
**Final Report to the European Commission, Directorate-
General for Regional Policy, Evaluation Unit**

No 2007.CE.16.O.AT.041

**The Potential for regional Policy Instruments,
2007-2013, to contribute to the Lisbon and
Göteborg objectives for growth, jobs and
sustainable development**

22 July 2009

Final Report

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Abbreviations

CSG: Community Strategic Guidelines

ERDF: European Regional Development Fund

ESF: European Social Fund

EU12: The "new" Member States of the EU: Bulgaria, the Czech Republic, Cyprus, Estonia, Hungary, Latvia, Lithuania, Malta, Poland, Romania, Slovakia, Slovenia

EU15: The "old" Member States of the EU: Austria, Belgium, Denmark, Finland, France, Germany, Greece, Ireland, Italy, Luxembourg, the Netherlands, Portugal, Spain, Sweden, United Kingdom

GDP: Gross Domestic Product

GHG: Greenhouse gases

ICT: Information & communications technology

NRP: National Reform Programme

NSDS: National Sustainable Development Strategy

NSRF: National Strategic Reference Framework

NUTS: Nomenclature of Territorial Units for Statistics

OP: Operational Programme

PPS: Purchasing Power Standards

RCE: Regional Competitiveness and Employment Objective

R&TD: Research and Technology Development

SEA: Strategic Environmental Assessment

SMEs: Small and medium enterprises

Introduction

This Report constitutes the final deliverable of the European Commission, Regional Policy Directorate-General study: Potential for Regional Policy Instruments, 2007-2013 to contribute to the Lisbon and Göteborg objectives for growth, jobs and sustainable development (2007.CE.16.0.AT.041).

This Final Report is submitted by the Lead Partner of the study, *Nordregio* (Nordic Centre for Spatial Development), an independent centre for research, documentation and dissemination and in association with our Core Team Partners:

- The European Policies Research Centre, Glasgow, UK
- ÖIR (Austrian Institute for Spatial Planning), Vienna, Austria
- SWECO, Stockholm, Sweden

In addition, a network of National Experts (listed in Annex 1) supported the consortium partners in developing the national and regional level analysis and in the production of the national reports.

Summary

This evaluation of the potential for Regional Policy instruments to contribute to the Lisbon and Gothenburg objectives for growth, jobs and sustainable development is based on examination of the Cohesion policy instruments in all 27 Member States including all 246 Operational Programmes supported by the European Regional Development Fund (ERDF) and Cohesion Fund¹, as well as the National Strategic Reference Framework (NSRF), the National Reform Programmes (NRP) and the National Sustainable Development Strategies (NSDS) in each of the 27 Member States. A team of 14 national experts from across Europe aided the Lead Partner and Core team in this task. In this study we examine the *potential* of the 2007-2013 programmes as the 1) coherence of programme priorities and indicators, 2) the substantive result of programming processes such as the *ex ante* evaluation and the negotiations with the Commission on programming documents, and 3) the way the programmes address the overarching goals of sustainable development and territorial cohesion.

Our analysis concludes that Member States have differing potentials to achieve the Lisbon and Gothenburg goals but all aim in this direction. They also have adopted different strategies or “roads” to Lisbon and Gothenburg.

Overall conclusions

- The 2007-13 Regional Competitiveness and Employment programmes and Convergence programmes have significant potential to contribute to Lisbon and Gothenburg goals:
 - particularly in facilitating innovation, promoting entrepreneurship, increasing and improving R&TD, expanding and improving transport infrastructure and strengthening the synergies between environmental protection and growth
 - and to a lesser extent in promoting the information society for all and reducing Europe’s dependence on traditional energy.
- The potential of regional policy instruments to contribute to Lisbon and Gothenburg goals will vary between Member States, depending not only on the strategies of the programmes, but also on the Member States’ stage of development, size, economic potential, political priorities and the scale of Cohesion Policy relative to domestic policy.

¹ Under the Convergence and Regional Competitiveness and Employment Objectives. The Territorial Co-Operation Objective was not included in the scope of the study.

- Six 'roads' to Lisbon and Gothenburg, which differentiate the focus of Operational Programmes, have been identified through examination of the strategic priorities and budgets of regional policy programmes. They are not mutually exclusive; some Member States may straddle different roads.
 - 'Competitiveness roads'
 - Focus on **innovation, R&TD and entrepreneurship** to address globalisation, with little explicit environmental focus covered by regional policy instruments. This strategy is taken in relatively small countries with less regional disparities, significant domestic programmes and above average GDP per capita (IE, DK, LU, part of NL)
 - Focus on **regional challenges and potential** through priorities for employment, urban regeneration and energy (as well as R&TD and innovation). This strategy is taken by regionally diverse countries, with large domestic programmes and above average GDP per capita (BE, part of NL, SE, FI, partly AT, and DE)
 - Focus on **economic and environmental synergies** through priorities such as renewable energy, urban and rural development and tourism (as well as R&TD and innovation focus). This strategy is taken by larger, territorially diverse countries, with large domestic programmes, and around average GDP per capita (UK, FR, IT, ES, partly AT and DE)
 - 'Convergence roads':
 - Focus on **growth and jobs**, recognising the role of transport accessibility and employment measures (to complement measures on innovation and entrepreneurship which are present but have a lower priority). This strategy is taken by relatively well developed cohesion countries, with strong capital regions and slightly below average GDP per capita (EL, PT, HU, CZ, SL, MT, CY)
 - Focus on building **human and institutional capacity** through knowledge promotion and accessibility (to complement measures on innovation and entrepreneurship) to improve the quality of employment and achieve sustainable development. This strategy is taken by smaller central EU-12 countries with below average GDP per capita (EE, LV, LT)

- Focus on **territorial cohesion** often using infrastructure to bridge the urban/rural gap (to complement innovation and entrepreneurship), with priority given to economic development. This strategy is taken by larger diverse, more polycentric countries with GDP per capita well below average. (PL, RO, BG, SK)

Strategic alignment

- There is close alignment between National Strategic Reference Frameworks (NSRF) and the National Reform Programmes (NRP), although the links with National Sustainable Development Strategies (NSDS) are weaker reflecting the breadth of scope of NSDS relative to regional policy. NSRFs in the EU12 are wider in scope than those in the EU15.
- There is close alignment of programmes with the Community Strategic Guidelines (CSG). Around 10% programmes include strategic priorities which are not in the CSG such as tourism and sustainable urban development.
- There is a close correlation between strategic intent and budget allocations. This correlation is highest in the Convergence programmes.
- Core indicators are used to varying degrees in the programmes but sometimes inconsistently. The core indicators with a stronger Lisbon focus are among those used most frequently in both the Convergence and the Competitiveness programmes, highlighting the potential of the programmes to monitor the contributions made to the Lisbon objectives.
- 43% of programmes to which 49% of ERDF and Cohesion Fund resources are allocated have set targets to create over 820,000 gross jobs in total. Core indicator targets show that nearly 31,000 RTD projects will be supported in 19 Member States, while over 18,000 renewable energy projects are planned in 16 countries.
- The core indicators relating to the additional population covered by broadband access, additional capacity of renewable energy production and the reduction of greenhouse emissions are interpreted and measured in different units and across Member States. Their targets cannot be aggregated and therefore their relevance as Lisbon and Gothenburg indicators is reduced.

- The physical indicators used in the programmes point towards a strong programme commitment to contributing to the Lisbon agenda goals. Fewer indicators relating to sustainable development and the Gothenburg goals are used. In addition to the core indicators for environmental infrastructure, climate change and renewable energy the programme authorities could consider more widespread use of an indicator such as the use of Environmental Management Systems.

Programme development

- *Ex ante* evaluations played an important role in ensuring programmes were aligned with Community priorities, including the Lisbon and Gothenburg priorities. They were also considered an opportunity for reflection and learning to bring forward the programming processes.
- Despite their value, the main criticism of the evaluation processes was that they could have given even greater guidance towards dealing with the disparities, gaps and potentials for development of the regions. Evaluations of Competitiveness programmes focused on the social and economic disparities of the regions, including Lisbon-related development drivers. Evaluations of Convergence programmes focused on territorial disparities including infrastructure endowment.
- Negotiations with the Commission regarding the 2007-2013 programmes helped improve and focus programmes and increase alignment with Lisbon and Gothenburg. This provided greater value in Convergence programmes, as many of the Regional Competitiveness and Employment programmes already had structured their programmes to reflect particularly the Lisbon agenda Objectives.

Sustainable development and territorial cohesion

- One-third of programmes adopted a three-pillar definition of sustainable development (environmental-social-economic) and the principles of sustainable development (primarily the "polluter pays principle") are explicitly applied in a quarter of both Competitiveness and Convergence programmes. There was little evidence of short term economic goals taking precedence over longer term economic, social and environmental goals in terms of strategic intent, although growth and jobs appear to take precedence over social and environmental goals as regards proposed actions. Economic development is given a *de facto* greater priority in Convergence programmes.

- Only a few programmes (19 in total and mainly Transport OPs in the Convergence regions) refer explicitly to trade-offs between growth and the environment (particularly in relation to transport and energy). There was some evidence of environmental costs influencing strategic choices as a result of Strategic Environmental Assessment.
- More attention is paid to economic and environmental synergies (e.g. renewable energy, clean transport) than to trade-offs in the programmes. Potential synergies between investments in environmental technologies, renewable energy supply and attractiveness and growth are found in Competitiveness programmes. Convergence programmes also relate synergies to priorities in tourism, job creation and natural and cultural heritage. These synergies indicate that programmes are working towards the integration of both the Lisbon and Gothenburg agendas.
- Territorial cohesion is explicitly addressed in two thirds of all Operational Programmes (164 in total, of which, 43% are Competitiveness OPs and 57% Convergence OPs).
- Convergence programmes largely address territorial cohesion in terms of the reduction of regional and spatial imbalances, or as an objective in exploiting regional potential. Competitiveness programmes focus more on inter-regional and international co-operation to address economic and social disparities.

Strengthening links between Lisbon and Gothenburg

- The Lisbon agenda has had a stronger influence on Cohesion Policy instruments than the Gothenburg agenda. As economic challenges develop following the global financial crisis this trend is likely to be reinforced as short term pressures to increase growth and employment intensify. There are opportunities, however, to make progress on the three main fronts of sustainable development simultaneously and the stronger public sector influence on the economy in the wake of the 'credit crunch' offers the opportunity to exploit these synergies to achieve the widest possible public good:
 - Increasing productivity and hence growth and competitiveness by more efficiently exploiting material inputs, e.g. by building on the lessons of "lean" manufacturing (this could have particular relevance to the less energy efficient Convergence countries)
 - Stimulating greater research and innovation in technologies and approaches to generating and conserving energy
 - Improving the health and well being of the workforce and hence its productivity by improving the quantity and quality of employment

- Conserving and enhancing the environment to improve quality of life and well being and make places more attractive to mobile investment and talent
- These are a few examples of where obvious synergies lie; the challenge is to embed this 'win-win' approach across as many elements of Cohesion Policy as possible.

1 Policy context and the Lisbon and Gothenburg Agendas

To what extent will regional policy instruments, in the 2007-2013 period, contribute to providing growth, jobs and sustainable development? This evaluation of the potential for Regional Policy Instruments to contribute to the Lisbon and Gothenburg objectives answers this question through examination of the regional policy instruments² in all 27 Member States.

All National Strategic Reference Frameworks and Operational Programmes outline ways in which they seek to deliver the objectives of the Lisbon and Gothenburg agendas while tackling the challenges facing the regions. All also claim to have the potential to deliver these objectives. The potential to utilise the instruments of Cohesion Policy to contribute to the Lisbon and Gothenburg agendas is also dependent however on how the priorities, strategies and goals are formulated in the programmes. To some extent this potential is ensured by formal programme-drafting processes which maintain the quality of programme preparation, such as the *ex ante* evaluations and negotiations with the Commission. The next stage of the programme cycle – implementation – is beyond the scope of our study, as it is the *potential* rather than proven track-record or effectiveness of the programmes that is being assessed.

This first chapter traces the policy contexts of the Lisbon and Gothenburg agendas and includes a brief description of Cohesion policy in the EU. It introduces the hypotheses and the research questions explored, in addition to outlining the qualitative and quantitative approaches utilised in the context of the methodology adopted. Chapter 2 presents the results of the study of all Operational Programmes and national documents. The chapter includes observations and results in respect of the degree of coherence between the priorities of the National Strategic Reference Frameworks and the NRP and NSDS and the priorities and indicators in the 246 Operational Programmes supported by the ERDF and the Cohesion Fund. Chapter 3 discusses how the programmes will help deliver the Lisbon and Gothenburg agendas and tackle the challenges facing the regions through the results of programming processes. How programmes implicitly and explicitly address the overarching objectives of sustainable development and territorial cohesion is examined in Chapter 4. Chapter 5 outlines the six “roads” that Member States aim to take to achieve growth, jobs and sustainable development. The potential bottlenecks and possibilities are then described for each “road”. Final observations are made in this chapter and the hypotheses are reviewed.

² As noted above, only Convergence and Regional Competitiveness and Employment Objective programmes are included in the scope of the study.

1.1 The Lisbon agenda

The main goal of the Lisbon strategy³ adopted in 2000 was to create a competitive knowledge economy that could help achieve economic growth through raising employment levels, greater social cohesion and respect for the environment. The strategy highlighted the central role of knowledge and innovation in this regard.

The Kok Report of 2004 on the mid-term review of the Lisbon strategy criticised the progress made in attaining the objectives⁴. In addition to criticising the inefficiency of the strategy, the evaluation noted that the Lisbon process lacked an adaptation strategy at the Member State level and identified a need for national action plans to implement more effective policies designed to help achieve the objectives. The strategy was re-launched in 2005, with a focus on three major challenges⁵:

- Efforts should concentrate on delivering policies that will have the greatest impact. The Commission thus must prioritise its policies and the European Council and the European Parliament must support the implementation of that policy.
- The Lisbon strategy must be supported by different actors and these actors should be involved in delivering the necessary reforms and changes in policy making.
- There must be a clear division of work in respect of responsibilities. An integrated set of Lisbon guidelines were thus needed at the Member State level, backed up by a single report at the EU level presenting the progress made.

The European Council concluded that this required greater mobilisation of national and European resources, synthesising the three dimensions (economic, social and environmental) of the Lisbon strategy with the Cohesion Policy.

1.2 The Gothenburg Agenda

Sustainable development has a variety of definitions and conceptualisations. Most commonly used is the Brundtland Commission Report's definition of sustainable development as '*development that meets the needs of the*

3 Presidency Conclusions of the Lisbon European Council, 23-24 March 2000, Council documents Nr. 100/1/00

4 European Communities (2004): "Facing the Challenge: The Lisbon strategy for growth and employment" Report from the High Level Group chaired by Wim Kok, November 2004

5 COM(2005): Communication to the Spring European Council "Working Together for growth and jobs – a new start for the Lisbon Strategy", 24, February 2, 2005

*present generation without compromising the ability of future generations to meet their own needs*⁶.

In 2001 the European Council adopted a sustainability proposal that emphasised the role of the three pillars of sustainability (economic, social and environmental) and set targets for a sustainable Europe by 2030. These targets have been systematically elaborated and are formulated in the context of high-level indicators. They require translation into action plans and indicators suitable for the management of sustainability objectives at a *regional* level. The conclusions of the Gothenburg Council Meeting⁷ emphasised issues of process as well as substance by stating that *'the economic, social and environmental effects of all policies should be examined in a co-ordinated way and taken into account in decision-making'*. *'The importance of consulting widely with all relevant stakeholders'* was also underlined.

At the same time the Council emphasised the environmental dimension of the Lisbon agenda as its third pillar, in addition to economic and social reform. This reinforced the Community requirement that the environmental dimension should be integrated into other Community policies. Sustainable development as defined at this point in time considered economic, social and environmental policies to exist in a mutually supporting context. The priorities set in the context of the Gothenburg agenda include reducing the impact of the factors leading to climate change, ensuring sustainable transport, highlighting threats to welfare and managing natural resources in a sustainable manner.

In the renewed European Sustainable Development Strategy 2005-2010, sustainable development entails a more holistic approach, encompassing also the social aspects, in a commitment to *'promote a dynamic economy with full employment and a high level of education, health protection, social and territorial cohesion and environmental protection in a peaceful and secure world, respecting cultural diversity'*⁸.

1.3 Cohesion Policy and the integration of Lisbon and Gothenburg

Cohesion policy was made a cornerstone of European policy with the adoption of the Single European Act in 1986. It was here that the goal of

6 United Nations (1987): "Report of the World Commission on Environment and Development." General Assembly Resolution 42/187, December 11, 1987

7 Presidency Conclusions of the Gothenburg European Council, 15-16 June 2001, Council of the European Union, Brussels, SN 200/1/01 REV 1

8 Review of the EU Sustainable Development Strategy (EU SDS) – Renewed Strategy. Note from General Secretariat to Delegations, 10117/06. Brussels, June 2006

addressing the economic and social disparities between the richest and poorest regions in the European Community and the promotion of further economic integration received a major boost. The four generations of Cohesion Policy since then have invested in the “least favoured regions”, with the 2000-2006 programming period involving a doubling of the development gap with the accession of ten new Member States in 2004.

The 2000-2006 regional policy instruments focused on regions lagging behind (Objective 1) and regions undergoing structural change (Objective 2). With the publication of the *Third Report on Economic and Social Cohesion* in 2004, a reform of cohesion policy for the 2007-2013 period was called for and the concept of territorial cohesion was emphasised. Going beyond the notions of economic and social cohesion, territorial cohesion focuses on the reduction of disparities and imbalances⁹ while taking into account geographical features and the various territorial levels (both above and below the traditional NUTS2 region).

For 2007-2013, the three Cohesion policy priorities cover the entirety of the European territory: 1) Convergence regions - with a GDP *per capita* in PPS of less than 75% of the EU average; 2) Regional competitiveness and employment regions - for all other regions to help deal with economic and social change, globalisation and accession to the knowledge society, and 3) Territorial cooperation, including cross-border and transnational cooperation.

The Community Strategic Guidelines¹⁰ adopted by the European Council explicitly aimed to strengthen synergies with and to help to deliver the objectives of the renewed Lisbon agenda. The new policy, as expressed through the Guidelines should:

- Make Europe and its regions more attractive places to invest and work
- Encourage innovation, entrepreneurship and the growth of the knowledge economy
- Create more, and better, jobs

In deciding on the shape of Cohesion Policy for the 2007-2013 period and on its resources, the Council set expenditure targets relating to the Lisbon agenda. The EU15 Member States were required, and the EU 12 encouraged, to “ earmark” a large percentage (60% for Convergence regions and 75% for Regional Competitiveness and Employment regions) of their programme allocations for the delivery of Lisbon objectives. Member States are required to report on progress during the period and to submit a strategic report

9 European Commission (2004): “A new partnership for cohesion: Convergence, competitiveness, Cooperation. Third Report on Economic and Social Cohesion”, February 2004

10 Council Decision of 6 October 2006 on Community Strategic Guidelines for Cohesion (2006/702/EC)

explaining how Cohesion policy was used to contribute to the Lisbon agenda¹¹.

The re-launched Lisbon strategy has become less focused on meeting targets by 2010 and more focused on action for growth and employment, more and better jobs in the EU, better governance procedures and increasingly on the territorial and sustainability dimensions of Cohesion policy. The renewed Sustainable Development Strategy focuses on the adoption of better methods of integrated and balanced policymaking and on its role as a complement to the Lisbon Strategy. The two strategies can reinforce one another through regional policy instruments as will be demonstrated in this evaluation, though tensions can also emerge over how the individual national implementation processes focus the two strategies. Effective balancing of the different sets of objectives within Cohesion policy is then necessary to achieve real sustainability.

Questions of integration include the extent to which regional policy instruments interpret the core of the Lisbon strategy as medium-term growth and jobs, while sustainable development is to be obtained in a longer term perspective. Are economic growth and jobs perceived as a precondition for environmental and social enhancement? Or do programmes interpret the Lisbon strategy as an ongoing integrated environmental, economic and social set of objectives? In this study, we seek to examine not only the extent to which Member States have addressed the integration of Lisbon and Gothenburg under the cohesion policy umbrella by "earmarking" resources to Lisbon, but also to understand the strategies by which Operational Programmes will contribute to growth, jobs and sustainable development, recognising that different challenges and responses might emerge in different regional contexts.

1.4 Working hypotheses

In assessing the potential of regional policy instruments to help deliver the Lisbon and Gothenburg agendas three general hypotheses are posited in this study. These hypotheses are guided by theory and previous studies and evaluations of regional policy instruments¹²:

- The Lisbon and Gothenburg themes are addressed on the level of strategy and allocation principles, but still need to be translated into

11 CEC (COM 2007): "Member States and Regions delivering the Lisbon strategy for growth and jobs through EU Cohesion Policy, 2007-2013" Brussels, 2007

12 For instance: Polverari, McMaster, Gross, Bachtler, Ferry, Yuill (2005): Strategic Planning for Structural Funds in 2007-2013: A review of Strategies and Programmes. IQ-Net thematic Paper No. 18 (2). Glasgow, Scotland and Danish Technological Institute (2005) Thematic Evaluation of the Structural Funds' Contributions to the Lisbon Strategy. Synthesis report. February 2005

real policy commitments and programme activities at national and regional level in order to make a genuine contribution. We thus look at the potential contribution of Lisbon and Gothenburg priorities to effectively deliver jobs, growth and sustainable development, verifying that potential through the indicators used. *The issue of effectiveness.*

- The processes by which regional policy instruments are formulated to address the various disparities, gaps and potentials for the development of the regions will have a significant influence on the types of strategies formulated. If this congruence is apparent this will have a bearing on the potential of regional policy instruments to actually contribute to Lisbon/Gothenburg. *The issue of strategic coherence.*
- The Gothenburg goals for sustainable development adopt a longer-term perspective, while the Lisbon goals should deliver growth and jobs in the short and medium term. Something of a temporal incoherence may then be seen to exist between the Lisbon and Gothenburg goals, reflected in the regional development instruments. This lack of temporal coherence could be most apparent in the Convergence Regions, which have both objectives in their policy portfolio and may have to make judgements regarding the balance between longer term interventions which will make them more attractive and those which might have more immediate impacts on competitiveness, or between territorially sustainable growth and more rapid innovation fixes. *The issue of temporal coherence.*

1.5 Objectives and main questions of the study

In addition to testing the above hypotheses, the evaluation also answers specific questions as laid out in the Terms of Reference (2007.CE.16.0.AT.041):

- How do the National Strategic Reference Frameworks reflect the National Reform Programmes and National Sustainable Development Strategies?
- How do *ex ante* evaluations of the 2007-2013 programmes address the Lisbon and Gothenburg objectives in terms of the emerging challenges facing regions and the regions' "disparities, gaps and potential for development" appraised in the evaluations?
- How will the Operational Programmes help deliver the Lisbon/Gothenburg objectives in light of the challenges facing regions?
- How are the Operational Programmes in line with Community guidelines and priorities?

- How do financial and physical indicators and targets in the programmes reflect the challenges facing regions and the potential for delivery of the Lisbon and Gothenburg objectives?
- How is sustainable development used in the programmes and how is it operationalised?
- How do programmes address territorial cohesion?
- What is the added value of the evaluation of the programming processes?
- Which quality criteria were used in the *ex ante* evaluations and how were the *ex ante* evaluation results incorporated into the programmes?
- How was the Strategic Environmental Assessment (SEA) incorporated?
- What explains the differences between *ex ante* processes and what good practice methodologies can be identified?

1.6 Methodology

The empirical material used in this report comes from the examination of 246 Operational Programmes supported by the ERDF and Cohesion Fund, as well as the NSRF, NRP and NSDS in each of the 27 EU Member States. A team of 14 national experts from across Europe aided the Lead partner in this task.

To guide the National Experts, the Lead Partner, in collaboration with other members of the Core Team developed guidelines to operationalise what the Lisbon and Gothenburg objectives actually entail and how they may be recognised in regional policy instruments. Each National Expert submitted answers to a questionnaire.

The standardisation of the questionnaires aided the Lead Partner in collating information, in making national comparisons and in drawing cross-cutting conclusions for each regional policy Objective at the EU level (See Annex 2, the OPIS framework).

The OPIS framework was developed by the Core Team and used by the National Experts in the analysis of the Lisbon/Gothenburg goals in each of the Operational Programmes. The Lisbon and Gothenburg themes in the various documents were coded in two different dimensions, 1) objectives and/or challenges, and 2) calls for action: These dimensions are then further specified into **Objectives** and **Primary Themes** and **Intentions** for action and **Specific calls for action** respectively. In order to make the **OPIS** framework

quantifiable, a numeric value was assigned to each possible combination between the **O**, **P**, **I** and **S**, giving them relative weights.

A pilot study of seven countries (Austria, Denmark, Estonia, Greece, Hungary, Ireland and Sweden) was undertaken in February-April 2008 to test the methodology and hypotheses.

National Experts undertook qualitative and quantitative analysis of national documents (National Strategic Reference Framework (NSRF), National Reform Programme (NRP) and National Sustainable Development Strategy (NSDS) and Operational Programmes as well as a representative sample of *ex ante* evaluations with a view to answering the questions posed in the guidelines/questionnaire. The focus of this analysis was to understand how the priorities and strategies of the programmes will contribute to the Lisbon and Gothenburg objectives. This analysis was complemented by interviews with programming officials and *ex ante* evaluators. The Lead partner synthesised the results *per Objective* and at the *National Level*. Where applicable, examples are taken from the national or regional level.

A question concerns the potential differences in how the Lisbon and Gothenburg agendas are interpreted in the various Member States and whether the Operational Programmes will deliver growth, jobs and sustainable development, even where they diverge from the "earmarking" approach. To answer this question we examine the coherence of the *priorities* and *indicators* of the national and regional documents (chapter 2), the results of programming processes, including the *ex ante* evaluations, Strategic Environmental Assessments and negotiations on programming documents with the Commission (chapter 3) and the *overarching goals* of sustainable development and territorial cohesion (chapter 4). Finally we determine as analytical devices the various strategies or "roads" that programmes take to deliver the Lisbon and Gothenburg objectives and assess their specific potentials (chapter 5).

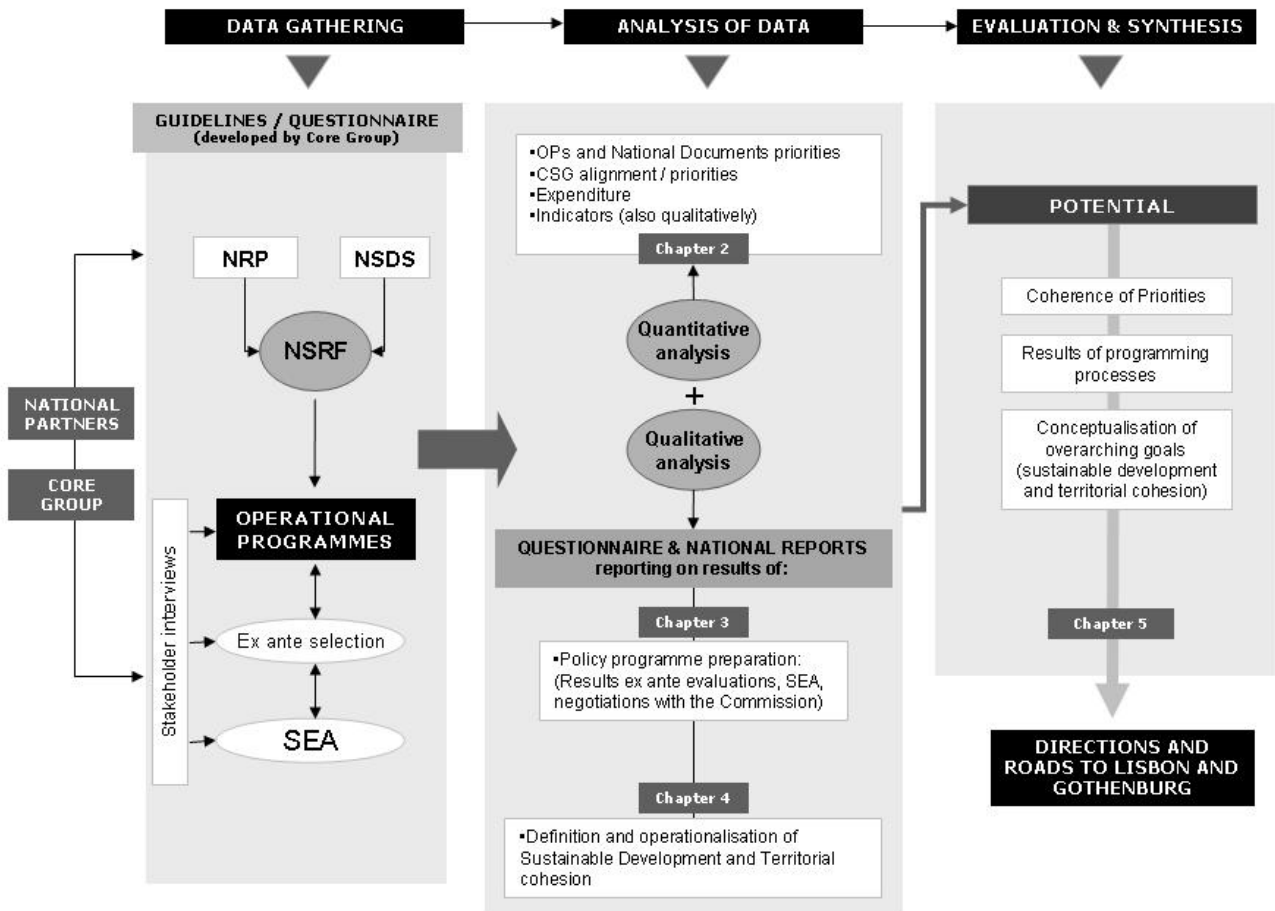


Figure 1: Methodology flow chart

Figure 1 shows the methodology of the study in its different phases: data gathering, analysis and evaluation and synthesis. In the data gathering stage, national experts examined the NRP, NSDS and NSRF documents to see their complementarity. In addition each national expert examined the Operational Programmes and a sample of *ex ante* evaluations and Strategic Environmental Assessments (SEA). The study of these documents was aided by the guidelines/questionnaire formulated by the Lead Partner and the Core Group. In the analysis stage of the research the Lead partner analysed the qualitative and quantitative data submitted by the National Experts, as well as the National Reports. In the evaluation and analysis stage, the Lead Partner, assisted by the Core Group assessed the *potential* of the regional policy instruments to contribute to the Lisbon and Gothenburg Agenda objectives in terms of the priorities of the programmes, the *results of programming processes* and *conceptualisations of overarching goals* of sustainable development and territorial cohesion. This resulted in the broad typology of the “roads to Lisbon and Gothenburg” in the final chapter, which was presented to and validated by the National Experts.

2 Priorities: The National Strategic Reference Frameworks and Operational Programmes

As the preconditions for regional development differ across the territory of the European Union there is no one-size-fits-all approach for achieving the Lisbon and Gothenburg objectives. In this chapter the *potential* for regional policy instruments to contribute to the Lisbon and Gothenburg agendas for growth, jobs and sustainable development, is analysed according to: 1) How the National Strategic Reference Frameworks reflect the National Reform Programmes and National Sustainable Development Strategies and 2) Relevance and coherence of Operational Programme priorities and indicators.

2.1 National Strategic Reference Frameworks (NSRF)

The National Strategic Reference Framework (NSRF) in each Member State is a steering document for regional policy bringing together the thrust of national documents tasked with implementing the Lisbon and Gothenburg agendas: the National Reform Programmes (NRP) and National Sustainable Development Strategies (NSDS) respectively.

Analysis of the NSRFs shows that although countries adhered to the Community Strategic Guidelines in formulating their NSRFs, they interpret the Lisbon Agenda in accordance with national conditions and priorities. The national systems do not always base their strategic formulations on European discourse and in some cases the "Lisbon" and "Gothenburg" themes are not labelled as such. For instance, there is no explicit reference to the Lisbon agenda in the Slovakian NSRF, while the Gothenburg Agenda is not explicitly mentioned in the UK or Estonian NSRFs. Even Sweden, the source of the title of the Gothenburg agenda, does not explicitly refer to it although the idea of sustainable growth is a cornerstone of its NSRF.

2.1.1 National Reform Programmes

The National Reform Programmes (NRPs) were drawn up in conjunction with the Community Integrated Guidelines for Growth and Jobs (2005-2008)¹³ with a focus on macroeconomic, microeconomic and employment guidelines.

National Reform Programmes set out the goals to be achieved in relation to the Lisbon Agenda objectives. Linkages, integration and cross-references

¹³ CEC (2005), "Integrated Guidelines for Growth and Jobs (2005-2008)", Brussels April 12, 2005. COM (2005) 141 final. 2005/0057 (CNS)

between the NRP and NSRF exist, for instance in the case of Spain, Slovenia, Malta, the UK, Lithuania, the Slovak Republic, Greece, Belgium and Bulgaria. There are some direct cross-references between the NRP and NSDS in Italy, France, Latvia and the Czech Republic, but in most cases this is not the case¹⁴.

2.1.2 National Sustainable Development Strategies

Most Member States had developed National Sustainable Development Strategies in preparation for the 2002 World Summit on Sustainable Development in Johannesburg. The EU has encouraged continual peer review and updating of such strategies. In 2005 the Commission initiated a review of the Sustainable Development Strategy, which was adopted in 2006. The NSDSs are not as uniform as the NRPs as the guidelines are not as strict. The NSDSs in the all Member States took an integrated and broad view of sustainable development, understanding it to include the economic, social and environmental aspects of development. Only in a few cases the NSRFs refer explicitly to the NSDS (e.g. the Czech Republic).

2.1.3 Influence of the NRP and NSDS in the NSRF

The NSRFs and the NRPs are meant to be complementary. Our analysis shows that this is the case in all Member States. NSRF documents, however, are narrower in scope than the NRP and NSDS as they take up only those priorities themes that can be co-financed through Cohesion Policy, rather than other types of national measures. This is particularly apparent in Denmark and in Ireland where reduced Structural Fund support led to strategies with a focus on niche or complementary investments in the areas of innovation, employment and entrepreneurship.

In the EU12 the NSRFs address a broader range of both Gothenburg and Lisbon goals reflecting the priorities of the NSDS and NRP. Cohesion Policy priorities in countries with Convergence Objective regions or a mix of Convergence and Competitiveness and Employment Objective regions address the sustainable development concerns and issues of the NSDS to a much greater extent than countries with programmes only in the Competitiveness and Employment objectives.

The NSRFs reflect, to a high degree, the Lisbon agenda as structured in the NRPs, even where the documents are the responsibility of different national authorities. However the linkage between the NSRFs and the National

¹⁴ On this linkage see also Bachtler J, Gross T and McMaster I (2005) Delivering the Lisbon and Gothenburg Agendas, Background Paper for the UK Presidency Conference, Regional and Rural Development Programmes (2007-2013): Delivering the Lisbon and Gothenburg Agendas', Newcastle-Gateshead, 7-8 November 2005.

Sustainable Development Strategies is less straightforward, since some of the national priorities of the NSDSs are beyond the scope of Cohesion Policy support in many countries, particularly in the Regional Competitiveness and Employment Objective regions.

Climate change adaptation and mitigation and/or renewable energy are important exceptions: these issues are in the NRP, NSDS and the NSRF of nearly all countries.

2.2 Operational Programme Priorities

This evaluation has analysed the priorities and priority themes in all 246 Operational Programmes under the Regional Competitiveness and Employment and Convergence Objectives. In total there are 131 Convergence objective¹⁵ programmes (including those in the Phasing-out Regions) covered wholly or partially by the ERDF and 115 Regional Competitiveness and Employment Objective programmes (including those in the Phasing-in Regions). 74 % of the programmes are regional while 26 % are thematic (nearly all of the latter in Convergence Objective regions).

The set of priorities identified in the Operational Programmes forms the specific strategy that the regional policy instruments take in tackling the challenges facing the regions and delivering the Lisbon and Gothenburg objectives of growth, jobs and sustainable development. As such the analysis of the priorities and priority themes in each programme provides a first glance at the specific route taken. The following analysis of the themes of the text of the programmes was undertaken complement data on “earmarking” of priorities (section 2.4).

