundesländer) level developed the idea for a specialised series of seminars on the topic of European Structural Fund implementation for the staff of Managing, Certifying and Audit Authorities and intermediaries of the Structural Funds in Germany. Covering a wide range of topics concerning procurement, state aid, audits and controls, the series focused less on theory and more on the application of theory and the practical aspects of the delivery of the Structural Funds. The seminars used a peer-to-peer approach: experienced practitioners led the seminars, and only moderate participation fees were charged.

The seminar series was a result of an increased awareness among regional actors that different regions in Germany were facing the same challenges and could realise synergies by facilitating the exchange of experience across regions. The participants from different German regions have developed a common understanding of the main challenges, such as state aid, eligibility rules, procurement, etc. through the seminars themselves, but also through the closer contact and stronger networks that have emerged from these training sessions.

2.1 Background

As a federation, Germany implements the European Structural Funds in a regionalised manner at the level of the 'Bundesländer,' or federal states (also referred to as Länder). In addition to two national Operational Programmes (the ERDF and ESF), each Bundesland, or state, implemented a regional Operational Programme for each fund for the 2007-2013 programming period.¹⁰ Therefore, each Bundesland has at least one Managing Authority, one Certifying Authority and one Audit Authority that are in charge of delivering the European Structural Funds and form part of the regional government.

During the 2007-2013 programming period, participants of a Bund-Länder Audit Authorities working group felt the need to bring the regional institutions involved in the delivery of the Structural Funds closer together and to facilitate the interregional

¹⁰ With Lower Saxony implementing two Operational Programmes for each fund, one for its convergence territories and one for its competitiveness territories.

exchange of experience. Challenges recognised by these regional institutions were e.g. reaching a common understanding of the interpretation of the European legislation in the German context in order to improve legal certainty or to harmonise control and audit methodologies. The overarching aim of the seminar series was to establish a learning forum that offered specialised training for practitioners from public authorities (initially focussed on Audit Authorities) and facilitated the exchange of experience and networking within the community working with the Structural Funds in Germany. The organisation of the training and the provision of the training facilities was assigned to the Academy Mont-Cenis, the training academy of the Ministry for the Interior and Municipal Affairs of North Rhine-Westphalia.¹¹

2.2 Good-practice description

In the beginning of the programming period 2007-2013 a series of training sessions for Audit Authorities on public procurement in the context of the European Structural Funds was implemented in a peer-to-peer format. In the following years, seminar topics were broadened and both Managing and Certifying Authorities, as well as intermediaries, were included as target groups for the training. The seminars and training sessions on the delivery of the Structural Funds offered by the Academy Mont-Cenis cover a wide range of topics each year. Topics include audits of public procurement, audits for financial instruments, system audits, sampling techniques, on-the-spot checks and the application of state aid law.¹² Lecturers are usually practitioners with extensive experience in Audit or Managing Authorities, which allows for the training to focus on practical issues. For example, lecturers might discuss procurement law in general but also demonstrate how to perform a proper audit of a procurement process within the context of the Structural Funds. The lecturers pass on their hands-on experience to the participants while highlighting the most common pitfalls in practice.

The seminars are conducted with a minimum number of 10 participants. On average, between 12 and 15 participants take part in each seminar. The seminars are usually held at the Academy Mont-Cenis in Herne, North Rhine-Westphalia, which is the official training academy of the Ministry for the Interior and Municipal Affairs of North Rhine-Westphalia. In this function, the academy offers training for public servants in general. The Academy Mont-Cenis is in charge of organizing the seminars and providing the facilities. The series of seminars on the delivery of the Structural Funds is open to public staff from all German Länder. Alternatively, the seminars can also be conducted as in-house training if there are enough participants in an authority or region and the facilities can be provided.

Participation fees cover the cost of the seminars. Participants pay around EUR 400-600 for a two- to three-day training session, inclusive of accommodation and meals. Compared to seminars from private and profit-oriented training academies, the participation fees for the peer-to-peer seminars at Mont-Cenis are moderate. The participation fee and travel expenses can usually be charged to the technical assistance budgets of the respective Operational Programme, depending on the specific provisions for each Bundesland. The lecturers of the seminars are reimbursed for their travel expenses and receive a small remuneration. They usually take leave from their jobs in public administration to be able to offer the training.

Many participants attend the seminars regularly in order to cover new topics or attend seminars they have already participated in as refresher training. Participants appreciate

¹¹ <http://www.eakademie.nrw.de/index.php>

¹² http://www.eakademie.nrw.de/02-Alles-ueber/01-seminare/02-programm_2016/13-nach-Zielgruppen/Strukturfondsfoerderung.php

the seminars for their tailor-made content, including relevant hands-on experience from practitioners in the field who know about the most pressing needs of the targeted authorities from their own daily work experience. In addition, the seminars provide a good opportunity for networking.

Over the years, the seminars have provided training to a wide range of participants on the implementation of the Structural Funds at Academy Mont-Cenis. The series has created more and better opportunities for the formal and informal exchange of experience between staff in Audit and Managing Authorities from different regions. It has contributed to bringing the community of people involved in the delivery of the Structural Funds in public administration together and to enabling stronger cooperation.

2.3 Main benefits

Based on the analysis, the following main benefits were identified.

- The staff of Audit and Managing Authorities improved their qualifications while receiving very practical and readily applicable information. The information and experience they gained have helped them avoid mistakes and errors.
- Participants learned practice-based ideas and solutions directly from lecturers who share their experience and recent issues arising from their daily work.
- The series of seminars has provided opportunities for networking and the (formal and informal) exchange of experience. This has contributed to a strengthening of the common understanding of challenges in the areas of procurement and state aid, as well as cooperation between Audit and Managing Authorities from different regions. The networking experience also helped establish the trust necessary for colleagues from different regions to approach one another directly to identify fast solutions in a bilateral exchange.

2.4 Factors for success

The federal system and the regional implementation of the Structural Funds in Germany created the need to bring practitioners from different regions together. The following factors helped to successfully address this need.

Contextual factors

The main factors identified for success were the following.

- Well qualified and specialised staff in public administration.
- Availability of experienced lecturers working in the implementation of the Structural Funds who contributed their hands-on experience.
- Facilities and structures for the training sessions were already in place; and
- There was political support and inter-institutional cooperation in the Länder for establishing a series of lectures and making participation fees chargeable to the technical assistance budgets of the regional Operational Programmes.

Conceptual and practical factors

The main factors identified for success were the following.

- Focusing on practical aspects of the implementation of the Structural Funds for a very specific target group made the seminars especially valuable to the participants (in contrast to theoretical seminars for a broader audience).

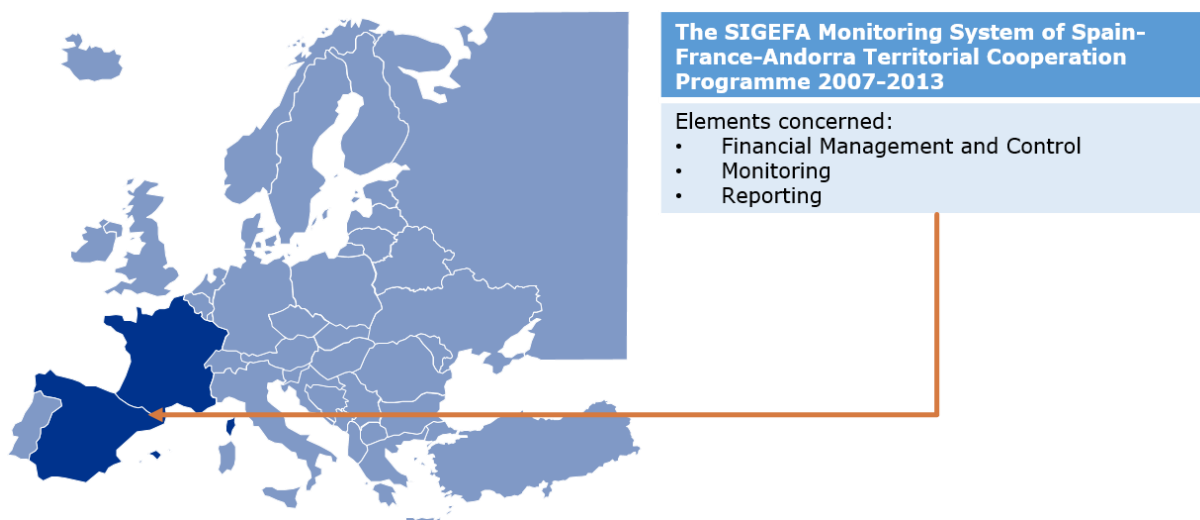
- The training academy offers good physical infrastructure for informal networking. Therefore, participants are naturally inclined to stay with the group for networking activities.

2.5 Transferability

The example of this seminar series has high transferability for Member States with well qualified and specialised staff within public administration and extensive experience in the implementation of the Structural Funds, which is relevant especially for the Nordic countries and Western Europe. Only when there are enough experienced lecturers and examples of best practice to pass on do participants really benefit from the seminars. Lecturers should be familiar with the specific context of the implementation of the Structural Funds in the respective Member State, which complicates a possible 'import' of lecturers from other, more experienced Member States.

Member States with a federal decentralised administrative system and regional Operational Programmes would benefit more from the implementation of a series of lectures on the implementation of the Structural Funds. There is a greater need for and a higher benefit from connecting actors performing similar tasks in different regions.

3. THE SIGEFA MONITORING SYSTEM OF SPAIN-FRANCE-ANDORRA TERRITORIAL COOPERATION PROGRAMME 2007-2013



Good practice description

To facilitate the submission of information for the applicants and beneficiaries and to monitor the implementation of the Spain-France-Andorra ETC programme (POCTEFA) 2007-2013, the Joint Technical Secretariat implemented SIGEFA, an e-Cohesion solution and monitoring system. This system integrates multiple sources of information, e.g. information from the beneficiaries or from audit reports, making it available to different types of stakeholders such as the Managing, Certifying and Audit Authorities, beneficiaries or members of the Monitoring Committee (with different user privileges). SIGEFA allows for information and data searches on projects and beneficiaries can at all times monitor independently their claims for reimbursement and their financial and material indicators. SIGEFA allows Managing Authorities, Intermediate Bodies and the beneficiaries to follow-up their implementation progress via indicators and reports, providing an on-going monitoring of the outputs and results. The Monitoring Committee can enter the system at any time to check the progress (actions and expenses) of the projects at all implementation stages. Based on this information, any implementation problems can be anticipated.

Monitoring efforts have significantly been reduced as all data are available within a single comprehensive system. Transparency has increased thanks to the system, and the information that is available widely is more up to date. The basis for reflection on implementation (problems) has improved and decision-making is now better supported.

3.1 Background

In 1983 the Pyrenees Working Community (CTP) was established in order to promote coordinated development solutions in the cross-border regions of the Pyrenees. Its members comprise the four Spanish regions Aragón, Cataluña, Navarra and País Vasco, the three French regions Aquitaine, Midi-Pyrénées and Languedoc-Roussillon as well as Andorra. The CTP was in charge of the administration of the Interreg IV-A Operational Programme POCTEFA¹³ 2007–2013. POCTEFA 2007–2013 had a budget of 168 million EUR from the ERDF funds to promote economic, social and environmental cross-border activities. A total of 152 projects were implemented containing approximately 700

¹³ The acronym POCTEFA stands for "Programa Operativo de Cooperación Territorial España-Francia-Andorra" in Spanish or "Programme Opérationnel de Coopération Transfrontalière Espagne-France-Andorre" in French.

beneficiaries under POCTEFA in the 2007–2013 period¹⁴ In order to facilitate the administration of POCTEFA, a tailor-made monitoring system was established in the form of an IT application at the beginning of the programming period.

3.2 Good practice description

During an audit of POCTEFA in the 2000–2006 programming period, the recommendation surfaced to implement a system that bundles information stored in different data bases and makes information more easily accessible to stakeholders. This recommendation was put in action in the 2007–2013 programming period. The development of a tailor-made monitoring system was commissioned at the start of the programming period. The new system, known as SIGEFA, which stands for “Sistema de Información y de Gestión España Francia Andorra” in Spanish or “Système d’Information et de Gestion Espagne France Andorre” in French, became operational in September 2008.

SIGEFA integrates multiple sources of information and stores all information and documents related to project applications and implementation. It also stores information related to the financial and technical aspects of a project as well as indicators for financial and implementation monitoring, controls and audits. SIGEFA gives different user privileges to relevant stakeholders according to their informational needs. SIGEFA distinguishes users from the Managing Authority, the Joint Technical Secretariat, Certifying and Audit Authority, Project Lead Partners, Partners and members of the Monitoring Committee, etc. The system enables information and projects to be searched according to several criteria, such as priority, subject, ERDF amount, region/area and country. Beneficiaries can enter and access their project details, receive up-to-date information on the state of their declared expenses, access their control reports and report and check their financial and material indicators.

Financial management and control of projects can be done easily and efficiently. SIGEFA holds all documents from the certifying cycle and for the audit trail. For example, financial reports from all project partners can be found in SIGEFA, including aggregated financial reports and project claims by the Lead Partner of the project as well as reports of first-level control. The Managing Authority and the Joint Technical Secretariat can easily check on the administrative, financial, technical and physical aspects of all projects. De-commitment targets can easily be followed and remedying action can be undertaken on time. The Certifying and Audit Authority can easily check first-level control results and obtain all necessary information for second-level controls or audits from the European Commission. SIGEFA enables the audit trail of every expense declared to be followed, even if it is decertified at a later date.

SIGEFA allows the tracking of the implementation via the indicators in the beneficiaries’ reports as a kind of on-going monitoring of the outputs and results. Members of the Monitoring Committee can investigate individual projects to check on their progress (actions and expenses) and thereby anticipate possible implementation problems. SIGEFA also facilitates monitoring and reporting to the Managing Authority and the Joint Technical Secretariat. The system allows output and results indicators to be extracted for Annual Implementation Reports or presentations on the POCTEFA. Necessary information can easily be retrieved and indicators aggregated at a project, priority or programme level. Better information availability leaves more time for analysis, reflection and supported decision-making.

SIGEFA also supported the delivery system beyond simple monitoring, and resulted in efficiency gains for its users. Monitoring efforts were reduced significantly as all data was

¹⁴ <http://www.poctefa.eu/programa/poctefa-2007-2013/>

available within the same system and could be tailored to specific informational needs. The availability of up-to-date information supported the implementation process to be reflected upon and influenced decision-making. Independent access to information created a greater ownership of the implementation as information was transparent and accessible to all stakeholders involved.

The positive experience with SIGEFA will be continued. For the 2014–2020 programming period an updated SIGEFA system is being implemented to monitor the implementation of the Operational Programme POCTEFA 2014–2020.

3.3 Main benefits

Based on the analysis, the following main benefits were identified.

- There were efficiency gains for the entities involved in the administration of the Operational Programme POCTEFA, such as the Managing, Certifying and Audit Authority and the Joint Technical Secretariat, as a result of the availability of a single monitoring system and the reduced efforts needed for collecting data.
- Easier access to specific and up-to-date information in the monitoring system left more time for analysis, reflection and decision-making for authorities and the Monitoring Committee.
- Better access to information contributed to a higher sense of ownership regarding the implementation among the stakeholders
- Access for all different type of actors increased transparency of the Operational Programme's implementation
- All actors were linked by one system, which may have increased a common understanding of the tasks that needed to be carried out for Financial Management and Control and Monitoring.
- The role of the Monitoring Committee was strengthened as they were always up-to-date and did not depend on the information provided by the Managing Authority.

3.4 Factors for success

Contextual factors

The main factors identified for success were the following:

- There was a sufficiently developed IT infrastructure and computer literacy at the entities involved in the administration of POCTEFA as well as at the (potential) beneficiaries.
- Users, i.e. beneficiaries had experience using specialised IT systems for the management of the Structural Funds, e.g. with PRESAGE¹⁵, as used by the public authorities in France, on which the development of SIGEFA was built.
- A comparatively small Operational Programme and a small number of beneficiaries (around 700) may have made it easier to introduce such a system.

Conceptual and practical factors

The main factors identified for success were the following:

¹⁵ <http://presageweb-info.asp-public.fr/>

- As the systems for financial and material monitoring were combined in SIGEFA, beneficiaries may have had higher incentives to use the system and also provide good quality data on material indicators. Usually, beneficiaries are interested in keeping the financial aspects of their project up-to-date in order to receive reimbursement for their expenses in reasonable time. Joining the system for financial and material indicators reduced the beneficiaries' efforts in recording material indicators as they could be introduced into the same system simultaneously.
- The staff were highly motivated to develop a new approach and improve the system
- A suitable service provider was available to become familiar with the specific requirements and terminology of Financial Management and Control, Monitoring and Reporting in the context of the ERDF.

3.5 Transferability

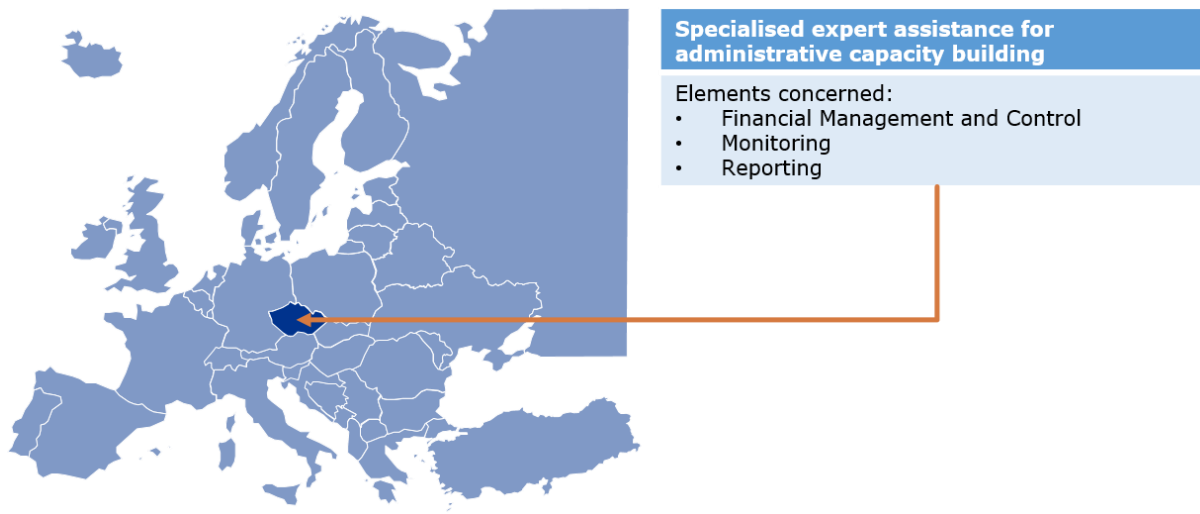
The transferability of an elaborate IT-based monitoring system like SIGEFA relies on an advanced ICT infrastructure and computer literacy among public authorities and (potential) beneficiaries. This should be available in most Member States, and is especially available in the clusters C1 (Nordic Countries) and C2 (Western Europe). Transferability needs to be assessed critically in the case of Operational Programmes targeting significantly less developed regions (e.g. rural regions in the newer Member States), that might still lack sufficient technical infrastructures within the beneficiaries. Problems with transferability might also arise for Operational Programmes targeting a wider range of beneficiaries or a more complex set of priorities and projects.

Although the implementation of a monitoring system such as SIGEFA might be easier with fewer stakeholders involved, the benefits would be greater for Operational Programmes with a large number of homogenous beneficiaries, as more stakeholders can profit from its efficiency gains. Benefits should also be greater where data gathering and harmonisation has to overcome more obstacles, e.g. in the case of ETC Operational Programmes where stakeholders in different Member States are asked to pool their data together. On the other hand, it requires higher efforts for coordinating the set-up of a harmonised system in the context of cross-border cooperation.

The initiative of the Interact Network to offer an IT module for monitoring all ETC Operational Programmes for the 2014-2020 programming period¹⁶ could facilitate the transferability of integrated IT-based monitoring solutions to other regions. This solution could decrease barriers for implementing IT-based solutions for the 2014–2020 programming period, creating a readily available starting point for further customised IT-solutions.

