

European Commission, Directorate General for Regional Policy

Final Report

February 2012

**COMPARATIVE STUDY OF THE  
PROJECT SELECTION PROCESS  
APPLIED IN COHESION POLICY  
PROGRAMMES 2007-2013 IN A  
NUMBER OF MEMBER STATES  
FINAL REPORT**



**RAMBOLL**

## COMPARATIVE STUDY OF THE PROJECT SELECTION PROCESS APPLIED IN COHESION POLICY PROGRAMMES 2007-2013 IN A NUMBER OF MEMBER STATES – FINAL REPORT

**Project team:** Annegret Bötzel, Rambøll Management Consulting  
Judith Käser-Erdtracht, Rambøll Management Consulting  
Constanze Rübke, Rambøll Management Consulting

Jaap Bovens, Buck Consultants International  
Tatjana Božinac Mohorčič, Pitija Consulting  
Alexander Froehlich, D&D Consulting  
Dagmar Gombitová, D&D Consulting  
Aleš Oven, Pitija Consulting  
Berry Roelofs, Buck Consultants International  
Vladimir Sodomka, D&D Consulting

**Contact:** Annegret Bötzel  
Manager, Economic Policy  
Rambøll Management Consulting  
T +49 40 302020104  
M +49 151 58015104  
ANNB@r-m.com

<b>Date</b>	<b>Version</b>
05.12.2011	1.0 delivered to DG REGIO
20.01.2012	2.0 delivered to DG REGIO
02.02.2012	3.0 delivered to DG REGIO

## **DISCLAIMER**

*Neither the European Commission nor any person action on behalf of the Commission is responsible for the use, which might be made of the following information.*

*The views of this study are those of the authors and do not necessarily reflect the policies of the European Commission.*

## **ACKNOWLEDGEMENTS**

*The study team has benefited from the guidance of the officials of the Directorate General for Regional Policy (DG REGIO) as well as information, comments and suggestions received from officials and applicants in the Member States involved.*

*The study team would like to thank all those individuals who have kindly contributed their time and ideas to the successful completion of this important study. Queries or remarks can be sent to the study team via email at: [ANNB@r-m.com](mailto:ANNB@r-m.com)*

## CONTENT

<b>0.</b>	<b>Executive Summary</b>	<b>13</b>
<b>1.</b>	<b>Introduction</b>	<b>19</b>
<b>2.</b>	<b>Scope and Methodology of the Evaluation</b>	<b>20</b>
2.1	Analytical framework	23
2.2	Overview of activities undertaken	26
<b>3.</b>	<b>Context and Characteristics of Calls Studied</b>	<b>28</b>
3.1	Research & Development – Technology Transfer	29
3.1.1	Programme context of selected calls	29
3.1.2	Characteristics of selected calls	31
3.2	Innovations in SMEs	33
3.2.1	Programme context of selected calls	33
3.2.2	Characteristics of selected calls	35
3.3	Urban Regeneration	37
3.3.1	Programme context of selected calls	37
3.3.2	Characteristics of selected calls	39
<b>4.</b>	<b>Comparative Process Analysis – Authorities’ Perspective</b>	<b>41</b>
4.1	Research & Development – Technology Transfer	42
4.1.1	Process Step 1: Preparing and informing about specific theme-related ERDF support	42
4.1.2	Process Step 2: Guiding applicants and potential beneficiaries	44
4.1.3	Process Step 4: Submitting applications/proposals	46
4.1.4	Process Step 5: Evaluating applications/proposals	46
4.1.5	Process Step 6: Selecting projects	48
4.1.6	Process Step 7: Agreeing on ERDF support	49
4.1.7	Administrative Costs	51
4.1.8	Concluding Summary	55
4.2	Innovations in SMEs	57
4.2.1	Process Step 1: Preparing and informing about specific theme-related ERDF support	57
4.2.2	Process Step 2: Guiding applicants and potential beneficiaries	59
4.2.3	Process Step 3.a: Submitting application for pre-qualification (APQ)	60
4.2.4	Process Steps 3.b and 3.c: Evaluating and selecting APQ	61
4.2.5	Process Step 4: Submitting applications/proposals	62
4.2.6	Process Step 5: Evaluating applications/proposals	62
4.2.7	Process Step 6: Selecting projects	65
4.2.8	Process Step 7: Agreeing on ERDF support	66
4.2.9	Administrative Costs	67
4.2.10	Concluding Summary	71
4.3	Urban Regeneration	72
4.3.1	Process Step 1: Preparing and informing about specific theme-related ERDF support	72
4.3.2	Process Step 2: Guiding applicants and potential beneficiaries	82
4.3.3	Process Step 4: Submitting applications/proposals	83
4.3.4	Process Step 5: Evaluating applications/proposals	84
4.3.5	Process Step 6: Selecting projects	88
4.3.6	Process Step 7: Agreeing on ERDF support	89
4.3.7	Administrative Costs	90
4.3.8	Concluding summary	94

<b>5.</b>	<b>Comparative Process Analysis – Applicants’ Perspective</b>	<b>95</b>
5.1	Research & Development – Technology Transfer	96
5.1.1	Process Step 1: Informing/ contact with authorities	96
5.1.2	Process Step 4: Submitting proposals/applications	99
5.1.3	Process Step 7: Agreeing on ERDF support	106
5.1.4	Administrative Burden	108
5.1.5	Concluding Summary	110
5.2	Innovations in SMEs	111
5.2.1	Process Step 1: Informing/ contact with authorities	111
5.2.2	Process Step 3.a: Submitting applications for pre-qualification (APQ)	115
5.2.3	Process Step 4: Submitting proposals/applications	115
5.2.4	Process Step 7: Agreeing on ERDF support	121
5.2.5	Administrative Burden	123
5.2.6	Concluding Summary	125
5.3	Urban Regeneration	126
5.3.1	Process Step 1: Informing/contact with authorities	126
5.3.2	Process Step 4: Submitting proposals/applications	129
5.3.3	Process Step 7: Agreeing on ERDF support	136
5.3.4	Administrative Burden	139
5.3.5	Concluding Summary	141
5.4	Excursus: Opinions of Rejected Applicants	142
<b>6.</b>	<b>Conclusions, Good-Practice and Recommendations</b>	<b>144</b>
6.1	Conclusions	144
6.1.1	Preparation/launch of and information about calls	145
6.1.2	Guidance of potential applicants/beneficiaries	146
6.1.3	Submission and selection of APQ	146
6.1.4	Submission of applications/proposals	147
6.1.5	Evaluation of applications/proposals	147
6.1.6	Selection of projects	148
6.1.7	Agreement on ERDF support	149
6.1.8	Results of the Multi-Criteria Analysis	150
6.2	Good practice examples and recommendations	155
6.2.1	Preparation/launch of and information about calls	155
6.2.2	Guidance of potential applicants/beneficiaries	157
6.2.3	Submission and selection of APQ	160
6.2.4	Submission of applications/proposals	161
6.2.5	Evaluation of applications/proposals	163
6.2.6	Selection of projects	165
6.2.7	Agreement on ERDF support	166
<b>7.</b>	<b>Annexes</b>	<b>167</b>

## LIST OF FIGURES

Figure 1:	Project selection procedure – generic model .....	25
Figure 2:	R&D – Decision-making for calls: OP East Netherlands .....	42
Figure 3:	R&D – Guidance: Slovakia .....	44
Figure 4:	R&D – Guidance: Germany .....	45
Figure 5:	R&D – Project acquisition: the Netherlands .....	45
Figure 6:	R&D - Organisation of evaluation process: examples .....	48
Figure 7:	R&D - Reasons for lengthy procedures .....	50
Figure 8:	Innovation - Amending permanent calls in Germany: reaction of MC members.....	58
Figure 9:	Innovation – arguments for APQ procedure .....	61
Figure 10:	Innovation - Evaluation and selection of less complex projects.....	63
Figure 11:	Innovation - Work and role of a selection committee.....	66
Figure 12:	Urban Regeneration - Key issues in planning decentralised programmes Netherlands...77	
Figure 13:	Urban Regeneration – SI: Amended selection procedure and criteria since 2010 .....	79
Figure 14:	Urban Regeneration – NL: Guidance and impact on the selection procedure.....	83
Figure 15:	Urban Regeneration – Scoring of applications .....	87
Figure 16:	Urban Regeneration – participatory selection procedures.....	89
Figure 17:	Overall I would rate the application and the selection process as... – Responses, Theme 1 .....	96
Figure 18:	How much do you feel you generally know about ERDF funding, its goals and funded projects in your country? – Responses, Theme 1 .....	97
Figure 19:	What were the most important channels of information for you to learn about ERDF funding? – Responses, Theme 1.....	97
Figure 20:	To the best of your recollection, please share your overall experiences of collecting information and preparing for your application. – Agreement and Disagreement with Statements, Theme 1 .....	98
Figure 21:	To the best of your recollection, how many interactions (phone calls, emails, etc.) did you approximately have with the authorities to obtain information on funding possibilities and the application process? – Responses, Theme 1 .....	99
Figure 22:	What kind of outside experts/consultants did you involve? – Responses, Theme 1 .....	102
Figure 23:	How did you submit the application? – Responses, Theme 1 .....	102
Figure 24:	To the best of your recollection, please share your overall experiences of the submission and selection process. – Agreement and Disagreement with Statements, Theme 1 .....	103
Figure 25:	To the best of your recollection: please estimate the following time spans; Time span between submission of the application and information about the selection decision – Responses, Theme 1.....	104
Figure 26:	To the best of your recollection: please estimate the following time spans; Time span between selection of your proposal and settling of the contract – Responses, Theme 1 .....	106
Figure 27:	To the best of your recollection, please share your overall experiences of the submission and selection process. – Agreement and Disagreement with Statements, Theme 1 .....	106
Figure 28:	Overall I would rate the application and the selection process as... – Responses, Theme 2 .....	111
Figure 29:	How much do you feel you generally know about ERDF funding, its goals and funded projects in your country? – Responses, Theme 2 .....	112
Figure 30:	What were the most important channels of information for you to learn about ERDF funding? – Responses, Theme 2.....	113

Figure 31: To the best of your recollection, please share your overall experiences of collecting information and preparing for your application. – Agreement and Disagreement with Statements, Theme 2 .....	114
Figure 32: To the best of your recollection, how many interactions (phone calls, emails, etc.) did you approximately have with the authorities to obtain information on funding possibilities and the application process? – Responses, Theme 2 .....	114
Figure 33: What kind of outside experts/consultants did you involve? – Responses, Theme 2.....	118
Figure 34: How did you submit the application? – Responses, Theme 2 .....	118
Figure 35: To the best of your recollection, please share your overall experiences of the submission and selection process. – Agreement and Disagreement with Statements, Theme 2 .....	119
Figure 36: To the best of your recollection: please estimate the following time spans; Time span between submission of the application and information about the selection decision – Responses, Theme 2.....	119
Figure 37: To the best of your recollection: please estimate the following time spans; Time span between selection of your proposal and settling of the contract – Responses, Theme 2 .....	121
Figure 38: To the best of your recollection, please share your overall experiences of the submission and selection process. – Agreement and Disagreement with Statements, Theme 2 .....	121
Figure 39: Overall I would rate the application and the selection process as... – Responses, Theme 3 .....	126
Figure 40: How much do you feel you generally know about ERDF funding, its goals and funded projects in your country? – Responses, Theme 3 .....	127
Figure 41: What were the most important channels of information for you to learn about ERDF funding? – Responses, Theme 3.....	127
Figure 42: To the best of your recollection, please share your overall experiences of collecting information and preparing for your application. – Agreement and Disagreement with Statements, Theme 3 .....	128
Figure 43: To the best of your recollection, how many interactions (phone calls, emails, etc.) did you approximately have with the authorities to obtain information on funding possibilities and the application process? – Responses, Theme 3 .....	129
Figure 44: What kind of outside experts/consultants did you involve? – Responses, Theme 3.....	132
Figure 45: How did you submit the application? – Responses, Theme 3 .....	132
Figure 46: To the best of your recollection, please share your overall experiences of the submission and selection process. – Agreement and Disagreement with Statements, Theme 3 .....	133
Figure 47: To the best of your recollection: please estimate the following time spans; Time span between submission of the application and information about the selection decision – Responses, Theme 3.....	134
Figure 48: To the best of your recollection: please estimate the following time spans; Time span between selection of your proposal and settling of the contract – Responses, Theme 3 .....	136
Figure 49: To the best of your recollection, please share your overall experiences of the submission and selection process. – Agreement and Disagreement with Statements, Theme 3 .....	137
Figure 50: To the best of your recollection, please share your overall experiences of the submission and selection process. –Level of Disagreement by Success of Application .....	142
Figure 51: What was the explanation given to you why your application was not successful? – Responses .....	143
Figure 52: Generic steps in selection procedures .....	144
Figure 53: Differences in evaluation and selection.....	148

## LIST OF TABLES

Table 1:	Scope of the study .....	20
Table 2:	Overview of methodology .....	22
Table 3:	Study questions .....	23
Table 4:	Selection of calls studied in-depth .....	24
Table 5:	Typology of characteristics of calls studied.....	28
Table 6:	R&D – programme context of calls.....	30
Table 7:	R&D – characteristics of calls .....	32
Table 8:	Innovation – programme context of calls.....	34
Table 9:	Innovation – characteristics of calls .....	36
Table 10:	Urban Regeneration – programme context of calls.....	37
Table 11:	Urban Regeneration – characteristics of calls .....	39
Table 12:	R&D – Bodies involved in preparation of calls.....	42
Table 13:	R&D –Providers of guidance.....	44
Table 14:	R&D - Submitting applications.....	46
Table 15:	R&D - Bodies responsible for evaluation .....	46
Table 16:	R&D - Overview of selection bodies and decision-making.....	49
Table 17:	R&D – Bodies processing and signing the support agreement.....	50
Table 18:	R&D - Time spent per process step .....	52
Table 19:	Innovation – Bodies involved in preparation of calls .....	57
Table 20:	Innovation - Calls in Slovakia.....	59
Table 21:	Innovation - Providers of guidance .....	60
Table 22:	Innovation - Submitting applications.....	62
Table 23:	Innovation - Bodies responsible for evaluation .....	62
Table 24:	Innovation - Organisation of evaluation process .....	64
Table 25:	Innovation - Overview of selection bodies and decision-making.....	65
Table 26:	Innovation – Bodies processing and signing the support agreement.....	66
Table 27:	Innovation - Time spent per process step .....	68
Table 28:	Urban Regeneration – Governance mechanisms .....	73
Table 29:	Urban Regeneration – Bodies involved in selection procedures .....	79
Table 30:	Urban Regeneration – Bodies involved in preparation of calls .....	81
Table 31:	Urban regeneration - Providers of guidance .....	82
Table 32:	Urban Regeneration - Submitting applications.....	84
Table 33:	Urban regeneration - Bodies responsible for evaluation .....	84
Table 34:	Urban Regeneration: Organisation of evaluation process .....	85
Table 35:	Urban Regeneration - Overview of selection bodies and decision-making.....	88
Table 36:	Urban Regeneration – Bodies processing and signing the support agreement.....	89
Table 37:	Urban Regeneration - Time spent per process step .....	91
Table 38:	R&D – extensiveness of application document.....	100
Table 39:	Number and length of application documents submitted – Averages Theme 1, by Country .....	101
Table 40:	R&D – selected characteristics, applicants’ perspective.....	105
Table 41:	R&D – extensiveness of documentation for contracting .....	107
Table 42:	R&D - Administrative burden per process step and Member State.....	108
Table 43:	R&D – External/outsourcing costs.....	109
Table 44:	R&D – Acquisition/equipment costs.....	109
Table 45:	Innovations in SMEs – extensiveness of application documents .....	116



Table 46:	Number and length of application documents submitted – Averages Theme 2, by Countries .....	117
Table 47:	Innovation – selected characteristics, applicants’ perspective.....	120
Table 48:	Innovations in SMEs – extensiveness of documentation for contracting .....	122
Table 49:	Innovation – Administrative burden per process step and Member State .....	123
Table 50:	Innovation – External/outsourcing costs.....	124
Table 51:	Innovation – Acquisition/equipment costs.....	124
Table 52:	Urban Regeneration – extensiveness of application documents .....	130
Table 53:	Number and length of application documents submitted – Averages Theme 3, by Countries .....	131
Table 54:	Urban Regeneration – selected characteristics, applicants’ perspective.....	134
Table 55:	Urban Regeneration – extensiveness of documentation for contracting.....	138
Table 56:	Urban Regeneration – Administrative burden per process step and Member State .....	139
Table 57:	Urban Regeneration – External/outsourcing costs.....	139
Table 58:	Urban Regeneration – Acquisition/equipment costs.....	140
Table 59:	Study questions and aspects assigned .....	150
Table 60:	R&D – results of the multi-criteria-analysis.....	152
Table 61:	Innovation – results of the multi-criteria-analysis.....	153
Table 62:	Urban Regeneration – results of the multi-criteria-analysis .....	154

## LIST OF ABBREVIATIONS

<b>AIR</b>	Annual Implementation Reports
<b>APQ</b>	Application for pre-qualification
<b>AT</b>	Austria
<b>CZ</b>	Czech Republic
<b>DE</b>	Germany
<b>DG REGIO</b>	Directorate General for Regional Policy
<b>EC</b>	European Commission
<b>ERDF</b>	European Regional Development Fund
<b>EU</b>	European Union
<b>EUR</b>	Euro
<b>FFG</b>	Österreichische Forschungsförderungsgesellschaft
<b>IB</b>	Intermediary Body
<b>ICT</b>	Information and communication technology
<b>IUDP</b>	Integrated Urban Development Plan
<b>MA</b>	Managing Authority
<b>Max</b>	Maximum
<b>MC</b>	Monitoring Committee
<b>MS</b>	Member States
<b>NADSME</b>	National Agency for Development of Small and Medium-Size Enterprises
<b>NL</b>	Netherlands
<b>No</b>	Number
<b>OP</b>	Operational Programme
<b>PA</b>	Priority Axis
<b>PSP</b>	Project Selection Profile
<b>R&amp;D</b>	Research and Development
<b>RDA</b>	Regional development agency

<b>SCM</b>	EU Standard Cost Model
<b>SFG</b>	Steirische Wirtschaftsförderung
<b>SI</b>	Slovenia
<b>SK</b>	Slovakia
<b>SMEs</b>	Small and medium-sized enterprises
<b>TIA</b>	Public Agency for Technology of the Republic of Slovenia
<b>ToR</b>	Terms of Reference
<b>TT</b>	Technology Transfer
<b>TTC</b>	Technology Transfer Centres
<b>TTO</b>	Technology Transfer Offices

## LIST OF DEFINITIONS

Term	Definition
<b>Operational Programme</b>	Document submitted by a Member State and adopted by the Commission setting out a development strategy with a coherent set of priorities to be carried out with the aid of a Fund, or, in the case of the Convergence objective, with the aid of the Cohesion Fund and the ERDF.
<b>Priority Axis</b>	One of the priorities of the strategy in an OP comprising a group of operations which are related and have specific measurable goals.
<b>Operation (also Measure)</b>	A project or group of projects selected by the managing authority of the OP concerned or under its responsibility according to criteria laid down by the monitoring committee and implemented by one or more beneficiaries allowing achievement of the goals of the priority axis to which it relates.
<b>Call for Proposal</b>	Procedure for implementing an operation (measure) and inviting potential beneficiaries for submission of project proposals. Sets out goals in accordance with programme objectives, specifies eligibility and selection criteria, and may define amount of support and other requirements. Procedure ends with selection of projects and agreement on the terms of support.
<b>Call for Pre-Qualification</b>	A call launched for identifying a suitable group of potential beneficiaries who will be invited to deliver proposals upon a separate selection process (restricted calls).
<b>Permanent call</b>	A call for proposal launched over an undefined period of time specifying eligibility and selection criteria and inviting for submission of proposals throughout the whole programme period (example: "Förderrichtlinien" in Germany).
<b>Temporary call</b>	A call for proposal, which is only open for a limited time-frame. Regularly focused on specific themes, which will vary from time to time.
<b>Managing Authority</b>	The organisation deputed by the Member State to have overall responsibility for the running of Structural Funds. The Managing Authority bears the responsibility for managing and implementing the Operational Programme; it acts as interface between the European Commission and the participating states and regions and ensures compliance of the programme with Community regulations and policies.
<b>Intermediary Body</b>	Any public or private body or service which acts under the responsibility of a managing or certifying authority, or which carries out duties on behalf of such an authority vis-à-vis beneficiaries implementing operations.
<b>Beneficiary</b>	An operator, body or firm, whether public or private, responsible for initiating or initiating and implementing operations. In the context of aid schemes under Article 87 of the Treaty, beneficiaries are public or private firms carrying out an individual pro-

	ject and receiving public aid.
<b>Indirect beneficiary</b>	Any person, body or firm which has use and enjoyment of a project/grant (i.e. profits from a grant) - without being a direct beneficiary.
<b>Applicant</b>	The body applying for a grant in the form of Structural Funds.

## 0. EXECUTIVE SUMMARY

### Scope and analytical framework of the study

This study examined project selection processes **for three themes** (1. R&D-Technology Transfer; 2. Innovations in SMEs; 3. Urban Regeneration) **across 14 Operational Programmes** (OPs) financed by the ERDF in **six EU Member States** (Austria, the Czech Republic, Germany, the Netherlands, Slovakia and Slovenia) in the programming period 2007-2013. The objectives were to:

- Assess the **effectiveness** of project selection processes per theme and Member State (i.e. selecting the projects best fulfilling the objectives of the OP).
- Assess the **efficiency** of project selection processes per theme and Member State (i.e. carrying out the selection process with the least resources and without delays) including the level of administrative costs linked to the project selection.
- Identify **good practice examples** for each theme across Member States both in terms of effectiveness and efficiency.
- Propose **recommendations** that could serve for post-2013 policy design.

For each theme and Member State, project selection processes were **identified, examined in detail and assessed**. This was done by means of a desk research, workshops on process analysis with authorities/bodies involved in the project selection process, telephone interviews with a representative sample of beneficiaries, an online-survey among all project beneficiaries and rejected applicants as well as a concluding multi-criteria-analysis. Administrative costs and burdens were assessed based on the EU Standard Cost Model (SCM)<sup>1</sup>.

The analysis was conducted at the level of calls<sup>2</sup>; **36 calls were selected** across themes and Member States for in-depth analysis. These differed significantly along a variety of dimensions, such as their location in priority axes and number of measures/operations covered, size/budget, the organisational set-up and complexity of procedures, the type and number of bodies involved and distribution of responsibilities among them as well as the types of beneficiaries and assistance available. This diversity in the characteristics of calls has to be kept in mind when interpreting the findings of the study; the effectiveness and efficiency of project selection procedures can only be understood within the specific context of the relevant OPs and their institutional and administrative context.

In order to nevertheless achieve a certain degree of comparability, the study team identified and defined **standardised processes as a framework for the analysis**. The resulting generic model summarised the central process steps within selection procedures applied in each call, covering all relevant aspects on both sides of the project selection process -- administration and project beneficiaries -- as well as the interactions between them (for details, please see Chapter 2). This generic model structured the analysis of the 36 selected calls.

---

<sup>1</sup> For details on the EU Standard Cost Model (SCM) and a detailed description of the specific methodological approach to the cost assessment in this study, please see Annex 7.

<sup>2</sup> A "call" represents the procedure for implementing an operation (measure) and inviting potential beneficiaries for submission of project proposals, setting out goals in accordance with programme objectives, specifying eligibility and selection criteria. In this context, one can distinguish between permanent calls -- launched over an undefined period of time and inviting submission of proposals throughout the whole programme period (example: "Förderrichtlinien" in Germany) -- and temporary calls -- open only for a limited time and with set deadlines for submission of proposals within the programme period (example: procedures applied in the Czech Republic or Slovakia).

### The selection process in comparative perspective

In all programmes and themes, basic decisions on launching calls are made in the **OP programming phase**. Here, a framework is established as to how national/regional policies and EU regulations are to be combined and aligned. In the programming phase, authorities also have to make a decision on whether to base overall programme implementation on a system of **temporary or permanent calls**. In this context, the study identified two basic approaches:

- ERDF funding is used to support/supplement existing national or regional policies, also by means of co-funding (Austria, Germany, and Netherlands). This means that the ERDF is either closely linked to national and regional support instruments which have existed for quite some time already (Austria, Germany) or as an instrument for targeted policy-making at regional level (Netherlands). In these cases, ERDF support is implemented through permanent calls.
- ERDF funding is used as a starting point for new national or regional policies rather than supplementing existing approaches (Czech Republic, Slovakia, and Slovenia). In these cases, ERDF support is implemented through temporary calls.

The study results do not lead to an exhaustive answer to the question of which type of call (permanent or temporary) is more effective and/or efficient. There are a number of good reasons for both:

#### **Temporary calls**

- Enhance competition as project applications are received by a certain deadline/at the same point in time and can be assessed in parallel with a comparative perspective.
- Are more selective, i.e. are associated with higher rejection rates.
- Allow for a direct response to evolving needs and address specific challenges which may also facilitate overall programme management.
- Facilitate learning in terms of implementation and results from one call to the next.

#### **Permanent calls**

- Provide greater flexibility for applicants: as no deadlines are set, applicants have more time to prepare their application.
- Reduce the administrative efforts associated with preparing and launching calls as the efforts only have to be made once at the beginning of the programming period (aside from possible changes to the call later on).
- Are less selective, i.e. are associated with lower rejection rates.

The types of calls selected have clear implications for the **basic implementation structures** and procedures that follow. Permanent calls are mostly prepared at the beginning of the programme period. The nature of temporary calls requires separate preparation for each call throughout the programme period. The bodies involved in the preparation of calls are usually Managing Authorities (MAs) and Intermediary Bodies (IBs). Often, ministries, government departments and other stakeholders are consulted in the preparation process. This is especially true in Member States with permanent calls. Stakeholders are also involved through Monitoring Committees as these have to approve selection criteria.

**Guidance provided to applicants** by authorities is an important variable determining the overall effectiveness of selection procedures. Guidance is primarily delivered by IBs, but sometimes also by MAs. The provision of guidance largely focuses on providing information about funding. However, in quite a few cases, guidance goes beyond such aspects, involving active outreach or networking in order to generate projects. Therefore, there is also a great deal of direct contact between administrations and applicants in the guidance process: between 67 percent (theme 2) and 90 percent (theme 3) of survey respondents reported having had direct contact with authorities.

Applicants across Member States and themes **seem to have a good knowledge of ERDF funding**; they appear to know when and how to apply, where to find relevant documents and who to contact if they have questions. However, respondents were somewhat dissatisfied when it came to the question of whether forms, documents and criteria were understandable, clear and user-friendly. This is especially true of applicants with no previous application experience. Many applicants found the application documents so complex that they hired **external consultants**. In fact, the use of external consultants in the application process appears to be exceptionally widespread: between 33 percent (theme 1) and 78 percent (theme 3) of applicants indicated that they used external consultants in the application process. Overall, the support of grant writers and management consultants was most popular; in theme 3, engineers/technicians/architects also played a strong role. The main reasons given for the use of external support were an internal lack of capacity to deal with the application and the complexity of the subject matter.

A formal **two-stage procedure with an application for pre-qualification (APQ)**<sup>3</sup> is only applied in theme 2, and only in the Czech Republic and Germany. The approach and the role of these APQ-procedures are, however, very different in both Member States:

- In the Czech Republic, the APQ is mainly aimed at pre-assessing the eligibility of applicants.
- In Germany, this process step primarily serves the purpose of discussing project ideas with regional stakeholders. Hence, the APQ procedure is part of a broader understanding of guidance.

Generally, it was found that these APQ-procedures **effectively filter out projects** which are not eligible and do not fit into the funding scheme. Hence, early feedback is provided to the applicants on chances for success which reduces uncertainty as well as administrative burden on applicants rejected at the first stage. Moreover, as the APQ is not only an instrument of pre-selection but can be part of a **wider understanding of guidance**, it can also contribute to the development of high-quality project ideas. On the other hand, it should not be forgotten, however, that APQ-procedures add to the overall procedural complexity of selection procedures as they add additional procedural layers. Meanwhile, the study also shows that informal pre-checks are in place in a number of other themes and Member States. These can also provide additional guidance to applicants and provide early feedback to the applicants on the chances of success.

**Submission of application documents** is carried out in various ways across calls and Member States but it seems that postal and personal submission are still the preferred methods -- even though online submission is possible in the majority of calls. The **number of documents of application materials** that have to be handed in differs significantly across themes and Member States, often depending on the type and size of a project. In some cases, applications are only 10 pages long; in others, several hundred pages have to be provided, plus annexes. Across all themes, the newer Member States appear to be far more demanding in this respect than the old Member States.

Once applications are submitted, a significant proportion of applicants are not informed by authorities how long the evaluation and selection process will take. In fact, many applicants voiced the frustration that they felt that there were **unnecessary delays in the selection process** as it mostly took authorities quite a while to inform applicants about the selection decision. For 36 percent of surveyed beneficiaries, this took between three and six months, for 20 percent even up to twelve months; only seven percent reported that decision-making took less than one month.

---

<sup>3</sup> An *application for pre-qualification* is defined as the formal, mandatory process of identifying a suitable group of potential beneficiaries who will be invited to deliver proposals in a separate selection process (restricted calls). In this context, it is important to distinguish this formal APQ from a more informal *pre-check procedure*. Informal pre-checks have similar characteristics but do not constitute a formal part of the selection procedure. Such informal pre-checks are not primarily aimed at excluding a certain proportion of applicants from a final selection round but are rather used as instruments for guiding applicants and allowing for better fine-tuning of final applications.



In most Member States and themes, **evaluation of applications** is the responsibility of the IBs. Generally, the process of assessing eligibility is clearly separated from the assessment of projects' quality. **Eligibility criteria** tend to be exclusion criteria (yes/no); full compliance is required in order for a proposal to be selected. The **quality criteria**, on the other hand, vary widely in the Member States and themes studied. In this case, too, a divide between old and new Member States can be observed. The old Member States tend to use qualitative assessments to evaluate the quality of applications on a one-by-one basis. The new Member States, on the other hand, tend to use scoring methods for assessing quality and ranking as the basis for selection. **External evaluators** are strongly involved in the evaluation of applications in a number of Member States. They can provide valuable specialist knowledge (technical or financial) which the MAs or IBs do not have and bring fresh external perspectives into the evaluation -- as long as they are objective professionals and their involvement is transparent.

**Project selection** is not always carried out as a separate step of the overall process (but rather as one step together with evaluation). When a separate selection step exists, selection is usually carried out by a Selection Committee or a Steering Group. However, these bodies tend to mostly adhere to the selection recommendations prepared by evaluators in advance rather than making independent selection decisions.

Authorities then provide applicants with **information on the selection outcome**; reasons for project selection are provided in about half of the cases. Official **complaint systems** for rejected applicants exist in all programmes studied; however, knowledge about these complaint systems is apparently not widespread among applicants and only a small proportion of applicants actually make use of these mechanisms. This might be because applicants mostly thought that the **selection decisions were published in a transparent manner** and also felt that the criteria for evaluating applications and project selection were appropriate and fair. However, there were also those that perceived the process to be non-transparent; these applicants felt that the selection process was a "black box" and internal procedures in the bodies responsible were not understandable to the outside observer.

The responsibility for **preparation and signature of the agreement on ERDF support** between authorities and beneficiaries, after a selection decision has been made, lies in most cases with the IBs or MAs. In some Member States, this process step does not require a great number of formalities. In others, extensive additions to and revisions of application documents are required for signature of the agreement. The extent and number of documents to be submitted at this stage differs greatly. Often, the calls with the highest amount of funding per project also require the largest number of pages. In the case of large projects, this final process step can therefore take more than half a year, resulting in long delays in the overall selection process.

According to the estimates collected, the project selection procedures per applicant on the part of the administrations are, from an **administrative cost perspective**, most time-consuming across all themes in the Czech Republic and the Netherlands. Decisive factors in the Czech Republic seem to be the involvement of a comparatively high number of people (internal and external) especially in the evaluation of applications, the comparatively high complexity of the applications in terms of the number of documents and pages, and, for R&D and Urban Regeneration, a time- and resource-consuming "negotiation" between the MA and the applicant on project details within the last process step. In the Netherlands, it is mainly the comparatively complex procedural set-up. This involves an informal pre-check for all themes and a very strong focus on providing guidance and helping (potential) applicants throughout the entire process.

#### Results of the multi-criteria-analysis

In order to draw together all the findings of the comparative analysis, the study team conducted a multi-criteria-analysis. As a basis for the analysis, specific dimensions were assigned to each study question; these were: "Information and Guidance", "Complexity", "Effectiveness", "Efficiency" and "Transparency". Then, a scoring was undertaken. As a result, no significant differences could be identified across themes along the five dimensions of the study. However, differences could be observed between Member States.

The study identified **a number of key variables that influence the performance of the Member States** examined in the scoring across the five areas examined in this study:

- The level of information and preparedness of applicants is a key indicator for the overall success of information and guidance activities; a lack of availability and user-friendliness of information and documents can undermine the success of these activities.
- Permanent calls tend to have a lower complexity than temporary calls; this is mostly due to the fact that the selected permanent calls have often been implemented for many years already and routines have developed on the side of the administration and applicants. Another important factor contributing to a high complexity of procedures in the newer Member States is the amount of information and documentation which has to be provided by applicants; here the newer Member States are far more demanding than the old Member States.
- Good scores in the realm of effectiveness can mostly be traced back to sophisticated frameworks of selection criteria and high selectivity of programmes. Additionally, it is rated positively when stakeholders are involved in preparing calls and external evaluators are involved in the selection process.
- Procedures are judged to be efficient when selection decisions are reached relatively quickly and without major delays. However, such swift implementation does not always coincide with relatively low administrative costs (in fact, in several cases there is a negative correlation).
- High scores in the realm of transparency can be traced to the positive assessment of applicants of the appropriateness and fairness of evaluation and selection criteria -- and the transparent communication of selection decisions, including reasons for selection.

#### Recommendations

Based on the findings described above, the study team developed a number of recommendations which are intended to provide input for designing project selection procedures in the future. At this point, a brief summary of the recommendations the study team considered to be most relevant as input for further discussion and improvement in the realm of ERDF project selection procedures is provided. Further, more detailed recommendations and good practice examples can be found in section 6.2 of this report. When considering the 'implementability' of the recommendations, each needs to be looked at in the light of the specific programme context, e.g. the objectives and thematic fields of operations, the beneficiaries and recipients of assistance, the type and size of projects or the levels of governance and national/regional administrative structures.

#### **Enhance partnership by applying a broader concept of involving regional stakeholders in the programming and preparation of the calls, going beyond the current role of the Monitoring Committees** (for details, see A in section 6.2.1).

The study findings show that the broad participation of regional stakeholders and social and economic partners in the programming and call preparation phase is a key to linking EU structural policy and Member States' regional policy. Regional stakeholders and representatives of the private sector should be involved in the discussions associated with preparing the calls; the discussions should focus on the strategic level of targets, instruments, financing and procedures.

#### **Enhance guidance and strengthen the role of the IBs in providing guidance** (for details, see G and H in section 6.2.2).

Providing needs-oriented guidance to applicants is key to generating good projects. Such needs-oriented guidance might also contribute to reducing the currently widespread use of external consultants and should therefore be enhanced. The IBs play a crucial role in providing guidance; however, especially in the new Member States, they sometimes restrict themselves too much to playing a formal administrative role. They should pay more attention to ensuring that the information provided in print, on the web and in person is clear and user-friendly.

The objective should be to provide each applicant with tailored information; this should also, for instance, include:

- Provision of clear and concise instructions for filling in forms – “how-to-do’s”,
- Introduction of self-assessment tools which allow eligibility to be pre-tested online,
- Explanation of requirements and the reasoning behind them,
- Assistance in filling forms and drawing up documents, e.g. the project description,
- Provision of comprehensive answers and early assessment on the chances of a project (also see the “pre-check” below).

**Implement a pre-check of applications as a guidance tool** (for details, see K in section 6.2.3)

The study showed that APQs and pre-checks effectively filter out projects which are not eligible and/or do not fit into the funding scheme at an early stage of the process. If implemented, such APQs and pre-checks provide early feedback to the applicants on chances for success which reduces uncertainty as well as administrative burden. Moreover, as part of a wider understanding of guidance, they also contribute to the development of high-quality project ideas. In order to do so, they do not necessarily need to take the form of official applications for pre-qualification.

**Reduce the requirements of applications to the necessary minimum and enhance online submission of applications** (for details, see L and M in section 6.2.4)

The study found that e-solutions tend to facilitate the application process, reduce administrative burden and provide further support for the evaluation of applications. In order to maximise their added-value, the functionality of such e-solutions should be enhanced and applicants should be more strongly encouraged to use them. Administrative burden could be decreased even further by reducing applications forms/documents to the necessary minimum and only require the information which is actually needed to assess the eligibility of applications and the quality of planned projects. In this regard, the following points should be taken into account:

- Eliminate irrelevant/dual requirements from applications,
- Facilitate the re-use of information and data as far as possible,
- Provide the evaluating bodies with access to relevant folders/files available at other authorities/bodies,
- Align the required financial information with the format of information at hand of applicants,
- Accept self-declarations instead of certified copies,
- Implement a flat-rate allowance for calculating project costs.

**Design and apply effective and efficient evaluation processes** (for details, see N in section 6.2.5).

In terms of the process of evaluating applications and the criteria applied, the study revealed differences, in particular between the old and new Member States and between permanent and temporary calls. Ideally, eligibility, quality and selection criteria should be coherently linked to programme objectives:

- Eligibility, quality and selection criteria should be clearly distinguished, be simple, clear and limited in number. Evaluation and selection criteria should not simply constitute a check list or manual for evaluation. They should clarify what the funding authorities expect of the applicants and form the binding basis for evaluation and selection.
- In order to identify projects which fully or best meet funding objectives, a comparative evaluation perspective is advisable. Meanwhile, the goal of selecting projects which best meet funding objectives should not be counteracted by the availability of funds and the pressure to spend them.

## 1. INTRODUCTION

This Final Report is the fourth deliverable in the comparative study of the project selection process applied in cohesion policy programmes 2007-2013 in a number of Member States. It reports on the activities of the three project tasks, structured per theme and country.

The Final Report is organised as follows:

- Chapter 2 outlines the scope and methodology of the study as well as the activities undertaken.
- Chapter 3 summarises the context and characteristics of the calls selected for the study.
- Chapter 4 contains a comparative analysis of project selection procedures by theme from the perspective of the relevant authorities; it also outlines the results of the project team's comparative analysis of the administrative costs of project selection procedures.
- Chapter 5 contains a comparative analysis of project selection procedures by theme from the perspective of applicants and beneficiaries; it also outlines the results of the project team's comparative analysis of the administrative burdens of project selection procedures.
- In Chapter 6 summarises results, identifies good practices and develops recommendations.
- The Annex contains:
  - the study timetable,
  - the sources used,
  - an overview of workshops and interviews conducted as part of this study,
  - the evaluation and selection criteria for all themes in detail,
  - a summary of the demographic background of survey respondents,
  - country-specific survey results,
  - an outline of the EU Standard Cost Model (SCM) used for this study,
  - the results of the multi-criteria-analysis by country,
  - the Project Selection Profiles for all countries and themes.

## 2. SCOPE AND METHODOLOGY OF THE EVALUATION

The overall objective of the European Regional Development Fund (ERDF) is to strengthen economic development and contribute to economic and social cohesion in the European Union (EU) by correcting imbalances between regions. The types of activity supported are manifold and range from direct aid for business investment, to public infrastructure investments, assistance for research and development activities, management of local development and other non-physical investments.

In accordance with the principle of shared management, the Member States are responsible for selecting projects that fit with these activities. The project selection is partly based on requirements outlined in Cohesion Policy regulations and partly on the institutional and administrative framework specific to each Member State. Thus, the selection procedures are characterised, on the one hand, by many common patterns across the EU, and, on the other, by clear national and regional differences arising from the diversity of institutional and administrative contexts.

The current study examines the different project selection processes for three themes across 14 Cohesion Operational Programmes (OPs) financed by the ERDF in six EU Member States during the programming period 2007-2013. Table 1 below summarises the themes, OPs and Member States covered.