Using the methodology described in section 1.6 and more fully elaborated in Annex 2, the study examined the policy priorities and themes of the Operational Programmes with the results being grouped into the main priority categories of the Lisbon agenda (in accordance with the Community Strategic Guidelines) and Gothenburg agendas (according to the main categories of the Commission’s Progress Report on the Sustainable Development Strategy 2007 that were not incorporated into the Community Strategic Guidelines). See table 1.

¹⁵ Convergence objective regions are those regions whose GDP per capita in PPS is less than 75% of the Community average.

Table 1: Priority categories of Lisbon and Gothenburg agendas

Lisbon and Gothenburg Goals	Priorities	Priority themes
Growth and Jobs	Knowledge and innovation for growth	R&TD expenditure
		Innovation Support
		ICT accessibility and usage
	A more attractive place to invest and work	Economic Growth (GDP per capita)
		Economic growth and competitiveness
		Support entrepreneurship
		Transport accessibility
		Public Health
		Increasing quality of life
	Creating more and better jobs	Reduction of unemployment
		Reduction of unemployment of elderly
		Education Levels
		Adaptability of workers
		Poverty and social exclusion
		Managing ageing population
	Promotion of health and safety at work	
	Equal opportunities	
Sustainable Development	Energy	Energy use and intensity
		Clean energy
		Increase of renewable energy in energy mix
	Climate change	Adaptation to climate change
		Reduction of GHG emissions
	Management of natural and cultural resources	Management of natural resources
		Loss of biodiversity
		Clean water, air and soil
		Sustainable use of cultural resources
	Other development themes	Development of environmental risk strategy
		Sustainable Transport
		Reduction of noise levels
		Encouraging global sustainability
		Improvement of food safety
		Consumer awareness
	Good governance	

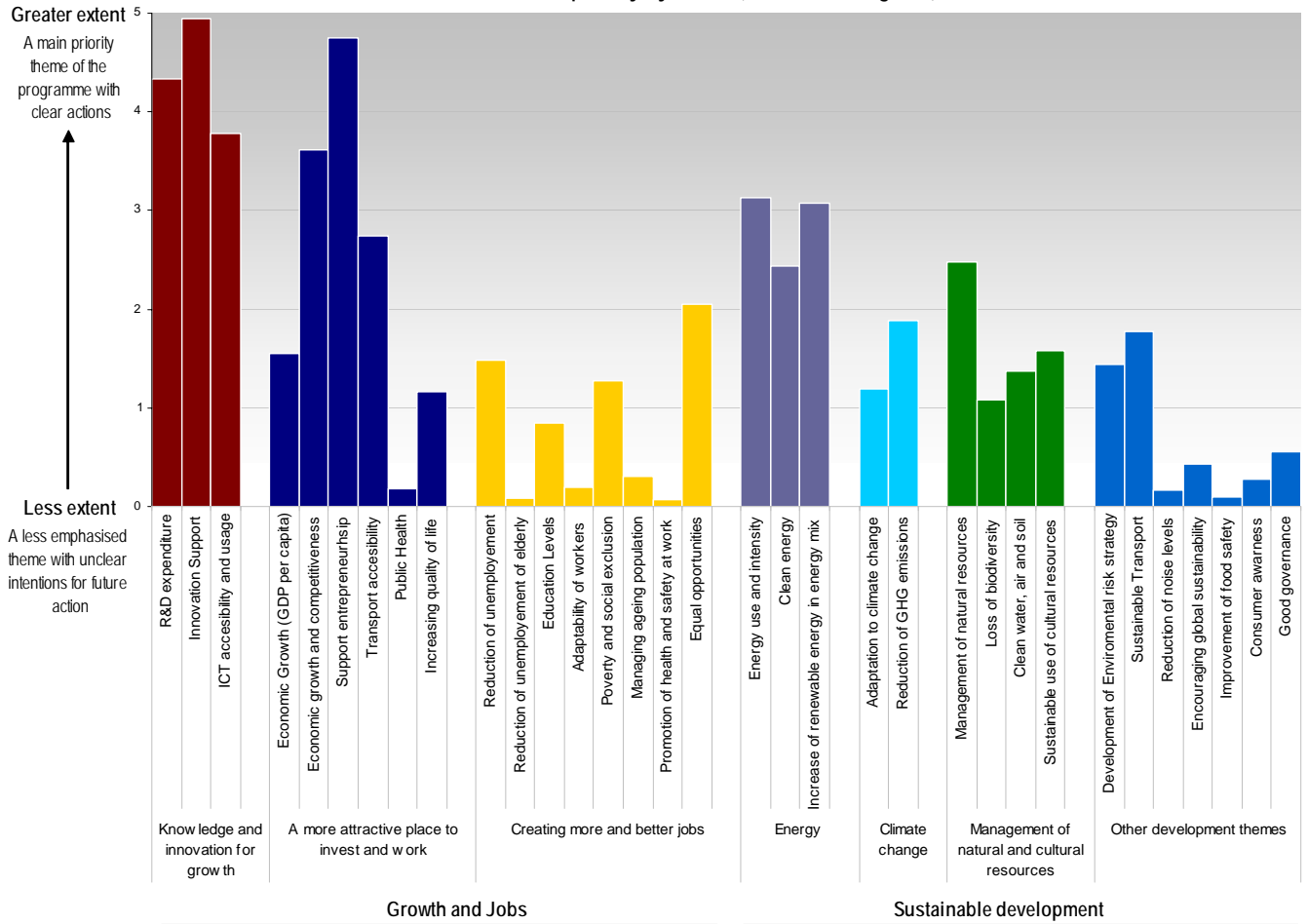
Source: CSG and Core Group/Nordregio's own elaboration

2.2.1 Priority themes in Regional Competitiveness and Employment programmes

In Regional Competitiveness and Employment OPs the content is strongly Lisbon-related, emphasising innovation, knowledge and technology. These programmes generally concentrate on a limited range of Cohesion Policy priorities. *Innovation support* and *Support entrepreneurship* are the highest priorities in the Lisbon agenda (Figure 2). *R&TD expenditure* and *Economic growth and competitiveness* are also considered important themes for these OPs.

Social issues are a minor priority, since these issues are primarily covered by the ESF and ESF programmes were not covered in the analysis. The exception here is *Equal opportunities*, which is a horizontal theme in many programmes. *Energy use and intensity* and *Increase of renewable energy in the energy mix* have relatively high priority. These priority themes in the Regional Competitiveness and Employment Objective programmes show the potential that energy and renewable energy and efficient energy management systems have to contribute to fulfilling the goals of growth, jobs and sustainable development.

COMPETITIVENESS OPERATIONAL PROGRAMMES (financed by ERDF/CF)
Lisbon & Gothenburg themes classified into Objectives for Growth, Jobs and Sustainable development
Extent of priority by theme (0=lowest, 5=highest)



*Source: Own elaboration based on results given by national experts, 2008
 Methodology: Check Annex 2: "OPIS Framework methodology" for further details*

Figure 2: Lisbon and Gothenburg priorities in Competitiveness OPs

2.2.2 Priority themes in Convergence Operational programmes

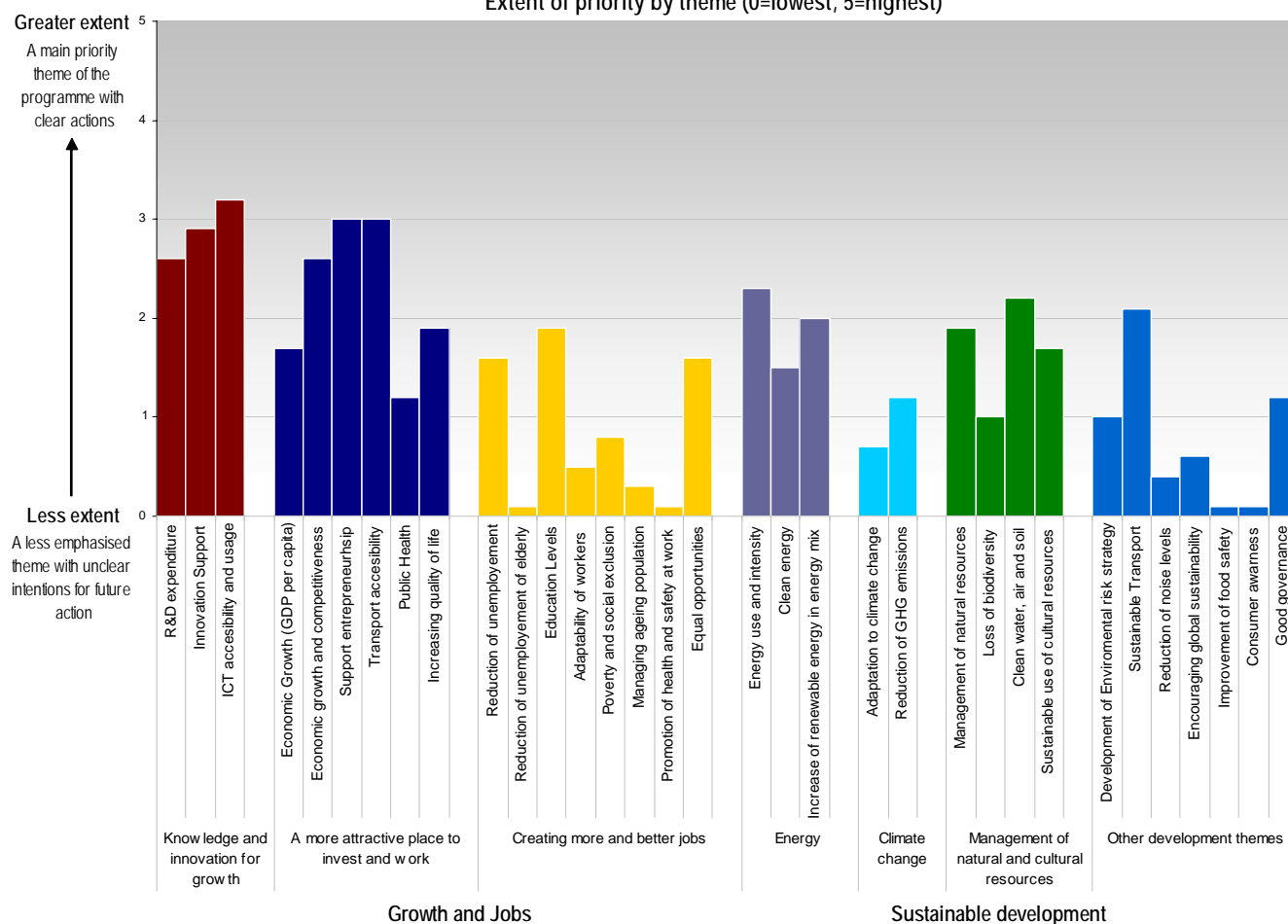
While employment objectives are important in Convergence Operational Programmes, innovation and R&TD measures are not stressed as intensively as in the Competitiveness Operational Programmes. The different development situations in the Convergence regions suggest a broader range of actions while the programmes also have greater EU funding resources at their disposal. The regional Operational Programmes in the Convergence countries have a strong focus on the environmental and economic dimensions of sustainable development and are supported by a number of Thematic Operational Programmes.

ICT accessibility and usage and *Transport accessibility* are seen as important priority themes, together with *Innovation support* and *Economic growth*. Other priority themes are more evenly spread among growth and employment objectives such as the *Reduction of unemployment* as well as *Equal opportunities*.

The theme of *Education* is highlighted in Convergence OPs. The regions use ERDF funding within the fields of employment and education as a complement to ESF programmes to a greater extent than Regional Competitiveness and Employment regions.

Management of natural resources, Clean water, air and soil and *Sustainable transport* are the most important sustainable development priority themes. The management of natural resources and climate change themes have, overall, a medium level of priority, which is higher than in Competitiveness regions.

CONVERGENCE OPERATIONAL PROGRAMMES (financed by ERDF/CF)
 Lisbon & Gothenburg themes classified into Objectives for Growth, Jobs and Sustainable development
 Extent of priority by theme (0=lowest, 5=highest)



Source: Own elaboration based on results given by national experts, 2008
 Methodology: Check Annex 2: "OPIS Framework methodology" for further details

Figure 3: Lisbon and Gothenburg priorities in Convergence OPs

2.2.3 Priority themes by groups of countries

All Member States aim to achieve higher national growth and to become more competitive through innovation and knowledge. Three main groups of countries, relating to the objectives of their respective Operational Programmes, are displayed in text box 1. These are countries with mainly Regional Competitiveness and Employment OPs, countries with mixed objective OPs, and countries with mainly or exclusively Convergence OPs.

Text box 1

Priority themes: Countries with mainly Regional Competitiveness and Employment Operational Programmes

Austria, Belgium, Cyprus, Denmark, Finland, Ireland, Luxembourg, Netherlands, Sweden and the United Kingdom

- Emphasis on fewer (10-15 out of 33) themes
- Highest priorities: *R&D expenditure, Innovation Support and Support entrepreneurship*
- Other priority themes that help map out complementary roads to the *R&D expenditure, Innovation Support and Support entrepreneurship* priority:
 - Energy*: Austria, Belgium & Ireland
 - Climate change*: Austria and the United Kingdom.
 - Transport accessibility*: Sweden.
 - Increasing quality of life*: Belgium and the Netherlands.
 - Reduction of unemployment*: Finland, Luxembourg and the Netherlands.
 - Economic growth and competitiveness*: Cyprus

Priority themes: Countries with mixed Objective Operational Programmes

France, Germany, Greece, Italy, Portugal, Spain

- Emphasis on slightly more (20-25 out of 33) themes
- Highest priorities: *Innovation Support, Support of entrepreneurship and R&D expenditure*
- Other priority themes:
 - Reduction of unemployment and education levels*: Germany.
 - Economic growth and competitiveness*: Germany and Portugal
 - ICT accessibility and usage*: Convergence OPs of France, Italy and Spain.
 - Transport accessibility, ICT accessibility and usage*: Greece, and Convergence regions in France, Italy and Spain.
 - Management of natural resources, climate change and energy*: especially Germany, Greece and Spain.

Countries with mainly or exclusively Convergence Operational Programmes

Bulgaria, the Czech Republic, Estonia, Hungary, Latvia, Lithuania, Malta, Poland, Romania, Slovakia and Slovenia

- Broadest range of priorities
- Highest priorities:
 - Innovation support and support entrepreneurship* (all)
 - Transport accessibility* (the Czech Republic, Bulgaria, Malta, Poland and Slovakia)
 - Economic growth and competitiveness* (Hungary, Romania, Slovakia and Slovenia)
 - ICT accessibility and usage* (Estonia, Hungary, Latvia, Lithuania, Malta and Romania)
- Other priority themes:
 - Public health*: the Czech Republic, Estonia, Latvia and Lithuania.
 - Education levels*: in Poland and Slovenia.
 - Poverty and social exclusion* in Lithuania and Slovakia
 - Increasing quality of life*: Czech Republic, Bulgaria, Malta and Slovakia.

In summary, countries with mainly or exclusively Regional Competitiveness and Employment Operational Programmes apply the Structural Funds to a limited number of priority themes while countries with mainly Convergence Operational Programmes are broader in focus including a larger number of priority themes. In countries with combined Objectives we see a blend of the two, dependent on the particular nature of the regions concerned. These patterns show consistency with the programming eligibility.

2.2.4 Thematic Operational Programmes

Out of the 246 Operational Programmes, 65 are thematic, mainly under the Convergence objective. Thematic Operational Programmes range from the largest (in terms of financial allocations) single programme in the 2007-2013 period – the Transport Operational Programme for Poland – to the Technical Assistance OP for Bulgaria, the smallest.

Thematic Operational Programmes naturally address fewer priority themes than Regional Operational Programmes due to the fields of specialisation. Some countries have only Thematic OPs - Estonia (economic and living environment development), Latvia (entrepreneurship, innovation and infrastructure), Lithuania (economic growth and cohesion promotion) and Malta (competitiveness).

The Thematic Operational Programmes on the environment in Bulgaria, the Czech Republic, Hungary, Poland and Romania together cover a broader range of Gothenburg priority themes which should help to deliver sustainable development in Convergence regions. A greater emphasis on the Lisbon objectives of growth and jobs is visible in the Thematic Operational Programmes oriented towards competitiveness and economic growth in Estonia, Latvia, Lithuania, Poland, Hungary, Bulgaria, Romania and the Czech Republic as well as programmes exclusively targeted on R&TD in the Czech Republic, Latvia and Slovakia.

2.2.5 Alignment with Community Strategic Guidelines

The Community Strategic Guidelines (CSG) set the basis for the preparation of the National Strategic Reference Frameworks and Operational Programmes. In order to analyse how the Operational Programmes are in line with the Community Strategic Guidelines the first, second and third most important of priorities of the Operational Programmes were identified in our analysis of the programmes. Priorities that are not included in the CSG, but are important for regional development within the programmes are also discussed.

The general overview shows a close alignment of all Operational Programmes with the Community Strategic Guidelines. A high percentage (72%) had the CSG priority to “*facilitate innovation and promotion of entrepreneurship*” as a first, second or third priority. In Competitiveness Operational Programmes the emphasis on these themes was strong (95%) and in Convergence Operational Programmes the emphasis was relatively high (60%). The high percentages show a significant intention towards the creation and improvement of knowledge and innovation for growth in all Operational Programmes in Europe regardless of their Objective.

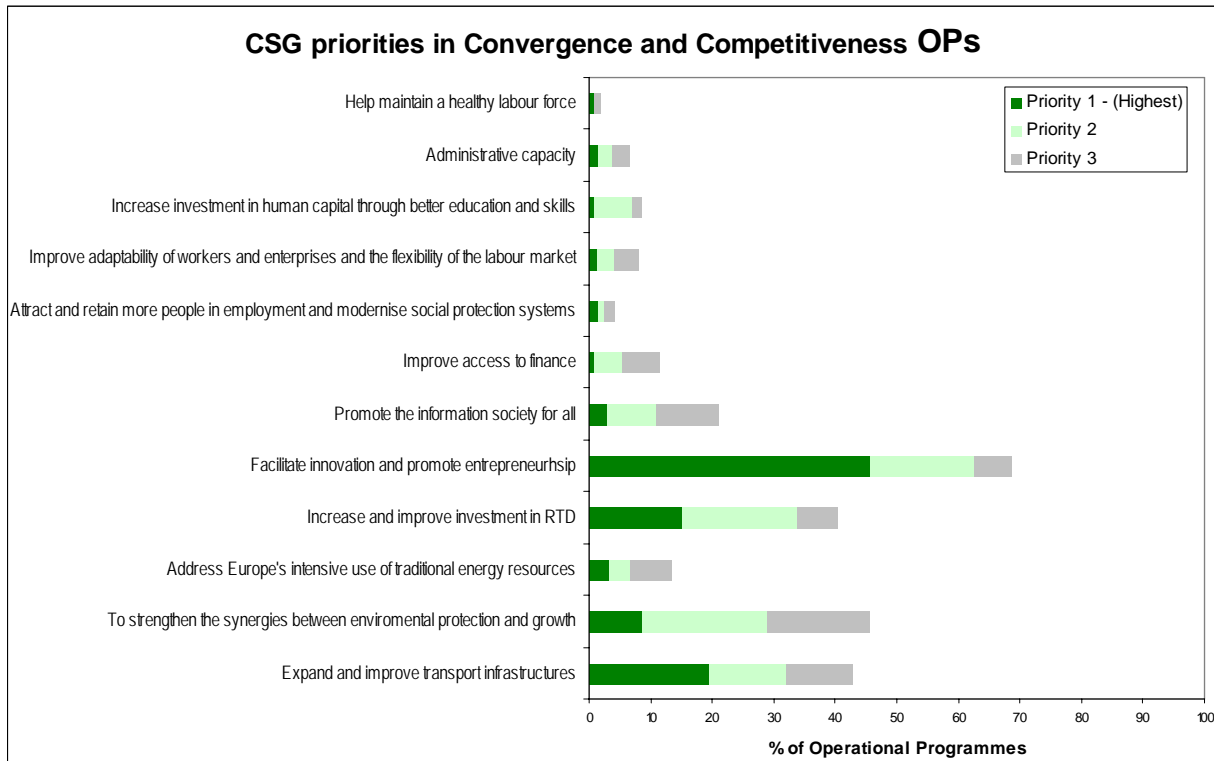


Figure 4: CSG priorities in Convergence and Competitiveness OPs

2.2.6 CSG and Competitiveness Operational Programmes

To “*Facilitate innovation and promote entrepreneurship*” and “*increase and improve investment in RTD*” are the two highest primary priorities in Competitiveness Regions (Figure 5). The first theme is particularly strong in Belgium, Finland and Sweden where all Operational Programmes ranked it as a primary priority. Similar situations are repeated in Cyprus, Denmark and Luxembourg, which have a single Regional Competitiveness and Employment programme. All Operational Programmes for Austria, France, Germany, Ireland, the Netherlands, Spain and the UK have a distribution of primary or secondary priorities concentrated on these two themes. Others cases where “*facilitate innovation and promotion of entrepreneurship*” is highly ranked

include half of Operational Programmes in Italy and the Competitiveness Operational Programmes of Hungary, Portugal and Slovakia.

The rest of the highest priorities are evenly spread between three additional themes. In order of importance these are:

- *“strengthen the synergies between environmental protection and growth”*, which is particularly important in Austria, Belgium, France, Germany, the Netherlands and the UK where two thirds of Operational Programmes ranked it as secondary or tertiary priority. The same situation is evident in the single Operational Programmes of Cyprus, Denmark and Luxembourg.
- *“expand and improve transport infrastructures”* is widely prioritised in France and Sweden as well as in a few Operational Programmes in Finland, Hungary (Budapest), Ireland, Germany, Italy, Slovakia (Bratislava) and Spain.
- *“promote the information society for all”* is prioritised mainly in some Operational Programmes of France, Italy, Spain, Sweden and the UK and in individual examples in Austria, Ireland and the Netherlands.

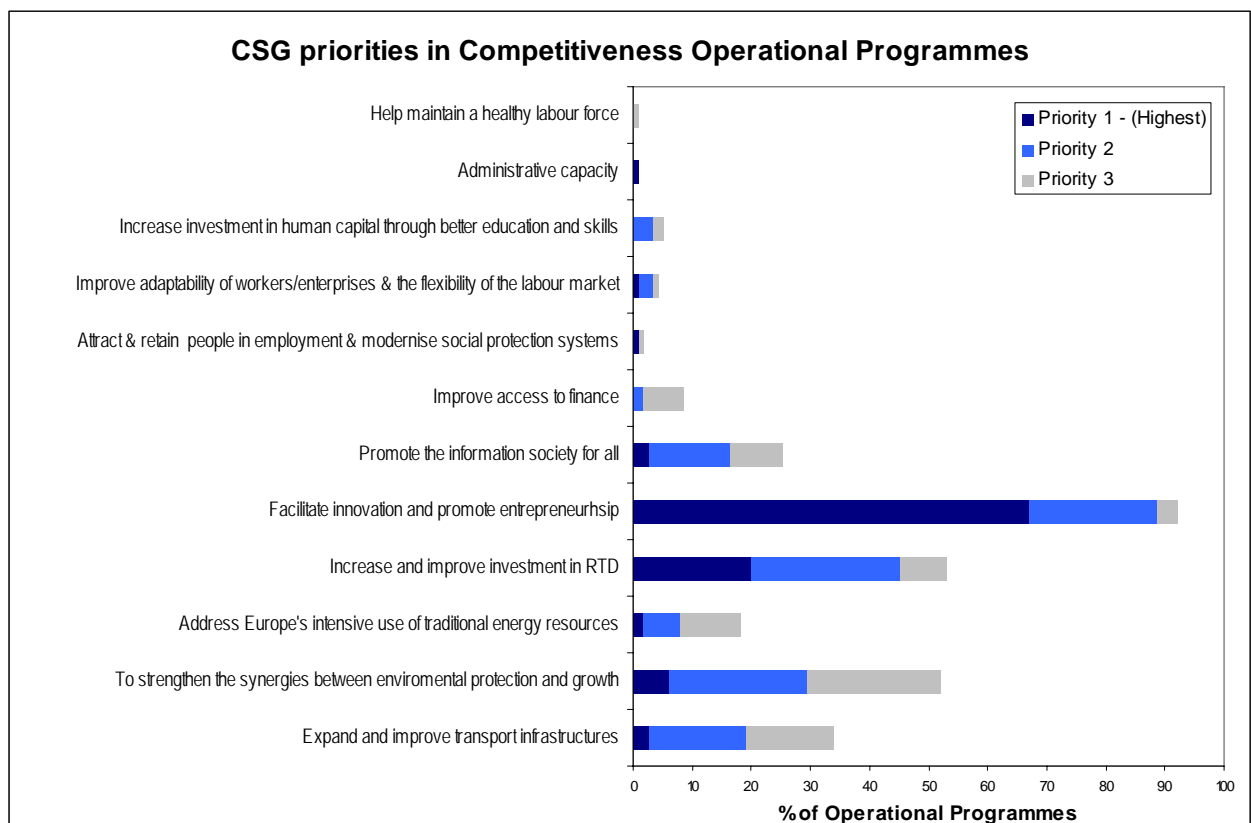


Figure 5: CSG priorities in Competitiveness OPs

The theme *"To address Europe's intensive use of traditional energy resources"* is ranked as third priority in six Operational Programmes of Italy as well as in programmes in Austria, Belgium, Ireland, Sweden and the UK.

Operational Programmes of Germany, France and Sweden have an interest in human capital development fields including priorities to *"increase investment in human capital through better education and skills"* and *"improve adaptability of workers and enterprises and the flexibility of the labour market"*. Operational Programmes in Italy, Sweden and the UK show a particular interest on *"Improving access to finance"*.

This high concentration of priorities relating to entrepreneurship, innovation and R&TD in Competitiveness Operational Programmes shows a strong intention to ensure a highly qualified knowledge society and further develop innovation for growth as the basis upon which to create more competitive economies in the Regional Competitiveness and employment regions.

2.2.7 CSG priorities in Convergence Operational Programmes

The distribution of the CSG themes in the Convergence programmes is broader than in the Regional Competitiveness and Employment Programmes. *"Expanding and improving transport infrastructures"* is the most important first priority in Convergence regions, while *"facilitating innovation and promoting entrepreneurship"* is important as a first, second and third priority (figure 6).

Transport is prioritised primarily in the Regional Operational Programmes of the Czech Republic, Greece, Hungary, Poland, Portugal and Spain and the Thematic Operational Programmes specialised in this field in Bulgaria, Germany, Italy, Romania and Slovenia. In all of the above the importance given to transport demonstrates the challenges of accessibility defined in the Convergence Operational Programmes. These programmes cite deficiencies in the transport network as one of the main barriers for regional attractiveness and development. *"Facilitating innovation and promoting entrepreneurship"* is ranked as the first priority in the Convergence Regional Operational Programmes of France, Germany, Spain and the UK and in all Thematic Operational Programme related to Innovation and Entrepreneurship (in the Czech Republic, Greece, Hungary, Italy, Latvia, Poland, Portugal, Romania, Slovenia and Spain).

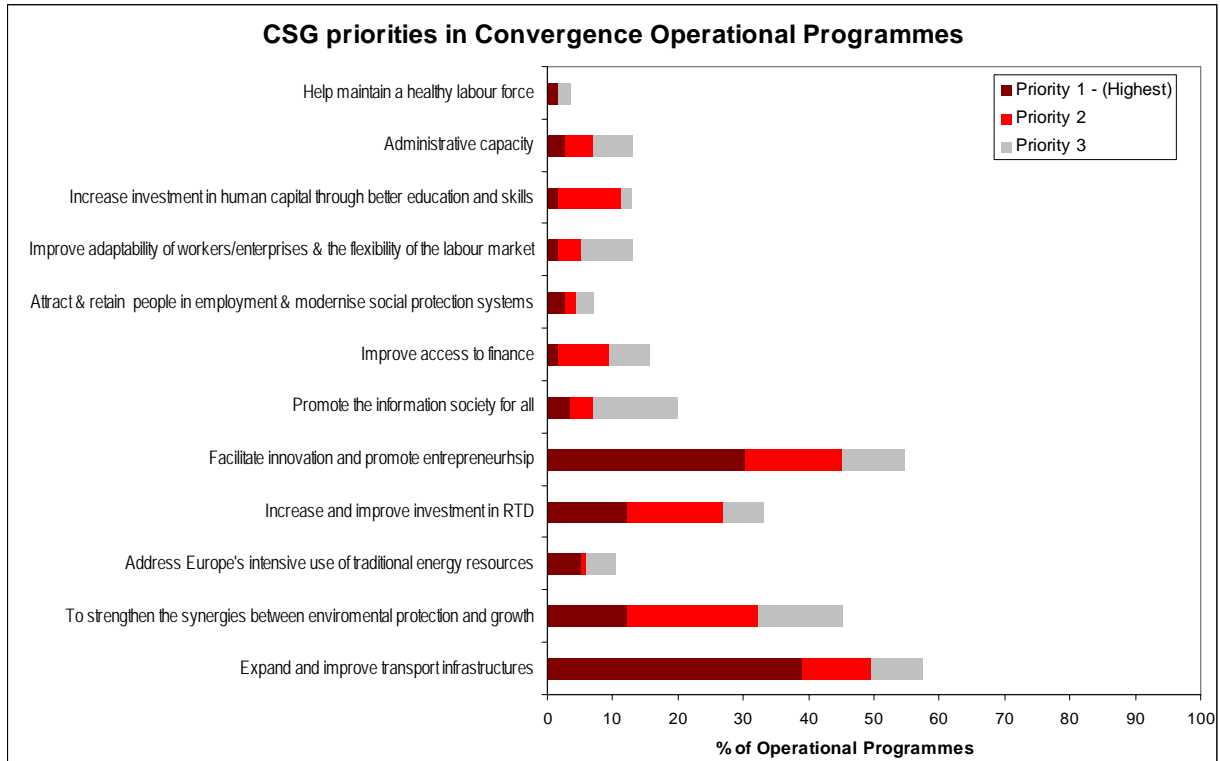


Figure 6: CSG priorities in Convergence OPs

Second and third priorities are distributed along several other themes. For instance the theme *"Strengthen the synergies between environmental protection and growth"* is addressed equally by Regional and several Thematic Operational Programmes related to regional development, environment, cohesion, transport and sustainable development. The Regional Operational Programmes of Italy, Greece, Poland and Portugal also prioritised this theme. Information society is mainly prioritised in the Thematic Programmes dealing with this field in Greece, Hungary and Slovakia as well as in the Convergence programmes in Spain and Poland and a few regional programmes in Italy, Portugal, Czech Republic and UK. The theme *"Increase and improvement of R&TD"* is widely addressed and highly prioritised by all specialised Convergence Thematic Operational Programmes (Czech Republic, Italy, Poland, Slovakia and Spain), as well as in Convergence regions in Germany Italy, Spain and to a lesser extent in regional Programmes in Austria, Belgium and UK.

Themes such as *"Address Europe's intensive use of traditional energy resources"* are primarily prioritised in Thematic programmes focussed on energy in Hungary and Italy and to a lesser extent in Programmes focussed on environment in Greece, Romania, Slovakia and Slovenia.

Human capital remains a high priority in Convergence Operational Programmes even though the level of priority is lower than transport or innovation and entrepreneurship. The Regional Operational Programmes of

the Czech Republic, France and Germany prioritise both to “*Improve adaptability of workers and enterprises and the flexibility of the labour market*” and “*Investment in human capital throughout better education skills*”.

2.2.8 Programme priorities not mentioned in the CSG

While the Operational Programmes are in line with the CSG, a number of programmes identified priorities which are not included in the Guidelines. In Austria, Hungary and Slovakia as well as in several programmes of the Czech Republic, Italy, and the overseas territories of France, discussion in the programming processes focused on the extent to which tourism can fulfil Lisbon objectives by contributing to regional growth and employment. Examples can be found in text box 2.

Text box 2

Tourism as priority:

- In the Interregional Operative Programme (InOP) **Natural and Cultural Attractors and Tourism** of the Convergence Objective regions in **Italy** the emphasis of one of the main axes is on the improvement and promotion of the touristic attractiveness of Convergence regions. One of the key strategies is to strengthen touristic poles defined by the programme as “a node composed by cultural, natural and/or landscape attractors with adequate services and tourism infrastructures, able to attract significant flows”. The programme defined three categories: international profile poles, lower tourist poles and emerging poles, with particular roles defined for each. The interregional network desired intends to create “a network of touristic destinations resulting from the integration of the touristic poles at the interregional scale, able to configure itself as an autonomous system that answers the specific tourism needs”. The network concept is more than an aggregation of homogeneous “destinations”, but should constitute an autonomous tourism system in which environmental, natural, historical, cultural and artistic characteristics are assessed and coherently related with demand tendencies.
- Other examples where tourism is mentioned as an additional priority include Regional Operational Programmes in **Italy** and the **UK** (West Wales and the Valleys, Highlands and Islands, Gibraltar and Northwest England) and Thematic Operational Programmes in **Lithuania**, **Malta** and in **Burgenland** (AT), where the region claimed that in lesser developed regions, tourism supports important regional developments; in **Central Moravia** (CZ), tourism is emphasised as one of the key priorities to create more jobs while maintaining sustainable practices and preserving cultural traditions.

Developing tourism is an important issue in these areas where other Lisbon-priorities (such as innovation and R&TD) are not as successfully established.

Programmers argue that while tourism is not included in the Community Strategic Guidelines, it can facilitate competitiveness in certain lagging regions. Programmes that prioritise tourism generally understand it as traditional tourism development. This development often provides low-skilled and seasonal jobs which contribute somewhat to the local economy, but will not necessarily create better jobs. Seen this way, tourism does not contribute to the Lisbon goals and could be a barrier to development. Tourism, may, however, provide employment opportunities where few exist. Moreover, if tourism development includes innovation to provide new types of marketing or organisations, the production of new types of goods and services or the development of technological applications within the tourist industry, this may provide the impetus to attract investment and create not just *more*, but *better* jobs. We find little evidence of this linkage in the Operational Programmes as shown in the traditional indicators typically used (tourist bed occupancy rates, length of stay, etc). Only Italy and the Czech Republic propose indicators within the tourism priority that are related to the Lisbon and Gothenburg Agenda objectives. These include the indicator for the Sicilian programme "use of technological application for the conservation and management of cultural heritage", Tuscany's indicator for investments in sustainable tourism or the Czech Republic indicator for number of new advertising tourist web sites established.

Some Programmes also prioritised *Urban and regional potentials* to promote attractiveness and competitiveness through the reduction of territorial disparities and the improvement of life in both urban and rural areas. As with tourism, the arguments for revitalisation are relevant for the regional level as these strategies can facilitate competitiveness in lagging regions which later might contribute to a more balanced competitiveness at the European level.

Text box 3

Urban and regional potentials as priorities

- The Italian region of **Molise** has a priority to promote growth across the whole regional territory through different territorial endogenous potentials as ways to create development perspectives for both urban and rural areas, hand in hand with the promotion of inter municipal cooperation.
- In the Thematic Operational Programme for the **Regional Development of Slovakia**, the regeneration of settlements is seen as a tool to improve the attractiveness for inhabitants, visitors and investors as urban settlements are the largest engines of development and applications of innovation, research, entrepreneurship and science of the region.
- Others examples where the revitalisation of urban areas and balanced territorial development is a priority include examples of Convergence Operational Programmes in **Poland, Portugal, Spain**.

In some cases urban and rural issues are addressed separately (e.g. Belgium), while in others the cooperation between urban and rural areas is the focus. This is the case for instance in most of the French programmes (Alsace also refers to regional disparities between the five main metropolitan regions and the rest of the territory), as well as in some of the German Operational programmes (Rhineland-Palatinate, Hessen and Bavaria), or the regional Operational Programmes in the Czech Republic. In other cases the social segregation or environmental problems of cities are referred to (e.g. Saxony-Anhalt, Thuringia, Rhineland-Palatinate, Bavaria, and Berlin).

A higher quality of life in certain urban areas is not however a sufficient condition in itself for the promotion of economic growth and greater regional competitiveness. The strategy has to be linked to other strategies attracting new firms and investments together with a highly skilled labour force to the area.