¹⁶ http://www.interact-eu.net/e_ms/electronic_monitoring_system_e_ms/578/17420

4. SPECIALISED EXPERT ASSISTANCE FOR ADMINISTRATIVE CAPACITY BUILDING



Good practice description

The project aimed at improving the administrative capacities of Managing Authorities and Intermediate Bodies of the individual Operational Programmes by providing them with expert assistance from various fields of expertise, such as public procurement law, tax and payroll as well as accounting advisory.

These authorities were able to request expert assistance for onsite inspections, preparation of comprehensive analytical outputs and administration of the projects or project management. In addition, the project team presented a number of proposals for the improvement of the functioning of the Managing Authorities and the Operational Programmes themselves.

The project was implemented via a framework contract with a private consultancy company and lasted from 1 March 2012 through 31 December 2013.

4.1 Background

In the Czech Republic, Cohesion Policy support was introduced after the accession into the EU in 2004. Therefore, the first programming period in the Czech Republic lasted only from May 2004 to December 2006. As a result, the first programming period in which the various Czech stakeholders could fully benefit from the support of EU Cohesion Policy was that of 2007-2013. However, the general state of the organisational setup as well the overall institutional framework represented a significant barrier to the effective use of the European Funds. The excessive number of Operational Programmes resulted in a heavy, complicated implementation system, a condition which was further complicated by the lack of properly qualified staff and the high level of staff fluctuation (around 20%). The immaturity of the institutional and organisational framework was also multiplied by the final beneficiaries' limited knowledge of regulations, rules and procedures governing Cohesion Policy. Consequently, significant problems in implementation emerged concerning slow absorption, low effectiveness and a relatively high share of irregularities. These problems, which were also exacerbated by insufficient independence of delegated

audit bodies from the respective Managing Authorities¹⁷, resulted in the European Commission suspending several Czech Operational Programmes during the course of the 2007-2013 programming period.

Consequently, as a result of the dissatisfaction of the Czech and EU authorities with this state of affairs, several measures to remedy the situation have been adopted by the Czech authorities responsible, including the adjustment of the organisational setup of the delivery system to guarantee the independency of audit bodies. The National Coordination Authority identified the area of compliance and financial control as one of the most problematic areas, impinging not only upon the absorption rate, but also upon the overall effectiveness and efficiency of Cohesion Policy support. Therefore, with the help of Operational Programme Technical Assistance, a special project was prepared and supported to enhance the capacity of Managing Authorities and Intermediate Bodies in this sphere.

4.2 Good practice description

Given the weaknesses in capacities and expertise regarding compliance and financial control among the staff of the implementation system, a private sector consultancy firm was contracted to provide a range of services to Managing Authorities and Intermediate Bodies. The goals of the project, as well as the spectrum of demanded services, were defined by members of the Working Group for Control, Audit and Irregularities, operating under the National Coordination Authority.

Importantly, at the start of the project, the framework contractor held a meeting with Managing Authorities and Intermediate Bodies to explain the project's main goal, the spectrum of services offered and the detailed modalities of mutual communication and collaboration between the contractor and the implementing authorities. The following services were offered:

- direct participation of consultants in onsite controls;
- elaboration of comprehensive expert reports on various subjects, including on public procurement law, taxation, payroll and accounting;
- assistance in the performance of various administrative tasks;
- presentation of a number of proposals for the improvement of the functioning of the Managing Authorities and the Operational Programmes.

Crucially, all these services had a strictly hands-on approach, i.e. represented a direct participation of consultants in particular tasks as required by the clients. In addition to these services, the contractor was obliged to elaborate several analytical reports (in addition to standard monthly reports) suggesting various sorts of adjustments of the system or representing methodological guidelines.

¹⁷ The audit process in the Czech Republic was organised in a decentralised way. The model, as originally designed, consisted of a set of Delegated Audit Bodies (DAB) that were incorporated into the structure of the institution that was responsible for the management of a given Operational Programme. The fact that both Managing Authorities and Delegated Audit Bodies were based at the same institution (i.e. line ministry) resulted in too-close relationships between the two entities. Moreover, the decentralised network of audit bodies also led to an incoherent approach to various audit activities. Interviewees from the Managing Authority, with their internal perspective on the delivery system, identified two major problems with this structure, namely 1) overlapping responsibilities and 2) concerns regarding the independence of audit processes due to the risk that audit bodies embedded within the same institutions as their corresponding Managing Authorities were more easily exposed to external influences. For further information, see the case study report on the Czech Republic conducted as part of this ex post evaluation (Task 5).

Regarding the communication and form of cooperation, the Managing Authorities and Intermediate Bodies were invited to formulate their requests for specific services on a monthly basis. Even though planning on a monthly basis seemed sufficiently flexible, when put into practice, it proved to be impossible for the implementing authorities to foresee and specify all demands in advance for the coming month (in terms of expertise required as well as in terms of the estimated number of work hours or man-days). Therefore, it was agreed with the contractor that they would set aside a portion of the capacities of their consultants to form a certain reserve for the provision of ad hoc support. The volume of this reserve was first set at the level of 30% of the overall capacity of the contractor, but as the planning capacity of Managing Authorities and Intermediate Bodies gradually improved, this level was decreased to 10%. Ad hoc demands were mostly represented by unexpected needs for expert reports on specific issues. In contrast, ad hoc onsite controls were required only in exceptional cases.

The contractor offered services in 20 domains of expertise. Overall, the following domains of expertise were most in demand: i) public procurement law, ii) building code, iii) social integration, iv) ICT, v) business, vi) education and vii) health care. In addition to experts in the 20 domains of specialisation offered by the contractor, experts on hydrology and hydrogeology were also provided when the need emerged. In the case of onsite controls, the key specialisations most commonly requested were accounting, public procurement, taxes and payroll as well as building code.

Overall, the contractor performed 2,151 onsite controls, provided administrative assistance in 901 cases, elaborated 561 expert reports and elaborated 15 analytical reports. Moreover, the contractor provided recommendations to Managing Authorities and Intermediate Bodies on an ongoing basis and subsequently analysed whether these recommendations were followed-up. Altogether, the contractor identified 229 types of irregularities, which often had a repetitive nature in a given Operational Programme. More than 50% of these irregularities were related to public procurement or to eligibility of expenditure (particularly in the case of projects funded by the ESF). In cases of regional Operational Programmes, the typical irregularity was related to the overpricing of various construction works or the discrepancy between declared works and the actual performance.

The hands-on approach employed within this project also allowed the identification and correction of different control practices stemming from the different interpretation of the same rules that negatively affected final beneficiaries of the implemented projects supported by different Operational Programmes. Consequently, an adjustment of the relevant methodological guidance has been proposed by the contractor.

Generally, Managing Authorities responded to proposed solutions and recommendations positively, even though only one third of these were actually implemented. In the remaining cases, the proposed solution was taken as a point of departure for the adjustment of procedures and rules for the upcoming programming period, as a change of rules for the remaining part of 2007-2013 programming period would not have been efficient. Nevertheless, over the course of the project, coherence has increased among the approaches to financial control of Managing Authorities and Intermediate Bodies.

Finally, the overall assessment of the project by Managing Authorities and Intermediate Bodies has been either positive or strongly positive, and there was not a single authority that indicated that these services would not be used if a similar project were to be implemented in the future.

4.3 Main benefits

Based on the analysis performed, the following main benefits were identified:

- The capacities of Managing Authorities and Intermediate Bodies for on-the-spot controls have been expanded.
- The coherence and consistency of controls performed by Managing Authorities and Intermediate Bodies across Operational Programmes has been enhanced as a result of the uniform external support.
- A gradual decrease in the number of identified irregularities has been observed over the duration of this project, suggesting a successful transfer of knowledge from framework contractor to implementation staff, as well as to the final beneficiaries.
- A number of proposals for systemic changes that would allow more effective, transparent and coherent financial management have been forwarded.

Among these benefits, the increase of capacities to perform onsite controls and the enhancement of controls in terms of professionalism and effectiveness were considered by beneficiaries as being of prominent importance. However, from an overall perspective, the provision of specific suggestions for systemic improvements of the functioning of the overall system might be even more beneficial. For example, the framework contractor's proposal to develop a single methodological framework for compliance and financial control covering all Operational Programmes has been adopted and implemented since the start of the new programming period, contributing to an increase in the coherence of financial management among the Operational Programmes.

4.4 Factors for success

Several factors can be considered as vital for the success of this particular project. Among the contextual factors, the following success factors should be underlined:

- First, paradoxically, the success of the project is attributable inter alia to the dissatisfaction of both Czech and EU authorities with the overall performance of the delivery system in the Czech Republic. Consequently, there was a strong pressure for a more proactive and effective approach to dealing with financial management and control.
- Second, the National Coordination Authority identified a strong need for the provision of support to MAs and IBs in the sphere of compliance and financial management. Consequently, the demand for the spectrum of offered services was guaranteed.

From a practical point of view, the role of the following success factors should be stressed:

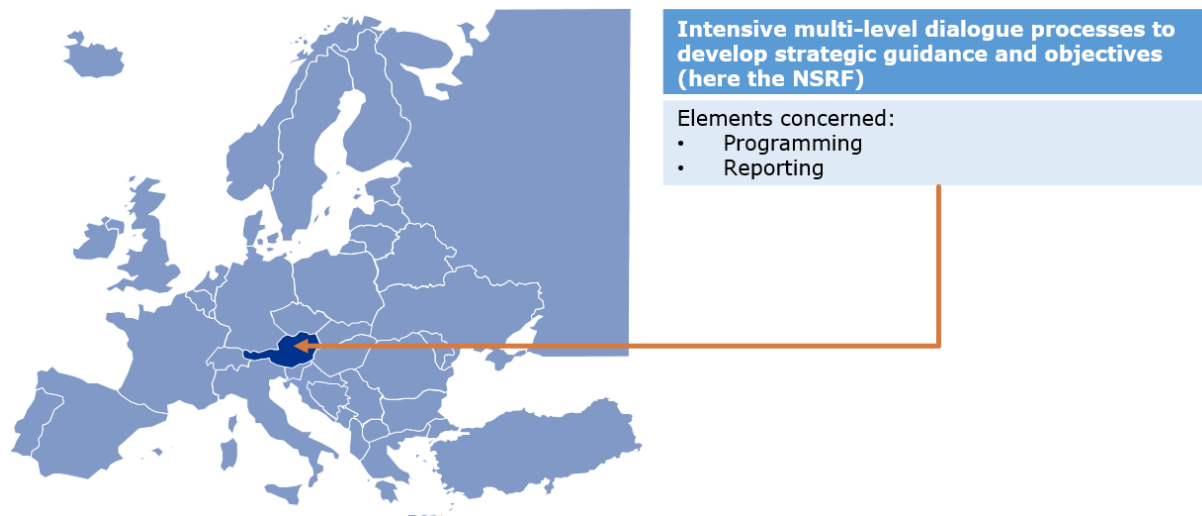
- Firstly, a suitable form of raising awareness about the project among relevant authorities was chosen. Namely, the project fiche was prepared by the Ministry for Regional Development, working in close cooperation with the National Coordination Authority Working Group for Control, Audit and Irregularities. Consequently, provision of a relatively broad spectrum of services, as requested by Managing Authorities and Intermediate Bodies, was envisaged by the project fiche. Moreover, all these services had a strictly hands-on character, i.e. the direct participation of experts provided by the framework contractor in onsite controls, elaboration of expert reports upon requested issues and help with particular administrative tasks. In addition, the detailed explanation of modalities of collaboration between the framework contractor, Managing Authorities and Intermediate Bodies was presented at the beginning of the project.
- Secondly, the highly professional, flexible and user-friendly approach of the framework contractor should be underlined (as indicated by the feedback obtained from relevant authorities).

- Finally, the fact that services were provided by a framework contractor that was a private entity with a good reputation helped to avoid 'resortism', i.e. avoid tensions among responsible authorities, as these often jealously guard their competence against 'intrusion' by other public bodies. Therefore, a framework contractor from the private sector was considered to be an independent and competent body, which enabled cooperation even in such sensitive issues as financial control.

4.5 Transferability

There are three main aspects that make this particular project highly transferable to other countries and regions. Firstly, the project addressed weaknesses in compliance and financial control in a country with a generally weak institutional framework. Hence, this project does not require a particularly high level of institutional quality. Secondly, the project was designed in such a way as to provide hands-on assistance to a broad spectrum of Operational Programmes financed by both the ERDF and the ESF, according to the demands formulated by Managing Authorities or Intermediate Bodies on a monthly basis or even ad hoc. Therefore, this project is widely applicable across a spectrum of various OPs, according to their funding, size and focus. Thirdly, an international consultancy firm was awarded with this framework contract, meaning that such expertise is widely accessible in all EU Countries. However, the key preconditions for success are the careful design of the project fiche and a well-designed feedback system.

5. INTENSIVE MULTI-LEVEL DIALOGUE PROCESSES TO DEVELOP STRATEGIC GUIDANCE AND OBJECTIVES



Good practice description

During the 2007–2013 programming period in Austria, Cohesion Policy was delivered mostly at the regional level, with an ERDF Operational Programme for each Bundesland and one national ESF Operational Programme. The 'National Strategic Reference Framework' (NSRF, known as 'STRAT.AT' in Austria) was drafted in an intensive dialogue process which included all relevant partners at both the Federal and state (Länder) levels. The extensive process of developing STRAT.AT included seven workshops with different stakeholders, e.g. representatives from the national, regional and local administrations, the economic and social partners and representatives from the government and NGOs. STRAT.AT also included the commissioning of an ex ante evaluation and a strategic environmental assessment. The findings of these and other studies were regularly presented and discussed in the workshops. In accordance with the federal structure of regional policy in Austria, the platform for this process was provided by the Austrian Conference on Spatial Planning (Österreichische Raumordnungskonferenz, ÖROK), which is in charge of co-ordinating spatial development in Austria within the multi-level governance system.

ÖROK is the main format for spatial development in Austria; therefore, the integration of the relevant actors was easy to organise as they had already been involved in the activities of ÖROK. Commitment from the various stakeholders was high, not only regarding strategy development but also during implementation, due to their early and intensive involvement in strategy development. Due to the coordinating function of STRAT.AT strategy development for the Operational Programmes was more consistent among the different programmes, and was also consistent with different sectorial or regional strategies.

5.1 Background

Since the accession of Austria to the European Union in 1995, regional policy interventions have been partly supported by the Structural Funds. Since then, the **Austrian Conference on Spatial Planning (ÖROK)** has been in charge of the co-ordination of the Structural Funds. ÖROK is an organisation established in 1971 by the federal government, the Länder and municipalities. It co-ordinates spatial development in Austria within the multi-level governance system. For daily operations, such as the co-ordination of projects, the organisation of meetings and events, the preparation of publications and the dissemination of information, an ÖROK Office has been set up at the Federal Chancellery. The staff of the ÖROK Office comprises a multidisciplinary team

covering a wide range of expertise in the areas of spatial planning and regional development.¹⁸

For the 2007–2013 period, the European Commission required each Member State to establish a National Strategic Reference Framework (NSRF) as a common strategy to which all Operational Programmes funded from Structural Funds should contribute. ÖROK was responsible for the co-ordination of the drafting process of the NSRF for Austria. Both the strategic development process of the NSRF and the document itself became known as **STRAT.AT 2007–2013**.¹⁹

After the submission and approval of STRAT.AT, the stakeholders involved decided to establish a process for strategic implementation support in order to follow up on and deepen the discussion between national and regional actors regarding questions of strategy during the programming period. Since this strategic implementation support represented a continuation of or follow-up activity to STRAT.AT, the process was named **STRAT.AT plus**. ÖROK organised the implementation-support effort based on the partnership principle, involving national and regional administration as well as social and economic partners.²⁰

For the programming period 2014–2020, the involved stakeholders decided to continue this bottom-up, multi-level dialogue process for the strategic development of the Partnership Agreement in combination with continued strategic implementation support. The current process is called STRAT.AT 2020 and is again organised by ÖROK.²¹

5.2 Good-practice description

STRAT.AT 2007–2013 and STRAT.AT plus were both newly introduced processes for the 2007–2013 programming period. The drafting process of STRAT.AT (NSRF) specifically emphasised the broad involvement of all interested stakeholders according to the partnership principle, and was implemented as a bottom-up and multi-level dialogue process. The STRAT.AT process depended on the participation of representatives from the national, regional and local administrations, the economic and social partners and representatives from government bodies and NGOs concerned with issues of gender equality and the environment.²² The extensive process of developing STRAT.AT included seven workshops with the different stakeholders in 2005. It also included the commissioning of an ex ante evaluation and a strategic environmental assessment. The findings of these studies, and further studies with relevant content, were regularly presented and discussed in the workshops. The process also encompassed co-ordination with other relevant strategies under development at the same time, e.g. the Austrian Spatial Development Strategy, the Austrian Sustainability Strategy and the Regional

¹⁸ <http://www.oerok.gv.at/english-summary/>
<http://www.oerok.gv.at/die-oerok/>
<http://www.oerok.gv.at/die-oerok/oerok-geschaefsstelle.html>

¹⁹ <http://www.oerok.gv.at/eu-regionalpolitik/eu-strukturfonds-in-oesterreich-2007-2013/nationale-strategie/stratat.html>

²⁰ <http://www.oerok.gv.at/eu-regionalpolitik/eu-strukturfonds-in-oesterreich-2007-2013/nationale-strategie/stratat-plus.html>

²¹ <http://www.oerok.gv.at/english-summary/>
<http://www.oerok.gv.at/esi-fonds-at/partnerschaftsvereinbarung-stratat-2020.html>

²² STRAT.AT 2007–2013, Nationaler Strategischer Rahmenplan Österreich 2007–2013, p. 31–32.
http://www.oerok.gv.at/fileadmin/Bilder/3.Reiter-Regionalpolitik/2.EU-SF_in_OE_07-13/2.1_Nationale_Strategie/STRAT.AT/STRAT-AT_genehmigt_2007-04-04.pdf

Development Strategies of the Länder.²³ The STRAT.AT process ended with the approval of the NSRF, known in Austria as STRAT.AT, by the European Commission.

The follow-up process known as STRAT.AT plus introduced for the first time systematic implementation support covering the entire programming period in Austria. STRAT.AT plus was seen as 'a platform for strategic policy debates' without any formalised structure or membership basis.²⁴ The involvement of stakeholders was based on the partnership principle, including national and regional administration as well as social and economic partners. The objectives of STRAT.AT plus included enabling networking and the exchange of experience among the stakeholders involved in the delivery of the Structural Funds. The process supported reflection on elements of strategy and implementation practices, and thereby generated practical know-how and ideas for improving implementation.²⁵ In order to facilitate networking and the exchange of experience, STRAT.AT plus included a series of events, workshops and meetings during the programming period. The events included forums, workshops, expert seminars, synergy meetings and talks. These covered a diverse range of national and regional matters (such as the economic crisis and long-term challenges for the regions, regional governance and regional energy autonomy) as well as European topics and their relevance to Cohesion Policy in Austria (such as the Barca Report and the Fifth Cohesion Report).²⁶ The events helped to bring strategic topics of European interest into debates with practitioners involved in Structural Fund implementation at the national and regional levels. The drafting of two strategic reports on the achievements of Cohesion Policy in Austria, STRAT.AT Report 2009 and STRAT.AT Report 2012, also formed part of the STRAT.AT plus process.

The combination of STRAT.AT and STRAT.AT plus created, for the first time, a permanent and continuous link between national strategy development and the programming and implementation of the mostly regional Operational Programmes. STRAT.AT plus ensured a continued and systematic strategic debate throughout the programming period. Thereby, the two processes connected the elements of programming and monitoring and reporting as envisaged in the more strategic approach introduced for the programming period 2007–2013 by the European Commission.

STRAT.AT and STRAT.AT plus were co-ordinated by ÖROK with the support and staff capacity of the ÖROK Office. ÖROK has played an important role as the co-ordinating body for European regional and spatial development policies since Austria's accession to the European Union. This role was strengthened through the STRAT.AT and STRAT.AT plus processes and will be continued, as illustrated by the fact that ÖROK was assigned the responsibility for a similar process called STRAT.AT 2020 for the programming period 2014–2020.