**Table 1: Scope of the study**

Member States	Themes		
	Research & Development – Technology transfer	Innovations in SMEs	Urban Regeneration
<b>Austria</b>	OP Styria	OP Styria	OP Vienna
<b>Czech Republic</b>	OP Research and Development for Innovations	OP Enterprise and Innovations	Regional OP Moravia-Silesia
<b>Germany</b>	OP Saxony	OP Hessen	OP Brandenburg
<b>Netherlands</b>	OP East Netherlands	OP East Netherlands	OP West Netherlands
<b>Slovakia</b>	OP Research and Development	OP Competitiveness and Economic Growth	Regional OP for Western, Central and Eastern Slovakia
<b>Slovenia</b>	OP Strengthening of Regional Development Potentials	OP Strengthening of Regional Development Potentials	OP Strengthening of Regional Development Potentials

For each theme and country, project selection processes were identified, examined in detail and assessed. The objectives of the comparative study were to:

- Assess the effectiveness of the project selection process per chosen theme and country (i.e. selecting the projects best fulfilling the objectives of the OP).
- Assess the efficiency of the project selection processes per chosen theme and country (i.e. carrying out the selection process with the least resources and without delays) including the level of administrative costs linked to the project selection.
- Identify good practice examples for each chosen theme across Member States both in terms of effectiveness and efficiency.
- Propose recommendations that could serve for post-2013 policy design.

The methodological tools used for reaching these objectives and their respective purposes are summarised in Table 2.

**Table 2: Overview of methodology**

<b>Method</b>	<b>Purpose</b>
<b>Desk study and document analysis</b>	<ul style="list-style-type: none"> <li>• Obtain an overview of the selection procedures for each theme and country</li> <li>• Identify differences and similarities across countries</li> <li>• Set the data basis for the workshops, interviews, and online survey</li> </ul>
<b>Workshops on process analysis</b> (group interviews) with authorities/bodies involved in the project selection process	<ul style="list-style-type: none"> <li>• Validate the desk study picture and “inject” the identified selection procedures with life</li> <li>• Assess efficiency and effectiveness of the project selection procedures from the point of view of the administrations; collect recommendations for simplifications and improvements</li> <li>• Assess administrative costs</li> </ul>
<b>Telephone interviews</b> with a representative sample of beneficiaries	<ul style="list-style-type: none"> <li>• Validate the desk study picture and “inject” the selection procedures with life</li> <li>• Assess efficiency, effectiveness and administrative burdens of the project selection procedures from the point of view of beneficiaries</li> <li>• Assess administrative burdens</li> </ul>
<b>Online-survey</b> among all project beneficiaries and rejected applicants	<ul style="list-style-type: none"> <li>• Get opinions and feedback on the satisfaction with and transparency of the selection procedures</li> <li>• Test and assess recommendations and hypotheses for simplification derived from previous workshops and interviews</li> </ul>
<b>EU Standard Cost Model (SCM)<sup>4</sup></b>	<ul style="list-style-type: none"> <li>• Assess the administrative costs of Managing Authorities and other bodies involved in the project selection process</li> <li>• Assess the administrative burden of the project selection for beneficiaries/applicants</li> </ul>
<b>Multi-Criteria-Analysis</b>	<ul style="list-style-type: none"> <li>• Compare theme-related findings across the programmes studied and identify good-practices</li> </ul>

<sup>4</sup> For details on the EU Standard Cost Model (SCM) and a detailed description of the specific methodological approach to the cost assessment in this study, please see Annex 7.

## 2.1 Analytical framework

The analytical framework for the study was determined by nine study questions in the Terms of Reference (ToR), which are in the Table below.

**Table 3: Study questions**

<b>Study questions from ToR</b>
What is the overall efficiency of the project selection process for each theme and Operational Programme?
What is the overall effectiveness of the project selection process for each theme and Operational Programme?
How transparent is the evaluation process of projects/operations submitted?
How complex is the evaluation process of projects/operations submitted?
How efficient is the evaluation process of projects/operations submitted?
What is the availability, suitability, quality and "user-friendliness" of the national eligibility rules and guidance provided by the Managing Authorities (or delegated bodies) to potential beneficiaries during the entire process until the project selection?
How extensive and complex is the project application form, including its annexes, to be completed by potential beneficiaries?
Assess the administrative burden that final beneficiaries face during the whole project selection process.
How might the project selection process be simplified in order to minimise the administrative burden for the beneficiaries without potential negative impacts on sound financial management or achievement of Cohesion Policy and programme objectives?

These study questions were analysed by the project team starting at the level of calls. Generally, a "call" represents the procedure for implementing an operation (measure) and inviting potential beneficiaries for submission of project proposals, setting out goals in accordance with programme objectives, specifying eligibility and selection criteria. In this context, one can distinguish between permanent calls -- launched over an undefined period of time and inviting submission of proposals throughout the whole programme period (example: "Förderrichtlinien" in Germany) -- and temporary calls -- open only for a limited time and with set deadlines for submission of proposals within the programme period (example: procedures applied in the Czech Republic or Slovakia).

A total of 82 relevant calls were initially identified in the OPs and themes relevant for the analysis. These differed significantly along a great variety of dimensions, for instance in terms of:

- location in priority axes
- number of measures/operations covered
- size/ budget
- the organisational set-up
- complexity of procedures
- the type and number of involved bodies
- the distribution of responsibilities among different bodies
- types of beneficiaries and assistance available, etc.



Therefore and due to the limited amount of resources and time constraints, it was decided that it would not be possible to study each of these 82 calls in detail and that the project team should instead focus on selected calls only for the in-depth analysis. In order to select the calls to be studied, the following criteria were applied:

- All permanent calls were analysed.
- Temporary (theme-specific) calls within a relevant operation/measure were selected according to the following criteria:
  - the most recent calls,
  - with a relatively high number of projects,
  - with a relatively large budget volume,
  - main objectives and activities of the operation/measure are reflected.

By applying these criteria, the number of calls to be studied as part of the in-depth analysis was reduced to 36. The following sections of the Final Report only focus on these 36 selected calls. Table 4 summarises the number of calls analysed in-depth per country and theme.

**Table 4: Selection of calls studied in-depth**

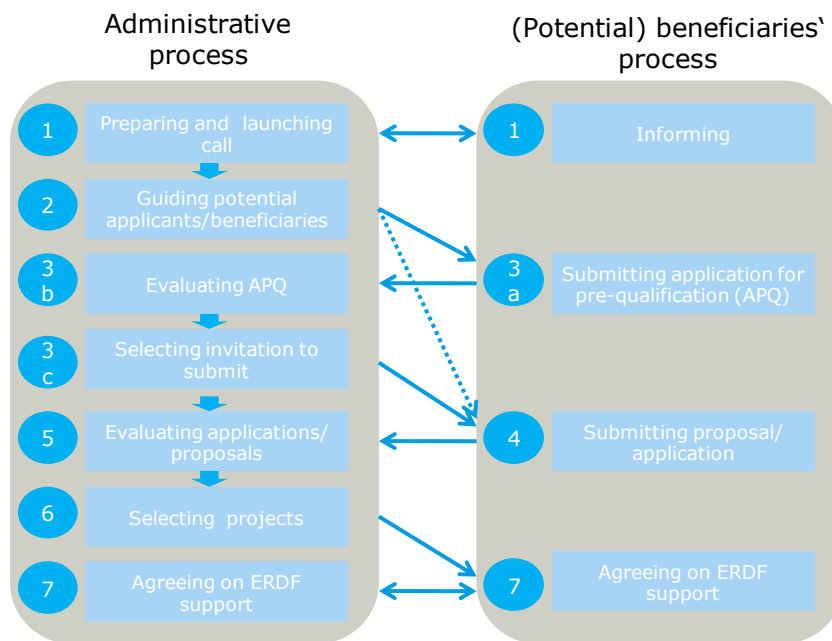
Member State	Number of Calls							
	Research & Development – Technology transfer		Innovations in SMEs		Urban Regeneration		Total	
	Identified	Selected	Identified	Selected	Identified	Selected	Identified	Selected
Austria	1	1	2	1	1	2	4	4
Czech Republic	3	3	9	3	6	2	18	8
Germany	2	2	1	1	1	1	4	4
Netherlands	2	1	2	1	4	4	8	6
Slovakia	18	2	9	4	3	2	30	8
Slovenia	3	1	13	3	2	2	18	6
<b>Total</b>	<b>29</b>	<b>10</b>	<b>36</b>	<b>13</b>	<b>17</b>	<b>13</b>	<b>82</b>	<b>36</b>

Considering the variation in the characteristics of calls mentioned above, the most fundamental challenge of the study was to handle the variety of project selection procedures within the selected themes across OPs and Member States -- while still making project selection procedures comparable. Comparability, first of all, required the definition of a standardized terminology (see list of definitions) that served as a common reference for the variety of different administrative and legal systems and cultures applied in selecting ERDF-supported projects across countries.

Moreover, comparability required the identification and definition of standardized processes as a framework for the analysis. The project team therefore designed a generic process/model which can be identified in all programmes (Figure 1). This generic model summarises the central process steps within selection procedures applied under each call.

This generic model structured the analysis of the 36 selected calls. The resulting assessment of project selection procedures provided in this Final Report covers all relevant aspects on both sides of the project selection process -- administration and project beneficiaries -- as well as the interactions between them.

Figure 1: Project selection procedure – generic model



On the administration's side, the preparation and launch of a call for projects (1) is taken as the starting point of the analysis. The formulation and approval of eligibility and selection criteria form part of this first process step, which also covers the definition of the specific scope of a call as well as outreach to beneficiaries. Guidance for potential beneficiaries by the Managing Authority (MA) and/or Intermediary Bodies (IBs) is analysed as a separate step (2). There is then a two-stage selection process (3 to 6) or a one-stage selection process (4 to 6). Therefore, the model differentiates between evaluation and selection of applications for pre-qualification (3b and 3c), and evaluation and selection of proposals/applications (5 and 6). An *application for pre-qualification* is defined as the formal, mandatory process of identifying a suitable group of potential beneficiaries who will be invited to deliver proposals in a separate selection process (restricted calls) -- where only selected applicants can move on to deliver a project proposal for the final selection round and where other applicants are excluded from the final selection round. In this context, it is important to distinguish this formal application for pre-qualification from a more informal *pre-check procedure*. Informal pre-checks have similar characteristics but do not constitute a formal part of the selection procedure; an example of such an informal pre-check would be the submission of a draft project design by an applicant to the IB in advance of the submission of the actual proposal. Such informal pre-checks are not primarily aimed at excluding a certain proportion of applicants from a final selection round but are rather used as instruments for guiding applicants and allowing for better fine-tuning of final applications. Finally, once the selection is finalised, the process results in an agreement (e. g. contract, administrative decision) (7).

On the beneficiaries' side, the focus is on the activities which potential beneficiaries have to carry out in order to comply with the administrative framework of ERDF support. The starting point is the degree to which potential applicants are informed, especially about the objectives, expected results, eligibility and selection criteria (1). The application process which follows is either two-stage or one-stage. Depending on the type of process, applicants go on to draft and submit an application for pre-qualification (3a) and/or a project proposal/application (4).

Once a project has been selected, agreements between the MA/IB and the beneficiary (7) may require that the beneficiary provide additional documentation in order for the decision on ERDF support to be fully completed.

## 2.2 Overview of activities undertaken

Activities undertaken over the course of the study were clustered into three different phases: the inception phase, the desk research phase and the data collection phase. The main milestones of these three different phases are outlined below.<sup>5</sup>

Inception phase: activities during the initial inception phase were focused on refining the methodology and fine-tuning the framework for the evaluation originally suggested in the technical proposal.

- Exploratory, individual interviews were carried out with a number of Desk Officers in the Directorate General for Regional Policy of the European Commission (EC) in order to identify key issues to be taken into consideration during the subsequent steps of the study.
- Preliminary desk research was undertaken for all themes, countries and OPs to be studied to collect publicly available documents relevant for the study, to identify the bodies responsible for project selection for all OPs and to obtain a first overview of the various project selection mechanisms.
- All MAs were contacted. This initial establishment of contact with the MAs was aimed at informing the MAs about the study, announcing the planned involvement of the MAs and delegated bodies responsible for project selection, obtaining documents that are not publicly available and checking data availability (beneficiaries and rejected applicants).
- An Inception Report was prepared, including detailed analysis of the evaluation questions and a work plan. The Inception Report also included a draft of the Project Selection Profiles (PSPs) to be used in the desk research phase.

Desk research phase: the aim of the second project phase was to use the written sources to establish separately for each theme across the Member States an overview of the selection procedures, and the structural and procedural requirements.

- Country assessors reviewed and analysed the documents relevant to the selection procedures per theme and OP as identified and collected during the inception phase. Relevant documents included OPs, descriptions of the management and implementation systems, calls, eligibility and selection criteria, Annual Implementation Reports (AIRs), guidance and support documents provided to applicants and application forms. This document study was complemented by telephone contacts to the MAs and IB.
- The document study was structured by the PSP. The PSP was designed to document and structure all analytical work done per OP and theme. During the desk research phase, the PSP was used for storing and structuring the information collected on an ongoing basis. Once the PSPs were complete, they were passed to the core team by the country assessors. The core team then reviewed, compared and synthesised the PSPs across programmes in order to identify similarities and differences per theme.
- A Progress Report was prepared, reporting on results of the desk research and document study as well as progress made in terms of the work to be performed in the upcoming project phases.

---

<sup>5</sup> A detailed work plan and schedule of the study is provided in Annex 1.

Data collection phase: the aim of the third project phase was to review and analyse the practical application of the project selection procedures identified during the desk study. The procedures were “injected with life” from the point of view of the administrative bodies responsible for project selection, as well as beneficiaries and rejected applicants.

- First, country assessors carried out group interviews/workshops with all official bodies involved in the process of project selection per theme and country to assess the processes from the administration’s point of view. Participants were representatives of MAs and IBs and, where relevant, further stakeholders, such as external assessors. The groups discussed the efficiency (including administrative costs) and effectiveness of the overall processes and single process steps; recommendations for simplification and improvements were collected. An overview of workshop dates is provided as part of the Annexes.
- As a complement to the workshops with the authorities/official bodies responsible for project selection, country assessors carried out telephone interviews with a representative sample of project beneficiaries to receive their feedback on the project selection processes, including their potential recommendations for improvements. The interviews also served the purpose of shedding light on the related administrative burdens for applicants. An overview of the interviews by theme is provided as part of the Annexes.
- In order further to assess the project selection process from the point of view of applicants, the project team carried out an online-survey among all project beneficiaries and rejected applicants per theme and country. The project team developed a questionnaire tailored to these specific target groups. Survey respondents were asked about their level of satisfaction with the selection criteria, the project selection procedures broken down into single process steps, the guidance provided, the forms, the duration of the process, effectiveness, transparency, etc. In addition, they were asked about their assessment of theses put to them in relation to simplification recommendations. They were also asked about administrative burdens resulting from the project selection procedures (resources and costs spent on complying with requirements). The survey was conducted from August 22 to September 9, 2011 in the five relevant national languages (German/Austrian, Czech, Dutch, Slovak and Slovenian) using Rambøll Management Consulting’s survey tool SurveyXact. A link to the survey was sent out via email and regular mail by the project team to more than 3,000 applicants. A total of 545 respondents fully completed the questionnaire.
- In a final step, the project team carried out a qualitative and quantitative analysis of all project results and a comparison across Member States in order to identify good practices and draw up conclusions and recommendations. Based on the results of all project activities, the core team also prepared this Final Report for the Steering Group.

### 3. CONTEXT AND CHARACTERISTICS OF CALLS STUDIED

As mentioned in Chapter 2, a total of 82 relevant calls were initially identified as relevant in the OPs and themes to be studied. Due to the limited amount of resources and time constraints, it was decided that it would not be possible to study each of these calls in detail and that the project team should instead focus the in-depth analysis on selected calls only. By applying the selection criteria outlined in Chapter 2, the number of calls to be studied as part of the in-depth analysis was reduced to 36.

The effectiveness and efficiency of project selection procedures can only be understood within the specific context of the relevant OPs, and their institutional and administrative context. Therefore, this chapter provides an overview of and initial insights into the 36 selected calls of factors which may influence the effectiveness and efficiency of the selection process and may explain differences between the OPs discussed later on. The programme context (e. g. size of the programmes in terms of financial volume, relevance of the theme within the programme) and main characteristics (e. g. type or form of support, targeted beneficiaries) of the selected calls are outlined for each.

For the examination of main characteristics, the following typology is used:

**Table 5: Typology of characteristics of calls studied**

<b>Forms of support</b>	<b>Types of support</b>	<b>Complexity of projects</b>
F 1: Non-repayable grants	TP 1: Non-physical investments: facilitating cooperation, management, planning, consulting	CP Low: < EUR 50,000 and only one type and one form
F 2: Repayable loans	TP 2: Physical investment in R&D and technology-transfer	CP Medium: EUR 50,000-250,000, and minimum two types and one form
F 3: Mix	TP 3: Physical investment in public and social infrastructure	CP High: > EUR 50,000, and multiple types and two forms
F 4: Other	TP 4: Physical investments improving production and services	
	TP 5: Multiple type	
	TP 6: Others	

Methodologically, the information presented in this chapter was mostly collected by means of desk research, workshops with authorities/relevant bodies involved in process selection as well as interviews with beneficiaries.

### **3.1 Research & Development – Technology Transfer**

First, this section looks at the programme context and main characteristics of the theme “Research & Development – Technology transfer”. In total, ten calls were selected for in-depth analysis under this theme.

#### **3.1.1 Programme context of selected calls**

In general, the relevant OPs in this theme fall into two groups: regional and national OPs. The countries implementing regional OPs are Austria, Germany and the Netherlands. The Czech Republic, Slovakia and Slovenia belong to the group with national OPs.

The ERDF volume per OP ranges from EUR 155 million in Austria to EUR 3,091 million in Germany. A similarly diverse picture emerges when looking at the financial volumes per call. There are also major differences in relation to the priority axes within the OPs. While in the Czech Republic the priority axis corresponds to roughly one-tenth of the OP ERDF volume, it is one quarter in Slovenia and one third in Slovakia. In Austria, almost the full ERDF amount is ascribed to the priority axis. The priority axes volumes as such range from EUR 132 million to EUR 1,079 million.

In several countries, more than one call was selected for study per OP. In these countries, there are sometimes major differences in the allocation of funds between calls. While in Slovakia the money is more or less equally distributed across the chosen calls, the opposite is true in Germany: The financial volume of the Guideline R&D call (EUR 463 million) is more than ten times higher than that of the call Guideline technology transfer (EUR 40 million). The lowest financial volume per call is again in Austria (EUR 6.5 million) and the highest is the German Guideline R&D call (see above).

The following table gives an overview of the calls studied within their specific context of the relevant OPs. It indicates the considerable differences in size of financial allocation of the OPs as well as of the calls.

**Table 6: R&D – programme context of calls**

	OP	ERDF-volume OP in million EUR	Priority Axis	ERDF-volume priority axis in million EUR	Name operation	Call	Financial volume per Call in million EUR (ERDF)
<b>Austria</b>	Regional competitiveness Styria 2007-2013	155.06	1 - Strengthen the innovation and knowledge-based economy	132.39	1.1 Corporate Research and Development	Guideline Promotion of Corporate Research and Development	6.5
<b>Czech Republic</b>	Research and Development for Innovations	2070.68	3 - Commercialisation and popularisation of R&D	213.28	3.2 Promotion and awareness of R&D results	Popularisation of Science and Technology	74.1
					3.2 Promotion and awareness of R&D results	Information Infrastructure for R&D	26.9
					3.1 Commercialisation of results of research organisations and protection of their intellectual property	3.3 Technology Transfer Centers	33.7
<b>Germany</b>	Operationelles Programm des Freistaates Sachsen für den Europäischen Fonds für regionale	3091.14	1 - Strengthening innovation, science and research	1096	Individual and joint R&D projects	Guideline R&D	463
					Technology transfer	Guideline technology transfer	40
<b>Netherlands</b>	Operationeel Programma EFRO 2007-2013 Regio Oost-Nederland	164.1	1 - Regional innovation power and entrepreneurship	95.28	Priority Axis 1 (operation 1 & 2)	Strengthening knowledge clusters nutrition, health and technology; Strengthening innovation and business competitiveness	95*
<b>Slovakia</b>	Research and Development	1209.42	2 - Support to research and development 4 - Support to research and development in the Bratislava region	396.48	2.2 Support of the applied R&D (implementation of the industrial research projects; support of applied R&D projects in industry (SMEs and big factories), including support of researchers and their activities with an aim to develop new activities of enterprises, support of industrial cooperation (SMEs, big factories)with academic sector)	OPVaV-2009/2.2/05 Support of R&D centres, Support of R&D Scheme	45
					2.1 Support to exchange and joint research programmes carried out by Slovak R&D and educational institutions in cooperation with renowned foreign R&D institutions, Support of important research and development projects in areas of strategic importance for the further development of the economy and the society, Support of international cooperation in R&D	OPVaV-2009/2.1/03 Support of Excellence Centres network as the pillar of regional development and support of supra-regional cooperation	63.3
<b>Slovenia</b>	Operational Programme for Strengthening Regional Development Potentials for Period 2007 - 2013	1709.75	1 - Competitiveness and research excellence	402.13	1.1 Encouraging competitive potential of enterprises and research excellence	Public call for development centres of slovene economy	157.5

\* indicates the total amount for priority axis 1

### 3.1.2 Characteristics of selected calls

Austria, Germany and the Netherlands have established permanent calls covering the whole time span of the Cohesion Policy programmes from 2007 to 2013.<sup>6</sup> The Czech Republic, Slovakia and Slovenia implement temporary calls for around four-to-six months. All calls provide multiple types of support in the form of non-repayable grants. The complexity of projects can be considered high almost everywhere. The only exceptions are Austria and Germany's Guideline Technology Transfer which are instead characterised by medium complexity.

A further variation lies in the types of beneficiary. In Austria, the funding goes to non-profit R&D facilities, irrespective of whether they are part of a university or not. Research organisations are also the Czech Republic target group, and applicants must comply with the regulations of the Community Framework for State Aid for Research, Development and Innovation. Germany and Slovakia also include enterprises in their beneficiary set. In the case of Germany, the Guideline Technology Transfer only targets SMEs. Additionally, the Netherlands and Slovenia both either prefer or demand that the application come from a minimum of two partners. In Slovenia, on the other hand, at least one partner needs to be an SME. In the Netherlands, the legal status of beneficiaries does not matter, but knowledge institutions are preferred.

There are also clear differences in the number of applications and selected projects. The most extreme examples are the Czech Republic's Information infrastructure for R&D call. There were only five applications and only three projects were selected -- compared to 1,108 applications and 824 selected in Germany's Guideline R&D call. However, both calls have a relatively similar selection rate of 60 and 74 percent. But this picture changes when considering all calls. Overall, selection rates range from 25-100 percent.

The ten calls considered also differ in terms of ERDF funding and average financial size of projects. The commitments range from EUR 2.6 million in Austria to EUR 319.7 million in Germany. Austria is also at the lower end when it comes to average financial volume per selected project (commitment divided by number of selected projects). On average, a selected project in Austria is granted EUR 105,000. The upper bound is EUR 8.967 million in the Czech Republic (information infrastructure for R&D). Slovakia and the Netherlands are situated in the middle, at EUR 2.25 and 5.33 million. Slovenia is located at the upper end of the scale, with a value of EUR 6.85 million.

The following table summarises the main characteristics of the selected calls under this theme and the considerable differences between them.

---

<sup>6</sup> If not stated otherwise, the financial commitment per call refers to the time period from 2007 to 31 December 2010.



Table 7: R&D – characteristics of calls

	Call	Type of Call	Type of support	Complexity of projects	Type of beneficiary	Call period	Number of applications submitted	Number of selected projects	Selection rate in %	Commitment per call (ERDF) in million EUR	Average financial volume (ERDF) per selected project in million EUR
<b>Austria</b>	Guideline Promotion of Corporate Research and Development	Permanent	Multiple type	Medium	Non-profit R&D facilities of the university and non-university sector	2007 until 2013	25	25	100%	2,6	0,105
<b>Czech Republic</b>	Popularisation of Science and Technology	Temporary	Multiple type	High	Entities meeting the definition of research organisation according to the Community Framework Community Framework for State Aid for Research, Development and Innovation, 2006/ C 323/01	2009-Dec-15 until 2010-Jun-30	32	9	28%	74.1	8,233
	Information Infrastructure for R&D	Temporary	Multiple type	High	Entities meeting the definition of research organisation according to the Community Framework Community Framework for State Aid for Research, Development and Innovation, 2006/ C 323/01	2009-Dec-15 until 2010-Apr-29	5	3	60%	26.9	8,967
	Technology Transfer Centers	Temporary	Multiple type	High	Entities meeting the definition of research organisation according to the Community Framework Community Framework for State Aid for Research, Development and Innovation, 2006/ C 323/01	2010-Jul-7 until 2011-Jan-28	call not finalised	call not finalised	call not finalised	33.7	call not finalised
<b>Germany</b>	Guideline R&D	Permanent	Multiple type	High	Enterprises and research facilities	2007 until 2013	1108	824	74%	319,7	0,388
	Guideline technology transfer	Permanent	Multiple type	From Medium to High	SMEs	2007 until 2013	79	61	77%	4,6	0,075
<b>Netherlands</b>	Strengthening knowledge clusters nutrition, health and technology; Strengthening innovation and business competitiveness	Permanent	Multiple type	High	Legal status does not matter; applicants should preferably be knowledge institutions involving several partners * Applications should be supported by knowledge institutions * Applications are preferred to be submitted by multiple parties	2007 until 2013	12	12	100%	64*	5,333
<b>Slovakia</b>	OPVaV-2009/2.2/05 Support of R&D centres, Support of R&D Scheme	Temporary	Multiple type	High	Enterprises	2009-Dec-21 until 2010-Apr-9	80	20	25%	45	2,250
	OPVaV-2009/2.1/03 Support of Excellence Centres network as the pillar of regional development and support of supra-regional cooperation	Temporary	Multiple type	High	Public and private research institutions and univesities, local governments, public and state universities outside state aid schemes	2009-Jul-30 until November 2009-Nov-18	56	17	30%	63.3	3,724
<b>Slovenia</b>	Public call for development centres of slovene economy	Temporary	Multiple type	High	Consortium of minimum two partners, whereby at least one must be classified as SME	Published: 2010-Oct-26 Submission deadline: 2010-Nov-15 conclusion of co-financed operations: 2014-Dec-31	42	23	55%	157.5	6,848
<b>Total</b>							1427	994			
	* indicates the total amount for priority axis 1										
	Form of support in all cases: Non-repayable grant										

### **3.2 Innovations in SMEs**

The programme context and main characteristics for the “Innovations in SMEs” theme are outlined below per country and OP. In total, 13 calls were selected for in-depth analysis under this theme.

#### **3.2.1 Programme context of selected calls**

Again, the OPs can be divided into subgroups of regional and national OPs. These are the same country groupings as in theme 1. As before, the calls considered differ in their financial context. The ERDF financial volume per OP ranges from EUR 155 million in Austria to EUR 3,041 million in the Czech Republic. A different picture emerges when looking at the priority axes. Here, the Netherlands have the smallest financial volume, with EUR 95 million, compared to Slovakia, with the highest value of EUR 432 million. For the priority axes, this results in different levels of relevance within the OPs. Broadly speaking, the relevance ranges from one quarter in the Czech Republic to four-fifths in Austria.

The financial volumes per call also differ across and within countries. The range is from EUR 2 to 135 million; both can be found in the Czech Republic.

The following table gives an overview of the calls studied within their specific context of the relevant OPs. It again indicates the considerable differences in size of financial allocation of the OPs as well as of the calls.

**Table 8: Innovation – programme context of calls**

	OP	ERDF-volume OP in million EUR	Priority Axis	ERDF-Volume priority axis in million EUR	Name operation	Call	Financial Volume of Call in million EUR (ERDF)
Austria	Regionale Wettbewerbsfähigkeit Steiermark 2007-2013	155.06	1 - Strengthen the innovation and knowledge-based economy	132.4	1.3 Research and development in enterprises	RTDI Guideline	22.8
Czech Republic	Enterprise and Innovations	3041	4 - Innovation	783	4.1 Increasing the innovative performance of firms	Programme "INOVACE" - Innovation Projects	134.7
					4.1 Increasing the innovative performance of firms	Programme "INOVACE" - Industrial Property Rights (IRP)	2
					4.2 Capacities for industrial R&D	Programme "POTENCIAL"	87
Germany	Operationelles Programm für die Förderung der regionalen Wettbewerbsfähigkeit und Beschäftigung in Hessen	263.45	1 - Innovation and knowledge-based economy	104.75	Applied Research and Development in SME (operation Research cooperations of SME and universities has been merged with this operation)	Guideline on Innovation Support	12.2
Netherlands	Operationeel Programma EFRO 2007-2013 Regio Oost-Nederland	164.1	1 - Regional innovation power and entrepreneurship	95.28	Priority Axis 1 (operation 1 & 2)	Strengthening knowledge clusters nutrition, health and technology; Strengthening innovation and business competitiveness	95*
Slovakia	Competitiveness and Economic Growth	772	1 - Innovation and Growth of Competitiveness	432.32	1.1.1 Support for introducing innovation and technology transfers - introduction of innovative technologies and services: physical and non-physical investment in the purchase of innovative technologies, machinery and equipment, purchase of equipment for effective use of natural sources to decrease negative environmental impacts	KaHR-111SP-0902 Innovation and technology transfers, sub-measure 1.1.1 Support for introducing innovation and technology transfers (de minimis)	125
					1.3 increased competitiveness of the products through research and development, support of innovation activities - products, procedures and technologies, the assistance will focus on the introduction of the quality management methods, (pre)certification process, industrial rights protection, trade marks and purchase of industrial rights related to new technological solutions	KaHR-13DM-0901 Support of innovation activities in enterprises (de minimis)	15
					1.1.1 Support for introducing innovation and technology transfers - introduction of innovative technologies and services: physical and non-physical	KaHR-111SP-1001 Innovation and technology transfers, sub-measure 1.1.1 Support for introducing innovation and technology transfers (state aid)	39
					OP CEG 1.1. Innovation and technology transfer, OP ESI 1.2 Promoting the creation and sustainability of jobs through increasing the adaptability of workers, businesses and the promotion of entrepreneurship	DOP2008-SIP001 Support for starting entrepreneurs (common call of the OP CEG and OP Employment and Social Inclusion)	20
Slovenia	Operational Programme for Strengthening Regional Development Potentials for Period 2007 - 2013	1710	1 - Competitiveness and research excellence / Activity fields	402	1.1. Encouraging competitive potential of enterprises and research excellence	Direct incentives for joint development-investment projects - DIP 09	42.5
					1.1. Encouraging competitive potential of enterprises and research excellence	Strategic research-development projects in companies	22.5
					1.1. Encouraging competitive potential of enterprises and research excellence	Public call for co-financing of purchase of new technology equipment in period 2009-2011	29.7

\* indicates the total amount for priority axis 1

### **3.2.2 Characteristics of selected calls**

As in theme 1, Austria, Germany and the Netherlands have established permanent calls. The other countries implement temporary calls; in the Czech Republic, these are restricted calls. The temporary calls take between two and six months. In all cases, support takes the form of non-repayable grants. In most of the calls, multiple types of support are provided. In other cases, only physical investment is provided.

The only exception is in the Czech INOVACE industrial property rights programme, which funds non-physical investments, such as planning or consulting. This call is also one of two in which the complexity of the projects is judged as low. (The other is the Public call in Slovenia.)

The projects in the other call in the Czech Republic as well as those in Austria are of medium complexity. The projects in the eight other calls are in the category of high complexity. As the theme already indicates, beneficiaries are mostly enterprises. Slovenia and the Netherlands are again the countries either requiring or preferring applicants to consist of several parties.

Theme 2 is the only case in which there is a formal application for pre-qualification. This applies to the Czech Republic and Germany. Here the number of applications for pre-qualification in the calls selected ranged from 77 to 390. The selection rate was between 70 and 85 percent.

The range in the number of applications is also significant, i.e. from 17 in Slovakia to 492 in Slovenia. These two countries also had the lowest and highest number of selected projects. Slovakia chose 4 and Slovenia 231 projects. This in turn results in the lowest selection rate for Slovakia of 24 percent. The highest selection rate can be found in Austria (100 percent).

The lowest average per project is in the Czech Republic. The INOVACE industrial property rights programme (EUR 2 million commitment) on average only grants EUR 14,000 per project. The highest value can be found in Slovakia (KaHR-111SP-0902): EUR 3.75 million per project.

The following table summarises the main characteristics of the selected calls under this theme and the considerable differences between them.

Table 9: Innovation – characteristics of calls

Call	Type of Call	Type of support	Complexity of projects	Type of beneficiary	Call period	Number of APQ turned in	Number of selected invitations to submit proposal	Selection rate in %	Number of applications submitted	Number of selected projects	Selection rate in %	Commitment per call (ERDF) in million EUR	Average financial volume (ERDF) per selected project in million EUR	
Austria	RTDI Guideline	Permanent	Multiple type	Medium	- SMEs - Community Research Institute, other academic institutions or their entities - organisations of trade and industry - researchers - associations	2007 until 2013	Not applicable	Not applicable	23	23	100%	5,2	0,228	
Czech Republic	Programme "INOVACE" - Innovation Projects (1.7.2009 - 31.12.2009)	Temporary, restricted	Multiple type	Medium	Enterprises	2009-Jul-1 until 2009-Dec-31	390	291	75%	291	154	53%	134.7	0,875
	Programme "INOVACE" - Industrial Property Rights (IRP) (16.6.2009 - 28.2.2010)	Temporary, restricted	Non-physical investments: facilitating cooperation, management, planning, consulting	Low	SME, natural persons, public research institutions, universities	2008-Jan-2 until 2009-Feb-28	271	215	79%	162	147	91%	2	0,014
	Programme "POTENCIAL" (start and end of calls:15.7.2008-30.11.2009)	Temporary, restricted	Physical investment in R&D and technology-transfer	Medium	enterprises	2008-Jul-15 until 2009-Nov-30	299	254	85%	219	156	71%	87	0,558
Germany	Guideline on Innovation Support	Permanent	Multiple type	High	SME, Research facilities	2007 until 2013	77	54	70%	54	49	91%	13.7**	0,280
Netherlands	- Strengthening knowledge clusters nutrition, health and technology - Strengthening innovation and business competitiveness	Permanent	Multiple type	High	Legal status does not matter; applicants should preferably be knowledge institutions involving several partners * Applications should be supported by knowledge institutions * Applications are preferred to be submitted by multiple parties	2007 until 2013	Not applicable	Not applicable	49	39	80%	64*	1,641	
Slovakia	KaHR-111SP-0902 Innovation and technology transfers, sub-measure 1.1.1 Support for introducing innovation and technology transfers (de minimis)	Temporary	Physical investment in R&D and technology-transfer	High	enterprises	2009-Aug-3 until 2009-Dec-2	Not applicable	Not applicable	169	77	46%	125	1,623	
	KaHR-13DM-0901 Support of innovation activities in enterprises (de minimis)	Temporary	Physical investment in R&D and technology-transfer	High	enterprises	2009-Sep-3 until 2010-Jan-27	Not applicable	Not applicable	17	4	24%	15	3,750	
	KaHR-111SP-1001 Innovation and technology transfers, sub-measure 1.1.1 Support for introducing innovation and technology transfers (state aid)	Temporary	Physical investment in R&D and technology-transfer	High	Enterprises	2010-Jan-25 until 2010-May-11	Not applicable	Not applicable	39	call not finalised		39		
	DOP2008-SIP001 Support for starting entrepreneurs (common call of the OP CEG and OP Employment and Social Inclusion)	Temporary	Multiple type	High	SMEs, employees, self-employed	2008-Aug-28 until 2008-Nov-28	Not applicable	Not applicable	220	113	51%	20	0,177	
Slovenia	Direct incentives for joint development-investment projects DIP 09	Temporary	Multiple type	High	Companies, which form project consortium of at least 2 companies.	Published: n.a.; submission deadlines: 2009-Apr-16, 2009-Sep-14; conclusion of co-financed operations: 2011-Oct-31	Not applicable	Not applicable	68	46	68%	42,5	0,924	
	Strategic research-development projects in companies	Temporary	Multiple type	High	Consortia of companies, where at least 2 companies cooperate	Published: 2008-Dec-12; submission deadlines: 2009-Jan-23, 2009-Aug-28, 2010-Jan-22, 2010-Aug-27; conclusion of co-financed operations: 2012-Sep-22	Not applicable	Not applicable	159	44	28%	22,5	0,511	
	Public call for co-financing of purchase of new technology equipment in period 2009-2011	Temporary	Physical investments improving production and services	Low	SME	Published: 2009-Mar-13; submission deadline: 2009-Apr-24; conclusion of co-financed operations: 2011-Mar-30	Not applicable	Not applicable	492	231	47%	29.7	0,129	
<b>Total</b>						1037	814		1913	1044				

\* indicates the total amount for priority axis 1  
 \*\*value until 30.03.2011  
 Form of support in all cases: Non-repayable grant

### 3.3 Urban Regeneration

Finally, this section outlines the programme context and main characteristics for the “Urban Regeneration” theme. In total, 13 calls were selected for in-depth analysis.

#### 3.3.1 Programme context of selected calls

For theme 3, the ERDF financial volume per OP ranges from EUR 25 million in Austria to EUR 1,709 million in Slovenia. These two countries also have the smallest (EUR 15 million) and largest (EUR 619 million) amounts of funding for the respective priority axis. The relevance of the priority axes within the OPs again differs here, ranging from around one-sixth to half the amount of the OP. Financial volumes per call range from EUR 10 million in the Netherlands (Utrecht) to EUR 203 million in Slovenia’s Public open call<sup>7</sup>.

The following table gives an overview of the calls studied within the specific context of the relevant OPs. It again indicates the considerable differences in size of financial allocation of the OPs as well as of the calls.

Next page:

**Table 10: Urban Regeneration – programme context of calls**

---

<sup>7</sup> However, this is a multi-theme call where local /municipal beneficiaries apply for support in the area of business, environmental, transport or social infrastructure, nature protection and urban regeneration. Therefore, only a small percentage of this financial volume can be considered as intended for genuinely urban projects.

	OP	ERDF-volume OP in million EUR	Priority Axis	ERDF-Volume priority axis in million EUR	Name operation	Call	Financial Volume of Call in million EUR (ERDF)
Austria	Strengthening regional competitiveness and urban development in Vienna 2007 - 2013	25.15	2 - Integrated urban development	14.59	2.1 Contribution to the development of selected target areas STEP 2.1.1 Employment, qualification and integration	Contribution to the integrated development of selected target areas covered by the City Development Plan	14.6*
					2.2 Improve resource efficiency and resource conservation	Other operations targeted at urban development	
Czech Republic	ROP Moravia-Silesia	716.01	3 - Urban Development	170.07	3.1 Development Poles of the Region	3.1 - 04: Development Poles of the Region	59,4
					3.2 Sub-regional centres	3.2-03: Sub-regional centres - Infrastructure for education and leisure	17.9
Germany	Operationelles Programm des Landes Brandenburg für den Europäischen Fonds für regionale Entwicklung (EFRE) in der Förderperiode 2007-2013 Ziel „Konvergenz“	1498.73	4 - The environment and urban development	223.48	Small-scale funding of urban regeneration	Directive on Urban Regeneration	57**
Netherlands	Kansen voor West	310,6	3 - The urban dimension	96.76	Priority axis 3, operation 1 & 2	Programme City Rotterdam: Improving the business climate and living climate	25
					Priority axis 3, operation 1 & 3	Programme City Amsterdam: Improving the business climate and living climate	28
					Priority axis 3, operation 1 & 4	Programme City The Hague: Improving the business climate and living climate	17
					Priority axis 3, operation 1 & 5	Programme City Utrecht: Improving the business climate and living climate	10
Slovakia	Regional Operation Programme	1445	4 - Regeneration of settlements	478.37	4.1c Projects for development of rural municipalities with Roma settlements, project eligible activities: landscaping of public concourses and greenery; building and reconstruction of public lighting; building and reconstruction of pavements and cycle tracks; reconstruction of local roads; reconstruction of bridges in relation to the implementation of investment activities focused on local roads, pathways and cycle tracks; building and reconstruction of bus stops; building and reconstruction of public toilets; anti-flood measures within municipality (but only following the implementation of other investment activities); justified reconstruction of water supply system and sewerage (but only following the implementation of other investment activities); other activities that are part of the project documentation prepared within Phare grant scheme 2002/000-610.03 and supporting activities (/external/project management, engineering works, public procurement)	ROP-4.1c-2009/01 Regeneration of settlements (individual demand-driven projects)	48
					4.1 Regeneration of central public spaces at the municipalities, project should include at least four of the following activities: landscaping of public concourses and greenery; building and reconstruction of public lighting; building and reconstruction of pavements and cycle tracks; reconstruction of local roads; reconstruction of bridges in relation to the implementation of investment activities focused on local roads, pathways and cycle tracks; building and reconstruction of bus stops; building and reconstruction of public toilets; anti-flood measures within municipality (but only following the implementation of other investment activities); justified reconstruction of water supply system and sewerage (but only following the implementation of other investment activities); and supporting activities (/external/project management, engineering works, public procurement)	ROP-4.1a-2010/01 Regeneration of settlements (individual demand-driven projects)	51
Slovenia	Operational Programme for Strengthening Regional Development Potentials for Period 2007 - 2013	1709.75	4 - Development of regions	619.44	4.1. Regional development programmes	Public open calls for proposals for co-financing operations under activity field "Regional Development Programmes"	203
					4.1. Regional development programmes	Third open call under activity field "Regional development programmes" under OP Strengthening Regional Development Potentials for the period 2007 - 2013, priority axis "Regional Development"	155.18

\* indicates the total amount for priority axis 2

\*\* indicates the total amount for priority axis 4 in 2009

### 3.3.2 Characteristics of selected calls

As for the other two themes, Austria, Germany and the Netherlands have established permanent calls. All the other countries implement temporary calls, lasting from two months up to two years. Mostly, multiple types of support are provided, in some cases in combination with non-physical investments. The predominant forms of support are non-repayable grants and mixed grants.