Other priorities that were not in the CSG include the following:

- In **Ireland**, programmers argued that *sustainable urban development* would help to deliver growth, jobs and sustainable development, as the city-region is the engine for driving regional competitiveness and its overall development would be hampered by the lack of appropriate development. Ireland's economic growth over the last decade has been largely urban-based and, complementing domestic NDP investment, the Southern and Eastern OP prioritises sustainable urban development in the growth centres identified in the National Spatial Strategy. Interventions support a cooperative approach to development through competitive bids for partnership projects enhancing the economic, environmental, social and/or cultural fabric of cities and hubs, as well as cooperation and linkages between them. The intention is to both improve the quality of life of residents of urban centres as well as to make them more attractive places in which to invest.
- In the **North Great Plain** Operational Programme of Hungary, dealing with *climate change* and the related problems of *natural and environmental disasters* originating from neighbouring countries (the border region with Ukraine and Romania) is seen as a major regional challenge which is not addressed in the Guidelines. While undertaking risk prevention measures through improved management of natural resources is recommended in the Guidelines, Hungary argues that the cross-border dimension of these problems also requires greater attention.
- In the Italian Region of **Veneto**, *strengthening the international role of the region* is seen as a tool to increase competitiveness and integration of specific sectors of the regional economy. A similar international approach is taken by the **Extremadura Region** in Spain.

In summary, programmes are generally in line with the Community Strategic guidelines, but do face challenges that were not addressed in these guidelines, such as tourism development and urban/rural potentials. These areas will need to include an emphasis on innovation, knowledge and entrepreneurship in order to make a contribution growth and jobs.

2.3 Coherence of priorities and expenditure data

The analysis of priorities outlined above was based on interpretations of policy documents with a view to understanding the relative weight and ways of defining the Lisbon and Gothenburg objectives. Following on from this we can ask: Do programmes actually commit financial allocations to the same priorities highlighted in the programme text? In Table 2 the main priorities, in terms of expenditure, are cross-referenced with the main fields outlined in the OPs.

Table 2: Comparing Cohesion Policy expenditure with OP policy priorities

		SF Priority	OP Priority**
Structural Funds expenditure - Total EUR*		Ranking of priority by expenditure	OP ranking
Transport	74 718 544 569	1	2
Research and technological development, innovation and entrepreneurship	62 039 163 685	2	1
Environmental protection and risk prevention	48 772 355 152	3	3
Investment in social infrastructure	16 238 129 407	4	8
Information Society	14 589 297 827	5	4
Energy	10 401 300 083	6	6
Urban and rural regeneration	9 961 148 391	7	5
Technical assistance	7 622 947 640	8	9
Tourism	5 751 648 214	9	7
Culture and heritage	5 453 279 229	10	13
Strengthening institutional capacity at national, regional and local levels	1 214 563 930	11	12
Improving access to employment and sustainability	873 617 531	12	11
Increasing the adaptability of workers, firms, enterprises and entrepreneurs	793 964 371	13	10
Improving human capital	727 967 901	14	14
Reduction of additional costs hindering outermost regions development	643 559 437	15	15
Mobilisation for reforms in the fields of employment and inclusion	124 636 877	16	16
Improving the social inclusion of less-favoured persons	114 320 589	17	17

*Total EUR includes ERDF+CF funds only

**Includes both Competitiveness and Convergence OPs
(Data on financial allocations was provided by DG Regio)

The results of the prioritisation by the OPs and the allocation of Structural and Cohesion Funds have a high degree of correlation. This is most evident regarding the three most important fields (*Transport, R&TD, Innovation and entrepreneurship* and *Environmental protection and Risk prevention*) and socially-oriented fields in both Competitiveness and Convergence OPs..

Fields more highly prioritised by the OPs than by the expenditure allocations include:

- *Information society*: A high priority is given to this theme in several Thematic OPs (e.g., Digital Convergence in Greece, the Information Society OP in Slovakia, and the Electronic Administration OP in Hungary), as well as Regional OPs, especially in the Convergence OPs of Italy, France, Poland, Spain and the UK.
- *Urban and rural regeneration*: This is due to the high priority shown in OPs in Competitiveness regions containing major metropolitan areas (such as Brussels, Bremen, Hamburg, Lisbon, London, Paris, Stockholm or Vienna). The Convergence Thematic OPs in the fields of regional development, sustainable development and transport (Slovenia, Poland, Bulgaria, Slovakia and Romania) as well as the Netherlands and Ireland also prioritise urban and rural regeneration higher than the expenditure allocation would otherwise suggest. This higher level of importance given to urban regeneration and sustainable urban development may reflect some success in the mainstreaming of the URBAN Community Initiative. URBAN type actions are encouraged in the CSG as an instrument within EU Cohesion Policy to promote and implement innovative models of development for the economic and social regeneration of troubled urban areas. The lower expenditure allocation than priority ranking, however, suggests that the mainstreaming has not been fully put into practice.¹⁶
- *Tourism*: A high number of OPs, especially Convergence OPs, prioritised this theme higher than the financial allocations would suggest. This was mainly due to the high priorities expressed in six out of the seven Thematic OPs of Italy, all Greek regional OPs, and other OPs in Austria, the Czech Republic, Hungary, Slovakia and the Caribbean Regions of France. This may be a result of the negotiations process where the programmes argued that tourism should be included to a greater degree. The programmes thus had to justify the inclusion of tourism in the text of the programmes.

An example of a theme that has a higher priority in the expenditure allocations and a lower priority in the OPs is:

- *Investment in social infrastructure*: This field is extensively addressed by Convergence OPs, particularly in Hungary, Poland and Slovakia and by Thematic OPs in Bulgaria, Estonia, Italy, Latvia, Slovakia and Slovenia. Social infrastructure investment is costly, which explains why

¹⁶ European Commission, Regional Policy, URBAN II; available at:

http://ec.europa.eu/regional_policy/urban2/index_en.htm, accessed in October, 2008

more money is spent on this relative to the priority level it is given in the programmes.

A different picture emerges if we look at the Convergence Objective and the Competitiveness Objective separately.

Table 3 shows that in Convergence OPs the ranking of prioritised themes in the strategies of the programmes matches the prioritisation of expenditure. The themes of *Tourism* and *Increasing the adaptability of workers, firms, enterprises and entrepreneurs* are slightly more important priorities in the strategies of the programmes than in the expenditure allocations.

Table 3: Comparing Cohesion Policy expenditure with Convergence OP policy priorities

Structural Funds expenditure - Total EUR* CONVERGENCE OPs	SF Priority	OP Priority	
	Ranking of priority by expenditure	OP ranking	
Transport	72 274 225 908	1	2
Research and technological development, innovation and entrepreneurship	47 722 053 502	2	1
Environmental protection and risk prevention	45 389 776 266	3	3
Investment in social infrastructure	15 411 717 073	4	4
Information Society	12 309 919 979	5	5
Energy	8 615 610 513	6	8
Urban and rural regeneration	8 072 224 229	7	6
Technical assistance	6 767 582 629	8	9
Tourism	4 936 414 805	9	7
Culture and heritage	4 689 378 004	10	12
Strengthening institutional capacity at national, regional and local levels	1 164 579 263	11	11
Improving human capital	584 464 181	12	13
Increasing the adaptability of workers, firms, enterprises and entrepreneurs	438 580 670	13	10
Improving access to employment and sustainability	434 889 420	14	14
Reduction of additional costs hindering outermost regions development	364 267 263	15	15
Mobilisation for reforms in the fields of employment and inclusion	85 304 654	16	16
Improving the social inclusion of less-favoured persons	66 280 397	17	17

*Total EUR includes ERDF+CF funds only
(Data from financial allocation was provided by DG-Regio)

The Competitiveness OPs show more variation than the Convergence OPs (see Table 4 below). Themes that are ranked higher in the texts of the programmes than in the expenditure allocations are: *Increasing the adaptability of workers and firms, enterprises and entrepreneurs*, *Strengthening institutional capacity at national, regional and local level*, and *Improving access to employment and sustainability*.

The themes of *Transport*, *Investment in social infrastructure* and *Reduction of additional costs hindering the outermost regions' development* were ranked lower in the strategic texts of the OPs than in the expenditures of the

OPs. These differences reflect the higher costs of transport and infrastructure investment and the lower costs of “soft” measures such as those oriented towards employment measures.

Table 4: Comparing Cohesion Policy expenditure with Competitiveness OP policy priorities

Structural Funds expenditure - Total EUR* COMPETITIVENESS OPs		SF Priority	OP Priority
		Ranking of priority by expenditure	OP ranking
Research and technological development (R&TD), innovation and entrepreneurs	14 317 110 183,4	1	1
Environmental protection and risk prevention	3 382 578 885,6	2	2
Transport	2 444 318 661,5	3	6
Information society	2 279 377 848,2	4	3
Urban and rural regeneration	1 888 924 161,7	5	4
Energy	1 785 689 569,8	6	5
Technical assistance	855 365 011,4	7	9
Investment in social infrastructure	826 412 333,6	8	15
Tourism	815 233 409,1	9	10
Culture	763 901 224,8	10	12
Improving access to employment and sustainability	438 728 111,3	11	8
Increasing the adaptability of workers and firms, enterprises and entrepreneurs	355 383 700,6	12	7
Reduction of additional costs hindering the outermost regions development	279 292 174,0	13	16
Improving human capital	143 503 720,0	14	14
Strengthening institutional capacity at national, regional and local level	49 984 666,9	15	11
Improving the social inclusion of less-favoured persons	48 040 192,3	16	13
Mobilisation for reforms in the fields of employment and inclusion	39 332 223,0	17	17

*Total EUR includes ERDF+CF funds only

**Includes both Competitiveness and Convergence Operational Programmes
(Data from financial allocation was provided by DG-Regio)

In summary, the coherence between strategic priorities and expenditure allocations is confirmed, particularly in the Convergence programmes. The strategic priorities and budget allocations also largely match up in the Competitiveness programmes, although measures for transport and social infrastructure are more highly ranked in the expenditure allocations than in the strategies as the interventions are generally greater in cost.

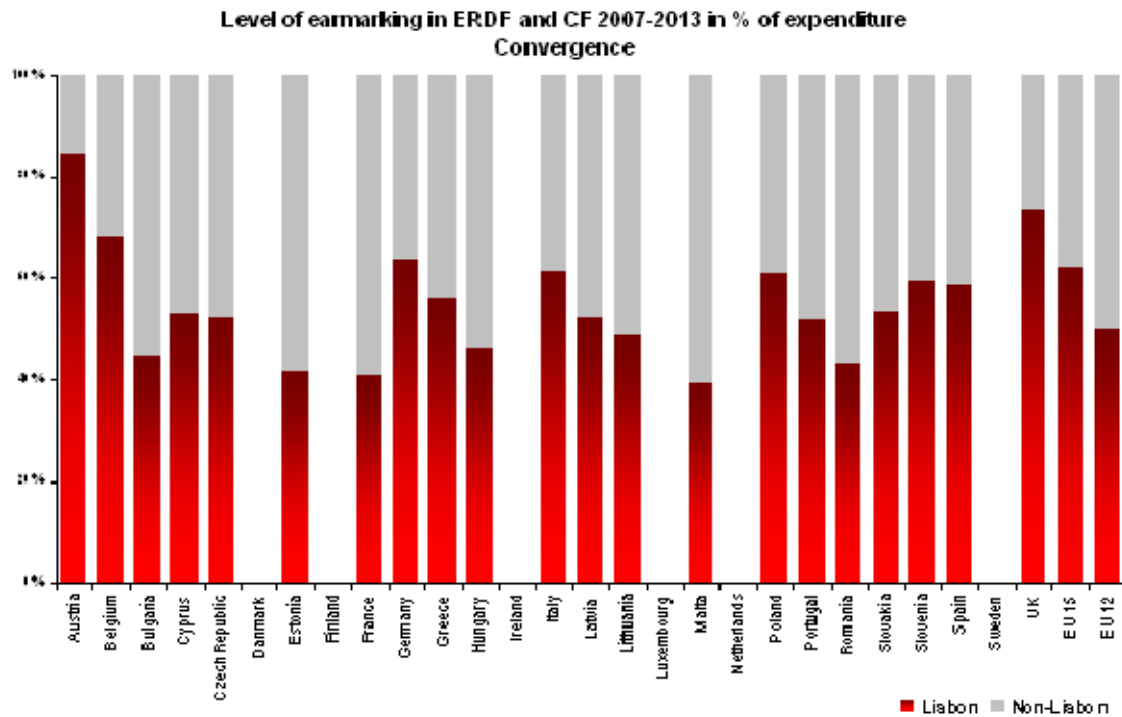
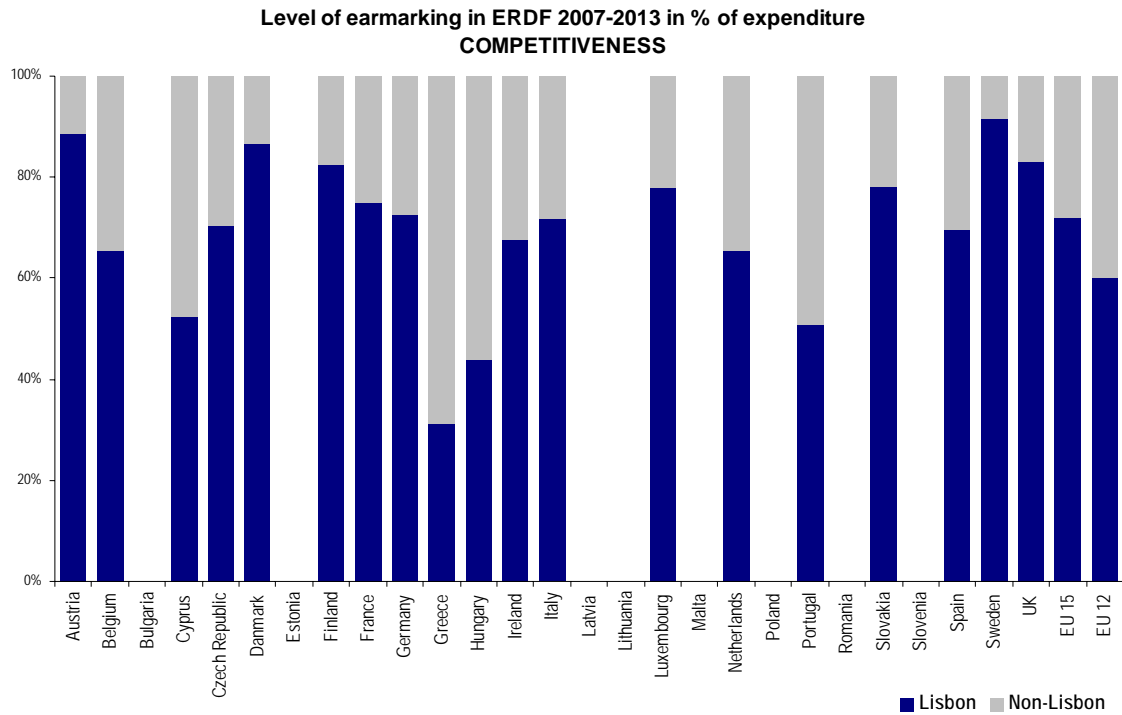
2.4 Earmarking

“Earmarking” is one of the factors influencing the expenditure allocations of the programmes. The European Council, as outlined above set targets for funding allocated to Lisbon-themes. For the EU15, the level of funding that the Member States are obliged to “ earmark” is at least 75 % in respect of Regional Competitiveness and Employment programmes, and 60 % for the Convergence programmes. The earmarking requirement is however voluntary for the EU12, though they are also encouraged to achieve at least a 50 % wherever possible.

The earmarked categories used for the calculations are included in the Commission’s final version of the Information Paper on Earmarking¹⁷ that contains regulatory provisions and other guidelines regarding objectives and practical implementation of the “ earmarking” provisions set out in Article 9 of Regulation (EC) NO 1083/2006 laying down general provisions on the ERDF, ESF and CF.

Figure 7 shows the general earmarking percentages of programmes covered only by ERDF and the CF. Since the figures do not include the ESF earmarked contributions they are somewhat lower than the pledged amounts. Contributions do not include additionally negotiated categories for “Lisbon” expenditure (in accordance with Article 9.3 of Regulation (EC) No. 1083/2006), which would also make the total percentages higher in several cases (and especially in Cyprus and Portugal).

¹⁷ COCOF/2007/0012/00-EN European Commission (2007) Final version Information paper No. 1 on Earmarking, p.5



Source: Own elaboration based on DG Regio expenditure data, October 2008

Figure 7: Level of earmarking in ERDF and CF 2007-2013 by Objective

Among the Competitiveness programmes, the Nordic countries (Sweden, Denmark and Finland) as well as Austria and the UK earmark the highest

percentages of their ERDF expenditures towards Lisbon. The lowest earmarking in this regard is in the Competitiveness regions of Greece and Hungary. All other countries earmark over 50 %.

Convergence programmes in Austria, the UK and Belgium earmark at nearly the same high levels as do the Competitiveness regions within these countries. In Belgium, the earmarking in the Convergence region (Hainaut) at 68% exceeds the earmarking of the Competitiveness regions (65%).

Convergence programmes in Hungary and Portugal also earmark a greater percentage of their funds than do the Competitiveness programmes. The reason for the lower earmarked percentage in the one Competitiveness programme of Hungary (Central Hungary) is the large percentage (21%) of funds that goes to Social Infrastructure (not a Lisbon category) and the small amount of funding earmarked for the Lisbon transport categories and energy. These types of interventions are already covered for Central Hungary by the Transport and Environment and energy OPs. Likewise the Lisbon Competitiveness region in Portugal earmarks only 72% of its allocation to the Lisbon objectives because the Lisbon objectives are taken up in other sectoral programmes (such as the ESF programme on Human Potential where 97% of the funding goes to the Lisbon objectives).

Several of the EU12 have gone beyond the 50% minimum earmarking recommendation. Poland earmarks 61% of its ERDF and CF expenditure to Lisbon themes - the highest amount of any EU12 Member State - although Slovenia is close behind with earmarked allocation of 60%.

The high percentage that the EU12 earmarks to Lisbon objectives demonstrates their commitment in this regard. Poland, Slovenia, Slovakia, Latvia, Cyprus and the Czech Republic all commit at least 50% of their ERDF and CF funding to the earmarked categories. Those countries that commit less of their ERDF to Lisbon earmarked objectives mainly focus on the non-Lisbon environmental protection and risk prevention categories (Bulgaria, Romania, Estonia, Malta, Lithuania, and Hungary each allocate around 20-30% of their expenditure to these categories). Thus while these allocations do not specifically contribute to the Lisbon objectives the investments are made in areas relevant to the attainment of the Gothenburg objectives.

In the preceding sections we have analysed how various themes (not only Lisbon "earmarked" categories) have the potential to contribute to the Lisbon and Gothenburg goals. For instance the strategic evaluation on transport highlights the vital role of transport infrastructure for regional development, as one of the fundamental strengths of regional economies: regions with better accessibility to materials and markets will be more productive and competitive than less accessible regions¹⁸. In this manner, more traditional

¹⁸ ECORYS Nederland BV et al. (2006): Strategic Evaluation on Transport Investment Priorities under Structural and Cohesion Funds for the Programming -Period 2007-2013 No 2005.CE.16.AT.014 Synthesis Report.

transport infrastructure should support the Lisbon agenda goals. Tourism and sustainable urban development are seen, especially in Convergence programmes and Competitiveness programmes respectively, to be important drivers of growth, even though they are not included in the “earmarking” categories. While sustainable urban development as an earmarking priority can be justified in certain cases in light of both the Lisbon and Gothenburg goals, tourism in the traditional sense is less likely to contribute to the Lisbon and Gothenburg objectives

2.5 Indicators

This section analyses the ability of the OP indicators to monitor the effects of the interventions towards Lisbon and Gothenburg. Programme indicators can be defined at the level of impact, result and output. The Commission defines¹⁹ these types of indicators as follows:

- *Impact indicators* refer to the consequences of the programme beyond the immediate effects. While not a legal requirement, they are used as a means of strengthening the case for certain strategic decisions.
- *Result indicators* relate to the direct and immediate effect on direct beneficiaries brought about by a programme. They provide information on changes in behaviour, capacity etc., and can be physical or financial, quantitative or qualitative.
- *Output indicators* relate to activity and are measured in physical or monetary units and are quantitative in their nature.

In cooperation with the Member States, the Commission has also identified a set of *core indicators* for Cohesion Policy interventions, and calls for the integration of these indicators into the system of programme indicators for each OP whenever appropriate²⁰. Core indicators include results and outputs. The Commission encourages the use of these core indicators to aggregate data across similar programmes, priorities and measures, in order to enhance the visibility of the policy.

This section examines the impact, result, output and core indicators of the OPs and discusses a particular core indicator – reduction of greenhouse gas emissions – as an example of how indicators are used in the programmes.

19 European Commission (2006) The New Programming Period 2007-2013. Indicative Guidelines on Evaluation Methods: Monitoring and Evaluation Indicators. Working Document No. 2. August 2006.

20 European Commission (2006) The New Programming Period 2007-2013. Indicative Guidelines on Evaluation Methods: Monitoring and Evaluation Indicators. Working Document No. 2. August 2006; p.15-16

The section also highlights interesting indicators that may facilitate the monitoring of both the Lisbon and Gothenburg objectives.

2.5.1 Impact indicators

In 23 of the 27 Member States *impact indicators* (used to measure longer-term effects) have been defined for at least a few priorities in an OP, despite the fact that impact indicators are not a legal requirement of Regulation (EC) 1083/2006. Austria, Finland, Greece and Ireland do not use impact indicators in their programmes. In Sweden, the Czech Republic, Germany, Poland, Portugal, Romania, Slovakia and the UK impact indicators are only sporadically used as a part of the programme monitoring structure.

The *impact indicators* identified relate to the most highly prioritised fields of the OPs, for example:

- ⇒ *Transport* as exemplified by a Hungarian example: "Maintain at least the same current level (2007) of passengers using public transport"
- ⇒ *Research and technological development (RTD), innovation and entrepreneurship* as shown in the vague impact goal of Mellersta Norrland, Sweden: "More and growing private businesses"

Programmes in nearly half of all countries (the Czech Republic, Denmark, Estonia, France, Germany, Hungary, Latvia, Luxembourg, Malta, Poland, Slovakia, Spain and the UK) have to some extent identified *measurable* impacts to be assessed at a certain time – either at the end of the programming period in 2013, or 2-3 years after the completion of the current programming period (2015-2016). These countries, however, do not outline how they intend to gather this data.

Examples of impact indicators which have more specific target dates and baselines or include the following:

- By 2013 the average rate of ICT usage in Danish businesses is at least 75% (Baseline: 56% in 2005) (Denmark)
- Target for 2013 employment rate (15-64 year cohort) in the OP region 55% (2005 baseline: 53.8%) (Hungary)
- Targets for employment in creative sector industries; 2003 baseline 3%, 2010 target 3.7%, 2015 target 4.2% (Estonia)

These impact indicators demonstrate both ambitious (Denmark) and realistic (Hungary) targets. The last example from Estonia shows a gradual progression of targets.

There are more impact indicators in use for Lisbon themes than for Gothenburg priorities. Typically, these impact indicators refer to relative changes in the general socioeconomic context over a period of time (such as changes in income *per capita*, changes in unemployment or changes in R&D expenditures as percentages of GDP). It may be more difficult to establish particular impact indicators with regard to sustainable development, as these impacts are often perceived as less tangible and are defined in qualitative rather than in quantitative terms.

2.5.2 Result indicators

The Commission encourages Member States “to concentrate their efforts on the improvement of result indicators”²¹. All programmes use result indicators.

Result indicators display significant variation across the countries studied and the themes that they address. Text box 4 provides examples of result indicators for the most prominent themes in the programmes.

Half (132 in total) of the programmes used the result indicator “number of gross jobs created”. This programme indicator (also a core indicator in several themes) is used more frequently in Competitiveness programmes (74 out of 115 OPs) than in Convergence programmes (58 out of 131 OPs).

²¹ European Commission (2006) The New Programming Period 2007-2013. Indicative Guidelines on Evaluation Methods: Monitoring and Evaluation Indicators. Working Document No. 2. August 2006; p. 10

Text box 4

RESULT INDICATORS: EXAMPLES

For **RTD, innovation and entrepreneurship** the result indicators used included:

- Number of public-private partnerships in the R&D sector (Baseline 15, target 2013, 20 per year) (France; Alsace OP)
- New jobs in upgraded R&D facilities (by target year; 0 (2006); 200 (2010); 800 (2015))(Estonia OP for the development of the economic environment)
- Number of businesses engaged in new collaborations with the UK knowledge base (17676 by 2013)(United Kingdom; 9 regional OPs)
- By 2013 a share of 70% of the participating enterprises/ institutions/ organizations have utilised digitalisation or its infrastructure for the benefit of users (Denmark)
- Number of new products commercialised by supported companies (Baseline: 22; target: between 40 and 50) (France; Ile de France OP)

For **transport** the result indicators used included:

- Increase in total number of persons transported by public transport (Baseline 2004: 100% Target value 2013: 115%) (Czech Republic; Central Bohemia OP)
- Absolute reduction of transport time (Target: 10 minutes) (Austria; Burgenland OP)
- Reduction of travel time to regional centre (by number of inhabitants requiring more than 30 mins. Baseline (2006): 26662. Target (2015): 22000) (Hungary; North Hungary OP)

For **urban and rural regeneration** the result indicators used included:

- Number of inhabitants affected by support for regenerated districts (Baseline: 0, Target: 350000) (Hungary; Central Hungary OP)
- Average reduction of energy consumption in apartment housing supported in urban development areas (2015 target: 20% reduction from 2006) (Slovakia; regional OP)
- Number of businesses setting up/providing new services in rehabilitated areas (Baseline:0, target: 50) (Hungary; Central Transdanubian OP)
- Number of inhabitants in rehabilitated districts (Baseline: 0, target: 51000) (Hungary; South Transdanubian OP)
- Increase in use of public transport in gateways (target: 20% increase) (Ireland; Southern and Eastern OP)

For **environment and risk prevention** the result indicators used included:

- Number of households connected to water supply system (2013 target values: 2000 - 6300 (Poland; Lubelskie OP)
- Number of households covered by flood protection systems (target year value 2013: 15 thousand Persons) (Poland; Lubelskie and Dolnoslaskie OPs)
- Number of additional municipalities covered by water projects (France; Aquitaine OP - baseline:542, target: 650, Romania; Environment OP - target/baseline not quantified)

2.5.3 Output indicators

“Number of projects” is the most commonly applied output indicator in the programmes especially in the themes of *Research and Technological Development, Transport, Renewable Energy and Risk Prevention* in both

Competitiveness and Convergence programmes. While the number of projects gives some idea of the scale of the outputs of the OPs, on their own they are an inadequate measure of the contribution to the Lisbon and Gothenburg objectives. Examples of output indicators other than the “number of projects” include:

Text box 5

OUTPUT INDICATORS: EXAMPLES

Innovation:

1. Number of cluster initiatives supported (Targets vary by OP, targets set for the whole programming period) (Austria, Bulgaria, France, Germany, Sweden)

- **Investment aid to SMEs**

1. Number of SMEs supported (of which start-ups) (Italy; OP Emilia-Romagna, Sweden; OP Eastern Mid-Sweden, Slovenia; OP for strengthening regional development potentials)
2. Number of “seed money” investments and “business angel” investments (2006 baseline: 0, 2013 target. 75) (Latvia; OP Entrepreneurship and innovations)
3. Number of SMEs benefiting from financial support (Target: 500) (Italy; OP Veneto)

- **Environmental protection:**

1. Number of environmentally inadequate industrial waste dumps closed and remediated; baseline 11 in need of closure (2005); 11 closed (2009); 11 remediated (2013) (Estonia; OP Development of the living environment)
2. Number of blue flag beaches supported (Targets: 6 in 2010, 15 in 2015) (Portugal; OP Alentejo)
3. Number of environmentally inadequate landfills closed (2005 Baseline; 39. Target: all 39 closed by 2009) (Estonia; OP Development of the living environment)

- **Energy:**

1. 219 km of new natural gas pipeline built in Central Macedonia by 2013 (baseline:314.35 km) (Greece; OP Macedonia-Thrace)
2. Number of supported territorial climate plans completed (2013 target: 7) (France; OP Alsace)

- **Transport:**

1. By 2013 the length of newly built and reconstructed fixed rail track network is 518 (Baseline: 0 in 2007) (Hungary; OP Transport)
2. Renovated TEN-T railways (Initial value in 2004 – 0 km; target value – 623,9 km) (Czech Republic; OP Transport)

- **Tourism:**

1. By 2013, 22 500 new beds in hotels in the Aegean Islands (baseline: 299 586) (Greece; OP Kriti-Aigaiou)
2. Number of restored cultural monuments (2004 baseline: 0, 2013 target: 5 to 10) (Czech Republic; OP Central Bohemia)

2.5.4 Core indicators of the Operational Programmes

Core indicators were introduced as an attempt to obtain some aggregate physical information on Cohesion Policy investments. They are relatively few and simple and relate both to the Lisbon and Gothenburg objectives, although more to the former than the latter.

Convergence OPs use core indicators more frequently than Regional Competitiveness and Employment OPs in the fields of *Transport, Environment and Risk Prevention* as well as in *Tourism, Education and Health*. Regional Competitiveness and Employment OPs use core indicators more frequently than Convergence region OPs in the fields of *Climate Change, Renewable Energy* and *R&TD*. This reflects a focus on basic infrastructure investments in Convergence programmes, whereas the focus is more on R&TD and entrepreneurship and renewable energy synergies in Competitiveness and Employment regions. The transport core indicators of “value for time-savings in € per year” (both for road and rail) as well as “km of new roads (and of which TEN)” and “km of new railroads (and of which TEN)” are exclusively used in Convergence programmes.

Thus the use of the core indicator set for these categories mirrors the eligibility and importance of the priorities in the Convergence and Competitiveness programmes. This shows that the core indicator set is quite relevant in terms of monitoring the most important priorities of the programmes.

2.5.4.1 Core indicators per Objective

Four *result* core indicators and two *output* core indicators with a strong linkage to the Lisbon agenda are used to monitor programme activities in more than 25% of the OPs. The most often applied core indicators are as follows:

- “Number of gross direct jobs created” (result; in 64.3% (74) of the Competitiveness programmes and 44.3% (58) of the Convergence programmes)
- “Investment induced [in €] to SMEs” (result; in 34.8% (40) of the Competitiveness programmes and of the 25.2% (33) Convergence programmes)
- “Number of research jobs created” (result; in 30.4% (35) of Competitiveness programmes and 22.1% (29) of Convergence programmes)
- “Reduction of greenhouse emissions in CO₂ or CO₂ equivalents” (result; in 30.4% (35) of Competitiveness programmes and 14.5% (19) of Convergence programmes)

- “Number of renewable energy projects” (output; in 28.7% (33) of Competitiveness programmes and 17.6% (23) of Convergence programmes)
- “Number of cooperation projects between enterprises and research institutions” (output; in 53% (61) of the Competitiveness programmes and 26,7% (35) of the Convergence programmes)

Other core indicators that see significant usage among programmes, but do not have such a strong link to the Lisbon and Gothenburg agendas include:

- “Number of transport projects” (output; in 27% (31) of the Competitiveness programmes and 31.3% (41) of the Convergence programmes)
- “Kilometres of new roads” (output; in 3.5% (4) of the Competitiveness programmes and 35.9% (47) of the Convergence programmes, of which only 5 were thematic OPs dealing with transport.

In the thematic areas of *Prevention of risk, Tourism, Education, and Health*, none of the core indicators are applied in more than 20% of the OPs. Within these, result and output indicators focusing more on national and regional circumstances predominate.

Our analysis shows that the core indicators with a stronger Lisbon focus are among those used most frequently in both the Convergence and the Competitiveness programmes. This highlights the importance that the programmes place on monitoring the contributions made to the Lisbon objectives.

2.5.4.2 Core indicators per programme and per Member State

The core indicators are used to different extents in the various Member States. The average number of core indicators used in the programmes of the EU27 is 10 (see table 5)²². Regional Competitiveness and Employment regions use an average of 7 core indicators per programme, while Convergence regions use an average of 12 core indicators per programme.

Poland is the Member State that makes the most extensive use of the core indicator set, using an average of 29 core indicators per programme (and using each core indicator at least once in every programme). Slovenia also makes extensive use of the core indicator set with an average of 23.5 core

²² In counting the number of core indicators used per programme, indicators were counted per priority and per Member State and then divided by the number of programmes. Thus for example, , the core indicator “Number of projects” was often accounted for several times per programme as it was used in several priorities.

indicators used per project. Poland and Slovenia are also the EU12 Member States that earmark the highest percentage of their allocation to Lisbon and thus their use of the core indicators may play an important role in monitoring this contribution.

The large EU15 Member States which have both Convergence and Competitiveness objectives (France, Greece, Italy, Spain, the UK and Germany) are those that make the greatest use of the core indicator set, largely since they are eligible for many different priority themes.

Sweden, with an average use of 3 core indicators per programme, Denmark, Luxembourg and Belgium (averaging around 4 core indicators per programme) are those Member States with the lowest use of the core indicator set. However, these are the countries that also address a relatively narrow set of Lisbon-related themes in their programmes.

Table 5: Average number of Core Indicators with Target Values per OP

Average no. of Core indicators with Target Values per OP			
EU-15		EU-12	
Austria	15	Bulgaria	5
Belgium	4	Cyprus	8
Danmark	4	Czech Republic	10
Finland	7	Estonia	8
France	7	Hungary	5
Germany	13	Latvia	4
Greece	22	Lithuania	17
Ireland	14	Malta	11
Italy	6	Poland	29
Luxembourg	4	Romania	5
Netherlands	6	Slovenia	24
Portugal	5	Slovakia	10
Spain	6		
Sweden	3		
UK	6		
Average per Programme (EU 27)			10
Average per Programme for Convergence			12
Average per Programme for Competitiveness			7

Source: Own calculations based on DG Regio examination of core indicator in OPs (February 2008) and complemented by national experts results

Several of the EU12 Member States - Bulgaria, Romania, Hungary and Latvia average five or fewer core indicators per programme, even though their programming eligibility deals with a wide set of priorities. Using fewer core indicators within the programmes could mean that the indicator system is simplified to a few quality indicators, as appears to be the case in Latvia.

2.5.5 Aggregated targets in the core indicators

When reporting against the core indicators, most of the Member States have set specific targets for each core indicator. There are, however, a few countries that have not specified targets against several of the core indicators. Finland, for example, has only reported targets for the result core indicator "number of jobs" (research jobs, SME jobs and gross jobs). There are no output targets for "number of projects" in any category in Finland. Hungary also lacks output targets for the core indicator "number of projects" and in general makes little use of output indicators. Malta reports targets for "number of jobs created" and some environmental core indicators and, while presenting only a few targets with regard to the other core indicators.

Spain, on the other hand, reports targets for many core indicators except for the main result indicators such as "number of jobs created". In general the Spanish programmes only infrequently report result indicators, as the main types of indicators used are output and impact indicators.

The core indicator targets show a partial picture of the aggregated outputs and results of the programmes. Table 6 shows aggregated targets for several of the core indicators that have both a Lisbon and a Gothenburg focus. The transport indicators "km of new roads" and "km of new railway" were included in order to put the number of km devoted to the development of the TEN (a Lisbon priority) into perspective. These indicators were also chosen as they are in categories with where common measurements have been made in the same unit that permits aggregation across most of the programmes. They thus represent some of the more useful core indicators in terms of comparability across programmes.