5.3 Main benefits

Based on the analysis, the following main benefits were identified.

²³ <http://www.oerok.gv.at/eu-regionalpolitik/eu-strukturfonds-in-oesterreich-2007-2013/nationale-strategie/stratat.html>

²⁴ European Economic and Social Committee (2011): It Takes Two To Tango, An EESC study on Developing the Partnership Principle in EU Cohesion Policy, p. 14–16. Available at: <http://www.eesc.europa.eu/resources/docs/cese-2011-05-en.pdf>

²⁵ <http://www.oerok.gv.at/eu-regionalpolitik/eu-strukturfonds-in-oesterreich-2007-2013/nationale-strategie/stratat-plus.html>

²⁶ <http://www.oerok.gv.at/eu-regionalpolitik/eu-strukturfonds-in-oesterreich-2007-2013/nationale-strategie/stratat-plus.html>

- There was better understanding of the (European and national) strategic framework by the different stakeholders, especially at the regional level, thanks to events and continued strategic debates.
- Strategy development for the Operational Programmes was more consistent among the different programmes, and was also more consistent with different sectorial or regional strategies, as a result of the intensive drafting process of STRAT.AT.
- Cooperation of the actors was given a good basis by the common development of STRAT.AT and continued throughout the implementation phase. Commitment from the various stakeholders was high, not only within strategy development but also during later implementation, due to their early and intensive involvement.
- Events and meetings organised by ÖROK ensured the continuation of strategic debates. The integration of the drafting of the strategic reports of 2009 and 2012 into STRAT.AT plus improved the reporting experience and the strategic orientation during implementation.
- Regular events and meetings supported closer cooperation among stakeholders from different regions (Bundesländer). The closer cooperation and trust among the stakeholders reinforced during the STRAT.AT and STRAT.AT plus processes enabled the combination of the various regional ERDF Operational Programmes 2007–2013 into a single joint Bund-Länder ERDF Operational Programme for the programming period 2014–2020.

5.4 Factors for success

Contextual factors

The main identified factors for success were the following:

- The high administrative capacity and supportive administrative culture of the national and regional administrations allowed to implement participatory processes.
- A specific body (ÖROK) with dedicated staff capacity and a clear mandate from the Austrian Federal Chancellery (Bundeskanzleramt) was responsible for the co-ordination of STRAT.AT plus.
- ÖROK is the main format for spatial development in Austria. Therefore, the mobilisation of the relevant actors was easy to organise.
- Due to the long tradition of implementing policies together with economic and social partners in Austria, the partners were highly competent and experienced, recognising the opportunities as well as the constraints for integrating their topics into structural policy interventions.

Conceptual and practical factors

The main identified factors for success were the following:

- ÖROK was already experienced in organising participatory processes and aspects of strategic implementation support within the field of spatial development and European Structural Funds due to its work on such projects as the 'Co-ordination and Working Platform Evaluation (KAP-EVA)²⁷ during the 2000–2006 programming period.
- There was a smooth transition from the co-ordination of the strategy development phase (STRAT.AT) to the support for the implementation phase (STRAT.AT plus) once the implementation of Structural Funds started.
- The partnership principle was applied, involving different levels of administration as well as economic and social partners.

The fact that for the programming period 2014–2020 two similar processes have been implemented under the name STRAT.AT 2020 underlines the satisfaction of the involved stakeholders and their willingness to continue close cooperation.

5.5 Transferability

A process like STRAT.AT plus, characterised by the broad and continued involvement of very different stakeholders, is transferable to all Member States that have sufficient administrative capacity and the administrative culture to successfully manage a broad strategy-development process and sustain the implementation support process that succeeds it. The Nordic and Western European Member States are especially well-positioned to implement such processes.

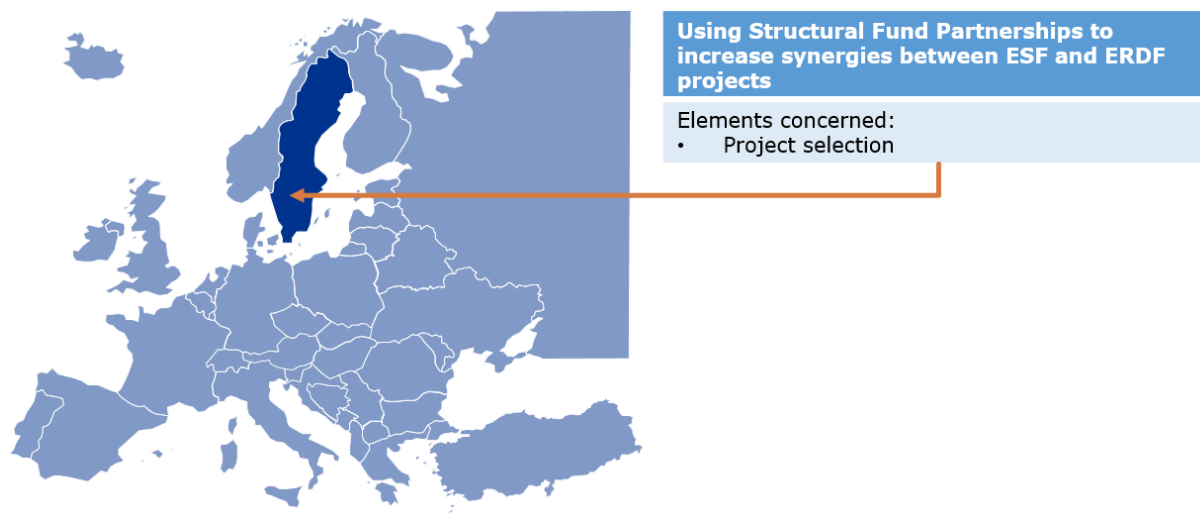
All Member States can profit from a closer link between the strategy-development and implementation phases, specifically, a link between the elements of programming and monitoring and reporting. Federally organised Member States, such as Germany, may benefit especially from the implementation of a support process similar to STRAT.AT plus. Stronger cooperation and closer contact between the stakeholders involved in Cohesion

²⁷ http://www.oerok.gv.at/fileadmin/Bilder/3.Reiter-Regionalpolitik/3.EU-SF_in_OE_00-06/3.7_Evaluierung/KAP-EVA/KAP-EVA_Bilanzbericht_IFF_OeIR.pdf

Policy in the various regions of a federally organised Member State could help to create a more concise national strategy (NSRF/PA), as well as synergies and the promotion of good practices, e.g. in monitoring and reporting.

Another important factor for transferability is the existence of a suitable body to co-ordinate and organise an on-going strategic multi-level dialogue process. The body in charge needs to possess sufficient expertise and staffing as well as good standing among the stakeholders that are to be involved in the process. An ample base of information and data that can be fed into a strategic implementation support process enhances the added value of running such a process and the interest of the participating stakeholders. Furthermore, the stakeholders involved need to have sufficient expertise and experience in the field of Cohesion Policy and need to be supportive of an open debate culture and partnership exchange.

6. USING STRUCTURAL FUND PARTNERSHIPS TO INCREASE SYNERGIES BETWEEN ESF AND ERDF PROJECTS



Good practice description

Structural Funds Partnerships (SFPs) can be defined as the association of regional stakeholders and other local organisations responsible for prioritising submitted and pre-approved project proposals for funding by ESF and ERDF. SFPs are the 'regional anchors' of the National ESF Programme, with the European Regional Development Fund also falling under their competence. Before making final decision on allocating ESF and ERDF funding to individual projects, the Managing Authorities shall take account of the Operational Programme's Structural Funds Partnership assessment of project proposal.

SFPs were established in each of the eight programme areas of ERDF and ESF in Sweden, covering the NUTS 2 regions of the country.

Structural Funds Partnerships consist of elected representatives of local governments, in some cases the Sami Parliament, representatives of social and economic partners and the county administrative boards, interest groups and associations. The chairman of the Structural Funds Partnership shall be appointed by the government, as defined by the relevant legislation²⁸. The other members are appointed by the chairman.

6.1 Background

Cohesion Policy investment in Sweden was introduced after the recession of the early 1990s. In the first programming period in Sweden (1995-1999) special emphasis was put on stimulating regional cohesion by creating the necessary pre-conditions for growth in each region, as well as reducing unemployment. In comparison to the 1995-1999 period, the Operational Programmes of the 2000-2006 period focused more on achieving knowledge-driven development and economic growth. Nevertheless, the thematic and geographic focus of the Operational Programmes was largely the same as in the first programming period for Sweden.²⁹

²⁸ Act (2007: 459) concerning Structural Funds Partnerships, amended by Act (2014: 479), Available at: <http://rkrattsbaser.gov.se/sfst?bet=2007:459>

²⁹ Granqvist (2013): Cohesion Policy Lessons from Earlier EU/EC Enlargements. Sweden Case Study Report. GRINCOH Working Paper Series. Available at: http://www.grincoh.eu/media/serie_8_cohesion_and_its_dimensions/grincoh_wp8.02.04_granqvist.pdf.

In the 2007-2013 programming period eight regional ERDF Operational Programmes and a single national ESF programme were implemented under the Regional Competitiveness and Employment objective in Sweden. Meanwhile, a significant effort was made to better integrate national development policy, labour market policy and Cohesion Policy into one overall strategic framework. This required the involvement of local and regional actors in both the planning and implementation phases of the Operational Programmes.

In Sweden, national policies are generally implemented in a centralised manner (e.g. national labour market policy), and regional policy is implemented at county level, while the Structural Funds are implemented regionally, covering the area of multiple counties³⁰ (for the ESF there was the National Structural Fund Programme for Regional Competitiveness and Employment³¹, in place in the 2007-2013 programming period but with a regional dimension).

In the beginning of the 2007-2013 programming period, eight Structural Funds Partnerships³² were established by Act 2007:459 within each European Regional Development Fund programme area (the NUTS 2 level) and the corresponding area for the national European Social Fund programme. The aim was to create synergies between ESF and ERDF projects, by means of having a single partnership of regional stakeholders, social organisations and local associations. Their main task was to prioritise submitted and eligible project proposals. The Partnerships should also take into account the relevant local need and horizontal priorities and the available funding opportunities from both funds.

6.2 Good practice description

The framework for the work of the Structural Funds Partnerships was defined by the national legislation referred to above. However, in practice, the regions still have considerable flexibility in setting-up the SFPs. As a result, the composition of the Partnerships varies region-by-region, but as a general principle they are made up of elected representatives of the local government in each Swedish county (at least 50%) and in some cases the Sami Parliament,³³ representatives of social partners, grassroots organisations, associations, and representatives of public authorities e.g. city councils, county administrative boards and county labour boards.³⁴ Each SFP has a membership of around 20-25 people. The secretariats of the individual SFPs operate under the responsibility of the County Administrative Boards.

Regarding the process of their involvement in project selection, the first step, i.e. the eligibility check of all submitted project applications is made by the relevant Managing Authority^{35 36}. This way compliance with EU and national legislation is ensured by the

³⁰ Ibid.

³¹ The Programme is available at:

<http://www.esf.se/Documents/In%20english/National%20structural%20fund%20programme%20for%20regional%20competitiveness%20and%20employment.pdf>.

³² Övre Norrland (Norrbotten and Västerbotten counties); Mellersta Norrland (Jämtland and Västernorrland counties); Norra Mellansverige (Gävleborg, Dalarna and Värmland counties); Stockholm (Stockholm County); Östra Mellansverige (Uppsala, Södermanland, Örebro, Västmanland and Östergötland counties); Västsverige (Västra Götaland and Halland counties); Småland och öarna (Kalmar, Kronoberg, Jönköping and Gotland counties); and Sydsverige (Skåne and Blekinge counties).

³³ In the cases of Övre Norrland and Mellersta Norrland.

³⁴ County labour boards ceased their operation as of 1 January 2008 and their role was taken over by the Swedish Employment Service (Arbetsförmedlingen).

³⁵ In the case of ESF it is the Swedish ESF Council.

Managing Authority. The applications that meet the formal and legal requirements are forwarded to the region's Structural Funds Partnership for prioritisation. The Partnerships meet on a regular basis, but not on fixed dates. For example, the SFP of West Sweden convened on an average four times a year between 2008 and 2015, with five meetings in 2010, but only two in 2011. In the beginning of the programming period there are introductory meetings besides the prioritisation meetings, while the number of the latter also depends on the number of submitted project proposals.³⁷

In the prioritisation meetings, the SFP sets-up an order of priorities among the projects based on the discussion between its members. The projects are checked against the priorities and selection criteria defined by the regional plans, both for ERDF and ESF. After prioritisation, the list of proposed projects³⁸, with the name of the applicant, the project name, ESF contribution, priority status and an explanation of the decision, are sent back to the Managing Authority for final approval. However, this is a formal decision only, as the opinion provided by the SFP is binding for the Managing Authority, according to paragraph (1) of Act 2007:459. As a result, the role of Managing Authorities covers mainly the pre-selection of projects (eligibility check) and the formal finalisation of the decisions on support.

The prioritisation of projects takes place separately for ESF and ERDF. However, as SFPs were established jointly for ERDF and ESF, they can oversee the prioritisation of all projects submitted for financing and have the opportunity to take into account the potential coherence and complementarity of the project proposals. This helps generate synergies between funding opportunities and policy areas while bringing into the process a strong emphasis on the local and regional needs. Furthermore, in the case of ESF, Structural Funds Partnerships have also been engaged in developing the regional ESF plans³⁹ taking into account region-specific priorities.

An additional benefit of the SFPs is the increased transparency of project selection, as the names of their members, the meeting minutes and the lists of priority projects are all publicly available on the websites of the regions.

A potential issue regarding this approach to project selection, however, might be that while prioritising the projects, the stakeholders involved in the Structural Funds Partnership might prefer to reach a consensus on the distribution of the available funding rather than taking a strategic approach to project selection. Such strongly regionalized Cohesion Policy implementation runs the risk that it loses out of sight the objectives of the Operational Programme and/ or the consistency with the national policies. However, the high number of members (over 20 members in each SFP) and their diverse background are aimed at mitigating a too strong local perspective by ensuring that the prioritisation of the submitted projects reflects horizontal and further policy priorities as well.

³⁶ In the case of ERDF the list of the Swedish Managing Authorities of the Operational Programmes can be accessed on this website: http://ec.europa.eu/regional_policy/en/atlas/managing-authorities.

³⁷ See as an example, the website of West Sweden Region, West Sweden's Structural Funds Partnership, Meeting minutes, Available at: <http://www.vgregion.se/sv/Vastra-Gotalandsregionen/startside/Regionutveckling/EU/eu-start/EU-info/Vastsveriges-strukturfondspartnerskap/Protokoll/>.

³⁸ An example for a priority list from North Sweden regarding ERDF can be found on this link: <http://www.lansstyrelsen.se/norrboten/SiteCollectionDocuments/Sv/naringsliv-och-foreningar/naringslivsutveckling/Prioritering-13-12-04-ERUF.pdf>.

³⁹ The regional plans are agreed upon by the Structural Funds Partnerships. The plans are steering documents and are based on an analysis of the regional needs. The regional plans cover the same periods and geographies as the Operational Programmes.

6.3 Main benefits

Based on the analysis of the work of SFPs, the following five main benefits were identified.

- successful selection of projects that reflect the needs of the individual regions of Sweden and are in line with the priorities of local and regional stakeholders;
- enhanced coherence between ESF and ERDF financed projects as the SFPs are responsible for both Funds;
- increased transparency of project selection by publishing the lists of members of the SFPs, the minutes of the meetings and the lists of the prioritised projects;
- incorporation of horizontal priorities (e.g. gender equality) into project selection by ensuring the representation of social partner, labour boards and various interest groups and associations;
- compliance with EU and national law ensured by the eligibility check performed by the Managing Authorities prior to the prioritisation of the project proposals by the Structural Funds Partnerships.

6.4 Factors for success

The general administrative set-up and the overall high level of transparency and effectiveness of the public administration together with high social capital in Sweden allowed the successful involvement of Structural Funds Partnerships into programming (in the case of ESF) and project selection.

In addition to the establishment of the Structural Funds Partnerships, structural changes were introduced at central government level as well, to better align and harmonise regional policies and support the work of SFPs. The Swedish Agency for Economic and Regional Growth (Tillväxtverket)⁴⁰ was set-up in 2009 and is governed by the Ministry for Enterprise, Energy and Communication. It is divided into eight regional units, each responsible for one of the respective regional Operational Programmes. Another important change was the reduction of the number of Monitoring Committees to three in order to have a more focused oversight on the development of regional programmes.⁴¹

The main identified factors for success were the following:

- a generally well-functioning national and regional delivery system and institutional set-up and overall high social capital;
- the framework for defining the roles and responsibilities was governed by national law, yet the details of the work and composition are decided on regional level resulting in high flexibility in the work of the Partnerships;
- the establishment of Structural Funds Partnerships was the result of a joint approach combining top-down, centralised policy planning with clear regional representation and influence;
- representation of different interests by social organisations and various associations;

⁴⁰ Detailed description on the work and responsibilities of Tillväxtverket

<http://www.tillvaxtverket.se/sidhuvud/englishpages.4.21099e4211fdb8c87b800017332.html>

⁴¹ The three Monitoring Committees were: Övre Norrland and Mellersta Norrland, Norra Mellansverige; Östra Mellansverige and Stockholm and Västsverige; Småland and Öarna samt Skåne-Bleking.

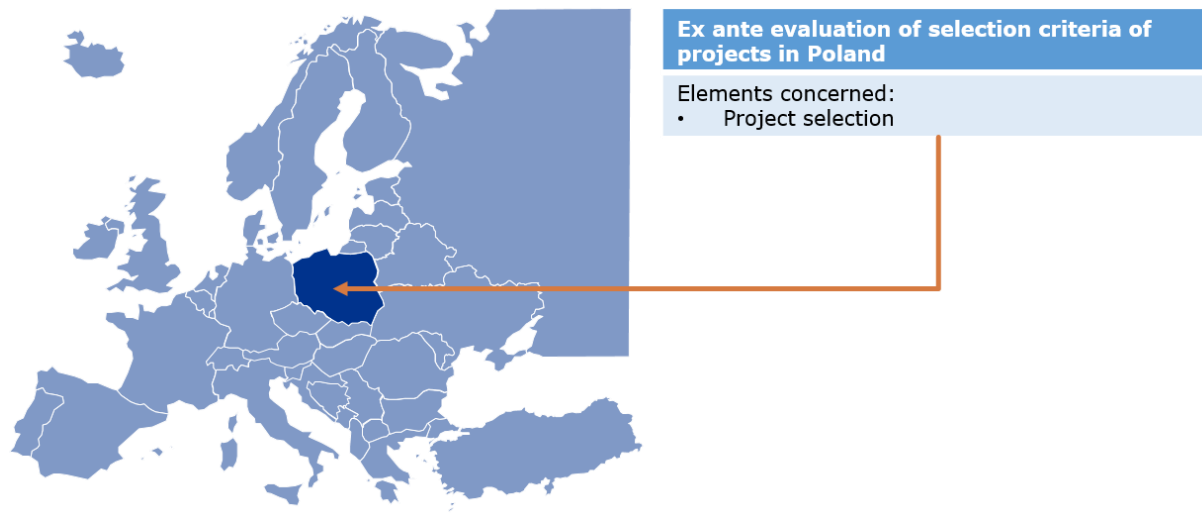
- responsibility for both ESF and ERDF projects resulting in enhanced coordination and complementarity between the two funds.

6.5 Transferability

The approach of having partnerships at regional level for prioritising project proposals could be the most appropriate for Member States with numerous regions with different development needs, e.g. Poland, Italy and Spain, and for regional Operational Programmes rather than national sectoral ones that cover multiple regions or even entire countries and are implemented centrally.