While the projects in the Netherlands, Slovakia, and Slovenia are judged to be of high complexity, those for Austria and the Czech Republic are of medium complexity.

The beneficiaries are manifold. Most calls have municipalities as beneficiaries. Austria targets public or semi-public bodies. Slovakia and Slovenia also partly target these. The Netherlands restrict its call to the respective city, but everyone within the cities can apply. Germany chose 15 cities from which possible beneficiaries can come. In this case, entrepreneurs and SMEs from the selected areas can also apply.

The number of applications per call ranges from five in Austria to 156 in Slovakia<sup>8</sup>. Austria also selected the lowest number of projects (5) while Slovakia selected the highest (93). The Czech Republic and the Netherlands partly approved all applications. The lowest selection rate is in the Czech Republic (59.8 percent).

The lowest average financial volume per project is in Austria (EUR 260,000). With on average EUR 3 million per project, the highest value can be found in the Netherlands.

The following table summarises the main characteristics of the selected calls under this theme and the considerable differences between them.

Next page:

**Table 11: Urban Regeneration – characteristics of calls**

---

<sup>8</sup> Only a small percentage of the 303 / 192 applicants in Slovenia may be considered as genuinely urban projects in line with the objectives of this study; see also comment in Table 11 below.



	Call	Type of Call	Type of support	Form of support	Complexity of projects	Type of beneficiary	Implementation period	Number of applications submitted	Number of selected projects	Selection rate	Commitment per Call in million EUR	Average financial volume (ERDF) per selected project
Austria	Contribution to the integrated development of selected target areas covered by the City Development Plan	Permanent	Multiple type	Non repayable grants	Medium	Public or semi-public bodies in the City of Vienna	2007 until 2013	20	20	100%	7,2	0,36
	Other operations targeted at urban development	Permanent	Multiple type and Non-physical investments: facilitating cooperation, management, planning, consulting	Non repayable grants	Medium to Low	Public or semi-public bodies in the City of Vienna	2007 until 2013	5	5	100%	1,3	0,26
Czech Republic	3.1-04: Development Poles of the Region	Temporary	Multiple type and Non-physical investments: facilitating cooperation, management, planning, consulting	Non repayable grants	Medium	Bodies implementing projects in selected IUDP cities with over 50 000 citizens	2009-Dec-22 until 2011-Dec-31	21	21	100%	59,4	2,829
	3.2-03: Sub-regional centres - Infrastructure for education and leisure	Temporary	Physical investment in public and social infrastructure	Non repayable grants	Medium	- Municipalities with 5 000 - 50 000 inhabitants, organizations established and founded by municipalities - Non-governmental, non-profit organizations	2009-Nov-10 until 2010-Jan-15	82	49	60%	17,9	0,365
Germany	Guideline on Urban Regeneration	Permanent	Multiple type	Mix	According to the Directive, no maximum amount of support is stated.	Urban development: 15 cities which have been chosen in a selection process by the Landesamt für Bauen und Verkehr (LBV) Dept. 3, Entrepreneur support: Entrepreneurs and SMEs from the selected areas	2010 until 2013	69	49	71%	35,4*	0,722
Netherlands	Programme City Rotterdam: Improving the business climate and living climate	Permanent	Multiple type	Mix	High	Everybody (companies, governments, institutions, etc.) in the area	2011 until 2013	10	7	70%	21	3,000
	Programme City Amsterdam: Improving the business climate and living climate	Permanent	Multiple type	Mix	High	Everybody (companies, governments, institutions, etc.) in the area	2012 until 2013	17	10	59%	16	1,600
	Programme City The Hague: Improving the business climate and living climate	Permanent	Multiple type	Mix	High	Everybody (companies, governments, institutions, etc.) in the area	2013 until 2013	10	8	80%	8	1,000
	Programme City Utrecht: Improving the business climate and living climate	Permanent	Multiple type	Mix	High	Everybody (companies, governments, institutions, etc.) in the area	2014 until 2013	12	12	100%	8	0,667
Slovakia	ROP-4.1c-2009/01 Regeneration of settlements (individual demand-driven projects)	Temporary	Physical investment in public infrastructure	Non repayable grants	High	Municipalities located in the micro-regions selected by the Office of the Plenipotentiary for Roma Communities, which were previously chosen	2009-Nov-18 until 2010-Mar-17, originally till 2010-Jan-29 but due to the legislation changes suspended and the end date was extended	65	43	66%	48	1,116
	ROP-4.1a-2010/01 Regeneration of settlements (individual demand-driven projects)	Temporary	Physical investment in public infrastructure	Non repayable grants	High	Municipalities listed as growth pole in the document "Growth poles of NSRF during the programming period 2007-13", except regional centres and city districts of Košice	2010-Mar-30 until 2010-May-7	156	93	85%	51	0,548
Slovenia	Public open calls for proposals for co-financing operations under activity field "Regional Development Programmes"	Temporary	Multiple type	Non repayable grants	High	Projects of local communities, local public services, public institutes, or non-profit organizations active in the area of social activities. All projects need to be part of a regional development plan.	Published: 2010-Jan-29 Submission deadlines for operations that started in 2010: 2010-Feb-26, 2010-Mar-26, 2010-Apr-30, 2010-May-28, 2010-Jun-24 conclusion of co-financed operations: 2012-Sep-30	303	210	88%**	203	0,967
	Third open call under activity field "Regional development programmes" under OP Strengthening Regional Development Potentials for the period 2007 - 2013, priority axis "Regional Development"	Temporary	Multiple type	Non repayable grants	High	Municipalities, other bodies Local self-governments; regional councils can authorize local centres for accelerating development or public institutes established by local selfgovernments to manage specific project	Published: 2008-Mar-7 submission deadline: 2008-May-15 conclusion of co-financed operations: 2010-Sep-30	192	158	92%**	155,18	0,982
Total								962	685			

\* According to Annual Report 2009. Financial expenditures until 2010

\*\* Out of these projects, only a small share genuinely represent integrated urban development projects (10 and 13).

## **4. COMPARATIVE PROCESS ANALYSIS – AUTHORITIES' PERSPECTIVE**

Against the background of the diversity of calls outlined above, this chapter analyses the project selection procedures. It looks at the procedures applied in the programmes and in the 36 selected calls by theme from the perspective of the administration, i.e. the Managing Authorities and Intermediary Bodies in charge of implementing these calls. The chapter also discusses the administrative costs to administrations.

Because the principle of shared management of Structural Funds is applied between the Commission and the Member States, the project selection procedures have to be understood within the specific institutional and administrative context of each country. The following analysis reflects these differences and also strives to consider the diversity of the characteristics of calls identified in Chapter 3. As the analysis explores the diversity of project selection procedures in terms of the programme implementation approach, organisation and division of tasks, outcomes of single process steps etc., it needs to be borne in mind that there are clear limitations when it comes to comparing the calls in terms of a benchmark.

The process analysis of all calls applies the generic analytical model presented in Chapter 2; the presentation of findings is structured according to the generic model's process steps. The preparation and launch of a call for projects is taken as the starting point of the analysis (step 1). Guidance of potential beneficiaries by the Managing Authority and/or Intermediary Bodies is analysed as a separate step (step 2). There is then, either a two-stage selection process (steps 3 to 6) or a one-stage-selection process (steps 4 to 6). Once a project has been selected, agreements between the MA/IB finalise the selection for ERDF support.

The main methodological tools for collecting the information presented in the following sections were mainly desk research and workshops with authorities/relevant bodies involved in process selection. The cost-relevant data associated with the project selection procedures on the administrations' side was gathered in one workshop each with the Managing Authorities and Intermediary Bodies per country and theme (please also see Annex 7). The data gathering was based on a generic description of the pre-defined process steps presented in Chapter 2. Where possible, it was adapted ad hoc during the workshops in order also to cover the particularities of the processes described in quantitative terms.

#### 4.1 Research & Development – Technology Transfer

The results of the process analysis the “Research & Development and Technology Transfer” theme are described first. All selection procedures in this theme are based on a one-stage procedure.

##### 4.1.1 Process Step 1: Preparing and informing about specific theme-related ERDF support

As it is difficult to separate programming and preparation of calls, MAs, Monitoring Committees (MC) and IBs are the key bodies involved in this process step in all countries (Table 12). However, in the Czech Republic, no IB is involved. The management of the R&D calls is carried out solely by the MA.

**Table 12: R&D – Bodies involved in preparation of calls<sup>9</sup>**

	MA	MC	IB 1	IB 2	Other ministries, agencies	Other stakeholders
<b>Austria</b>	x	x	<b>x</b>		x	
<b>Czech Republic</b>	<b>x</b>	x				
<b>Germany</b>	x	x	<b>x</b>		x	
<b>Netherlands</b>	x	x	<b>x</b>			<b>x</b>
<b>Slovakia</b>	<b>x</b>	x	<b>x</b>			x
<b>Slovenia</b>	<b>x</b>	x	<b>x</b>			

*The boldface x indicates the bodies in charge of the main works (content, strategy, implementation details)*

An overlap between preparing the call and the programming process was observed in the case of the OP East Netherlands:

**Figure 2: R&D – Decision-making for calls: OP East Netherlands**

The OP East Netherlands was based on a detailed decision-making process at regional level between the two Provinces covered by the OP (Gelderland and Overijssel) and the stakeholders in the regions, including five urban networks. Once this was complete, the main lines of policy implementation (e.g. geographic and cluster priorities) were defined, and the two Provinces and the five urban networks signed a covenant on allocating budget.

In this way, ERDF targets and instruments were fully integrated into regional strategies. This programming process was led by the subsidy allocation department of the European Programme Secretariat (Europees Programma secretariat, Afdeling Subsidieverlening) which works on behalf of the Managing Authority (Province of Gelderland) and acts as an IB. The Monitoring Committee approved the “Assessment Framework” which contains the terms of the call including the eligibility and selection criteria.

<sup>9</sup> The bold X in this and the following tables indicates the bodies in charge of the main works (content, strategy, implementation details).

In Austria and Germany, the basic decision on launching calls was taken during programming. Social and economic partners were involved in this process. In both cases, similar calls were implemented in previous programming periods. They form an established part of the national and regional support system for R&D. The main responsibility for preparing the calls lies with IB Level 1, i.e. regional ministries in charge of R&D policy.

In Austria, due to the specific Austrian division of ERDF management responsibilities between the federal (national) and the regional level, both levels were involved in programming and preparation of the call. Both the national MC and the Regional Board discussed and approved the Guideline Promotion of Corporate Research and Development (regional level). It outlines general national eligibility rules and specific eligibility rules applied to ERDF-supported projects in Austria.<sup>10</sup> The MA, the Intermediary Body Level 1 (State Ministry for Economy and Innovation, division 3), the regional development agency SFG (Steirische Wirtschaftsförderung) and the national research promotion agency FFG (Österreichische Forschungsförderungsgesellschaft) were all involved in preparing the call.

In Germany, IB Level 1 coordinates with other departments and administrative bodies involved (e.g. the Regional State Chancery, Regional Court of Auditors and Department for State Aids) and draws up Guidelines, which contain specified eligibility and selection criteria. The MA aggregates these into selection criteria at OP level. These are then presented to the MC for approval.

In the Czech Republic and Slovakia, temporary calls are prepared based on an annually determined "plan of calls". In the Czech Republic, the MA (Ministry of Education, Youth and Sports - MEYS) is in charge of preparing the calls. The preparation was carried out by a working group of internal employees and external sector experts. The calls, including the documentation (Guidelines for Applicants), were approved by the MC and the Minister.

The calls in Slovakia were also prepared by a working group. This was made up of representatives of the MA (Ministry of Education, Science, Research and Sport), of the Intermediary Body Level 1 (Agency of the Ministry of Education for the Structural Funds), of other relevant divisions of the ministry and other departments. Where needed by the subject of a call, additional external expertise is drawn on, e.g. from the Academy of Sciences or the R&D Agency. In drawing up the eligibility and selection criteria, the experience and expertise of the Intermediary Body is considered, especially with regard to how easy to understand a call for applicants is. The selection criteria are approved by the MC.

In Slovenia, the decision on launching calls is taken by the MA (Government Office of the Republic of Slovenia for Local Self-Government and Regional Policy) and the Intermediary Body (Ministry of Economy), in accordance with the design of the OP. No stakeholders are involved in the preparation of the calls, as this may lead to conflicts of interest with potential beneficiaries. The selection criteria have to be in line with the guidelines adopted by the Monitoring Committee and need its approval.

For all calls, selection criteria were approved by the Monitoring Committees. However eligibility and selection criteria may be more detailed at the level of single calls (Germany, Slovenia) than the more general level approved by the Monitoring Committees. The deadlines in weeks for responding to the temporary calls varied considerably between 14 (Slovenia) and 29 (the Czech Republic). All calls studied in all the countries covered by this study were published on the websites of the respective MA's or IB's and in print in the national Official Journals. In addition, in the Czech Republic, Slovakia and Slovenia detailed information was provided in form of Guidelines for Applicants or "Application Packs".

---

<sup>10</sup> Subsidiäre nationale Regeln für die Förderfähigkeit von Ausgaben mit Kofinanzierung aus dem Europäischen Fonds für regionale Entwicklung (EFRE) in Österreich gemäß Art. 56 Abs. 4 der Verordnung (EG) Nr. 1083/2006 des Rates (Version 2.0)

#### 4.1.2 Process Step 2: Guiding applicants and potential beneficiaries

The following table indicates that guidance for applicants in most countries studied is delivered by the Intermediary Bodies. In the Czech Republic, the MA is in charge of implementation of calls; in the Netherlands, guidance is provided by other agencies.

**Table 13: R&D –Providers of guidance**

	<b>MA</b>	<b>IB 1</b>	<b>IB 2</b>	<b>Other agencies</b>
<b>Austria</b>	<b>x</b>	<b>x</b>		
<b>Czech Republic</b>	<b>x</b>			
<b>Germany</b>		<b>x</b>	<b>x*</b>	
<b>Netherlands</b>		<b>x</b>		<b>x</b>
<b>Slovakia</b>	<b>x</b>	<b>x*</b>		
<b>Slovenia</b>		<b>x</b>		

*\* regional/local information offices*

Personal guidance is generally provided face-to-face as well as by phone or online. Such assistance is supported not only by information material but also by seminars and other public events. For example, in the Czech Republic, Slovakia and Slovenia, seminars or information days are held for potential applicants. The case of Slovakia shows that these kinds of event go beyond providing information:

**Figure 3: R&D – Guidance: Slovakia**

In the month following the launch of a call for proposals, seminars are held all over the country. The IB (Agency of the Ministry of Education for the Structural Funds) presents the full application package and facilitates discussion with the applicants. Emphasis is placed on the requirements that are the most difficult to fulfill (Annexes). In addition, a special information system, the "FEM", is established online. This answers specific questions from the applicants. FAQs on the web are another information source.

Consultations with applicants before the closing date of the call in connection with a preliminary formal assessment in order to reduce the number of unsuccessful applications (subject to availability of funding), are regarded as key for effective programme and project implementation.

The case of Germany indicates another approach to organising guidance:

**Figure 4: R&D – Guidance: Germany**

The SAB (Sächsische Aufbaubank - Agency and Intermediary Body Level 2, which is also in charge of implementing nearly all public support programmes in the Free State of Saxony), is located in the state capital, Dresden, and has seven local offices serving as the first point of contact. Its website provides information about support programmes and assistance offered. It provides a service center during working hours, which can be reached by phone and e-mail.

The SAB department responsible for the implementation of the calls studied (Department for Technology, which is in charge of all State support programmes in this area) has 18 employees. Each employee is on duty one day a week advising applicants in the service center. In addition, staff of the State Ministry for Science and Education and the SAB participates in business and science networks which provide information about the programmes (e.g. events organised by the Chamber of Commerce and Industry, sector networks).

The Netherlands' approach is one of acquiring and preparing projects rather than informing and guiding potential applicants:

**Figure 5: R&D – Project acquisition: the Netherlands**

The MA has assigned the task of acquiring projects for ERDF funding to Oost NV, a regional development agency. Some 80-90 percent of projects funded in the fields of R&D and Technology Transfer, and Innovations in SMEs (see section 4.2) found their way to ERDF support via Oost NV.

This approach works as follows:

- 1: Oost NV collects project ideas;
- 2: Potential applicants fill in an orientation form of two to three pages;
- 3: Oost NV introduces and discusses project ideas in a coordination meeting with the IB (Programme Secretariat) once a month
- 4: Oost NV gives feedback to the potential applicant and provides informal advice
- 5: Projects are discussed during progress meetings between Oost NV and the IB every three weeks.

A lot of effort (time, personnel) is invested in this process, but this is deemed worthwhile as it lowers risks in project implementation.

This approach to project acquisition also contains an informal pre-check of project ideas prior to the formal application. Similarly, in the case of Saxony, interested applicants may submit an informal project outline to the SAB. Roughly 60 percent of the potential applicants under the permanent "Guideline R&D" call make use of this possibility. In about half these cases, the IB has recommended that no proposal be submitted, because fundamental requirements were not met.

The pre-check takes around two months on average. The Intermediary Bodies consider the pre-check to be a very efficient instrument for clarifying the concept and eligibility of projects, and one which facilitates the actual evaluation and selection procedure (see next sections). In the case of the Guideline R&D in Germany, 51 percent of all project outlines were rejected, while only 11 percent of project applications were rejected.

#### 4.1.3 Process Step 4: Submitting applications/proposals

Postal submission of applications is still the preferred form, although submission online is also possible in three programmes. Where submission is online, applicants register their data electronically directly in the IB's IT system (the Czech Republic, Netherlands).

**Table 14: R&D - Submitting applications**

	Postal	Online	In person
<b>Austria</b>	x	x	
<b>Czech Republic</b>		x	x
<b>Germany</b>	x		
<b>Netherlands</b>	x	x	
<b>Slovakia</b>	x	x	
<b>Slovenia</b>	x		x

#### 4.1.4 Process Step 5: Evaluating applications/proposals

The step of evaluating applications is mainly carried out by the IBs; in Germany, this is carried out by the IB Level 2.

**Table 15: R&D - Bodies responsible for evaluation**

	Registration	Eligibility Assessment	Quality Assessment
<b>Austria</b>	IB	IB, external consultants	IB, external consultants
<b>Czech Republic</b>	MA	MA	MA, external consultants
<b>Germany</b>	IB 2	IB 2	IB 2
<b>Netherlands</b>	IB	IB	IB
<b>Slovakia</b>	IB	IB	IB, external consultants
<b>Slovenia</b>	IB	IB	IB, external consultants

The evaluation methods are generally characterised by a mix of exclusive (yes or no) and qualitative criteria. In the 'old' Member States (Austria, Germany, Netherlands), evaluation is carried out against eligibility and quality criteria which are detailed in guidelines (Austria, Germany) or in the Assessment Framework (Netherlands). These documents describe the expectations and requirements of project promoters and the projects.

Eligibility criteria set out specifications related to formal and expenditure issues. They are exclusive in the sense that full compliance is required. The quality criteria are applied through judgements which have to be documented separately. In this approach, the projects are not compared to each other. The one-by-one evaluation follows the principle of "first-come, first-serve" which is the underlying concept of open calls.

This works as long as funds are available. This is demonstrated by one case in Germany. A scoring system was introduced when authorities realised that funds would soon be running out so that the budget would no longer meet demand from projects fulfilling all criteria. This scoring system was evaluated each project against a range of characteristics derived from the State Government's policy preferences and the OP. However, these criteria have not been published.

Austria is another special case. Here the decision on ERDF support is first taken when the project has been approved by the IB in accordance with the regional guidelines and the specific guidelines for ERDF support.<sup>11</sup> The IB recommends projects for ERDF support to the Regional Government. This then decides in accordance with budget planning which project is financed by the ERDF.

The new Member States, which are all implementing temporary calls, evaluate and select proposals for support through a scoring approach. The degree of detail varies. In Slovakia each of the general criteria 'suitability of the project', 'approach to project implementation', 'budget and expenditure efficiency', 'applicant's technical and administrative capacities', and 'sustainability' are further subdivided into several sub-criteria (for call 1, the study team counted a total of 65 questions/indicators) which each a) has to be scored on a scale from 1 to 4, and b) to be weighted by a multiplier between 1-3. In the aggregate, each general criterion has a different weight:

- suitability of the project max. 40
- approach to project implementation max. 10
- budget and expenditure efficiency max. 9
- applicant's technical and administrative capacities max. 33
- sustainability max. 12.5

The scoring system in the Czech Republic follows basically the same logic, but appears less complex in terms of sub-indicators. A scoring system is also applied in Slovenia, but it appears more general in terms of criteria used. The evaluation and selection criteria for all countries are listed in detail in Annex 4.

In most cases (with the exception of Germany's Guideline Technology Transfer), the process of assessing eligibility is clearly distinguished from assessing the quality of a proposal. Eligibility of project proposals is assessed in the majority of calls by two people, e.g. by staff members with a business and/or financial background. In the Czech Republic, the eligibility assessment is checked by the head of unit. For qualitative assessment, external consultancies are generally used. This applies especially to assessment of the technical aspects of projects (Austria). In the German case of the Guideline R&D, the evaluating IB has the necessary staff in-house, as both business economists and technology experts evaluate the project proposals. A mix of technological and financial expertise on the part of the assessors was also reported for the other programmes. For example, in the Czech Republic, the group of evaluators comprises three internal assessors and two to three external assessors; the latter are in charge of investment, construction and technical issues.

Details on the recruitment of the external assessors are available only for Slovenia and Slovakia. In Slovenia, the external assessors are selected from a pool of experts. The first criterion is that they not have a conflict of interest; the second criterion is their economic (rather than academic) experience, the third their education in the field concerned. Slovakia generally calls on two external experts. They are recruited from a database created specifically for this purpose and listing approximately 400 experts, amongst them also a few from the internal staff of the Ministry and its institutions. In the case of the Czech Republic, foreign experts are also used.

---

<sup>11</sup> The ERDF guidelines (Allgemeine Förderungsbedingungen für EU-kofinanzierte Projekte, March 2009) contain rules on project implementation (publicity, accounting, storing of documents etc.) which go beyond the national rules but comply specifically with Structural Funds regulations.



The actual administrative process of evaluation is organised very differently from country to country:

**Figure 6: R&D - Organisation of evaluation process: examples**

**Czech Republic:** First step: Individual assessment by Czech and foreign assessors. Second step: "Consensus Meeting" - assessment within a group of expert assessors.

**Germany:** (Guideline R&D) Evaluation of the assessors is checked by the group manager within the IB (4-eyes-principle).

**Netherlands:** The 4-eyes principle is also applied, but at three levels of evaluation:

- Senior assessor → financial advisor
- Senior assessor → law advisor
- Programme manager → policy representative.

**Slovenia:** Assessment Committee appointed by the IB.

Eligibility and selection criteria appear mostly to be clear to evaluators, and criteria also appear to be strictly applied in the evaluation and selection process. However, in the case of Slovenia and Germany, the selection criteria defined at the level of the calls are more detailed than those defined at programme level.

Delays in procedures were reported in the cases of the Czech Republic and Slovakia. In the Czech Republic lack of staff was mentioned as a reason. In Slovakia the number of applications led to bottlenecks in processing.

The evaluation process ends in most cases with a recommendation for the selecting body. Only where evaluation and selection are identical processes (Germany in part, and Slovenia – see below) do the IBs or MA continue with informing the applicants of results and finalising the support agreement.

#### **4.1.5 Process Step 6: Selecting projects**

Project selection is only partially carried out as a separate step. In the cases of Austria, Slovenia and partly also Germany, evaluation and selection of projects are an identical process.

**Table 16: R&D - Overview of selection bodies and decision-making**

	<b>Who</b>	<b>Decision-making</b>
<b>Austria</b>	State Government	Decides on ERDF financing based on recommendation by IB
<b>Czech Republic</b>	Selection Committee and MA	Cannot change ranking, but may recommend projects for further negotiation
<b>Germany</b>	R&D Projects > EUR 2 million and projects Guideline Technology Transfer decided by Selection Committee (IBs and State Directorates)	Recommendations by IB 2 usually accepted
<b>Netherlands</b>	Steering Group	May deviate from IB, but recommendations are usually accepted
<b>Slovakia</b>	Selection Committee	No deviations from evaluators so far
<b>Slovenia</b>	No separate selection process	Is part of the evaluation process

The general picture gained from those programmes with a separate selection process is that hardly any changes are made in relation to the recommendations made by the evaluators. But the final legal decision on selection has to be taken by specifically designated bodies, e.g. in the case of Netherlands by the College Boards of the Provinces of Gelderland and Overijssel.

In the light of this finding, the question arises whether a separate selection process really contributes to the effectiveness of project selection procedures. However, in the case of the Netherlands, the importance of the activities of the Steering Committee were stressed, as its members are mainly from the regional business community and provide recommendations on the selection of projects.

#### **4.1.6 Process Step 7: Agreeing on ERDF support**

Generally, the IBs – as the bodies responsible for the implementation of the calls – process and sign the support agreement. The only exceptions are the Czech Republic, where the MA is in charge, and the Netherlands, where the legal entities representing the provinces sign the agreement prepared by the IB.

**Table 17: R&D – Bodies processing and signing the support agreement**

	<b>MA</b>	<b>IB 1</b>	<b>IB 2</b>
<b>Austria</b>		<b>x</b>	
<b>Czech Republic</b>	<b>x</b>		
<b>Germany</b>			<b>x</b>
<b>Netherlands</b>	<b>(x)</b>	<b>x</b>	
<b>Slovakia</b>		<b>x</b>	
<b>Slovenia</b>		<b>x</b>	

The applicants are all informed by post. In cases where applicants have access to electronic registration and communication systems, they are also informed by e-mail.

The total length of the procedure from submission of applications until the settlement of the agreement varies considerably. The data obtained shows that in Germany the selection procedures take a maximum of four months (target: three months). It takes at least half a year in Slovenia, around 16 months in the Czech Republic<sup>12</sup>, and in Slovakia five months are spent solely on contracting.

Reasons given for lengthy procedures in the 'new' Member States include:

**Figure 7: R&D - Reasons for lengthy procedures**

**Czech Republic:** Before issuing and signing the documents, there is a "negotiation" between the MA and the applicant on details of and changes to the project. This means that the applicant has to provide further documentation and details on the project. This process of negotiation and settling a decision is very resource- and time-intensive (project and finance manager plus consultations with internal and external experts, and lawyers); moreover, numerous documents only have to be provided at this stage of the process, further adding to delays. This means that it is possible that applicants fail to meet all requirements at the very last step of the selection procedure.

**Slovakia:** Once the project is selected, the successful applicant has to prove compliance with all the requirements which were met by the Sworn Statements at the application stage. Written confirmations have to be provided from the tax office, social and health security offices, etc. The IB has to verify all the documents submitted. Only on this basis can the grant contract be signed.

**Slovenia:** Projects were selected in early 2011, however, in summer 2011 the contracts were not yet signed. ERDF support was given to "cluster networks". Each cluster network has to register as a company, which then acts as a beneficiary and with whom the contract is ultimately signed. These are lengthy procedures, as the cooperating companies have to agree on many different issues and also have to prove the availability of capital stock of the newly established company.

<sup>12</sup> However, these figures provided to the country assessors do not correspond with the perception of applicants (see Chapter 5) which estimate this time to be shorter.

On the one hand, the delays are connected to the challenge that ERDF funds are to be used to set up new structures, which first have to be established in legal and organisational terms (Slovenia). This appears to be less of a problem of administrative procedures than project or call design (e.g. design of activities, and types of investment and degree of detail).

Complaint systems are set up in each programme. They are part of national legislation. At organisational level, complaints are processed in a separate unit of the IBs. However, hardly any complaints were actually reported. In the German case, only two to three complaints are reported annually. According to administrations, the continuous communication between the applicant and the IB throughout the procedure ensures transparency and thus contributes to the low rate of complaints (however, also refer to Chapter 5 for the different perspective of applicants).

For projects not selected, it can be useful to create list of "reserve projects". This can be done prior to the final formal decision on acceptance or rejection. For example, in the German case, applicants are informed about the prospect of rejection in advance. This gives them the possibility to improve their application, which will then be subject to a new selection decision (re-application). In the case of the Czech Republic, a "reserve of selected projects" is created, which will be supported as long as budget is available. In Slovenia, on the other hand, the call is definitively closed once the selection decisions are made.

#### 4.1.7 Administrative Costs

In this section, we provide an overview of the administrative costs for the Member States' administrations associated with the project selection procedures for R&D and Technology Transfer. To enable comparability, the efforts are expressed in time, i.e. working hours, days and months, and not in euro. The values refer to the effective working time; waiting time is excluded. They represent the sum of time spent by all people involved in the processes, internally and externally.

Table 18 below provides the average time spent per applicant in hours, the quantity (i.e. the number of interested/potential applicants, number of pre-applications, number of applications, number of projects selected, number of complaints) and the total time spent per process step, sorted by Member States and calls (horizontal axis). The vertical axis lists the process steps, which correspond to the generic model of the project selection procedure and the activities involved, as well as the total expenditure of time in days and months.

When looking at the table, it should be borne in mind that the time values provided are not extracted from time recording systems, but represent estimates collected through the workshops with the public bodies involved in the selection procedures. Furthermore, the dataset is partly fragmented and incomplete (see Annex 7 for further details). However, the table provides explanations for the 'missing' figures.<sup>13</sup>

A direct comparison of the total working time in days/month between the Member States which have established permanent calls (Austria, Germany and Netherlands) on the one hand and the Member States which have implemented temporary calls (Czech Republic, Slovakia and Slovenia) would be misleading due to the different scope. In the Member States with permanent calls, the numbers on applications etc. refer to the period 2007–end-2010; in the Member States with temporary calls, they cover only the calls selected and studied. The basis for comparison is hence the average working time per applicant and process step, highlighted in grey in the table below when a value is provided.

<sup>13</sup> The following abbreviations are used: n/a (not available if a figure could not be provided/collected; n/r (not relevant) if a process step/activity does not exist or did not occur.

Table 18: R&D - Time spent per process step

Process steps	Activities involved	Austria			Czech Republic						Germany						The Netherlands			Slovakia						Slovenia				
		Average time per applicant (in hours)	Quantity	Total time (in days)	Call 1			Call 2			R&D			Technology Transfer			Average time per applicant (in hours)	Quantity	Total time (in days)	Call 1			Call 2			Average time per applicant (in hours)	Quantity	Total time (in days)		
					Average time per applicant (in hours)	Quantity	Total time (in days)	Average time per applicant (in hours)	Quantity	Total time (in days)	Average time per applicant (in hours)	Quantity	Total time (in days)	Average time per applicant (in hours)	Quantity	Total time (in days)				Average time per applicant (in hours)	Quantity	Total time (in days)	Average time per applicant (in hours)	Quantity	Total time (in days)					
1. Preparing and informing about specific theme-related ERDF support	Deciding on, preparing and publishing the call; develop selection criteria	n/r	overall	221	n/r	overall	98	n/r	overall	98	n/r	overall	25	n/r	overall	202	n/r	overall	n/a	n/r	overall	65	n/r	overall	65	n/r	overall	100,5		
2. Guiding potential applicants / beneficiaries	Setting up guidance documents	n/r	overall	n/a	n/r	overall	47	n/r	overall	46	n/r	overall	26	n/r	overall	26	n/r	overall	n/a	n/r	overall	16	n/r	overall	37	n/r	overall	n/a		
	Providing guidance to potential applicants	n/a	n/a	19	3	30	11	3	5	2	0,33	1.335	55	0,66	52	4	40	60	620	7	80	70	7	56	49	n/a	n/a	n/a		
	Registering project outlines	n/r	n/r	n/r	n/r	n/r	n/r	n/r	n/r	n/r	0,25	1.335	651	0,25	30	8	*	60	*	n/r	n/r	n/r	n/r	n/r	n/r	n/r	n/r	n/r		
	Assessing eligibility and quality of project outlines	n/r	n/r	n/r	n/r	n/r	n/r	n/r	n/r	n/r	4	1.218		2	30		*	60	*	n/r	n/r	n/r	n/r	n/r	n/r	n/r	n/r	n/r		
3. Submitting and selecting applications for pre-qualification		n/r	n/r	n/r	n/r	n/r	n/r	n/r	n/r	n/r	n/r	n/r	n/r	n/r	n/r	n/r	n/r	n/r	n/r	n/r	n/r	n/r	n/r	n/r	n/r	n/r	n/r	n/r		
4. Submitting applications/proposals		n/r	n/r	n/r	n/r	n/r	n/r	n/r	n/r	n/r	n/r	n/r	n/r	n/r	n/r	n/r	n/r	n/r	n/r	n/r	n/r	n/r	n/r	n/r	n/r	n/r	n/r	n/r		
5. Evaluating applications/proposals	Registering applications	120	25	375	1	32	626	1	5	65	0,25	1.108	3.807	0,25	79	72	160	12	216	1	80	405	19	56	135	1,3	42	104		
	Assessing eligibility				80	32		48	5		32	943		8	70					20	80					9	42			
	Assessing quality of proposals				80,5	30		55	5											20	80					18	42			
6. Selecting projects	Selecting projects	n/a	n/a	n/a	2	30	8	2	5	1	0,5	943	59	0,5	61	4	n/r	n/r	53	n/r	overall	1	n/r	overall	1	n/r	overall	27		
	Informing successful and rejected applicants	n/a	n/a	n/a	0,5	30	2	1	5	0	n/a	943	n/a	n/a	61	n/a	n/a	n/a	n/a	0,7	80	7	1	56	7	n/a	42			
7. Agreeing on ERDF support	Issuing documents and settling the contracts	2	25	6	168	9	189	120	3	45	0,16	824	16	0,16	61	1	8	12	10	27	20	68	n/a	17	87	10,5	23	31		
	Processing complaints	n/r	0	0	n/r	0	0	n/r	0	0	4	2	1	2	2	1	n/r	0	0	9	17	19	n/a	n/a	n/a	n/a	n/a			
<b>Total time expenditure in hours/days</b>		<b>122</b>		<b>621</b>	<b>335</b>		<b>980</b>	<b>230</b>		<b>257</b>	<b>41</b>		<b>4.614</b>	<b>13,82</b>		<b>314</b>	<b>208</b>		<b>899</b>	<b>84</b>		<b>632</b>	<b>27</b>		<b>381</b>	<b>39</b>	<b>263</b>			
<b>Total time expenditure in working month</b>				<b>31</b>			<b>49</b>			<b>13</b>			<b>231</b>			<b>16</b>			<b>45</b>			<b>32</b>			<b>19</b>		<b>13</b>			
		n/r: not relevant			n/a: not available																							*Expenditure of time included in previous activity 'providing guidance'		

*Process step 1: Preparing and informing about specific theme-related ERDF support*

As described in detail in the comparative process analysis (see 4.1.1) the activities and bodies involved with process step 1 'Preparing and informing about specific theme-related ERDF support' vary considerably across the Member States. It is hence not astonishing that the total expenditure of time associated with this step is quite different. When looking at the figures in the table above, it is important to remember the difference between the Member States where permanent calls have been established (Austria, Germany and Netherlands) and the Member States making use of temporary calls (Czech Republic, Slovakia and Slovenia). In the case of a permanent call, the effort in preparing the call and selection criteria are spent once at the beginning of the programming period (apart from possible changes during the programming period). In the case of temporary calls, effort is expended on preparing and launching a call for each call (apart from a possible repeat of a call later in the programming period, which would considerably reduce the efforts required).

In Austria, the preparation of the guidelines and selection criteria required around one person year spent by two employees of the Managing Authority and 48 working weeks spent by twelve employees of the funding bodies. The total time was split between themes 1 and 2. Looking at Germany, the large difference between R&D and Technology Transfer can be explained by the fact that the Guideline on R&D has been in use since the beginning of the 90's, whereas the Guideline on Technology Transfer was newly introduced in 2007 and hence required significantly more resources (202 days compared to 25 days). It was not possible to obtain estimates from the Netherlands on the resources spent on this process step as the process of preparing and providing information about specific theme-related ERDF support was very complex, involving several different bodies (even more complex than in Austria and Germany where figures have been obtained).

In the three Member States with temporary calls, the resources spent per call on process step 1 are considerably lower.

*Process steps 2 to 7*

Looking at the process steps 2 to 7 and the average time spent per applicant, the overall process of providing guidance, evaluating the application, selecting a project and agreeing on ERDF support takes most time in the Czech Republic – Call 1 (335 hours), followed by the Netherlands (212 hours). The process steps driving up the costs in the Czech Republic are 'Evaluating applications/proposals' (process step 5) and 'Agreeing on ERDF support' (process step 7). With an average of only ca. 14 hours per applicant, the overall process per applicant is least time-consuming for Technology Transfer project applications in Germany. Differing from the other Member States, the processes in Germany and the Netherlands are characterised by an informal two-stage procedure, allowing for a project outline to be submitted before the formal application (see 4.1.2). This has an impact on the overall expenditure of time per applicant.

*Process step 2: Guiding potential applicants/beneficiaries*

With 40 hours per (potential) applicant, the Netherlands spends the most resources on guidance. This covers the extensive process of acquiring projects carried out by Oost NV, described in detail in section 4.1.2. Even though less extensive and resource-intensive (4.25 or 2.25 hours), an informal pre-check also takes place in Germany for joint R&D and Technology Transfer projects. While potential applicants for funding of R&D projects are encouraged to submit a project outline upfront, this is not foreseen for Technology Transfer projects. However, project outlines are nevertheless received from a large number of interested businesses (around 40 percent of the later applicants) and are assessed. The need for telephone guidance is higher for Technology Transfer projects (40 minutes per applicant on average) than for joint R&D projects (20 minutes per potential applicant on average) as this funding scheme is newer and interested businesses are not yet familiar with it.

Even though there is no informal pre-procedure, more time is spent in Slovakia than in Germany on guiding potential applicants (7 hours). Consultations are held with applicants before the closing date of the call in combination with a preliminary formal assessment in order to reduce the number of unsuccessful applications (see 4.1.2). In Austria no average time value per potential applicant is provided. The total of 19 working days spent on guiding potential applicants consists of organising and executing ERDF information events and direct contact with applicants. No data at all on this process step is available for Slovenia.

*Process step 5: Evaluating applications/proposals*

In all Member States and calls the actual evaluation of applications/proposals is the most resource- and time-consuming process step, with the exception only of Call 1 in the Czech Republic, where more time is spent on 'Agreeing on ERDF support' (process step 7), see also below. Evaluating applications takes most time in the Czech Republic, Call 1 and the Netherlands (both around 20 working days per application) and Austria (15 working days). The comparably high expenditure of time in the Czech Republic can be explained by the fact that more assessors are involved in the assessment than in the other Member States, i.e. a group of three internal and two to three external assessors as explained above. The 20 working days represent the sum of the effective working time of all assessors involved. In Austria, applications are evaluated by two employees of the IB supported by two assistants.

The difference between the time spent on evaluating R&D applications (32.25 hours) and Technology Transfer applications (8.25) in Germany is striking. However, applications for the funding of Technology Transfer projects are less extensive and simpler than applications for funding of joint R&D projects in terms of project activities. With 41, 28 and 19 hours respectively per application, Slovakia, Slovenia, and Germany are the Member States where the evaluation of applications/proposals takes least time.

*Process step 6: Selecting projects*

Process step 6 is organised differently in the Member States. Values of the average time spent on selecting a single project are only available for the Czech Republic and Germany. In the other Member States and calls only the total time for selecting projects was provided. No separate values are provided for Austria; the time spent on selecting projects is included in the average expenditure of time on evaluating applications/proposals (project step 5). In Germany and the Netherlands, a Steering Committee selects the projects based on discussions in a meeting.