Table 6: Total aggregated core indicator targets (selected) per Objective

Core indicators	Aggregated Total	RCE	Convergence	OPs using core indicators			% of ERDF/CF absorbed by OPs	Number of OPs using core indicators per country
				TOTAL OPs	RCE OPs	Converg. OPs		
(1) Gross direct jobs created (full time equivalents)	822 640	301 334	521 306	106	53	53	49%	AT (2), BE (1), BG (2), CY (1), CZ (7), DE (2), FI (5), FR (16), GR (4), HU (9), IT (9), LU (1) LV (1), MT (1), NL (4), PL (17) ,PT (2), RO (1), SE (3), SI (1), SK (5), UK (12)
Research & Technological Development								
(4) No. of RTD projects	30 845	9 255	21 590	95	47	48	39%	AT (8), BE (2), BG (1), CY (1), CZ (1), DE (10), ES (19), FR (13), GR (6), IT (12), LT (1), MT (1), NL (4), PL (16), PT (4), SE (1), SI (1), SK (1), UK (4)
(5) No. of cooperation projects enterprises/research institutions	24 395	18 493	5 902	100	62	38	26%	AT (9), BE (3), BG (1) CY (1), CZ (2), DE (16), DK (1), EE (1) ES (6), FR (16), IE (1), IT (10), NL (4), PL (17), PT (2), RO (1), SE (2), SK (1), UK (6)
Direct Investment Aid to SMEs								
(10) Investment induced (million €)	45 466	16 228	29 214	88	35	53	34%	AT (9), BE (1), BG (1), CZ (1), DE (17), DK (1), EE (1), ES (9), FR (5), GR (6), HU (7), IT (3), LT (2), LV (1), NL (3), PL (15), SI (1), UK (5)
Transport								
(14) km of new roads	9 897	92	9 805	58	5	53	40%	BG (2), CZ (8), DE (7) , ES (6), FR (2), GR (6), HU (1), IE (1), IT (1), LT (1), PL (18), PT (2), SI (1), SK (1), UK (1)
(15) - km of TEN roads	4 470	:	4 470	11	:	11	25%	BG (1), CZ (1), ES (3), GR (1), LT (1), PL (1), RO (1), SI (1), SK (1)
(17) km of new railroads	2 322	596	1 726	26	9	17	19%	AT (1), BG (1), DE (4), FR (5), GR (1), HU (1), IT (3), LT (1), PL (5), PT (2), SK (1), UK (1)
(18) km of TEN railroads	1 360	:	1 360	10	:	10	10%	DE (1), ES (3), GR (2), LT (1), PT (1), SI (1), SK (1)
Renewable Energy								
(23) No. of projects	18 042	5 548	12 494	74	33	41	36%	AT (5), BG (1), CZ (2), DE (9), ES (6), FR (10), GR (5), HU (1), IE (2), IT (6), PL (16), PT (3), RO (1), SE (2), SK (1), UK (4)
Environment								
(25) Additional population served by water projects	9 554 123	:	9 554 123	39	1	38	33%	CZ (1), EE (1), ES (5), FR (2), GR (6), HU (1), LV (1), PL (14), PT (2), RO (1), SI (2), SK (1)
(26) Additional population served by waste water	11 034 620	7 056	11 027 564	49	4	45	46%	CY (1), CZ (1), DE (3), EE (1), ES (3), FR (2), GR (6), HU (6), IE (2), LT (1), LV (1), PL (16), PT (2), RO (1), SI (2), SK (1)

Source: Own calculations based on DG Regio examination of core indicator in OPs (Feb. 2008) and complemented by national experts results

43% of programmes to which 49% of ERDF and Cohesion Fund resources are allocated have set targets to create 822,640 gross new jobs as a result of the programmes. Around 60% of these jobs are being created as the result of Convergence programmes and 40% as the result of Competitiveness programmes. This is a conservative estimation, as many programmes and priorities are expected to create jobs that have not expressed the targets in terms of gross jobs created, but rather in terms of an increase in the percentage of the workforce or increase in the number of people employed, which are not included in the core indicator targets.

Core indicator targets show that nearly 31,000 RTD projects will be supported in 19 Member States. Indicators for achieving the Lisbon objectives in terms of "number of RTD projects" and "number of cooperation projects between enterprises/research institutions" are targeted in Competitiveness programmes (70% and 76% respectively). Over 18,000 renewable energy projects are planned in 16 countries.

The use of the core indicators in the programmes could be more fruitful if the Member States and the Commission guide programmers in using common measuring units so that additional targets can be aggregated. Important core indicators such as "additional population covered by broadband access", "additional capacity of renewable energy production" and "reduction of greenhouse emissions (CO₂ and equivalents, kt)" are interpreted differently across the Member States and their targets cannot be aggregated. While these indicators are meaningful and used in programmes of at least 16 countries, their significance in monitoring the contribution of the programmes to the Lisbon and Gothenburg goals would be increased if their targets were expressed in the same units.

2.5.5.1 Greenhouse gas emission indicators

The reduction of greenhouse gas emissions (CO₂ and equivalents, in kt) has become a regional, as well as national and international issue encompassing both the Lisbon and Gothenburg agendas. It is also one of the core indicators. 31.5% of the OPs Competitiveness programmes (35 OPs) and 15.7% of the Convergence programmes (17 OPs) provide indicators for the reduction of greenhouse gas emissions. Countries, however, express the reduction of greenhouse gas emissions in different units, so it is not possible to aggregate the amount of CO₂ that will be reduced by the programmes²³.

Nearly half of the Member States (13 of 27) referred to greenhouse gas emissions in their indicators, including Austria, France, Germany, Italy,

²³ Some programmes in France and Hungary, for instance, measure the reduction of GHG emissions per year. Umbria (IT) measures these reductions per capita while Slovenia measures the reductions in percentage terms.

Portugal, the UK, Bulgaria, the Czech Republic, Hungary, Poland, Romania, Slovakia, and Slovenia. Variations in this indicator included:

- South East England, UK listed an impact indicator linking the reduction of CO₂ emissions with the ecological footprint: To contribute to regional target of stabilising region's ecological footprint, from current annual growth rate of 1.1% *per capita*; 85,000 tonne reduction in region's CO₂ emissions
- The Greek Operational Programme for Competitiveness and Entrepreneurship contained a result indicator that 566,594 citizens will be served by natural gas (baseline: 266,594) for a reduction of 4,100 KT of CO₂ per year - Energy saving (baseline: 2000).
- In Spain, the Andalusia Operational Programme has identified the number of actions to alleviate or prevent the effects of climate change as an *output* indicator. The OP specifies that five such actions are to help in achieving the reduction of GHG emissions to 38,000 thousand tons by 2013 (baseline: 40,844 thousand tons CO₂ in 2004).
- Another GHG target is provided in the Spanish Basque Country Operational Programme, which aims at limiting the *growth* in climate gas emissions to a total of 26.2 million tonnes of CO₂ equivalents by 2013 (up from 25.9 million tonnes of CO₂ equivalents in 2005). A similar approach has been taken in the Slovakian Environmental Operational Programme, where the baseline (2004) of GHG emissions was 51046 kt, whereas the 2015 emission target is set at 61902 kt.

With regard to greenhouse gas emission reductions, the same indicator was used in different ways in respect of different countries and programmes. Although the reduction of greenhouse gas emissions is a result indicator, it is also used as an *impact* indicator within the themes of *transport* and *environment* (in the Czech Republic Transport and Environmental OPs, the Slovenian Environment and Transport OP and in several Competitiveness regional programmes in France), but as a *result* indicator in the field of *energy*. Thus the reduction of emissions is seen as a final goal to be achieved through transport and environmental measures but also as a direct or immediate effect in respect of energy priorities.

Greenhouse gas indicators are useful indicators that help in monitoring activities that contribute to both the Lisbon and Gothenburg agendas.

2.5.5.2 Possible additions to the core indicator set

This study's analysis of the core indicators finds that the core indicators are both relevant in reflecting programme priorities and the Lisbon and Gothenburg agenda goals. There are, however, two indicators being used in

the 2007-2013 programmes which could be used to augment the core indicator set in the future.

With regard to the monitoring of the Lisbon goals, the Commission and the Member States could consider the more widespread use of the result indicator "number of patent applications". This indicator (measured in million inhabitants per year) is being used in the Czech Republic and Liguria in Italy and Bretagne and Bourgogne in France. While it is difficult to establish a straightforward causal link between the resources spent in the programmes and how patents are transformed into innovative products, work on patent applications can be an indicator of research and technological development, which is a key to economic growth²⁴.

Belgium, Bulgaria, Germany, Spain²⁵, Portugal, Poland, Slovakia, Slovenia, Sweden and the UK present indicators regarding patents, although measured slightly differently. Many of the Spanish programmes also measure the number of EPO patents in the environmental or environmental-biotechnological sector, thus linking Research and Development with environmental opportunities.

Another indicator that is relevant to the both the Lisbon and Gothenburg agenda goals could be "Number of enterprises with certified ISO 14001 or EMAS/ECOLABEL registrations". This indicator is used in 8 of the Spanish programmes, in 4 of the Italian programmes – Piedmont, Lazio, Sicily and Molise (see also text box 13 in chapter 4), in 2 French programmes (Ile-de-France and Bretagne) and in Saarland in Germany and West Wales and the Valleys in the UK. Environmental Management Systems help enterprises improve their environmental performance and thus the indicator could be used in priorities/projects to strengthen corporate responsibility in respect of sustainable development. Environmental Management Systems may also have a slight influence on innovation and growth²⁶. Like the example of the number of patents applied for, the causality between the establishment of the systems and jobs, growth and sustainable development is difficult to establish. Introducing Environmental Management systems can, however provide incentives for innovation and facilitate the diffusion of environmental technology, which may not be found without the OP investments and could thus be an indicator of sustainable development progress.

24 London School of Economics and Political Science (2004). The Impact of Member State Policies on Cohesion. Final Report. Preparation Study to the Third Cohesion Report.

http://ec.europa.eu/regional_policy/sources/docgener/studies/pdf/3cr/impact_member.pdf

26 Rennings et.al (2005) The influence of different characteristics of the EU environmental management and auditing scheme on technical environmental innovations and economic performance. *Ecological Economics* 57 (2006) 45-49.

2.6 OP Priorities and Indicators - a summary

OPs in both Convergence and Regional Competitiveness and Employment regions place a high priority on knowledge for growth, innovation and the promotion of entrepreneurship. Regional Competitiveness and Employment programmes however focus their priorities more narrowly on a few Lisbon Agenda themes, such as the “earmarked” priorities contributing to “investment in innovation, the knowledge economy, the new information and communication technologies, employment, human capital, entrepreneurship, support for SMEs or access to risk financing²⁷”. Convergence OPs, due to the larger number of challenges and larger budgets, contain a larger number of priorities covering a wider scope. Transport infrastructure and entrepreneurship promotion are the top priorities in these programmes.

Operational Programmes under both Objectives are aligned with the Community Strategic Guidelines, particularly with regard to the guidelines covering entrepreneurship, innovation and transport, the latter being more important in Convergence regions. The priorities of tourism development and urban/rural potentials are the most significant challenges that regions cite which do not appear in the Community Strategic Guidelines.

Our findings illustrate that OP strategic priorities match expenditure allocations to a high degree, especially in the Convergence programmes. This suggests that actual implementation of programmes on the ground will be consistent with the strategic objectives set.

The high percentage that both the EU15 and many of the EU12 earmark to the Lisbon objectives demonstrates their commitment to Lisbon. Those EU12 countries that commit less of their ERDF and CF to Lisbon earmarked objectives mainly focus on the non-Lisbon environmental protection and risk prevention categories. Thus while these allocations do not specifically contribute to the Lisbon objectives the investments are made in areas that are relevant in the attainment of the Gothenburg objectives and thus in the sustainable development of the countries.

Variations exist between the countries in their choice of indicators. Countries also vary as to how they define output and result indicators. What may be classified as an output indicator in one country is sometimes defined as a result indicator in another. Even indicators such as the reduction of greenhouse emissions may be defined differently as an impact or result indicator depending on which theme, in respect of political intervention, it is addressing.

27 European Commission (2007) Information paper No. 1 “Earmarking”. Directorate-General Regional Policy, Directorate-General Employment, Social Affairs and Equal Opportunities. Final version of 28/02/2007.

Core indicators are used to various degrees within the programmes. The programmes make the most use of those core indicators related to the Lisbon agenda priorities, such as “number of RTD projects” and “Investment induced (million €)” in direct investment aid to SMEs. The use of the core indicators mirrors the different priorities of the Convergence and Competitiveness programmes.

Several important core indicators for assessing the potential of the programmes to contribute to the Lisbon and Gothenburg agendas (such as the additional population covered by broadband access, additional capacity of renewable energy production and the reduction of greenhouse emissions) are interpreted in different units and across Member States and therefore their targets cannot be aggregated. Their relevance in helping to assess the overall potential of the programmes to achieve the Lisbon and Gothenburg goals would be increased if the measurement units could allow for aggregation across Member States while at the same time reflecting the differing national contexts.

The physical indicators used in the programmes point towards a strong programme commitment to contributing to the Lisbon agenda goals. Fewer indicators relating to sustainable development and the Gothenburg goals are, however, used. In addition to indicators for environmental infrastructure, climate change and renewable energy the programmes could consider more widespread use of an indicator such as the use of Environmental Management Systems.

3 Results of Operational Programme Processes

This study has examined a sample of *ex ante* evaluations in order to understand how the *ex ante* evaluation process has contributed to helping programmes attain the Lisbon and Gothenburg goals (one to five evaluations per country depending on the number of programmes). In total 74 *ex ante* evaluations were examined. Analysis of the evaluations was complemented by interviews with programmers and evaluators in each country.

The *ex ante* evaluations and the negotiations with the Commission have – in general – contributed to making the programmes more focused while keeping an eye on the achievability of the aims set in the programming documents. Thus, their primary added value is in the strengthening of the programmes' potential to remain focused on the overall aims of EU Cohesion Policy and to deliver on the needs of the areas covered.

3.1 The *ex ante* evaluation process

The role and importance of the *ex ante* evaluation process is outlined in Council Regulation (EC) 1083/2006 of 11 July 2006, where the strategic approach to the programming of Cohesion Policy is stressed. The *ex ante* process is intended to help programmes improve their focus and to achieve greater efficiency, transparency and political accountability in their definition and implementation. The role of the *ex ante* evaluations is also to help ensure that the programme strategies correspond to the needs and potentials of the regions while ensuring also that they are in line with Community priorities.

Evaluation cultures differ across the European Union and this diversity can also be seen in the *ex ante* evaluations examined. The drivers of this variation are seen both with regard to the use of evaluations in the process as well as the way in which *ex antes* are conducted.

Interactive and iterative evaluation processes should characterise the *ex ante* evaluations. In principle their objective was to initiate and maintain an ongoing dialogue with the authors of the programmes in order to improve the quality of the programming documents through an interactive process. This process included various forms of consultation, interviews with stakeholders, focus groups, participation in programming meetings, oral and written feedback etc., throughout the drafting process.

The format and quality of the iterative processes differed from one region to another. For instance in Hungary, the *ex ante* evaluation put an emphasis on the technical aspects of editing and classifying sources, rather than on substantive analysis. In Poland it was based mainly on desk research with

only limited interactivity. Still most of the examined evaluations pointed out that the process was sufficiently interactive. The Irish BMW OP evaluation exercise, for example, was considered to be thorough and constructive and the evaluator particularly valued the fact that they were brought on board at a sufficiently early stage for the process to be truly iterative

Timing was another factor that influenced the process. The evaluations were conducted at varying stages in the process of writing the Operational Programmes and thus had different types of influence. In nearly all cases examined launching the *ex ante* evaluations in good time helped to make the programmes more coherent with regional challenges and in line with Community objectives. Exceptions are found in Estonia, Slovenia and Romania, where the evaluations started only when most strategic decisions had already been made and often where a first complete draft was already available. Thus the evaluation helped to fine tune the document rather than influence substantial change. In the case of Romania, the evaluation started when the first draft of the OP had already been submitted to the Commission. Early contact between evaluators and programming officials is also an issue which made it difficult to discern the specific influence of the evaluation process. For instance in Flanders (Belgium) the evaluation started so early in the drafting process that it is difficult to say what the OP would have been like without it.

Previous evaluation experience and the ability to draw lessons from the previous programme period differed between programming processes. Both programming officials and the evaluators had the potential to contribute to the pool of learning from previous experience. Experience and knowledge from the previous programming period proved to be an important input in Belgium and Italy. The case of the OP for Piedmont (Italy) highlights the benefits of an evaluator who is familiar with the programming area and the previous programme. The evaluator had also participated in the interim evaluation of the previous programming period, as well as its update. This allowed for a high level of coherence between development priorities and the stated regional challenges to emerge. Bulgaria, while not having the experience from which to draw on itself, used expertise from other countries (for instance the SEA was carried out by a consultant from Ireland). In the cases of Finland, the Czech Republic and Estonia the evaluations suggest the use of experience from the previous programming period as an area for improvement. Continuity from one programme period to the next may not always be positive, e.g. when there is no learning involved, or when relationships stagnate or hamper the further development of programme. t All cases examined in this study, however, did consider continuity of the evaluation process to be a positive aspect.

The focus of the evaluations varied widely. Technical feedback and the logical coherence of the programming document were often to the fore, e.g., in Belgium or Estonia. Other issues were added value concepts in the case of Ireland, the Lisbon Agenda in the case of Finland, and a comparison of

several OPs within a country, as in the cases of Bavaria and in the Netherlands.

3.2 Disparities, gaps and potentials for development as determined by the ex ante evaluations

The *ex ante* evaluations appraise the programme-specific disparities, gaps and potentials for development, as well as the main challenges of the programming area using the socioeconomic or SWOT analyses of the OP and assessing its appropriateness. They confirmed the disparities, gaps and potentials determined in the OP and/or made suggestions for more precision in the analyses.

Table 7 presents the main disparities, gaps and potentials for development as identified in the ex ante evaluations per Objective. Evaluations in Regional Competitiveness and Employment regions highlighted social and economic disparities in the programme areas, while the Convergence programmes underlined the importance of territorial disparities. The gaps and potentials for development identified in the Competitiveness evaluations were focused on Lisbon themes, where as in the Convergence regions the main gaps and potentials were not only Lisbon-related, but also dealt with energy-intensity of industries, polycentric urban systems, accessibility and tourism. While the high energy intensity of industries was seen as a main gap in Convergence programmes, renewable energy potentials were seen as important development possibilities in the Competitiveness regions.

Table 7: Disparities, Gaps and Potentials for development as identified in evaluations

Objective	Disparities	Gaps	Potentials for development
Regional Competitiveness and Employment Programmes	<i>Social and economic disparities:</i> Disparities in levels of R&TD support, employment, Lisbon-related development drivers	Gaps in entrepreneurship and creative industries, sustainable development, demographic problems, need to address cross-border issues	Strong economies and competitiveness, dynamic SMEs, emergence of tertiary sector, renewable energy potentials
Convergence Programmes	<i>Territorial disparities:</i> Disparities in enterprise distribution, settlement patterns, infrastructure and productivity	Gaps in transport accessibility, poor RTD, seasonal tourism, high energy-intensity, low GDP	Strong tourism and natural environment potential, innovation through growth poles, well distributed cities/polycentric urban systems

Annex 4 presents the main disparities, gaps and potentials for development in the evaluations per Member State.

Improvement in the **coherence** of the programme strategies with the regional challenges, disparities, gaps and potentials for development were recommended in evaluations in nearly half of the Member States. These countries are split between Regional Competitiveness and Employment programmes such as Belgium, Finland, Luxembourg, Netherlands, Sweden, Slovakia (Bratislava) and Convergence programmes such as in the Czech Republic, Estonia, Hungary, Latvia, Poland, Slovenia and Italy (Sicily).

In general evaluations make constructive comments about the sometimes weak connections between the objectives and priorities on the one hand, and the SWOT and socioeconomic analysis on the other hand. For instance the evaluation for Bratislava (Slovakia) states that while the strategy is acceptably coherent, it is limited in reflecting the needs of the region in the perspective of its further development as a centre not only of regional, but of national and international importance. In Sicily (Italy) evaluators pointed out an incoherence in the OP strategy between environmental protection and development of tourism. The evaluator recommended the generation of synergies between the natural and cultural heritages as a potential for tourism and this approach was integrated in the OP.

3.3 Added value of the *ex ante* evaluation

Interactive and iterative *ex ante* evaluations contributed to the continuous improvement of the programming documents and thus it is difficult to pinpoint exactly which aspects have been derived from the *ex ante* evaluation and which are part of the development and maturing process of the programming document. This is particularly true when trying to assess the added-value of the *ex ante* evaluations with regard to contributions the programmes make to the Lisbon and Gothenburg goals.

In general, the added value of the *ex ante* evaluation is often related to the general attitude towards the evaluation. While a few programmes, e.g. some of the Spanish regional programmes, reported that the lack of flexibility of the evaluation process hindered to some extent the added value of the process, the large majority of programme authorities experienced the evaluation process as an opportunity to challenge assumptions and bring in an outside view to further improve the Operational Programme.

The direct influence of the *ex ante* evaluations differs between the programmes. Some examples of the types of influence are as follows:

- Restructuring and focusing of priorities axis and resources to avoid diffusion (e.g. programmes in France)

- Improvement of the socio-economic analysis and SWOT (e.g. Northern Netherlands, and some Spanish programmes)
- Improvement of the indicator system (e.g. programmes in Lithuania, the UK and Slovakia). In Slovakia the evaluation helped the Regional Operational Programme refine its indicators from mainly output indicators to include core indicators and result and impact indicators.
- Facilitation of the involvement of SMEs as well as larger enterprises in actions funded by the programmes (e.g. programmes in Portugal).
- Organisation of the partnership (e.g. Spanish programmes)

All evaluations helped to align the programmes with Community priorities and in particular with the Lisbon agenda and Community Strategic Guidelines. In several instances the evaluations considered specifically what the contribution of the programme would be to the Lisbon and Gothenburg objectives. These cases included the Irish programme for BMW, where the *ex ante* evaluator pointed out that the objectives, structures, relational priorities and main interventions are in line with the basic directions of the Lisbon and Gothenburg Agendas. Similarly, in Lithuania, the *ex ante* evaluator found that authorities at all administrative levels paid great attention to the Lisbon objectives. In the Netherlands the *ex ante* evaluations stated that the OPs would contribute to the Lisbon goals although there is less emphasis on the creation of new jobs, as there was already a shortage of highly-skilled workers in the Netherlands. In France, the evaluator perceived the OPs as having a positive contribution to make to the Lisbon goals, as there is a focus on innovation, entrepreneurship, R&TD and also a discernable leverage effect.

Only 10% of the evaluations examined made specific recommendations to make a stronger contribution to the Lisbon and Gothenburg goals (see text box 6), with no distinct differences between Convergence programmes and Competitiveness programmes.

Text box 6

Ex ante evaluation recommendations for better contributions to Lisbon and Gothenburg:

- **Malta:** The evaluation suggested further consideration of the challenges and opportunities in upgrading the manufacturing sector from traditional low-cost manufacturing towards higher value-added activities. This consideration was subsequently strengthened in recognition of the impetus to be given to investment in the enterprise sector.
- **West Wales and the Valleys (UK):** The evaluation pointed out the greater need in the OP for discussion of the counter balance between efficiency of energy use and energy conservation, and the higher demand for energy due to increased economic activity associated with the programme. More could be done to mainstream sustainability across the programme priorities and to explore the development of the green sector of the economy. The evaluation pointed out that sustainable development should go beyond protecting the environment to a proactive promotion of environmental objectives throughout the Programme.

Other recommendations made to accelerate progress towards achieving the Lisbon objectives included Eastern-Poland, where the evaluator suggested the creation of supra-regional areas for R&TD and innovation, building regional institutions for entrepreneurship and the co-ordination of innovation. In Slovakia the evaluator recommended that the Bratislava Operational Programme be more fully directed towards pursuing competitiveness and job creation.

With regard to the contribution made to the Gothenburg goals, the SEA was more central to influencing the programmes than the *ex ante* evaluations. Only a few cases exist where recommendations were made on sustainable development that went beyond the SEA. In the case of the Operational Programme for Centre in France, the evaluation highlighted the fact that the lack of a clear interpretation of sustainable development may hamper the potential for the OP to contribute to the Gothenburg objectives. Similarly, in Brandenburg the evaluator stated that the OP would fall short in contributing to the Gothenburg goals as sustainable development was reduced to its environmental aspects.

In conclusion, the *ex ante* evaluations conclude that the programmes are in-line with EU policy aims – and in some cases even more explicitly with the objectives of the Lisbon and Gothenburg goals. Only 10 % of the *ex ante* evaluations examined gave explicit recommendations towards strengthening the contribution of the programmes to the Lisbon and Gothenburg goals.

3.4 Coherence with the Commission's strategic evaluations

The recommendations of the Commission's strategic evaluations²⁸ were reflected in many of the programmes.

Slightly over half of the countries with Convergence programmes take up the recommendations of the transport evaluation to "*promote environmentally friendly transport modes*", "*improve interconnections and the inter-modality of transport networks*" and "*enhance administrative capacity and management practices*". Bulgaria mentions the substance of *all* of the recommendations for the Strategic evaluation on Transport Investment in its Programmes.

Likewise, slightly over half of the countries with Convergence programmes have an emphasis on the recommendation from the evaluation on Environment and risk prevention, "*link environmental strategies to wider development strategies*" and "*create markets for a broader range of renewable energies*". Bulgaria also mentions the substance of nearly all of the environment and risk prevention evaluation recommendations in its programmes.

With regard to the evaluation on innovation and the knowledge based economy, over half of the all programmes (in both Competitiveness and Convergence regions) addressed the issue of how "*financing larger scale projects rather than smaller sub-critical programmes*" was an important recommendation. These programmes also discussed the importance of adopting a phased approach to implementing innovation and knowledge interventions in the projects, which mirrors the recommendation of the Strategic evaluation. Competitiveness regions also reflected the idea of improving co-ordination among regional programmes and policies and investing in strategic intelligence tools.

A few evaluators and programming officials claimed that they were not aware of the Strategic evaluations (Poland), had access to them quite late in the programming process (Estonia, Belgium) or that they were not systematically connected into the evaluation process (Hungary, Spain). While we cannot say that the strategic evaluations influenced the programming processes in a causal manner, many of their recommendations were relevant to programming processes. In particular the more general recommendations of the strategic evaluations were already present in many of the programmes, such as the promotion of environmentally friendly transport, creating

28 The three strategic evaluations referred to here are: ECORYS Nederland BV et al. (2006): Strategic Evaluation on Transport Investment Priorities under Structural and Cohesion Funds for the Programming -Period 2007-2013 No 2005.CE.16.AT.014 Synthesis Report. GHK et al. (2006): Strategic Evaluation On Environment And Risk Prevention Under Structural And Cohesion Funds For The Period 2007-2013 No. 2005.Ce.16.0.At.016 Synthesis Report. Technopolis et al. (2006): Strategic Evaluation on Innovation and the knowledge-based economy in relation to the Structural and Cohesion Funds, for the programming period 2007-2013 Contract n° 2005 CE.16.0.AT.015.

markets for renewable energies and enhancing larger scale projects rather than sub-critical ones.

Good practice?

The *ex ante* evaluations examined in this study were quality assessed against the Commission's recommended quality criteria²⁹. In particular "meeting needs", "relevant scope", "defensible design" and "clear report" have been addressed very well in over 90% of the reviewed evaluations. Issues which were most difficult in the evaluations included the evaluation of the extent that it was an "open process" and that a "sound analysis" was made. These are weak in approximately 30% respectively 16% of the reviewed evaluations. Convergence programmes in particular noted that "open process" and "sound analysis" were weaker elements of the *ex ante* evaluations.

This weaknesses in an otherwise positive assessment of programme evaluations throughout Europe indicates that there is a greater need for the *ex ante* evaluations be open and participatory. The fact that processes are still not open enough in some Convergence programmes is presumably due to the relative lack of experience with programming processes.

What is perceived as good practice in evaluations is often dependent on previous experience, policy and co-operation cultures, the functioning of regional partnerships and the general development context. Thus examples of good practice in one programme are not necessarily transferable to other programmes. In the following a few examples of good practice in the *ex ante* evaluations are presented, based on national perception on what was interesting and might be worthwhile to share with others.

Assessment of the involvement of partners

The *ex ante* evaluation in Estonia used interviews with a sample of partners to assess their participation in the programming process and their satisfaction with the results. The conclusion was that the process was open, but only a few partners were capable of actively participating and thus of making a contribution. The partners reported that the main reason for such a situation was the lack of competent personnel in combination with numerous other tasks. Such an approach provides a new avenue to improving participation models and increasing ownership.

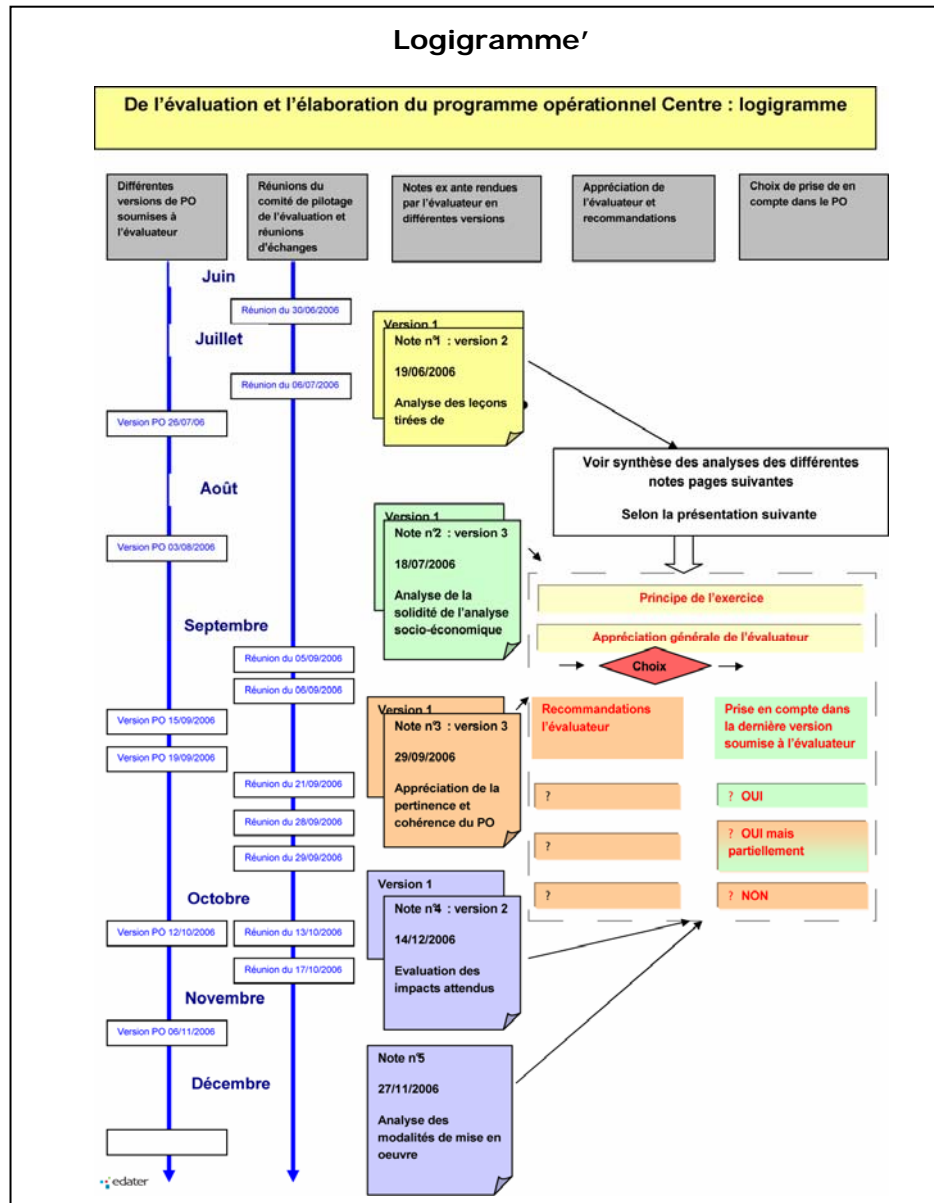
'Logigramme'

The evaluator for the programme for Centre (France) used a 'logigramme', i.e. a diagram picturing the chain of decisions in a process, in order to describe the whole evaluation process from the performance of the

²⁹ This is based on the "meta" evaluation that National Experts performed on a representative sample of *ex ante* evaluations, in accordance with the EVALSED guidelines. See annex 3 for the synthetic result of this exercise.

evaluation to the finalisation of the programming document. This approach produced a clear picture of the process, enabling the programme drafters to quickly highlight how recommendations made by the evaluator have been taken into account (see text box 7).

Text box 7



Comparative evaluation

The *ex ante* evaluations of all four Dutch regional programmes were assigned to one single contractor. This made the *ex ante* evaluations directly comparable. Confrontation with the work progress in other programming areas was regarded as a positive experience.

Learning from past-experience

In the case of Emilia Romagna (Italy), the *ex ante* evaluator had been in charge of the midterm evaluation and its update during the previous programming period. This helped contribute to the existence of a good measure of collaboration between the evaluator and the programme authorities while also facilitating the drawing of lessons from the previous programming period.

3.4.1 Integration of the SEA

The Strategic Environmental Assessment (SEA) is required under European Community Directive 2001/42/EC on the assessment of the effects of certain plans and programmes on the environment Directive. Thus the SEA has been transposed into national legislation or regulations in the Member States.

The SEA in all Member States contributed to increasing the awareness of (possible negative) environmental effects of the Operational Programmes and also had added value in terms of encouraging participation in the programming processes. In particular through their influence on the programme priorities, project selection criteria, as well as indicator and monitoring systems, the SEAs increased the potential of the Operational Programmes to contribute to achieving the Gothenburg goals in most programming areas.

An increased **awareness** of programmes' possible negative effects on the environment was achieved in the Netherlands, for instance, with regard to physical projects, such as the restructuring of neighbourhoods and the extension of industrial areas.

The SEA had an influence on **priorities** in programmes in Guyane (France), Estonia and Eastern Poland. For Guyane the SEA was considered an integral step towards the elaboration of the strategy and consequently influenced the further development of the programme. In Estonia, the development of energy sectors has been integrated into the Operational Programme on "Living Environment Development" and a sub-programme on developing environmental management was added under the priority "enhance administrative capacity". In Eastern Poland, a priority on environmental transport was added in the Operational Programme because of the SEA.

Proposals in respect of various environmental aspects of **project selection** were made in many SEAs, e.g. in Ireland, Belgium, Slovakia, Slovenia, Southern-Finland, Luxembourg and Eastern Poland. One example is Eastern Poland, where a rule was added which excludes projects which are in conflict with the EU Birds Directive.

Environmental considerations in the **indicator and monitoring systems** were strengthened in e.g. Ireland, Lithuania, Belgium, Malta, Spain and Italy. In the case of Emilia-Romagna (Italy) a special environmental monitoring

system was included to measure the environmental impact of the various interventions during different implementation phases – using a complex system of indicators. The establishment of specific indicators on environmental issues also required that the data needed to populate these indicators would be available. In Spain, while additional environmental indicators were introduced, a number of stakeholders and environmental experts pointed out that the necessary data to report against these indicators did not exist in some regions.

The SEAs generally had a positive influence on moving the programmes in the direction of the Gothenburg objectives there was one exception. The OP for West Wales and the Valleys (UK) suggests that the SEA (while well-performed) could to some extent hinder the achievement of the Gothenburg goals, as the SEA separated environmental aspects as stand-alone issues that make it difficult to achieve an integrated sustainable development approach across the main body of the OP (see text box 6).

3.4.2 The result of negotiations with the Commission

Negotiations between programming authorities and the Commission took place on all Operational Programmes. The influence and perception of the negotiations differs from one programme to the next.

The role of the Commission was perceived as positive with regard to finding an **appropriate focus** and in the reformulation of objectives. Examples of this include Slovenia, where the Commission insisted on sticking to key priorities and excluding marginal objectives; Cyprus, where the negotiations resulted in a reformulation of objectives and a more comprehensive set of policy targets; Luxembourg, where the main added-value was the refocusing of the priorities of the strategy in order to avoid diffusion. The Commission also helped to refocus priorities in Southern Finland, Malta, South-East England, several Hungarian programmes and Slovakia (where the Commission suggested a stronger focus on regional disparities).

The addition of **new considerations** (such as the use of EU financial engineering instruments such as JEREMIE and JESSICA, e.g. Bremen, Germany) was cited in a few cases. The **financial strengthening of existing themes** was more often the result of the negotiations. Examples where certain themes were boosted financially are:

- employment, e.g. France
- entrepreneurship, e.g. France
- territorial competitiveness, e.g. Brussels Capital (Belgium)
- ICT, e.g. Poland, France
- innovation, e.g. Poland, Spain
- innovative development of welfare services, e.g. Southern Finland
- Knowledge-based society, e.g. Spain
- Lisbon-orientation of tourism, e.g. Tyrol (Austria)

- R&TD, e.g. Mecklenburg-Vorpommern (Germany), Spain, France
- regional unemployment, e.g. Slovakia
- strengthened urban dimension, e.g. Styria and Upper-Austria
- support to SMEs, e.g. Poland,
- tourism with a focus on lagging regions, e.g. Lower Austria

The contribution made to the **Lisbon objectives** was often increased through the refocusing and the introduction or strengthening of themes which relate to the Lisbon Agenda. The negotiations led to an increased earmarking for priorities which contribute to the Lisbon goals, e.g. in Estonia, Hungary, the Czech Republic and West Wales and the Valleys (UK).