However, a high level of social capital and generally well-functioning implementation system are identified pre-requisites for such arrangements to work well. Consequently, in regions affected by weak public administrations, high levels of irregularities or distrust among the various stakeholders, introducing such partnerships gradually may be more appropriate, i.e. as a first step with a consultative role rather than having the final say on project selection. In this case, Structural Funds Partnerships can provide a practical solution to cover multiple policy areas while representing local and regional stakeholders with diverse background. This can also support coordination between the Funds to enhance consistency and coherence among the supported projects and ultimately to contribute to the responsiveness and delivery of results.

7. EX ANTE EVALUATION OF SELECTION CRITERIA OF PROJECTS IN POLAND



Good practice description

In 2008, the Ministry of Regional Development in Poland issued a guideline recommending that the Managing Authorities of all Operational Programmes conduct an evaluation of their project-selection systems.

The evaluations were intended to examine the systems of project selection (procedures and documentation) as well as the project-selection criteria themselves in order to assess whether they had been effectively programmed to ensure that the selected projects would contribute to the objectives of the Operational Programmes. The evaluations of the project-selection criteria proved to be effective in the 2007–2013 period and have been introduced as a compulsory feature for all Operational Programmes in the 2014–2020 programming period.

7.1 Background

Cohesion Policy investment in Poland was introduced in 2004. Based on the experiences of this first, preparatory programming period (2004–2006), more authority was transferred to regional authorities in the first full programming period (2007–2013). There were 16 regional Operational Programmes in place. However, the growing number of new actors raised questions about ensuring capacity for programme management, especially regarding project selection.

The selection of high-quality projects that can deliver results and contribute to the achievement of the objectives of the Operational Programmes is one of the main elements of the successful management and implementation of Operational Programmes. The quality of the project-selection system also influences the transparency of programme implementation and its public image.

The main feature of the project-selection system is selection criteria, which must be approved by the Monitoring Committee, according to the General Regulation (1083/2006). In practice, designing the selection criteria has proven to be a challenge for Managing Authorities and Intermediate Bodies. The task of setting the criteria was delegated to institutions at lower management levels, where efforts were focused more on the operational efficiency of project selection than on the achievement of the strategic objectives of the programmes. Therefore, the evaluation of selection criteria has been focused on improving the quality of applied criteria and their strategic orientation.

7.2 Good practice description

The ex ante evaluation of Operational Programmes has provided a general assessment of the intervention logic of the measures to be introduced. The general and often abstract character of Operational Programmes however impeded the translation of the objectives into concrete projects and actions. Experience from the previous programming period (2004–2006) has shown that selection criteria are particularly important, as they are the main instrument by which the strategic objectives of the programmes are transformed into concrete actions. The selection criteria determine which characteristics of the selected projects will be required or particularly heavily weighted during project selection.

The Ministry of Regional Development in Poland has been the main co-ordinator of the implementation of Cohesion Policy programmes. The National Evaluation Unit, within the Ministry, recommended in 2008 that all Managing Authorities conduct an evaluation of their project-selection systems. This was the only type of evaluation recommended by the National Evaluation Unit to all Managing Authorities, which reflects its importance to the national authorities. These evaluations were seen as the main instrument for improving the quality and strategic orientation of programme implementation. The recommendation contained a short description of the evaluation approach, including a list of evaluation questions, focusing on the coherence of the selection criteria and their consistency with the objectives of the measures, programmes and higher-level strategies (e.g. national and regional strategies), as well as the quality of the selection criteria in terms of objectivity, measurability and accuracy.⁴²

As a result, between 2008 and 2010, 15 Managing Authorities decided to conduct such an evaluation. The evaluations covered the whole project-selection process: the formulation of selection criteria and the method of their application, the documentation and procedures for selecting projects and the preparation of the experts responsible for project selection. In 2011, the National Evaluation Unit commissioned a meta-evaluation of these 15 evaluations.

The meta-evaluation showed that the usefulness of the selection-criteria evaluation, understood as application of its recommendations and real, positive impact on selection procedures, depended on a number of factors. The factors included the scope of the evaluation (those covering a wider range of evaluation questions were more useful), the quality of the evaluation (understood as an appropriate usage of methodology and the professionalism of the evaluators) and the duration of the evaluation (some were too short).⁴³ One of the critical factors seems to be the timing of the evaluation. There were at least three models applied in the 2007-2013 programming period:

- Ex ante evaluation of selection criteria, conducted at the stage of designing the criteria. At this stage, the evaluation could improve the coherence of the criteria with the objective of the programme, identify potential gaps or inconsistencies and ensure that the criteria take into consideration the findings of evaluations of previous interventions;
- Evaluation after the first round of project selection, when selected projects can be assessed against strategic objectives of the intervention. At this stage, the evaluation could provide evidence regarding how particular selection criteria worked and which require modification; and

⁴² Letter from Ministry of Regional Development to the Managing Authority, dated 17 March 2008.

⁴³ Center of Evaluation and Analyses of Public Policy, Jagiellonski University (2011): *Metaewaluacja badań dotyczących oceny kryteriów wyboru projektów w programach operacyjnych współfinansowanych z funduszy europejskich w Polsce w perspektywie 2007–2013*.

- Evaluation of the results of the selected projects. This type of selection-criteria evaluation were conducted when results have already been realised, which usually requires a longer period of time. This type of evaluation provided the most valuable findings; however, it was rarely used, mainly due to the longer time needed.

Most Managing Authorities decided to conduct the first or the second type of evaluation of selection criteria. This allowed them to broadly apply the findings of the evaluations to the forthcoming calls for projects. On the other hand, some examples of a more elaborate approach were also identified. One was the evaluation of selection criteria of the Operational Programme Innovative Economy (OPIE). In this case, there were, in fact, three evaluations: the first conducted in 2008, the second in 2010 and the third in 2013. The evaluations corresponded to the models presented above. The latter two evaluations also subsequently analysed the changes introduced as a result of the previous ones. The final evaluation formulated recommendations that were applied to the Operational Programme for the next programming period.⁴⁴

The meta-evaluation provided a categorisation of the recommendations formulated in the evaluations of selection criteria, which served as the basis for the assessment of their frequency and importance to stakeholders. The most frequent recommendations were related to procedures for selection processes, the measurability and verifiability of selection criteria and the quality of their formulation.⁴⁵ Less often, the recommendations were related to the coherence of the criteria with the strategic document (national and regional strategies and Operational Programmes). The recommendations that the main actors considered most important were as follows: rewording selection criteria and modifying the weighting of criteria. Less important were recommendations proposing additional criteria, the removal of criteria or an increase in their coherence with the strategic document.⁴⁶

These findings show that the evaluations of selection criteria focused closely on their operational aspects, particularly on the improvement of the project-selection process in terms of time, resources required and the simplification of procedures as well as their accuracy and coherence. The evaluations less often analysed to what extent the selection criteria supported the achievement of strategic objectives.⁴⁷ On the other hand, the evaluations of selection criteria can be seen as an expression of growing interest in selection criteria and growing awareness of their importance in achieving programme objectives.⁴⁸

The findings are the result of tension between operational and strategic approaches to the selection of projects. A significant number of institutions responsible for project selection focused on efficiency and compliance with EU rules for selection procedures. This overly focus on efficiency and compliance was also the result of delegating responsibility for the formulation of selection criteria to a lower level of the management structure that is more focused on efficient implementation than on the achievement of the programme's abstract objectives. However, the evaluations of selection criteria forced the institutions to redefine their approach. A dialogue with evaluators and other actors, as well as systemic analyses of the criteria, provided incentives for a more

⁴⁴ Ministry of Infrastructure and Development (2014): Wpływ ewaluacyjna skuteczność i efektywność realizacji polityki spójności w Polsce, pp 7-8.

⁴⁵ Center of Evaluation and Analyses of Public Policy, Jagillonski University (2011): Metaewaluacja badań dotyczących oceny kryteriów wyboru projektów w programach operacyjnych współfinansowanych z funduszy europejskich w Polsce w perspektywie 2007–2013, p. 27.

⁴⁶ Ibid., p. 25.

⁴⁷ Ibid., p. 9.

⁴⁸ Ibid., p. 9.

reflective approach. This can therefore be seen as a positive step in the process of learning and changing attitudes toward selection criteria, from merely operational to more strategic. However, changing attitudes is a gradual process, and the evaluations of project-selection criteria can be seen as one among many elements contributing to this change.

Managing and implementing institutions assessed the evaluations of the project-selection systems as the most useful among all the evaluations conducted and were in most cases followed-up.⁴⁹ This was most probably due to the nature of these recommendations: usually concrete, concerning the formulation of a specific criterion and easy to understand and implement.

On the basis of these experiences, the National Evaluation Unit has made the evaluation of the project-selection process mandatory for all Managing Authorities for the period 2014–2020.⁵⁰ At least some of the Managing Authorities have already applied a more complex approach to this type of evaluation:

- The evaluations are divided into a number of smaller sub-evaluations concerning particular measures or sub-measures, which ensures that findings are more specific and represent a higher degree of utility for users;
- The evaluations are often conducted in two phases: ex ante (at the stage of formulating criteria) and after the first round of project selection, which enables a more complex assessment of the selection criteria and better solutions for the next call for projects;
- The evaluations take longer to conduct and, in some cases, last as long as two years, in order to cover the whole cycle of project-selection procedures and to take into account the fact that calls for projects may have different timetables; and
- The evaluation is based on the participatory approach, which entails an intensive dialogue between evaluators and key stakeholders, and the participation of evaluators in meetings of working groups and monitoring committees.

The new approach has not yet been evaluated; however, it seems to be a promising practice, and may positively affect the quality of the implementation of programmes and the achievement of their objectives.

7.3 Main benefits

The analysed solutions have had a number of benefits, including the following:

- Improvement of the quality of the selection criteria: inconsistencies and gaps in project selection were identified, and the formulation and specification of selection criteria were improved;
- The administrative burden on beneficiaries within the project-selection process was reduced thanks to the improved quality and formulation of the requirements;
- The improvement of selection criteria helped Operational Programmes select projects that could contribute to achieving their objectives;

⁴⁹ Ministry of Infrastructure and Development (2014): Wpływ ewaluacyjna skuteczność i efektywność realizacji polityki spójności w Polsce, p. 48.

⁵⁰ Wytyczne w zakresie ewaluacji polityki spójności na lata 2014–2020, Ministry of Infrastructure and Development, Warsaw, 2014.

- The process of evaluation increased awareness among authorities responsible for OP implementation that the project-selection system is a critical element of strategic management of the programmes and that it can have a significant impact on achieving the objectives of the OPs; and
- The lessons learned during the 2007–2013 period formed the basis for a much more comprehensive and mature approach to the evaluation of the project-selection system in the 2014–2020 period.

7.4 Factors for success

Contextual factors

The main identified factors of success were the following:

- Understanding the importance of evaluation among the authorities responsible for the implementation of Cohesion Policy programmes: evaluation was seen as an instrument supporting administrations in their work and providing valuable input for the smooth implementation of Operational Programmes; and
- Openness to improving the implementation system: the system was seen as flexible, and was adjusted based on the lessons learned from the experience and the recommendations of evaluations.

Conceptual and practical factors

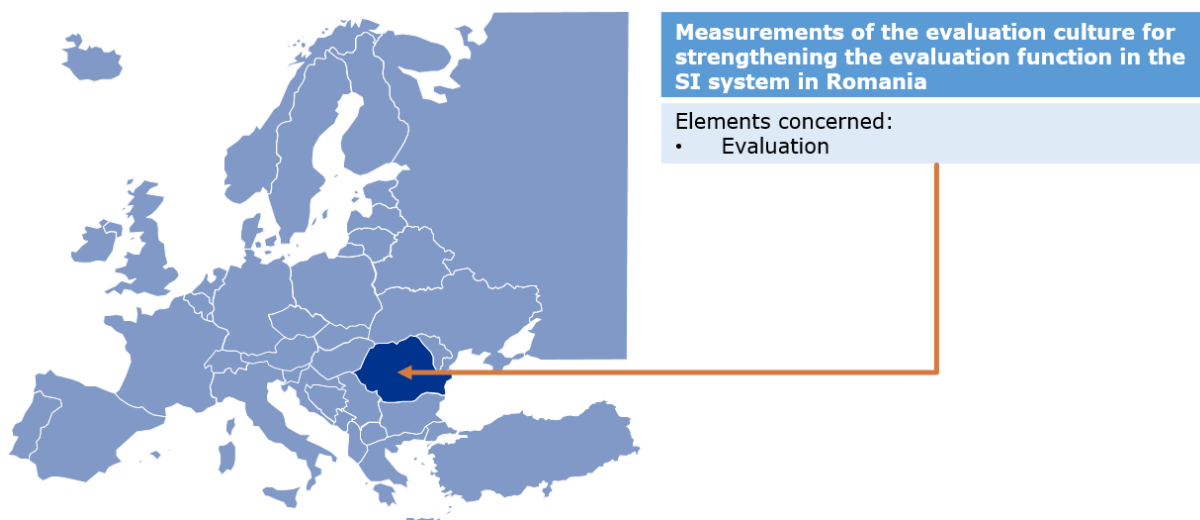
- The recommendation to conduct the evaluations was issued by the National Evaluation Unit, providing a strong incentive for the Managing Authorities to conduct the evaluation and an instrument to ensure a coherent approach to evaluation, while still leaving them a necessary level of flexibility;
- Appropriate timing of the evaluation of selection criteria was necessary to ensure enough time for the ex ante evaluation of the selection criteria before the calls for projects were to be launched;
- Designing the evaluations based on the theory-based and participatory approaches: the evaluations focused on coherence between the proposed selection criteria and the objectives of the Operational Programmes; and
- Meta-evaluations commissioned by the National Evaluation Unit collected lessons learned from 15 evaluations of the project-selection criteria and resulted in valuable recommendations for the next programming period.

7.5 Transferability

This good practice can be easily transferred to other Member States. The system of project selection is a core element of the delivery system and can be assumed that it would benefit from such an evaluation in the case of every Operational Programme. However, a few conditions should be fulfilled in order to secure transferability. Firstly, such an evaluation should be planned early enough to ensure that there is enough time for it to be carried out during the programme-implementation process. The evaluation could follow different models: it could focus on the ex ante assessment of selection criteria, assess the projects selected in the first call for projects or assess the project results against applied criteria.

Another condition is concerned with the flexibility of the system. There should be leeway for adjusting the criteria on the basis of evaluation findings. Finally, the involvement of all actors in the process of evaluation should be seen as an important condition.

8. MEASUREMENT OF EVALUATION CULTURE TO STRENGTHEN THE EVALUATION FUNCTION OF THE STRUCTURAL INSTRUMENTS SYSTEM IN ROMANIA



Good practice description

The Evaluation Central Unit within the Ministry of European Funds in Romania designed a mechanism for the regular assessment of evaluation culture diffusion in the Cohesion Policy implementation system. Both a customised assessment methodology and a measurement tool were created, covering the multiple aspects of evaluation, i.e. evaluation culture and evaluation capacity. Through a set of dimensions, indicators, criteria and sub-criteria, the measurement tool enabled the quantification of the Evaluation Culture Measurement Index (ECI). The assessments supported the identification and shared understanding of the strengths and weaknesses of the evaluation function among stakeholders, as well as decisions regarding the technical assistance interventions.

The regular measurements were accompanied by dissemination events contributing to raising awareness and the development of the competences of relevant stakeholders, e.g. implementing authorities, policy-makers (line ministries), academics and evaluators.

8.1 Background

The implementation system for Cohesion Policy programmes in Romania was set up in 2004. The Romanian government made the first decisions regarding the institutional architecture,⁵¹ entities and their roles in the coordination and management of Cohesion Policy at that time. Not only did the implementation system need to be created from scratch, but the culture of evaluating policy interventions was also underdeveloped. To enhance evaluation capacities and establish a culture of evaluation in Romania, the Operational Programme Technical Assistance (OPTA) had a dedicated Key Area of Intervention (1.2. 'Evaluation'). This priority enabled the financing of evaluations and projects to strengthen evaluation culture, including the development of methodologies, manuals and studies for public policy analysis and the examination and assessment of evaluation culture. Evaluation was an area in which the delivery system of Cohesion Policy programmes in Romania, implemented for the first time during the 2007-2013

⁵¹ The institutional framework for the coordination and management of the SI in Romania was set up by Government Decision (GD) No 497/2004 (amended and supplemented by GD No 1179/2004 and GD No 128/2006) and GD No 457/2008, replacing the original decision.

programming period, required both a significant extension of the existing practices and the introduction of new tools and competences.

As a response to the needs identified above, a large number of evaluations were conducted in the second part of the 2007-2013 programming period, financed by technical assistance. These evaluations include impact evaluations and, in the case of the Regional Operational Programme, counterfactual impact evaluations as well. Line ministries and the main stakeholders within the national implementation system were open to the results and recommendations of evaluations, as they could not rely on their own experiences within the system regarding the implementation of Cohesion Policy programmes.

The Evaluation Central Unit (ECU) was set-up to ensure a coordinated national evaluation system, as well as the implementation of horizontal evaluations across the Operational Programmes and those related to the OPTA. Initially, the ECU was located in the Authority for Coordination of the Structural Instruments, which later became the Ministry of European Funds. During the 2014-2020 programming period, the ECU will be responsible for the management and implementation of the evaluation plans of the Partnership Agreement and the Operational Programmes with Managing Authorities that are located in the Ministry of European Funds.

The ECU undertook several measures in order to support the evaluation processes in a coherent and effective manner. These measures included the assessment of the Structural Instruments evaluation system, the transfer of expertise from other Member States to the evaluation units of the Managing Authorities and the Evaluation Central Unit, improved coordination of the ECU with Managing Authority evaluation units. In addition, the development of specific tools (such as methodologies for quality control of evaluation reports), evaluations' terms of reference, raising awareness among stakeholders and the provision of learning opportunities, including through international events were also organised by the ECU. The evaluation culture concept was transposed into a number of tools and actions to channel these efforts towards critical elements that could enhance the role of evaluation in supporting the implementation of Cohesion Policy programmes in Romania and assess the results and impacts.

8.2 Good practice description

As indicated above, the development of the evaluation culture was an objective of one of the key areas of intervention of the OPTA 2007-2013. In order to monitor the progress of the achievement of this objective, the Central Evaluation Unit within the Ministry of European Funds decided to establish a mechanism for the regular measurement of evaluation culture, taking into account the specificities of the Structural Funds and the Cohesion Fund and the Romanian context. The following key needs for improvement also fostered the introduction of the tool for measuring evaluation culture:

- The need for more focus on impact evaluations (the indicators used for the assessment confirmed the weakness of the system in producing impact evaluations); and
- Support for the institutionalisation of the evaluation, i.e. enhancing coordination regarding the conducting and follow-up of the evaluations with the inclusion of a wide range of stakeholders, such as policy-makers, into the evaluation cycle.

In the first phase of the project, the definition of the concept of evaluation culture had to be established and the common elements and differences with regards to evaluation

capacity⁵² had to be clarified. Afterwards, the identification of the main elements of evaluation culture and the corresponding assessment indicators (64), criteria (16) and sub-criteria (30) were defined.⁵³ The assessment methodology is structured along four dimensions. These dimensions are the demand side, the supply side, the level of dissemination and utilisation of evaluation results, as well as the level of institutionalisation of the evaluation culture in question. As a result, the Evaluation Culture Measurement Index (ECI) was established.⁵⁴

The ECI includes an artificial distinction between:

- evaluation culture as 'the pattern of shared beliefs and values of policy-makers and evaluators which provide them with rules for behaviour that lead towards a practice of evaluation'; and
- evaluation capacity as 'more operational aspects and components which are deemed necessary for conducting an evaluation'.

A scoring methodology was established for each indicator:⁵⁵ minimum and maximum scores were made available and the corresponding primary and secondary sources of information were also indicated. The minimum and maximum scores available to the Evaluation Culture Measurement Index were calculated based on the aggregation of the minimum and maximum scores available to each indicator.

Since 2013, three annual measurements of the diffusion of evaluation culture in the delivery system have been performed by external consultants, revealing the overall achievement as well as the situation for each dimension and criteria and each Operational Programme. The measurements were coordinated by the Central Evaluation Unit. The reports were published online, thus enhancing the tool's visibility.