*Process step 7: Agreeing on ERDF support*

With 168 (Call 1) and 120 hours (Call 2) on average, 'Agreeing on ERDF support' takes considerably more time in the Czech Republic than in the other Member States. This high expenditure of time results from the "negotiation" between the MA and the applicant mentioned above. The negotiation involves the project and finance manager plus consultations with internal and external experts, and lawyers (see 4.1.6).

In Slovakia, process step 7 is also quite time-consuming. Once selected, applicants are required to provide confirmations from the tax offices, social and health security offices, etc. in order to prove compliance with all the requirements, whereas sworn statements were sufficient at the application stage (see 4.1.6). These documents have to be verified by the IB, thus driving up the expenditure of time compared to the other Member States where 'Agreeing on ERDF support' only requires finalisation and issue of the agreement documents. This process step takes least time in Germany as all the relevant information for drawing up the agreement is already available at the IB Level 2 and just needs to be extracted from the 'decision memo' drawn up for each application as a result of the assessment (process step 5).

#### 4.1.8 Concluding Summary

Overall, the basic decision-making for launching calls in theme 1 takes place in the programming process. By outlining in the OP the operations which are envisaged, a framework is set for determining the scope of calls, the basic implementation structures and procedures. The basic decision is also taken at this point whether to base overall programme implementation on a system of temporary or permanent calls. This in turn has implications for the process: permanent calls are mostly prepared at the beginning of the programme period (Austria, Germany, and Netherlands). It is difficult to differentiate the activities for preparing calls from programming at this stage. The nature of temporary calls requires separate preparation for each call throughout the programme period (the Czech Republic, Slovakia, and Slovenia). Selection criteria to be applied under the calls are approved by the Monitoring Committees. However eligibility and selection criteria may be worked out in more detail at the level of single calls (Germany, Slovenia).

Guidance is primarily delivered by Intermediary Bodies. It is delivered by information on the web, face-to-face or phone contact, printed documentation and supported by information and guidance seminars. The pre-check of projects presents a specific form of guidance which also facilitates the actual evaluation and selection process.

Postal submission of applications is still the preferred form, although submission online is also foreseen in three programmes. Where they submit their applications online, applicants can register their data electronically directly in the IB's IT-system (the Czech Republic, Netherlands).

In most cases, the process of assessing eligibility is clearly distinguished from assessing the quality of a proposal. For qualitative assessment, external consultancy is often called upon, especially to ensure technically qualified decisions. Especially in the three 'new' Member States, external and even foreign assessors seem to play a prominent role in evaluating proposals.

The 'old' Member States which are implementing ERDF support for R&D and technology transfer on the basis of permanent calls (first-come, first-serve) apply eligibility and quality criteria. Eligibility criteria are exclusive in the sense that full compliance is required. The quality criteria are applied through judgements. In this approach projects are not compared to each other. The new Member States, which are all implementing temporary calls, evaluate and select proposals for support based on a scoring system. The degree of detail of the criteria varies across the three Member States studied. The view of the study team is that a balance has to be found between these different models. The Slovak selection criteria may serve well as a manual in the assessment. But when systems are too detailed, there is a risk of losing sight of the project as a whole when evaluating it.

In terms of transparency it is crucial to inform the applicants and the public about the decisive aspects and criteria against which projects will be selected. Selection criteria ideally should be drawn from the specific priorities set and objectives pursued by a call for proposal. The different programmes set their priorities differently in this respect: in the Czech Republic and Slovakia, criteria related to project management make up around one third of the evaluation criteria. In Slovenia, on the other hand, this is a minor aspect which counts for only a tenth of the evaluation criteria. In the view of the study team it is comprehensible that strong weight is attached to the managerial aspects of a project as the capabilities of the project promoter are key for the success of a project.

When separate selection bodies exist, these usually tend to merely follow the evaluation recommendations resulting from earlier phases of the process, rather than making independent decisions. However, the added-value of separate selection bodies rather relates to issues such as:



- Involvement of stakeholders with diverse related goals (making EU policies public, enhancing commitment to EU policies, stronger focus on needs orientation, broader basis for decisions triggers higher acceptance);
- Division of power, contributing to transparency;
- Consensus.

The IBs responsible for the implementation are usually the administrative bodies finalising the selection procedure with the agreement on support. The total length of the selection procedures is considerably longer in the new Member States than in the older Member States. This is due in particular to the fact that in these countries this is the very last phase of the selection procedure provides the "last chance" for the beneficiaries to comply with all the (formal) requirements for ERDF support. In the case of the Czech Republic, issues relating to the selection decision may be "re-negotiated" in the final step. In the eyes of the Rambøll study team this may call into question the accountability of the procedure. Selection decisions should be taken when all the necessary information for decision-making has been provided, not beforehand<sup>14</sup>. If applicants fail to meet all the requirements in the very last step of the selection procedure, the whole procedure is not effective.

Complaint systems are set up in all programmes. According to the administrations, they are used only rarely.

In terms of the administrative effort, the entire process from providing guidance to potential applicants to agreeing on ERDF support was most time-consuming within Call 1 in the Czech Republic. This is driven by the involvement of up to six evaluators in the assessment of one application and the "re-negotiation" in the final process step mentioned above. The least resources were spent in Germany on the selection procedure of Technology Transfer projects because the application process is simple by comparison with the other countries.

---

<sup>14</sup> This does not include procurement documentation – see study recommendations.

## 4.2 Innovations in SMEs

This section describes the results of the process analysis for the theme “Innovations in SMEs”. This theme is the only theme studied in which two-stage selection procedures are applied (Czech Republic and Germany).

When comparing the administrative processes between the R&D and Innovations in SMEs themes at the level of the countries, the major differences relate to the bodies involved in the process. Therefore, extensive reference is made to the sections of the analysis of the administrative process of R&D calls (4.1).

Moreover, the selection procedure for the Dutch Permanent Call for OP East PA 1 is basically identical to the procedures described in the previous chapter. In this case, reference can be made to section 4.1.

### 4.2.1 Process Step 1: Preparing and informing about specific theme-related ERDF support

As described for the R&D theme, the preparation of permanent calls is more closely related to the programming process than the preparation of temporary calls (Czech Republic, Slovakia, and Slovenia). In the first case, established programmes (Austria) or programmes already in the planning pipeline (Germany, Netherlands) became the subject of programming and were drawn into the OP. Selection criteria were then approved by the MC. In the case of the temporary calls, the OPs form a kind of reference framework within which the calls are launched and prepared. As in the R&D theme, the Czech and Slovakia operate on the basis of annual plans for calls. In the Czech Republic, each call and its selection criteria are approved by the MC. In Slovakia, calls for proposals are not approved by the MC, only the selection criteria as part of the calls for proposals.

The following overview draws the overall picture of the bodies involved in the preparation of calls across all six programmes studied. Looking at the bodies involved in the preparation of calls, the picture is slightly different from the findings in the R&D theme. Public agencies play a prominent role as Intermediary Bodies.

**Table 19: Innovation – Bodies involved in preparation of calls**

	<b>MA</b>	<b>MC</b>	<b>IB 1</b>	<b>IB 2</b>	<b>Other ministries, agencies</b>	<b>Other stakeholders</b>
<b>Austria</b>	x	x	<b>x</b>	x	x	
<b>Czech Republic</b>	<b>x</b>	x	<b>x</b>		x	x
<b>Germany</b>	x	x	<b>x</b>		x	
<b>Netherlands</b>	x	x	<b>x</b>			<b>x</b>
<b>Slovakia</b>	<b>x</b>	x	<b>x</b>		x	
<b>Slovenia</b>	x	x	x	<b>x</b>		

*The boldface X indicates the bodies in charge of the main works (content, strategy, implementation details)*

For Austria, the main differences in relation to the Austrian RTDI Call relate to the IB. In theme 2, the Austrian Research Promotion Agency (Österreichische Forschungsförderungsgesellschaft - FFG) is in charge of implementing calls countrywide and acts as the Intermediary Body (Level 2) on behalf of the Intermediary Body Level 1 (State Ministry for Economy and Innovation, division 3). The FFG processes the applications, evaluates and selects the projects. It also settles the support agreements with the beneficiaries.

In the Czech Republic, Czech Invest acts as the IB. Czech Invest is the national investment and business development agency. It advises and supports existing and new entrepreneurs and foreign investors in the Czech Republic. It is a public agency of the Ministry of Industry and Trade. The Chamber of Commerce and other professional associations were involved in specific aspects of programme preparation. Eligibility and selection criteria were mainly discussed in a working group consisting of staff of the MA and the IB.

In the case of Germany, the Ministry for Economy, Transport, Technology and Regional Development of the state of Hessen acts as MA, single (technology-related) desks of the same ministry form the Intermediary Body Level 1 and a State Agency, the Hessen Agentur has a function similar to that of an Intermediary Body Level 2.<sup>15</sup> However, this Agency is not involved in the preparation of the call. This carried out by the IB Level 1 and coordinated with the MA. The MA draws up broader selection criteria at programme level which then are approved by the MC.

The German Guideline on Innovation Support, which is a permanent call, has been subject to changes. The degree of interest and participation of the partners varies considerably, as can be seen below.

**Figure 8: Innovation - Amending permanent calls in Germany: reaction of MC members**

In the process of changing the call, the partners making up the MC had the opportunity to comment. The MA sent the draft to members, such as:

- Umbrella association of Chambers of Commerce and Trade
- Chambers of Crafts
- Umbrella association of entrepreneurs' associations (VHU),
- Association of cities and municipalities
- State Chancery (working group on administrative simplification)
- Ministry of the Interior
- Ministry of Finance
- Ministry of Social Affairs
- Ministry of Environment, Science and Arts
- Ministry of Culture
- Court of Auditors.

All members received the draft simultaneously. Each participant had five to six weeks to comment. The interest and reaction varied. While some sent a brief comment, others clarified their position in three phone calls, while yet others wrote long statements.

In Slovenia, the calls studied are prepared by the Public Agency for Technology of the Republic of Slovenia (TIA), which acts as an Intermediary Body Level 2. This is an independent public agency responsible for the enhancement of technology development and innovation in Slovenia. The preparatory work by the TIA, which also includes drafting the selection criteria, is sent for approval to the Intermediary Body Level 2, the Ministry for Economy, which coordinates with the MA, i.e. the Government Office of the Republic of Slovenia for Local Self-Government and Regional Policy.

<sup>15</sup> In legal terms, the Agency received two grants for implementation of ERDF technology programmes.

In all four Slovak cases, the calls were prepared by the agencies and then approved by the MAs. Special expertise from other desks of the Ministry of Economy (MA) was called upon if needed. The field research provided some indications that the MA tends to be a bottleneck in the working process, as the IB can only proceed once the MA has checked and confirmed the preparatory work. The selection criteria were approved by the "Knowledge Economy" MC which is responsible for the monitoring of several OPs pursuing theme-related operations.

For Slovakia, attention must be paid to the fact, that different MAs and IBs are involved in the four calls studied:

**Table 20: Innovation - Calls in Slovakia**

Call	MA	IB Level 1
KaHR-111SP-0902 Innovation and technology transfers, support for introducing innovation and technology transfers (de minimis)	Ministry of Economy	Slovak Innovation and Energy Agency (SIEA)
KaHR-13DM-0901 Support of innovation activities in enterprises (de minimis)	Ministry of Economy	Slovak Innovation and Energy Agency (SIEA)
KaHR-111SP-1001 Innovation and technology transfers, support for introducing innovation and technology transfers (state aid)	Ministry of Economy	National Agency for Development of Small and Medium-Size Enterprises (NADSME)
DOP2008-SIP001 Support for starting entrepreneurs (common call of the OP Competitiveness and Economic Growth and OP Employment and Social Inclusion)	Ministry of Labour, Social Affairs and Family	Social Implementing Agency

The deadlines for response to the temporary calls vary considerably<sup>16</sup>:

- Slovakia: minimum nine weeks, maximum 17 weeks;
- Slovenia: minimum four weeks, maximum six weeks.

All calls studied in all the countries covered were published on the websites of the respective MA's or IBs and in print in the Official Public Journals.

#### **4.2.2 Process Step 2: Guiding applicants and potential beneficiaries**

Within this theme, guidance for applicants is exclusively delivered by Intermediary Bodies. These are mostly agencies specifically mandated by the national or regional governments to support and manage the implementation of programmes. They form the first point of contact for businesses and other potential applicants, and provide information services.

The information and consultancy services provided are manifold. They range from web information (all) to information seminars (Slovenia) to information campaigns on TV (Slovakia). In the Czech Republic and Slovakia, the IBs have regional offices. In Slovakia, both the NADSME and the Social Implementing Agency provided guidance to applicants about the ERDF/ESF common

<sup>16</sup> For information on the Czech Republic, please see 4.2.3.

call Support for starting entrepreneurs. In the case of Austria, the regional development agency SFG assists SMEs in identifying possibilities for support.

**Table 21: Innovation - Providers of guidance**

	MA	IB 1	IB 2	Other agencies
<b>Austria</b>			x	x
<b>Czech Republic</b>	x	x*		
<b>Germany</b>			x	
<b>Netherlands</b>		x		x
<b>Slovakia</b>		x		
<b>Slovenia</b>		x		

*\* regional/local information offices*

Project acquisition (see also Netherlands in section 4.1.3) is a key task of the Hessen Agentur in addition to guidance for applicants. The agency facilitates a "Technology Transfer Network Hessen" which is also supported by ERDF funds. One important cooperation partner is the WiBank, the State bank and agency which implements and manages the vast majority of State programmes.<sup>17</sup> Others are technology transfer units at the universities which serve as multipliers in the research world. Consultants specialised in technology transfer issues located at the local Chambers of Commerce and Industry partner with the entrepreneurial world. Businesses are also reached via the business development agencies of the municipalities. Networking and cooperation with cluster initiatives is seen as essential for generating good project ideas to be supported by the ERDF Guideline Innovation Support, which is implemented by the Hessen Agentur. The project acquisition and guidance is supported by information material available in print and on the web, presentations etc.

#### **4.2.3 Process Step 3.a: Submitting application for pre-qualification (APQ)**

As was already mentioned above, this theme is the only theme studied in which two-stage selection procedures are applied (Czech Republic and Germany).

In the Czech Republic, the calls studied were open for a number of months, ranging from half a year to a year and a half. This time frame provides a good opportunity for both the administration to inform interested enterprises and organisations and for the latter to familiarise themselves with the terms of the calls. In these cases, it is actually highly questionable to consider these calls as temporary. The German call is permanent, so basically applications for pre-qualification can be submitted at any time. However, as the APQs are selected by a committee which meets every other month and the dates are announced on the website of the IB Level 2, the applications are submitted with these dates in mind.

In both cases, the APQ procedure is supported electronically. The forms can be downloaded on the relevant websites. They are rather short, e.g. four to six pages in the Czech Republic, depending on the applicant's project description, and seven pages in Germany). An e-account is created for electronic submission in the Czech Republic. Once it is signed electronically by the applicant, it is processed by the IB. In Germany, roughly 90 percent of applications are submitted electronically.

<sup>17</sup> WiBank is shareholder of the Hessen Agentur.

#### 4.2.4 Process Steps 3.b and 3.c: Evaluating and selecting APQ

In the Czech case, eligibility criteria are applied in the assessment and the “economic health” of the applicant is checked. If a project does not fulfil the eligibility criteria, it is rejected at this stage. However, there is also a possibility for applicants to be informed about how to correct mistakes. In this case they re-submit a corrected application and the process starts again. The assessment and the selection decision are carried out by at least two project managers or similar staff at the IB (4-eyes-principle). These have to sign the results electronically. The applicants are informed via e-mail account. The process is guided and supported by an operational manual. The average time for the APQ evaluation and selection process is 15 days. Complaints are directed to the MA, which must resolve them within 60 days. The selection rate of the calls at this stage is:

- INOVACE, Innovation projects 3: 67 percent
- INOVACE, Industrial property rights 1: 60 percent
- POTENCIAL, SME and large enterprises: 73 percent

In Germany, evaluation and selection of project outlines for further application are separate steps. Upon registration, the APQ is assessed by the staff of the IB Level 2 (1 person). The results are documented in a proposal for decision-making to the Selection Committee of representatives of the State Ministry for Economy, Technology, Transport and Regional Development, the Ministry of Science and Education, WiBank, and the Chamber of Commerce and Industry. The Hessen Agentur facilitates the meetings of the Selection Committee, which comes up with a recommendation for a decision by the IB Level 1 (State Ministry for Economy, Technology, Transport and Regional Development). In general, the IB Level 1 accepts this recommendation. About 70 percent of the APQs are successful. This is similar to the selection rates of the calls in the Czech Republic. The applicants are informed informally about the invitation to submit a proposal prior to receiving official notification by post. Rejected applicants are informed about support alternatives, if feasible.

The reflection with the interviewed administrative bodies on the advantages and disadvantages of the APQ procedure yields a mixed picture:

#### Figure 9: Innovation – arguments for APQ procedure

In the opinion of the administrative bodies interviewed in the **Czech Republic**, the APQ procedure reduces the costs for preparation of the application as well as the administrative burden. The separate APQ procedure could even be applied as a simple evaluation and selection procedure for projects of low complexity (e. g. projects supporting industrial property rights).

In **Germany**, emphasis was placed on the role of the close guidance of applicants as part of the APQ-procedure. However, there was also critical reflection on whether the APQ procedure consumes too much resource, and whether a single stage procedure would reduce administrative costs and burdens.

#### 4.2.5 Process Step 4: Submitting applications/proposals

In contrast to the R&D theme, online and electronic submission of applications is the preferred form in theme 2. In those cases in which applicants directly submit via e-accounts (Czech Republic, Netherlands), this is appreciated by the administrative bodies as very efficient.

**Table 22: Innovation - Submitting applications<sup>18</sup>**

	Postal	Online	In person
<b>Austria</b>		x	
<b>Czech Republic</b>		X	
<b>Germany</b>	x	x	
<b>Netherlands</b>	x	x	
<b>Slovakia</b>	x	x	
<b>Slovenia</b>	x		x

#### 4.2.6 Process Step 5: Evaluating applications/proposals

The evaluation steps are nearly always the exclusive responsibility of the IB.

**Table 23: Innovation - Bodies responsible for evaluation**

	Registration	Eligibility Assessment	Quality Assessment
<b>Austria</b>	IB 1	IB 1, external consultants	IB 1, external consultants
<b>Czech Republic</b>	IB	IB	IB/MA and Evaluation Committee incl. external consultants
<b>Germany</b>	IB 2	IB 2	IB 2
<b>Netherlands</b>	IB	IB	IB
<b>Slovakia</b>	IB	IB	IB, external consultants
<b>Slovenia</b>	IB 2	IB 2	IB 1 and 2, partially external consultants

<sup>18</sup> This and the following tables outlining modes of submission of applications in this Chapter summarise standard modes of submission for the calls/countries. However, it is important to note that personal delivery is always possible - even if it is not mentioned explicitly for all calls/countries in this and the following tables.

The process of assessing eligibility is not always clearly distinguished from assessing the quality of a proposal. This is the case in Austria, Germany, the Netherlands and in part in the Czech Republic ("INOVACE" Programme - Industrial Property Rights (IPR) I) and Slovenia (public call for purchase for new technology equipment). The latter two calls have in common that the projects are of low complexity and that the evaluation process is structured in a relatively simple way.

Otherwise, when it comes to the selection criteria, essentially the same findings apply as presented for theme 1. However, qualitative criteria similar to those of the German call are applied in Slovenia. The evaluation and selection criteria are listed in detail for all countries in Annex 4.

Apart from two exceptions in the Czech Republic and Slovenia, the evaluation process in all programmes is structured similarly to the calls under the R&D theme.

**Figure 10: Innovation - Evaluation and selection of less complex projects**

Two calls are characterised by the low complexity of the projects and the lowest financial volume per call. In both cases, the steps and bodies involved in the evaluation and selection process is less complex.

- In the **Czech** INOVACE - Industrial Property Rights (IPR) I programme, eligibility and compliance with the programme's targets are assessed by the IB. Only exclusion criteria are applied. Using these, a list of projects is drawn up for selection by the MA. The selection rate in this call is one of the highest of all calls studied.
- In the case of the **Slovenia** open call for purchase for new technology equipment, internal staff of the IB 2 (group of evaluators) checks the eligibility (exclusion criteria) and quality (scores). The IB 1 checks assessments and scoring. The selection decision is made by the IB 2. The selection rate of this call is only 47 percent.

There are also commonalities in the important role that external experts have in the evaluation process in the young member states. The main difference from the R&D theme relates to the strong role of public agencies as IBs in the evaluation process as well.

One additional particularity needs to be mentioned: In the case of the Slovak call Support for starting entrepreneurs, which is a joint call, financed both by the ERDF OP and the ESF OP, a dual evaluation and selection procedure is applied. Each application runs through two processes (ERDF and ESF). At the end of this, two agreements are also signed, one each with the IB of the ERDF and the ESF programmes. In relation to the administrative efficiency of this process, it is worth noting that the average financial ERDF volume per project amounts to only EUR 200,000. This is at the lower end of the calls studied.

Again, no indication was found that eligibility and selection criteria were unclear to evaluators and that the criteria were not strictly applied in the process.



**Table 24: Innovation - Organisation of evaluation process**

	<b>Eligibility</b>	<b>Quality</b>	<b>Outcome</b>
<b>Austria</b>	First assessment carried out by one IB 2 (FFG) staff member; cross-check by other staff member		Recommendation to Board
<b>Czech Republic</b>	At least two external assessors and evaluation committee comprised of internal and external assessor	Evaluation committee recommends approval or rejection to MA on the basis of at least two external evaluators' opinion; mixed criteria	At least two external assessors and evaluation committee comprised of internal and external assessor
<b>Germany</b>	Professional staff of IB 2 (Hessen Agentur), 4-eye principle		Recommendation for selection by selection committee; exclusion criteria
<b>Netherlands</b>	IB 1 (Programme Secretariat); three levels of evaluation: finance, legal, policy		Project dossier for decision making by steering committee: mixed criteria
<b>Slovakia</b>	One external and one internal assessor of IB, MA checks selection proposal	One external and one internal assessor of IB, MA checks selection proposal	Proposal for selection
<b>Slovenia</b>	Assessment committee: group of external evaluators selected by IB 2; IB 1 checks evaluation and selection	Evaluation is identical with selection; mixed criteria	Assessment committee: group of external evaluators selected by IB 2; IB 1 checks evaluation and selection

#### 4.2.7 Process Step 6: Selecting projects

The following overview shows that the IBs are in charge of the final selection decision. Selection committees have a limited advisory role, which also corresponds to the findings under theme R&D.

**Table 25: Innovation - Overview of selection bodies and decision-making**

	<b>Who</b>	<b>Decision-making</b>
<b>Austria</b>	Board of IB 2	Board provides recommendations; final decision made by head of IB 2
<b>Czech Republic*</b>	MA	Cannot approve projects which are not recommended by evaluation committee
<b>Germany</b>	Selection committee and IB 1	See text box below
<b>Netherlands</b>	Steering group and MA	May deviate from IB, but recommendations are usually accepted
<b>Slovakia</b>	Selection committee and IB	Selection committee has an advisory role and its decisions have been respected so far; final decision made by IB
<b>Slovenia</b>	IB 2	Is part of the evaluation process

*\* except the Czech call "INOVACE" - Industrial Property Rights (IPR) I (see above)*

As in theme 1, separate selection bodies have a limited independent role. However, the case of Germany illustrates that selection committees are an approach to drawing in external expertise (see box below) and, in the case of the Netherlands, they connect selection decision-making to regional policy-making.

**Figure 11: Innovation - Work and role of a selection committee**

In the **German** case, the committee consists of representatives of the Ministry for Economy, Transport and Regional Development of Hessen (MA and IB Level 1), Ministry for Science and Education of Hessen, the WiBank and technological consultants from the Chambers of Commerce and Industry. The committee discusses both applications for pre-qualification and project proposals.

The IB 1 is in charge of the legally binding selection decision and sticks to the suggestion of the committee. Its input is appreciated as professional and well argued. From the viewpoint of the Rambøll study team, this is understandable, especially when considering the specific criteria projects have to comply with:

- comprehensible core competencies of the research partners,
- degree of innovation of the scientific-technical concept,
- technical feasibility, product quality,
- transferability of results, technology and knowledge transfer into further branches,
- degree and quality of cooperation of the consortium,
- customer value, economic utilization, merchantability, market strategy,
- refinancing/technical and economic potential,
- contribution of the project towards the improving the enterprises' competitiveness.

It requires proficient knowledge and insight into specific technologies, markets and the needs of enterprises and research institutions to judge a project against these criteria. This may go beyond knowledge available in public administrations.

#### 4.2.8 Process Step 7: Agreeing on ERDF support

The preparation and signature of the agreement on ERDF support is a shared responsibility of the MA and the IB in the Czech Republic, the Netherlands and Slovakia, while in the other countries' cases IBs are solely in charge.

**Table 26: Innovation – Bodies processing and signing the support agreement**

	<b>MA</b>	<b>IB 1</b>	<b>IB 2</b>
<b>Austria</b>			<b>x</b>
<b>Czech Republic</b>	<b>x</b>	<b>x</b>	
<b>Germany</b>		<b>x</b>	<b>x</b>
<b>Netherlands</b>	<b>(x)</b>	<b>x</b>	
<b>Slovakia</b>	<b>x</b>	<b>x</b>	
<b>Slovenia</b>		<b>x</b>	

The applicants are all informed by post. In cases where applicants have access to electronic registration and communication systems, they are also informed by e-mail.

It was not possible to obtain reliable data on the total length of the procedure from submission of applications until the settlement of the agreement. However, in one Slovak case (KaHR-111SP-1001, Support for introducing innovation and technology transfer, state aid) which was closed back in May 2010, the selection procedure had not been finalised by summer 2011. The delay is explained by the fact that the process of 'verification of the conditions for the aid provision' was not complete. As already indicated in the analysis of the selection procedures of the theme R&D, the final step of agreeing on the support turns out to be the crucial phase in Slovakia, in which an applicant has to prove the fulfilment of all requirements. It is in this phase that the applicant is confronted most with the onerous documentation to underpin eligibility and selection of the application.

In relation to the complaint systems and relevance of reserve projects in programme implementation, basically the same findings apply for the Innovations in SMEs theme as for the R&D theme.

#### **4.2.9 Administrative Costs**

In this section, we provide an overview of the administrative costs for the Member States' administrations associated with the project selection procedures for Innovations in SMEs. To enable comparability, the efforts are expressed in time, i.e. working hours, days and months, and not in euro. The values refer to the effective working time; waiting time is excluded. They represent the sum of time spent by all people involved in the processes, internally and externally.

Table 27 below provides the average time spent per applicant in hours, the quantity (i.e. the number of interested/potential applicants, number of pre-applications, number of applications, number of projects selected, number of complaints) and the total time spent per process step, sorted by Member States and calls (horizontal axis). The vertical axis lists the process steps, which correspond to the generic model of the project selection procedure and the activities involved, as well as the total expenditure of time in days and months.

When looking at the table, it should be borne in mind that the time values provided are not extracted from time recording systems, but represent estimates collected through the workshops with the public bodies involved in the selection procedures. Furthermore, the dataset is partly fragmented and incomplete (see Annex 7 for further details). However, the table provides explanations for the 'missing' figures.<sup>19</sup>

A direct comparison of the total working time in days/month between the Member States which have established permanent calls (Austria, Germany and Netherlands) on the one hand and the Member States which have implemented temporary calls (Czech Republic, Slovakia and Slovenia) would be misleading due to the different scope. In the Member States with permanent calls, the numbers on applications etc. refer to the period 2007–end-2010; in the Member States with temporary calls, they cover only the calls selected and studied. The basis for comparison is hence the average working time per applicant and process step, highlighted in grey in the table below when a value is provided.

---

<sup>19</sup> The following abbreviations are used: n/a (not available if a figure could not be provided/collected; n/r (not relevant) if a process step/activity does not exist or did not occur.

Table 27: Innovation - Time spent per process step

Process steps	Activities involved	Austria*			Czech Republic						Germany			The Netherlands <sup>2</sup>			Slovakia						Slovenia																	
		Average time per applicant (in hours)	Quantity	Total time (in days)	Call 1		Call 2		Call 3		Average time per applicant (in hours)	Quantity	Total time (in days)	Average time per applicant (in hours)	Quantity	Total time (in days)	Call 1		Call 2		Call 3		Call 4		Call 1		Call 2		Call 3											
					Average time per applicant (in hours)	Quantity	Average time per applicant (in hours)	Quantity	Average time per applicant (in hours)	Quantity							Average time per applicant (in hours)	Quantity	Average time per applicant (in hours)	Quantity	Average time per applicant (in hours)	Quantity	Average time per applicant (in hours)	Quantity	Average time per applicant (in hours)	Quantity	Average time per applicant (in hours)	Quantity	Average time per applicant (in hours)	Quantity	Average time per applicant (in hours)	Quantity	Average time per applicant (in hours)	Quantity	Average time per applicant (in hours)	Quantity				
1. Preparing and informing about specific theme-related ERDF support	Deciding on, preparing and publishing the call; develop selection criteria	n/r	overall	221	n/r	overall	16	n/r	overall	11	n/r	overall	16	n/r	overall	n/a	n/r	overall	57	n/r	overall	57	n/r	overall	57	n/r	overall	57	n/r	overall	22									
2. Guiding potential applicants / beneficiaries	Setting up guidance documents	n/r	overall	n/a	n/r	overall	5	n/r	overall	5	n/r	overall	5	n/r	overall	n/a	n/r	overall	36	n/r	overall	55	n/r	overall	52	n/r	overall	30	n/r	overall	20									
	Providing guidance to potential applicants	n/a	n/a	19	2	390	98	2	271	68	2	299	75	2,5	77	24	40	240	2480	1	169	21	1	17	2	1	39	5	1	220	28	n/a	68	0,5	159	10	0,5	492	31	
3.a Submitting application for prequalification (APQ)	Publishing the call for APQ	n/r	n/r	n/r	n/r	overall	n/a	n/r	overall	1	n/r	overall	1	n/r	n/r	n/r	n/r	n/r	n/r	overall	n/a	n/r	overall	n/a	n/r	overall	n/a	n/r	overall	n/a	n/r	overall	n/a							
3.b Evaluating APQ	Registering APQ/project outlines	n/r	n/r	n/r	1	390	49	0,25	271	8	1	299	37	12	77	116	n/r	n/r	n/r	n/r	n/r	n/r	n/r	n/r	n/r	n/r	n/r	n/r	n/r	n/r	n/r	n/r	n/r	n/r	n/r	n/r	n/r			
	Assessing eligibility and quality	n/r	n/r	n/r													n/r	n/r	n/r	n/r	n/r	n/r	n/r	n/r	n/r	n/r	n/r	n/r	n/r	n/r	n/r	n/r	n/r	n/r	n/r	n/r				
3.c Selecting invitations to submit a proposal	Selecting invitations, publishing the list of invitees	n/r	n/r	n/r	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	0,16	54	11	n/r	n/r	n/r	n/r	n/r	n/r	n/r	n/r	n/r	n/r	n/r	n/r	n/r	n/r	n/r	n/r	n/r	n/r	n/r	n/r				
	Informing rejected applicants	n/r	n/r	n/r	1	99	12	0,25	56	2	0,25	45	1	1	77		n/r	n/r	n/r	n/r	n/r	n/r	n/r	n/r	n/r	n/r	n/r	n/r	n/r	n/r	n/r	n/r	n/r	n/r	n/r	n/r				
4. Submitting applications/proposals	Registering applications	n/r	n/r	n/r	n/r	n/r	n/r	n/r	n/r	n/r	n/r	n/r	n/r	n/r	n/r	n/r	n/r	n/r	n/r	n/r	n/r	n/r	n/r	n/r	n/r	n/r	n/r	n/r	n/r	n/r	n/r	n/r	n/r	n/r	n/r	n/r				
5. Evaluating applications/proposals	Assessing eligibility	120	23	345	24,5	291	891	0,5	162	10	16	219	509	20	54	135	160	42	864	0,5	169	243	0,5	17	24	0,5	39	56	0,5	220	316	0,16	68	53	0,16	159	105	0,16	492	177
	Assessing quality of proposals																		5	169		5	17		5	39		5	220		2	61		2	158		1	492		
																				6	169		6	17		6	39		6	220		6	49		6	124		2	421	
6. Selecting projects	Selecting projects	n/a	n/a	n/a	n/r	overall	7	n/a	n/a	n/a	n/r	overall	7	0,16	49	8	n/r	overall	211	n/r	overall	21	n/r	overall	3	*	*	*	*	*	n/r	overall	1	n/r	overall	1	n/r	overall	20	
	Informing successful and rejected applicants	n/a	n/a	n/a	0,18	256	6	0,2	162	4	0,25	209	7	1	54		4	4	2	1	169		1	17	2	1	39	5	1	220	28	2	68	17	2	159	40	0,33	492	
7. Agreeing on ERDF support	Issuing documents and setting the contracts	2	23	6	0,5	154	10	0,25	147	5	0,5	156	10	1	49	6	8	38	40	4	77	39	4	4	2	4	39	20	4	113	57	2	46	12	2	44	11	0,11	421	6
	Processing complaints	n/r	0	0	8	40	40	n/a	0	0	8	10	10	2	3	1	n/r	0	0	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	8	5	5	8	4	4	n/r	0	0	
<b>Total time expenditure in hours/days</b>		<b>122</b>		<b>590</b>	<b>37</b>		<b>1.134</b>	<b>3</b>		<b>114</b>	<b>28</b>		<b>678</b>	<b>40</b>		<b>317</b>	<b>212</b>		<b>3.597</b>	<b>18</b>		<b>417</b>	<b>18</b>		<b>145</b>	<b>18</b>		<b>195</b>	<b>18</b>		<b>516</b>	<b>20</b>		<b>104</b>	<b>21</b>		<b>191</b>	<b>4</b>		<b>276</b>
<b>Total time expenditure in working month</b>			<b>30</b>				<b>57</b>			<b>6</b>			<b>34</b>			<b>16</b>			<b>180</b>			<b>21</b>			<b>7</b>			<b>10</b>		<b>26</b>		<b>5</b>		<b>10</b>			<b>14</b>			

<sup>1</sup>Dutch data split on themes 1 and 2.

n/r: not relevant

n/a: not available

\*Time exposure included in process step 5.

*Process step 1: Preparing and informing about specific theme-related ERDF support*

As described in detail in the comparative process analysis (see 4.2.1), the activities and bodies involved with process step 1 'Preparing and informing about specific theme-related ERDF support' vary considerably across the Member States. It is hence not astonishing that the total expenditure of time associated with this step also shows significant differences; a direct comparison is not reasonable. It is important to remember the difference between the Member States where permanent calls have been established (Austria, Germany and Netherlands) and the Member States making use of temporary calls (Czech Republic, Slovakia and Slovenia). In the case of a permanent call, the effort in preparing the call and selection criteria are spent once at the beginning of the programming period (apart from possible changes during the programming period). In the case of temporary calls, effort is expended on preparing and launching a call for each call (apart from a possible repeat of a call later in the programming period, which would considerably reduce the efforts required).

In Austria, the preparation of the guidelines and selection criteria required around one person year spent by two employees of the Managing Authority and 48 working weeks spent by twelve employees of the IBs. The total time was split between themes 1 and 2. In Germany, process step 1 time involves the preparation of the Guideline on Innovation Support carried out by one staff member of the Ministry for Economy, Transport and State Development of the State of Hessen (ten working days) as well as the efforts involved with the application procedure of the Hessen Agentur (six working days). It was not possible to obtain estimates from the Netherlands on the resources spent on this process step as the process of preparing for and informing about specific theme-related ERDF support was very complex involving several different bodies (even more complex than Austria and Germany where figures have been obtained).

In the Czech Republic the time spent on preparing and launching the calls is almost in the same range. In Slovakia it took considerably longer, and for Slovenia figures are provided only for Call 3.

*Process steps 2 to 7*

Looking at the applicant-specific processes (steps 2 to 7) and the average expenditure of time per applicant, the overall process of providing guidance, evaluating the application, selecting a project and agreeing on ERDF support takes more time in the Member States with permanent calls than in those with temporary calls. The process is most time-consuming in the Netherlands (212 hours), followed by Austria (122 hours) and Germany (40 hours). For the Netherlands and Austria, the amount of time is the same as for R&D and Technology Transfer (see 4.1.7).

The processes in the Czech Republic, Germany and the Netherlands differ from those of the other three Member States by being a two-stage procedure. While a formal application for pre-qualification is required in the Czech Republic (process steps 3a to 3c), potential applicants in Germany (including process steps 3a to 3c) and the Netherlands (process step 2) are required to submit a project outline/orientation form before the formal application<sup>20</sup>. This has an impact on the overall expenditure of time per applicant.

With only three hours per applicant in the Czech Republic, Call 2, and four hours in Slovenia, Call 3, the processes associated with these calls are the least time-consuming. When looking at the three calls in the Czech Republic, the huge differences in the total average expenditure of time per applicant is striking. The same goes for Slovenia, at least for the differences between Call 1 and 2 compared to Call 3. However, when looking at the total average expenditure of time, it should be borne in mind that for some Member States/calls the total involves the processing of complaints whereas in others, it does not.

---

<sup>20</sup> Cf. section 3.1.2 for the pre-check in the Netherlands, and section 3.2.3 for Czech Republic and Germany.

*Process step 2: Guiding potential applicants/beneficiaries*

The time spent providing guidance to potential applicants ranges on average per applicant between half an hour in Slovenia to one hour in Slovakia, two hours in the Czech Republic, and two and a half hours in Germany. In the Netherlands, process step 2 involves the Oost NV's extensive process of acquiring projects. This is described in detail in section 4.2.2. The large amount of resources spent on this process step (40 hours per potential applicant on average) cannot therefore be compared to the other Member States. A reasonable comparison is with the pre-qualification process in the Czech Republic and the pre-check in Germany, which are described in the following paragraph.

*Process steps 3b and 3c*

Assessing applications for pre-qualification in the Czech Republic (one hour or 15 minutes per applicant depending on the call) is much less resource-intensive than the pre-checks of project proposals in Germany (12 hours per applicant) and the Netherlands (40 hours per applicant). This is not astonishing as the purpose of the pre-qualification is to check eligibility and the "economic health" of the applicant, whereas the pre-checks are targeted at pre-assessing the content, eligibility and feasibility of a potential project. While the total of 40 hours per applicant in NL covers the entire process of gathering project ideas, receiving and assessing orientation forms and discussing them in different meetings as well as guiding applicants and providing them with information if their project idea is rejected, the resources spent on informing rejected applicants is in addition to the resources mentioned above. In the Czech Republic, it is a further hour or 15 minutes (depending on the call) and in Germany, it is 1.16 hours).

*Process step 5: Evaluating applications/proposals*

Evaluating applications takes most time in the Netherlands (around 20 working days per application) and Austria (15 working days per application). While six people are involved in evaluating an application in the Netherlands, in Austria applications are evaluated by two employees of the IB supported by two assistants. In the other Member States, the average time spent on evaluating an application takes considerably less time. The outstandingly low resources spent on evaluating applications within Call 2 (Programme "INOVACE" – Industrial Property Rights) in the Czech Republic can be explained by the low complexity of projects and the lowest financial volume per call (see 4.2.6).

*Process step 7: Agreeing on ERDF support*

Issuing documents and settling the contract for ERDF support takes most time on average in the Netherlands (eight hours per applicant), followed by Slovakia (four hours per applicant).

Data on the processing of complaints was provided in only a few cases. The time spent on average on processing a complaint ranges from two hours in Germany to eight hours in the Czech Republic and Slovenia.

#### **4.2.10 Concluding Summary**

Overall, the major differences compared to theme 1 found in the selection process of theme 2 related the bodies involved in the process. Public agencies specialising in the field of innovation policies play a prominent role as Intermediary Bodies in all programmes studied. In addition, only in this theme are two-stage selection procedures applied (in the Czech Republic and Germany).

The Intermediary Bodies play a key role in the specific preparation of the calls. These are far more detailed than the frameworks set by the OPs. In preparing the calls, additional, more detailed selection criteria may be introduced which go beyond the selection criteria which are basically approved by the Monitoring Committees in all programmes. When drawing up a call, in most cases other ministries or governmental departments are consulted. This applies especially in the cases of Austria and Germany, where permanent calls have been implemented. The involvement of other stakeholders is reported only in the case of the Netherlands and Slovakia. In the Netherlands, the process of programming and drafting the calls was almost identical, and was also a basic step in generating and acquiring projects (see also the findings for R&D).