At the same time the negotiations have also strengthened the contribution to the **Gothenburg objectives**, e.g. in East-Finland, Flanders and Brussels Capital (Belgium), the Hungarian programme on Environment and Energy, in the Czech Republic with regard to the environmental dimension of transport, and in Slovakia concerning energy savings and CO₂ emissions.

The improvement of the **analysis and of the evidence base** for the programme was one of the subjects of negotiation, among others, in several French and Polish programmes.

The improvement of the **indicator system** was discussed in the context of various negotiations, e.g. in Poland, Sweden, France and Slovakia. This concerned the relevance of indicators for the respective priority areas (Sweden), as well as the introduction of additional indicators in the field of R&TD (Poland) or environmental indicators (Slovakia).

The negotiations played a role in **facilitating the programming** process. In the case of Hainaut & Wallonia (Belgium), a positive side effect of the negotiation process was the stimulation of the decision process, notably helping to overcome deadlock situations with the political authorities.

In conclusion, the negotiations with the Commission strengthened a number of aspects which support the contribution of the programmes to the Lisbon goals. This was mainly in terms of the focusing of the programmes, the strengthening of specific topics and the earmarking of funding. This provided greater value in Convergence programmes, as many of the Regional Competitiveness and Employment programmes already had structured their programmes to reflect particularly the Lisbon agenda Objectives. In some cases the negotiation process also contributed to a stronger focus on the Gothenburg objectives.

3.4.3 Programming processes and potential - A summary

The *ex ante* evaluations, SEAs and negotiations helped shaped the final programmes and thus also influenced their contribution to achieving the Lisbon and Gothenburg objectives.

The *ex ante* evaluations were mostly conducted as interactive processes fulfilling the overall requirements for evaluation. Despite their value, the main criticism of the evaluations was that some programme processes were not sufficiently open so that and thus evaluators could not give even greater guidance towards dealing with the disparities, gaps and potentials for development of the regions and create an opportunity for reflection and learning to bring forward the programming processes. The evaluation processes played a significant role in helping the OPs formulate their contributions to the both the Lisbon and Gothenburg agenda goals. Evaluators, however, were more instrumental in increasing the contribution of programmes to the Lisbon goals, than the Gothenburg goals.,

The SEA, on the other hand, provided valuable inputs increasing the contribution of programmes to the broader achievement of the Gothenburg objectives. This influence was mainly exercised with regard to project selection criteria and the indicator and monitoring systems.

The negotiations varied markedly between the programmes. Whereas they only concerned minor issues in some programmes, they resulted in substantial changes being made to others. In general, they contributed to strengthening aspects which increased the contribution to achieving the Lisbon objectives. This was mainly in strengthening of specific themes and the earmarking of funding. In some cases the negotiations also contributed to the emergence of a stronger focus on the Gothenburg objectives.

Thus all three processes fulfilled their role in the programming processes and have – in line with their designated purposes – contributed to strengthening the Lisbon and Gothenburg focus of the 2007-2013 Structural Funds.

4 Overarching goals: Sustainable development and territorial cohesion

The renewed Lisbon Agenda focuses on growth and jobs – but maintains that growth must be sustainable. The aim of the renewed EU Sustainable Development Strategy is not only an improved quality of life for current and future generations, but also to develop actions “...to tap the ecological and social innovation potential of the economy, ensuring prosperity, environmental protection and social cohesion³⁰”. The notion of ‘territorial cohesion’ has at its core “balanced development throughout the EU, reducing structural disparities between regions and promoting equal opportunities for all” (draft Constitutional Treaty, 2007). As such, territorial cohesion is also at the heart of the Lisbon and Gothenburg strategies.

The Council regulation laying down the general provisions on the ERDF, the ESF and Cohesion Funds states that action taken with these Community instruments ... “shall be designed to strengthen the economic and social cohesion of the enlarged European Union in order to promote the harmonious, balanced and sustainable development of the Community”³¹. Cohesion policy is thus to address the overarching goals of both sustainable development and economic and social cohesion as embodied in territorial cohesion. This chapter examines how sustainable development and territorial cohesion are addressed by the Operational Programmes.

4.1 Sustainable Development in Operational Programmes

The Lisbon and Gothenburg Agendas are meant to be complementary as policy objectives³² and both take onboard economic, social and environmental themes and priorities. These complementarities are not, however, automatically translated into the Operational Programme interpretations of the agendas. This is often the case if the “earmarked” priorities contributing to “investment in innovation, the knowledge economy, the new information and communication technologies, employment, human capital, entrepreneurship, support for SMEs or access to risk financing³³” are only seen in the light of encouraging economic growth. Programmes will have to either go beyond the “earmarked” categories to contribute to true sustainable development, or find ways to create synergies between the

30 Review of the EU Sustainable Development Strategy (EU SDS) – Renewed Strategy. Note from general Secretariat to Delegations, 10117/06. Brussels, June 2006

31 Council Regulation (EC) No 1083/2006, Article 3.

32 Brussels European Council 15/16 June 2006. Presidency conclusions Brussels, July 17, 2006

33 European Commission (2007) Information paper No. 1 “Earmarking”. Directorate-General Regional Policy, Directorate-General Employment, Social Affairs and Equal Opportunities. Final version of 28/02/2007.

economic, social and environmental dimensions of sustainable development. Our findings lead us to conclude that these synergies are being developed in the programmes.

Inherent tensions do nevertheless exist in respect of delivering the economic, social and environmental dimensions of sustainable development in the Operational Programmes. One such tension relates to how the priorities and strategies are balanced to achieve strategic coherence between the goals of growth, jobs and sustainable development. Another tension is the degree to which economic, social and environmental goals can be achieved at the same time in Cohesion policy. These tensions are also played out in the various 'roads' that are travelled in adopting the Lisbon and Gothenburg Agendas.

4.1.1 Definitions of sustainable development

Definitions and conceptualisations of sustainable development in regional policy instruments are important as they set the vision for the type of sustainable society desired.

Two-thirds of the Operational Programmes (167 in total) employ an *explicit* definition of sustainable development. Nearly 85% all programmes (208 in total), however, refer to some aspect of sustainable development, usually based on the three-pillar model of achieving environmental, social and economic development (see text box 8).

Text box 8

'People, Planet, Profit: the 'sustainability' triangle Dutch conceptualisation of sustainable development

An interesting definition of sustainable development is given in the Regional Operational Programmes in the Netherlands:

It is defined as "...development which foresees the needs of current generations without prejudicing those of future generations. It is about striking the right balance between the three P's: people, planet and profit in the short and long term."

29% (71 in total) of all programmes conceptualised sustainable development in accordance with the three-pillar model (28% or 37 Convergence OPs and 30% or 34 Competitiveness OPs) (see figure 8).

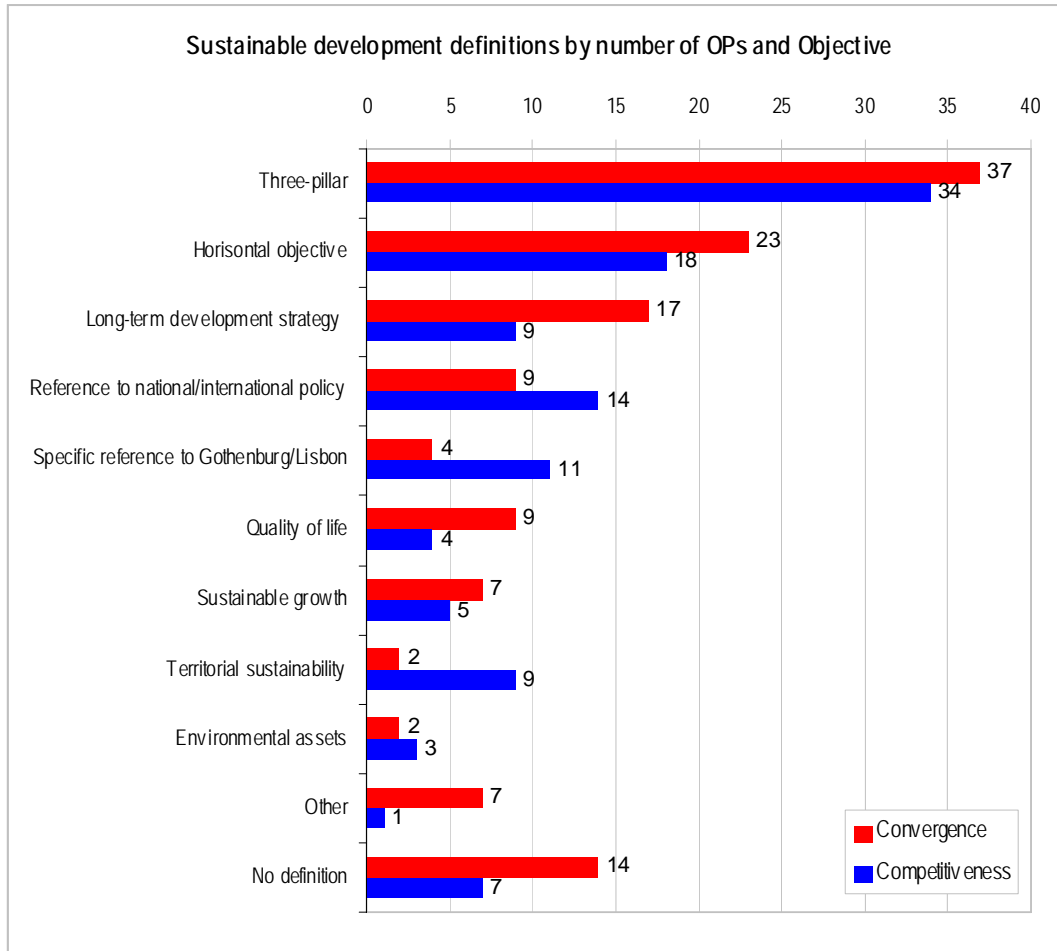


Figure 8: Sustainable development definitions by number of OPs and Objective

16% (18 OPs) of the Competitiveness and 18% (23 OPs) of the Convergence programmes defined sustainable development primarily as a horizontal objective to be achieved within the programmes, but did not elaborate a further definition of the concept.

Explicit and implicit references to the long-term nature of sustainable development and the aim to fulfil the needs of the current generation without hampering possibilities for future generations to fulfil their needs³⁴ also characterise many (11% or 26 OPs in total) programmes, mainly in the Convergence regions (13%). (see text box 9).

³⁴ These conceptualisation are based on the 1987 "Brundtland Report": Our Common Future, which describes sustainable development as "development that meets the needs of the present without compromising the ability of future generations to meet their own needs".

Text box 9

Lower Silesia ROP ERDF 2007-2013 Poland

The Operational Programme for Lower Silesia adopts a long-term definition of sustainable development as "...actions that are aimed at fulfilling general current needs, but which take into consideration the long-term perspective."

The idea of sustainable development is assumed as an approach to the planning and implementation of undertakings directed at reaching a real and permanent reduction in social and economic discrepancies with the retention and protection of the natural environment.

9% of the programmes (23 programmes) defined sustainable development in accordance with a national or international strategy such as the NSDS or the EU Sustainable Development Strategy. In the Competitiveness regions, 10% (11 OPs) of the programmes specifically referred to the Gothenburg or Lisbon agenda in their definitions of sustainable development, mainly Regional Competitiveness and Employment programmes in Italy (four programmes), Germany (three programmes) and France (four programmes). The Convergence Operational Programme for French Ile de la Réunion also stated that its strategy was an original adaptation of the revised Lisbon/Gothenburg strategy based on structuring investments, technological R&TD, innovation and economic modernisation for the creation of durable jobs.

Other programmes have tried to internalise the sustainable development concept to particular regional contexts and made reference to sustainable development definitions in line with their own regional or national challenges. These can be grouped into sustainability definitions regarding:

- 1) "Sustainable mobility" (in Convergence programmes) as a long-term satisfaction in the effectiveness and quality of the requirements of goods and passenger transport, while at the same time decreasing the negative impacts of transport on the environment and public health.
- 2) "Sustainable Urban Development" in both Convergence and Competitiveness regions is another internalised conception of sustainable development. For instance the Dutch programmes pay explicit attention to the increasing importance of attractive and sustainable regions and cities and quality of place as economic competition factors.

In the "Mobility and Networks" Convergence Objective Programme in Italy, sustainable development assumes that the traditional development paradigms are progressively reducing natural capital and transforming it into economic capital, but advocates "the art of maintaining a certain equilibrium between the various dimensions and harmonising changes... with a plural interpretation that is not reduced to the environmental aspect".

4.1.2 Strategic dimensions of sustainable development

Programmes do not reduce sustainable development to the environmental aspect, but rather conceptualise sustainable development as integrating economic, social and environmental concerns. On a fuller analysis of the programmes' potential to deliver sustainable development, however, only one third (81 OPs) adopted a truly *integrated*, three-pillar approach to sustainable development³⁵. 33% of all programmes had a stronger emphasis on the *economic* pillar of sustainable development, while 30% focused on the *environmental* dimension. A clear focus on the *social* dimension could only be seen in 5% of the programmes. Figure 9 presents the strategic pillar of sustainable development that is highlighted to the greatest degree by the OPs

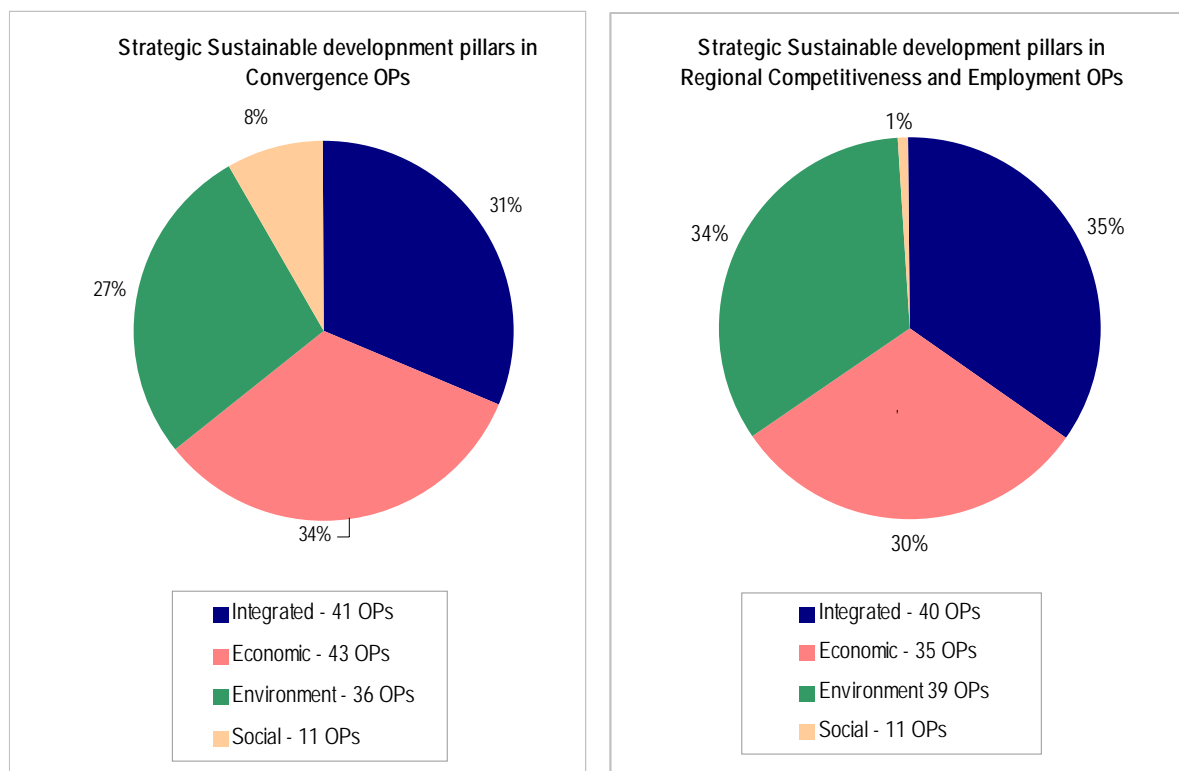


Figure 9: Strategic Sustainable development in pillars in Convergence and Competitiveness OPs

³⁵ "Integrated" in this sense means that sustainable development is mainstreamed to produce a truly integrated understanding of the various elements. It is thus difficult to see a focus on only one or two dimensions of sustainable development in the definition and implementation of the concept.

Regional Competitiveness and Employment programmes: In Regional Competitiveness and Employment programmes, the focus was on the *integrated* dimension of sustainable development (35%). In two of the Belgian programmes the three dimensions of sustainable development are so integrated into the strategy that a specific thread of “sustainable development” could not be isolated from the entire approach of the programme. 34% of the programmes had their main focus on the *environmental* dimension (including all Austrian and most UK programmes and half of the French and Italian programmes). The majority of the programmes that focused on the environmental pillar conceptualised sustainable development in terms of a *balance* between objectives. For instance, since the primary focus of programmes is on economic growth, the environmental aspects of sustainable development were highlighted as an important counterweight.

30% of the Competitiveness regions maintained their primary focus on the *economic* dimension of sustainable development (including the Danish and all Swedish programmes, which focused on delivering sustainable growth).

Convergence programmes: 31% of the Convergence objective programmes exhibited an integrated approach to sustainable development with a focus on all three pillars. 27% of the Convergence Operational Programmes had the environmental pillar as their main focus. Sustainable development issues still remain isolated to some degree from the overarching objectives of growth and jobs in certain Convergence regions. In Hungary the strategic dimension of sustainable development needs to be integrated to a greater degree with other policy objectives. Negotiations with the Commission also stressed this need for the strategic linkage of sustainable development in the Slovakian Regional OP.

34% of the Convergence programmes focused predominantly on the economic pillar. In a few cases, such as Poland, while Operational Programmes defined and referred to sustainable development in an integrated manner, the programmes unambiguously reflected much more of an emphasis on the economic component of sustainable development. This points to an implicit trade-off being made here between the three dimensions of sustainable development. Annex 6 presents a table of the OPs and the main pillar of sustainable development

4.1.3 Sustainable development trade-offs

While implicit trade-offs between the various aspects of sustainable development are common in the OPs, only 19 programmes address *specific* trade-offs in respect of sustainable development. These trade-offs deal almost exclusively with energy and carbon emissions in the Regional Competitiveness and Employment programmes and transport and emission

trade-offs in the Convergence programmes. Annex 7 shows the OPs and the main types of trade-offs made.

Energy trade-offs

In the Competitiveness regions, nearly all of the trade-offs dealt with **energy use and offsetting carbon emissions**. In Tyrol trade-offs within energy systems were addressed regarding regional biomass projects in terms of distances in the transport of materials such as wood, and control of emissions in biomass projects. No indicators were however expressly developed to monitor the progress of trade-offs in most of these regions. Text box 10 provides an example of trade-offs in respect of carbon emissions in the most of the UK programmes, where indicators were developed.

Text box 10

Carbon emissions trade-offs in the United Kingdom

Many of the Regional Operational Programmes in the UK specifically mentioned trade-offs between the three dimensions of sustainable development with indicators developed to monitor the trade-offs, examples include:

The ROPs East Wales and West Wales and The Valleys seek to offset increased carbon emissions which are seen as an inevitable consequence of economic growth through a variety of measures. These are monitored by specific reduction goals in greenhouse gas emissions (7 ktC and 100 ktC respectively)

In the ROP North East England, when drafting the OP, it was decided that the Programme could potentially make most difference against the challenges of the relationship between resource and energy use and the economy by a) improving the impact of economic activity on the environment; and b) recognising the potential economic benefit that the environment can bring (for the OP, the environment represents a significant potential driver of the economy as environmental costs are further integrated into economic aspects).

In respect of indicators, DG Environment asked for the inclusion of carbon footprint indicators. The North East OP decided then to use a 'proxy' measure for the reduction of the carbon footprint by measuring the amount of support provided to improve energy efficiency. In the ROP East Wales indicators included the number of enterprises operating Environmental Management Systems at a level that requires monitoring and reporting of carbon emissions, as well as net reduction in greenhouse gas emissions.

Transport trade-offs

In the Convergence programmes, the explicit trade-offs dealt with **transport and mobility issues** and were mentioned in Thematic programmes, rather than Regional programmes. Specifically the trade-offs delineated were between environmental concerns (carbon emissions versus increases in the road network), rationalisation of energy use and sustainable transport. Examples of these types of trade-offs are found in the Italian "Mobility and Networks OP" the German, "ERDF Transport" (See text box 11), the Slovakian "Transport OP" (See text box 12) and the Lithuanian Cohesion and Economic Growth OP.

Text box 11

OP Transport ERDF 2007-2013 Germany

The trade-offs mentioned in the German Operational Programme ERDF Transport 2007-2013 are related to all three pillars of sustainable development.

In respect of the ecological challenges negative environmental impacts are to be avoided or even reduced. The polluter pays principle is being used to avoid emissions and impacts on water bodies and water quality. Flood protection measures (e.g. preservation of flood plains) provide an important focus in this context since infrastructure has been heavily damaged by flooding across Germany in recent years.

These challenges are considered within the programme and implemented through planning instruments and processes (e.g. environmental impact assessment).

Another aspect dealt with here is the need to shift transport to more environmentally friendly transport carriers and to separate energy consumption within the transport sector and economic output and thereby to improve the intensity of transport. Moreover an efficient transport system (rail, road, water) and an optimised use of transport chains can also contribute.

Concerning the social dimension of sustainable development the programme aims to displace flows of traffic from highly stressed and sensitive areas and thereby to reduce congestion and emissions-related health risks as well as to improve traffic safety (to protect life and health).

The economic aspects of transport infrastructure are addressed with regard to their importance for regional and socio-economical development. Improved accessibility and reduced transport expenses contribute to revised conditions of production and moreover to ensure economic conditions of location (*'Standortbedingungen'*). All these impacts are linked and (together with other social and environmental aspects) measured through a so-called productivity indicator on the macroeconomic level.

In the German Operational Programme ERDF Transport 2007-2013 an explicit trade-off is mentioned between increased **economic efficiency** (in funded road projects) and **environmental transport shifting effects** (in funded railway projects). No indicators were however developed to measure this.

Text box 12

OP Transport ERDF 2007-2013 Slovakia

In the Slovakian Transport OP the trade-offs not only mentioned the positive influence of transport (e.g. accessibility improvement), but also the negative influence of the emerging road transport increase as one of the main producers of both negative environmental aspects (such as air pollution) and increasing traffic accidents and/or fatalities. In this respect a programme indicator is used to track progress on the decreasing number of fatalities as a consequence of traffic accidents in road transport (fatalities/100 thousand inhabitants). Initial value: 10.7. Target value: 9.4.

Few programmes explicitly estimated the environmental costs of the actions of the programme. Spain is an exception here where the environmental costs were estimated in the SEA of each Operational Programme. While the estimation of the environmental costs did not modify the choice of strategic priorities in the programmes, it did influence the financial allocations between the strategic axes in favour of environmental interventions in for example the programmes for Murcia, Catalonia, Asturias, and Ceuta.

4.1.4 Potential synergies rather than trade-offs

Operational Programmes were in general more specific about the potential *synergies* among the pillars of sustainable development, rather than the *explicit trade-offs*. Most of the Competitiveness OPs highlighted the potential synergies between investments in renewable energy supply and environmental technologies. This is exemplified in the Operational Programme for Lower Austria, where the link is made between regional renewable energy sources and strengthening regional SMEs, thereby leading to regional growth. The Danish programme underscores the potential for what it calls a “win-win-win” synergy between environmental protection, business growth and contributions to help solve global environmental problems.

In Spain, the integration of sustainable development into the programmes has been via actions designed to achieve the Lisbon and Gothenburg goals simultaneously. Examples of this include RTD innovation dedicated to energy efficiency; help with *Agenda 21* processes, clean transport, renewable energy

and eco-innovation. The UK programmes feature ambitious and challenging targets for moving towards a low-carbon society, feeding both economic and environmental development. Italy, with its strong focus on energy procurement and renewable energy in 90% of the OPs, attests to the importance of creating synergies between growth, jobs and sustainable development. These types of synergies are good examples of linking the Lisbon and Gothenburg objectives together in Cohesion policy instruments.

Convergence programmes also highlighted the synergies between the pillars of sustainable development, although these were not as explicit as in the Competitiveness regions. The Slovenia regional OP and the Brandenburg Operational Programme in Germany also provide examples of how the potential synergies between environmental technology and energy use (savings) could be achieved through Cohesion policy.

The relationship between growth, jobs and sustainable development is important in the Małopolska Regional Operational Programme in Poland where environmental investments aim at improving the ecological condition of the region and the quality of life by the securing of existing jobs as well as the creation of new jobs in the tourism-related sectors of the economy (among other sectors). The OP for the Polish Kujawsko-Pomorskie *Voivodship* echoes this reasoning as do those of a number of other Polish regions as well as individual programmes in Bulgaria and the Czech Republic. Other Convergence (and Competitiveness) programmes in Spain and Italy also present the sustainable development linkages between the preservation of the natural and cultural heritage, job retention and creation and growth.

Sustainable development synergies were also elaborated between jobs, growth and sustainable development were often targeted towards various goals and themes of the programmes. The bulk of these goals include the attractiveness of the region, eco-innovation, natural and cultural heritage, energy, jobs, tourism transport and water. Figure 10 presents the OPs that target synergies into specific goals. Competitiveness programmes target mainly “attractivity” of the region, energy and eco-innovation. Convergence programmes target mainly eco-innovation, tourism and jobs.

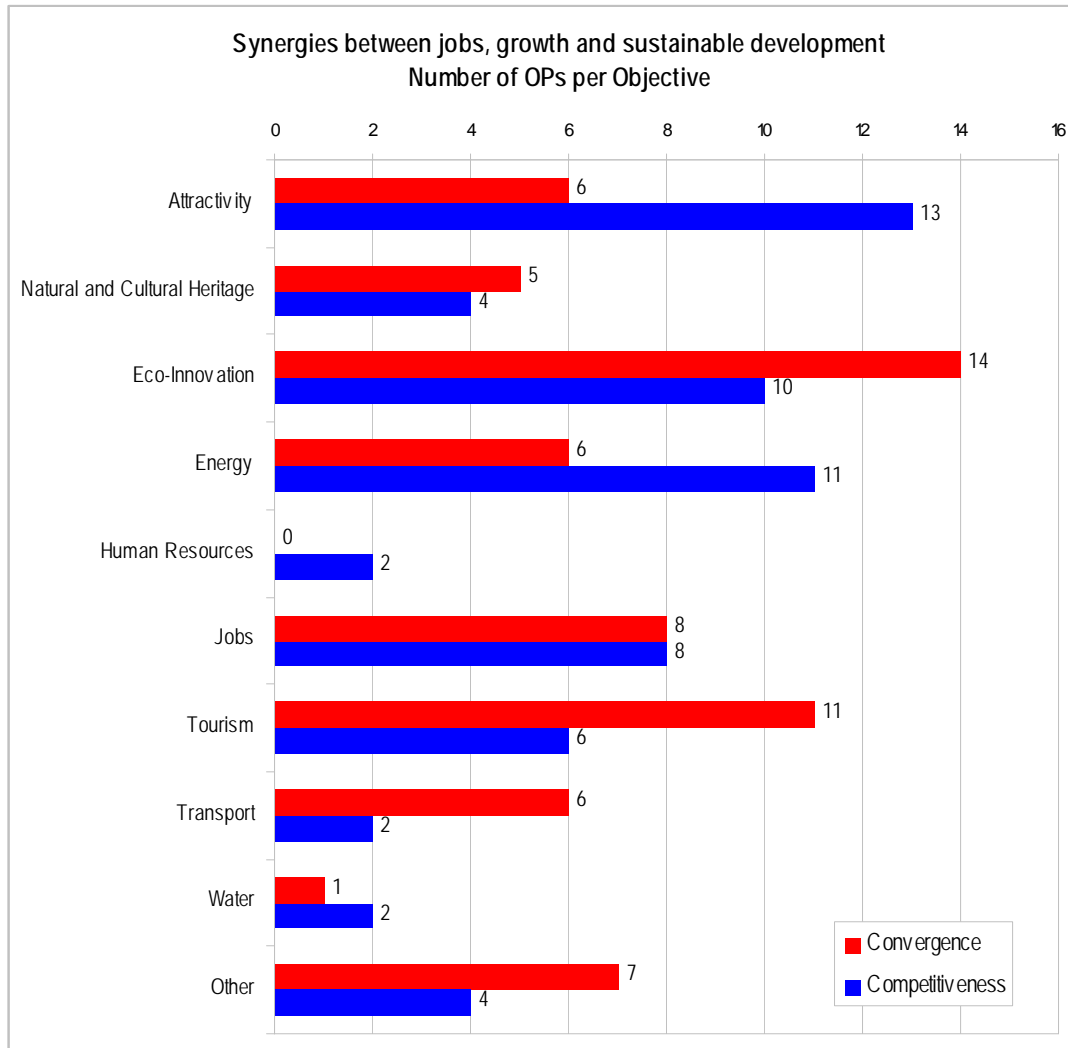


Figure 10: Synergies between jobs, growth and sustainable development per number of OPs and Objective

Table 8 presents a summary of sustainable development definitions, pillars, trade-offs and synergies per Objective.

Table 8: Summary: Sustainable Development per Objective

Summary Sustainable Development per Objective				
	Sustainable Development definition	Which pillar (environmental, economic or social) is emphasised?	Trade-offs made?	Synergies
Competitiveness	Refers mainly to a three the pillar model of sustainable development (economic, social and environmental).	Clear focus on the <i>integrated</i> dimension of SD. Those who emphasise the environmental pillar conceptualised it in terms of a balance between objectives and slight emphasise the economic focused on delivering sustainable growth	Specific trade-offs addressed mainly in UK OPs. Trade-offs dealt with energy use and offsetting carbon emissions.	Synergies between the three pillars are in general more evident than trade-offs. Potential synergies between investments in environmental technologies, renewable energy supply and growth.
Convergence	Fulfilling both long-term and current needs (sustainable growth)	Slight emphasis on economic pillar Sustainable development issues still remain isolated to some degree from the overarching objectives of growth and jobs.	Specific trade-offs addressed mainly in Thematic Convergence OPs. Explicit trade-offs dealt with transport and mobility issues.	Convergence OPs also highlight synergies between the tree pillars but less explicitly. Also related to tourism, job creation, job retention and natural and cultural heritage.

4.2 Principles of sustainable development

One-fourth of all operational programmes explicitly apply one or more sustainable development principles such as the precautionary principle, critical thresholds or the polluter pays principle. The use of such principles is important as it moves the discourse on sustainable development into the realm of action by specifying when and where an intervention should be taken and by whom.

The '**polluter pays principle**' stating that the polluter should bear the expense of carrying out pollution prevention measures or pay for the damage caused by pollution, is referred to explicitly in over half of the Operational Programmes that specify an environmental principle. This was by far the most common environmental principle referred to in both the Convergence and the Competitiveness regions. Nearly all of the Italian programmes applied this principle. As far as the Competitiveness regions were concerned it was mainly used in relation to specific brownfield regeneration interventions.

Convergence programmes that apply the principle are those programmes with an integrated focus on sustainable development or an emphasis on the environmental principle. These are the Italian Convergence regions, Lithuania, Slovakia (OP Environment) and two of the Thematic programmes in Spain, which address environmental problems such as waste and ensuring water supply. Malta and the German Transport Programme also reflect on the "polluter pays principle". Of those programmes applying the "polluter pays principle" in Convergence programmes, half are thematic or sectoral programmes and half are regional programmes

The flip-side of the polluter pays principle is the "**user pays principle**". According to the '**user pays principle**', the consumer or user of a good or facility pays for an environmental good or damages arising from them. Examples of the user pays principle in action are national park fees, or energy taxes on companies or private persons. Only Tyrol specifically referred to the user pays principle in the context of "securing living space".

The '**precautionary principle**' advocates taking measures to protect the human and natural environment when there are reasonable grounds for concern about the potentially dangerous effects of a phenomenon. The principle is especially relevant in risk management³⁶ and occurs in around 10% of the programmes, primarily in the mountainous areas of Central and Southern Europe, but also in connection with dealing with climate change. For example the French Programme for the Aquitaine region highlights the precautionary principle and prevention in light of the climate change mitigation and adaptation measures to deal with its impacts.

A few sustainable development principles were only displayed in the programmes in one of two cases. One such principle is that of '**critical thresholds**'. When certain critical environmental thresholds are exceeded (such as the over-use of natural resources) significant economic and social effects can arise, such as the loss of an industry based on the resource or the loss of "green areas". In Tyrol critical thresholds have been discussed in terms of the use of biomass for energy production, e.g. relating to the available quantity of biomass in the region and the need for the transport of such biomass. Overall, regional biomass projects in Tyrol should contribute to the minimisation of greenhouse gas emissions. Therefore critical thresholds of greenhouse gas emissions should not be exceeded in the processing and transport of such biomass.

The use of environmental principles in the programmes points to the intention to implement predominantly environmental protection efforts in economic cost-benefit calculations. The use of such principles also directs attention to the actors responsible for achieving sustainable development in a

36 CEC (2000): "Communication from the Commission on the precautionary principle". Brussels February 2, 2000. COM (2000) 1

regional context. Thus advocating the use of principles such as “polluter pays” is a preliminary step which programmes must take towards delivering sustainable development.

4.3 Delivering Sustainable development

If Operational Programmes are really to deliver sustainable development they must do more than describe sustainable development as an objective or advocate adherence to certain principles. Actions, or intentions for action, are necessary to implement a sustainable development strategy. In the study’s methodology we make a distinction between *intentions for action* and *specific calls for action*. *Specific calls for action* for growth and jobs are stronger in the Operational Programmes than specific actions for achieving the social and environmental elements of sustainable development. For the social and environmental Gothenburg priorities, programmes expressed a greater *intention for action*, but without a more detailed call for action. In other words, the call for action in terms of delivering growth and jobs is stronger than the call for action to deliver sustainable development. This may be due to the relatively more difficult task of monitoring qualitative indicators of sustainable development in programmes, compared to those relating to growth and employment indicators (see section 2.4.1).

4.3.1 Partnerships for sustainable development

Partnerships promoting sustainable development are recommended in the Council conclusions of June 2006 as a new way of working towards sustainable development objectives. Partnerships between stakeholders are also meant to enhance the effectiveness of Cohesion Policy³⁷ and ensure that the strategies developed actually address the needs of the regions. In this vein over half of all programmes examined were able to specify the various types of partnerships employed in order to find the best sustainable development strategies for the regions/programmes concerned. These involved the constellations of regional authorities in charge of development (in the UK, Belgium, Malta, the Czech Republic, Denmark and Austria), Local *Agenda 21* networks (in Portugal), and public consultation (Slovenia, Cyprus, the UK) in the drafting process of the Operational Programmes and in the networks formed around the Strategic Environmental Assessments (Spain, Italy and Poland). In Spain in particular the SEA process represented the first time that the Operational Programmes had been submitted to public consultation.

³⁷ CEC (2007): Communication from the Commission. “Member States and Regions delivering the Lisbon Strategy for growth and jobs through EU cohesion policy, 2007-2013”. Brussels, December 11, 2007. COM (2007) 798.

4.3.2 Environmentally friendly management practices

Reference to environmentally friendly management practices are found in the majority of programmes in Spain, the UK and Italy. The Saarland OP in Germany, three Polish programmes, and programmes in Lithuania and Slovakia also mention these practices. The practices are primarily the employment of ISO 14001 certificates and the ECO-LABELING and EMAS standards³⁸.

Present in over half of the Italian programmes, environmentally friendly management actions concern the introduction of limited specific actions along broader intervention lines (mainly in relation to energy saving, environmental protection, innovation, and in some cases, technical assistance), while in other cases this is due to the introduction of specific result indicators. One third of all Italian Operational Programmes that employ environmentally friendly management systems have developed indicators to measure their progress. Text box 13 below provides an example of a region that has produced indicators for this.