The results of these measurements indicate that the diffusion of evaluation culture is above average (50%), and has improved slightly from 57% of the maximum score achieved in the first measurement to 59% achieved in the third. The tool enabled the understanding of the contributions of various dimensions to this achievement. The most developed dimensions are the supply side (which had, in fact, the most significant increase, from 46% in the first measurement to 63% in the third) and dissemination, while for the demand side, areas of improvements were identified, such as the institutionalisation of the evaluation culture.

To enhance the visibility of the tools and raise public awareness regarding evaluations, in addition to the online surveys, interviews and focus groups, the annual measurements were accompanied by dissemination events. The events financed by technical assistance were held in Bucharest and brought together up to 40 participants, from Managing Authorities, Intermediate Bodies, line ministries, consultants, universities and evaluation

⁵² The approach adopted considers (i) the evaluation culture as the pattern of shared beliefs and values of policy-makers and evaluators that provide them with rules for behaviour that lead towards a practice of evaluation,; and (ii) the evaluation capacity as being associated with 'more operational aspects and components which are deemed necessary for conducting an evaluation. In that sense, evaluation capacity is strongly linked to the evaluation practice itself. They both relate to personnel related issues as well as technical facilities and instruments in support of evaluation'.

⁵³ The long list of elements related to evaluation culture and capacity can be found in Annex 2 of the first Measurement report of evaluation culture in the context of EU Cohesion Policy in Romania.

⁵⁴ Authority for Coordination of Structural Instruments Ministry of European Funds (2013): Measurement report of evaluation culture in the context of EU Cohesion Policy in Romania First measurement cycle. Available at: http://www.evaluate-structurale.ro/images/Y_upload_rapoarte/09_other_documents/EY_Evaluation_Culture/Evaluation_Culture_-_First_Measurement_Report_EN.pdf

⁵⁵ The study was conducted by Ernst & Young Romania.

association members to discuss the assessment results and recommendations. The main innovative features of the mechanism for the evaluation culture assessment include:

- The evaluation culture assessment methodology and the measurement tool customised for Structural Instruments needs,
- The mechanism of regular measurements with recommendations transposed in technical assistance measures and
- The dissemination events of the assessments resulting in improved awareness and competences of the stakeholders regarding the evaluation function.

8.3 Main benefits

Based on the analysis, the following main benefits of the implementation of the measurement tool for assessing evaluation culture were identified:

- Developed a general evaluation culture within the Romanian public administration system;
- Improved understanding of the concepts of evaluation culture and evaluation capacity, and their connections to evaluation practice among the stakeholders involved in the implementation of Cohesion Policy programmes as a result of the measurements and the subsequent dissemination events;
- Improved understanding of the weaknesses and strengths of evaluation in Romania, enabling the identification of areas for further improvement and focussing technical assistance support for the capacity development activities aimed at addressing these weaknesses;
- The support of the evaluation supply side and the development of an evaluation monitoring system included in the OPTA 2014-2020; and
- The focus of the evaluation activities on impact evaluations, resulting in 10 impact evaluations conducted in 2015.

Support for the institutionalisation of the evaluation consisted of enlarging the evaluations' coordination framework with inclusion in the evaluation structures of stakeholders other than Managing Authorities, such as policy-makers. This approach has already been formalised in the evaluation plans for the 2014-2020 programming period.

8.4 Factors for success

Contextual factors

No specific contextual factors were identified for the successful implementation of the measurement tool; however, it could be most beneficial for Member States if characterised by:

- Strong National Coordination Authority ensuring the development and application of the assessment tool, and An open and positive attitude of decision-makers towards evaluation and the use of evaluation results for policy learning; and
- Open and positive attitude of decision-makers towards evaluation and the use of evaluation results for policy learning.

Conceptual and practical factors

The successful implementation of the tool for measuring evaluation culture was supported by the following conceptual and practical factors:

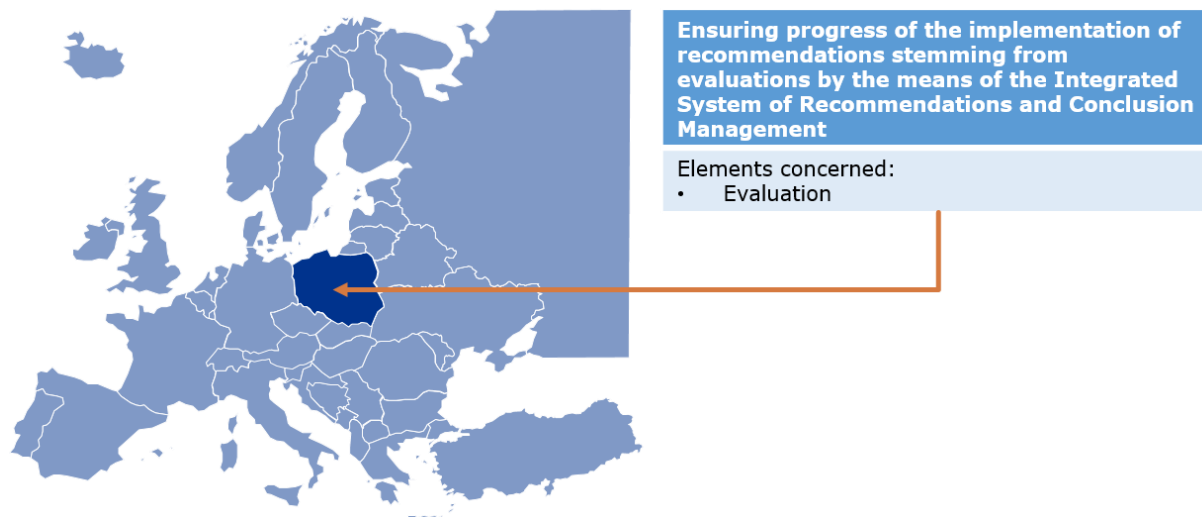
- Well established methodology of the measurement tool financed by technical assistance;
- Effective coordination of evaluation activities and the assessment tool by the Evaluation Central Unit (initially financed by technical assistance);
- Continuation of the assessments as well as monitoring the assessment recommendations implemented with ECU internal resources;
- Regular assessments and the availability of adequate financial and human resources (mainly from technical assistance support) enabling the continuous monitoring of the development of the evaluation culture; and
- Close involvement of the relevant institutions in the measurement, debates and follow-up actions of the annual measurements, including not only members of the evaluation units but also policy-makers (line ministries), evaluation associations, universities and other suppliers of evaluation services.

8.5 Transferability

Both the model and the assessment tool can be transferred, not only within the context of Cohesion Policy, but also to measure evaluation culture regarding national policies and development programmes. As described above, there are no specific contextual specificities that must be in place for the successful implementation of the tool.

The extension of the use of the measurement tool to other Member States or to other policy areas could add further value, offering a wider area of experiences for comparison, as well as more in-depth conclusions and solutions for the development of evaluation approaches across the EU. Comparing the development of evaluation culture in multiple Member States could also enhance learning and peer-to-peer exchange of information and good practices regarding evaluation.

9. ENSURING PROGRESS OF THE IMPLEMENTATION OF RECOMMENDATIONS STEMMING FROM EVALUATIONS BY THE MEANS OF THE INTEGRATED SYSTEM OF RECOMMENDATIONS AND CONCLUSION MANAGEMENT



Good practice description

The Integrated System of Recommendations and Conclusion Management (ISR)⁵⁶ was created by the National Evaluation Unit within the Ministry of Development and financed by technical assistance as an answer to the low level of follow-up activities for the evaluation recommendations made in the 2004-2006 programming period. The system allowed progress to be monitored on the follow-up of evaluation recommendations. The system was first introduced and launched by the Managing Authority for Operational Programme Human Resources Development in the 2004-2006 period, after which its successful implementation led to its being expanded to include the entire evaluation system for the Structural Funds and the Cohesion Fund in the 2007-2013 programming period. The system is supported by the Evaluation Report Database,⁵⁷ an online collection of all evaluations addressing Cohesion Policy implementation in Poland.

9.1 Background

Poland was successful in making use of the funding provided by the Cohesion Policy. Between 2004 and 2007, nearly 85,000 projects were implemented, with an overall budget of EUR 22.5 billion. Over the 2007-2013 programming period, Poland was the largest beneficiary of the Structural Funds and the Cohesion Fund in absolute terms, with an allocation of EUR 67 billion in total and EUR 1,750 per capita. Between 2007 and 2013, resources available from the Structural and Cohesion Funds averaged 5.8% of total annual government expenditure.⁵⁸ Overall EU spending in Poland represented 4.36% of the country's GNI in 2013, while its contribution to the EU budget was slightly above 1%. Evaluating the achievements of Cohesion Policy was therefore particularly important for the country, as the Operational Programmes served as the main driver for regional development. Furthermore, the significant budget available from the Structural

⁵⁶ Zintegrowany system zarządzania rekomendacjami i wnioskami

⁵⁷ Thanks to Technical Assistance in the 2008-2015 period, almost 1,000 evaluations were prepared. See: https://www.ewaluacja.gov.pl/Wyniki/Strony/Wyniki_badan.aspx.

⁵⁸ Calculations carried out by KPMG and Prognos, based on Open Cohesion Data regarding budget allocations and data from Eurostat regarding total government expenditure in the 2007-2013 programming period.

Funds and the Cohesion Fund and the corresponding national co-financing gained public attention. Consequently, enhancing accountability by measuring the results and impacts of the implemented Operational Programmes became especially important in Poland.

However, in the first programming period of the country (2004-2006), the strategic use of evaluation was in its early phase and the low level of follow-up activities initiated based on the recommendations from the evaluations was a major issue, especially taking into account the large number of evaluations conducted. The lack of standards for the follow-up of evaluation recommendations was identified as a main weakness in the 2004-2006 period (with the exception of Operational Programme Human Resources Development). There were no procedures or tools in place that would have allowed for the structured monitoring of the implementation of evaluation recommendations.

The Polish implementation system for delivering Cohesion Policy programmes was decentralised in the 2007-2013 programming period, with the evaluation functions becoming decentralised as well. Evaluation units were located under each Operational Programme (both national and regional). These units were responsible for organising the evaluation process as part of the implementation of their Operational Programmes. Managing Authorities had the right to delegate the powers of evaluation to the lower levels of implementation (i.e. to Intermediate Bodies).⁵⁹ Despite this decentralisation process, the Ministry for Regional Development centrally coordinated the delivery system. The National Evaluation Unit was also located within the Ministry of Regional Development, which was within the Department of Structural Policy Coordination.⁶⁰ This unit was responsible for coordinating evaluation activities of the individual evaluation units within the Managing Authorities and Intermediate Bodies.

In terms of numbers, the evaluation system was successful in the 2007-2013 programming period.⁶¹ Over 1,000 evaluations were completed between 2007 and 2015,⁶² nearly three fourths of them analysing the 2007-2013 programming period. Almost half of the evaluations were conducted with a focus on regional and territorial development and human resource development.⁶³

9.2 Good practice description

In Poland, as described above, evaluations were commissioned and conducted at both the regional and the national level. Therefore, effective coordination was an important prerequisite for ensuring the follow-up of evaluation recommendations and successful knowledge management. In Poland, two databases⁶⁴ were created for this purpose: the

⁵⁹ Ministry of Development (2015): Evaluation system in Poland. Available at:

<https://www.ewaluacja.gov.pl/strony/system-ewaluacji/opis-systemu/>

⁶⁰ The National Evaluation Unit is currently located in the Department of Coordination of Strategy and Development Policies of the Ministry of Development and is responsible for coordinating the entire evaluation system in Poland. In addition, the tasks of the unit include the implementation of evaluation at the level of the National Strategic Reference Framework/Partnership Agreement, as well as the coordination of the process of building an evaluation culture in the Polish administration.

⁶¹ The performance of the Polish evaluation system was praised by almost all sources, including representatives of the European Commission and the Expert Evaluation Network.

⁶² According to the Evaluation Reports Database. Data accessible in Polish at:

https://www.ewaluacja.gov.pl/Wyniki/Documents/17122014_baza.xls.

⁶³ Education and the improvement of the quality of teaching, reduction of unemployment, promotion of entrepreneurship, etc.

⁶⁴ Additional measures not covered in this mini case study include the Evaluation Assessment Sheets, which were created with the aim of achieving an overview of the perceived quality of evaluations.

Evaluation Reports Database⁶⁵ and the Integrated System for Managing Conclusions and Recommendations.

The aim of the Evaluation Reports Database was to centralise the publication of all evaluations conducted at different levels of the public administration. Reports were collected in a simple Excel sheet, which was updated regularly by the National Evaluation Unit. The file contained the title of each evaluation and a link to the report, enabling the user to instantly download it. Metadata was assigned to each report, including the thematic area of the evaluation,⁶⁶ the date of completion, the authority responsible for the evaluation and the name of the evaluator.

The Integrated System for Managing Conclusions and Recommendations was aimed at managing the structured follow-up of the recommendations of evaluations commissioned both by the Managing Authorities of the individual Operational Programmes and by the National Evaluation Unit. The system was centrally managed by the National Evaluation Unit. Regarding the process, templates are filled in annually with all recommendations deemed crucial by the Managing Authority after discussing them with the target group of the recommendations. Afterwards, the completed template was submitted to the National Evaluation Unit and the Monitoring Committee, along with the Annual Report.⁶⁷ The recommendations were added to the Database for Strategic Monitoring of Recommendations. All evaluation recommendations commissioned by the National Evaluation Unit were entered into the database. In the database, metadata was assigned to the recommendations, including the title of the evaluation report, the recommendation, the target group of the recommendation, a short description of the method by which to implement the recommendation, the current status of the implementation,⁶⁸ the type of recommendation⁶⁹ and time limit for follow-up activities.

Although the Managing Authorities were not legal obligated to implement the recommendations, the National Evaluation Unit monitored the implementation of recommendations and updated the database regularly based on the input received from the Managing Authorities. In the case of evaluations commissioned by the National Evaluation Unit, recommendations were sent to the target groups, who were then required to implement, partially implement or reject them, and then provide written explanation of why they chose their preferred option. The National Evaluation Unit played an important role in the implementation of recommendations affecting horizontal aspects of the implementation system or multiple elements of the delivery system. To accomplish this, the Unit periodically prepared a report regarding horizontal recommendations and submitted it to Coordinating Committee of the NSRF⁷⁰ and, if needed, the Council of

⁶⁵ Data accessible in Polish at: https://www.ewaluacja.gov.pl/Wyniki/Documents/17122014_baza.xls.

⁶⁶ Regional and territorial development; public administration capacity-building and good governance implementation; human resources development; the impact of the NCS on social and economic development; strategic environmental impact assessment; innovativeness of the economy; infrastructure development and modernisation.

⁶⁷ In line with Guideline No. 6 on the Evaluation of Operational Programmes.

⁶⁸ 'Fully implemented', 'partially implemented', 'to be implemented fully', 'to be implemented partially' or 'rejected'.

⁶⁹ Horizontal, key or operational.

⁷⁰ The Coordinating Committee of the National Strategic Reference Framework and National Development Strategy was established on 11 April 2007. Its tasks include, among others, control and supervision over the implementation of National Cohesion Strategy and individual Operational Programmes.

Aside from the Minister of Regional Development, representatives of government and self-government administration, as well as social and economic partners, participate in the work of the Committee. The Committee meetings can also be attended by experts and representatives of other institutions, and social and professional groups. Coordinating Committee meetings should be held at least twice a year. Further information

Ministers. This ensured scrutiny over the follow-up and implementation of recommendations related to overarching issues and findings.

9.3 Main benefits

Based on the analysis conducted, the following main benefits of applying this strategic approach towards evaluations were identified:

- Enhanced policy learning and sound basis for evidence-based policy making through the structured follow-up and monitoring of evaluation recommendations not only by Managing Authorities and Intermediate Bodies, but by line ministries as well. The centralised collection of information regarding recommendations enabled the identification of overarching issues within the decentralised Polish implementation system.
- By the end of 2013, over 1,000 evaluation recommendations were implemented (the majority of these were operational in nature). The available comprehensive set of information regarding evaluation recommendations can be utilised for conducting meta-evaluations for assessing the overall impact of Cohesion Policy programmes in Poland.
- Transparency and public awareness were raised regarding evaluations and the results and impacts of the implementation of Cohesion Policy programmes thanks to the accessibility of evaluations in the Evaluation Reports Database. This database provided useful information for evaluators, public administration employees, researchers, journalists and other interested parties.

9.4 Factors for success

Contextual factors

The primary contextual factors for success were identified as the following:

- generally well-functioning delivery system with decentralised implementation setup coordinated by a central authority (Ministry for Regional Development), and a similar decentralised system for conducting evaluations;
- public authorities committed to supporting policy learning and effective delivery of Cohesion Policy programmes;
- well-developed evaluation culture and a steep learning curve within the public administration regarding the use of evaluations;
- significant available budget for commissioning evaluations (financed by Technical Assistance) that created a massive evaluation market and stimulated the professionalisation of evaluators;
- involvement of Monitoring Committees in the monitoring of the implementation of evaluation recommendations further enhanced civic oversight of the process.

Conceptual and practical factors

On the conceptual and practical level, the implementation of the strategic approach towards evaluation in Poland benefited from the clear designation of tasks, i.e. Managing Authorities and Intermediate Bodies collected information on evaluation recommendations on a regular basis, which was submitted to a central unit. The National

is available on the European Funds Portal of the Polish Government:

https://www.funduszeuropejskie.20072013.gov.pl/English/System/Strony/European_Funds_System.aspx

Evaluation Unit closely monitored the management of this system and the implementation of recommendations. Centrally managing horizontal recommendations and updating policy-makers on the developments regarding these was also a beneficial approach from a policy-learning point of view.

The involvement of Monitoring Committees in the monitoring of the implementation of evaluation recommendations further enhanced civic oversight of the process.

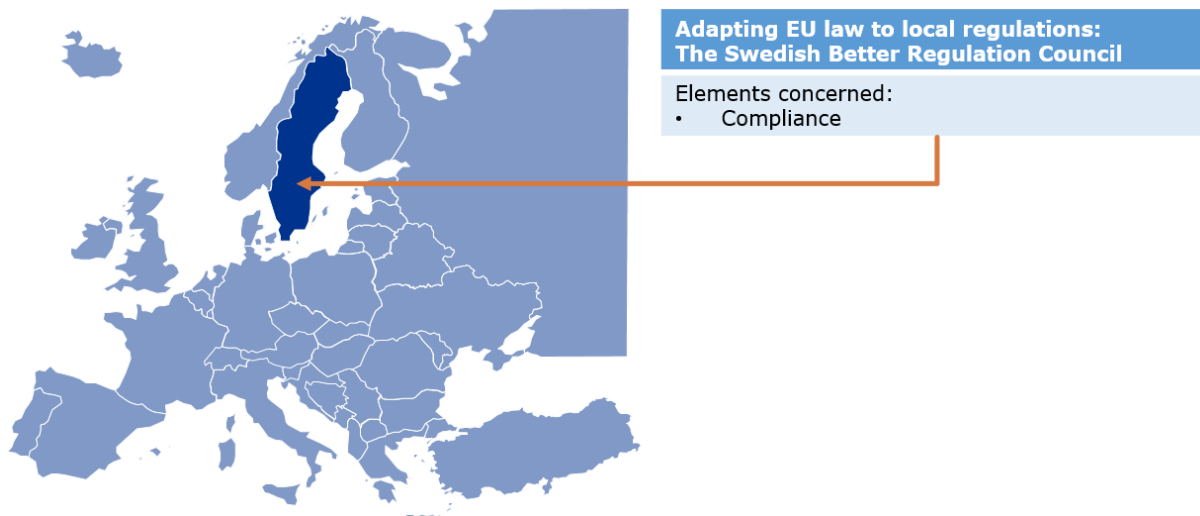
However, some practical details limited the user-friendliness of the system; in this regard, the Excel-based tables in which evaluation recommendations were recorded should be noted. This system limited the usability of the accumulated information and did not allow it to be searched online. In addition, the lack of legal obligation for considering the follow-up of evaluation recommendations was a missing feature in the 2007-2013 programming period.