The IBs are also the main bodies for providing guidance to applicants. The approach of providing guidance can go far beyond information and consultation, as the examples of Germany and the Netherlands. In these cases, guidance is closely connected to networking in the field of innovation policy and results in generating projects.

The approach and the role of the APQ-procedures (application for pre-qualification) are different in the Czech Republic and Germany. In the Czech Republic, this process step is mainly used to pre-assess the eligibility of projects (formal check), in Germany it serves primarily for discussing the project idea, including with regional stakeholders. Hence the APQ procedure is part of a broader understanding of guidance which also takes into account project generation and the embedding of ERDF-supported projects in regional innovation strategies. In the Czech Republic, the APQ procedure is primarily seen as a means of reducing costs in the preparation of applications and the administrative burden.

Two cases of rather simplified evaluation procedures were identified (Czech Republic and Slovenia) which are applied to projects of low complexity. Here, the process of assessing eligibility and quality is carried out in one step. However, these two steps of evaluation are also carried out as one in other calls (Austria, Germany). In the case of the only call studied which is cross-financed both by the ERDF OP and the ESF OP, double evaluation and selection procedures are applied. Each application runs in parallel through two processes (ERDF and ESF).

The case of Germany illustrates that selection committees are an approach to drawing on external expertise; in the case of the Netherlands, they are a means of connecting selection decision making with regional policy making.

According to our findings, the project selection procedures in terms of the average time spent per applicant in the Member States with permanent calls (Austria, Germany and the Netherlands) are more resource-consuming than in the Member States with temporary calls (Czech Republic, Slovakia and Slovenia). The process is most time-consuming in the Netherlands and least time-intensive for Call 2 in the Czech Republic and Call 3 in Slovenia. Compared to the pre-checks in Germany and the Netherlands, the assessment of applications for pre-qualification in the Czech Republic is not very resource-intensive. This is not, however, astonishing when considering the different scope of these process steps.



### **4.3 Urban Regeneration**

This final section deals with the results of the process analysis for the theme "Urban Regeneration". The analysis is again conducted along the lines of the generic model presented in Chapter 2.

The selection procedures for projects in the field of "Urban Regeneration" differ considerably from those of the other themes. The differences in the implementation framework and correspondingly the selection procedures vary to an extent such that this needs to be taken into account when comparing the procedures of the different calls in terms of effectiveness and efficiency. There is a large variation in particular in the use of integrated approaches as the basis for ERDF support, in the roles of local/ regional stakeholders as well as in the balance of central/decentralised levels in the procedures.

As urban regeneration policy is critical to municipal development, it is strongly related to the local/regional governments' role in the respective governance system of the Member States. This specific context information is essential for an understanding and analysis of the project selection procedures. Therefore the analysis for this theme starts with an analysis of the underlying governance mechanisms for the calls studied. This is presented in the section related to Process Step 1 before each of the process steps is further analysed according to the generic model in the subsequent sections.

#### **4.3.1 Process Step 1: Preparing and informing about specific theme-related ERDF support**

The following table provides firstly an overview of the governance level at which the course for the approach to implementation and the selection procedure is set. The paragraphs which follow the table provide more detail for each Member State.

**Table 28: Urban Regeneration – Governance mechanisms<sup>21</sup>**

	Call name	How is the regional focus for ERDF support set?	Does project eligibility depend on being part of an (integrated) urban development plan?	At which level are calls for project proposals launched (central/decentralised)?	Is there any pre-selection of projects out at decentralised/local level?	At which level is the final selection decision taken?
<b>Austria</b>	Contribution to the integrated development of selected target areas covered by the City Development Plan	OP: target areas and key projects were drawn from the integrated urban development plan (STEP), which already was in force	Yes, only projects in "STEP" areas are eligible	N.A.: No separate call. OP forms basis for implementation	Yes. Pre-selection carried out by the OP programming	There is only one level - MA
	Other operations targeted at urban development	OP: programme region	No criterion for ERDF support	N.A.: No separate call. OP forms basis for implementation	No	There is only one level - MA
<b>Czech Republic</b>	3.1-04: Development Poles of the Region	Extra call under OP implementation: the relevant regions prepared Integrated Urban Development plans which were selected by the MA	Yes	Central: MA and Regional Council (Office)	Yes, projects are pre-selected when part of Integrated Urban Development Plans	Central: Committee of the Regional Council
	3.2-03: Sub-regional centres - Infrastructure for education and leisure	OP: Target areas are municipalities with population of 5,000-50,000	No	Central: MA and Regional Council (Office)	No	Central: Committee of the Regional Council

<sup>21</sup> "Central/decentral" is defined from the viewpoint of the level of the MA. Thus, the MAs of regional OP as in the case of the Czech Republic, Germany and the Netherlands are considered as central level. The Vienna OP of Austria forms a regional OP as well but should rather be considered as local level in this context. "Pre-selection of projects" is understood as any decision on selection of projects prior to the final selection decision, no matter at which stage in the process (e.g. programming, inclusion of projects in integrated regional/ urban development plans, involvement of decentralised bodies in evaluation process).

	<b>Call name</b>	<b>How is the regional focus for ERDF support set?</b>	<b>Does project eligibility depend on being part of an (integrated) urban development plan?</b>	<b>At which level are calls for project proposals launched (central/decentralised)?</b>	<b>Is there any pre-selection of projects out at decentralised/local level?</b>	<b>At which level is the final selection decision taken?</b>
<b>Germany</b>	Guideline on Urban Regeneration	Selection procedure in parallel to OP: 44 cities prepared an integrated urban development plan, 15 were selected for ERDF support	Yes	Central: State Ministry for Infrastructure and Agriculture coordinated with MA and other ministries	Yes – as eligible municipalities prioritise their projects prior to application No – for SME support	Central: IBs (2)
<b>Netherlands</b>	Programme City Rotterdam: Improving the business climate and living climate	OP: Allocation to the sub-regions and framework for implementation	No, selection of projects was discussed in programming the OP	N.A.: No separate call. OP forms basis for implementation.	N.A.: Programme implementation is decentralised	Decentralised – selection committee
	Programme City Amsterdam: Improving the business climate and living climate	OP: Allocation to the sub-regions and framework for implementation	No, selection of projects was discussed in programming the OP	N.A.: No separate call. OP forms basis for implementation.	N.A.: Programme implementation is decentralised	Decentralised – selection committee
	Programme City The Hague: Improving the business climate and living climate	OP: Allocation to the sub-regions and framework for implementation	No, selection of projects was discussed in programming the OP No	N.A.: No separate call. OP forms basis for implementation.	N.A.: Programme implementation is decentralised	Decentralised – selection committee
	Programme City Utrecht: Improving the business climate and living climate	OP: Allocation to the sub-regions and framework for implementation	No, selection of projects was discussed in programming the OP	N.A.: No separate call. OP forms basis for implementation.	N.A.: Programme implementation is decentralised	Decentralised – selection committee

	<b>Call name</b>	<b>How is the regional focus for ERDF support set?</b>	<b>Does project eligibility depend on being part of an (integrated) urban development plan?</b>	<b>At which level are calls for project proposals launched (central/decentralised)?</b>	<b>Is there any pre-selection of projects out at decentralised/local level?</b>	<b>At which level is the final selection decision taken?</b>
<b>Slova- kia</b>	4.1c-2009/01 Re-generation of settlements (individual demand-driven projects)	OP: municipalities in rural areas with separated or segregated Roma settlements	No	Central and decentralised: MA and IBs (seven self-governing regions)	Yes, evaluation carried out by decentralised IBs	Central: selection committee
	4.1a-2010/01 Re-generation of settlements (individual demand-driven projects)	OP: ca. one third of municipalities are identified as Growth Poles	No. Projects must comply with spatial planning	Central and decentralised: MA and IBs (seven self-governing regions)	Yes, evaluation carried out by decentralised IBs	Central: selection committee
<b>Slove- nia</b>	Public open calls for proposals for co-financing operations under activity field "Regional Development Programmes"	OP: budgets allocated to regions for implementing regional development plans (RDP)	Yes, but integrated approach to urban development necessary not compulsory	Central (IB and MA)	Yes, pre-selection occurs when regions decide on RDP implementation plan	Central: IB
	Third open call under activity field "Regional development programmes"	OP: budgets allocated to regions for implementing regional development plans (RDP)	Yes, but integrated approach to urban development necessary not compulsory	Central (IB and MA)	Yes, pre-selection occurs when regions decide on RDP implementation plan of RDP	Central: IB

**Austria**

The operations were specified when the OP was drawn up. The 'Contribution to the integrated development of selected STEP-target areas' refers to the Vienna urban development plan, and these areas were selected from the comprehensive urban development plan STEP 05 in the programming process. STEP 05 presents the overarching integrated strategy for urban development in Vienna and identifies the target areas and the key projects for urban development. Participants in the programming process were drawn from a broad spectrum of municipality, economic and social partners.

The operations defined in the OP form the basis for the project selection. Consequently, projects for urban development could be considered as pre-selected. The actual selection decision is taken by the Managing Authority. In programme implementation, the 'Contribution to the integrated development of selected STEP-target' operation is clearly prioritised in relation to the other three operations/calls under the Priority Axis; these targeted activities in support of urban development in the whole programme region and are not necessarily linked to STEP. As of May 2011, three quarters of ERDF funds had been committed to STEP projects.

**Czech Republic**

The call 'Development Poles of the Region (3.1-04)' targets the all-round improvement of the environment and the civic infrastructure in large municipalities with over 50,000 inhabitants and supports the implementation of Integrated Urban Development Plans (IUDP) in selected cities. To define the eligible areas the MA (Office of the Regional Council Moravia Silesia) launched a call inviting municipalities to prepare and submit proposals for Integrated Urban Development Plans (IUDP). The evaluation and selection criteria were approved by the Monitoring Committee.

In the evaluation process, the proposals for IUDPs were assessed against compliance with formal eligibility and quality criteria. The MA carried out formal verification and checked the eligibility. Three assessors (staff of the MA) assessed the quality using a scoring system based on the evaluation criteria. Other internal and/or external experts provided input. An external expert opinion was required when an IUDP included interventions on the part of other Operational Programmes. The final assessment of an IUDP represented a consensus of the internal assessors and external experts (Consensus Protocol). The MA then proceeded to finalise the selection of the IUDPs and allocated budgets. Based on this selection of the IUDPs, three calls for proposals of projects within them have been launched since October 2008; each based on the Plan of Calls approved by the MC.

While the call 'Development Poles of the Region' shows elements of a bottom-up concept for selection of projects, the call 'Sub-regional centres - Infrastructure for education and leisure (3.2-03)' is based on a top-down approach. This measure was conceived in programming as an instrument to support the development of educational infrastructure and the leisure time infrastructure for children and youth in municipalities between 5,000 and 50,000 citizens in size. These are considered as sub-regional development centres. Three calls have been launched since March 2008.

**Germany**

The call Sustainable Urban Development reflects the experiences gained with the implementation of the EU's Urban I and II Initiatives. One outcome was a debate on "Strong Cities" in 2005/2006, which resulted in an invitation from the State Government to 44 cities to draft integrated urban development plans (INSEK – Integrierte Städtische Entwicklungskonzepte) to be incorporated into the 2007-2013 Structural Funds programmes. The call was launched in May 2006. Forty cities submitted plans by the deadline (31.07.2007).

In the negotiations on the ERDF programme for 2007-2013, it was decided to set a ceiling of 15 cities for ERDF support. An internal working group was formed to select these cities. It consisted of three decision-makers of the State Ministry for Infrastructure and Agriculture, representatives of the body responsible for national co-financing, and the MA.

The selection procedure was structured as follows:

- Basic check of the 40 concepts (07-10/2007)
- Quality appraisal of 22 concepts (11/2007)
- Submission of 22 revised concepts
- Quality appraisal of revised concepts (11/2007 - 01/2008)
- Selection of 15 ERDF-eligible cities.

Before signing the decision, the Minister in charge changed the selection in one case. The cities not selected were invited to discuss alternative support strategies at a separate meeting.

Only projects within scope of the 15 selected integrated urban development plans are thus eligible for ERDF funding, which is governed by the Guideline Sustainable Urban Development. This guideline was drafted by the State Ministry for Infrastructure and Agriculture in consultation with several State Ministries, the Landesrechnungshof (State Court of Auditors) and the MA.

### **Netherlands**

The OP and thus also scope and strategy of the Priority Axis 3, Urban Dimension, was negotiated with a broad spectrum of partners. Representatives of the provinces and cities, stakeholders, potential applicants, research institutions, development agencies, business representatives and subsidy advisors were involved in the process. In this respect the programming process can be considered as a bottom-up process at the level of the region.

Funds were allocated to the areas relating to their size and the problems to be solved and the implementation process was planned in detail. The following aspects played a crucial role and provide ground for an effective programme implementation.

#### **Figure 12: Urban Regeneration - Key issues in planning decentralised programmes Netherlands**

Build a thorough understanding of provincial and city needs and development plans:

- Use Programme Office or advisory units
- Draw information from sector departments
- Discuss all existing plans, programmes, projects (informal but realistic)
- List possible initiatives

Assess in how far implementation is realistic:

- Are goals SMART?
- Would envisaged projects fit ERDF criteria?
- Would envisaged projects fit own criteria?
- Is co-financing available?
- Can programmes be built out of projects?
- Draw a short list of potential initiatives

The outcome this process, the OP, forms the common reference framework for programme implementation which is carried out de-centrally at the level of the four cities. The Priority Axis 3, Urban Dimension, serves as a permanent call for the whole programme region, while implementation and decisions are almost fully the responsibility of the cities of Rotterdam, Amsterdam, the Hague and Utrecht. Each of these has specific IBs and selection committees. However the selection procedure applied is basically the same in all four cities. Selection decisions de facto are strong determinants in whether projects obtain co-financing at local level or not.

## Slovakia

The regional/ local scope of the operations and thus of the calls is basically set at the level of the OP (Priority 4, Regeneration of settlements). The calls studied fall within the framework of the operations targeting individual demand-driven projects:

- 'Projects of development of the municipalities with Roma settlements in the rural environment': in scope are rural settlements which are not identified as 'growth poles'. This approach to supporting spatial development is oriented towards municipalities with specific problems and also reflects the horizontal priority the OP puts on marginalised Roma communities. The local scope is further refined in the terms of reference for each call. In the case of 'ROP-4.1c-2009/01', eligible municipalities are those which prepared project documentation within the PHARE 2002/000.610-03 grant scheme and are located in the micro-regions selected by the Office of the Plenipotentiary for Roma Communities.
- The other call ROP-4.1a-2010/01 Regeneration of settlements (individual demand-driven projects) targets municipalities listed as growth poles in 'Growth poles of NSRF during the programming period 2007-13'. The growth poles cover around one third of all municipalities in the Slovak Republic.<sup>22</sup>

Within this framework, the decision on launching the calls is taken by the MA (Ministry of Agriculture and Rural Development) and the calls are prepared in cooperation between the IBs and the MA. However within its all-over responsibility for the OP, the MA can refine the scope of eligibility. Applications are handed in at the IBs (self-governing regions) which assess the eligibility and quality of projects.<sup>23</sup> The MA checks the assessment before the selection decision is taken centrally by the selection committee.

## Slovenia

To implement parts of Priority 4 of the OP (Development of regions, activity field 4.1 -regional development programmes), each of the 12 statistical regions in Slovenia prepared a Regional Development Programme (RDP). Each region was allocated a budget, depending on its development status. The RDPs are implemented on the basis of an implementation plan which also includes the projects to be supported.

The implementation plans were prepared in four steps:

(1) The Regional Development Agencies (RDA) prepared criteria for the inclusion of projects in the implementation plan. These had to be approved by the relevant regional council, taking into account regional importance, influence on job creation or improvement of the environment, and the objectives and criteria set by the OP.

(2) RDAs, regional councils and professional committees of regional councils prepared implementation plans.

(3) The IB (Government Office of the Republic of Slovenia for Local Self-Government and Regional Policy - GOSP) provided an opinion on each implementation plan. Following the opinion, implementation plans had to be amended.

(4) The last step was the approval of the revised implementation plan by the Regional Council.

From this starting point, the GOSP published calls to submit proposals for ERDF-funding of projects defined in the confirmed implementation plans. Four such calls were implemented in the period from June 2007 to September 2008. An audit carried out in 2009 showed that the Regional Councils (which comprise the mayors of the region and constitute a body which is politically determined) basically split the region's budget amongst the region's municipalities. Small

<sup>22</sup> See Annex 3 and 4 of the ROP. Annex 3 describes the partnership process in determining the growth poles as a means for territorial concentration of EU funds. Under a revision of the ROP strategy in 2011 the territorial scope was redefined, covering ca. 550 settlements, including 550 with marginalized Roma communities. However, the conditionality for support for Roma communities is still subject to discussion.

<sup>23</sup> In the case of Call 1 (marginalised Roma communities) only the Presov, Kosice, Nitra and Banská Bystrica IBswere involved.

projects of specific municipal interest were supported rather than projects which were part of integrated urban development. In addition, only 14 (of 468) projects in the first four open calls targeted integrated development of urban areas. The selection of projects within the regions was not sufficiently governed by selection criteria.

Consequently, the selection procedure applied from the fifth call (2010) was changed, especially with a view to improving transparency at the decentralised level of the regions and creating stronger coherence with the targets of the OP. The new procedure is described in the Figure below.

**Figure 13: Urban Regeneration – SI: Amended selection procedure and criteria since 2010**

Improving transparency in regional implementation plans and selection procedure:

- Each implementation plan has to state specific selection criteria which detail the broader targets and conditions of the OP.
- These need to be approved by the Regional Council.
- The IB assesses compliance with all criteria.
- A ranking system applies.
- In addition, since 2011, representatives of the economy and NGOs have been included in the Regional Councils. However as the municipalities provide co-financing, a majority of 60% of the mayors is required for approval of the list of projects implementing the RDP.

The following table provides an overview of the public bodies involved in the selection procedures.<sup>24</sup>

**Table 29: Urban Regeneration – Bodies involved in selection procedures**

	Call name	MA	IB 1	IB 2	Others
<b>Austria</b>	Contribution to the integrated development of selected target areas covered by the City Development Plan	City of Vienna, Department 27			Integrated Urban Development Plan (STEP) coordinators (majority of projects)
	Other operations targeted at urban development	City of Vienna, Department 27			
<b>Czech Republic</b>	3.1-04: Development Poles of the Region	Office of the Regional Council Moravia Silesia			Municipalities with IUDPs – (pre-selection)

<sup>24</sup> The Monitoring Committees are approving the selection criteria in all cases. They are more specifically mentioned when analyzing the single steps.



	<b>Call name</b>	<b>MA</b>	<b>IB 1</b>	<b>IB 2</b>	<b>Others</b>
	3.2-03: Sub-regional centres - Infrastructure for education and leisure	Office of the Regional Council Moravia Silesia			
<b>Germany</b>	Guideline on Urban Regeneration	State Ministry for Economy Brandenburg	Ministry of Infrastructure and Agriculture	State Office for Construction and Traffic (municipal projects); State Investment Bank Brandenburg (SME projects)	Steering Committee comprised of State Ministries and IBs 2; municipalities (integrated urban development programmes)
<b>Netherlands</b>	Programme City Rotterdam: Improving the business climate and living climate	Municipality of Rotterdam	Municipality of Rotterdam	Programme Office Kansen voor West	Steering Committee "Kansen voor Rotterdam"
	Programme City Amsterdam: Improving the business climate and living climate	Municipality of Rotterdam	Municipality of Amsterdam	Programme Office "Kansen voor West"	Steering Committee "Kansen voor Amsterdam"
	Programme City The Hague: Improving the business climate and living climate	Municipality of Rotterdam	Municipality The Hague	Programme Office "Kansen voor West"	Steering Committee "Haagse EFRO stuurgroep"
	Programme City Utrecht: Improving the business climate and living climate	Municipality of Rotterdam	Municipality Utrecht	Programme Office "Kansen voor West"	Steering Committee "Kansen voor Utrecht"
<b>Slovakia</b>	ROP-4.1c-2009/01 Regeneration of settlements (individual demand-driven projects)	Ministry of Agriculture and Rural Development	Regional governments		Selection Committee

	Call name	MA	IB 1	IB 2	Others
	ROP-4.1a-2010/01 Re-generation of settlements (individual demand-driven projects)	Ministry of Agriculture and Rural Development	Regional governments		Selection Committee
<b>Slovenia</b>	Public open calls for proposals for co-financing operations under activity field "Regional Development Programmes"	Government office of the Republic of Slovenia for Local Self-Government and Regional Policy	Government office of the Republic of Slovenia for Local Self-Government and Regional Policy		Pre-selection at regional level: Regional Councils
	Third open call under activity field "Regional development programmes"	Government office of the Republic of Slovenia for Local Self-Government and Regional Policy	Government office of the Republic of Slovenia for Local Self-Government and Regional Policy		Pre-selection at regional level: Regional Councils

The following table summarises which bodies are involved in the preparation of the calls:

**Table 30: Urban Regeneration – Bodies involved in preparation of calls**

	MA	MC	IB 1	IB 2	Other ministries, agencies	Other stakeholders
<b>Austria</b>	<b>x</b>	x				x
<b>Czech Republic</b>	<b>x</b>	x				x
<b>Germany</b>	x	x	<b>x</b>		x	
<b>Netherlands</b>	x	x	<b>x</b>			<b>x</b>
<b>Slovakia</b>	<b>x</b>	x	<b>x</b>			
<b>Slovenia</b>	x	x	<b>x</b>			

*The boldface X indicates the bodies in charge of the main works (content, strategy, implementation details)*

In the case of Slovakia, the IBs (regional self-governments) only comment on the Call for proposal prepared by the MA.

All calls studied in all the countries covered are published on the websites of the respective MA's or IB's and in print in the Official Public Journals.

#### 4.3.2 Process Step 2: Guiding applicants and potential beneficiaries

The MAs and IBs are the main bodies responsible for the provision of guidance (see Figure below).

**Table 31: Urban regeneration - Providers of guidance**

	<b>MA</b>	<b>IB 1</b>	<b>IB 2</b>	<b>Other bodies</b>
<b>Austria</b>	x			x
<b>Czech Republic</b>	x			
<b>Germany</b>		x	x	x*
<b>Netherlands</b>		x		x
<b>Slovakia</b>	x	x		
<b>Slovenia</b>		x		

\* Municipalities provide guidance to SMEs which want to apply for ERDF support within the eligible municipalities

As projects for implementing urban development plans have already been “pre-selected” in most cases (Austria, one call in the Czech Republic, in part in Germany, in part in Slovenia) guidance by the public bodies at this level in the process mainly involves information on how to comply with the requirements set by the calls. Project development seems to play a minor role as an issue in guidance. This applies especially to the cases of the Czech and Slovak Republics, and Slovenia.

In the Czech Republic face-to-face consultations with the applicants (development poles: municipalities, enterprises, other bodies; sub-regional centres: public, non-governmental and non-profit organisations) are carried out when they are submitting the proposal. However guidance needs to be provided much earlier in the process.

A need for more guidance of municipalities is evident also in Slovakia, where the IB and MA participants pointed to the fact that applications are often prepared by external project managers or consultants, who also act as project managers once a project has been approved. Municipalities make use of external consultants as they do not have sufficient resources in manpower and professional experience.

In Slovenia, some Regional Development Agencies (RDAs) also provide assistance to applicants or potential beneficiaries, but this is more administrative. However they contribute more strongly to project development on the ground as they are already providing support to the Regional Councils for the implementation of the RDPs.

In the Netherlands, on the other hand, high importance is attached to guidance in generating projects and how this will impact on the whole selection procedure. However, this has to be understood in its context. The Dutch pre-define activities to be supported to a far lesser extent than the calls studied in the other countries. So the focus allows for a broad spectrum of activities. Thus guidance is clearly connected to project development. The Dutch approach is set out in detail in the Figure below.

**Figure 14: Urban Regeneration – NL: Guidance and impact on the selection procedure**

**Systematic information is the basis of any guidance:**

- Regional budgets published.
- Website provides full information. Brochures in support.
- Launch of calls accompanied by public events at general and local level.
- Potential project promoters approached by networks (Utrecht & Flevoland)
- Two annual events for potential (new) beneficiaries in the complete programme region (ca. 100 beneficiaries).

**Cooperation with other providers of guidance:**

Guidance activities are supported by the “Steunpunten” (support points) in the provinces. These operate as “windows” for all EU programmes and for all national programmes. Here projects (ideas) are gathered, discussed and assessed in terms of the programme for which they might be promising.

**Preliminary applications as a guidance tool:**

Through a strong process of guidance, in which project ideas are discussed and assessed at an early stage and preliminary applications are checked, a thorough project selection is carried out:

- 50 percent of projects succeed in drawing up a preliminary application;
- 80 percent of these succeed in applying formally;
- 95 percent of formal applications are approved.

This underlines once more the benefit of including project generation in the scope of guidance activities (see also 3.1.2 and 3.2.1). From the viewpoint of the study team, guidance needs to be improved especially in the pre-selection phase, as already at this level projects need to be developed (call 1 in the Czech Republic, Slovakia and Slovenia).

Acknowledgement is also desirable of the need for guidance at the level of the municipalities, which are in charge of implementing integrated urban development plans and are dealing with more than just project. The case of Germany could serve as a good example in this respect. The MA and the IB (ministry) are well aware of the need for exchange and encourage networking. When the call ‘Sustainable urban regeneration’ was launched, all 15 municipalities were invited for a kick-off meeting. Since then, annual strategy meetings have been held with the municipalities and the IB.

**4.3.3 Process Step 4: Submitting applications/proposals**

The deadlines for response to the temporary calls vary considerably.

The case of Slovenia is considered by the study team good administrative practice as the dates for launch of calls are announced long time beforehand. This not only gives the applicants plenty of time to prepare the projects (planning, coordination, permissions etc.) but also to coordinate co-financing. This can be a crucial issue especially given that municipal budgets are tight.

The form in which applications are submitted varies considerably.

**Table 32: Urban Regeneration - Submitting applications**

	<b>Mail</b>	<b>Online</b>	<b>In person</b>
<b>Austria</b>	<b>x</b>	<b>x</b>	
<b>Czech Republic</b>			<b>X</b>
<b>Germany</b>	<b>x*</b>		
<b>Netherlands</b>		<b>x</b>	
<b>Slovakia</b>		<b>x</b>	<b>X</b>
<b>Slovenia</b>	<b>x</b>		

*\* e-mail*

In Slovakia, the applications have to be submitted to the IT processing system electronically, but applicants are requested to deliver their applications in person. The main reason is to ensure that the applications are fully compliant and that – if necessary – the applicant is informed directly on how to improve the application. The face-to-face dialogue also contributes to making the process transparent. However personal delivery of an application cannot substitute for the provision of guidance. Needs for guidance go beyond this and emerge already in the planning phase of projects (see also above).

#### **4.3.4 Process Step 5: Evaluating applications/proposals**

The evaluation steps are generally carried out under the responsibility of the IBs. Exceptions are Austria and the Czech Republic, where the MAs are in charge.

**Table 33: Urban regeneration - Bodies responsible for evaluation**

	<b>Registration</b>	<b>Eligibility Assessment</b>	<b>Quality Assessment</b>
<b>Austria</b>	MA	MA	MA and city department for spatial planning
<b>Czech Republic</b>	MA	MA	MA and external consultants
<b>Germany</b>	IB 2	IB 2	IB 2 and Steering Committee*
<b>Netherlands</b>	IB 2	IB 2	IB 2
<b>Slovakia</b>	IB	IB	IB
<b>Slovenia</b>	IB	IB	IB

*\* Steering Committee only involved in cases of projects, which are also financed by other ministries*

In Slovakia the MA is de facto also involved in the evaluation process. According to the workshop participants, the assessment by the IB is double-checked by MA staff members. This is seen as duplication.

In both Slovakia and the Czech Republic, the evaluation process is directly supported by IT processing systems. The applications are loaded into the systems to be registered. Once in the system, a check is run on completeness and the project's eligibility. In Slovakia, the assessment of fulfilment of the selection criteria (mix of exclusion and qualitative criteria) is supported and documented by the IT system.

The process of assessing eligibility is not always clearly distinguished from assessing the quality of a proposal. The following table provides an overview on how the evaluation process is organised for the different calls.

**Table 34: Urban Regeneration: Organisation of evaluation process**

	<b>Eligibility</b>	<b>Quality</b>	<b>Outcome</b>
<b>Austria</b>	Contact person for applicant at MA makes first assessment. Expert opinion of spatial planning department. Head of MA and deputy counter assess the evaluation and decision.		Evaluation is identical with selection
<b>Czech Republic</b>	MA (staff Department of Programme Implementation) checks eligibility and completeness of the application	Quality of the application is assessed by internal assessors (staff of Department of Programme Implementation); if needed another internal expert is called on.  4-eye principle; projects > EUR 2 million: 3 assessors	Department of Programme Implementation prepares a list of projects recommended for funding to submit to Committee of Regional Council for approval.
<b>Germany</b>	4-eye principle: staff member and head of unit of IBs 2 assess according to a check list which reflects the eligibility and selection criteria  If other ministries are also providing support, <i>municipal project</i> application is forwarded to Interministerial Steering Committee  If project concerns investments in construction, the relevant authorities are consulted for proof of compliance with public construction law.	Interministerial Steering Committee: unanimous positive vote is required. If not achieved, project application has to be revised	<i>Municipal projects:</i> Recommendation for selection by IB 1  <i>SME projects:</i> Recommendation for selection by IB 2

	<b>Eligibility</b>	<b>Quality</b>	<b>Outcome</b>
<b>Netherlands</b>	IB 2: coordinator and project controller assess completeness of application and - if needed – request additional information. A declaration of eligibility or non-eligibility is sent to applicant within four weeks.	At least three persons are involved at IB: coordinator (contents); controller (financial input/output); legal official and other experts needed to assess other relevant aspects on the basis of the Assessment Framework and a checklist provided by the Ministry of Economic Affairs. If necessary, the City Programme Office consults the Programme Office West Region.	Programme Office provides pre-advice to local Steering Committees, which advise on selection decisions
<b>Slovakia<sup>25</sup></b>	One staff member of the IB	One staff member of the IB supported by the IT monitoring system; 4-eyes-principle ensured by signature of Head of Department	Proposal for Selection Committee
<b>Slovenia</b>	Group of evaluators comprised of staff of IB	Assessment committee: group of external evaluators selected by IB 2; IB 1 checks evaluation and selection	Proposes list for funding which has to be signed by MA/ minister

In evaluation, a mix of exclusion and qualitative criteria is applied in most calls. However, the evaluation methodology of projects allows a ranking of projects on in half the countries. In Germany and the Netherlands, where the calls are permanent, the principle of “first come, first served” is applied. This means that projects will be selected as long as they fulfil all the criteria set in the call. The assessment in these cases is an eligibility check (“are all yes/no criteria fulfilled?”) and a qualitative assessment. As long as funds are available and the projects comply with the criteria, they will be selected. This evaluation method does not compare projects.

The situation in Austria demonstrates that a scoring-g method can be applied in a “first come, first served” system. The scores for the different criteria and sub-criteria make the assessment comprehensible and the projects have to fulfil a minimum threshold. Strong and weak points of a project proposal/ project application are transparent and the applicant has an opportunity to compare and to learn.

<sup>25</sup> Double checks by MA were reported in the workshop held for this study.

**Figure 15: Urban Regeneration – Scoring of applications**

**Austria: Selection Criteria reflect objectives of the OP and European added value**

An Excel-based check list was developed for assessing the eligibility of an application as well as for the qualitative assessment. The questions to be answered by the assessors reflect the objectives of the OP and are weighted accordingly. In order to select projects which clearly also demonstrate the European added value, the visibility of the project in the public is one of the ranking criteria

<b>Compliance with targets set out</b>	<b>Max 75 points</b>
Compliance with targets at level of priority axis, operation, horizontal objectives	Max 30
Focus on results	Max 25
Degree of innovation	Max 20
<b>Quality of project design</b>	<b>Max 70 points</b>
Quality of project design	Max 25
Cost (resource) efficiency	Max 25
Visibility (quality of communication activities)	Max 20

These criteria are supplemented by further sub-criteria. The application of the system clearly facilitates the evaluation process.

This good practice identified in Austria demonstrates that a scoring methodology is feasible also in the implementation of small-scale programmes and requires neither complex algorithms nor complex IT solutions.

The scoring systems used in the Czech Republic and Slovakia appear more complex. Eligibility and quality criteria are not clear cut. However, they also are seen as tool for facilitating the evaluation process. In the case of the Czech Republic, a system based on a cost-benefit-analysis was additionally used in the evaluation process in the call 'sub-regional centres'. This allows the effects of a project to be measured. The outcomes of the analysis are also designed to support applicants in thinking about their projects in terms of value for money.

In contrast to this practice, criteria in the first four calls for projects to implement Regional Development Programmes in Slovenia were limited to the eligibility aspects or to compliance of projects with general objectives (e. g. "regional importance", "influence on improvement of job creation", "improvement of the environment"). This practice was strongly criticised by auditors and consequently improved to provide more transparency (see 3.3.1).

The evaluation and selection criteria are listed in detail in Annex 4.



#### 4.3.5 Process Step 6: Selecting projects

The picture of the types of body involved in project selection is very mixed.

Some committees have a strong say in the selection decisions (Netherlands); others (Czech Republic) have a role which is more advisory. In Slovakia and Slovenia, prior processes determine the selection in the ERDF calls supporting urban regeneration.

**Table 35: Urban Regeneration - Overview of selection bodies and decision-making**

	<b>Who</b>	<b>Decision-making</b>
<b>Austria</b>	MA	Is part of the evaluation process
<b>Czech Republic</b>	Committee of the Regional Council	Approves all submitted projects (first come, first served) which have a minimum score and meet the criteria and as long as budget is available. The Committee cannot change ranking
<b>Germany</b>	IB 1 (municipal projects); IB 2 (SME projects)	Municipal projects: IB 1 usually complies with the recommendations of the steering committee.
<b>Netherlands</b>	Steering committee and MA	The steering committee does not necessarily adopt the recommendations. They may also propose changes or set additional obligations (especially applied in pilot projects) e. g. specific reporting.
<b>Slovakia</b>	Selection committee and MA (checks, Minister signs)	Following the technical evaluation, selection committee assesses the projects based on the evaluation criteria <sup>26</sup>
<b>Slovenia</b>	IB	Is part of the evaluation process

In the case of Slovenia and the calls studied, the actual selection of projects is made within the framework of the regional development plans (see 3.3.1). In taking the final decision, the IB's role is primarily to verify whether the evaluation and selection criteria have been properly applied by the regions. This division of roles has not changed significantly since the selection procedure was modified in 2010. However, the approval rate then dropped to 69 percent in the fifth call, whereas the approval rate previously was 85 percent. Thus the selection by the IB is especially relevant in terms of ensuring the compliance of regional selection decisions with the basic criteria. In the Czech Republic, Germany and Slovakia, the approval rate of IBs or selection committees ranges from 60 percent (Czech Republic second call) to 66 percent (Slovakia first call), 71 percent (Germany) or even 100 percent (Czech Republic first call).

In contrast, in the case of the Czech 'Development poles' calls, the MA/IB confirmed 100 percent of the pre-selected projects. This is due to the close dialogue of the MA with the cities on the IUDPs and the related projects. A 100 percent selection rate in Austria also reflects the close dialogue between the MA and municipal bodies making the applications. The MA keeps them informed of the status of the evaluation.

<sup>26</sup> Selection criteria: minimum technical evaluation score, compliance with government priorities, strategies and regional policies, geographic location of the project, benefit for horizontal objectives, synergy with other projects, balanced structure of facilities supported, unpredictable natural disasters, allocation limits.

Therefore, a separate selection process conducted either by MAs and IBs he IBs appears to play an essential role in the evaluation and selection process even though a pre-selection is carried out at local/ regional level. The assumption is that the selection process is not carried out as carefully at local level. Low quality of project proposals may also be connected with a lack of competition when projects are pre-selected. Once they are selected, applicants may not have sufficient motivation to prepare good quality applications. In Slovenia a lack of real competition in Slovenia was identified as the pre-selection process until 2010 was clearly marked by sharing budgets among the municipalities rather than developing a joint strategy.

This again underlines the need to apply an integrated approach which goes beyond sharing budgets and requires different stakeholders to contributing to developing and implementing to a joint strategy. The German case shows the relevance of participatory processes for creating ownership on the part of the local stakeholders. Participatory decision processes pay off in terms of quality and acceptance. The following lessons learned in the current and previous programmes on urban development were highlighted in the workshop carried out for this study.

**Figure 16: Urban Regeneration – participatory selection procedures**

- Plan enough time:** participatory processes and bottom-up approaches require time for proper implementation
- Be clear in conceptualising:** develop clear priorities and focus on core themes
- Learn in the process:** networking and dialogues with the stakeholders facilitate new solutions
- Provide security in planning:** a budget at regional/ local level allows for realistic planning
- Prioritise quality:** if the quality of projects is not high enough, re-allocate the budget to other regions/ municipalities
- Efficient decision making:** Only realistic projects enter the selection process.

Applying these lessons at local level would certainly improve the transparency of procedures and criteria. But it has also to be borne in mind that effective participatory processes in this context require a continuous process of project acquisition and corresponding updating of projects so they are included in the implementation of the regional development plans. This again requires sufficient resources in terms of skilled manpower, networks and institutions.

**4.3.6 Process Step 7: Agreeing on ERDF support**

The responsibility for preparation and signature of the agreement on ERDF support varies among the administrative bodies.

**Table 36: Urban Regeneration – Bodies processing and signing the support agreement**

	MA	IB 1	IB 2
<b>Austria</b>	x		
<b>Czech Republic</b>	x		
<b>Germany</b>			x
<b>Netherlands</b>	x	x	
<b>Slovakia</b>	x	x	
<b>Slovenia</b>		x	

The applicants are all informed by mail. In cases where applicants have access to electronic registration and communication systems, they are also informed via these systems.

As already indicated for the other two themes, this final phase of the selection procedure appears to be extremely time consuming in the cases of the Czech Republic and Slovakia: successful applicants have to provide additional documents (e. g. permits, confirmations from the tax offices, and the social and health security offices etc.). In Slovakia, this information can be provided by a Sworn Statement in the application phase, but needs to be proven before an agreement is signed by the MAs. The successful applicants have five months to provide these documents. The MA has another 60 days to verify all the documents submitted before the grant contract is signed by the Minister. Procurement is another issue in Slovakia causing delays in issuing the agreement. In the case of the call 4.1 c 2009/01 procurement had to be finalised before the agreement was signed. However, this practice has now been suspended by the MA.

In relation to the complaint systems and relevance of reserve projects in programme implementation, basically the same findings apply as for the other two themes.

#### **4.3.7 Administrative Costs**

In this section, we provide an overview of the administrative costs for the Member States' administrations associated with the project selection procedures for Urban Regeneration. To enable comparability, the efforts are expressed in time, i.e. working hours, days and months, and not in euro. The values refer to the effective working time; waiting time is excluded. They represent the sum of time spent by all people involved in the processes, internally and externally.

Table 37 below provides the average time spent per applicant in hours, the quantity (i.e. the number of interested/potential applicants, number of pre-applications, number of applications, number of projects selected, number of complaints) and the total time spent per process step, sorted by Member States and calls (horizontal axis). The vertical axis lists the process steps, which correspond to the generic model of the project selection procedure and the activities involved, as well as the total expenditure of time in days and months.

When looking at the table, it should be borne in mind that the time values provided are not extracted from time recording systems, but represent estimates collected through the workshops with the public bodies involved in the selection procedures. Furthermore, the dataset is partly fragmented and incomplete (see Annex 7 for further details). However, the table provides explanations for the 'missing' figures.<sup>27</sup>

A direct comparison of the total working time in days/month between the Member States which have established permanent calls (Austria, Germany and Netherlands) on the one hand and the Member States which have implemented temporary calls (Czech Republic, Slovakia and Slovenia) would be misleading due to the different scope. In the Member States with permanent calls, the numbers on applications etc. refer to the period 2007–end-2010; in the Member States with temporary calls, they cover only the calls selected and studied. The basis for comparison is hence the average working time per applicant and process step, highlighted in grey in the table below when a value is provided.

<sup>27</sup> The following abbreviations are used: n/a (not available if a figure could not be provided/collected; n/r (not relevant) if a process step/activity does not exist or did not occur.