Text box 13

Molise Region ROP ERDF 2007-2013 Italy

Axis 2 "environmental sustainability" of the Molise programme encourages incentives to projects that introduce and implement EMAS systems of environmental management for industrial consortia and their enterprises.
Indicator (Result): by 2013 the programme foresees at least 37-41 new EMAS or ECOLABEL registrations.

Under Axis 4 "Territorial Dimension" the Molise programme has as one of its aims the need to provide support to certain activities which promote tourist activities and which conform to standards of sustainable tourism, certifiable through EMAS, ECOLABEL and/or ISA 14001.

Most of the Spanish programmes include a specific result indicator to monitor the number of firms profiting from the implementation of the ISO 14001 standard. This is a common indicator established at national level. For instance in Aragon a result indicator states that "the number of firms profiting from the implementation of the environmental management system ISO 14001 will be 20 in 2010 and 40 in 2013".

³⁸ EMAS, The Eco Management and Audit Scheme, is the EU's voluntary environmental management and auditing tool. The aim of EMAS is to stimulate companies and organisations to make the necessary improvements to meet the client's requirements for more environmentally friendly practices. It meets the demands of the ISO 14001.

4.4 Temporal Coherence between Lisbon and Gothenburg Agendas

The progress report on the EU Sustainable Development Strategy states that:

“At EU level, the challenge is to work towards convergence of the overarching long term objective of sustainable development, focusing on the quality of life, inter-generational equity and long-term viability of European society, and the medium term goal of growth, competitiveness and jobs under the Lisbon strategy”³⁹

A hypothesis of this study is that it may be difficult to address the different timeframes of the Lisbon and Gothenburg agendas at the same time. Achieving temporal coherence can be difficult if shorter term Lisbon goals are pursued at the expense of longer-term Gothenburg goals. Sustainable development is not treated with the same precision in the programmes as are the objectives of growth and jobs.

Due to their focus on a wider mix of priorities, the hypothesis is that Convergence regions will find it harder to deal with temporal coherence issues than the Competitiveness regions. The differences between long-term and short term development are addressed explicitly in about 20% of all programmes (primarily Convergence programmes in Greece, Hungary, and Italy and some Competitiveness programmes in Austria, Cyprus, the Czech Republic, France, Germany, Italy and Ireland). Programmes with a primarily social focus pursue these goals mainly in the mid- to short term, often as part of a strategy to ease social and economic disparities. Other programmes, for instance the Swedish ones, do not explicitly address the time dimension of sustainable development at all.

While the time dimension of sustainable development is only explicitly addressed in 20% of the programmes, all programmes strive for longer-term sustainable development. In the Convergence regions sustainable development is conceptualised largely as *long-term* growth (as discussed in section 4.1).

Our evidence does not allow us to conclude that short-term economic growth and employment measures take precedence over longer-term sustainable development actions in the priorities and strategies of the Operational Programmes of the Convergence regions. While economic growth priorities do predominate in the Convergence programmes, both Competitiveness and Convergence regions are nevertheless in the process of developing strategies to ensure that the quest for jobs and growth is undertaken sustainably.

³⁹ CEC (2007): Communication from the Commission to the Council and the European Parliament. “Progress Report on the Sustainable Development Strategy 2007”, Brussels, October 22, 2007. COM (2007) 642 Final.

4.5 Territorial Cohesion

Territorial cohesion is addressed in 66% of all Operational Programmes (164 of the 246 OPs). 43% of the Competitiveness Objective programmes (70 OPs) and 57% of the Convergence Objective programmes (94 OPs) make reference to the concept of territorial cohesion. Definitions range from explicit and concrete definitions and strategies (such as strengthening and development of growth poles in the Czech Republic, Lithuania or Romania) to more general approaches (where it is addressed for example together with the social and economic dimensions of cohesion as important goals in some programmes in Belgium, France and the Netherlands). It is addressed in more than half of all Thematic Operational Programmes including several national OPs focused on regional development, sustainable development, competitiveness and accessibility and it is not addressed in Operational Programmes clearly specialising in themes such as technical assistance, energy, governance, or research and enterprise development. However an exception to this is presented by the interesting example of the Slovakian Thematic OP Research & Development and its approach to territorial cohesion as an opportunity to stimulate growth poles as centres or clusters of knowledge and innovation.

The territorial dimension is translated into a wide variety of definitions of territorial cohesion as seen in figure 11⁴⁰. See also Annex 9 for national implicit conceptualisations of territorial cohesion.

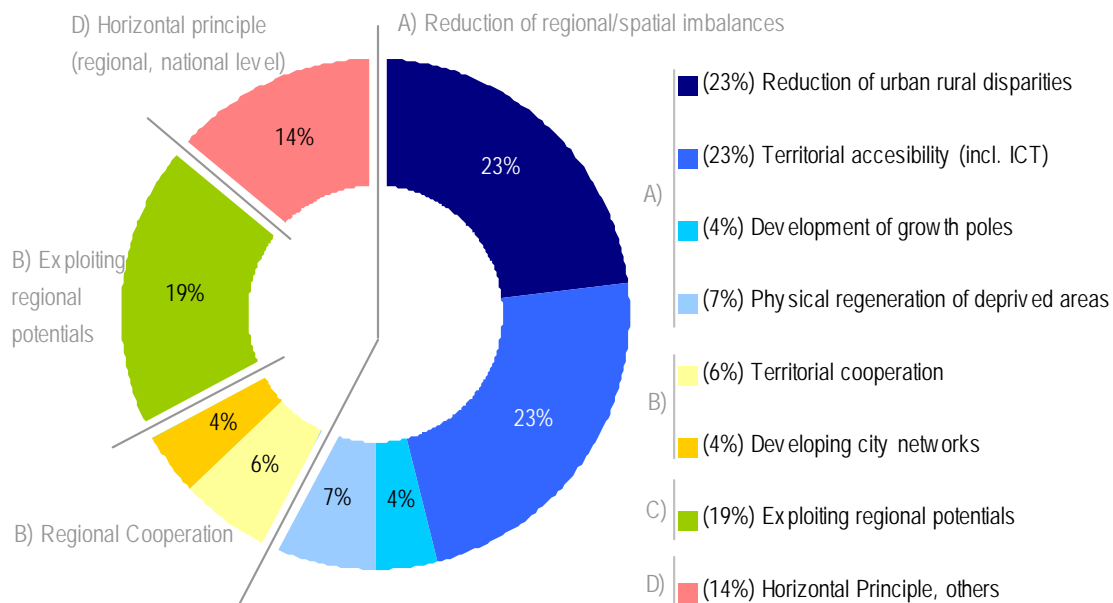


Figure 11: Definitions and Conceptualisation of Territorial Cohesion in OPs
Source: National Partners and Nordregio's own classification.

⁴⁰ Some OPs addressed more than one definition of territorial cohesion

A) Reduction of regional and spatial imbalances:

- Territorial cohesion is widely addressed as a key element in the reduction of imbalances between **urban-rural** and intra-urban scales in several Operational Programmes (55 OPs), mainly in Convergence regions of the Czech Republic, France, Germany, Greece, Hungary, Poland, Portugal, Slovakia, Slovenia and Spain and in some Competitiveness regions in France and Spain.
- Territorial cohesion is also widely related to **territorial accessibility** (51 OPs) as it provides the basis for territorial integration and for the reduction of territorial or spatial imbalances within low accessibility areas or sub regions geographically isolated in, for instance, mountain areas. The approach is adopted by Transport Thematic Operational Programmes in the Czech Republic, Germany, Greece, Hungary and Slovakia and it is specifically addressed by the Convergence Regional Operational Programmes in Bulgaria, France, Greece, Poland and Spain where it is often associated with accessibility in terms of ICT improvement.
- Territorial Cohesion is also related to the **development of growth poles** in OPs that classify them as the main drivers of competitiveness (9 OPs in total). This is mainly evident in programmes oriented to regional development in Bulgaria, Romania, Slovenia and Slovakia (in the latter one with the particular intention of developing growth poles as centres of innovation and technology). Also one of the priorities of the OP "Infrastructure and Services" in Latvia and the Lithuanian OP on "Economic growth" emphasise on the importance of polycentric development, aimed at promoting the development of 16 regional centres in Latvia and 7 in Lithuania. The OP "regional development of Hungary provides another clear example of this. Other examples on a regional scale include Rhineland-Palatinate (DE), Kujwsko-Pomorskie (PL) and Madeira (PT).
- Other approaches include the development of deprived areas and **physical regeneration** (France, UK) and urban regeneration and/or development in Hungary, Ireland, Poland, Portugal and Spain. (15 OPs in total)

B) Regional cooperation:

- Territorial cohesion is seen as a strategy to better position **regions by cooperating** in the area of territorial integration. For example the Austrian Operational Programme of Burgenland associates territorial cohesion with competitiveness as a strategy to improve participation with dynamically growing transition economies in relation to

restructuring and growth improvement networking and coordination with neighbouring regions. Other examples include: Operational Programmes of South Finland and Hamburg (oriented to interregional cooperation); Thuringia, Saxony Brandenburg, Saarland and Schleswig-Holstein in Germany (oriented to cross border and transnational cooperation with neighbouring regions in France, Poland and Denmark), Veneto (IT), Galicia (ES) and Bratislava (SK). The Lithuanian Operational Programme on Economic Growth also associates the development of transnational infrastructural links projects as the bases for higher economic growth and competitiveness across the country as a whole. (13 OPs in total)

- Territorial cohesion associated with regional cooperation is also based on the promotion of cooperation between **cities and networks of cities**. For instance in the Basque country (Spain), territorial cohesion is highlighted in terms of solidarity between the 3 main urban poles and the rural areas. This OP states that an intermediary network of cities can drive the innovation and knowledge economy and integrate rural areas into the regional development nexus, as well as connecting with the European urban networks. Other examples of programmes that promote cooperation between cities and regions in their conceptualisations of territorial cohesion include: Madrid and Catalonia (ES), Lower Silesia (PL), the Portuguese Thematic Operational Programme, Improvement of the Territory as well as the Norte Region and Madeira and the Slovakian Thematic OP on Regional development. (8 OPs in total)

C) Exploiting regional potentials:

- Territorial cohesion is also widely approached as a strategy to better **exploit regional potentials** and territorial capital by strengthening the regions' profiles making use of Europe's territorial diversity (43 OPs). Examples here include the Thematic OP Living Environment of Estonia and Regional Operational Programmes in Austria, France, Germany, Greece, Hungary, Italy, Poland, Portugal, Slovakia and Spain among others.

D) Promoting the coherence of EU policies with a territorial impact at the national and regional levels:

- In regions in Austria, Belgium, Greece and Hungary among others, territorial cohesion is conceptualised as a **horizontal principle** (31 OPs) or among other horizontal goals such as equal opportunities and good governance. In the horizontal approach, the territorial aspects of cohesion relate to integrated regional development by supporting the coordinated development of regional potentials, regional strengths and

balanced spatial developments *within* the region. Territorial cohesion is also mentioned together with the social and economic dimensions of cohesion as the main guidelines for OP examples (e.g. Belgium, the Czech Republic and France.)

- Territorial cohesion is also addressed as an objective at the national level. As an example, the Danish Operational Programme addresses territorial cohesion as a goal to lessen disparities between peripheral, rural and more prosperous areas and as an approach to better exploit regional potentials. Other interesting examples include the thematic Operational Programmes of Latvia and Malta. Territorial cohesion may be detected in a reference to a related policy document. For instance, in Ireland, territorial cohesion in the Operational Programmes directly refers to Ireland's National Spatial Strategy, which aims to achieve a better balance between social, economic and physical development across the country. In addition, in France the concept is fostered by the strong emphasis placed on territorial cohesion in French national documents such as the NSRF.

The wide variety of definitions in use of the concept highlights the complexity involved in territorial cohesion. If territorial cohesion is to become a more dominant concept in Cohesion Policy the importance of clarifying the definition must be underlined. This work has started through the recently published Green Paper on Territorial Cohesion⁴¹.

4.6 The potential for sustainable development and territorial cohesion – A summary

Operational Programmes have a good potential to deliver sustainable development, at least in the analysis of programme priorities and strategies. Sustainable development is an important aspect of all programmes, but programmes balance the objectives or pillars differently. One third of the programmes adopted a truly integrated, three-pillar approach, as their focus. Other programmes put greater stress on either the environmental or economic pillars of sustainable development. Convergence programmes reflected a *de facto* emphasis on the economic component of sustainable development.

A strategic emphasis on one or the other pillar of sustainable development does not necessarily mean that balanced development will not occur as the result of Cohesion Policy. Rather OPs must work with the implicit trade-offs and synergies of the three dimensions of sustainable development. Only 19

⁴¹ CEC (2008). Green Paper on Territorial Cohesion -Turning territorial diversity into strength. SEC(2008) 2550. Brussels, 6.10.2008. COM(2008) 616 final

of the programmes made specific reference to the *explicit* trade-offs between the various strands of sustainable development. More programmes emphasised the synergies that could be gained in pursuing jobs, growth and sustainable development in an integrated fashion. These synergies revolve around strategies for renewable energy, clean transport and moving towards a low-carbon society, effectively linking the Lisbon and Gothenburg agendas in Cohesion policy interventions.

Tools to help deliver sustainable development and to help act upon programme priorities such as partnerships are encouraged in over half of the Operational programmes and environmentally friendly management practices are used extensively in the Italian, Spanish and UK programmes.

Nearly two-thirds of all Operational Programmes translate the territorial dimension into explicit definitions of territorial cohesion, although all Programmes (except Luxembourg) contain *implicit* conceptualisation of territorial cohesion. However, the definitions used are varied. The most common way of addressing territorial cohesion is in terms of the reduction of regional and spatial imbalances. Convergence programmes largely address territorial cohesion these terms, or as an objective in exploiting regional potential. Competitiveness regions understand territorial cohesion in terms of the opportunities it presents for inter- and intra-regional cooperation and as a horizontal priority in the promotion of coherence between EU policies with a territorial impact.

While both territorial cohesion and sustainable development are overarching goals in the programmes, the presence of territorial cohesion is not as strong in the programmes as is the goal of sustainable development. The potential for regional policy instruments to contribute to the Lisbon and Gothenburg objectives can be seen in the various strategies or “roads” that the programmes take to the delivery of growth, jobs and sustainable development. How the programmes define and use concepts such those associated with sustainable development and territorial cohesion, in relation to their identified challenges and priorities, thus helps us to understand where the potential for future development lies.

5 Potential: The Roads to Lisbon and Gothenburg

Chapter 2 discussed the *priorities* of European regional policy instruments in relation to the Lisbon and Gothenburg objectives for growth, jobs and sustainable development and the indicators developed to monitor progress. In Chapter 3, the *results of programming processes* were analysed and in Chapter 4 the *overarching objectives* of sustainable development and territorial cohesion were discussed. This final chapter synthesises all three to consider the different “roads” or strategies that Member States and regions take to achieve the Lisbon and Gothenburg goals.

The “roads” characterise the broad approaches take by Member States to align their cohesion policy programmes to the Lisbon and Gothenburg agendas. The “roads” do not define a mutually exclusive classification system, but are more of a guide to highlight differing emphasis in policy. As such there will be elements of a number of “roads” in many Member State’s programmes.

The comparison has been carried out at Member State level. In some countries, particularly those that are large and regionally diverse such as Germany, there can be significant variation within a Member State. As a result some region’s strategies may appear to be more closely aligned to “roads” pursued by other countries.

In many respects all of the Members States could be considered to be on the same road leading towards Lisbon and Gothenburg. However, their location on the road and hence approach taken varies depending on their stage of development, the challenges they face, their future potential and the scale of EU programmes relative to national action.

One observation that can be made from analysing the different approaches being followed is that Lisbon may well be the first destination that the overall Cohesion Policy road reaches. Therefore one of the challenges faced by all will be to look for more opportunities to develop projects that can contribute to both Lisbon and Gothenburg. There will be obvious trade-offs particularly between economic and environmental goals, but there are also opportunities for synergy, particularly as regards improving productivity and promoting innovation. These opportunities will be highlighted later in the chapter.

The first part of the chapter deals with a description of the different “roads” identified in the study. These descriptions highlight the varying potential of regional policy instruments to contribute to growth, jobs and sustainable development; they also consider the potential bottlenecks that may be faced on following each road.

5.1 Characterising the “roads” to Lisbon and Gothenburg

All 246 Operational Programmes contribute in some way to the Lisbon objectives of growth and jobs and all programmes make reference to the importance of the Gothenburg goal of sustainable development as a complementary destination. However, the routes taken by the various Member States vary.

The description of each “road” in this chapter draws on the analysis of the NSRF, OPs and programming approaches in each Member State. This analysis has led to the identification of two overall approaches:

- EU15 and Regional Competitiveness and Employment regions have a strong focus on innovation, knowledge, R&TD, ICT and entrepreneurship through Cohesion Policy. This can be characterised as the “***innovation and knowledge***” path.
- EU12 and the former Cohesion countries of Greece and Portugal also focus on *innovation, knowledge, R&TD, ICT* and *entrepreneurship*, but in addition give much greater emphasis to *infrastructure development* and *accessibility* as a route to jobs, growth and sustainable development. This can be characterised as the “***infrastructure, accessibility and innovation***” path.

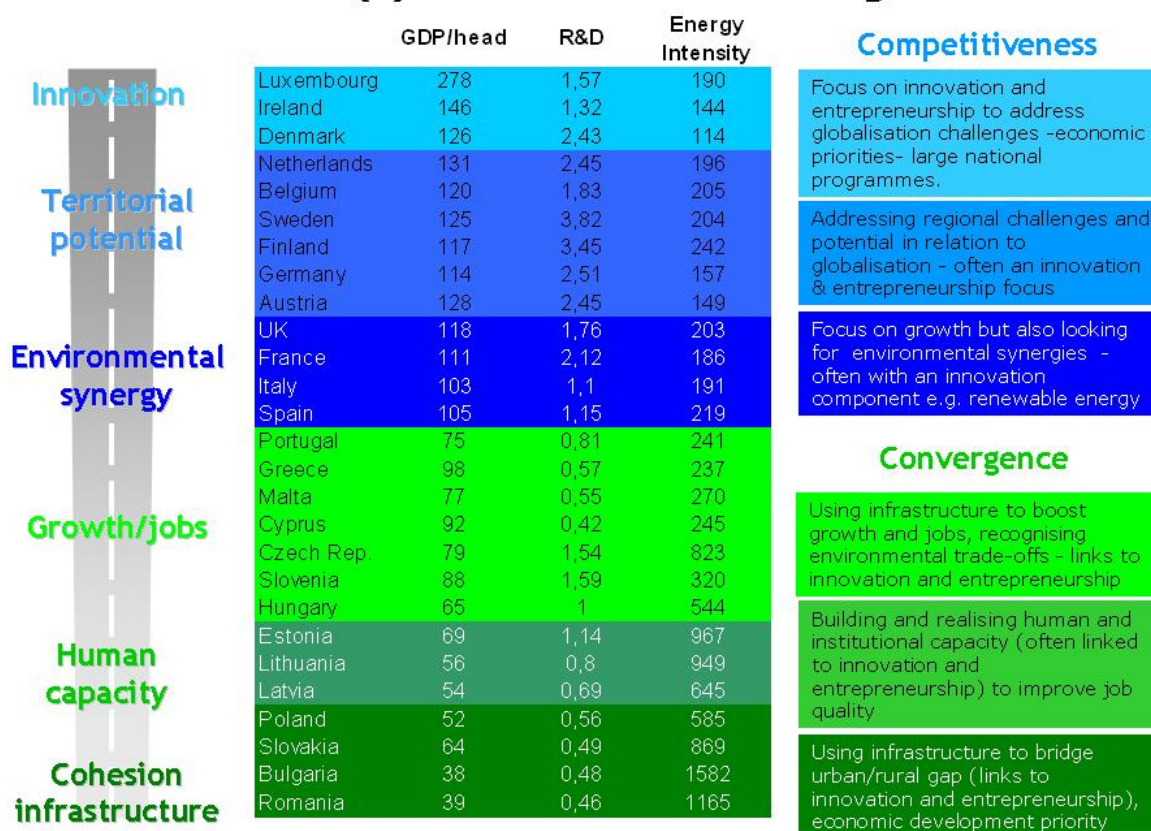
Within each of the main approaches three separate “roads” have been identified.

- Competitiveness (innovation and knowledge)
 - Niche focus on innovation, knowledge, ICT and entrepreneurship
 - Exploiting specific territorial challenges and potentials
 - Developing environmental and economic synergies
- Convergence (infrastructure, accessibility and innovation)
 - Growth and jobs infrastructure
 - Human and institutional capacity
 - Addressing settlement patterns and territorial cohesion

Annex 10 provides a summary in table form of each “road”. Annex 11 is a map showing which road each Member State is pursuing. Figure 12 below gives a summary description of each road and a summary of the latest indicators for each Member State taken from the Commission’s progress report to the Spring European Council.⁴²

⁴² Structural Indicators – Update of the Statistical Annex to the 2008 Annual Progress Report from the Commission to the Spring European Council <http://ec.europa.eu/eurostat/structuralindicators>

Road(s) to Lisbon & Gothenburg



Source: Eurostat, Structural Indicators⁴³

Figure 12: Summary description of the “roads” to Lisbon and Gothenburg

1. Niche focus on innovation, knowledge, ICT and entrepreneurship

This road is characterised by strategies with a *niche* focus on the Lisbon priorities of innovation R&TD, entrepreneurship and knowledge. Countries which best exemplify this approach are Luxembourg, Denmark and Ireland (in particular the Irish Southern and Eastern Programme), and to some extent the Netherlands, although individual programmes in other countries

43 a) GDP indicator corresponds to GDP per capita in Purchasing Power Standards (in 2007) in relation to the European Union (EU-27) average set to equal 100. If the index of a country is higher than 100, this country's level of GDP per head is higher than the EU average and vice versa (the figures have been rounded); b) R&D corresponds to Gross domestic expenditure on R&D (GERD) percentage of GDP, 2006; and c) Energy Intensity corresponds to Gross inland consumption of energy (in 2005) divided by GDP (kilogram of oil equivalent per 1000 Euro; the figures have been rounded).

also follow this “express” road. The challenges that the regions in these countries are facing relate primarily to globalisation and demographic issues.

The priorities in the OPs in these countries are directed towards innovation, knowledge, ICT and entrepreneurship. These are small countries with relatively small Regional Competitiveness and Employment Objective financial allocations. GDP *per capita* in the countries that take this road is higher than the EU-27 average and regional disparities are small. National policy covers other areas (such as environmental protection) that have a bearing on regional policy. Denmark, Ireland and Luxembourg do focus on other priorities and themes in the operational programmes, but innovation, knowledge, ICT and entrepreneurship take centre stage, for example, Denmark has developed specific impact indicators to underline these priorities.

In the countries taking this road the impact of the programming negotiations with the Commission was relatively small, at least in terms of organising the programmes to be in line with the Lisbon and Gothenburg agendas. The programmes were largely already aligned to the agendas. The *ex ante* processes in these countries were iterative and interactive and deemed by national experts to be of good quality. Evaluators in these countries stated that the countries were on their way to fulfilling the Lisbon objectives, although were of the opinion that the indicators set up to monitor this process were too ambitious.

In Denmark, Ireland and Luxembourg sustainable development is integrated into the strategies of the Operational Programmes as an overarching objective, although definitions are not explicitly given. The Danish OP highlights the economic aspects of sustainable development, while the Luxembourg OP highlights the environmental pillar. Environmental or eco-innovation and environmental R&TD are a part of this strategy.

Neither the Danish nor Luxembourg OP makes explicit reference to the term territorial cohesion, although this is addressed implicitly as a way to achieve a more coherent approach to policies with a territorial impact. In Ireland the OPs include explicit geographical targeting.

Bottlenecks on the niche road

While our findings indicate that the regional policy instruments in Denmark, Ireland and Luxembourg have a strong potential to contribute to the Lisbon agenda objectives, the potential to contribute to the themes of the Gothenburg agenda is less direct in Denmark and Luxembourg. Environmental themes are barely covered in either OP. This does not however mean that these countries ignore sustainable development in regional policy. Rather Ireland, Luxembourg and Denmark maintain that development will be sustainable but they do not use ERDF support to this end as the total amounts are relatively small compared to national policies.

Because of the limited Cohesion Policy funding in these countries the potential to efficiently deliver on Lisbon and Gothenburg will also depend on co-ordinated actions with national programmes, policies and private sector activities.

2. Exploiting specific territorial challenges and potentials

The second approach or “road” to the Lisbon and Gothenburg goals that can be identified in the Competitiveness programmes is to direct innovation and knowledge-building efforts to exploit particular regional potential. This strategy is chosen by countries and regions that are dealing with similar globalisation and demographic challenges to the “*niche*” countries, but in addition face specific national or regional challenges. They focus their OPs primarily on the knowledge economy aspects of the Lisbon agenda and have a strong focus on economic growth and employment as well as on urban and rural development.

Examples of countries on this “road” include Belgium, the Netherlands (in addition to showing elements of road 1), Sweden, Finland and Germany. Austria’s strategy follows both this road and road 3. These Member States are primarily made up of Regional Competitiveness and Employment regions and the amount of Cohesion Policy expenditure is relatively small. Germany is however something of an exception here, as it has a broader range of differing objective regions and a much larger allocation of Cohesion Fund money.

GDP *per capita* in these countries is high (above the EU-27 average). What the Member States have in common is how they use Cohesion Policy to achieve the Lisbon objectives in tandem with addressing territorial challenges.

These countries have developed a range of strategies, which they use to build on regional potential. A strong focus on employment measures and growth dispersion within the territory characterises Finland’s strategy. While Sweden, as another large, sparsely populated country, addresses transport accessibility as a means to ensure territorial cohesion. The Netherlands focuses on strengthening urban nodes. Austria’s strategy complements a focus on the Lisbon objectives with interventions directed towards tourism and sustainable energy. Belgium also focuses on energy, and addresses the urban-rural divide. Germany’s main priority after innovation and knowledge is employment and dealing with the territorial disparities between Eastern and Western Germany. While the German Competitiveness regions also focus on energy procurement and renewable energy, the German Convergence regions address infrastructure and transport accessibility (this is similar to approaches seen in roads 4 and 6).

These countries have a strong tradition of regional and national participation and expertise in programming processes. Negotiations on programming documents helped to move the programmes further in the direction of Lisbon by presenting new themes in line with regional challenges. Sustainable development is either integrated into the fabric of the Operational Programmes, or has an emphasis on the economic pillar (except for Austria, which gives priority to the environmental pillar). Territorial cohesion aims to position the regions via co-operation and supporting co-ordinated regional development.

Bottlenecks on the “territorial” road

This group of countries exhibits significant potential to contribute to the Lisbon agenda objectives. Although the allocated expenditure is low (except for Germany which has a high allocation due to the presence of many Convergence programmes in its Eastern areas), the Lisbon-driven efforts have been directed to addressing the specific territorial disparities, gaps and potentials for development. The potential to deliver the Gothenburg objectives in regional policy instruments is not as obvious. The social and environmental challenges of these countries are being addressed at other levels of policy, rather than via Cohesion policy. With the exception of Austria, which utilises fundamental principles of sustainable development in its programmes, sustainable development in the countries should be highlighted to a greater degree as a tandem goal to growth and jobs.

Programmes need to be rooted in the identification of the specific challenges facing individual regions in order to make a potential contribution. There is a risk if objectives and priorities are too focused at the national level. For instance in Sweden, the programmes are similar, but the challenges and potentials of the regions are quite different. Programmes need to ensure that the territorial disparities, challenges and potentials of the regions of each of these countries are addressed in the implementation phase.

3. Developing environmental and economic synergies

The countries that can be grouped under this strategy also have a strong focus on innovation, R&TD, entrepreneurship and on economic growth and employment. However in addition they take a road that complements the focus on the knowledge economy aspects of the Lisbon agenda by focussing on the *intersection between sustainable development and environmental protection to develop synergies* between environmental and economic priorities. Countries in this category comprise the UK, Italy, France and Spain (Austria also exhibits elements of this “road” as well as that of Road 2). The countries in this group are large, “mixed” countries with both Convergence and Competitiveness regions with significant territorial diversity. The GDP *per capita* of the group is also over the EU-27 average. The ERDF allocations are higher than in the first two “roads”, particularly in Spain and Italy. These regions face common challenges such as the need to diversify their economic

base, territorial disparities and procurement of energy and natural assets (such as water in Spain).

While the main focus of these programmes is on innovation, R&TD, entrepreneurship and knowledge, they also include other priorities. They have a strong focus on energy provision (particularly renewable energy), environmental themes, as well as urban or rural development and natural and cultural heritage.

Around half of the programmes interpret sustainable development with an emphasis on the environmental dimension, including all Regional Competitiveness and Employment programmes in this category. In these programmes there is quite a heavy focus on climate change and energy themes and other environmental aspects of sustainable development. In Italy, more than 90% of all Operational Programmes have a specific “energy” axis.

Even more traditional environmental priorities were stressed in these areas (mainly in Spain) like ensuring water quality and quantity and the importance of healthy soil. Environmentally friendly management actions are one of the delivery mechanisms for these themes. They are present in at least half of the programmes in these countries and are connected to specific indicators (usually number or companies that have ISO 14001 certificates or that meet the ECO-labelling for EMAS standards).

Bottlenecks on the environmental and economic synergies road

The potential for this approach to contribute to the Lisbon and Gothenburg objectives is high based on the integration of innovation and knowledge, with job creation and environmental opportunities (eco-innovation). Programmes on this “road” emphasise in particular the delivery mechanisms of sustainable development, such as environmental management practices. The Gothenburg agenda objectives are highlighted in a bid for sustainable growth, as well as in an attempt to address pressing environmental problems, such as waste and water provision, particularly in the southern parts of Italy and Spain.

A potential bottleneck could be that there is not enough distinction made between the different conditions and needs in Convergence and Competitiveness regions in these countries. The focus on the link between innovation, energy and economic development may not fit for all regions, particularly those that also highlight more traditional infrastructure and environmental management issues for cohesion policy attention.

4. Securing growth and jobs

This “road” is taken by countries with mainly Convergence regions (Malta, Greece, Portugal, Hungary and the Czech Republic, Cyprus and Slovenia to some extent). It focuses on transport accessibility and infrastructure, as well

as employment measures that are complementary to greater “innovation and knowledge” activities to attain the Lisbon and Gothenburg objectives. The challenges that these countries face include the need to provide an infrastructure for entrepreneurship, to overcome the “digital divide” and in general improve accessibility. These countries all have a GDP *per capita* under the EU-27 average and are recipients of relatively larger allocations under both Objectives. The higher allocations thus permit the development of transport infrastructure.

The goal of facilitating entrepreneurship and creating employment is important in these countries. Better utilisation of human potential is linked to boosting entrepreneurship and tourism opportunities.

The *ex ante* evaluation processes these countries generally influenced the programming documents in a positive way, although if the process could have been more open and transparent. Negotiations with the Commission helped the programmes to have more of a Lisbon as well as a Gothenburg focus.

Due largely to the thematic Transport Operational Programmes in these countries, there were explicit trade-offs between the different dimensions of sustainable development, mainly between economic efficiency and environmental concerns. The programmes within these countries took an integrated view of sustainable development. Territorial cohesion is seen as a way to exploit regional potential or reduce imbalances within countries. Greece, Hungary, Portugal and the Czech Republic are characterised by a strong capital city region (Regional Competitiveness and Employment objective) within an otherwise Convergence-type national landscape. Thus reducing the national imbalances through transport accessibility and closing the “digital divide” remain important.

Bottlenecks on the growth and jobs road

Countries that take this road see transport and ICT infrastructure as a way to enhance accessibility, boost regional competitiveness and create jobs. The focus on fulfilling basic infrastructure needs in the programmes is supplemented by strategies to boost “innovation and knowledge.”

There is also an opportunity to ensure that the quest for more jobs is complemented by giving greater attention to *better* jobs. For example, unless the focus on tourism is linked more to knowledge and innovation into increase value added its impact on regional development may be minimal. In the same vein, tourism programmes should have a sustainability dimension. The creation of sustainable transport should be addressed to a greater degree in this category of countries by explicit trade offs between economic efficiency and environmental protection. Only Cyprus and the Czech Republic Transport OP do this.

5. Human and institutional capacity

Programmes on this “road” focus on securing *better* jobs. This is aimed for by increasing human capacity via interventions addressing the mismatch between labour and educational levels; reducing high educational costs, discouraging “brain drain” and boosting entrepreneurship and accessibility. The countries in this category are the Baltic States – Estonia, Latvia and Lithuania. Other countries also travel this route with a focus on human and institutional capacity, but the Baltic States have incorporated this strategy to a greater degree in their programmes, as a complement to ESF programmes. These countries have a GDP *per capita* that lies below the EU-27 average and have comparatively small Cohesion policy allocations due to their small population size, although they are significant in terms of support per capita.

Priorities taken along this road vary from innovation and knowledge, to transport infrastructure in addition to capacity building. Learning from the past period as well as from the experience of other Member States is an important element of boosting capacity for the countries on this road, particularly the transfer of knowledge in the *ex ante* evaluation and SEA processes. The OPs in these countries present an integrated conception of sustainable development, but with an emphasis on the economic pillar and the role of investments and economic growth as conditions for sustainability. The reduction of local and regional problems and improving connections from urban centres are the territorial cohesion goals.

Bottlenecks on the human and institutional capacity road

By allocating regional policy funding to boost human and institutional capacity, these countries are starting to address the under-utilisation of capacity. This is a long-term strategy, which goes beyond the programme period and should be followed up by national strategies and programmes addressing other important obstacles and bottlenecks. Particular attention will have to be paid to the effective implementation and governance arrangements in the delivery of these programmes.

6. Addressing settlement patterns and territorial cohesion

Another strategy taken by countries with almost exclusively Convergence regions is to use Cohesion policy to address settlement patterns and territorial disparities as a complementary route to a focus on “innovation and knowledge”. Slovakia, Bulgaria, Romania and Poland are taking this route. Slovenia is partly on this road as well, although it straddles the line between the “roads 4 and 6”. All of the countries taking this road lie well below the EU-27 average in terms of GDP *per capita* and have medium-sized allocations (with the exception of Poland, which has the largest Cohesion Policy allocation of any country). The main challenges experienced by these countries are the “digital divide”, accessibility, dealing with skewed

settlement patterns and the concentration of jobs in urban areas, transport and.

Transport is the main instrument used to address territorial disparities. However the difference between this road and road 4 is that rather than being seen as a primary tool to achieve growth and jobs, transport is focussed more on narrowing the urban-rural divide and strengthening growth poles as hubs of innovation, entrepreneurship and knowledge. The countries that take this road tend to be more polycentric⁴⁴ than those in "road 4", thus the focus on growth poles is reinforcing patterns in already more spatially dispersed systems.

Countries and programmes on this road generally view sustainable development in the longer term. Two-thirds of the programmes focus in the main on the economic pillar of sustainable development. The development of environmental infrastructure is seen as a condition for sustainable economic growth and a better quality of life. Territorial cohesion and balanced development is a critical aim of these countries.

Bottlenecks on the settlement patterns and territorial cohesion road

In Bulgaria sustainable development is adequately addressed in the priorities of the Operational Programmes, but the country's pattern of sectoral governance may hinder the regional policy instruments from recognising a truly integrated approach. The same tendency is seen in the Polish programmes, which in general do not view territorial development in terms of networks of development poles but instead as interventions in isolated sectors (urban revitalisation, culture, entrepreneurship, tourism etc). Dispersing resources over as many priorities as possible is a way of supporting growth and counterbalancing spatial imbalances in some regions. But better results could be achieved with more streamlined and concentrated Operational Programmes. Co-ordination among various governance sectors and the private sector is necessary, if such a concentrated approach is to work. The question is then whether territorial cohesion and sustainable development can be delivered through an approach based on boosting the existing growth poles. If so then strategies need to ensure that there are sufficient "spill-over" mechanisms to encompass peripheral and disadvantaged areas.

⁴⁴ Here polycentric development refers to the synthetic polycentric index based on size, location and connectivity (map 3.4 p.77) as demonstrated in ESPON 1.1.1 "Potentials for Polycentric development in Europe. Final Report. March 2005.

5.2 Bringing the roads to Lisbon and Gothenburg closer together

Our results indicate that the Lisbon agenda has a stronger influence on Cohesion Policy instruments than the Gothenburg agenda. As economic challenges develop following the global financial crisis this trend is likely to be reinforced as short term pressures to increase growth and employment intensify. There are however opportunities to make progress on the three main fronts of sustainable development simultaneously and the stronger public sector influence on the economy in the wake of the 'credit crunch' offers the opportunity to exploit these synergies to achieve the widest possible public good.