9.5 Transferability

In Poland, the well-functioning delivery system and the implementation setup helped the practical implementation of the strategic approach towards evaluation. The Evaluation Reports Database can easily be implemented in other Member States without any pre-conditions. If the system were transferred to other Member States, the user-friendliness of the system could be further enhanced; for example, it would be beneficial to make the evaluation database searchable online. Such databases are available in other Member States as well, but they are usually either non-comprehensive or fragmented, being located on several websites instead of a central one. To achieve high quality data, decentralised and regional units must comply with the documentation requirements.

The successful implementation of a system similar to the Integrated System for Managing Conclusions and Recommendations, however, requires public authorities who are committed to policy learning and the effective delivery of Cohesion Policy programmes. Furthermore, policy-makers should also be open to implementing necessary changes and publishing potentially negative evaluation results. While the Integrated System for Managing Conclusions and Recommendations has a centrally managed component, the additional value in Member States could come from a decentralised implementation system, similar to the one in Poland. With evaluations being conducted at multiple levels of the public administration, there is more need for horizontal supervision and analysis of the evaluation results.

10. ADAPTING EU LAW TO LOCAL REGULATIONS: THE SWEDISH BETTER REGULATION COUNCIL



Good practice description

In 2009, Sweden established the Better Regulation Council (Regelrådet), a committee of inquiry that advises the government on whether new regulations or amendments to existing regulations provide the simplest possible regulatory solution. The Council acts as a watchdog to ensure that the government and its agencies carry out the required impact assessments on new regulations and amendments, and reviews their quality. It also monitors developments in the area of better regulation, provides advice and generally promotes an environment that fosters effective regulation minimising administrative burden. Finally, the Council participates in international initiatives on better regulation and provides methodological training on impact assessments.

10.1 Background

The European Commission defines gold plating as 'the practice of national bodies going beyond what is required in EU legislation when transposing or implementing it at Member State level'.⁷¹ This imposition of additional requirements by national regulators can increase red tape in Member States, contributing to the administrative burden on businesses. This, in turn, hampers national competitiveness and, ultimately, a country's or region's growth prospects (depending on the governance level at which the additional requirements are set). Particularly in the area of Cohesion Policy, gold plating can hinder implementation by requiring beneficiaries to produce and retain large amounts of documents to satisfy information requirements, and by setting detailed rules that increase the overall complexity of the system and undermine legal certainty when interpretation of these rules is not consistent across all control levels.⁷² Not only is the combined effect of these bottlenecks likely to increase administrative burden and slow the implementation of Operational Programmes or projects, gold plating can also undermine compliance with EU and national legislation, ultimately affecting the legality and regularity of Cohesion Policy spending.

⁷¹ See footnote 15 of COM (2010)543 Communication on Smart Regulation in the European Union.

⁷² See Chapter 4 of the Final Report of this Work Package for more information on this point.

A 2011 report by the High Level Group of Independent Stakeholders on Administrative Burden estimated that almost a third of the excess burden borne by economic operators in the EU can be explained by national regulation going beyond what is required by EU legal acts or by inefficiencies in national implementation (notably in administrative procedures).⁷³ The European Commission estimates that tackling gold plating issues in the area of Cohesion Policy can result in a 24% reduction of administrative burden.⁷⁴

In Sweden, small policy making ministries at the central level⁷⁵ are supported by a large network of decentralised agencies⁷⁶ in charge of policy implementation, a structure that is strongly rooted in constitutional provisions. These provisions entrench a model of government that confers many complex implementation tasks to local administrations, in line with the idea of local democracy, consensus-building and participation. Efficient implementation across levels of government and seamless administrative procedures thus become an important feature of this system, since institutional fragmentation can easily lead to implementation bottlenecks and administrative burden, particularly when dealing with EU regulations.⁷⁷ Indeed, the OECD reports that Swedish businesses faced up to 10 billion EUR in administrative costs in 2006.⁷⁸ Confronted with this issue, the Swedish government launched an Action Plan for Better Regulation in 2006, with the target of significantly reducing administrative costs borne by businesses. This commitment was reinforced in the 2009 budget bill and plays a fundamental role in Swedish governance, in conjunction with a vocal community of business stakeholders.⁷⁹ As a result, Sweden's approach to regulation and to transposing EU law into national and local rules offers a good practice example, because it purposely aims at minimising the administrative burden being placed on businesses and, in the case of Cohesion Policy programmes, on beneficiaries.

10.2 Good practice description

Amidst the overall effort to reduce red tape described in the previous paragraph, Sweden established a Better Regulation Council (Regelrådet) in 2009, a committee of inquiry that advises the government on whether new regulations or amendments to existing regulations provide the simplest possible regulatory solution. The legal basis and framework for the work of the Council is included in section 17-19 of the 'Ordinance with instructions to The Swedish Agency for Economic and Regional Growth' (2009:145)⁸⁰, and in the 'Committee Terms of Reference' (2008:57).⁸¹ The Council plays an important

⁷³ High Level Group of Independent Stakeholders on Administrative Burden (2011): Europe can do better. Report on best practices in Member States to implement EU legislation in the least burdensome way, p. 12. According to the report, 32% of EUR 124 billion of excess burden originating from the EU is linked to national implementation, that is to say, approximately EUR 40 billion. In particular, inefficiencies in national administrative procedures account for the greatest share of this burden (28%).

⁷⁴ See European Commission (2009): Cutting red tape – Overview of reduction measures and illustrative examples. MEMO/09/474.

⁷⁵ Government ministries are small in terms of staff, budget and competences. The OECD estimates that almost 50% of Swedish government expenditure between 2007 and 2013 occurred at the local level. <http://dx.doi.org/10.1787/888933248456>

⁷⁶ A comprehensive list of government agencies in Sweden is available at: <http://www.government.se/government-agencies/>

⁷⁷ OECD (2010): Better regulation in Europe: Sweden.

⁷⁸ Ibid.

⁷⁹ Ibid.

⁸⁰ Ordinance (2009:145) available at: <http://www.notisum.se/rnp/sls/sfs/20090145.pdf>

⁸¹ See Dir. 2008:57, Dir. 2008:142, Dir. 2010:96 and Dir. 2011:71, available at: http://www.regelradet.se/about_us/about-the-swedish-better-regulation-council/

role in ensuring that the transposition and implementation of EU law does not result in more regulatory burden and higher costs for businesses and society than is strictly necessary.

The Council carries out the following activities, as specified in its remit:⁸²

- It reviews proposals for new regulations or amendments to existing ones (from both ministries and government agencies), with an eye to assessing impacts on working conditions of businesses and their competitiveness. The Council primarily reviews whether existing impact assessments accurately estimate and analyse administrative costs resulting from this legislation, and advises whether regulations minimise these costs in achieving the intended objectives;
- It acts as a watchdog to ensure that the government and its agencies carry out the required impact assessments on new regulations and amendments, and reviews their quality. In particular, it scrutinises impact assessments to determine whether or not they meet what has been set out in the impact assessment framework and methodology.⁸³ Since 2011, the Council has also supported regulators in the review of EU impact assessments of proposals that may significantly affect the Swedish business environment;
- It monitors developments and initiatives in the area of better regulation, provides advice and generally promotes an environment that fosters effective regulation that minimises administrative burden. The Council has, in the past, also offered ad hoc training to government agencies, ministries and committees (often jointly with other stakeholders) on topics related to better regulation;
- It participates in international initiatives, for example as one of the members of RegWatchEurope, a European network of independent regulatory watchdogs.

The Council is composed of a Chair, a Deputy Chair, two members and four alternate members, and is assisted in its work by a secretariat. It also engages external experts to support its operations with additional capacity. The Council meets every second week and issues its opinions during the consultation period. It is given a period of at least two weeks from submission of the proposal for review to express its opinion.

In January 2015, The Swedish Better Regulation Council became an independent decision-making body, under the Swedish Agency for Economic and Regional Growth (Tillväxtverket). Its advisory role was reinforced and the Council now also provides guidance on how to improve impact assessments whose quality it deems unsatisfactory. Moreover, its scrutiny and assessment of the function of administrative costs is now integrated into the overall judgement on impact assessments. The agency is also directly involved in the delivery of regular trainings sponsored by the Agency for Economic and Regional Growth for regulators and committees.

Finally, the Better Regulation Council closely collaborates with the Board of Swedish Industry and Commerce for Better Regulation (Näringslivets Regelnämnd, or NNR). NNR is a politically independent advocacy organisation that gives voice to Swedish businesses in the pursuit of simpler regulation, fewer information requirements and a business friendly economic and regulatory environment. Collaboration with NNR is fruitful as it allows the Better Regulation Council to better understand the needs and practical issues expressed by Swedish firms.

⁸² Ibid.

⁸³ See Ordinance on Regulatory Impact Assessment (SFS 2007:1244).

10.3 Main benefits

Government ministries and agencies are required to submit all proposed acts that may affect the economic environment and competitiveness of Swedish businesses to the Better Regulation Council.⁸⁴ Between 2009 and 2014, the Council received more than 2,600 such submissions, leading to over a thousand opinions of which 62% resulted in approval and 39% were deemed to comply with the requirements set out in the impact assessment framework.⁸⁵ Although the initial goal of cutting administrative costs by 25% has not yet been achieved, the Council's work has been assessed positively by the business community⁸⁶ as well as by external observers such as the OECD. The latter has praised Sweden's efforts on regulatory simplification.⁸⁷

Although it is hard to draw a causal link, there are favourable developments in Sweden, particularly in the area of compliance and gold plating that can be linked to the efforts described above and which suggest that the Swedish case offers an example of good practice. Sweden's track record in ensuring the legality and regularity of EU spending is markedly positive (as assessed by Commission error rates).⁸⁸ Sweden also performs above average in Europe on the *compliance in transposition of EU directives* indicator of DG GROWTH's Single Market Scoreboard, which measures the number of directives transposed for which the Commission initiated infringement proceedings for non-conformity.⁸⁹ Finally, evidence from our fieldwork suggests that Sweden, much like its Nordic peers grouped under cluster C1, has been able to transpose European public procurement directives into a relatively simple national framework, contributing to a reduction in errors and irregularities.⁹⁰

10.4 Factors for success

Contextual factors

One key factor explaining the success of the Swedish Better Regulation Council is that since its inception, this organisation has enjoyed strong political support from the central government. The Council has thus been allowed to pursue its mandate independently and is insulated from political interference.

⁸⁴ See Ministry of Enterprise, Energy and Communications (2008): Guidelines for the Provision of Information by the Government Offices to the Swedish Better Regulation Council. For a broader overview of the legislative process in Sweden, see: <http://www.government.se/how-sweden-is-governed/swedish-legislation---how-laws-are-made/>

⁸⁵ Regelrådet (2015): Final Report 2009–2014, Annual Report 2014.

⁸⁶ See Atthoff, K. and Wallgren, M. (2012): Clarifying Gold-Plating, Better Implementation of EU Legislation.

⁸⁷ OECD (2015): OECD Regulatory Policy Outlook: Sweden.

⁸⁸ See Chapter 4 of the Final Report of this Work Package for more information on this point. The level of risk for Sweden in 2014 was estimated by DG REGIO (ERDF) at 0.5%, and at 1.4% by DG EMPL (ESF). In comparison, the average European rates for the ERDF and ESF were estimated at 2.6 and 2.8, respectively, for the same year. This can be partly linked to Sweden's ability to provide a regulatory framework that minimises the risk of errors or irregularities.

⁸⁹ The full dataset, as well as detailed explanations of the composition and methods used to compile the Single Market Scoreboard, are available at: http://ec.europa.eu/internal_market/scoreboard/index_en.htm

⁹⁰ In Member States grouped under cluster C1, interviewees agreed that public procurement rules contributed to reducing errors and irregularities and did not find the national legal framework for public procurement as complex as those in other Member States did. Mean assessment of 3.1 in total, 4.4 for Nordic countries (C1) and 2.7 for Western European countries (C2). See Annex II to the Final Report of this Work Package, Table 23.

Another important success factor was the ability of the Council to interact with other institutional actors engaged in better regulation activity, such as the Agency for Economic and Regional Growth and the NNR.

Conceptual and practical factors

The availability of tools, guidelines/processes and adequate institutional structures for better regulation purposes was also crucial. In terms of processes, consider for instance the 'Guidelines for work on regulatory impact assessments in the Government Offices'⁹¹ and the 'Ordinance on Regulatory Impact Assessment' (2007:1244)⁹², which set out the main requirements for impact assessments.⁹³ A good example of tools is the Regelräknaren ('regulations calculator'), an instrument developed by the Agency for Economic and Regional Growth and made available to regulators to estimate the cost of regulation on businesses.⁹⁴

Finally, other factors playing an important role in Sweden's approach to better regulations include the early consultation of stakeholders, early analysis of potential impacts, and the pursuit of the 'minimum principle' in adapting regulation. According to the latter, once the minimum EU requirement of what must be done at the national level has been established, any deviation from this minimum must be duly justified by the impact assessment, which is expected to contain an estimation of the potential costs for companies. The Council published a report in 2012 that drew lessons from the examples of five Swedish government agencies to achieve simple and effective rules in implementing EU regulations.⁹⁵

10.5 Transferability

Insofar as the institutional set up of the Swedish Better Regulation Council has been adopted as a blueprint for the creation of similar regulatory watchdogs in other Member States, the good practice example described herein is largely transferable to different countries. Regelrådet itself was built on the experience of the Dutch and German examples (Actal and Nationaler Normenkontrollrat, or NKR, respectively).⁹⁶

This notwithstanding, a key element for the success of the Swedish Better Regulation Council has been the independence from government interference in its remit, as explained in the previous paragraph. This trait is harder to implement across all countries as it builds significantly on contextual factors and, notably, on Sweden's national administrative culture. Moreover, the institutional context in Sweden privileges coordination across government bodies and, in particular, between the central government and its agencies. A shared understanding of the importance of better regulation objectives and a common, coordinated effort are essential building blocks in this system, even though their transfer to other contexts is somewhat difficult. To confront this, Member States could establish Councils with stronger mandates and promote inter-ministerial working groups on better regulation topics.

⁹¹ Available at: http://www.regelradet.se/wp-content/uploads/2012/03/ia_government1.pdf

⁹² See Swedish Code of Statutes (SFS), Ordinance on Regulatory Impact Assessment (2007: 1244), available at: <http://www.regelradet.se/wp-content/uploads/2012/03/Ordinance-on-IAs.pdf>

⁹³ The Council reviews compliance with sections 6 and 7 in the Ordinance on Regulatory Impact Assessment. A brief overview of these requirements is available at: <http://www.regelradet.se/pages/legal-documents/>

⁹⁴ Available at: <https://regelraknaren.tillvaxtverket.se/regelraknaren/#/utbildning/>

⁹⁵ For details, see Regelrådet and Tillväxtverket (2012): From EU proposal to government agency regulation: achieving simple and effective rules.

⁹⁶ Regelrådet (2015): Final Report 2009–2014, Annual Report 2014.

11. USE OF PREVENTIVE STAFF IN ESF OP NORTH RHINE-WESTPHALIA



Installing "preventive staff" for assisting beneficiaries regarding compliance matters in early stages of project implementation

Elements concerned:

- Compliance

Good practice description

Faced with demands by beneficiaries for advisory services on SCOs, the Managing Authority for the regional ESF programme in North-Rhine Westphalia introduced a service to pre-emptively advise beneficiaries on funding rules, including SCOs. The preventive staff ('Präventivkräfte'), as this service became known, consisted in the allocation of additional, specialised workforce operating at the level of the State's district governments/regional administrations, whom beneficiaries were required to consult during the first six weeks of their operation.

11.1 Background

The General Regulation for the use of the ERDF, ESF and Cohesion Fund states that Member States are responsible for 'preventing, detecting and correcting irregularities and recovering amounts unduly paid'.⁹⁷ Evidence collected as part of this ex post evaluation suggests that the 2007-2013 control system, as implemented in each country, often neglected *prevention* of irregularities and focused on ex post detection, correction and recovery.⁹⁸

The focus on prevention is important because it has the potential to significantly reduce the risk of irregularity and related financial correction and, as a consequence, the associated legal uncertainty and administrative burden.

Examples of prevention measures include capacity building and training opportunities for beneficiaries, Intermediate Bodies, and Managing Authorities, sharing of guidelines to clarify requirements and of checklists to detail information duties and deadlines with beneficiaries, ex ante checks on documentation, risk-assessment tools such as the

⁹⁷ Council Regulation (EC) No. 1083/2006 (Art. 70, 1b).

⁹⁸ See Final Report of this work package, sections 4.2, 4.3 and 4.4 for additional details on this point. The European Court of Auditors, for instance, notes how Member States took up prevention measures in the area of procurement (one of the biggest sources of errors in Cohesion Policy, especially for ERDF and CF) only towards the end of the programming period. See European Court of Auditors (2015): Efforts to address problems with public procurement in EU cohesion expenditure should be intensified. Special Report No. 10/2015, pp. 40-42.

Arachne software⁹⁹, and ex ante on the spot visits. Another, more fundamental, way to prevent errors is to achieve simplification through regulatory changes. In this respect, Simplified Cost Options (SCOs)¹⁰⁰ represent an excellent solution to increase legality and regularity of spending¹⁰¹, while at the same time also reducing administrative burden. Introducing SCOs in the 2007-2013 period, however, required changes in programme-specific eligibility rules, and successive changes in the control system, bringing about uncertainty as to whether adaptations by Managing Authorities and Intermediate Bodies would be accepted at subsequent levels of audit. As a result, Managing Authorities were hesitant to introduce SCOs. Beneficiaries too were often reluctant to take up this innovation, in fear that incorrect application of SCOs would lead to irregularities and financial corrections.

In line with the challenges described above, empirical work carried out in North-Rhine Westphalia revealed that the greatest obstacle to the deployment of SCOs in this region consisted in persuading stakeholders on both sides of the funding arrangement (beneficiaries, on the one hand, and verification officers on the other) of the merit of this 'paradigm change' from real-type costs to flat rate financing, unit costs, and lump sums. This was found to be particularly true in the start-up phase of beneficiaries' operations. Verification officers feared that reliance on simplified costs would result in overly generous reimbursements to beneficiaries, from which the latter could reap undue profits. Conversely, beneficiaries complained that strict calculation of SCOs would not allow them to cover their costs and result in net losses.

Against this backdrop, the ESF Operational Programme North-Rhine Westphalia is a good practice example for the introduction of preventive measures and to mitigate concerns of stakeholders on various levels. It shows how allocating expert staff to pre-emptively advise beneficiaries on technical issues related to the programme implementation in general, and use of SCOs in particular, has bolstered legality and regularity of spending and supported the uptake of SCOs.

11.2 Good practice description

In 2013, faced with demands by beneficiaries for advisory services on SCOs, and in view of concerns by management verification staff regarding changes induced by SCO, the Ministry for Employment, Integration and Social Affairs of North-Rhine Westphalia, Managing Authority for the regional ESF programme, introduced a service to pre-emptively advise beneficiaries on funding rules, including SCOs. The preventive staff ('Präventivkräfte'), as this service became known, consisted in the allocation of additional, specialised workforce operating at the level of the State's district

⁹⁹ See EGESIF_14-0021-00 of 16 June 2014 European Structural and Investment Funds Guidance for Member States and Programme Authorities Fraud Risk Assessment and Effective and Proportionate Anti-Fraud Measures, p. 13-14. Arachne is a risk-scoring tool that supports management and control systems through continuous monitoring of internal and external data on projects, beneficiaries and contractors, with the aim of preventing and detecting fraud, conflict of interest and irregularities, thereby contribute to lowering error rates. ARACHNE was developed under the responsibility of the Commission, and gradually rolled out in 2014.

¹⁰⁰ Simplified Cost Options were introduced in the 2007-2013 period for ESF Programmes (see Article 11(3) (b) of Regulation (EC) No 1081/2006) and extended to ERDF and Cohesion Fund in 2009. They include flat rate financing, standard scales of unit costs and lump sums.