**Table 37: Urban Regeneration - Time spent per process step**

Process steps	Activities involved	Austria			Czech Republic						Germany						The Netherlands			Slovakia						Slovenia					
		Call 1		Total time (in days)	Call 1		Call 2		Total time (in days)	Call 1 - Municipalities		Call 2 - SME's		Total time (in days)	Call 1		Total time (in days)	Call 2		Total time (in days)	Call 1		Call 2		Total time (in days)	Call 1		Call 2		Total time (in days)	
		Average time per applicant (in days)	Quantity		Average time per applicant (in days)	Quantity	Average time per applicant (in days)	Quantity		Average time per applicant (in days)	Quantity	Average time per applicant (in days)	Quantity		Average time per applicant (in days)	Quantity		Average time per applicant (in days)	Quantity		Average time per applicant (in days)	Quantity	Average time per applicant (in days)	Quantity		Average time per applicant (in days)	Quantity	Average time per applicant (in days)	Quantity		Average time per applicant (in days)
1. Preparing and informing about specific theme-related ERDF support	Deciding on, preparing and publishing the call; develop selection criteria	n/r	overall	125	n/r	overall	32	n/r	overall	32	n/r	overall	274	n/r	n/r	n/r	n/r	overall	n/a	n/r	overall	5	n/r	overall	5	n/r	overall	34	n/r	overall	34
2. Guiding potential applicants / beneficiaries	Setting up guidance documents	n/r	overall	100	n/r	overall	9	n/r	overall	13	n/r	overall	n/a	n/a	n/a	n/a	n/r	overall	n/a	n/r	overall	5	n/r	overall	5	n/r	overall	n/a	n/r	overall	20
	Providing guidance to potential applicants	32	25		n/a	21		2	40	10	n/r	overall	73	1,25	160	25	15	20	140	438	3	65	24	3	156	59	0,5	303	19	n/a	190
3. Submitting and selecting applications for pre-qualification		n/r	n/r	n/r	n/r	n/r	n/r	n/r	n/r	n/r	n/r	n/r	n/r	n/r	n/r	n/r	n/r	n/r	n/r	n/r	n/r	n/r	n/r	n/r	n/r	n/r	n/r	n/r	n/r	n/r	
4. Submitting applications/proposals		n/r	n/r	n/r	n/r	n/r	n/r	n/r	n/r	n/r	n/r	n/r	n/r	n/r	n/r	n/r	n/r	n/r	n/r	n/r	n/r	n/r	n/r	n/r	n/r	n/r	n/r	n/r	n/r	n/r	
5. Evaluating applications/proposals	Registering applications	32	25	100	1	21	147	1	82	472	2	69	535	2	160	840	4	68	34	5	65	122	5	156	293	0,16	303	192	0,16	190	179
	Assessing eligibility				5	21		5	82		60	69		40	160				5	65		5	156		2	303		2	190		
	Assessing quality of proposals				50	21		40	82								70	54	473	5	65		5	156		6	248		6	170	
6. Selecting projects	Selecting projects	4	25	13	19	overall	19	40	overall	5	*	overall	*	*	overall	*	n/r	overall	49	n/r	overall	96	n/r	overall	234	n/r	overall	1	8		1
	Informing successful and rejected applicants				1	21	21	1	82	10	*	69	*	*	160	*	0	54	0	n/a	65		n/a	156		2	303	76	2	190	48
7. Agreeing on ERDF support	Issuing documents and settling the contracts	4	25	13	66	21	173	66	49	404	*	49	*	*	125	*	6	41	31	1	43	5	1	93	13	2	210	53	2	158	40
	Processing complaints	n/r	0	0	n/r	0	0	5	1	5	n/r	0	0	n/a	n/a	n/a	n/r	0	0	1	30	4	1	10		2	20	5	2	16	4
<b>Total time expenditure in hours/days</b>		<b>72</b>		<b>351</b>	<b>142</b>		<b>401</b>	<b>160</b>		<b>951</b>	<b>62</b>		<b>882</b>	<b>43</b>		<b>865</b>	<b>80</b>		<b>1.024</b>	<b>20</b>		<b>261</b>	<b>20</b>		<b>609</b>	<b>15</b>		<b>380</b>	<b>22</b>		<b>326</b>
<b>Total time expenditure in working month</b>				<b>18</b>			<b>20</b>			<b>48</b>			<b>44</b>			<b>43</b>			<b>51</b>			<b>13</b>			<b>30</b>			<b>19</b>			<b>16</b>

n/r: not relevant

n/a: not available

\*Expenditure of time is included in process step 5.

*Process step 1: Preparing and informing about specific theme-related ERDF support*

As described in detail in the comparative process analysis (see 4.3.1), the activities and bodies involved with process step 1 'Preparing and informing about specific theme-related ERDF support' vary considerably across the Member States. It is hence not astonishing that the total expenditure of time associated with this step is quite different. When looking at the figures in the table above, it is important to remember the difference between the Member States where permanent calls have been established (Austria, Germany and Netherlands) and the Member States making use of temporary calls (Czech Republic, Slovakia and Slovenia). In the case of a permanent call, the effort in preparing the call and selection criteria are spent once at the beginning of the programming period (apart from possible changes during the programming period). In the case of temporary calls, effort is expended on preparing and launching a call for each call (apart from a possible repeat of a call later in the programming period, which would considerably reduce the efforts required).

At 274 days, the highest amount of time spent on process step 1 is in Germany. The total time spent refers to the city selection procedure explained in detail in section 4.3.1 and the development of the project selection criteria. The internal working group spent around 271 working days on the city selection procedure; the working group consisted of three people who spent 90 per cent of their working time on this for six months. Developing the selection criteria took around three working days, which were spent by employees of the MA and the IB. The 125 working days spent in Austria refers within the programming process to the selection of areas from the comprehensive urban development plan STEP 05. It was not possible to obtain estimates from the Netherlands on the resources spent on this process step.

In the three Member States with temporary calls the resources spent on process step 1 are considerably lower as these relate to preparing and launching the specific calls, but do not include the process of selecting/defining areas and exclude the efforts at local/municipality level. In Slovakia, the five working days spent on process step 1 refer to the setting up of the terms of reference of the calls.

*Process steps 2 to 7*

Looking at the applicant-specific process steps 2 to 7 and the average time expended per applicant, the overall process of providing guidance, evaluating the application, selecting a project and agreeing on ERDF support takes most time in the Czech Republic (142 or 160 hours), followed by the Netherlands (80 hours) and Austria (72 hours); least time is spent in Slovenia (15 or 22 hours) and Slovakia (20 hours).

*Process step 2: Guiding potential applicants/beneficiaries*

Figures for the average time spent on providing guidance per applicant are not available for all Member States and calls. Comparability is affected by the fact that in relation to the funding of municipalities in the Czech Republic and Germany, and Call 2 in Slovenia, there is data only for the total amount of time spent on setting up guidance documents and guiding potential applicants. At 35 hours, the highest amount of time on guidance per applicant is again spent in the Netherlands. As in Themes 1 and 2, there is a pre-procedure in place requiring more resources than in the other Member States. Assessing project ideas and providing guidance to potential applicants in order to enhance project ideas via preliminary applications requires 15 hours of guidance on average. The other 20 hours are spent on meetings and assessing the preliminary applications. With 32 hours per applicant on average, a comparatively high amount of time on providing guidance is also spent in Austria. In Germany, providing guidance to the municipalities selected for urban regeneration projects involves a kick-off meeting and a strategy meeting with municipalities as well as networking activities

For further detailed information on how guidance is provided to applicants in the different Member States see section 4.3.2.

*Process step 5: Evaluating applications/proposals*

Evaluating applications takes most time in the Netherlands (74 hours per application), followed by Germany (62 hours per application submitted by a municipality; 42 hours per application submitted by a SME) and the Czech Republic (56 or 46 hours per application). While in the Netherlands three assessors per region are involved in evaluating an application, in the Czech Republic, applications are evaluated by up to eight people. In Germany both applications submitted by municipalities and by SME's are assessed by two people. While in the first case, it is a desk officer and a leading desk officer or the head of the competent department of the IB 1), for the latter, it is two desk officers at the IB 2. With 15 hours on average, evaluating applications takes least time in Slovakia.

*Process step 7: Agreeing on ERDF support*

As is the case for R&D – Technology Transfer, in the Czech Republic 'Agreeing on ERDF support' takes considerably more time on average than in the other Member States, i.e. 66 hours per applicant in this case. This is because successful applicants have to provide a significant number of additional documents (e. g. permits, confirmations from the tax offices and the social and health security office, etc.) at this late stage of the process. In the other Member States the range is between 1 hour in Slovakia and six hours in the Netherlands. In Germany, the time for issuing the documents and settling the contract is included in process step 5.

Complaints are reported only for Call 2 in the Czech Republic, Slovakia and Slovenia. The average processing time ranges from 1-2 to five hours per complaint.

#### 4.3.8 Concluding summary

As the ERDF support to urban development relates to local policy making and thus to the specific national or regional governance context, the approaches to spatial development pursued (e. g. integrated or not) and the administrative structures and procedures vary. This applies especially to the extent to which the decentralised (local) level is involved in decision making (from programming through launching calls to selecting projects). In the vast majority of calls studied a pre-selection of projects is carried out at decentralised level – however the mechanisms used are again diverse. In the case of the regional OP of Vienna/Austria projects were already “pre-selected” when programming the OP. This is also the case in the Netherlands, where local targets and budgets were defined when negotiating the OP. In other cases, e.g. the Czech Republic (development poles of the regions) and Germany separate calls were carried out to select urban regions for ERDF support to integrated development strategies. In Slovenia, the OP allocated a budget to each region to implement their regional development strategies. In these cases “pre-selection” of projects takes place at the decentralised level of the regions respectively cities. In the case of Slovakia, only the evaluation of projects is carried out at a decentralised level by seven IBs which operate at level of the self-governing regions.

The Austrian and Dutch programmes are unique in the sense that they are relatively small in scale and are largely planned and implemented within the decentralised structures at city level. ERDF funds are utilised to enhance local development strategies which exist irrespective of ERDF support. High requirements are set with regard to the eligibility, quality and visibility of projects to be supported by the ERDF. This is the only way to demonstrate the European added value in these small programmes. However, as the range of time spent by the bodies involved in these two cases illustrates, the approaches used in programming and evaluation/ selection differ considerably. Austria chose to co-finance beacon projects via the ERDF and applied efficient selection procedures. The Netherlands in contrast constitutes an example in which ERDF funds play an essential role in shaping local development policy, a process which involves a broad spectrum of local stakeholders in generating and deciding on projects.

In contrast to these two small programmes, all other calls studied have in common that the final selection of projects is decided or at least “supervised” at the decentralised level. MAs and IBs still play an essential role in project selection. This is also illustrated by the rejection rates for projects at this level. It was not possible to estimate properly the time spent on pre-selection as the process is organised so differently and it is not possible in all cases to delineate pre-selection of projects from the drawing up of development programmes. In the case of Slovenia, evaluation and selection by the IB at central level played a minor role in terms of time. This is expected to change as the selection procedure was amended and the IB is now obliged to fill a stronger control function.

As two levels are involved in the evaluation and selection procedure in most cases, a balance has to be struck between adequate controls on the one hand and duplication of work on the other. IT support systems can be efficient tools for communication between levels in this respect (see Czech Republic and Slovakia).

However, the study team considers guidance to applicants as key in generating good projects. The study revealed that in most cases the IBs provide administrative support, but the implementation of integrated urban/ regional development strategies is above all a matter of strategy building and project generation by local stakeholders. If the ERDF is to focus support explicitly on integrated spatial strategies, more attention should be paid to improving bottom-up selection procedures. This applies especially to the newer Member States which cannot build on similar experience to the same extent as the older ones.

## 5. COMPARATIVE PROCESS ANALYSIS – APPLICANTS’ PERSPECTIVE

The following sections analyse the effectiveness and efficiency of the project selection process from the perspective of beneficiaries as well as rejected applicants, using the same approach as for the administrative processes described in the previous chapter. In addition, the chapter also provides an overview of the administrative burdens on applicants/beneficiaries per theme and Member State.

The analysis in these sections is once again structured in accordance with the generic model introduced in Chapter 2. The focus of the analysis is on the activities that applicants and beneficiaries have to carry out in order to comply with the administrative framework for ERDF support. The starting point is the degree to which potential applicants are informed/guided, especially about the objectives, expected results, eligibility and selection rules, and criteria. Next, the process of drafting and submitting an application for pre-qualification (where relevant) and/or a project proposal/application are examined. Finally, the requirements that applicants have to comply with when the selection process results in an agreement (e. g. contract, administrative decision) are outlined.

Methodologically, the information presented in the following sections was mostly collected by means of desk research, interviews with beneficiaries, as well as an online survey among applicants across themes and countries. The online survey conducted among project beneficiaries and rejected applicants per theme and country<sup>28</sup> asked these target groups about their level of satisfaction with the selection criteria, the project selection procedures broken down into single process steps, guidance provided, forms, the duration of the process, effectiveness, transparency, etc. In addition, they were asked about their assessment of theses put to them in relation to simplification recommendations. The interviews and the survey also served to ask applicants about administrative burdens resulting from the project selection procedures (resources and costs spent on complying with requirements).<sup>29</sup>

Country-specific results for key survey questions are provided as part of the Annex.

---

<sup>28</sup> Demographic information of survey respondents (e. g. age, nationality, institution) is provided as part of the Annex.

<sup>29</sup> The administrative burdens calculated only include the internal costs faced by beneficiaries; the external/outsourcing costs and acquisition costs are not included in the total but presented separately, due to the reasons explained in the methodological approach in Annex 7.

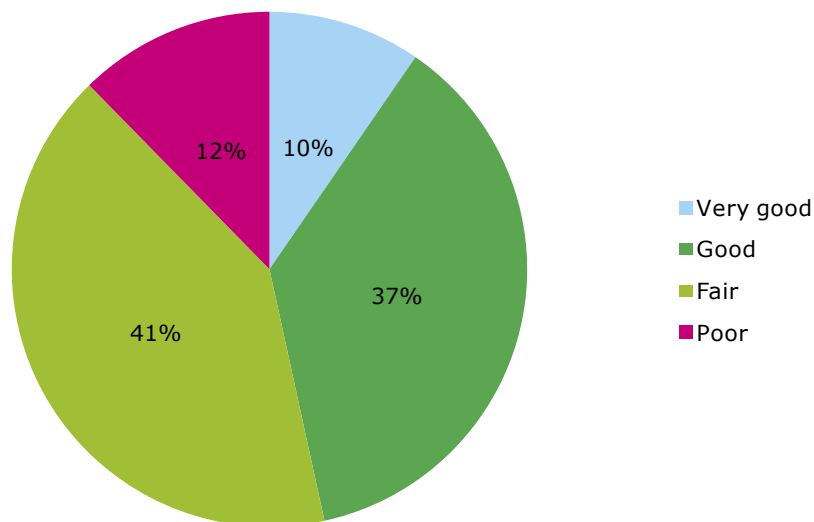


### 5.1 Research & Development – Technology Transfer

First, the project selection process is examined from the perspective of the beneficiaries as well as rejected applicants of the “Research & Development – Technology Transfer” theme.

All in all, survey respondents in theme 1 mostly indicated that they were satisfied with the application and selection process. Roughly half (47 percent) rated the application and selection process as very good or good; around 40 percent rated the process as fair, 12 percent rated it as poor (Figure 17).

Figure 17: Overall I would rate the application and the selection process as... – Responses, Theme 1



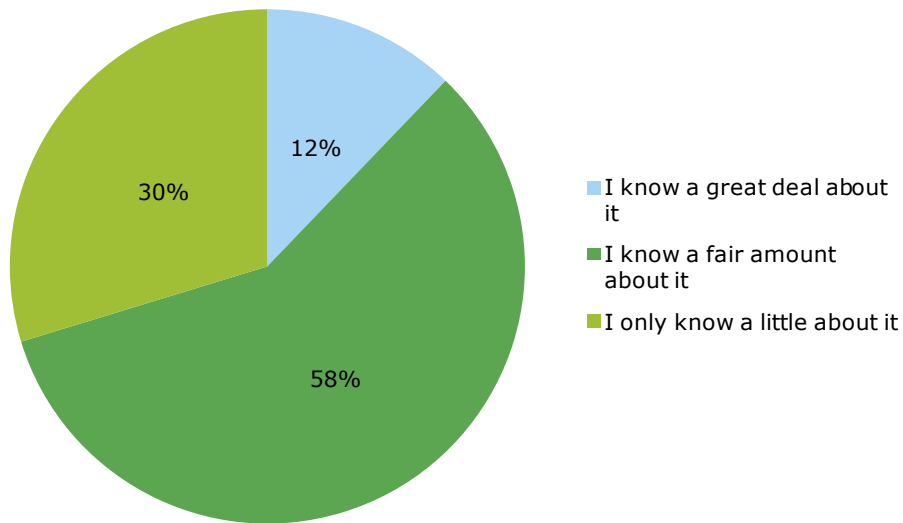
Source: Rambøll Management Consulting, Online-Survey  
N = 74

#### 5.1.1 Process Step 1: Informing/ contact with authorities

Of survey respondents on the “Research & Development – Technology Transfer” theme, 91 percent reported that their application for funding had been successful. For only 39 percent of respondents, was the ERDF funding application examined in the survey their first; the majority of respondents (54 percent) had, however, applied for ERDF funding before. 7 percent did not know. This is important to keep in mind when interpreting the results: those applicants who repeatedly apply for funding generally tend to have fewer problems with application documents and procedures; this group represents the majority of survey respondents and answers provided.

When asked about their general knowledge about ERDF funding, 12 percent of survey respondents in theme 1, said of themselves that they thought they knew a great deal about it; 58 percent thought they knew a fair amount and only 30 percent claimed to know only a little about ERDF funding (Figure 18). Therefore, a clear majority of respondents had fair or very good programme knowledge.

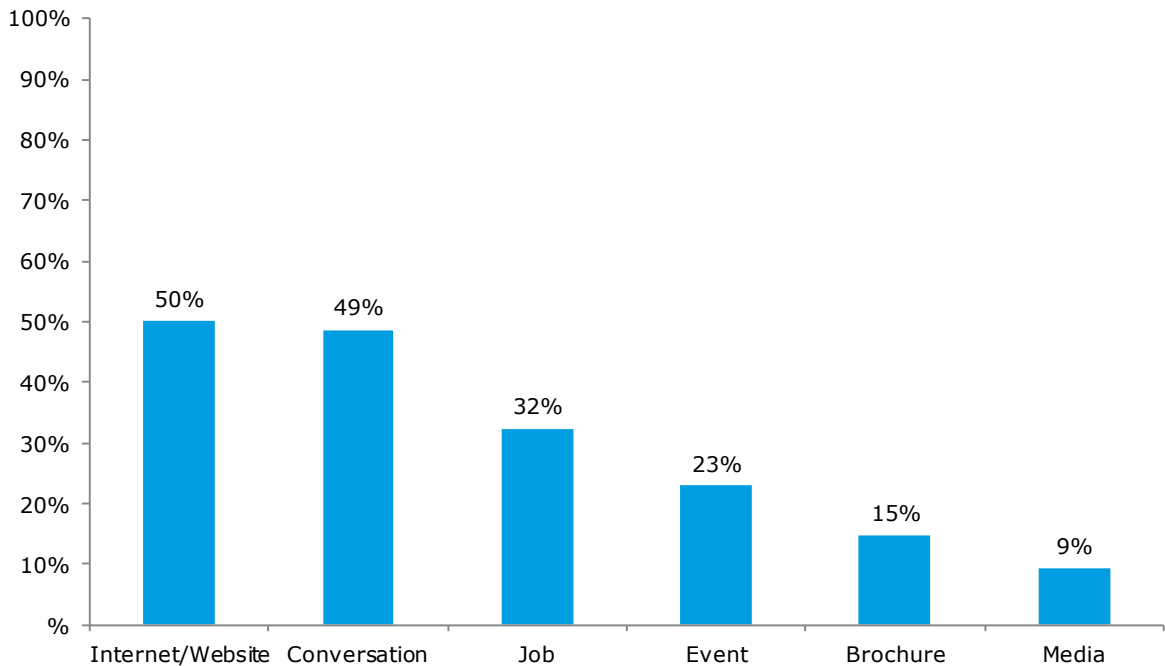
**Figure 18: How much do you feel you generally know about ERDF funding, its goals and funded projects in your country? – Responses, Theme 1**



Source: Rambøll Management Consulting, Online-Survey  
N = 74

The primary source for gathering knowledge about funding possibilities is, for all countries, the Internet. Applicants mostly gather relevant information proactively from the websites of the authorities involved (please see Chapter 4 for an overview of bodies responsible); this was true for both survey respondents and interviewees. Smaller groups hear about ERDF funding through a conversation, an event or their jobs (Figure 19).

**Figure 19: What were the most important channels of information for you to learn about ERDF funding? – Responses, Theme 1<sup>30</sup>**



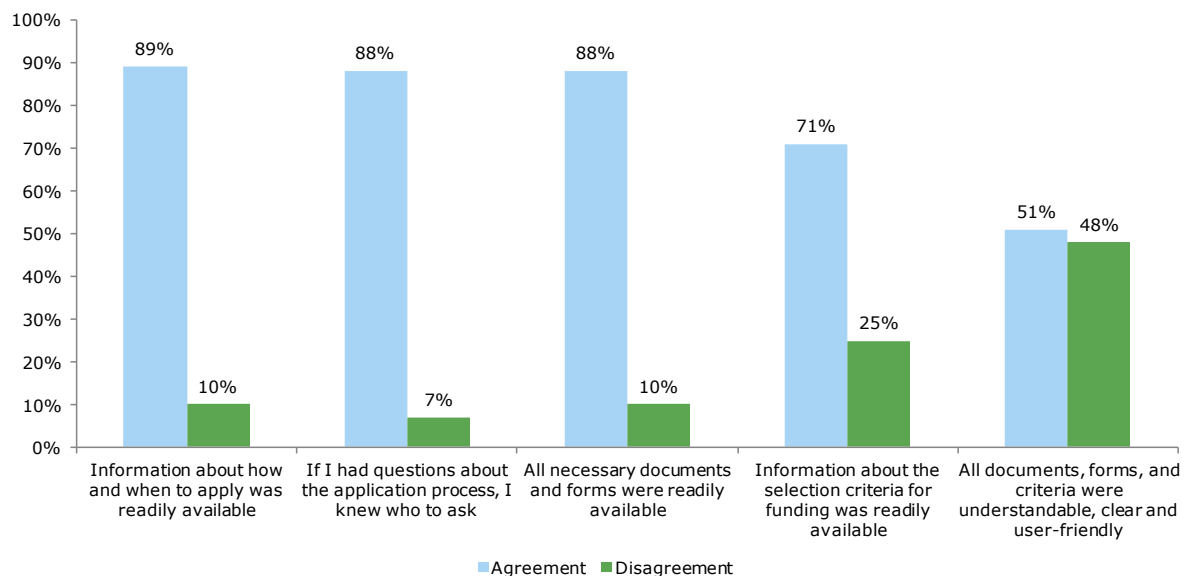
Source: Rambøll Management Consulting, Online-Survey  
N = 74

<sup>30</sup> Respondents were able to select one or more answers. Percentages may therefore add up to more than 100%.

Other sources for gathering knowledge of funding possibilities mentioned in the interviews with beneficiaries include professional networks, colleagues, or industry partners. Depending on the type and size of the applying organisation, gathering knowledge about funding possibilities is a task taken care of by very different people in the organisation -- by legal personnel, business development managers, project managers, etc. In some cases (for instance at universities), beneficiaries indicated that there are dedicated departments dealing with the management and preparation of funding applications.

When asked more concretely about their overall experience with familiarising themselves with ERDF funding opportunities and collecting information for an application, survey respondents were fairly satisfied with most aspects (Figure 20). A large number of respondents said that they knew when and how to apply and also who to contact in case of questions. The necessary forms and documents were generally available; information about selection criteria for funding was also mostly available. Interviewees also reported that selection/award criteria are, in most cases, publicly available on the web pages of the relevant institutions. Only in one case, Austria, were the official selection criteria not mentioned directly in the application documents. They did, however, contain the funding aims and the objectives the projects were to comply with. Nevertheless, a quarter of respondents apparently had problems with finding information about selection criteria.

**Figure 20: To the best of your recollection, please share your overall experiences of collecting information and preparing for your application. – Agreement and Disagreement with Statements, Theme 1<sup>31</sup>**



Source: Rambøll Management Consulting, Online-Survey  
N = 74

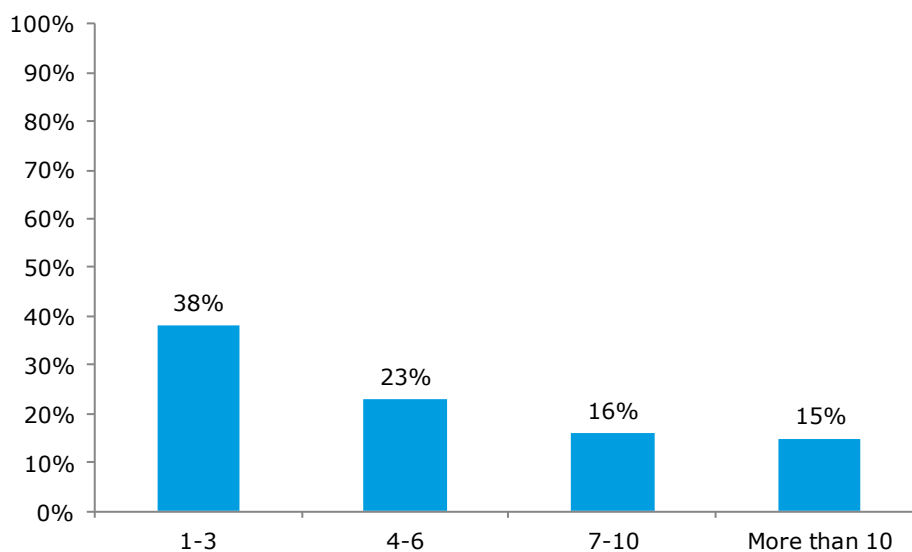
The highest level of discontent voiced in both the survey and interviews related to how understandable, clear and user-friendly the documents, forms and criteria were: 48 percent of survey respondents disagreed or strongly disagreed with the statement "all document, forms, and criteria were understandable, clear and user-friendly". But there were differences across countries in the opinions on how reader-friendly and understandable the overall guiding documents. The documents and instructions were judged to be mostly helpful, understandable, clear and user-friendly in Austria, the Czech Republic, Germany and the Netherlands. The most difficulties were reported in Slovakia and Slovenia. In these two countries, instructions were judged to be rather long and complicated -- and, consequently, harder to understand.

<sup>31</sup> "Don't know" responses not shown.

In the process of gathering relevant funding information and preparing for the application, a clear majority of survey respondents (84 percent) reported having direct contact with the relevant authorities. Seventy-seven percent of those who had direct contact with the authorities also indicated that they had a single point of contact there. However, the overall number of interactions with the authorities varied significantly across countries and from case to case -- from no interaction at all in some cases (Germany) to several face-to-face interactions and numerous phone calls (Austria).

The numbers of interactions reported in the survey ranged from 1-3 to more than 10 interactions; in fact, 15 percent of respondents indicated that they had had more than 10 interactions with authorities (Figure 21).

**Figure 21: To the best of your recollection, how many interactions (phone calls, emails, etc.) did you approximately have with the authorities to obtain information on funding possibilities and the application process? – Responses, Theme 1<sup>32</sup>**



Source: Rambøll Management Consulting, Online-Survey  
N = 56

#### 5.1.2 Process Step 4: Submitting proposals/applications

When it comes to the extensiveness of application documents, there are major differences across calls according to the figures researched by this study's country assessors. The shortest application form is in Austria. Here an application only comprises 20 to 30 pages; no annexes have to be provided. Hence, the call and OP with the smallest financial volume also has the slimmest application in terms of pages to fill in. More pages need to be handed in Germany -- while the application form is rather short, additional annexes have to be provided. The Netherlands come next moving up the scale. Slovenia, Slovakia and the Czech Republic are the countries with the most comprehensive applications. Here, applications can be up to 500 or even 1,000 pages long (Table 38).

<sup>32</sup> "Don't know" responses not shown.

**Table 38: R&D – extensiveness of application document**

Country	Call	number of pages		
		Application form	Annexes	Total
Austria	Guideline Promotion of Corporate Research and Development	ca. 20-30	none	ca. 20-30
Czech Republic	Popularisation of Science and Technology	ca. 50	ca. 50 - 1000	100 - 1050
	Information Infrastructure for R&D	ca. 50	ca. 50 - 1000	100 - 1050
	Technology Transfer Centers	ca. 50	ca. 50 - 1000	100 - 1050
Germany	Guideline R&D	13 - 14	ca. 35 - 45	ca. 48 - 59
	Guideline technology transfer	10	ca. 20 - 30	ca. 30 - 40
Netherlands	Strengthening knowledge clusters nutrition, health and technology; 'Strengthening innovation and business competitiveness	Max. 12	usually ca. 10 - 90 two extremes with 700 and 1000 pages	22 - 102 usually
Slovakia	OPVaV-2009/2.2/05 Support of R&D centres, Support of R&D Scheme	no information obtained	no information obtained	no information obtained
	OPVaV-2009/2.1/03 Support of Excellence Centres network as the pillar of regional development and support of supra-regional cooperation	no information obtained	no information obtained	up to 1000
Slovenia	Public call for development centres of slovene economy	17 pages of forms and complete business plan	no information obtained	300 - 500

The extent/length of the actual application documents also varied significantly in the perception of applicants across countries (Table 39). When asked how many documents had to be submitted for the ERDF application, average answers ranged from two (Austria) to more than 30 (Slovakia). When it came to the length of documents submitted for the application (in pages), the shortest application was around 35 pages long (Austria) while the longest had roughly 570 pages (Slovakia). Hence, the information provided by authorities on the extent of application documents is roughly in line with the perception of applicants.

Meanwhile, it is important to note that, when compared to the other themes (see sections below), the documents to be submitted for the application were, according to the statements of applicants, on average shortest in theme 1.

**Table 39: Number and length of application documents submitted – Averages Theme 1, by Country**

Country		Number of Documents Submitted for Application	Length of Documents Submitted for Application (pages)
Austria	Mean	2,00	35,00
	N	1	1
Czech Republic	Mean	14,67	101,00
	N	3	3
Germany	Mean	10,36	74,16
	N	50	50
Netherlands	Mean	10,60	73,00
	N	5	5
Slovak Republic	Mean	30,63	569,38
	N	8	8
Slovenia	Mean	18,83	170,83
	N	6	6
Total	Mean	13,36	136,86
	N	73	73

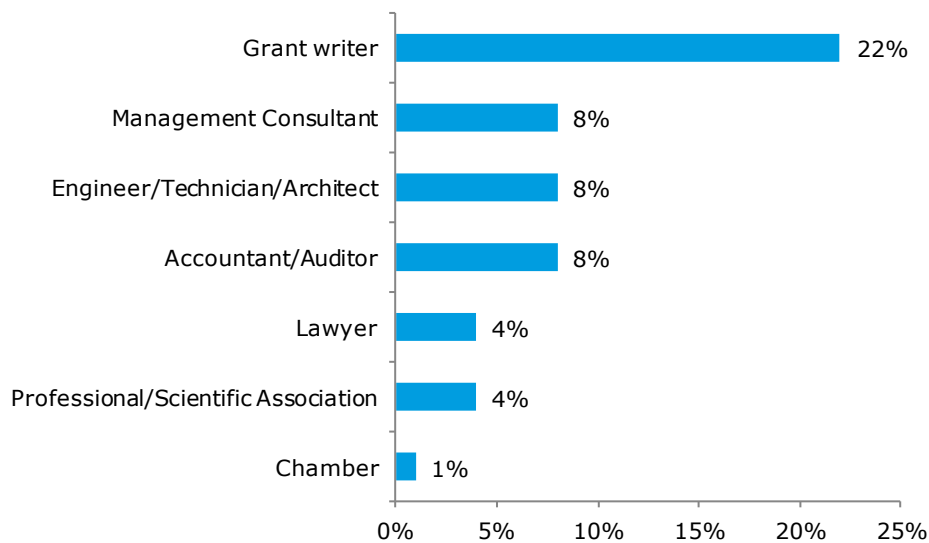
There was a variation in applicants' opinions on the most complex, resource- and time-intensive parts of the application (cost drivers). In Austria, the calculation/budget was judged to be the most complex and time-intensive part of the application. In other countries, it was building the consortium and arranging co-financing (Netherlands), the feasibility study and construction documentation (Czech Republic), the business plan (Slovenia), the project description (Germany, Slovakia) and filling out the application form (Germany).

There were similar differences in the extent to which applicants felt able to re-use existing data. While in Slovenia everything had to be prepared from scratch, applicants in Austria and Slovakia reported that it was possible to re-use information about the institution and CVs -- but not application-specific information. In the Netherlands and the Czech Republic, respondents indicated that they re-used previous project ideas, concepts and plans. In Germany, applicants reported that the share of possible re-use of data (about the institution and the project idea) varied between none and 30 percent.

Different types of individual were typically involved in the preparation of applications, from managing directors, to project managers, financial managers, construction managers, specialists for specific activities, or researchers. While applicants in Austria and Germany appear not to use any external support, applicants in the other four countries report the use of external support to a varying degree and for varying tasks: project management (Czech Republic), legal, financial and overall guidance (Netherlands), or supervision of the preparation of the application (Slovakia).

In numerous cases, applicants also relied on the external support of experts/consultants in the actual application process. Overall, 33 percent of respondents indicated having received this kind of external support, sometimes from more than one source Applicants who used the support of outside experts/consultants were also asked to indicate what kind of experts/consultants they involved. Most popular was the support of grant writers and management consultants (Figure 22).

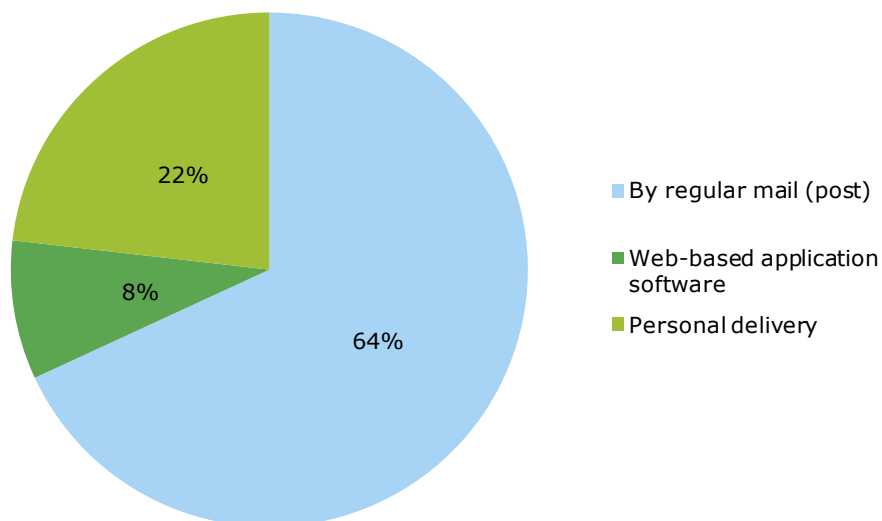
**Figure 22: What kind of outside experts/consultants did you involve? – Responses, Theme 1<sup>33</sup>**



Source: Rambøll Management Consulting, Online-Survey  
N = 74

Application documents were submitted in various ways -- according to survey respondents. Mail/post predominated (64 percent), followed by personal delivery (22 percent) and web-based application software (8 percent). Interviews with applicants showed differences by country, online and postal were most popular in Austria and the Netherlands, while in other countries it was personal delivery (Czech Republic), post or personal delivery (Slovakia), or only postal (Germany and Slovenia). Thus, it seems that postal and personal submission are still the preferred way of submitting proposals, although online submission is possible in the majority of calls

**Figure 23: How did you submit the application? – Responses, Theme 1<sup>34</sup>**



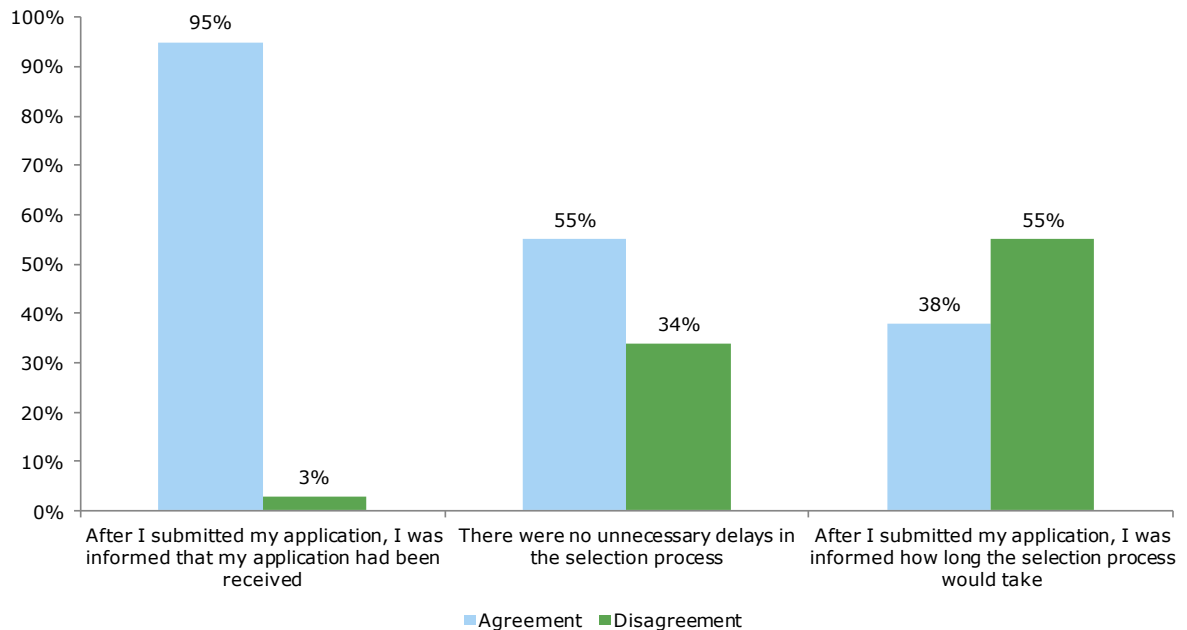
Source: Rambøll Management Consulting, Online-Survey  
N = 74

<sup>33</sup> Respondents were able to select one or more answers. Percentages may therefore add up to more than 100%.

<sup>34</sup> "Don't know" responses not shown.

Once applications had been submitted, almost all respondents were informed by authorities that the application had been received. However, a large group of respondents apparently had the feeling that the selection process did not always go smoothly from there on; a third felt that there were unnecessary delays in the selection process. A majority of respondents was not told by authorities how long the selection process would take (Figure 24).

**Figure 24: To the best of your recollection, please share your overall experiences of the submission and selection process. – Agreement and Disagreement with Statements, Theme 1<sup>35</sup>**



Source: Rambøll Management Consulting, Online-Survey  
N = 74

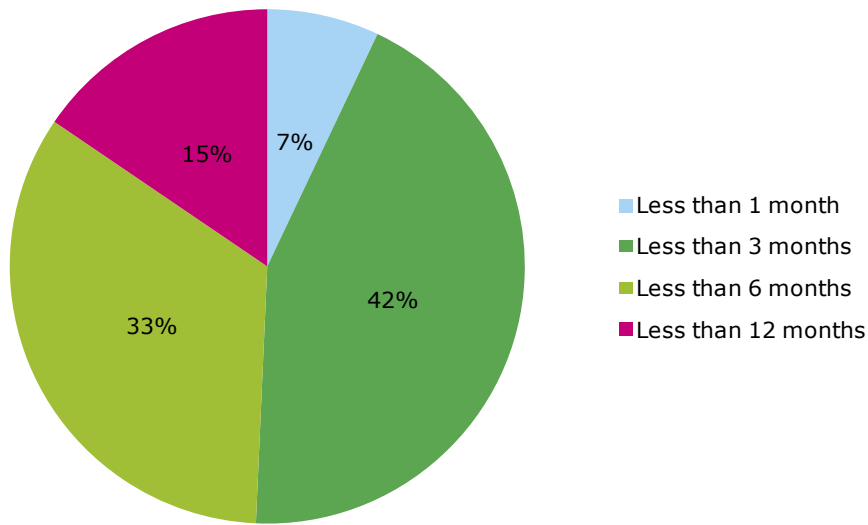
Respondents mostly indicated that it took authorities quite a while to inform applicants about the selection decision once a complete funding application had been submitted. Most respondents estimated the time span between submission of their application and information about the selection decision to have been less than three to six months. However, the selection process took between six and 12 months according to 15 percent of respondents. These indications of the time span largely reflect the picture obtained in the analysis of the authorities' perspective.