The chart below highlights where some of the most significant shared interests between the three pillars of sustainable development lie. There are already examples within the current Operational Programmes of efforts to make the most of these links. This is a dimension of regional policy that possibly offers the greatest potential to the achievement of Lisbon and Gothenburg goals. Opportunities for significant synergies include:

- Increasing productivity and hence growth and competitiveness by more efficiently exploiting material inputs, e.g. by building on the lessons of "lean" manufacturing (this could have particular relevance to the less energy efficient convergence countries)
- Stimulating greater research and innovation in technologies and approaches to generating and conserving energy
- Improving the health and well being of the workforce and hence its productivity by improving the quantity and quality of employment
- Conserving and enhancing the environment to improve quality of life and well being and make places more attractive to mobile investment and talent

These are a few examples of where obvious synergies lie; the challenge is to embed this 'win-win' approach across as many elements of Cohesion Policy as possible.

Sustainable development synergies

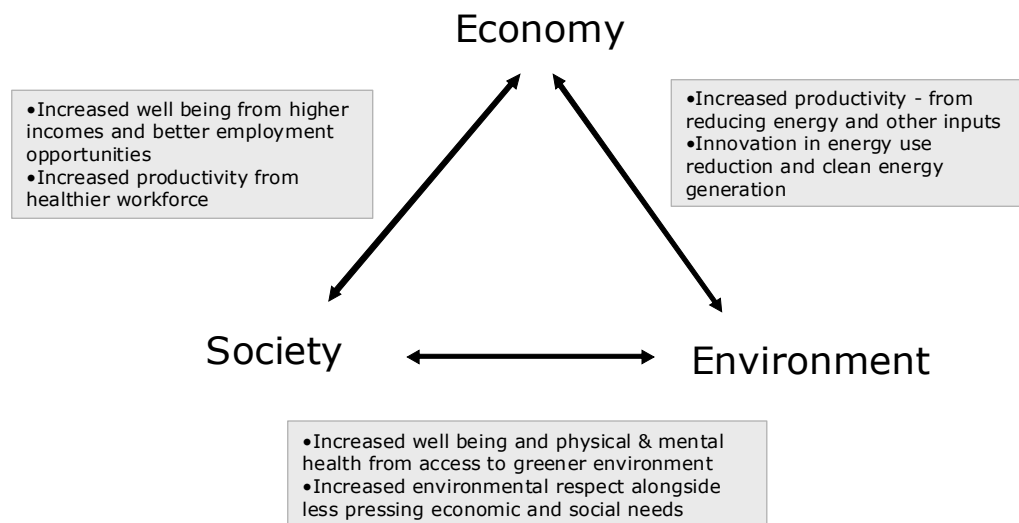


Figure 13: Sustainable Development synergies

5.3 The roads to Lisbon and Gothenburg – a summary

It is clear from this study that in delivering the Lisbon and Gothenburg agenda objectives of growth, jobs and sustainable development through regional policy instruments, there is no “one-size-fits-all” solution. Rather, there are a number of approaches that are being taken within the same overall direction of travel. This is not surprising; as each Member State starts its policy and programme development from a different place depending on its development history and future potential this diversity makes sense.

The important thing is that each country’s strategy is internally coherent while contributing to the overall aspirations of the EU.

The fact that a number of different routes to Lisbon and Gothenburg at a national level can be observed in Operational Programmes indicates that an important step in the national implementation of the Lisbon and Gothenburg agendas is occurring. This national interpretation of the Lisbon and Gothenburg agendas is a first step to ensuring that Regional policy instruments will be co-ordinated in national policy and adapted into a sub-national setting. The influence however is not all one-way. Regional policy instruments have been useful in several countries (such as Spain) to help give substance to the influence of Lisbon and Gothenburg priorities on national policies.

At this early stage of the programmes most attention has been focussed on strategies and plans. It is impossible at this stage to assess how strategic intent will translate into programme implementation. Nevertheless the analysis of the policy documents, priorities and drafting processes sheds light on programmes that have a particular potential or which may suffer from implementation constraints.

Possible bottlenecks on the road to Lisbon and Gothenburg include, weak governance, insufficient matched funding, capacity constraints and unclear national policy particularly as regards an integrated view of sustainable development.

Regional policy instruments are not aimed at and cannot deliver the Lisbon and Gothenburg objectives on their own. There is a need to complement and co-ordinate these interventions with national, federal, regional and local strategies to achieve growth, jobs and sustainable development. Cohesion policy can, however, make an important contribution to reaching the goals of Lisbon and Gothenburg more efficiently and more effectively. Its ability to do this will be enhanced by focussing programmes on those actions that can help realise the potential synergies between the Lisbon and Gothenburg agendas.

6 Hypothesis revisited

At the start of this study we put forward three hypotheses, which could help assess the potential of regional policy instruments to contribute to the Lisbon and Gothenburg agendas.

- Even if the programmes are strategically aligned with Lisbon and Gothenburg how effective are they actually likely to be in delivering jobs, growth and sustainable development?
- To what extent are the Operational Programmes strategically coherent in relation to the potential of each region and the goals of Lisbon and Gothenburg?
- Is there likely to be a significant trade off between generally longer term Gothenburg goals and the more medium term Lisbon goals, particularly in Convergence countries?

6.1 Effectiveness

Our analyses of the Operational Programmes and the indicators chosen to monitor their progress, shows a clear strategic intent to frame Cohesion Policy interventions in the direction of the Lisbon and Gothenburg agendas for growth, jobs and sustainable development.

The Operational Programmes reflect the priorities and strategies of the National Strategic Reference Frameworks (NSRF). The NSRFs tend to be more focused and narrower in scope in the EU15 relative to the EU12. In some cases (like in Denmark and Ireland) this reflects a reduction of funding in this programming period compared and the small scale of EU funded programmes relative to national action. In the EU12 the NSRFs tend to cover a broader range of the priorities as set out reflecting the relative scale of EU funded activity.

Programming priorities are generally in line with the Community Strategic Guidelines; around 10% of the programmes identify challenges and opportunities which the CSG do not specifically address, such as tourism, sustainable urban development and climate change adaptation. In addition to strategic alignment there is also clear evidence of budget allocations reflecting Lisbon and Gothenburg.

The indicators in Operational Programmes across the EU are generally in line with the CSG priorities, although they tend to be more focussed on Lisbon objectives than Gothenburg in both Competitiveness and Convergence programmes. For example, the core indicators have a strong leaning towards

monitoring the economic growth dimensions of the Lisbon objectives, although greenhouse gas reduction and renewable energy production are also used.

If genuine sustainable development is to be achieved, which builds on the synergies between the economic, social and environmental aspects, programmes would benefit from the development of core indicators that better reflect the integration of all pillars. Several countries are probing the use of sustainability indicators to monitor strategic coherence among the Lisbon and Gothenburg priorities. Examples include indicators on the number of firms supported/assisted adopting Environmental Management Systems (UK and Italy), the number of local climate plans initiated (France) or the ecological footprint (Hungary) and "carbon footprint" (UK) indicators. These may offer lessons for others to build on.

6.2 Strategic coherence

The *ex ante* evaluations of programmes and the negotiations with the Commission on programming documents were two processes which offer the opportunity to ensure the strategic coherence of the programmes in linking the needs and opportunities of regions with EU priorities.

Evaluations in EU-15 Member States tended to focus on the social and economic disparities, gaps and potential for development, while in the EU-12 Member States the evaluations appraised the territorial disparities within regions and countries.

The overall value added of the *ex ante* evaluations to helping the programmes move towards the Lisbon goals positive in all countries. However, there was some criticism of them in around a third of the countries (both the EU-15 and EU12) because it was felt they focussed more effort on ensuring coherence with Community priorities than on ensuring that programmes matched regional needs and opportunities. Only around 10% of evaluations gave specific recommendations about how the programme could be simultaneously focussed on Lisbon or Gothenburg goals and realising regional potential.

Factors that influenced the *ex ante* evaluation processes were timing restrictions, openness of the process, or the soundness of the socio-economic analysis of the region's disparities and potentials. Making the evaluation process more open and interactive may offer the opportunity to make the process more responsive to the needs of the regions.

Negotiations with the Commission on programming documents also played a significant role in facilitating coherence with EU priorities. In the Convergence regions in particular the negotiations with the Commission directed the programmes towards both Lisbon and Gothenburg strategies. The

negotiations with the Commission helped the programmes increase their contribution to the Lisbon goals, although not to the same extent as in the Convergence programmes, since many of the Competitiveness OPs had already structured their Operational Programmes to be in line with Lisbon priorities.

6.3 Temporal Coherence

If Cohesion Policy is to help contribute to the creation of growth, jobs and sustainable development in Europe's regions it will be necessary to employ a view of sustainable development which integrates the short to medium-term Lisbon goals and the longer term Gothenburg agenda priorities. While all programmes discuss the three pillars of sustainable development, in reality, the balance of many programmes is weighted towards either the economic or environmental dimension. Most programmes put greater emphasis on the economic dimension, although they stress that growth must be sustainable. The road to Gothenburg is less direct, but is not ignored and some countries such as Spain, Italy, France and the UK are actively looking to achieve real sustainable development synergies in their regional policy instruments.

Many programmes do not address the time dimension of sustainable development, particularly those in regions that define sustainable development with a weight on the economic pillar. Programmes that focus on the environmental dimension or take an integrated three-pillar approach implicitly (but rarely explicitly) recognise the differences between long-term and short-term goals. Programmes with a primarily social focus are mainly concerned with the mid to short term. Very few of programmes explicitly address trade-offs between the various dimensions of sustainable development including the trade-offs of the time dimension.

Given the level of economic development in Convergence countries, it would be reasonable to assume that temporal incoherence may be greatest here. Contrary to this assumption, the study found no evidence that the Convergence region programmes are finding it more difficult to deal with the different timeframes of the Lisbon and Gothenburg agendas. Despite the strong economic growth focus of programmes it cannot be said that short-term economic growth takes undue precedence over longer-term economic, social and environmental development in the priorities and strategies of their Operational Programmes. Indeed the mixture of economic, environmental and social themes in EU policies probably helps contribute to a broad based approach to sustainable development in these countries.

A related question is the relative balance of promoting the greater application of knowledge/innovation relative to infrastructure investment in Convergence regions to achieve growth, jobs and sustainable development. There is a

concern that too strong a focus of Cohesion Policy interventions in transport and infrastructure may hinder long-term development⁴⁵.

There is also a balance to be struck between the degree to which convergence programmes focus on building up potential growth poles (as in Road 4) or address territorial imbalances by improving infrastructure connections to more remote areas (as in Road 6). This may appear to be about geographical balance but it also has a temporal dimension. Focussing on growth poles may have short-term benefits, but failure to fully integrate all parts of the country may generate economic or social constraints in the future and waste potentially valuable economic assets.

6.4 Conclusion

There is evidence from this study that regional policy instruments do indeed have significant potential to contribute to the Lisbon and Gothenburg agendas and that the 2007-13 programmes have made a positive start in this regard. This potential varies depending not only on the strategies of the programmes, but also the stage of development, size, economic potential, political priorities and the scale of Cohesion policy relative to domestic policy. The challenge now is to implement the programmes to achieve their full potential. This will not be easy in the midst of a global economic crisis, as regions and Member States re-think their economic priorities. This report demonstrates, however, that the depth of the processes undertaken to design appropriate Cohesion Policy strategies will have an impact on providing growth, jobs and sustainable development. Implementing those strategies is more important than ever as they can not only contribute to the Lisbon and Gothenburg objectives, but also help mitigate the economic problems facing regions.

⁴⁵ Bachtler and Gorzelak (2007): Reforming EU Cohesion Policy: A reappraisal of the performance of the Structural Funds in Policy Studies, Vol. 28, No. 4, 2007. Routledge: Taylor & Francis Group.

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Annex 1. Identification of the team of National Experts

A trans-national project team has been brought together with a view to pooling existing knowledge and expertise in the field of Cohesion policy and its links with the Lisbon and Gothenburg Agendas.

Country	Partner	Experts involved
Sweden	NORDREGIO	Lisa Van Well, Petri Kahila, Alexandre Dubois, Peter Schmitt, José Sterling, Ole Damsgaard , Jon Moxnes Steineke, Stephanie Lang
	SWECO	Kai Böhme
Austria	ÖIR	Bernd Schuh
Belgium	PhDB Consultants	Philippe de Boe
Bulgaria	NCRD	Mary Novakova
Greece	SYSTEMA	Yanni Papapanagiotou
Czech Republic	REC	Johanna Siedler
Estonia	Geomedia	Rivo Noorkõiv
Italy	EU-Polis	Marko Santangelo
Latvia	Deabaltika	Inga Brieze
Lithuania	BGI Consulting	Jonas Jatkauskas
Malta	E-CUBED Consultants	Gordon Cordina
Netherlands	OTB Delft	Wil Zonnveld and Bas Waterhout
Poland	EUROREG	Marek Kozak
Portugal	IESE	Oliveira das Neves
Romania	CEFIDEC	Dănuț Gițan
Slovakia	REC	Venelita Verbora
Slovenia	IPOP	Marko Peterli
Spain	Quasar consultores	Susana Hernandez
United Kingdom	EPRC	John Bachtler/Rona Michie

Annex 2. OPIS Framework methodology

The main methodology used in the quantitative and coding exercises of the study has been the "OPIS" framework devised by the Lead partner and the Core Team partners for analysing and weighting policy documents in a manner that allows for relative quantifications to be made. The OPIS framework of analysis was designed to show the extent of the focus on the Lisbon and Gothenburg Agenda priorities at the National level, the Operational Programme level and the Objective level.

The OPIS framework was developed by the Core Team and used by the National Experts in the analysis of the Lisbon/Gothenburg goals in each of the Operational Programmes. The Lisbon and Gothenburg themes in the various documents were coded in two different dimensions, 1) objectives and/or challenges, and 2) calls for action: These dimensions are then further specified into **O**bjectives and **P**rimarily Themes and **I**ntentions for action and **S**pecific calls for action respectively. In order to make the **OPIS** framework quantifiable, a numeric value was assigned to each possible combination between the **O**, **P**, **I** and **S**, giving them relative weights.

1) Objectives and Challenges

O: *Objectives*: The Lisbon and Gothenburg goals are mentioned in the documents (NSRFs, NRPs or NSDSs) as **specific objectives to be achieved**. They address a general challenge of the document, (such as "to improve accessibility in peripheral areas" or "reduce youth unemployment").

P: *Primary themes*: The Lisbon and Gothenburg goals are referred to in the documents (NSRFs, NRPs or NSDSs) as **global themes that are ongoing in the document** (such as "transport" or "innovation". In the Danish case, the title and main direction of the document is "Innovation and Knowledge" and thus these themes and those specifically related to this, such as ICT usage, were coded as such. In Denmark there were only 3 Primary themes in the Operational Programmes and no primary themes in the NRP, NSFR and NSDS since these highlighted a variety of themes).

Note that *O* (objectives) are more specific while *P* (Primary themes) are of a more global or over-arching character in this dimension.

2) Calls for Actions

I: *Intention*: The Lisbon and Gothenburg goals are defined as an intention for future action, which occur as a consequence of individual

or combined activities. They also include statements of a preferred or desired state. (i.e. Innovation: "Denmark will be among the top five innovative countries in the EU").

S: *Specific actions*: The Lisbon and Gothenburg goals are described as detailed actions which have clearly identified results or end products. Specific actions include reference and implementation of measurable indicators. (i.e. "Innovation: By 2013 at least half of Danish enterprises are innovative")

Note that *I* (Intentions) are more general than *S* (Specific Actions) in this dimension.

National Experts have thus coded the Lisbon/Gothenburg goals as "*O*" or "*P*" or "*I*" or "*S*" or a binary combination of *O* or *P* and *I* or *S* in the dimensions shown in Figure 14, next page:

OPIS Figure's Methodology

In order to make the OPIS framework quantifiable, a numeric value was assigned to each possible combination between the *O*, *P*, *I* and *S*, giving them relative weights.

In order to obtain the results by **themes**, the numeric values were summed for each Lisbon and Gothenburg theme.

However, as both Objectives and countries have a different number of Operational Programmes, a calculation of the average on the results is made in order to make them comparable:

i. Summary charts per Objective – Synthesis report (figures 2 and 3):

To obtain the extent of the themes in the Operational Programmes **by Objective** (Competitiveness, Convergence) each result by **theme** is divided according to the number of Operational Programmes each Objective has.

= Σ OPIS's relative weights by theme of all OP's in the Objective group / number of OP's per Objective

ii. Country charts – National Reports:

To obtain the overall picture of the extent of the themes **by countries**, (through the results by Operational Programmes) each result by **theme** is divided according to the number of Operational Programmes each country has.

= Σ OPIS's relative weights by theme of all OP's in the country / number of OP's per country

The final values in both cases are showing the priority of extent or emphasis on each Lisbon and Gothenburg themes. In the figures a higher emphasis is existing when a Lisbon or Gothenburg theme is classified as both primary theme 'P' and specific action 'S' and decreases the emphasis when themes are just classified as single Objectives 'O' or Intentions 'I': '**Greater extent**' means a main priority theme of the programme with clear actions; and '**Less extent**' means a less emphasised theme with unclear intentions for future action.

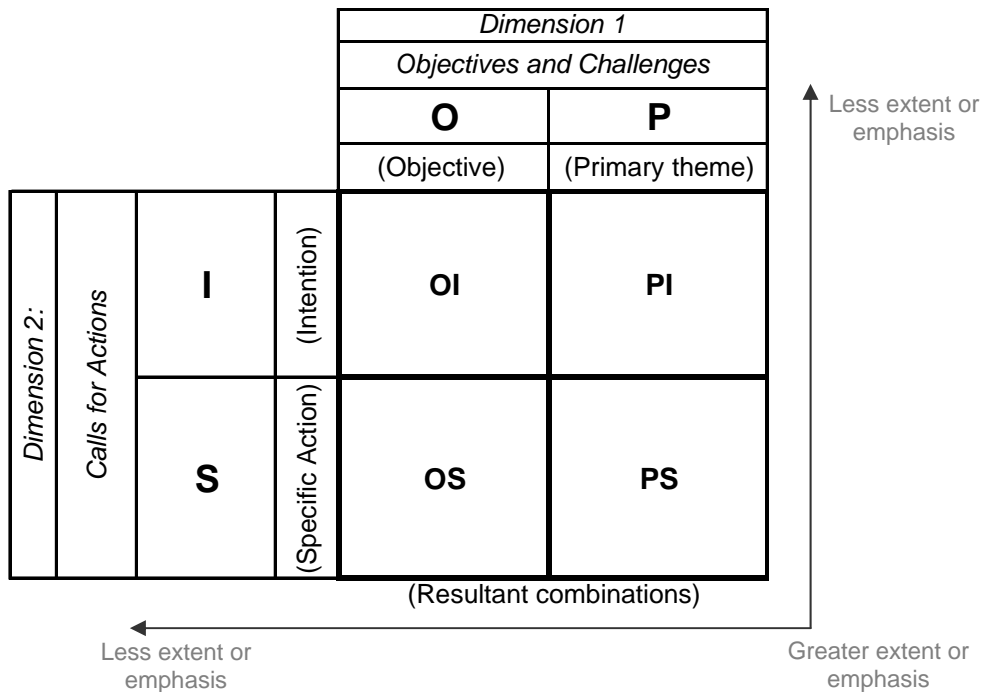


Figure 14: OPIS scheme

For some of the Lisbon/Gothenburg priorities only one dimension was stated. Priorities that were not addressed were left blank. Coding was done directly onto a datasheet to enable easier analysis.

Annex 3. Core indicators by theme

Table 9: Core Indicators used in OPs by theme

<i>Core indicators Core Indicators used in ERDF/CF Programmes by theme</i>	<i>Competitiveness</i>	<i>Convergence</i>
Programme level		
(1) Gross direct jobs created (full time equivalents)	85,1	76,0
(2) - for men	19,6	13,1
(3) - for women	19,6	14,4
Research & Technological Development		
(4) No. of RTD projects	24,2	13,1
(5) No. of cooperation projects enterprises/research institutions	70,2	45,9
(6) Research jobs created (preferably 5 yrs. after project start)	40,3	38,0
Direct Investment Aid to SMEs		
(7) Number of projects	17,3	28,8
(8) - of which no. of start-ups supported first two years	6,9	9,2
(9) Jobs created (gross, full-time equivalents)	11,5	15,7
(10) Investment induced (million €)	46,0	43,2
Information Society		
(11) No. of projects	16,1	18,3
(12) No. of additional population covered by broadband access	18,4	24,9
Transport		
(13) No. of projects	35,7	53,7
(14) km of new roads	4,6	61,6
(15) - of which TEN	0,0	7,9
(16) km of reconstructed roads	0,0	35,4
(17) km of new railroads	0,0	6,6
(18) - of which TEN	0,0	5,2
(19) km of reconstructed railroads	0,0	21,0
(20) Value for timesavings in €/yr stemming from new/reconstructed roads for passenger/freight	1,2	22,3
(21) Value for timesavings in €/yr stemming from new/reconstructed railroads for passenger/freight	0,0	15,7
(22) Additional population served with improved urban transport	6,9	18,3
Renewable Energy		
(23) No. of projects	38,0	30,1
(24) Additional capacity of renewable energy production (MWH)	9,2	7,9
Environment		
(25) Additional population served by water projects	1,2	35,4
(26) Additional population served by waste water projects	0,0	28,8
(27) No. of waste water projects	4,6	34,1
(28) No. of projects on improvement of air quality	2,3	11,8
(29) Area rehabilitated (km ²)	16,1	28,8
Climate change		
(30) reduction greenhouse emissions (CO ₂ and equivalents, kt)	40,3	24,9
Prevention of risks		
(31) No. of projects	26,5	34,1
(32) No. of people benefiting from flood protection measures	8,1	21,0
(33) No. of people benefiting from forest fire protection and other protection measures	0,0	3,9
Tourism		
(34) No. of projects	5,8	23,6
(35) No. of jobs created	3,5	13,1

Education		
(36) No. of projects	2,3	24,9
(37) No. of benefiting students	4,6	24,9
Health		
(38) No. of projects	2,3	22,3
Urban issues - physical/environmental regeneration		
(39) No. of projects ensuring sustainability and improving attractiveness of towns/cities	28,8	36,7
Urban issues - competitiveness		
(40) No. of projects seeking to promote business, entrepreneurship, new technology	10,4	7,9
Urban issues - social inclusion		
(41) No. of projects offering services to promote equal opportunities and social inclusion for minorities/young people	10,4	11,8

Annex 4. Main disparities, gaps and potentials per Member State

Table 10: Disparities, gaps and Potentials per Member State

Identified and appraised in evaluations?	Disparities	Gaps	Potentials for development
<p>1. Austria</p> <p>Not identified by evaluations (but appraised as sufficient)</p>	<p>Territorial disparities regarding:</p> <ul style="list-style-type: none"> - level of R&TD, R&TD infrastructure (technology transfer) - level of income (also in contrast to neighbouring countries) - job centres (esp. Vienna) in contrast to rural areas - demography - level of education 	<p>SMEs weak awareness for innovation and cooperation, critical masses for cluster to small in some areas</p> <p>number of jobs in rural areas</p> <p>low dynamics of start ups</p> <p>relatively low share of high educated persons</p> <p>low level of risk financing</p>	<p>Existing fields of competence, strengthening of clusters</p> <p>renewable energy and energy efficiency as environmental and economic factor</p> <p>position of Austria within EU and good conditions regarding location infrastructure</p> <p>cooperation between enterprises, strengthening of know how transfer from research institutions</p>
<p>2. Belgium</p> <p>Identified and appraised in evaluations</p>	<p>Social and economic disparities</p>	<p>Number of jobless, social exclusion, lack of non-qualified jobs, environmental pressures, gaps in creativity, entrepreneurship, innovation</p>	<p>Young and multi-cultural population (Brussels), national and international influence of region</p>
<p>3. Bulgaria</p> <p>Identified in evaluations</p>	<p>Limited institutional technical and financial capacity, insufficient partnerships for initiating projects</p> <p>Disproportion in distribution of enterprises</p>	<p>Growth rates insufficient to overcome lags in GDP per capita</p> <p>Low GDP per capita, high energy intensity of economy, outdated production technologies</p>	<p>Cities relatively well distributed throughout territory with access for the non-urban areas</p> <p>Strong growth trend in tourism industry</p> <p>Access of businesses to SF</p> <p>Increasing contribution of SMEs in the GDP</p>
<p>4. Cyprus</p> <p>Identified in evaluations</p>	<p>Lack of productivity, particularly in tourism, focus on services of low added value, lack of new technological systems</p>	<p>Loss of some cultural resources</p>	<p>Strategic geographical position of country, Development of ICT and R&TD potential, potentials for energy networks and promoting renewable energy resources</p>
<p>5. Czech Republic</p> <p>Identified and appraised in evaluations</p>	<p>Disparities in settlement patterns, Urbanisation and regional centres as poles of growth not utilised enough</p>	<p>Insufficient focus on the need for second order transport within municipalities and insufficient consideration on the effect of transport on environment</p>	<p>Unique cultural and natural assets for tourism development, potential for increased competitiveness through innovation and the role of regional growth poles</p>

<p>6. Denmark</p> <p>Identified and appraised by evaluators</p>	<p>Some economic and educational regional disparities between central and peripheral areas</p>	<p>Need to deal with Globalisation And Demography (mainly aging population) challenges</p>	<p>Strong economy, thus allowing SF interventions to stimulate growth directly or indirectly</p>
<p>7. Estonia:</p> <p>Not identified or appraised by the evaluations</p>	<p>Not specified</p>	<p>Not specified</p>	<p>OP itself fails to provide a full picture of sectors. Critical of SWOT analysis</p>
<p>8. Finland</p> <p>Identified and appraised by evaluations</p>	<p>Structural problems, particularly in the eastern part and need to enhance accessibility</p>	<p>Weak connection to national rural development strategy, need to link development to role that Russia plays as a neighbour</p>	<p>Potential in deepening the rural approach</p>
<p>9. France</p> <p>Identified and appraised by evaluations</p>	<p>Environmental issues and non-technical innovation should be more integrated into territorial diagnostic. Role of the Space industry to be better emphasised (Guyana)</p>	<p>Need to deal to a greater extent with issues of sustainable development, lifelong learning, cross-border issues</p>	<p>Potential in well- developed transport issues, dynamic SMEs, potential for renewable energy projects</p>
<p>10. Germany</p> <p>Identified and appraised by evaluations</p>	<p>Disparities in socioeconomic development, uneven distribution of employment, regions disparities between rural and urban areas. Disparities in basic infrastructure and human capital</p>	<p>Gaps in gender mainstreaming, assessing environmental impacts of transport. More emphasis on innovation new jobs, low GDP epr capita in some areas</p>	<p>Competitive city structure, High R&TD potential within enterprises. Good education levels and economic and trading networks. Potentials for SMEs</p>
<p>11. Greece:</p> <p>Identified and appraised by evaluations</p>	<p>-Need for greater and more even ICT penetration -Territorial disparities -Quality of life concerns</p>	<p>Transport gaps and gas in accessibility and environmentally friendly transport Governance concerns</p>	<p>Good coherence between SF strategy and challenges of regions</p>
<p>12. Hungary</p> <p>Not specifically identified by evaluations and appraised</p>	<p>Large regional disparities in some areas , infrastructure problems (i.e. drinking water), low level of direct investments</p>	<p>Insufficient public services, transport and environmental conditions Gaps in creating adequate environment for attracting investments</p>	<p>Potentials in tourism and development of settlements in underdeveloped regions</p>
<p>13. Ireland</p> <p>Identified and appraised by evaluations</p>	<p>-Weakness in Lisbon-related drivers -Weak R&TD -Relatively weak urban structure</p>	<p>Need to address groundwater protection (rural environments) and renewable energy</p>	<p>Possibilities for SF intervention to contribute to strategic goals</p>

<p>14. Italy</p> <p>Identified and appraised by evaluations</p>	<p>Too much focus on economic strong areas as “engines”</p> <p>Polarisation of per capita incomes, depopulation of rural areas in favour of urban areas, absence of developed entrepreneurial system, low regional accessibility, low environmental quality in some areas</p>	<p>Slow development of productivity, insufficient human resources, highly seasonal tourism, low patent intensity, scarce investment in R&TD</p>	<p>High technological potential and flexible entrepreneurial system, development of energy-friendly technology, natural and cultural heritage, good tourism potential</p>
<p>15. Latvia</p> <p>Identified and appraised by evaluations</p>	<p>Lack of qualified labour force in regions, making entrepreneurial actions difficult</p>	<p>Not identified in evaluation</p>	<p>Potential to promote distance working in some regions rather than creation of new enterprises</p>
<p>16. Lithuania</p> <p>Only gaps Identified and appraised by evaluations</p>	<p>Not identified in evaluation</p>	<p>Present RTD system is poorly developed, as well as poor private investment resulting in poor absorption capacity of interventions</p>	<p>Not identified in evaluation</p>
<p>17. Luxembourg</p> <p>Identified and appraised by evaluations</p>	<p>Female unemployment rate should be highlighted in relation to labour market</p>	<p>Cross-border working force identified as a threat to territorial diagnostic</p>	<p>The stronger emergence of the tertiary sector as an important potential</p>
<p>18. Malta</p> <p>Identified and appraised by evaluations</p>	<p>Sluggish economic growth</p>	<p>Dependence on imported fossil fuel and irregular migration,</p>	<p>Potentials in restructuring the manufacturing sector towards higher value added and further development of the financial sector</p>
<p>19. Netherlands</p> <p>Only disparities identified and appraised by evaluations</p>	<p>Weak innovation capacity in parts of industrial sector, labour market threats and ageing population, transport infrastructure connections</p>	<p>Not identified by the ex ante</p>	<p>Not explicitly identified in the ex ante</p>
<p>20. Poland</p> <p>Identified and appraised by evaluations</p>	<p>Confirms the Programmes’ disparities</p>	<p>Lack of institutional, social, spatial and economic structures, in environmental protection, transport, energy, cultural heritage, healthcare and higher education</p>	<p>Variety of natural resources, biodiversity, well developed rail network, liberalised transport market, favourable demographic structure, polycentric structure of settlements</p>
<p>21. Portugal</p> <p>Identified and appraised by evaluations</p>	<p>Growing competition on all markets, need to reinforce peripheral position of country</p>	<p>Pockets of social exclusion. Mobility problems, predominance of tourism sector</p>	<p>Environmental attraction value</p>

22. Romania	Disparities between urban a rural areas; limited institutional technical and financial capacity, insufficient infrastructures; limited capacity to achieve the knowledge base society	Not specified	Potential for big urban areas to become future growth poles as motors for socio-economic development
23. Slovenia <i>Not identified or appraised by the evaluations</i>	Not specifically identified in evaluation	Not specifically identified in evaluation	Not specifically identified in evaluation
24. Slovakia Identified and appraised by evaluations	Regional disparities between Bratislava region and other regions, lack of a longer-term perspective	Innovation dynamics insufficient, more emphasis on growth poles needed	Good potentials in innovation and possibilities to use new knowledge
25. Spain Identified and appraised by evaluations	Reiterated OP SWOT, low R&TD investments, low ICT use, disparities on labour market, territorial disparities uncontrolled tourism	Reiterated OP SWOT, sector dependency (ie agriculture), urban pollution, insufficient connectivity, lack of labour mobility	Quality of life potential, tourism potential, highly qualified population, increase in population
26. Sweden Identified and appraised by evaluations	-More support to SMEs needed -Infrastructure, education, more funding needed -More cooperation between actors needed	Need for greater accessibility -Strengthen image of region	Good possibilities to enhance economic competitiveness
27. UK Identified and appraised by evaluations	- Low employment rate, low levels of innovative activity, regional disparities	Lack of skills in some areas, mismatch in supply and demand for building, unfavourable industrial mix	High research potential and under utilised labour resource, population growth, increased productivity

Annex 5. Sustainable Development summary per Member State

Table 11: Sustainable Development per Member State

Summary Sustainable Development				
Country	Sustainable Development definition	Which pillar (environmental, economic or social) is emphasised?	Trade-offs made? Indicators?	Synergies
Austria	In both Competitiveness and Convergence OPs is not defined explicitly. However in most OPs there is a clear quotation of Sustainability Strategies in different levels (EU, National and/or Regional).	Mainly environmental pillar emphasised. Social and economic sustainability is integrated but not further specified. Sustainability generally is defined as horizontal theme or principle.	No trade-offs mentioned explicitly in OPs. No indicators concerning trade-offs. However some implementing measures in Carinthia and Styria include the environmental effects of projects as an important assessment criterion.	Between environmental and economic pillar: production of renewable energy and energy efficiency and R&TD in this field supporting regional economic growth (in all Competitiveness OPs). Between social and economic pillar: social integration and abatement of social exclusion as a stabilizing factor which is important for prosperous development (only in OP Vienna).
Belgium	Hainaut: Reconcile environment, economy and social care; Brussels and Walloon Regions: reaching economic, social and environmental objectives in the longer term, while preserving the resources, protecting the environment and caring for health and well-being of the population Flemish Region: to take care that today's growth does not endanger growth potentialities for future generations.	The three pillars of sustainable development are considered on an equal level in the OPs general considerations. However In Flanders, the environmental pillar is a main objective (even though is not a specific priority) and in the Walloon Region it has an emphasis on energy (rational use, renewable energies) with a focus also on economic benefits.	Convergence: Environmental problems derived from transport and logistics activities; no specific indicators developed Competitiveness: Flemish and Walloon Regions: Environmental problems derived from transport and logistics activities; no specific indicators developed.	- Hainaut and Walloon Region: The opportunities to develop new activities in the field of eco-innovation should boost economic growth and foster employment through reduced energetic costs and improved attractiveness. -Brussels-Capital Region: proposal of a 'development pole' focussed on economic activities linked with the urban environment, attempting to improve the quality of the urban environment in order to attract and/or retain growth and jobs.
Bulgaria	SD defined as the economic, social and environmental dimensions. Integrated with the dimensions of Lisbon strategy.	Economic.	No trade-offs mentioned, no indicators developed.	Potential synergy between environmental protection in Bulgaria, economic growth and contributions to help solving global environmental problems.
Cyprus	Sustainable Development is defined through the development of sustainable communities, as well as the implementation of the basic OP "Sustainable Development and Competitiveness".	Social, economic and environmental pillars are emphasized in the OP "Sustainable development and Competitiveness".	Indicators for the SD have been defined in strategy level, such as population served by the actions in the sectors of environment, energy and transport.	Improvement of the role of the urban centers in the framework of EU priorities for sustainable development; modification of the economy of the rural regions, improvement of quality of life and territorial cooperation to solve disparity and isolation problems.