¹⁰¹ See Second Interim Report of this work package, section 4.4.3, detailing findings of Task 2. See also the 2012 Annual Report of the ECA, C 331/175, paragraph 6.23: 'The Court did not detect any errors (quantifiable or non-quantifiable) related to the specific use of SCOs. This indicates that projects whose costs are declared using SCOs are less error-prone. Thus a more extensive use of SCOs would normally have a positive impact on the level of error.'

governments/regional administrations.¹⁰² Beneficiaries were required to consult this staff during the first six weeks of their operation. This measure aimed at assisting beneficiaries at the beginning of the project in meeting the complex requirements associate to funding, such as information and documentation duties. The introduction of preventive staff was expected to improve the quality and reliability of reporting on the progress of their projects and proof of spending, as well as to ultimately increase legality and regularity of expenditure by achieving a reduction in errors.

The technical leadership of this measure remained with the Ministry for Employment, Integration and Social Affairs, who were responsible for the production of guidelines and materials and the briefing of the preventive staff on specific requirements. Individual activities, on the other hand, were planned and carried out at the level of each district administration.

In practical terms, the advice by the preventive staff consisted in a walkthrough¹⁰³ of the process to draw up proofs of expenditure and documentation. The staff carried out on the spot visits to beneficiaries to provide direct assistance, and was also available telephonically for further consultation. Additionally, the officials responsible for the operation at the Managing Authority were in contact with beneficiaries before and after the delivery of the advisory service to prepare and follow up to the consultation.

New positions were opened in district governments to join the preventive staff team. Eight of these received direct financial support by the Ministry for Employment, Integration and Social Affairs. The remaining financial support for this measure came from technical assistance resources.

11.3 Main benefits

The main benefits that can reasonably be linked back to this measure occurred in part directly and in part through the encouraging effect preventive staff had on the take up of SCOs, which is in and of itself a positive result. Based on the analysis, we list below the main benefits identified.

- The assistance was well received by beneficiaries, who praised the measure. In turn, better-informed and more competent beneficiaries contributed to addressing the source of potential errors at its very origin, thus easing the work of the Managing Authority in subsequent stages. Indeed, the quality of the documentation and reporting of beneficiaries improved.
- Consequently, verification officers gained trust in information provided by beneficiaries, thereby rendering their work easier and in turn more reliable. This can be considered a first step towards a more reliable management and control system.
- Better and closer communication with beneficiaries supported the uptake of two SCOs launched in 2013: an indirect costs flat rate of 9% and, in collaboration with

¹⁰² In this German Land, 16 regional agencies support the Managing Authority in policy implementation with advisory, information, analysis and coordination tasks. See webpage of the Ministry for Employment, Integration and Social Affairs of North-Rhine Westphalia, for additional details: <https://www.mais.nrw/esf-regionalagenturen>

¹⁰³ A walkthrough normally recaps a process by reviewing process descriptions, interviewing responsible personnel and inspecting process outputs. It is generally considered an effective means to obtain a thorough understanding of process outputs (in this case: financial reports of operations, supporting proofs of expenditure and/or documentation of simplified cost etc.) and provides the preventive staff with information on where errors or irregularities could occur. Preventive staff can thus help beneficiaries to adapt their process so as to provide error or irregularity free reporting.

the Federal Employment Agency, a standard scale of unit cost calculated on the basis of a monthly rate per participant (that is to say, an output-oriented SCO).¹⁰⁴

- The introduction of SCOs eased the financial reporting procedure not least in that beneficiaries only had to justify the remaining direct costs by means of supporting documentation such as paid invoices. This significantly simplified implementation of the Programme relieving beneficiaries, Intermediate Bodies and the Managing Authority from burden. Moreover, beneficiaries perceived this system as more transparent and felt hedged against the risk of losing funding in financial recoveries due to irregularities;
- Likely as a result of all of the above, we observed that the control system for the ESF Operational Programme in North-Rhine Westphalia provided increased assurance. Before the introduction of preventive force, in 2011, the Annual Control Report and national audit report for North-Rhine Westphalia identified some deficiencies in first level management verification, later confirmed by an audit carried out by the European Commission.¹⁰⁵ Following the introduction of this measure, in 2014, the Commission Management Opinion for this Programme was 'reasonable- to low-risk', and confirmed the estimate of error rate at 1.76%, below materiality level.¹⁰⁶

11.4 Factors for success

Contextual factors

The Managing Authority performed a strong coordinating role for this measure, through its technical leadership and thorough understanding of rules and guidelines at EU, national and regional level. Hence, the technical capacity and competence of the Ministry for Employment, Integration and Social Affairs of North-Rhine Westphalia played a key role in ensuring the success of the preventive staff.

Conceptual and practical factors

- Beneficiaries received assistance in project implementation from the very onset of their operation, within a logic of prevention rather than revision or correction at a later stage;
- The preventive staff worked in close contact with beneficiaries throughout the process;
- The preventive staff performed on the spot visits at the premises of the beneficiary, allowing for personal interaction and better understanding of the problems or needs.

11.5 Transferability

Insofar as the set-up and structure of the preventive force presented above is adopted as a blueprint for the creation of similar assistance measures in other Member States, the

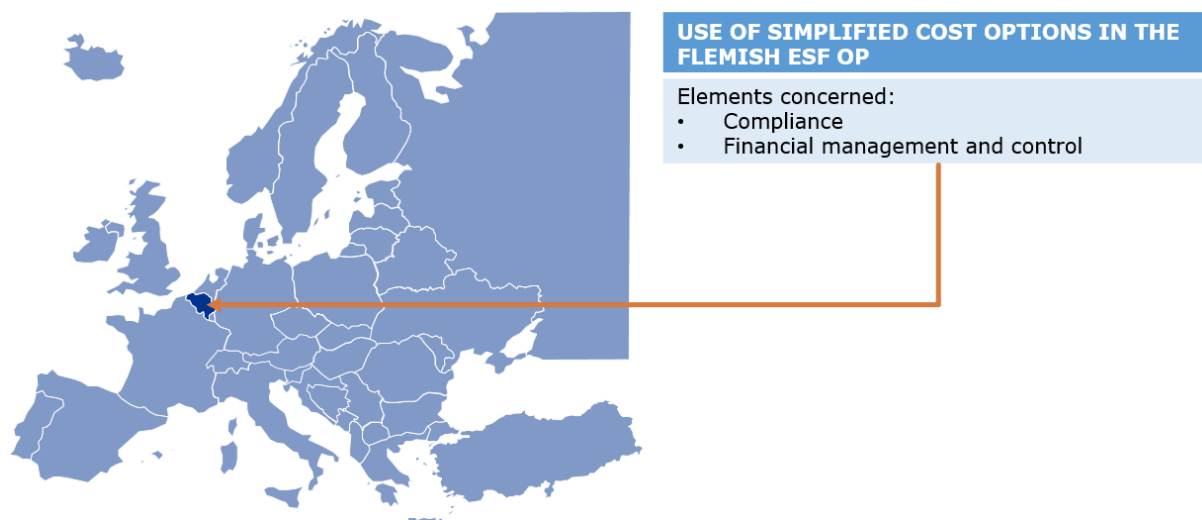
¹⁰⁴ See case study reports of this work package, case study on Germany, section 4.5, for additional details on this point.

¹⁰⁵ See European Commission, Directorate General for Employment, Social Affairs and Inclusion (2013): Annual Activity Report, Annex.

¹⁰⁶ See European Commission, Directorate General for Employment, Social Affairs and Inclusion (2014): Annual Activity Report, Annex. By no means, however, can we infer with this naïve before and after comparison that the measure had a causal effect on error rates.

good practice example described herein is largely transferable. A caveat lies in the fact that availability of a reliable and competent central leadership is key for the successful implementation of this measure. The latter is a context-specific factor that takes time to build. Close collaboration with beneficiaries and on-site visits emerged as other important features.

12. USE OF SIMPLIFIED COST OPTIONS IN THE FLEMISH ESF OP



Good practice description

The Flemish ESF Operational Programme offers a good practice example of how to successfully apply SCOs in Operational Programmes. The ESF Agency Flanders, Managing Authority for the Belgian ESF Flemish Operational Programme, has applied flat rate financing in all its calls since the beginning of the period, in 2007. Since 2009, following amendments to the ESF Regulation that introduced the possibility to use lump sums and standard scales of unit costs, the Agency gradually phased in standard scales, and applied lump sums on selected calls from 2010 onwards.

12.1 Background

Simplified Cost Options¹⁰⁷ are generally agreed to be an excellent measure for reducing administrative burden while not sacrificing accountability nor legality and regularity in the use of the Funds. However, this evaluation found that the potential of the SCOs remained partly untapped in the 2007-2013 period.¹⁰⁸ According to an analysis carried out by the European Commission in 2011, only seven Member States, including Denmark, Finland and the United Kingdom, relied on this simplification tool in ERDF Programmes by that year. Even in ESF Programmes, where the use of SCOs is more widespread¹⁰⁹, only sixteen countries adopted SCOs in the same year.¹¹⁰

¹⁰⁷ Simplified Cost Options were introduced in the 2007-2013 period for ESF Programmes (see Article 11(3) (b) of Regulation (EC) No 1081/2006) and extended to ERDF and Cohesion Fund in 2009. They include flat rate financing, standard scales of unit costs and lump sums.

¹⁰⁸ See Second Interim Report of this work package, section 4.4.3, detailing findings of Task 2. See also the 2012 Annual Report of the ECA, C 331/175, paragraph 6.23: 'The Court did not detect any errors (quantifiable or non-quantifiable) related to the specific use of SCOs. This indicates that projects whose costs are declared using SCOs are less error-prone. Thus a more extensive use of SCOs would normally have a positive impact on the level of error.'

¹⁰⁹ This partially reflects differences in the cost structure of projects, which favours the adoption of SCOs under ESF funding.

¹¹⁰ European Commission (2011): *Analysis of errors in Cohesion Policy for the years 2006-2009. Actions taken by the Commission and the way forward*. Commission Staff Working Paper SEC (2011) 1179 final.

One reason for this is that the use of SCOs requires changes in programme-specific eligibility rules, and subsequent changes in the control system, bringing about uncertainty as to whether adaptations by Managing Authorities and Intermediate Bodies will be accepted at subsequent levels of audit. In particular, Managing Authorities are hesitant to introduce SCOs because they cannot be sure whether the Audit Authority will consider them (or the related calculation method) appropriate (i.e., meeting legal requirements and constituting sound financial management).

Against this background, the Flemish ESF Operational Programme offers a good practice example of how to successfully apply SCOs in Operational Programmes.

12.2 Good practice description

The ESF Agency Flanders, Managing Authority for the Belgian ESF Flemish Operational Programme, has applied flat rate financing in all its calls since the beginning of the period, in 2007. Since 2009, following amendments to the ESF Regulation that introduced the possibility to use lump sums and standard scales of unit costs¹¹¹, the Agency gradually phased in standard scales, and applied lump sums on selected calls from 2010 onwards.

To introduce flat rates, the Agency initially reviewed payments from the previous programming period (that is, 2000-2006), to estimate the average incidence of indirect costs on projects. To distinguish between direct and indirect costs, the Agency relied on a three process-types dynamic model. This model adopted a 'client' perspective to organise expenditure of an organisation based on the process this expenditure supports - as follows:

- Primary processes: these refer to the core business and mission of the organisation and facilitate the transformation of inputs into outputs - in other words, what the client experiences directly and pays for.
- Secondary processes: these directly support primary processes and are key for their delivery. The client directly observes, and is willing to pay for, their produce.
- Tertiary processes: these processes influence the price of output, but the client has no interest in them, as they consist in necessary underlying conditions to run the organisation (e.g., management and administration, utilities).

Following consultation with the Flemish Monitoring Committee, the decision was taken to define indirect costs as those sustained for tertiary processes only. As a result, the Agency estimated indirect costs incidence between 12% and 23%, depending the nature of the projects. Controlling these results for variation in the priorities of the 2007-2013 Programme, the decision was taken to reimburse indirect costs for unemployment-related projects at 20% of direct costs, and at 15% in all other cases.¹¹² Finally, the Agency communicated their system by means of formal letter to the European Commission (Directorate General for Employment, Social Affairs and Inclusion), and received validation of the methodology. The system was thus applied in all calls for proposals of the Flemish Programme in 2007-2013.

The Agency adopted a similar approach to introduce standard scales of unit costs. As a first step, it considered the nature of the project to be advertised in the call, identifying its main objectives and features. It then reviewed historical data on real costs for comparable projects, and identified valid benchmarks in the absence of such data. Finally, the standard scales were agreed with the Flemish Monitoring Committee, who

¹¹¹ Article 11.3 (b) of Regulation (EC) No 1081/2006 as amended by Regulation (EC) No 396/2009

¹¹² The Agency retained the right to modify these rates for certain call for proposals, if duly motivated.

made the final decision. Standard scales for direct costs were in principle used for all calls, except when historical data or appropriate benchmarks were not available. Indirect costs, on the other hand, were calculated on a flat rate basis, as explained above. The following is an example of how the Agency implemented unit costs in a training programme for workers:

- The Agency reviewed data from 2005 to 2010 and estimated a standard scale falling in the range between EUR 11.47 and EUR 18.38 (calculated across the time series), which covered the cost of personnel as well as direct costs sustained for the delivery of the service.
- Jointly with the Monitoring Committee, the decision was taken to set the unit cost for staff and direct costs at EUR 15 on the basis of average values and evolution in the index used to calculate these values.
- To these, the Agency added 15% to cover indirect costs, resulting in a final standard scale of EUR 17.25 (EUR 15 x 1.15). This was used in all calls related to training programmes.

Finally, lump sums were used only in selected calls, and namely in those referring to the transnational and interregional cooperation priority of the Programme.¹¹³ The lump sum was estimated by means of a three months preparatory phase, during which desk work and a baseline study were carried out to define scope and objectives of the projects. The Agency then reviewed similar projects to identify a detailed list of budget lines referring to actions or other items of expenditure. Examples from historical data or benchmarks in the public or private sector were used to estimate the costs associated to each budget line. To these, working costs and indirect costs were added. As a result, the ESF Agency set the lump sum for transnationality projects at EUR 11,000.

The ESF Agency declared that, after some initial hesitation, flat rates, standard scales and lump sums were very well received by beneficiaries.

12.3 Main benefits

Based on the analysis, the following main benefits were identified.

- Final beneficiaries experienced an overall reduction in administrative burden, due to fewer information requirements to document and archive all, even the smallest, item of expenditure. This also reduced discussion regarding whether or not cost items can be linked to the project, and privacy issues related to salary sheets.
- For the Managing Authority, the use of SCOs eased communication and control, making these operations less time consuming and consequently allowing the Agency to focus more on results by monitoring and supporting the implementation of the Programme. Moreover, the use of lump sums and unit costs allows to reimburse costs on the basis of output, which further strengthens result-orientation.
- A simpler framework for financial management and control, achieved through a shift from real costs to simplified costs, in turn made compliance easier to achieve and bolstered legality and regularity of spending.
- Finally, the use of SCOs increased legal certainty for all parties involved in the delivery of projects and the Programme. This set the ground for more successful partnership with project promoters.

¹¹³ An overview of the programme's priorities is available on the Agency's website: <http://www.esf-agentschap.be/nl/over-ons/europees-sociaal-fonds/programmmainhoud-2007-2013/programmmainhoud-2007-2013>

12.4 Success factors

The main identified factors for success were the following:

Contextual factors

Availability of a reliable and competent central leadership on the part of the Managing Authority is key for the successful implementation of SCOs, due to the complex preparatory work (e.g. study, estimation, benchmarking, review of historical data).

Conceptual and practical factors

- Training and clear and ongoing communication with project promoters, often reluctant to take up this innovation in fear that incorrect application of SCOs would lead to irregularities and financial corrections, or that strict calculation of SCOs would not allow them to cover their costs and result in net losses;
- Training and clear and ongoing communication with verification officers and Audit Authority, who fear that reliance on simplified costs would result in overly generous reimbursements to beneficiaries;
- Linked to all of the above, pushing for a change in mind-set around simplified costs both within beneficiaries, verification officers, and Audit Authorities;
- Accurate estimation and high quality preparatory work before the launch of SCOs in project calls. This also entails availability and access to relevant historical data and benchmarking examples.

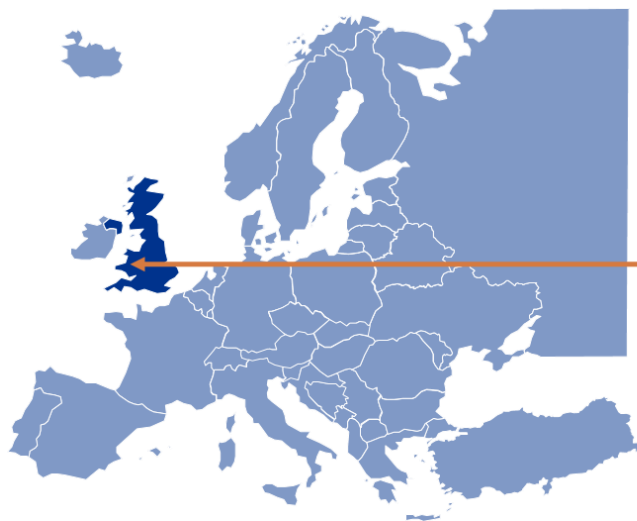
12.5 Transferability

Due to its legal base in 2014-2020 Regulations¹¹⁴, as well as the Commission's decision to continue to encourage and even broaden the application of SCOs in the 2014-2020 period¹¹⁵, the Belgian approach described herein is easily transferable to other Member States, with the caveat that availability of training, adequate capacity and technical competences within the Managing Authority is key for the successful introduction of SCOs.

¹¹⁴ Regulation (EU) No 1303/2013 (Articles 67 and 68), Regulation (EU) No 1304/2013 (Article 14(2) – (4)), Regulation (EU) No 1299/2013 (Article 19)

¹¹⁵ European Commission (2014): Guidance on Simplified Cost Options (SCOs), p.9. Available at: http://ec.europa.eu/regional_policy/sources/thefunds/fin_inst/pdf/simpl_cost_en.pdf, Accessed: 03.03.2016

13. ADAPTIVE LEADERSHIP AND E-COHESION: EXPERIENCE FROM THE WALES MANAGING AUTHORITY



Adaptive leadership and e-Cohesion: experience from the Wales Managing Authority

Elements concerned:

- Financial management and control
- Monitoring

Good practice description

The Welsh European Funds Office (WEFO), a dedicated unit within the Welsh Assembly government, was the Managing Authority for the four Cohesion Policy Operational Programmes in Wales in the 2007-2013 period.

Prior to the 2007-2013 period, WEFO had an internal IT system for tracking projects and for financial management, but all interaction with applicants/beneficiaries was via hard copy and post. In 2005, WEFO recognised the need to improve the efficiency of EU fund delivery with a focus on use of IT.

As a result, WEFO developed a comprehensive and integrated IT-based business process and system for all aspects of its responsibilities and usable by both internal management and by beneficiaries across the four OPs. This was designed to benefit all stakeholders including WEFO itself and potential and actual beneficiaries as direct users, as well as wider stakeholders who benefit from the information the system can provide i.e. the European Commission, the Monitoring Committee and wider information users.

13.1 Background

Along with Scotland and Northern Ireland, Wales is one of the three parts of the UK with its own devolved Assemblies and Assembly Government. In Wales, one of the devolved functions within the remit of the Assembly government is EU fund delivery, including Cohesion Policy Funding.

During the 2007-2013 period, Wales received €2.2 bn in European Structural and Cohesion Investment, i.e. ERDF and ESF funding under the Competitiveness and Convergence objectives, with West Wales eligible for the latter. There were four corresponding 2007-2013 Operational Programmes (OPs), i.e. ERDF Convergence and ERDF Competitiveness, and ESF Convergence and ESF Competitiveness.

The Welsh European Funding Office (WEFO) is a dedicated unit within the Assembly Government responsible for all Cohesion Policy funding. It acted as the Managing Authority (MA) for all four OPs; there were no Implementing Bodies in the period.