Meanwhile, the time span between submission of the application and selection of proposal varied widely for interviewees across countries: from 26 to 40 weeks in the Netherlands, to 32 weeks (Czech Republic), four to 24 weeks (Germany), and up to 12 months (Slovakia).

<sup>35</sup> "Don't know" responses not shown.



**Figure 25: To the best of your recollection: please estimate the following time spans; Time span between submission of the application and information about the selection decision – Responses, Theme 1<sup>36</sup>**



*Source: Rambøll Management Consulting, Online-Survey  
N = 74*

The following table summarises selected characteristics of this process step for theme 1 obtained in interviews with beneficiaries.

---

<sup>36</sup> "Don't know" responses not shown.

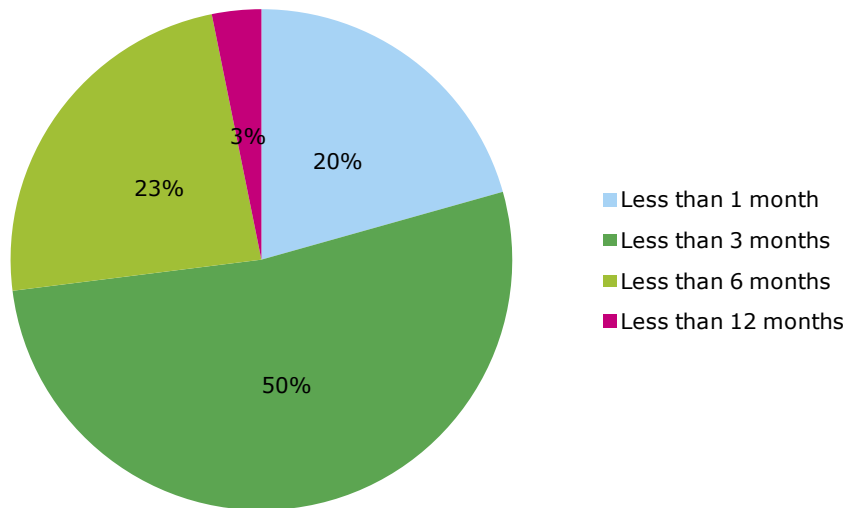
**Table 40: R&D – selected characteristics, applicants’ perspective**

	Call	Most complex, resource- and time-intensive parts of the application (cost-drivers)?	Time-span between submission of the application and selection of proposal (weeks)	Time-span between selection of proposal and settling of the contract (weeks)	Application: reuse of existing data possible? What kind of and to what extent?		Selection results published / noted?	
					yes/no	comments	yes/no	comments
Austria	Guideline Promotion of Corporate Research and Development	calculation / budget	not available	6 weeks	yes	information about the institute and CVs. But not application-specific information	yes	letter with the decision
Czech Republic	Popularisation of Science and Technology	procedures had not been completed	procedures had not been completed	procedures had not been completed	procedures had not been completed	procedures had not been completed	procedures had not been completed	procedures had not been completed
	Information Infrastructure for R&D	feasibility study, construction documentation	32 weeks	16 weeks	partially	respondents used some of the existing data (project idea/ concept)	yes	website
	Technology Transfer Centers	procedures had not been completed	procedures had not been completed	procedures had not been completed	procedures had not been completed	procedures had not been completed	procedures had not been completed	procedures had not been completed
Germany	Guideline R&D	project description	between 4 and 24 weeks	between 4 and 36 weeks	yes	share of possible re-use of data varies between 0% and 30%	no clear picture	selection results are communicated to the applicants via official notification of approval (in one case upfront phone call). As regards the publication of the selection results there is no clear picture
	Guideline technology transfer	application form	8 weeks	3 months	yes	ca. 40% of the required information was at hand	yes	via phone
Netherlands	Strengthening knowledge clusters nutrition, health and technology Strengthening innovation and business competitiveness	building the consortium & arranging co-financing	26-40 weeks	duration total selection process: 9-24 months	sometimes	using previous plans / periods	yes	mostly communicated by phone, and formal via a letter
Slovakia	OPVaV-2009/2.2/05 Support of R&D centres, Support of R&D Scheme	project description	up to 12 months	about 2 months	yes	CVs, lists of publications, general description of the University, financial data	yes	published on the web site of the MA/IB
	OPVaV-2009/2.1/03 Support of Excellence Centres network as the pillar of regional development and support of supra-regional cooperation	project description	up to 12 months	about 2 months	yes	CVs, lists of publications, general description of the University, financial data	yes	published on the web site of the MA/IB
Slovenia	Public call for development centres of Slovene economy	business plan	not available	5 months	no	everything had to be prepared from scratch	yes	published to media and simultaneously they were published online

### 5.1.3 Process Step 7: Agreeing on ERDF support

Once a decision on the application has been made by the administrative body responsible, applicants are usually informed by phone, by letter, or online. In some cases, beneficiaries voiced discontent because the media learnt about who had been granted support before beneficiaries did. The time span between selection of a proposal and the finalisation of the contract usually took fewer than three months; however, for around a quarter respondents, this took up to six or 12 months (Figure 26).

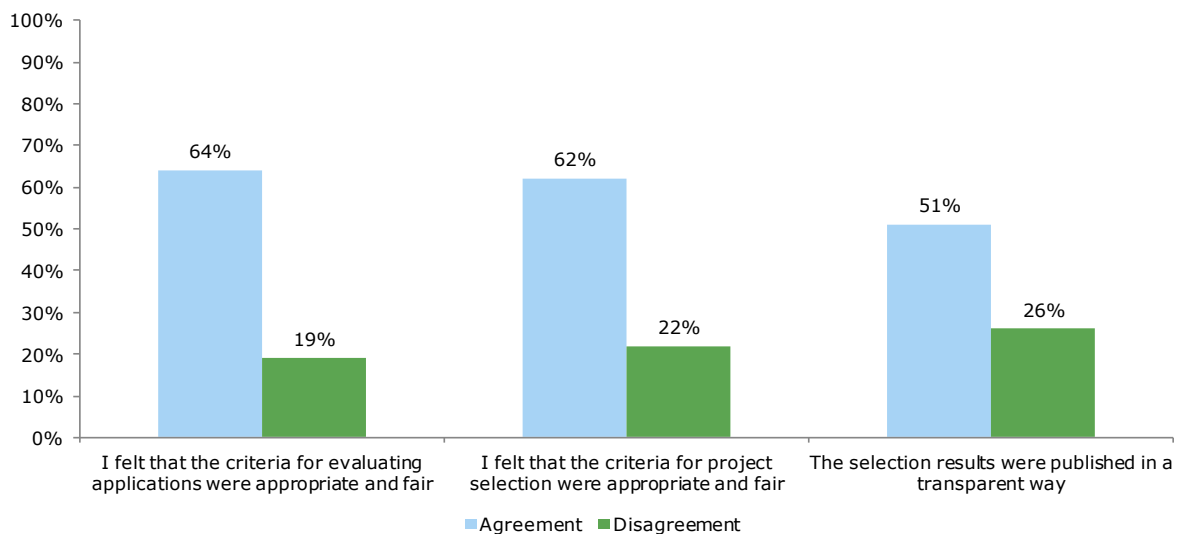
**Figure 26: To the best of your recollection: please estimate the following time spans; Time span between selection of your proposal and settling of the contract – Responses, Theme 1<sup>37</sup>**



Source: Rambøll Management Consulting, Online-Survey  
N = 74

Respondents mostly indicated that the process of publishing selection decisions was transparent. The majority of respondents also felt that the criteria for evaluating applications and project selection were appropriate and fair (Figure 27). Only in some cases was an explanation for the selection provided.

**Figure 27: To the best of your recollection, please share your overall experiences of the submission and selection process. – Agreement and Disagreement with Statements, Theme 1<sup>38</sup>**



Source: Rambøll Management Consulting, Online-Survey  
N = 74

<sup>37</sup> "Don't know" responses not shown.

<sup>38</sup> "Don't know" responses not shown.

Applicants reported in several instances that they had to add to or revise application documents. Examples of documents that needed to be submitted at this stage include, for instance, a feasibility study, financial plan, detailed timetables or further details about the economic situation of the company. Therefore, some applicants merely had to provide additional information on formalities that they knew in advance they would have to provide at this stage. In other cases, essential information for selection only had to be provided at this stage; this finding corresponds to the impression gained from the analysis of the administrative perspective in Chapter 4, indicating the risk of "re-negotiation" of substance.

All in all, the number of pages to be handed in at this stage differs across countries, according to the statement of beneficiaries in the interviews conducted. There is a correlation between the calls with the highest amounts of funding per project on average and the number of pages. This reflects the complexity of large R&D projects. The Czech Republic, for example, provides average funding of EUR 8-9 million per project and requires additional information in the magnitude of 200 pages. Slovakia, with average funding per project of EUR 2.25- 3.72 million, requires 10 to 100 pages. For Germany, with average funding below one million euro, it is 10 pages. Austria, which has the smallest amount of funding on average, does not ask for any additional information in addition to the signed contract. Since Slovenia requires that beneficiaries consist of several parties and that they set up a new business, this represents a special case.

**Table 41: R&D – extensiveness of documentation for contracting**

	Call	Agreeing on support: Additional forms and documents for contracting?	Agreeing on support: Total length of forms and documents ( number of pages)
Austria	Guideline Promotion of Corporate Research and Development	None besides the contract	Not applicable
Czech Republic	Popularisation of Science and Technology	Selection process not yet finalised	Selection process not yet finalised
	Information Infrastructure for R&D	Yes	ca. 200 p.
	Technology Transfer Centers	Selection process not yet finalised	Selection process not yet finalised
Germany	Guideline R&D	Not detailed.	Not detailed.
	Guideline technology transfer	Yes, details on economic situation of the company	10 pages
Netherlands	Strengthening knowledge clusters nutrition, health and technology;	Only applicable for two projects (funds)	Not relevant
Slovakia	OPVaV-2009/2.2/05 Support of R&D centres, Support of R&D Scheme	Yes	about 10 to 100 pgs
	OPVaV-2009/2.1/03 Support of Excellence Centres network as the pillar of regional development and support of supra-regional cooperation	Yes	about 10 to 100 pgs
Slovenia	Public call for development centres of slovene economy	Yes	bank warranty 1 page business agreement still in negotiation

### 5.1.4 Administrative Burden

The table below shows the administrative burden on (potential) beneficiaries applying for ERDF funding in theme 1, based on internal costs. The horizontal axis shows the hourly wages and per process step the median time spent per (potential) applicant/beneficiary, the quantities (in number of applications) and the (internal) administrative burden, and totals the time and burden for each country on the vertical axis. In the last column, the ratio of the administrative burden to the expenditure (until 31.12.2010 resp. on the selected calls) is presented.<sup>39</sup>

**Table 42: R&D - Administrative burden per process step and Member State**

Member States	Hourly wage (in euro)		Process steps												Totals		
			1. Informing			1a. Informal pre-procedure: drawing up and submitting project ideas/project outlines			4. Drawing up and submitting applications			7. Agreeing on ERDF support/preparing documents for contracting					
	Managers	Professionals	Median time spent (in hours)	Quantity	Admin burden (in euro)	Median time spent (in hours)	Quantity	Admin burden (in euro)	Median time spent (in hours)	Quantity	Admin burden (in euro)	Median time spent (in hours)	Quantity	Admin burden (in euro)	Median time spent (in hours)	Total admin burden (in euro)	Ratio of admin burden to expenditure
Austria	52	39	20	25	22.750			0	71	25	80.763	8	25	9.100	99	112.613	4,27%
Czech Republic	12	8	35	37	12.950			0	67	37	24.790	3	12	360	105	38.100	0,03%
Germany	46	43	10	1365	607.425	33	1365	2.004.503	116	1178	6.080.836	18	885	708.885	177	9.401.649	2,90%
The Netherlands	37	35	40	60	86.400	50	60	108.000	780	12	336.960	180	12	77.760	1050	609.120	n/a
Slovakia	8	5	53	136	46.852			0	240	136	212.160	20	37	4.810	313	263.822	0,24%
Slovenia	18	19	32	42	24.864			0	430	42	334.110	8	23	3.404	470	362.378	0,15%

The total burden is highest in Germany because of the outstandingly large number of potential applicants who submitted a project outline (1,365) and of applicants (1,178).

As explained within the comparative process analysis on the administrations' side (see 4.1.2), in Germany and the Netherlands the entire process is more complex than in the other Member States. It involves an informal pre-procedure which is listed as an additional process step (1a Informal pre-procedure) in the table above. The pre-procedure in Germany allows applicants to submit a project outline before the formal application; in the Netherlands applicants have to fill in and submit an orientation form before the formal application.

Looking at the entire process, it is most time-consuming in the Netherlands with 1,050 hours on average. The Dutch procedure would be the most time-consuming even if the time spent on the informal pre-procedure were not included. The entire process is also comparatively time-consuming in Slovenia and Slovakia, though significantly less so than in the Netherlands; it takes least time in Austria. By comparison with the other Member States and with the information provided by the administrations (see 4.1 on the process and administrative costs), the time indications for Czech Republic seem to be very low, especially for the last two process steps. One reason might be the comparatively low number of responses: only five respondents from interviews and survey in total, of which only two quantified the time spent 'Drawing up and submitting proposals/applications' (process step 4).

When looking at the individual process steps, the picture is diverse. Potential applicants spend the most time on informing themselves and getting acquainted with the funding possibilities and the procedure (process step 1) in Slovakia followed by the Netherlands. German potential applicants spend the least time on this. Process step 1 'Informing' involves all possible activities for getting acquainted with the funding possibilities and the process, i.e. participating in events, downloading and reading material, receiving guidance from the administration, etc.

Drawing up and submitting the application (process step 3) takes most time in the Netherlands, followed by Slovenia and Slovakia, and least time in Czech Republic. The Dutch spent the most time on step 4 'Preparing documents for contracting'; they are followed by Slovakia and Germany; the least time is spent in the Czech Republic. The result for Czech Republic does not correspond to the description and resources associated with this step on the part of the administration, see 4.1. It seems to be underestimated, which might be due to low number of interviewees.

<sup>39</sup> For the Czech Republic and Slovenia the ratio refers to the budget instead of the expenditure as data on the actual expenditure was not available. As regards the Netherlands, data was only available at the level of the relevant Priority Axis and only until 31.12.2009.

*External/outsourcing costs*

In all six Member States, use is made of external experts in the application process for theme 1, but to a different extent and with different associated costs. The table below illustrates the costs associated with the use of external experts per Member State, indicating the number of quantified responses, and the median, minimum and maximum costs indicated.

**Table 43: R&D – External/outsourcing costs**

	External/outsourcing costs (in euro)					
	AT	CZ	DE	NL	SK	SI
Number of quantifications	3	2	6	6	4	8
MEDIAN	600	20.892	1.750	40.000	2.500	20.000
MIN	400	5.000	10	10.000	1.000	2.000
MAX	8.500	36.783	10.000	100.000	150.000	200.000

The highest media indicated for external support for drafting an application for ERDF funding in theme 1 is in the Netherlands, followed by the Czech Republic and Slovenia.

*Acquisition/Equipment costs*

In addition to internal costs (see above), applicants may face costs for equipment and supplies associated with their application for ERDF funding. The table below shows the acquisition costs indicated in interviews or the survey, showing the number of quantified responses, and the median, minimum and maximum costs.

**Table 44: R&D – Acquisition/equipment costs**

	Acquisition/equipment costs (in euro)					
	AT	CZ	DE	NL	SK	SI
Number of quantifications	3	1	8	1	3	0
MEDIAN	100	1.781	500	200.000	3.000	0
MIN	50	61	50	200.000	2.500	0
MAX	500	3.500	50.000	200.000	7.800	0

Fewer than 25 percent of respondents in any Member State provided quantified information on acquisition costs, there is no data at all for Slovenia. The cost indicated varies to a great extent across the Member States. Furthermore, the one figure provided for the Netherlands and one of the indications for Germany seems to be out of scope. As a result, it is not possible to give an indication of the 'normally efficient' acquisition cost.

The types of acquisition/equipment cost in addition to internal costs are supply of information material, forms etc. (if relevant), office supplies used for the preparation of the application, i.e. computer, printer/copier, toner, paper, folders, phone and internet costs, postage, fees to obtain external documents to be annexed to the application as, e. g. extracts from the commercial register; and the costs associated with the verification of documents to be annexed to the application.

### **5.1.5 Concluding Summary**

Overall, a clear majority of respondents had good or very good programme knowledge. The primary source everywhere for gathering knowledge about funding possibilities is the internet; but word-of-mouth comes close behind. Other sources for gathering knowledge of funding possibilities mentioned include professional networks, colleagues, or industry partners.

Applicants appear to know when and how to apply, and who to contact in case of questions. The necessary forms and documents were generally available; information about selection criteria for funding was also mostly available. However, roughly half of the applicants indicated that they thought that documents, forms, and criteria are not always understandable, clear and user-friendly. This is an area to which authorities should pay attention and where further work is needed.

When compared to the other themes (see sections below), the documents to be submitted for the application were on average shortest in the perception of applicants in theme 1. However, there were major differences across calls. The shortest application form is in Austria. Slovenia, Slovakia and the Czech Republic are the countries with more comprehensive applications. Here, applications can be up to 500 or even 1,000 pages long. In a third of cases, applicants relied on the external support of experts/consultants for tackling these application requirements.

It seems that postal and personal submission are still the preferred means of submitting proposals although online submission is possible in the majority of calls. Once applications had been submitted, about a third of applicants felt that there were unnecessary delays in the selection process; and apparently it mostly took authorities quite a while to inform applicants of the selection decision. Nevertheless, respondents mostly indicated that selection decisions were published in a transparent manner and also felt that the criteria for evaluating applications and project selection were appropriate and fair.

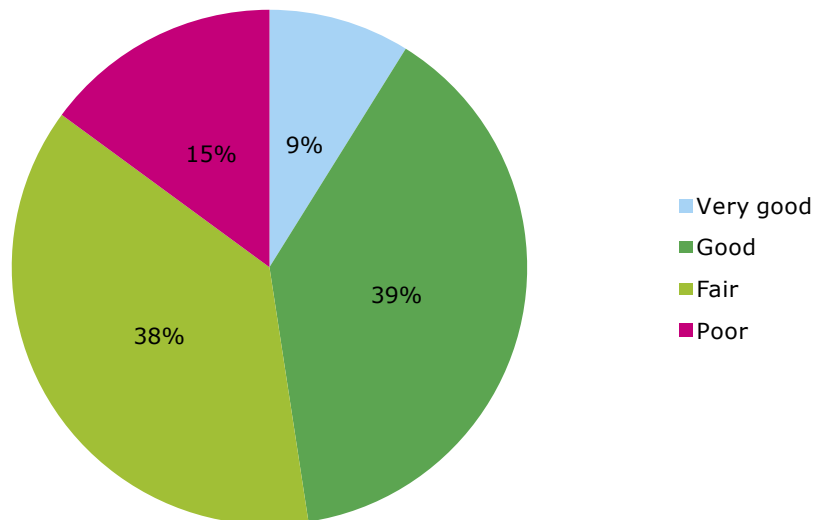
The total administrative burden associated with R&D – Technology Transfer projects is highest in Germany due to the outstandingly large number of (potential) applicants. In terms of resources, the process is most complex and time-consuming in the Netherlands.

## 5.2 Innovations in SMEs

The next section examines the project selection process from the perspective of the beneficiaries as well as rejected applicants in the “Innovations in SMEs” theme.

All in all, survey respondents in theme 2 again mostly indicated that they were satisfied with the application and selection process. Almost the same share of respondents as in theme 1 (48 per cent) rated the application and selection process as very good or good; 38 per cent rated the process as fair but a slightly higher share of 15 per cent rated it as poor (Figure 28).

**Figure 28: Overall I would rate the application and the selection process as... – Responses, Theme 2**



Source: Rambøll Management Consulting, Online-Survey  
N = 249

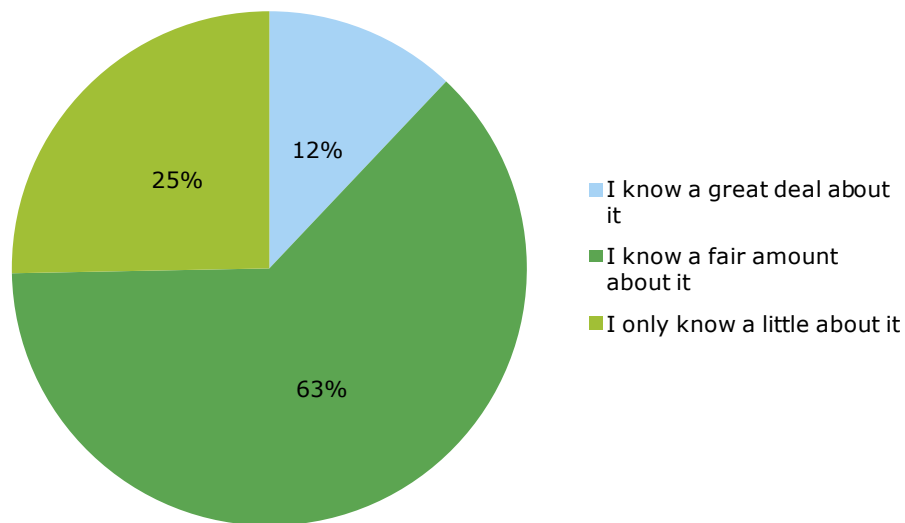
### 5.2.1 Process Step 1: Informing/ contact with authorities

The success rates of survey respondents’ applications in the “Innovations in SMEs” theme were slightly lower than in theme 1: 82 per cent reported that their application for funding had been successful. Similarly to theme 1, for only 39 per cent of respondents the ERDF funding application examined in the survey was their first; the majority of respondents (59 per cent) had applied for ERDF funding before; 2 per cent did not know.

When asked about their general knowledge about ERDF funding, survey respondents’ answers in theme 2 were also similar to those in theme 1, with a clear majority indicating that they knew a great deal or a fair amount about ERDF funding.



**Figure 29: How much do you feel you generally know about ERDF funding, its goals and funded projects in your country? – Responses, Theme 2**

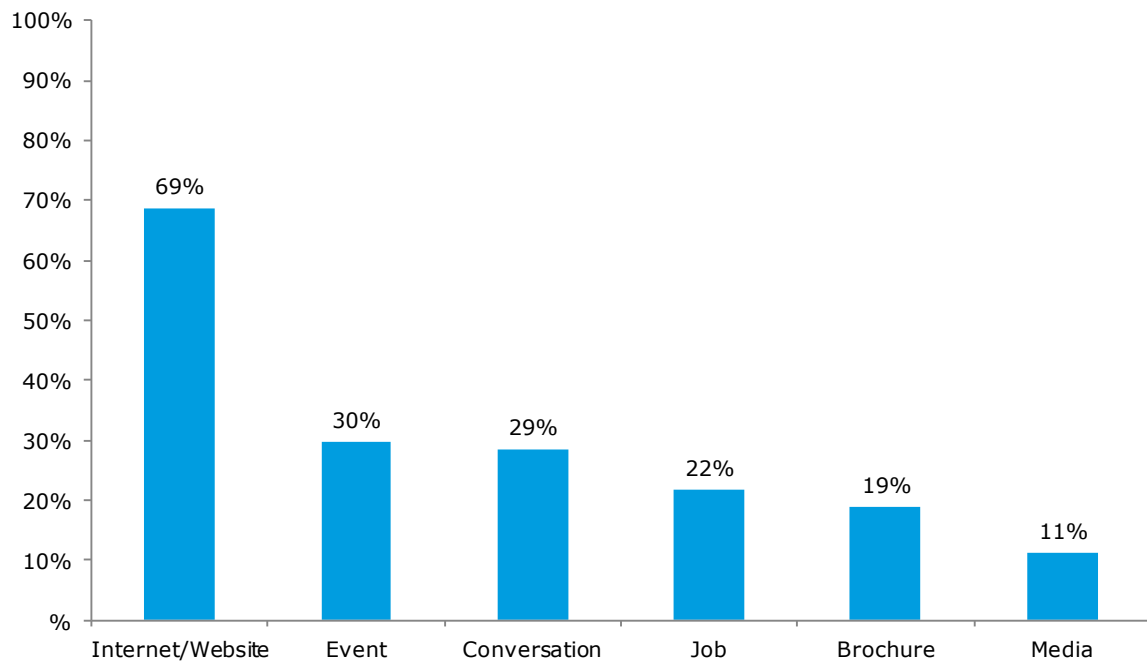


*Source: Rambøll Management Consulting, Online-Survey  
N = 249*

Most applicants in theme 2 also find information about funding opportunities on authorities' homepages, but they cite newsletters, brochures or personal/professional contacts, too. In addition, applicants mentioned support from consultants, chambers of commerce or simply previous funding experience as their main sources of information. Often, in the case of temporary calls, open calls are announced before they are actually published and companies are waiting for them to open, regularly checking their information channels for new updates. Only in very few cases, do the media appear to be a relevant source of information.

According to the information provided by beneficiaries in the interviews, depending on the type and size of the organisation, the background research on the ERDF funding opportunities is again carried out by very different individuals in an organisation, such as company owners, project managers, financial/sales managers, technicians -- or, to a larger extent than in theme 1, external consultants.

**Figure 30: What were the most important channels of information for you to learn about ERDF funding? – Responses, Theme 2<sup>40</sup>**



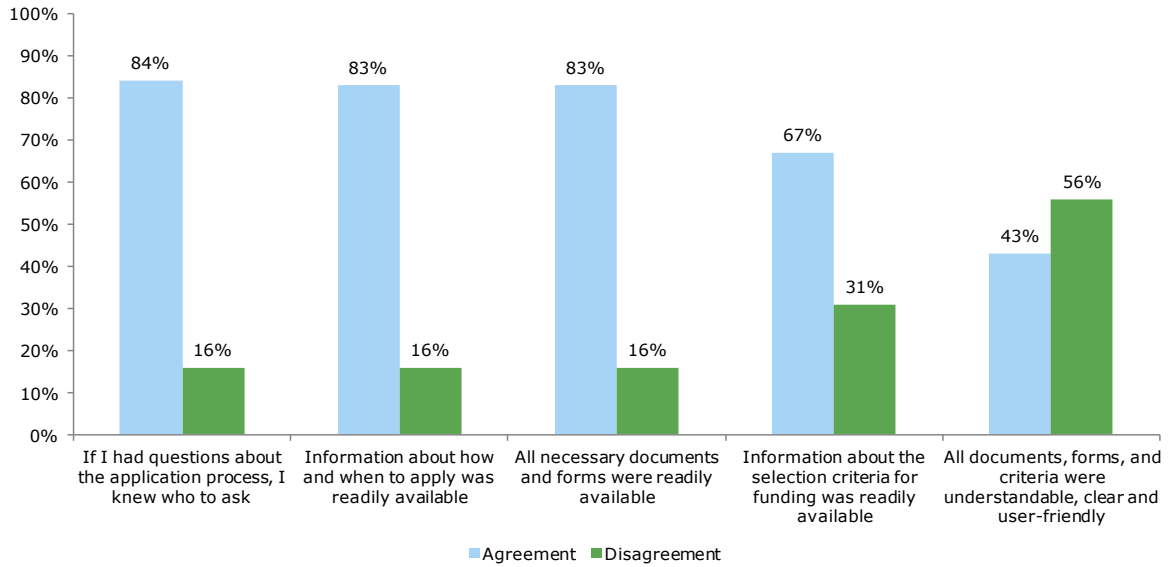
*Source: Rambøll Management Consulting, Online-Survey  
N = 249*

When asked more concretely about their overall experience with familiarising themselves with ERDF funding opportunities and collecting information for an application, respondents were once again fairly satisfied with most aspects (Figure 31). A very high percentage of respondents again reported that they knew when and how to apply and also who to contact in case of questions. The necessary forms and documents were generally available. Selection criteria were available on websites and applicants were aware of them in the application documents. In the case of Slovenia, applicants mentioned that they thought that a self-assessment tool that provides feedback on the criteria is a good instrument for making companies aware of the selection and award criteria and their eligibility.

The highest level discontent was once again voiced in relation to how understandable, clear and user-friendly forms, documents and criteria were: 56 percent of respondents disagreed or strongly disagreed with the statement “all document, forms, and criteria were understandable, clear and user-friendly”. But there were differences in the opinions on the documents across countries. According to interviewees, documents and forms were particularly hard to understand for applicants who had no previous experience of applying for funding. In the particular case of Austria, however, applicants noted that forms were clearer and more understandable than in other EU programmes. In Slovenia, applicants who had experience with DIP09 agreed that there had been a very big improvement compared to DIP08. Respondents also appreciated that concrete examples had been given and additional explanations added in the guidance documents.

<sup>40</sup> Respondents were able to select one or more answers. Percentages may therefore add up to more than 100%.

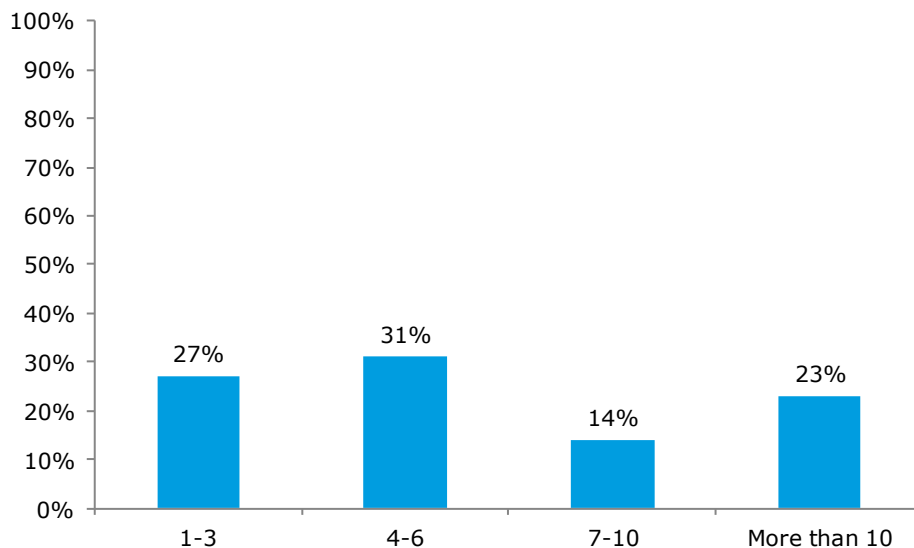
**Figure 31: To the best of your recollection, please share your overall experiences of collecting information and preparing for your application. – Agreement and Disagreement with Statements, Theme 2<sup>41</sup>**



Source: Rambøll Management Consulting, Online-Survey  
N = 249

In the process of finding gathering relevant funding information and preparing for the application, a significantly smaller group than in theme 1 (67 percent) reported having direct contact with the relevant authorities. And only 59 percent of those who had direct contact with authorities indicated that they had a single point of contact there. The overall number of interactions with the authorities, however, once more varied significantly across countries and from case to case -- from no interaction at all in some cases to up to 50 telephone calls (Germany in both cases).

**Figure 32: To the best of your recollection, how many interactions (phone calls, emails, etc.) did you approximately have with the authorities to obtain information on funding possibilities and the application process? – Responses, Theme 2<sup>42</sup>**



Source: Rambøll Management Consulting, Online-Survey  
N = 249

<sup>41</sup> "Don't know" responses not shown.

<sup>42</sup> "Don't know" responses not shown.

### **5.2.2 Process Step 3.a: Submitting applications for pre-qualification (APQ)**

In the two countries where applications for pre-qualification are relevant in this theme (Czech Republic and Germany), applicants were also mostly satisfied with the availability of the documents and how understandable they were. Only in a few cases were ambiguities or problems with definitions. The extent of the pre-application to be filled out (i.e. extensiveness of documents) varied according to the information from applicants. While applicants in the Czech Republic reported that two documents had to be filled in (registration application and financial reports for assessment of financial health), applicants in Germany reported a range of between two and four documents/forms: project outline form, financial planning/calculations, project plan with milestones, description of the company/research institute.

This indicates the different approaches towards APQs in these two countries. While an application for pre-qualification in the Czech Republic clearly serves to check the eligibility of a project/applicant, in Germany more emphasis is placed on discussing the project idea. While in the Czech Republic, eligibility criteria and the economic health are checked by staff of the IB, in Germany, the project outline is discussed by the Selection Committee, which provides recommendations for further project development (see section 4.2.4).

According to the information provided in interviews, pre-applications are, again, prepared and submitted, by very different individuals in an organisation -- mostly project managers, financial/technical managers, or owners/managing directors. About half the respondents indicated that they had used external consultants for the pre-application. While some applicants said that they could use data from previous applications, others could not. However, none of the interviewees felt that there were specifically resource- and time-intensive parts of the pre-application.

Pre-applications are submitted online (via IMS "eAccount") in the Czech Republic. Most of the German applicants used both online and postal submission. The time span from submission of the pre-application to the invitation to submit a full proposal again varied -- from just one day (Czech Republic) to up to 12 months (Germany). This variation again reflects the different nature of the APQ in the selection process in different countries.

### **5.2.3 Process Step 4: Submitting proposals/applications**

The extensiveness of the application documents again varied widely across countries. An outline of the official figures obtained by the country assessors as well as explanations for some of the variations is provided in Table 45.

Meanwhile, some beneficiaries (particularly in Slovakia, Slovenia) reported ambiguities in the interviews or found the documents so complex that they hired external consultants to support them. Others questioned whether all forms were indeed relevant and all information to be provided added value. Some noted, that the focus in the application documents is currently on providing "bureaucratic details" -- while the focus should instead be on the expected results of the projects.

**Table 45: Innovations in SMEs – extensiveness of application documents**

Country	Call	Registration	Application form	number of pages		Comments
				Annexes	Total	
Austria	RTDI Guideline		no information obtained	no information obtained	no information obtained	
Czech Republic	Programme "INOVACE" - Innovation Projects (1.7.2009 - 31.12. 2009)	6 + 10 pages financial statement	ca. 10	up to 100	up to 126	
	Programme "INOVACE" - Industrial Property Rights (IRP) (16.6.2008 - 28.2.2009)	Up to 15 including financial statement	ca. 9	15 - 60	35 - 84	
	Programme "POTENCIAL" (start and end of calls:15.7.2008-30.11.2009)	6 + 10 pages financial statement	Up to 150 including annexes		up to 166	
Germany	Guideline on Innovation Support	Max. 6 pages (project outline) + letter of intent of the consortium partners	Max. 20 average 10 pages plus 2-4 pages expenses and financial planning	5 - 9, plus balance sheets and profit and loss accounts	ca. 20 - 35	
Netherlands	Strengthening knowledge clusters nutrition, health and technology; 'Strengthening innovation and business competitiveness		Max. 12	usually ca. 10 - 90 two extremes with 700 and 1000 pages	usually 20 - 100	
Slovakia	KaHR-111SP-0902 Innovation and technology transfers, sub-measure 1.1.1 Support for introducing innovation and technology transfers (de minimis)		30 - 50 in some cases reported	20 - 270	50 - 300	The difference depended on the investment projects. Projects range from purchase of machinery to construction. In the latter case annex comprised all construction project documentation
	KaHR-13DM-0901 Support of innovation activities in enterprises (de minimis)		no information obtained	no information obtained	ca. 60	
	KaHR-111SP-1001 Innovation and technology transfers, sub-measure 1.1.1 Support for introducing innovation and technology transfers (state aid)		no information obtained	no information obtained	no information obtained	Call not finalised
	DOP2008-SIP001 Support for starting entrepreneurs (common call of the OP CEG and OP Employment and Social Inclusion)		30 - 50 in some cases reported	20 - 270 in some cases reported	50 - 300	The difference depended on the investment projects. Projects range from purchase of machinery to construction. In the latter case annex comprised all construction project documentation
Slovenia	Direct incentives for joint development-investment projects - DIP 09		TOTAL: 38 + financial plan + time plan + documents / proofs	no information obtained	100 - 500	Total number especially depends on the length of the Project implementation plan
	Strategic research-development projects in companies		TOTAL: blank 34 pages	no information obtained	ca. 100	Total number especially depends on the length of the Project implementation plan
	Public call for co-financing of purchase of new technology equipment in period 2009-2011		FORM: 6 pages + 9 pages of contract	no information obtained	50 - 100	Total number especially depends on the length of the Project implementation plan

The extent/length of the application documents also varied significantly across countries according to applicants. When asked in survey how many documents had to be submitted for the ERDF application, average answers ranged from eight (Austria) to more than 60 (Czech Republic). When it came to the length of documents submitted for the application (in pages), the shortest application was around 60 pages long (Germany) while the longest had roughly 200 pages (Czech Republic).

**Table 46: Number and length of application documents submitted – Averages Theme 2, by Countries**

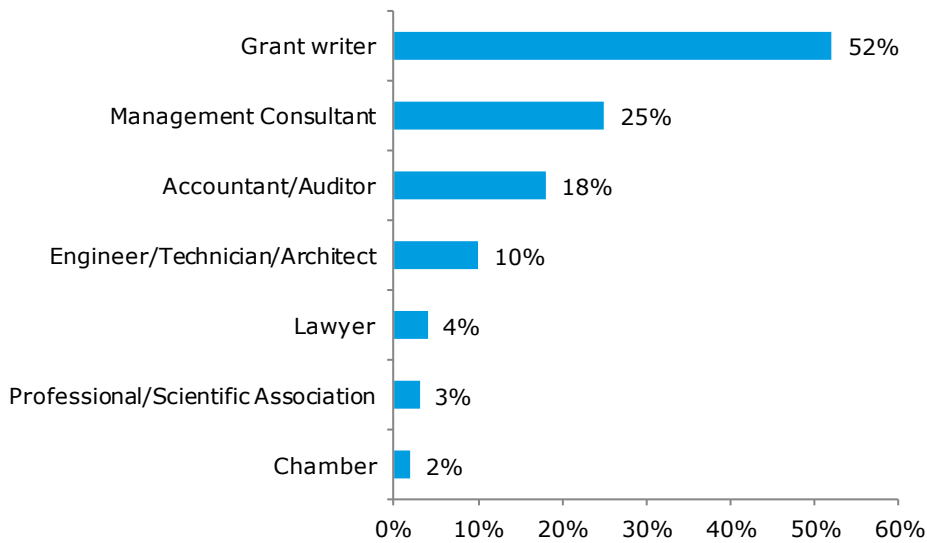
Country		Number of Documents Submitted for Application	Length of Documents Submitted for Application (pages)
Austria	Mean	8,00	90,00
	N	2	2
Czech Republic	Mean	61,33	202,20
	N	177	177
Germany	Mean	11,40	61,20
	N	10	10
Netherlands	Mean	12,11	110,00
	N	9	9
Slovak Republic	Mean	24,73	127,10
	N	30	30
Slovenia	Mean	54,90	104,75
	N	20	20
Total	Mean	51,96	174,75
	N	249	249

Again, there was also variation in the opinions about the most complex, resource- and time-intensive parts of the application (cost drivers). In Austria and Germany, the project description and calculation were judged to be the most complex and time-intensive parts of the application. Building the consortium and arranging co-financing (Netherlands), the feasibility study (Czech Republic), project implementation and the financial plan (Slovenia), financial analysis and public procurement (Slovakia) were also mentioned.

This again indicates the correspondence between high project complexity, and complex application and selection procedures. Similarly, there were once more differences in the perceived extent to which the re-use of existing data was possible. Around half the applicants indicated that they could re-use existing data (especially from the project outline and financial data) -- the proportion of data which could be re-used varied from 10-60 percent. Some applicants could not re-use any information, however.

The types of individual involved in the preparation of applications were roughly the same as in theme 1. However, the use of external support in the preparation of the application was far more pronounced than in theme 2. Some applicants in all countries used external support -- mostly for legal, financial and overall guidance; overall, a very large group of 73 percent of respondents indicated that they had received such kind of external support. The most popular was again the support of grant writers. They were followed by management consultants (Figure 33).