Czech Rep.	SD defined as the economic, social and environmental dimensions. OP Prague, the only under Competitiveness does not explicitly defined it but incorporates clear measures to achieve it.	Overall, the economic pillar is the most emphasized. OP Prague Competitiveness has concrete measures across all three SD pillars.	No trade-offs mentioned (except in OP Transport), no indicators developed.	Not explicitly in the Thematic OPs. OP Prague contains implicitly a balance of measures across all three pillars. Priority Axis 1 Accessibility and Environment it contains measures that support both environmental and economic pillars. Priority Axis 2 Innovation and Entrepreneurship contains measures that support both social and economic pillars.
Denmark	SD defined as the economic, social and environmental dimensions. Integrated with three dimensions of Lisbon strategy.	Economic.	No trade-offs mentioned, no indicators developed.	Potential synergy between environmental protection in Denmark, business growth and contributions to helping solve global environmental problems.
Estonia	Sustainable development is a main goal in the NSRF having as objectives: raising the economic competitiveness of the economy; increasing social cohesion; and achievement of a more sustainable use of environment.	Each OP emphasizes more its respective "own" pillar. The Economic Environment OP – economic pillar, the Living Environment OP – environmental pillar.	Trade-offs mentioned but not addressed. No indicators developed.	Potential synergy declared but not supported by practical implementation arrangements.
Finland	In most of the Finnish OPs, sustainable development is applied as a horizontal theme. This means that sustainable development will be used throughout the program in all priorities. The OPs do not include implicit definition of sustainable development, but in all OPs it is clearly stated as one of the main principles which have been applied from the drafting phase onwards.	All three pillars of sustainable development are taken into account in all OPs except OP South Finland where the economic pillar is highly emphasised.	No trade-offs mentioned, no indicators developed.	Sustainable development can be characterised as a guiding theme for all economic activities which have to take place in an environmentally responsible manner.
France	SD is not defined at the level of the OP, but its operationalisation in the regional strategy and priority axes entails its economic, social and environmental dimensions. 3 out of 4 French Convergence OPs (Martinique, Guadeloupe and Guyane) highlight the cultural dimension as a complement to the three previously mentioned dimensions.	The environment pillar is operationalised as a transversal theme in French OPs (Convergence and Competitiveness). Environmental concerns are particularly linked to energy (production and consumption), transport use and biodiversity (e.g. OP Alsace, Aquitaine, Bourgogne, Limousin, and PACA). Environmental concerns are especially highlighted for specific types of territories: coastal areas (Bretagne, Aquitaine) and urban areas (urban sprawl in Bretagne and commuting flows in Ile-de-France). The craving of "eco-	No explicit mention of 'trade-offs' in any OP. One OP highlights the necessity to balance the different pillars of sustainable development at the local level (Convergence Guadeloupe).	Potentials synergies are highlighted in the different French OPs. Sustainable development brings new opportunities for economic activities (Alsace). The link between innovation, entrepreneurship and environmental protection is as well made clear (Ile-de-France). Energy is a theme in which synergies can be exploited regarding growth, jobs and environment: choice in energy behaviour (Martinique), development of renewable energies (Aquitaine), eco-energy (Interregional OP Alpes).

		conditionality" (from national guidelines) of approved projects in French regions is a further sign of the transversality of the environmental theme.		
Germany	<p>Competitiveness: Sustainable Development aims to link economical development with social aspects and long-term nature conservation.</p> <p>Convergence: Sustainable Development is defined as an integrative approach and describes a process which includes economic needs, social aspects and environmental interests.</p>	<p>Competitiveness: All except Bremen, North Rhine-Westphalia, Hamburg, Rhineland-Palatinate and Hessen emphasize on economic development and is broadly understood as basically important to provide social services as well as to improve environmental quality respectively to develop arising synergies between these pillars.</p> <p>Convergence: All three pillars are equally emphasised in OP Transport, OP Saxony-Anhalt, OP Lower Saxony (Lueneburg) and Saxony. The economic pillar is slightly more highlighted in OP Thuringia and Mecklenburg-Vorpommern. For Brandenburg socio-economic as well as environmental aspects are mentioned in particular.</p>	<p>Competitiveness: No trade-offs specifically mentioned in the regional OPs but for Hamburg and Rhineland-Palatinate the so called 'win-win-situations' between the ecological and economic pillars are highlighted. No indicators.</p> <p>Convergence: No trade-offs specifically mentioned in the regional OPs. Only the thematic OP for Transport highlighted potential trade-offs between economic and environmental pillars, e.g. funded railway projects as economical efficient and environmentally friendly through transport shifting effects. Saxony and Brandenburg mention 'win-win-situations' between economic and ecological effects of new technologies. No indicators</p>	<p>Competitiveness: No, synergies are not explicitly discussed within the regional OPs.</p> <p>Convergence: All OPs, except for Mecklenburg-Vorpommern, have mentioned synergies between economic and environmental growth and nature conservation mainly within the renewable energy sector.</p>
Greece	SD is defined as the economic, social and environmental dimensions. The OPs have taken into consideration the SD in order to define the priorities of each OP. More specifically, the NSRF includes the OP "Environment and Sustainable Development", focussed on interventions to improve sustainability and protect the environment.	Economic, social and environmental pillars are taken into consideration in all OPs. The environmental pillar is more emphasized in OP "Environment and Sustainable Development", while all Regional OPs have a priority axis named "Sustainable development".	Indicators have been defined in certain OPs and in the NSRF.	Environmental protection through the promotion of environmentally friendly policies, efficient management of natural environment (environmental sustainability), innovative actions and improvement of entrepreneurship (economic sustainability) and improvement of social infrastructure (social sustainability).
Hungary	SD is defined among the OP's horizontal objectives with all three dimensions, in economic, social and environmental terms, even though the last one is the most dominant in most of the OPs.	Economic and environmental pillars: (the first one in most of the Thematic OPs, the second one in Environment and Energy OP, Transport OP and Budapest); the social pillar mainly in Convergence ROPs and in the Social Renewal OP.	No trade-offs mentioned (only in transport OP between increasing transport needs and SD). No specific indicators developed. In general sustainable development is related to economic growth.	Few synergies are mentioned. Only some innovative initiatives to promote synergies (e.g. sustainable consumption and sustainable production in Environment and Energy OP).
Ireland	Meeting the needs of the present generation without compromising those of future generations, and dealing with economic, social and environmental policies in a mutually reinforcing way.	The S&E OP emphasizes all three pillars in a fairly integrated way; the BMW OP tends to emphasise the environmental pillar.	No trade-offs mentioned, no indicators developed.	Not formally addressed.

<p>Italy</p>	<p>Convergence: defined as an opportunity to strengthen the potential synergies between environmental protection and growth.</p> <p>Competitiveness: not explicit definitions but addressed as an horizontal principle that must 1) help creating synergies between the economic, social and environmental dimensions; 2) integration among the different policies; and 3) an equilibrated regional development able to integrate the principle of environmental protection and social equity within the strategy of economic development.</p>	<p>Convergence: In Sicily and Calabria all three pillars prioritised with the same level; environment and economic pillars predominant in Campania due to the importance assigned to the environment as a potential regional economic engine; environmental and social pillar in Basilicata; and in Puglia the economic pillar</p> <p>Competitiveness: sustainable economic development paradigm able to promote higher social and environmental conditions. The economic and environmental pillars of sustainability -and their integration- are therefore highly emphasized in most of the OPs.</p>	<p>Convergence: possible trade-offs mainly between economic and environmental pillars and mainly within the SEA Environmental Report. The SEA mentions interventions that may have some kind of negative impact on the environment and proposals of complementary actions aiming at reducing or compensating the potential negative impact of former ones. No specific indicators were defined to monitor trade-offs,</p> <p>Competitiveness: half of the OPs mention (often in the SEA Environmental Report) the need to promote specific measures to prevent, reduce and/or compensate specific negative environmental impacts derived from different interventions. In four cases specific sets of environmental indicators were introduced (Tuscany, Marche, Abruzzo and Sardinia).</p>	<p>The majority of the OPs stress the promotion of a long-term eco-sustainability of the economic development to be pursued through a more efficient and sustainable use of natural resources and through the integration and improvement of the natural and cultural heritage.</p>
<p>Latvia</p>	<p>Sustainable development is one of the horizontal priorities and is defined as the cautious use of natural resources and their preservation for the coming generations.</p>	<p>In the OP Entrepreneurship and Innovation: economic and environmental pillars; in the OP Infrastructure and Services: social and environmental pillars.</p>	<p>No OP specifically mentions trade-offs between the three dimensions. No indicators.</p>	<p>Not explicitly but it is mentioned that economic growth and social welfare must not be achieved at the expense of the destruction of the environment.</p>
<p>Lithuania</p>	<p>Sustainable development is related to the development of a healthy environment, an appropriate use of nature and intellectual resources, a reasonably and steady economic growth, social protection and overall, the welfare of society.</p>	<p>The economic pillar is the most emphasized in the Operational Programme on Economic Growth for 2007-2013 while the environmental pillar is more emphasized in the Operational Programme for Promotion of Cohesion.</p>	<p>In the Cohesion OP the decision of adapting natural resources (primarily, of water resources, landscape and biodiversity) to the needs of residents and the economy in protected areas of the country is seen as a clear trade-off. It is stressed that the adaptation will not have any negative environmental impact, and still the intervention of residents and economy in general can be stated as a trade off with the environment (as some protected areas might attract economic activities such tourism).. The indicator for measuring it is the percentage of protected areas where access conditions are provided (protected territories used by residents and economy in general).</p>	<p>A number of synergies can be identified in both the Cohesion and Economic growth OP's and their measures. The synergy between investment in the energy sector and positive impacts on the environment is mentioned. The modernization of large energy plants would diminish the amount of pollutants emitted into the air. The indicators for measuring this are: heat energy transportation loss (%) and electricity energy transportation loss (%). Another synergy mentioned is that of investment in waste management modernization to create better conditions for local development and recreation possibilities.</p>
<p>Lux.</p>	<p>Sustainable development is mainly defined as a way to reinforce the synergies between environmental protection and economic growth.</p>	<p>Environment.</p>	<p>No trade-offs mentioned, but synergies instead (more qualitative).</p>	<p>It is clearly highlighted that employment and economic growth, together with environmental concerns, are integral part of the national operationalisation of the notion of sustainable development.</p>

Malta	SD incorporates environmental, economic and social dimensions. It is defined as a cross-cutting theme and will aid in the contribution to the country's goals in an integrated way through the dual objectives of investing in the country's physical infrastructure and supporting and promoting value added economic activities.	Economic and Environment.	No trade-offs mentioned, no indicators developed.	Potential synergy between environmental protection and economic growth.
NL	Only in one OP. Sustainable development is defined in the OP North as "development which foresees in the needs of current generations without prejudicing those of future generations. It is about striking the right balance between the three P's: people, planet and profit on the short and long term." No clear definition in the other OPs.	Economic.	No trade-off, but synergies.	Economic and social and environmental development. The indicator number of projects for entrepreneurship and neighbourhood economy focused on social and economy.
Poland	SD is defined generally as the economic, social and environmental dimensions. Specific understanding differs slightly between programmes, depending on regional and/or goals structures. In general SD is integrated with the three dimensions of Lisbon strategy.	Economic, although environmental pillar plays a significant role in the OP Infrastructure and Environment and also in some ROPs (particularly in southern regions endangered by floods).	No trade-offs mentioned, no new special indicators developed.	No. It is assumed that total result of separate activities undertaken will bring progress but no specific actions were taken to ensure synergies.
Portugal	The definition seeks to ensure a balance in economic growth with environmental quality, upholding the citizenship, social justice and regional cohesion.	The majority of OPs emphasise on the environmental component. Other particular examples includes: the OPs Lisbon and Norte (where the social and economic pillar are emphasised to a greater extent) or the OP Competitiveness Factors (emphasis on the economic pillar).	Significant trade offs are not registered.	Potential synergies between territorial cohesion and enhancement of the factors that strengthen the economic and socio-cultural environment of each region and its diverse potential for development, contributing to a regionally balanced sustainable development. In some regional Programs, specific synergies can be found to strengthen the relationships between environmental protection growth and regional wealth (especially at the level of tourism, promotion on areas of highest environmental value, ecotourism, coastline ...).
Romania	SD is seen as a horizontal priority and key actions are mainly oriented to the protection of the natural environment.	Environment.	No trade-offs mentioned, no indicators developed.	Not formally addressed.

<p>Slovakia</p>	<p>Convergence: The three dimensions of the SD (economic, social and environmental) are discussed. Synergies with the dimensions of Lisbon strategy are elaborated Competitiveness: SD is considered one of the basic pillars of the knowledge-based society. Besides economic growth, the social and environmental dimensions are also taken into consideration. Integrated with the dimensions of the Lisbon strategy.</p>	<p>Convergence: Mostly the economic one. The social pillar is also emphasized in the following OPs: OP Health, Regional OP and OP Information Society. Competitiveness: Economic</p>	<p>No trade-offs mentioned, no indicators developed</p>	<p>Convergence: SD is included as a horizontal priority in all OPs. However, there is no specific strategy outlines and no specific actions or interventions planned on how to achieve the goals of SD that is "Ensuring environmental, economic and social sustainability and social sustainability of the economic growth".</p>
<p>Slovenia</p>	<p>The sustainable development principle in the OPs represents a commitment to pursue the kind of development that will sustain balance between the economic, social and environmental aspects.</p>	<p>The economic pillar is generally most emphasized, but some specific OPs also emphasize other pillars, e.g. environmental pillar is emphasized in the OP of Environmental and Transport Infrastructure Development.</p>	<p>No trade-offs explicitly mentioned, no indicators developed.</p>	<p>Potential synergy between environmental pillar and competitiveness through environmental technologies is mentioned in the OP for Strengthening Regional Development Potentials</p>
<p>Spain</p>	<p>The regions that have clearly stated the concept of sustainable development share the idea of achieving economic growth preventing environmental damage and therefore ensuring growth in the long-term. In that respect, no specific differentiations can be found between Convergence and Competitiveness regions. Yet, in Convergence OPs, observations are made to underline that the maintenance of a stable rhythm of economic development and employment creation on the long run hinges upon an outstanding protection of the environment.</p>	<p>Economic.</p>	<p>No trade-offs mentioned, no indicators developed.</p>	<p>In most Competitiveness OPs, synergies are found in the support of sustainable public transport, interventions of CO2 emissions reduction, improving working conditions and family welfare. Convergence and Phasing out OPs from Mediterranean regions concentrate on stimulating water saving infrastructures in order to enable preservation of hydric resources and expansion of intensive agricultural activities. Most Convergence regions plan to protect valuable ecosystems in order to attract rural tourism activities.</p>
<p>Sweden</p>	<p>Sustainable development is defined as the economic, social and environmental dimensions. Integrated with three dimensions of Lisbon strategy.</p>	<p>Economic.</p>	<p>No trade-offs mentioned, no indicators developed.</p>	<p>Potential synergies are mainly seen in the fields of transport and energy. Partly it is also considered that innovation, research and technology (read Lisbon objectives) are needed to achieve sustainable development (read Gothenburg objectives).</p>

<p>UK</p>	<p>Described in the NSRF (in the context of the Structural Funds) as ensuring that OPs contribute to a robust economy in a way that respects the limits of the planet's environment, resources and biodiversity. Most of the OPs do not define Sustainable development, where they do, the definition is consistent with that given in the NSRF.</p>	<p>While all the OPs have an economic development orientation, and there is a strong emphasis on equality, the most heavily featured pillar is environment, as the NSRF and all the OPs include environmental sustainability as a horizontal or cross-cutting theme.</p>	<p>Yes, the link between growth and energy use, resource efficiency, and increased carbon emissions is mentioned in most of the OPs. Seven programmes have developed indicators connected with this: several have ambitious targets for reductions in greenhouse gas emissions (both of the Welsh OPs, North West England, South East England and South West England). In addition, North East England has developed a 'proxy measure' for carbon emissions, and Yorkshire and Humberside is taking a low carbon approach.</p>	<p>Opportunities are recognized in developing clean and renewable energies. In Cornwall and the Isles of Scilly (Convergence OP), the environment is recognized as an important economic driver in the region. Most OPs recognize the synergies, best summarized by the Northern Ireland OP, which recognises that 'a healthy environment, a thriving economy, prosperity and quality of life are all inextricably linked'.</p>
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Annex 6. Pillars of Sustainable Development per OP

Economic	Environmental
<ul style="list-style-type: none"> o Belgium (Flanders) o Bulgaria o Czech Republic (most OPs) o Denmark o Estonia (OP Living Environment) o Germany (Thuringia Convergence) o Germany (Competitiveness OPs) o Greece (Thematic OPs) o Hungary (Thematic OPs) o Ireland (S&E region) o Italy (half of Competitiveness OPs) o Lithuania (Economic growth OP) o Latvia (Entrepreneurship. & Innovation OP) o Luxembourg o Netherlands o Poland o Sweden o Slovakia o Slovenia 	<ul style="list-style-type: none"> o Austria o Belgium – Walloon OP o Estonia (Economic Environment OP) o Finland (South Finland) o France (Convergence OPs) o France (half of Competitiveness OPs) o Greece (Environmental OP) o Hungary (Environ & Energy, Transport) o Ireland (BMW OP) o Italy (half of Competitiveness OPs) o Lithuania (Cohesion OP) o Luxembourg o Poland (Infra & Environ OP, Southern ROPs) o Portugal o Romania o Slovenia (Environment and Transport OP) o Spain o UK
Integrated	Social
<ul style="list-style-type: none"> o Belgium (Hainuut and Brussels) o Cyprus o Czech Republic (Prague) o Finland (most) o France (half of Competitiveness OPs) o Germany (Convergence OPs) o Italy (Convergence OPs) o Malta o Portugal (Lisbon and Norte OPs) 	<ul style="list-style-type: none"> o Czech Republic (Integrated OP) o Hungary (most ROPs) o Latvia (Infrastructure and Services OP) o Italy (Puglia) o Slovakia (ROP, Inform. of Society OP) o UK (Northern Ireland)

Annex 7. Trade-offs between Sustainable Development dimensions

Energy Trade-offs	Transport Trade-offs
<ul style="list-style-type: none"> o Austria (Tyrol) o Most of the UK programmes 	<ul style="list-style-type: none"> o Belgium (Flanders and Walloon) o Czech Republic Transport OP o Germany (Transport OP) o Poland (Lubeliskie OP) o Slovakia (Transport OP) o Italy (Mobility Networks OP) o Lithuania (Cohesion and Economic Growth OP)

Annex 8. Summary: Quality of the evaluation processes

Table 12: Summary: Assessment of the quality of the evaluation process
(Evalsed quality criteria)

<i>Assessment of the evaluation report as to how positively or negatively it met each criterion specified below:</i>	VERY POSITIVE			VERY NEGATIVE
	Number of Operational Programmes:			
1. Meeting needs: The evaluation report adequately addresses the requests for information formulated by the commissioners and corresponds to the terms of reference:	29	26	4	
2. Relevant scope: The rationale of the programme, its outputs, results, impacts, interactions with other policies and unexpected effects have been carefully studied:	30	23	5	
3. Open process: The interested parties -both the partners of the programmes and the other stakeholders- have been involved in the design of the evaluation and in the discussion of the results in order to take into account their different point of view:	23	13	16	1
4. Defensible design: The design of the evaluation was appropriate and adequate for obtaining the results (within their limits of validity) needed to answer the main evaluative questions:	32	19	6	
5. Reliable data: The primary and secondary data collected or selected are suitable and reliable in terms of the expected use:	13	34	8	
6. Sound analysis: Quantitative and qualitative data were analysed in accordance with established conventions, and in ways appropriate to answer the evaluation questions correctly:	19	31	10	
7. Credible results: The results are logical and justified by the analysis of data and by suitable interpretations and hypotheses:	23	35	2	1
8. Impartial conclusions: The conclusions are justified and unbiased:	27	24	5	1
9. Clear report: The report describes the context and goal, as well as the organisation and results of the programme in such a way that the information provided is easily understood:	35	17	5	
10. Useful recommendation: The report provides recommendations that are useful to stakeholders and are detailed enough to be implemented:	27	29	4	
In view of the contextual constraints bearing on the evaluation, the evaluation report is considered to be:	20	33	4	

Annex 9. Addressing Territorial cohesion by Member State

Table 13: Territorial cohesion synthesis by country

Austria	Territorial cohesion and reduction of regional disparities are named as overall goals in all Austrian regions. The concept is also addressed together with competitiveness improvement as one of the main challenges in Austria. Strategies are oriented to reduce the peripheral character of rural regions, reduction of problems derived from traditional old industrial areas, and reduction of disparities with both traditional touristic regions lagging behind and regions bordering the new Member States (where territorial cohesion is for example a challenge to be achieved by increasing cooperation and networking with neighbouring regions.)
Belgium	Addressed in all OPs and in some cases approached together with the social and economic dimensions of cohesion as main goals of the OPs. It is related to the objective of improving attractiveness of the territory, in coherence with the first guideline of the CSG and a connection is made to sustainability as a factor for territorial attractiveness. Special interest is set on the development of both urban and rural areas as a way to improve spatial quality and to enhance quality of life in different types of territories.
Bulgaria	Addressed widely by the Regional Development OP mainly, included in two of its priorities and other goals. But also other OPs in Bulgaria mention territorial cohesion in different ways by addressing the importance of accessibility improvement (transport and ICT), infrastructure development and support of the most important economic local centres as key elements to improve regional attractiveness and a balanced social and economic development.
Cyprus	Territorial cohesion is linked to the spatial dimension in an integrated way pointing to promote cultural resources, strengthen cultural infrastructures, urban regeneration, improvement of rural areas attractiveness, emphasising also on cooperation networks between cities and rural areas.
Czech Republic	Addressed in all regional operational programmes and associated to the support of small and medium sized municipalities as growth poles or rural areas, urban and rural regeneration and strengthening links between centres and their rural surroundings. Addressed interestingly by the OP Transport which states that improving transport networks will enable regional transport inter and intra connections facilitating workers mobility, impacting positively on employment, competitiveness improvement and quality of life.
Denmark	One of the cross-cutting themes of the OP (along with equal gender policy, environmental policy and employment policy) is peripheral areas, rural areas and cities. Specifically peripheral areas with low GDP growth and weak demographic trends are pointed out as areas for improvement. The larger cities continue to be seen as the engines of growth for the entire Danish economy.
Estonia	Addressed as part of the priority axis for an integral and balanced development of regions (OP for Development of Living Environment) oriented to the reduction of regional and local nature problems by making more efficient use of local development advantages and potentialities.
Finland	The notion of territorial cohesion is present in all of the Finnish OPs. It is addressed as a strategy to reduce the differences between urban and rural areas and structural problems in particular in urban areas within the programmes area.
France	The expression is used on its own, but in some cases together with social cohesion, or the three altogether. The understanding of the notion intends to reduce disparities in different levels (inter-regional, regional, urban-rural and intra urban exclusively).
Germany	Territorial cohesion in general is addressed in 14 out of 18 German Operational Programmes. The focus is mainly set on interregional and transnational cooperation with neighbouring regions of Poland, France and Denmark, as well as on reduction of socio-economic disparities within <i>Bundesländer</i> and cities. It is also associated to accessibility improvement in Eastern Germany regions.
Greece	Addressed it with regard to the improvement of spatial imbalances directly throughout accessibility improvement and reduction of isolation in mountains and island areas, and indirectly through the amplification of the advantages of the regions and improvement of regional competitiveness.
Hungary	Addressed in all OPs as a horizontal objective, throughout interventions that help the catching-up process of underdeveloped areas within regions, defining particularly goals oriented to reduce social and economic imbalances in lagging regions, as well as accessibility improvement as a strategy to reduce spatial imbalances.
Ireland	Addressed in both OPs having a particular interest on the development of the urban dimension after its inclusion in European Policy and other local Irish policy developments. The approach intends to strengthen the capacity of growth centres as a strategy to drive regional competitiveness and growth reducing at the same time existing spatial imbalances.

Italy	Addressed in half of the Regional OPs with several different approaches that includes strengthening region profiles, cooperation as key for territorial integration, reduction of territorial disequilibria, improvement of the quality of life in urban and mountain areas, accessibility improvement and urban rural development.
Latvia	All OPs emphasises on balanced territorial development as a horizontal principle. Strategies are aimed to reduce disparities between the capital city region and rural areas, as well as development of 16 regional urban centres.
Lithuania	Territorial cohesion is to be achieved in Lithuania by working mainly with regional economic growth centres as they are believed to provide the most favourable conditions for sustainable economic growth. Additionally by working in smaller towns improving urban infrastructures (social, communal, public, health and educational).
Luxembourg	Not addressed.
Malta	Territorial cohesion is addressed in the OP with regards to the Island of Gozo and the Isle of Comino by reinforcing tourism activities and improving services infrastructures as strategies to reduce territorial disparities.
Netherlands	Hardly mentioned in the OPs. OP North mentions it once, as a part of economic, social and territorial cohesion and ion OP West, when the programme refers to the objectives of EU regional policy.
Poland	Territorial cohesion is widely addressed in all Operational Programmes. It is mainly associated to the development of accessibility and transport infrastructure as a strategy to achieve a balance territorial development, especially in parts of Eastern Poland. Also OPs in general tend to achieve territorial cohesion through interventions in particular sectors such urban revitalization, culture, entrepreneurship, tourism etc. instead of developing networks of growth poles.
Portugal	Addressed as an overall objective of social and economic cohesion in all Programmes by encouraging the building of specific regional strategies, integrating economic, social and environmental dimensions and facilitating the adoption of governance models (quality and productivity of the public sector, efficiency and transparency in the management of structural funds, streamlining of network and partnership logic).
Romania	Territorial cohesion is to be achieved by stimulating economic growth in regions lagging behind as well as promoting activities of urban and rural regeneration. It is also associated to accessibility improvement and transport infrastructure as strategies to improve national and international connections. Actions are also oriented to further develop growth centres and corridors as a strategy to consolidate a more attractive local and regional business environment, which will promote further economic growth and develop other territorial features such as natural and cultural resources, urban environments and tourism attractiveness.
Slovakia	Addressed in all Operational Programmes and mainly associated to development of transport infrastructure as strategy to attract foreign investors. Another key approach relates it with development of several regional potentials, territorial capital, improvement and modernisation of urban and basic infrastructures. The thematic OP Regional Development coincides with the OP Research and Development on promoting and strengthening innovative poles to reduce interregional differences, and cohesion growth poles to reduce intraregional differences.
Slovenia	The goal of reaching balanced development in order to reduce economic, social and environmental disparities between regions remains central to the policy context of the OPs. Strategies includes development of economic and settlements polycentric development, increase of welfare in less developed regions, reductions of quality life disparities and strengthen social capital and innovative capabilities.
Spain	Spain takes a double approach for inter-territorial cohesion (within the EU territory) and intra-territorial cohesion (within each regional territory). For the first one, strategies are oriented to harmonise Spain with European average indicators and connect the country with the main transport and communication European networks. For the second one, strategies are associated to reduce disparities between urban and rural areas or disparities due to geographical features between for example coastal and interior areas.
Sweden	The concept of regional enlargement is mentioned as one approach to balanced development and reduction of disparities between regions.
United Kingdom	Territorial cohesion is widely expressed in the UK Operational Programmes. Strategies are oriented to actions in rather deprived, fragile, or peripheral areas, the introduction of a spatial dimension in some programmes, a combination of both or the mainstreaming of territorial cohesion throughout the OP.

Annex 10. Summary Roads to Lisbon and Gothenburg Agendas

Table 14: Roads to Lisbon and Gothenburg Agendas

Direction:	Innovation and knowledge			Infrastructure, accessibility & innovation		
Road	1. Niche focus on innovation	2. Exploiting specific regional potentials	3. Developing environmental and economic synergies	4. Infrastructure, Transport, jobs and employment	5. Growth, jobs and sustainable development through Human and Institutional Capacity	6. Addressing settlement patterns and territorial disparities
Challenges	-Globalisation -investment in R&TD and innovation - Demographic problems	-Globalisation -Demographic problems -Investments in R&TD and innovation -Employment and Growth -Accessibility improvement	-Economic diversification -Demographic problems -Protection of energy and natural assets -Energy and transport costs -Territorial disparities -Climate change effects -Employment	-Accessibility development -Territorial disparities -Growth and competitiveness -Reduced entrepreneurship infrastructure and innovation -Employment levels -Digital divide -Transport barriers to tourism	-Mismatch between labour and educational levels -Reducing high educational costs -Discouraging "brain drain" -Boosting entrepreneurship	-Accessibility development -Concentration of jobs in urban areas -Social, economic and physical regional imbalances -Transport and energy costs -Digital divide
Priorities	R&TD, innovation and knowledge improvement	R&TD, innovation and knowledge improvement plus: -SE: accessibility -FI+DE: employment & growth -NL: urban regeneration -AT: energy & tourism -BE: energy & urban-rural divide	- R&TD plus: -Environmental management and risk prevention -Energy and renewable energy -Growth and employment -Urban, rural, cultural development and/or regeneration -Rural regions attractiveness -Tourism opportunities	-Investment and /or improvement of infrastructures (transport, social, educational, entrepreneurship, energy, ICT, etc) -Urban rural development -Tourism opportunities -Employment and growth -Facilitating entrepreneurship	-Human and institutional capacity development -Accessibility improvement (transport and ICT) -Knowledge and innovation promotion and improvement	-Urban-rural development and/or regeneration -Innovation and knowledge infrastructure development -Transport infrastructure -Better utilisation of human potential (linked to the goal of entrepreneurship) -Tourism opportunities
Processes	Low consequences after negotiations with the EC: countries already fulfilling Lisbon goals	-Negotiations with EC refined programmes on Lisbon goals (e.g. addition of new themes) -Dialogue/interaction with regional level expertise	-Negotiations with EC refined programmes on Lisbon goals (e.g. indicators system (FR)).	-Negotiations with EC refined programmes on Lisbon and Gothenburg goals	-Integrated conception of sustainable development -Emphasis on the role of investments and economic growth as preconditions to sustainability	-Negotiations with EC refined programmes on Lisbon and Gothenburg goals
Overarching themes	-Knowledge and innovation for Growth	-Economic Growth -Increasing quality of life -Equal opportunities	-Economic Growth -Improving quality of life -Territorial cohesion -Equal opportunities	-Increasing quality of life -Economic Growth -Good governance -Territorial cohesion	-Increasing quality of life	-Increasing quality of life -Economic Growth -settlement patterns -Territorial cohesion
Sustainable Development	Integrated into the strategies of the Operational Programmes as an overarching objective	Either integrated into the fabric of the Operational Programmes, or has an emphasis on the economic pillar (except for Austria, which gives priority to the environmental pillar).	Tendency to interpret sustainable development with an emphasis on the environmental dimension. Strong emphasis on climate change	The programmes with in these countries take a fairly integrated view to sustainable development.	Integrated conception of sustainable development, but with an emphasis on the role of investments and economic growth as preconditions to sustainability	Refer to sustainable development in terms of long-term development or growth and two-thirds of the programmes in these countries focus most highly on the economic pillar of sustainable development

Annex (continuation)

Direction:	Innovation and knowledge			Infrastructure, accessibility & innovation		
Road	1. Niche focus on innovation	2. Exploiting specific regional potentials	3. Developing environmental and economic synergies	4. Infrastructure, growth jobs and employment	5. Growth, jobs and sustainable development through Human and Institutional Capacity	6. Addressing settlement patterns and territorial disparities
Addressing Territorial cohesion	By developing urban dimensions and rural or peripheral areas with demographic weaknesses and low GDP growth (IE, DK)	-By developing urban dimensions and peripheral areas. -Urban regeneration. -Approached together with the social and economic dimensions of cohesion as ultimate goals -Intra/inter regional and CBC cooperation	-Disparities reduction, urban-rural development; strengthening regions profiles; intra/inter regional cooperation; Approached together with social/economic cohesion; reduction of disparities with mountain areas	Mainly attached to transport accessibility improvement as strategy to reduce urban-rural spatial imbalances	Polycentric development in Lithuania; Use of regional potentialities in Estonia.	-Attached to transport accessibility improvement. -Development of growth centres -Urban-rural development and/or regeneration -Polycentricity in Slovenia
Bottlenecks	-Limited contribution to Gothenburg goals -Environmental themes barely covered by RCE objective	Social and environmental challenges addressed at other levels of policy, rather than with RCE expenditure.	Link between innovation, energy and economic development may not fit for all regions, particularly those that highlight more traditional infrastructure and environmental management	-Getting the correct mix between a strong Lisbon focus and infrastructure. -Need to address sustainability trade-offs transport and in tourism to a greater degree	-Governance mechanisms - Lack of institutional capacity for regional planning	-Sectoral governance forms -Non-coordinated interventions in isolated sectors
Potentials	-Tertiary sector development -Job creation based on R&TD and ICT sectors.	-Development of technology oriented economies -R&TD potentials within enterprises sector -SMEs development -Energy efficiency and renewable energy	-Contribution based on the integration of innovation and knowledge with job creation & environmental opportunities. -Sustainable use of natural resources and reduction of environmental problems -Labour force attraction	-Regional competitiveness based on improvement of infrastructure & accessibility -Job creation improvement through innovation and knowledge development. -Tourism development linked to innovation	-More and better qualified labour force -Entrepreneurship development -Human and social capital development	- Improvement of rural regions attractiveness and competitiveness. -Improvement of accessibility -Greater polycentric development at national level
Example countries	Luxembourg, Denmark, Ireland (S&E)	Austria, Belgium, Finland, Germany, Ireland (BMW) Netherlands, Sweden	Austria, France, Greece, Italy, Portugal, Spain, United Kingdom	Czech Republic, Cyprus, Hungary, Greece, Malta, , Poland, Portugal, Slovenia	Estonia, Latvia, Lithuania	Bulgaria, Poland, Romania, Slovakia, Slovenia

Annex 11. Map Roads to Lisbon and Gothenburg by countries

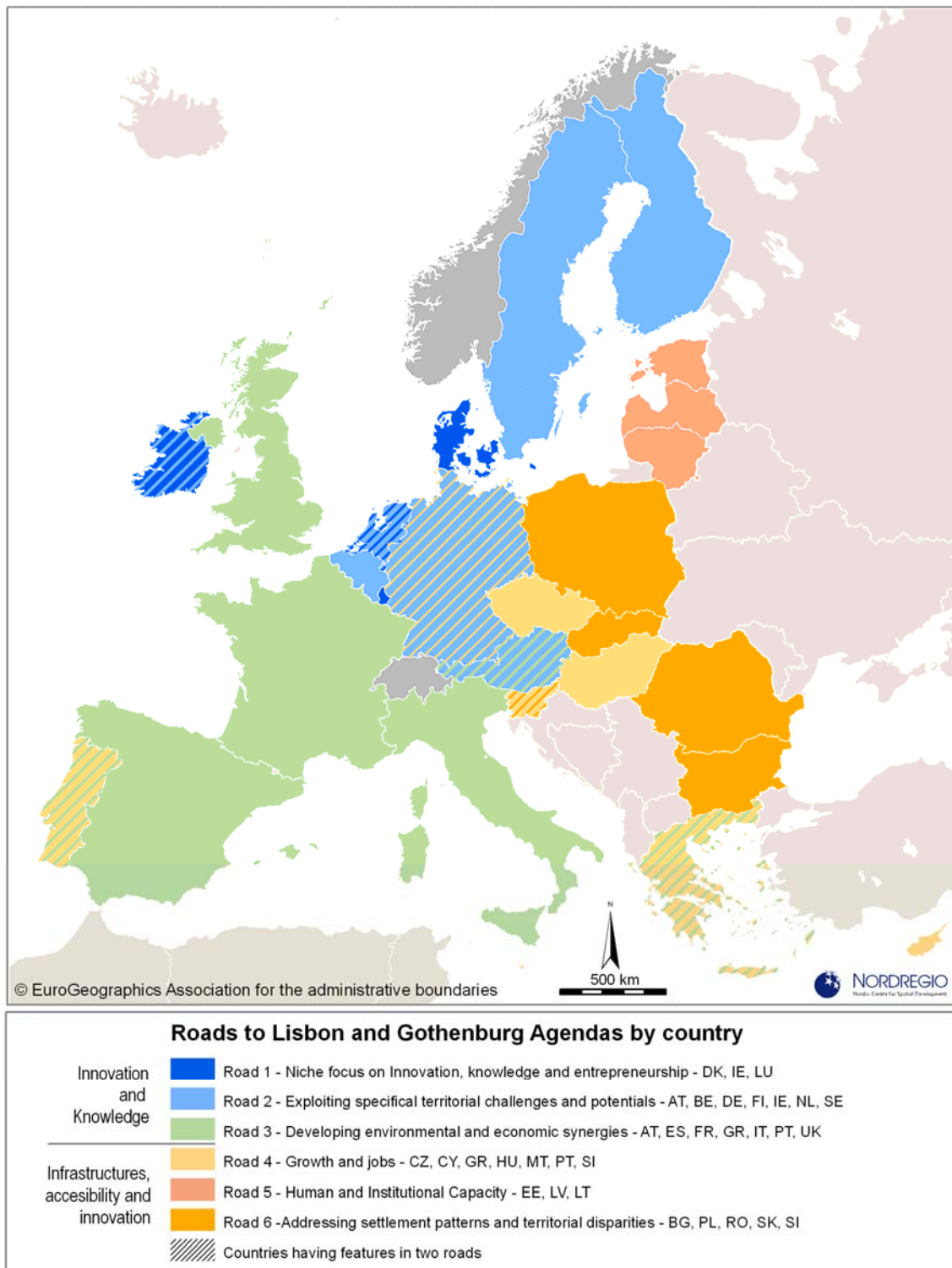


Figure 15: Map Roads Lisbon and Gothenburg Agendas by country