During previous funding rounds, all applications and claims were submitted to WEFO on paper. WEFO had an internal IT system, which recorded the details from the hard copy applications received. The system allowed staff to select and track project progress until

approval, finally generating an offer of grant letter. Following approval, the system would generate claim forms 'pre-populated' with financial and beneficiary information including information on expenditure to date. On receipt of updated information from beneficiaries, this was entered onto the system and an automatic calculation was performed. If a payment was deemed appropriate the system would generate a payment letter and interface the payment details to the Welsh Assembly financial system for payment.

In 2005, in the context of a wider national focus on public sector reform and efficiency, the Welsh Assembly Government recognised a need to improve the efficiency of EU funding delivery via WEFO, with a focus on maximising use of IT to this end.

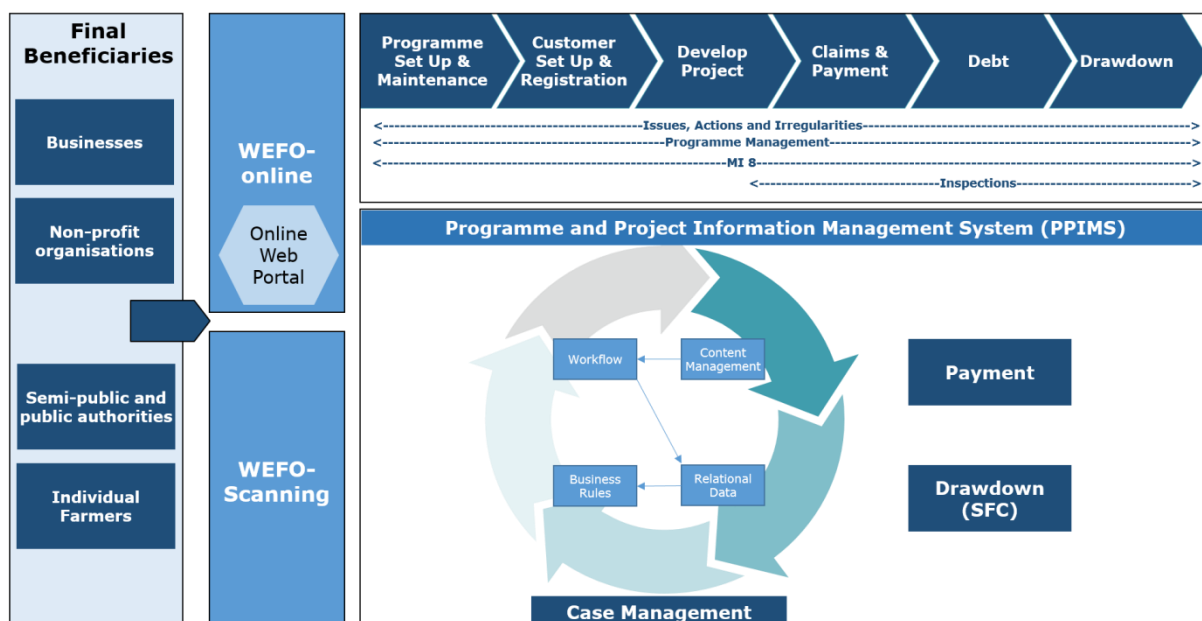
WEFO therefore set out to develop a comprehensive and integrated IT-based business process for all aspects of its responsibilities and usable by both management and beneficiaries, across its four OPs. This was designed to benefit all stakeholders including WEFO itself, applicants, beneficiaries as direct users, and also wider stakeholders including the Monitoring Committee and the Commission. The aim was thus to improve both internal efficiency and effectiveness of the delivery system as well as the experience of beneficiaries and other stakeholders in their interaction with it.

13.2 Good practice description

The result of this initiative was a development of a three-part IT based system consisting of:

- An internal Programme and Project Information and Management System (PPIMS);
- An externally-oriented online gateway to this system for beneficiaries and other users (WEFO online);
- An electronic capturing and indexing system for documents.

This is summarised in the figure below. The system is accessible via the internet using standard software. Beneficiaries upload data directly and only once at all stages; and guidelines are provided regarding the information requested and the detail required.



Source: R. Stephens.

The overall WEFO system is therefore an online, paperless, real-time and interactive system and process. This benefits direct users, i.e. WEFO staff and applicants/beneficiaries, and other wider indirect users of the information, including Monitoring Committees, Welsh and UK government authorities, the Commission, statistical users and the wide public.

Eligible parties can register as a user and thus access and use the system at an appropriate level. The five levels of users, from the perspective of a final beneficiary, are as follows:

Compliance of portals for use by beneficiaries		WEFO online
Level 1	<ul style="list-style-type: none"> Basic information provided to beneficiaries; Passive website where information can be read. 	<ul style="list-style-type: none"> Guidance notes on WEFO website
Level 2	<ul style="list-style-type: none"> One-way interaction for beneficiaries to fill in information; Downloadable forms on the website. 	<ul style="list-style-type: none"> Project Idea Form (PIF)
Level 3	<ul style="list-style-type: none"> Two way interaction (electronic forms that allow two way information exchange, meaning information can be uploaded into the system as well.) 	<ul style="list-style-type: none"> Online case summary; Expression of interest; Delivery profile; Claim submission; Document submission; Procurement
Level 4	<ul style="list-style-type: none"> Full electronic case handling (e.g. follow-up the status of your files yourself). 	<ul style="list-style-type: none"> EOI process; Project approval process; Claim process
Level 5	<ul style="list-style-type: none"> Personalisation: pro-active and automatic handling (e.g. pre-filled forms, deadlines, alarms, etc.) 	<ul style="list-style-type: none"> Prefilled forms complying with only asking once requirement

Source: R. Stephens.

The system therefore entails all the features recommended in the Administrative Burden Reduction Study on the "Clearing House" concept. First, the system is accessible via internet using standard software (Microsoft Office). Once the user accesses the system via a secure user-name, he/she can view the status of a project, complete interactive and/or prefilled forms and submit or retrieve documents from WEFO. Secondly, the beneficiaries are able to provide all data requested for compliance and data are stored in a database system, which all authorities and bodies can consult. Thirdly, clear guidelines are available on the information requested and the level of detail that is needed.

For beneficiaries this results in easier access and more cost efficiency as the administrative burden is reduced, claims are handled faster and there is a vast reduction in time spent on understanding requirements and interacting with WEFO.

For WEFO as Managing Authority, advantages of the system are that it allows electronic document management and communication with beneficiaries, facilitates a consistent approach, helps ensure compliance with EU and e-Cohesion requirements, and supports consistent messaging to actual and potential beneficiaries.

13.3 Main benefits

The system is accessible to external users using standard software, allows for uploading data and information and tracking of projects, and facilitates more streamlined internal process and information-sharing within the Welsh and UK governments, and reporting to the Commission. In particular, the system has the following main benefits:

For applicants and beneficiaries:

- clarity regarding criteria, requirements, compliance;
- only required to provide information once;
- easy on-line ability to apply for funding;
- if successful, access to subsequent online interaction with the MA, including project monitoring and submission of claims;
- faster approvals and payments;
- 24/7 access to the system.

For the MA and audit authority benefits are:

- a central repository of information on EU funds;
- consistency of management information;
- improved audit trends and compliance;
- automatic checking giving reduced errors;
- ease of reporting to MC and Commission;
- EU reporting and drawdown more automated.

Selected metric on benefits reported by WEFO during the 2007-2013 period are contained in the table below.

Selected metrics on benefits of WEFO online portal 2007-2013
<ul style="list-style-type: none">• System accessible 22 out of 24 hours;• Virtual elimination of re-working of applications (was 30% in 2000-06)• Greater certainty about claims payment (96% within 15 days)• Reduced postage costs (esp. > 5%)• WEFO payment team reduced (to 16 from 40)

Source: WEFO.

13.4 Factors for success

Factors in the success of the Welsh initiative are:

- an underlying supportive policy and culture regarding public administration efficiency and effectiveness, user friendliness, and use of IT;
- willingness to undertake the up-front and ongoing investment in development and training that large IT systems require;

- an ability of separate government agencies to work together;
- status of WEFO as a single MA for all Cohesion Policy OPs in Wales, and also absence of separate Implementing Bodies during the 2007-2013 period (no longer the case in 2014-2020).

13.5 Transferability

There is a widespread consensus that the WEFO system is a model of good practice regarding e-Cohesion. This approach of a single interactive and accessible IT management and information may be especially transferable to other cases where more developed Member States have small-scale OPs, and in some cases single MAs.

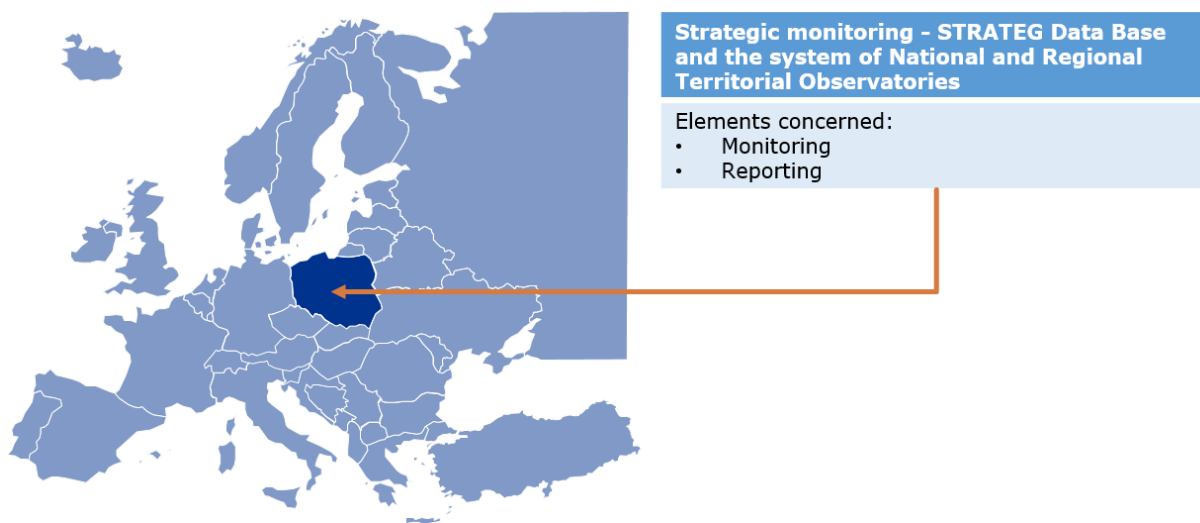
The underlying single MA delivery system is already used in some other Member States, e.g. Denmark, and may have merit in other developed Member States.

The Welsh single portal model may be more challenging in cases where Intermediate Bodies are separate agencies, which already use their own internal IT systems. However, Intermediate Bodies are involved in the current (2014-2020) period in Wales and any challenges have been addressed.

In the Welsh case, there have also proven to be challenges in the system in the case of INTERREG Programmes, as access for either programmers or beneficiaries from another Member State (Ireland) to a UK government information system can be problematic.

Substantial set-up costs, including training, and ongoing development costs are also a feature of the Welsh experience and may be challenging elsewhere.

14. STRATEGIC MONITORING – STRATEG DATA BASE AND THE SYSTEM OF NATIONAL AND REGIONAL TERRITORIAL OBSERVATORIES



Summary of good practice example

Territorial observatories have been set up at the central and regional level, within the national ministry responsible for Regional Development and within 16 Marshall Offices. They complemented the monitoring and evaluation system in Poland. The territorial observatories work in collaboration with statistical offices in order to gather and analyse available data to induce a more strategic reflection on implemented or planned public policies, including Cohesion Policy.

14.1 Background

On 13th July 2010 the Polish government adopted the *National Strategy for Regional Development 2010-2020: Regions, Cities, Rural Areas* (NSRD). The NSRD formed a building block of the strategic management of development policies. The main aim of this initiative was to increase the efficiency of programming and implementing development policies, and make those policies more result-oriented and evidence-based. A central objective within this national strategy was therefore to improve the quality of public administrations and other bodies with central functions for planning and implementing development policies.¹¹⁶

Apart from identifying development needs, introducing interventions and defining objectives and targets for these measures, the NSRD has introduced new implementation structures for the strategic support of development policies in a regional dimension. One of them was the system of territorial observatories.

14.2 Good practice description

The system of territorial observatories consisted in one observatory at the national level which was located in one of the departments of the Polish Ministry of Development¹¹⁷ and

¹¹⁶ NSRD is an element of the new system of strategic document, comprising of long-term development strategy, medium-term development strategy and nine thematic integrated strategies.

¹¹⁷ Former Ministry of Infrastructure and Development/Ministry of Regional Development.

16 regional observatories, placed within the Marshall Offices in particular voivodeships. The territorial observatories have been implemented as planned and delivered strategic monitoring data on Structural Funds on a regular basis thereby increasing the quality of managing public policies.

The territorial observatories were set up to facilitate the monitoring and evaluation of public policies with territorial impact by gathering and aggregating the respective data as well as by developing standards for their exchange. The NSRD defined these main areas of responsibilities of the observatories. In addition to that, the legal basis for the activity of the National Territorial Observatory (NTO) was defined in national legislation, namely, the ordinance of the minister responsible for regional development.¹¹⁸

The National Territorial Observatory was an advisory body to the minister for regional development with various tasks: It analysed and assessed the socio-economic situation of the Polish regions especially in comparison to the situation in the country as a whole. It also prepared development forecasts and monitored the implementation of key national and regional strategies such as the NSRD, the NSRF for 2007-2013 and regional development strategies. The analytical works of the observatory also focused on the impact of interventions, in particular those co-financed from Structural and Cohesion Funds. The main outputs of this work were annual analytical reports on the socio-economic situation of regions, reports on the socio-economic, regional and spatial development of the country,¹¹⁹ as well as reports on the use of the EU structural funds.¹²⁰ The conclusions, opinions and recommendations of these reports were submitted to the minister for development in order to improve the efficiency and effectiveness of development policy, in particular with regard to the specific context of the different regions. Moreover, they gave input for the further strategic orientation of those policies e.g. regarding the programming process for the 2014-2020 period.

In addition to that the National Territorial Observatory elaborated standards for the monitoring of development policy and contributed to the discussion on the development of statistical research in public statistics. Last but not least, the National Territorial Observatory is responsible for carrying out information and promotion activities related to the scope of its works.

The 16 Regional Territorial Observatories (RTO) perform similar functions with a stronger regional perspective. Apart from the analytical tasks described above, the RTO (in cooperation with the NTO) encouraged the exchange of information between the entities engaged in the implementation of development policy. They also cooperated with the institutions engaged in various activities in the field of development management.¹²¹ This includes representatives of self-governments, government administration, statistical offices and representatives of academia.

National and regional territorial observatories held regular meetings to discuss their reports, studies and impact evaluations and the main findings and conclusions of the analysis performed both jointly and individually. It is important to notice that regional territorial observatories, conducted or commissioned their own analyses as well, targeting subjects like public services, entrepreneurship development, foreign direct investments in the region, life quality or demographic processes.

¹¹⁸ Ordinance no. 9 of the Minister of Regional Development, of 22 May 2013, on the establishment of the National Territorial Observatory.

¹¹⁹ Prepared every four years.

¹²⁰ <http://www.mr.gov.pl/strony/zadania/polityka-rozwoju-kraju/zarzadzanie-rozwojem-kraju/krajowe-i-regionalne-observatoria-terytorialne>

¹²¹ For example research, educational or information activities.

Both, the national and regional territorial observatories delivered input for the discussions in the National Territorial Forum and the Regional Territorial Fora.¹²² These working groups were also introduced in the system of development management by the NSRD. Their objective was to facilitate the sharing of knowledge, experience and information, thereby stimulating strategic reasoning about the development at the national, regional and sub-regional levels.¹²³ The meetings on a regular basis served for debates on the directions and forms of implementation of regional development. In addition, they created conditions for the exchange between different public and non-public stakeholders involved in development activities, implementing in practice the partnership principle. Apart from government and self-government representatives the fora included experts from NGO's, representative organizations of employers and worker as well as academia. Depending on the subject, they also engaged additional experts, for example from the OECD, the European Commission or the World Bank.

The observatories and fora were also accompanied by other activities aimed at strengthening the cooperation of actors of development policy on the national and regional level. For example, there was a close cooperation of the Ministry of Regional Development (currently, the Ministry of Development) with the Central Statistical Office (CSO). The main aim of this cooperation was to address the lack of data for a systematic and strategic management of Cohesion Policy in Poland. Therefore the CSO received funding from the Operational Programme Technical Assistance as well as from the Human Capital Operational Programme to build up the STRATEG data base. The STRATEG data base contained a complete set of indicators for monitoring the implementation of development policies including all national, supra-regional and regional strategies, as well as Operational Programmes under Cohesion Policy. In addition, STRATEG provided a glossary of terms used in statistics and methodological explanations, reports and thematic analyses, either created with a participation of statistical offices or provided by external sources.¹²⁴ The data base is used by both, government and self-government administration¹²⁵ and it is one of the main sources of data for the national and regional territorial observatories.

14.3 Main benefits

Based on the analysis, the following main benefits were identified.

- The observatories provide evidence for policy-makers at different levels on the efficiency and effectiveness of implemented policies;
- The close cooperation of stakeholders with the observatories as well as during the for a allows the exchange of information and best practices and introduces the element of „learning“ among the entities implementing development policies;
- The outcomes of the work of territorial observatories fuel the discussion on strategic directions of policies; the observations allow a more strategic overall view on the policy agenda instead of limiting the discussion to the issues like absorption and the process-focused discussion of monitoring committees.

¹²² Kolczyński M. (2012): Regional policy in Poland – Towards a new paradigm, in: URBANISMUL no. 11/2012, p. 94

¹²³ MRD (2010): National Strategy for Regional Development 2010-2020: Regions, Cities, Rural Areas, p. 143

¹²⁴ <http://strateg.gus.gov.pl>

¹²⁵ Due to the fact that it is accessible on-line, data stored in STRATEG are accessible to any interested person/institution.

14.4 Factors for success

Contextual factors

The main identified factors of success were the following:

- Good timing for the observatories. Establishment of observatories has been integrated into the development of a broader concept for the strategic management system of development in Poland. This process required a systemic approach to planning and carrying-out studies, analyses and evaluations of public policies, also in a territorial dimension.
- In at least one voivodeship a similar observatory already existed before the adoption of the NSRD and it could serve as an inspiration for designing the system
- Funding available under the Operational Programme Technical Assistance and the Human Capital Operational Programme facilitated the preparation of the system of observatories and animated cooperation with the Central Statistical Office.

Conceptual and practical factors

- Possibility of receiving data which is comparable at different levels thanks to the use of unified methodologies elaborated jointly under cooperation of different stakeholders (statistical offices, government/self-government administration, academia)
- Good quality of data - in their works the observatories use resources from public statistics, EUROSTAT, the OECD, the IMF, the World Bank, etc.
- Informal nature of the cooperation network of observatories and fora facilitates continuous involvement of new partners and the dissemination of information in a fast and efficient manner
- Common understanding by all major stakeholders (government administration, self-governments etc.) of the need for creating the system of observatories and how it should work. The system and its elements were elaborated in a close cooperation of all stakeholders.

14.5 Transferability

Analysing the activity of the observatories suggests that the system would be applicable in other Member States, regardless of their level of decentralization. In the Polish context it required introducing regional observatories along with a national one, but it might as well function within a single body established at the level of the government administration. This body would need the support and involvement of a broad group of stakeholders to ensure proper strategic monitoring and evaluation, as well as to foster the quality and intensity of the strategic discussion.

The setting up of such a cooperation network might, however, require substantial political support. In the Polish case, the idea of observatories appeared before 2010 (adoption of the NSRD) but it has been translated into practical solutions at the moment of a significant reform in public policy. That is why it might be more feasible to establish such a network in countries where simultaneously broader reforms are being implemented in the area of the management of development policies. The success of observatories in Poland also stems from the fact, that most major stakeholders involved in development measures shared a common view on the shape of the system. This is due to the fact that the preparation of the NSRD, and its particular implementation instruments have involved various groups of interest from the very beginning.

What should also be remembered is that the introduction of such a system, which will require greater involvement of representatives from different authorities and

stakeholders at regional level, might implicate an additional burden for them. Therefore it should be accompanied by ensuring additional funding or at least some help in terms of guidance.

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