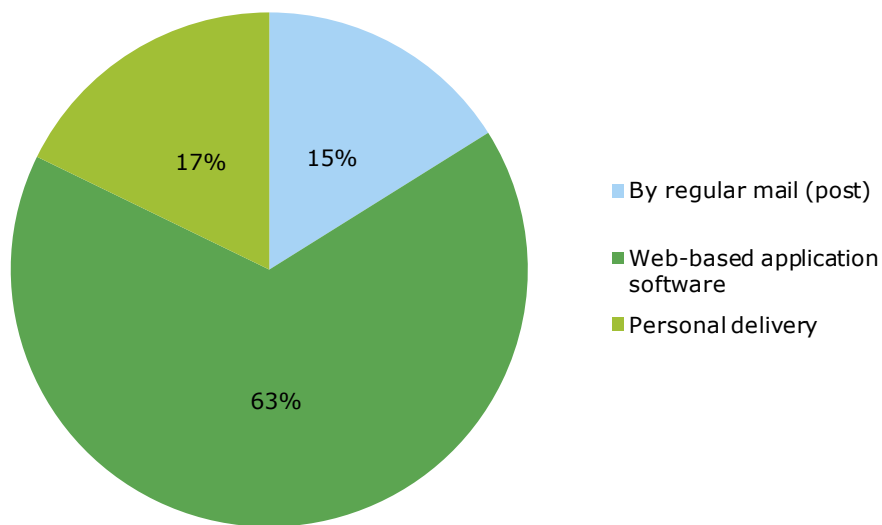
**Figure 33: What kind of outside experts/consultants did you involve? – Responses, Theme 2<sup>43</sup>**



Source: Rambøll Management Consulting, Online-Survey  
N = 249

Applications were largely made using web-based application software (63 percent); regular mail and personal delivery were markedly less popular than in theme 1.

**Figure 34: How did you submit the application? – Responses, Theme 2<sup>44</sup>**



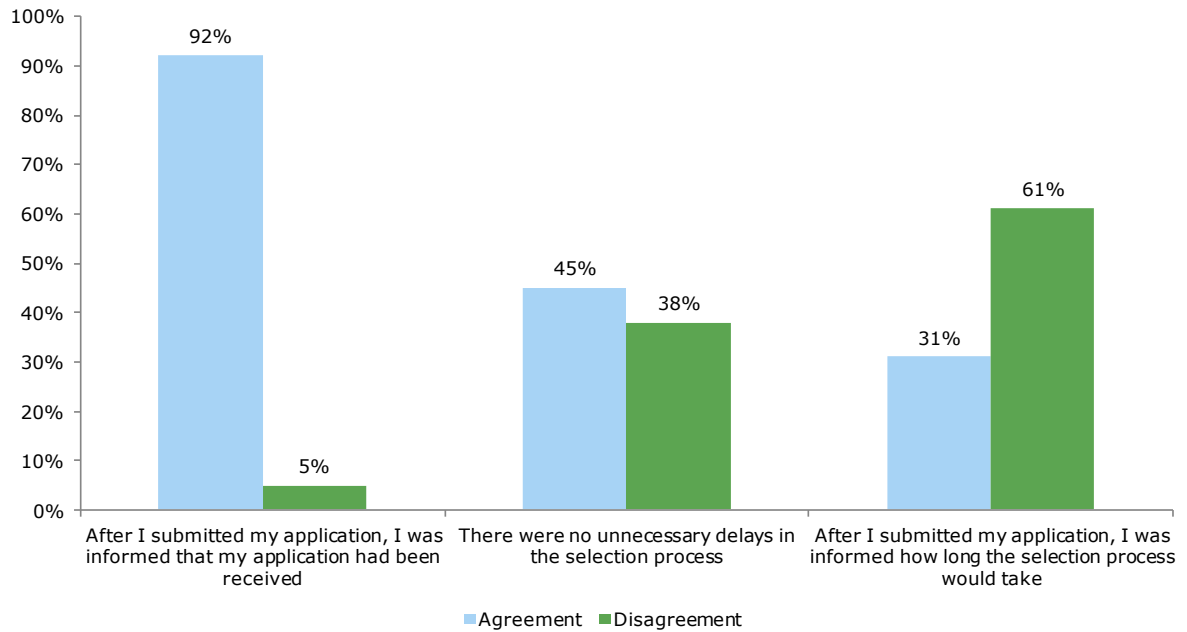
Source: Rambøll Management Consulting, Online-Survey  
N = 249

Once applications had been submitted, almost all respondents were again informed by authorities that the application had been received. Similarly to theme 1, a large group of respondents also had the feeling here that there were some unnecessary delays in the selection process. Also, a majority of respondents was again not told by authorities how long the selection process would take (Figure 35).

<sup>43</sup> Respondents were able to select one or more answers. Percentages may therefore add up to more than 100%.

<sup>44</sup> Only 3 most popular answer choices shown.

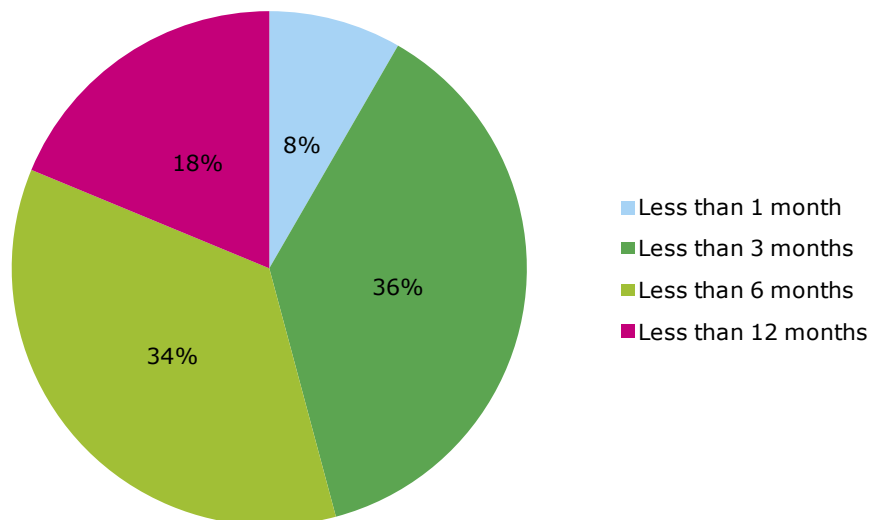
**Figure 35: To the best of your recollection, please share your overall experiences of the submission and selection process. – Agreement and Disagreement with Statements, Theme 2<sup>45</sup>**



Source: Rambøll Management Consulting, Online-Survey  
N = 249

The time span between submission of applications and the announcement of a selection decision was reported as being between two weeks (Germany) and 52 weeks (Netherlands). This variation is also reflected in the survey results.

**Figure 36: To the best of your recollection: please estimate the following time spans; Time span between submission of the application and information about the selection decision – Responses, Theme 2<sup>46</sup>**



Source: Rambøll Management Consulting, Online-Survey  
N = 249

The following table summarises selected characteristics of this process step for theme 2 obtained in interviews with beneficiaries.

<sup>45</sup> "Don't know" responses not shown.

<sup>46</sup> "Don't know" responses not shown.



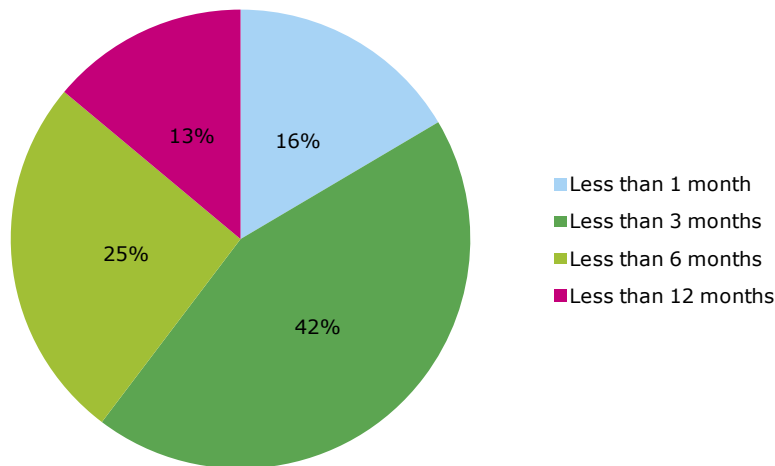
**Table 47: Innovation – selected characteristics, applicants’ perspective**

	Call	Most complex, resource- and time-intensive parts of the application (cost-drivers)?	Time-span between submission of the application and selection of proposal (weeks)	Time-span between selection of proposal and settling of the contract (weeks)	Application: Reuse of existing data possible? What kind of and to what extent?		Selection results published / noted?	
					yes/no	comments	yes/no	comments
Austria	RTDI Guideline	project description, calculation	from 2 to 8 months	1 week to 4 weeks: 8 times; 5 weeks to 3,5 months: 4 times; 4 months above: 2 times	sometimes	reuse of 10 to 60 % possible	sometimes	database on the internet run by FFG which contains all projects, but not kept up to date
Czech Republic	Programme "INOVACE" - Innovation Projects (1.7.2009 -	feasibility study	12 weeks	1 - 8 weeks	sometimes	none or partially existing (initial analysis)	yes	via eAccount or external consultant
	Programme "INOVACE" - Industrial Property Rights (IRP) (16.6.2009 - 28.2.2010)	very simple	2-16 weeks	4 - 12 weeks	sometimes	most respondents reused existing data; data from previous application/s	yes	eAccount - message board
	Programme "POTENCIAL" (start and end of calls:15.7.2008-30.11.2009)	feasibility study	16 weeks	8 week	no	each application/ project is different - original	yes	via eAccount also published on IB website (www.czechinvest.org)
Germany	Guideline on Innovation Support	mostly the project description.	between 2 weeks and 3 month (in one case six months)	Between 2 weeks (3x), 3-4 weeks (6x), 6 weeks (5x) up to three month (2x)	sometimes	most applicants indicated that they could re-use existing data (especially from the project outline); some could not re-use any information even though they had submitted a project	yes	official notification about the 'approval' of their application; sometimes informed upfront by phone; publicly available database/on the internet
Netherlands	Strengthening knowledge clusters nutrition, health and technology Strengthening innovation and business competitiveness	building the consortium & arranging co-financing	3-52 weeks	duration total selection process: 4-39 months	sometimes	not available	yes	mostly communicated by phone, and formal via a letter
Slovakia	KaHR-111SP-0902 Innovation and technology transfers, sub-measure 1.1.1 Support for introducing innovation and technology transfers (de minimis)	financial analysis, description and public procurement	6 to 10 months	about 1 - 1.5 months	yes	financial data	yes	published on the web site of the MA/IB and decision was sent by post
	KaHR-13DM-0901 Support of innovation activities in enterprises (de minimis)	financial analysis, description and public procurement	3 months	3 months	yes	financial data	yes	published on the web site of the MA/IB and decision was sent by post
	KaHR-111SP-1001 Innovation and technology transfers, sub-measure 1.1.1 Support for introducing innovation and technology transfers (state aid)	call not finalised	call not finalised	call not finalised	call not finalised	call not finalised	call not finalised	call not finalised
	DOP2008-SIP001 Support for starting entrepreneurs (common call of the OP CEG and OP Employment and Social Inclusion)	financial analysis, description, business plan and indicators	6-7 months	2-4 months	yes	financial data - balance sheet	yes	published on the web site of the MA/IB and decision was sent by post
Slovenia	Direct incentives for joint development-investment projects - DIP 09	project implementation plan	not available	approximately 4 weeks	yes	10 - 30 % of all the data provided	yes	published online and the notification was sent to applicants by regular post
	Strategic research-development projects in companies	diagrams and the description of the projects	not available	11 weeks	yes	only as far as the idea goes	yes	e-mail notification, postal notification and online
	Public call for co-financing of purchase of new technology equipment in period 2009-2011	financial plan It had to be very detailed and it included a lot of assumptions	not available	8 weeks	yes	some companies had business plans already in place, and they only had to adapt them to the language of the open call. However, majority had to start	yes	selection results published online; each applicant / beneficiary received postal notification about the selection

### 5.2.4 Process Step 7: Agreeing on ERDF support

Once a decision on the application has been made, applicants are usually informed by phone, by letter, or online. The time span between selection of the project and settling the contract again varied widely – between one week (Austria) and four months (Slovakia). According to the survey results, the time span between selection of a proposal and the settling of the contract was usually less than three months; however, for almost 40 percent of respondents, this took up to six or 12 months (Figure 37).

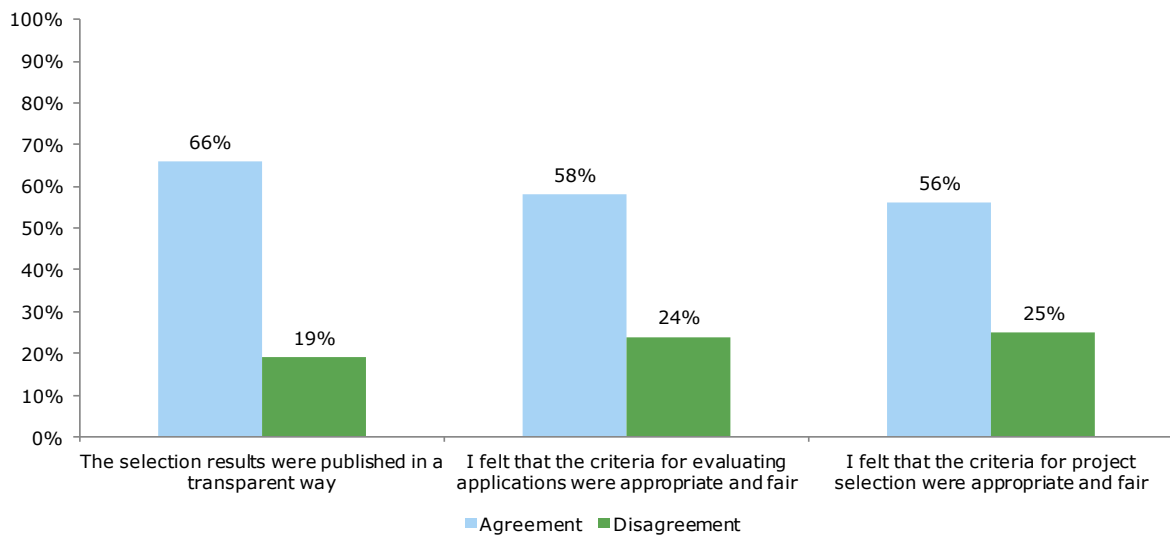
**Figure 37: To the best of your recollection: please estimate the following time spans; Time span between selection of your proposal and settling of the contract – Responses, Theme 2<sup>47</sup>**



Source: Rambøll Management Consulting, Online-Survey  
N = 249

Survey respondents mostly indicated that selection decisions were published in a transparent manner. The majority of respondents also felt that the criteria for evaluating applications and project selection were appropriate and fair (Figure 38).

**Figure 38: To the best of your recollection, please share your overall experiences of the submission and selection process. – Agreement and Disagreement with Statements, Theme 2<sup>48</sup>**



Source: Rambøll Management Consulting, Online-Survey  
N = 249

<sup>47</sup> "Don't know" responses not shown.

<sup>48</sup> "Don't know" responses not shown.

Reasons for project selection were usually not provided and about half the interviewed beneficiaries therefore perceived the process to be somewhat opaque; they felt that the selection process was a "black box" and that outside observers could not readily understand the internal procedures in the bodies responsible. In Slovenia, applicants received copies of assessment grids, which included the number of points and the summary of the selection explanation. However, even here some applicants felt that the decision was not transparent enough as some explanations provided contradicted the guidelines.

In some cases, revisions of and additions to application documents were needed for contracting (bank loan approval, proof of rent, permit), but in most cases no additional documentation had to be provided. Where additional documents had to be provided, the number of documents ranged from 1 page up to 150 pages.

**Table 48: Innovations in SMEs – extensiveness of documentation for contracting**

	Call	Agreeing on support: Additional forms and documents for contracting?	Agreeing on support: Total length of forms and documents (number of pages)
Austria	RTDI Guideline	<ul style="list-style-type: none"> <li>• mostly no documents (but signing contract)</li> <li>• 1 x Umweltförderungsplan + Arbeitsplatzplanung</li> <li>• 1 x bank statement</li> </ul>	1 - 2 pages
Czech Republic	Programme "INOVACE" - Innovation Projects (1.7.2009 - 31.12. 2009)	bank loan approval, proof of rent	10 - 20 p.
	Programme "INOVACE" - Industrial Property Rights (IRP) (16.6.2009 - 28.2.2010)	none	not applicable
	Programme "POTENCIAL" (start and end of calls:15.7.2008-30.11.2009)	most of the respondents submitted additional documents - mainly documents related to construction permit or correction/explanation of information	up to 5 p.
Germany	Guideline on Innovation Support	Generally, no additional forms and documents are requested.	Information not provided.
Netherlands	Strengthening innovation and business competitiveness	Only for the two project which are a fund	Not relevant
Slovakia	KaHR-111SP-0902 Innovation and technology transfers, sub-measure 1.1.1 Support for introducing innovation and technology transfers (de minimis)	yes	in the range from 10 to 150 pgs
	KaHR-13DM-0901 Support of innovation activities in enterprises (de minimis)	yes	not applicable
	KaHR-111SP-1001 Innovation and technology transfers, sub-measure 1.1.1 Support for introducing innovation and technology transfers (state aid)	call not finalised	call not finalised
	DOP2008-SIP001 Support for starting entrepreneurs (common call of the OP CEG and OP Employment and Social Inclusion)	yes	6-38 pgs
Slovenia	Direct incentives for joint development-investment projects - DIP 09	none	not applicable
	Strategic research-development projects in companies	none	not applicable
	Public call for co-financing of purchase of new technology equipment in period 2009-2011	none	not applicable

### 5.2.5 Administrative Burden

The table below shows the administrative burden on (potential) beneficiaries associated with applying for funding in theme 2, based on internal costs. The horizontal axis shows the hourly wages and per process step the median time spent per (potential) applicant/beneficiary, the quantities (in number of applications) and the (internal) administrative burden, and totals the time and burden for each country on the vertical axis. In the last column, the ratio of the administrative burden to the expenditure (until 31.12.2010 resp. on the selected calls) is presented.<sup>49</sup>

**Table 49: Innovation – Administrative burden per process step and Member State**

Member States	Hourly wage (in euro)		Process steps												Totals		
			1. Informing			1a. Informal pre-procedure: drawing up and submitting project ideas/project outlines ### 3a. Submitting applications for pre-qualification (APQ)			4. Drawing up and submitting proposals/applications			7. Agreeing on ERDF support/preparing documents for contracting					
	Managers	Professionals	Median time spent (in hours)	Quantity	Admin burden (in euro)	Median time spent (in hours)	Quantity	Admin burden (in euro)	Median time spent (in hours)	Quantity	Admin burden (in euro)	Median time spent (in hours)	Quantity	Admin burden (in euro)	Median time spent (in hours)	Total admin burden (in euro)	Ratio of admin burden to expenditure
Austria	52	39	16	23	16.744				105	23	109.883	6	24	6.552	127	133.179	2,54%
Czech Republic	12	8	16	960	153.600	20	960	192.000	90	752	676.800	8	457	36.560	134	1.058.960	7,35%
Germany	46	43	16	77	54.824	47	77	161.046	64	54	153.792	16	49	34.888	143	404.550	2,95%
The Netherlands	37	35	30	240	259.200	16	240	138.240	325	49	573.300	16	39	22.464	387	993.204	n/a
Slovakia	8	5	40	225	58.500				160	225	234.000	16	120	12.480	216	304.980	0,15%
Slovenia	18	19	16	719	212.824				88	719	1.170.532	8	511	75.628	112	1.458.984	1,54%

The total burden is highest in Slovenia and Czech Republic. This is due to the comparatively high quantities of applications and projects selected. When looking at the total time expended, it is again Dutch applicants who spend the largest amount of time on the entire process from informing themselves about the funding possibilities to the agreement on ERDF support; applicants in the Czech Republic spend the least time.

(Potential) applicants spend most time on informing themselves about the funding possibilities and the process (process step 1) in Slovakia (five working days on average). Overall, the time spent on this seems quite balanced: it takes around two working days in Austria, Czech Republic, Germany and Slovenia.

As in the case of Research & Development – Technology Transfer, there is an informal pre-procedure in Germany and the Netherlands (process step 1a). This drives up the total time expended in these Member States. The Czech Republic is the only Member State where a formal application for pre-qualification (APQ) has to be submitted (process step 3a). A comparison of the resources spent on the informal and formal pre-procedure reveals that this process step is most time-consuming in Germany and requires least effort in the Netherlands. Totalling the time spent on the informal pre-procedure (Process Step 1a)/the formal pre-procedure (Process Step 3a) and drawing up the application (Process Step 4) in the Czech Republic and Germany reveals that almost the same amount of time is spent by Czech and German applicants on this part of the process.

#### External/outsourcing costs

Applicants in all six Member States make use of external experts in the application process in the field of 'Innovations in SMEs'. This is particularly common in Slovakia, the Czech Republic and the Netherlands. It is less but nevertheless still common in the other Member States. The types of external support used vary among the Member States, but the emphasis is on grant writers and management consultants.

The table below illustrates the costs associated with the use of external experts per Member State. It indicates the number of responses, the median, the minimum and maximum costs.

<sup>49</sup> For Slovakia and Slovenia the ratio refers to the budget instead of the expenditure as data on the actual expenditure was not available. As regards the Netherlands, data was only available at the level of the relevant Priority Axis and only until 31.12.2009.

**Table 50: Innovation – External/outsourcing costs**

	External/outsourcing costs (in euro)					
	AT	CZ	DE	NL	SK	SI
Number of quantifications	2	131	1	17	32	25
MEDIAN	10.000	8.000	2.000	20.000	3.500	3.000
MIN	5.000	10	2.000	70	100	25
MAX	15.000	300.000	2.000	75.000	350.000	165.000

Based on the median, the costs indicated are highest in the Netherlands and lowest in Germany. However, the German figure is based on only one response.

*Acquisition/Equipment costs*

In addition to internal costs (see above), applicants may face costs for equipment and supplies. The table below shows the acquisition costs indicated in interviews or the survey, showing the number of quantified responses, and the median, minimum and maximum costs.

**Table 51: Innovation – Acquisition/equipment costs**

	Acquisition/equipment costs (in euro)					
	AT	CZ	DE	NL	SK	SI
Number of quantifications	1	84	2	2	4	4
MEDIAN	100	1.000	3.375	5.000	133	1.500
MIN	100	4	1.750	5.000	50	30
MAX	100	1.000.000	5.000	5.000	1.500	2.800

The Czech Republic, with a figure of 48%, is the only Member State where the ratio of respondents who provided quantified information exceeds 10%. There is a very wide range of costs given in the Czech Republic in particular, and neither extreme seems to be reasonable. Of the 84 indications, around one third seems to be out of scope, cf. methodological approach Annex 6.

No standardised figure per Member State is provided. However, as for Theme 1, the relevant acquisition/equipment costs which would come in addition to the internal costs illustrated above may include costs for supplying information material, forms etc. (if relevant), the costs for office supplies used for the preparation of the application, i.e. computer, printer/copier, toner, paper, folders, phone and internet costs, postage; fees to supply external documents to be annexed to the application, e. g. extracts from the commercial register or a copy of the building permit for construction projects, costs associated with the verification of documents to be annexed to the application, and costs for an electronic signature (if applicable).

Additionally, and especially in relation to construction projects, there might be acquisition costs for expert opinions, project documentations and the like in some Member States. However, a detailed assessment would be needed to differentiate between documents required for the application and documents related to the construction project itself. In practice, a significant number of indications of acquisition costs related to the construction projects seem to be out of scope (see also Annex 7).

### 5.2.6 Concluding Summary

Overall, when asked about their general knowledge of ERDF funding, applicants provided answers similar to those in theme 1, with a clear majority indicating that they knew a great deal or a fair amount about ERDF funding. In addition to authorities' homepages, newsletters, brochures, or personal/professional contacts, applicants mentioned support from consultants, chambers of commerce or simply previous funding experience as their main sources of information about ERDF funding. Applicants also use external consultants to a larger extent for informing themselves about funding opportunities than in theme 1. A high proportion of respondents again reported that they knew when and how to apply and also who to contact in case of questions.

In the two countries where applications for pre-qualification are relevant in this theme (Czech Republic and Germany), applicants were also mostly satisfied with the availability of relevant documents. Only in a few cases were ambiguities or problems with definitions reported. The extensiveness of pre-qualification documents indicates the different approaches towards APQs. While in the Czech Republic an application for pre-qualification clearly serves to check the eligibility of a project/applicant, in Germany more emphasis is placed on discussing the project idea.

The highest level discontent was once again voiced in relation to the question of whether forms, documents and criteria were understandable, clear and user-friendly. Documents and forms were particularly hard to understand for applicants who had no previous experience of applying for funding. Some applicants (particularly in Slovakia, Slovenia) reported ambiguities or found the documents so complex that they hired external consultants to support them. Overall, a very large group of 73 percent of survey respondents indicated that they had received this kind of external support. Most popular was again the support of grant writers and management consultants. Meanwhile, and somewhat paradoxically, a significantly smaller group than in theme 1 reported having direct contact with the relevant authorities -- who might have been able to help solve problems with the application documents.

Application documents were to a very large extent submitted by means of web-based application software; regular mail and personal delivery were markedly less popular than in theme 1. Reasons for project selection were usually not provided. And while survey respondents had rather positive views on the transparency and fairness of the selection process, about half of the beneficiaries interviewed perceived the process to be somewhat opaque; they felt that the selection process was a "black box" and internal procedures in the bodies responsible were not understandable to the outside observer.

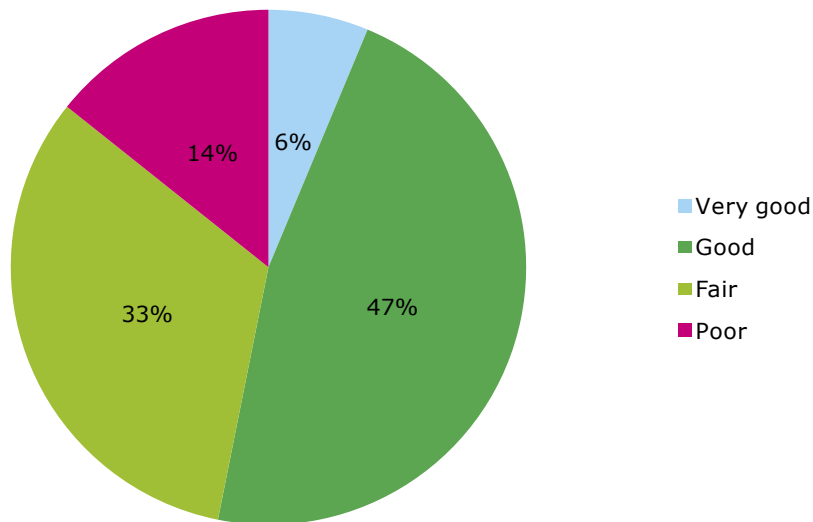
The total administrative burden associated with Innovations in SMEs projects is highest in Slovenia and the Czech Republic. This reflects a comparatively high number of applications and selected projects. As in the case of R&D, Dutch applicants spend the most time on the entire process from obtaining information about the funding possibilities through to the agreement on ERDF. Slovenian applicants spend the least time.

### 5.3 Urban Regeneration

Finally, the project selection process is examined from the perspective of the beneficiaries as well as rejected applicants in the "Urban Regeneration" theme.

All in all, survey respondents in theme 3 again mostly indicated that they were satisfied with the application and selection process. A higher share of respondents than in the other themes (53 percent) rated the application and selection process as very good or good; a third rated the process as fair and 14 percent rated it as poor (Figure 39).

**Figure 39: Overall I would rate the application and the selection process as... – Responses, Theme 3**

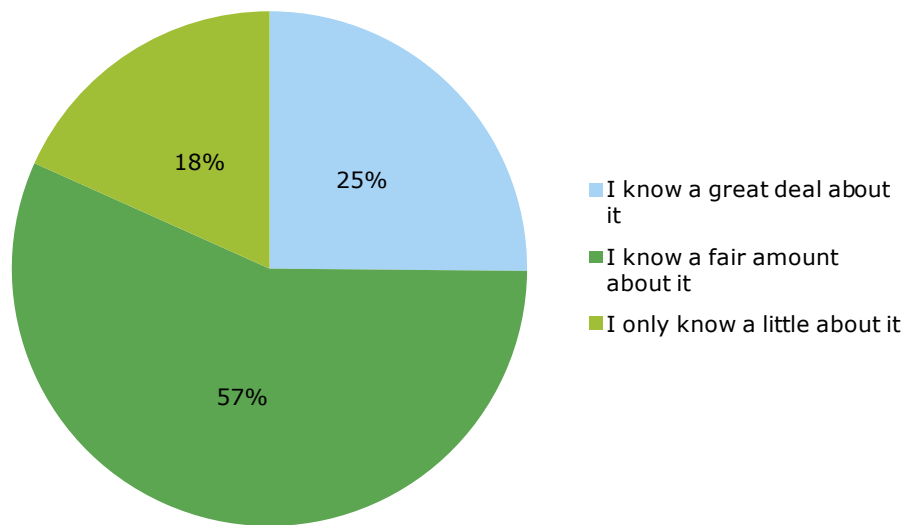


Source: Rambøll Management Consulting, Online-Survey  
N = 175

#### 5.3.1 Process Step 1: Informing/ contact with authorities

The success rates of survey respondents' applications in the "Urban Regeneration" theme were comparable to those in theme 2: 83 percent reported that their application for funding had been successful. Only 27 percent of respondents reported that the ERDF funding application examined in the survey was their first; an even larger group than in themes 1 and 2 (73 percent) had applied for ERDF funding before. When asked about their general knowledge about ERDF funding, survey respondents in theme 3 reported having more knowledge than those in themes 1 and 2, with an even bigger group indicating that they knew a great deal or a fair amount about ERDF funding.

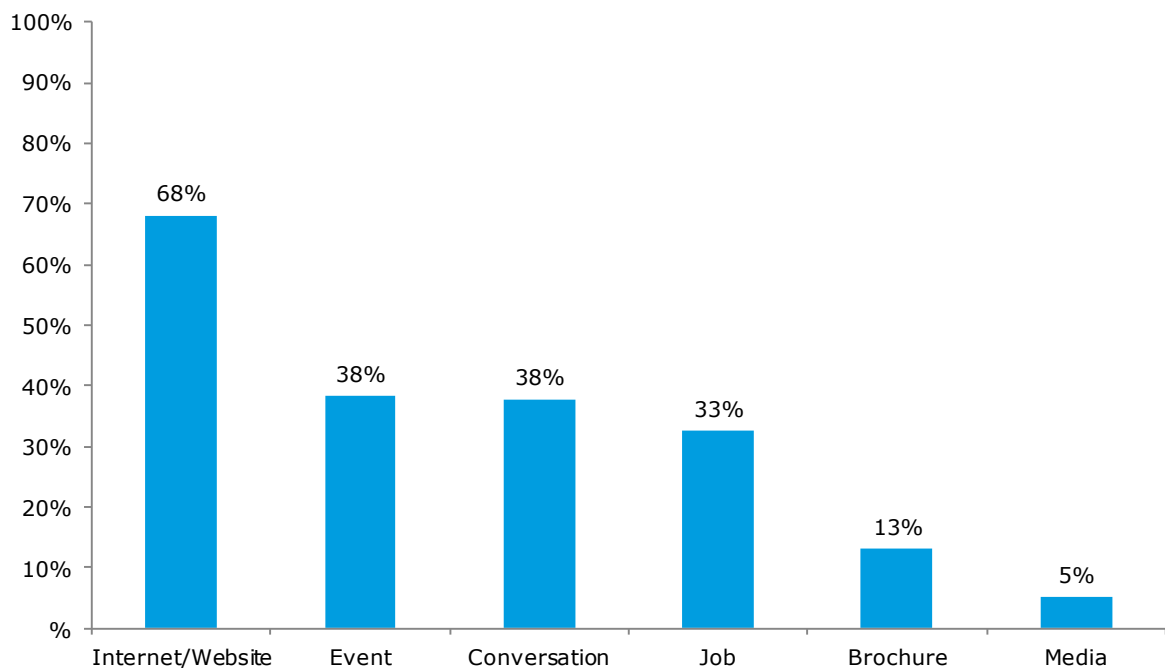
**Figure 40: How much do you feel you generally know about ERDF funding, its goals and funded projects in your country? – Responses, Theme 3**



Source: Rambøll Management Consulting, Online-Survey  
N = 175

The process of obtaining informing about funding and the process for exchanges with the authorities is slightly different in this theme. MAs and IBs often reach out directly to eligible applicants (Austria, Germany, and Netherlands). In other cases, spatial, environmental and economic planners in municipalities are up-to-date on funding opportunities and spread this information within their organisations (Slovenia). However, there were also instances where applicants were approached by external consulting companies and learnt about funding opportunities through this route (Czech Republic, Slovakia).

**Figure 41: What were the most important channels of information for you to learn about ERDF funding? – Responses, Theme 3<sup>50</sup>**



Source: Rambøll Management Consulting, Online-Survey  
N = 175

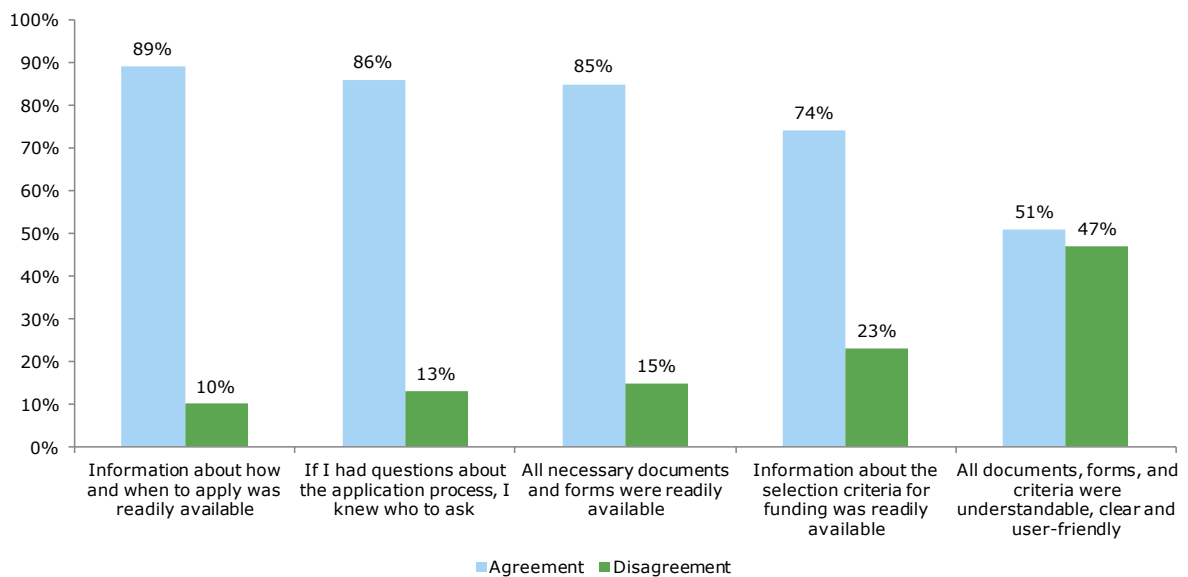
<sup>50</sup> Respondents were able to select one or more answers. Percentages may therefore add up to more than 100%.



Overall, access to the relevant information and documents was again perceived by the applicants interviewed about this theme to be relatively easy -- and documents were perceived to be more understandable compared to other programmes. However, as in the other themes, first-time applicants had more problems understanding documents and requirements than those with funding application experience. In some cases, applicants did not have sufficient resources to gather all the relevant documents and information themselves and therefore hired the support of external consultants (Czech Republic, Slovakia).

When asked more concretely about their overall experience with familiarising themselves with ERDF funding opportunities and collecting information for an application, survey respondents were fairly satisfied with most aspects (Figure 42). The highest level discontent again related to the issue of forms, documents and criteria being understandable, clear and user-friendly. However, respondents were overall more positive than in theme 2.

**Figure 42: To the best of your recollection, please share your overall experiences of collecting information and preparing for your application. – Agreement and Disagreement with Statements, Theme 3<sup>51</sup>**

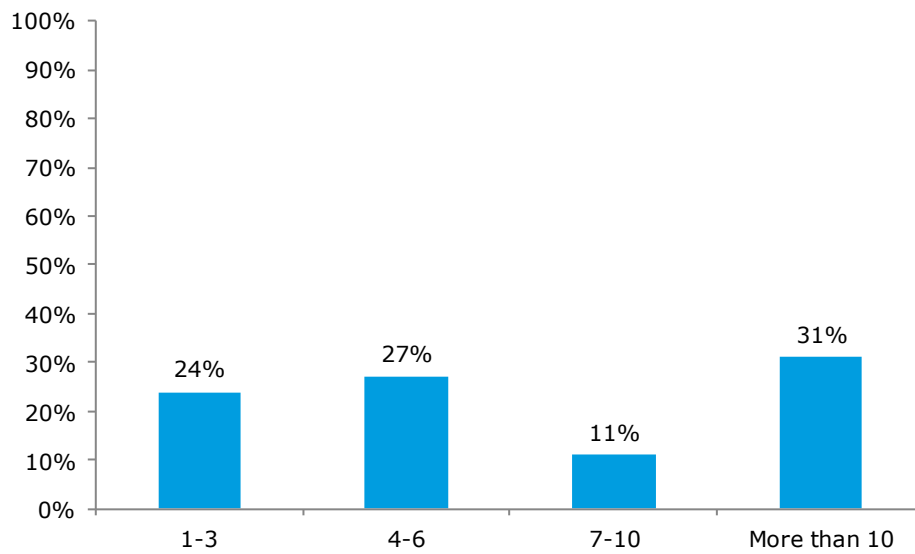


Source: Rambøll Management Consulting, Online-Survey  
N = 175

In the process of finding and gathering relevant funding information and preparing for the application, more respondents (90 percent) than in themes 1 and 2 reported having direct contact with the relevant authorities. And almost 80 percent indicated having had a single contact point for these interactions. Moreover, those who did have direct interaction with authorities tended to have a higher number of interactions than in other themes. Almost a third of respondents indicated having more than 10 interactions with authorities (Figure 43).

<sup>51</sup> "Don't know" responses not shown.

**Figure 43: To the best of your recollection, how many interactions (phone calls, emails, etc.) did you approximately have with the authorities to obtain information on funding possibilities and the application process? – Responses, Theme 3<sup>52</sup>**



Source: Rambøll Management Consulting, Online-Survey  
N = 175

### 5.3.2 Process Step 4: Submitting proposals/applications

According to the information obtained by the country assessors, the number of application pages that have to be handed in differs across countries, depending on the type of project. It starts with 10 pages for the application form itself and ranges up to 500 pages for an application in total, including all annexes.

<sup>52</sup> "Don't know" responses not shown.

**Table 52: Urban Regeneration – extensiveness of application documents**

Country	Call	Application form	number of pages		Comments
			Annexes	Total	
Austria	Contribution to the integrated development of selected target areas covered by the City Development Plan and Other operations targeted at urban development	Minimum 10 pages	Additional pages		
Czech Republic	3.1-04: Development Poles of the Region	ca. 30	up to 350 (50 pages for the document for financial and economic assessment of the project)	up to 380	
	3.2-03: Sub-regional centres - Infrastructure for education and leisure	ca. 30	up to 350 (50 pages for the document for financial and economic assessment of the project)	up to 380	
Germany	Directive on Urban Regeneration	Funding of municipalities: 9 Funding of SMEs: 14	Funding of municipalities: The extent of the application varies according to project size and type; for construction projects it can be as large as 3 folders		
Netherlands	Programme City Rotterdam: Improving the business climate and living climate	Max. 20	10-30 (including project plan ca. 10-15)	40-60	
	Programme City Amsterdam: Improving the business climate and living climate				
	Programme City The Hague: Improving the business climate and living climate				
	Programme City Utrecht: Improving the business climate and living climate				
Slovakia	ROP-4.1c-2009/01 Regeneration of settlements (individual demand-driven projects)	no information obtained	no information obtained	ca. 100	The difference depended on the investment projects. The annex comprised all construction project documentation
	ROP-4.1a-2010/01 Regeneration of settlements (individual demand-driven projects)	no information obtained	no information obtained	ca. 500	The difference depended on the investment projects. The annex comprised all construction project documentation
Slovenia	Public open calls for proposals for co-financing operations under activity field "Regional Development Programmes"	Blank forms 42 not all pages referring to the application form itself	additional documents	total filled in 80 - 250	No information on the actual application form
	Third open call under activity field "Regional development programmes" under OP Strengthening Regional Development Potentials for the period 2007 - 2013, priority axis "Regional Development"	Blank 4 pages	Blank forms 19 + if relevant further annexes	total filled in 85	further annexes depend on project type

The extent/length of the actual application documents also varied significantly across countries from the perspective of applicants. When asked how many documents had to be submitted for the ERDF application, average answers ranged from seven (Netherlands) to more than 50 (Czech Republic). When it came to the length of documents submitted for the application (in pages), the shortest application was around 35 pages long (Netherlands) while the longest had roughly 680 pages (Czech Republic).

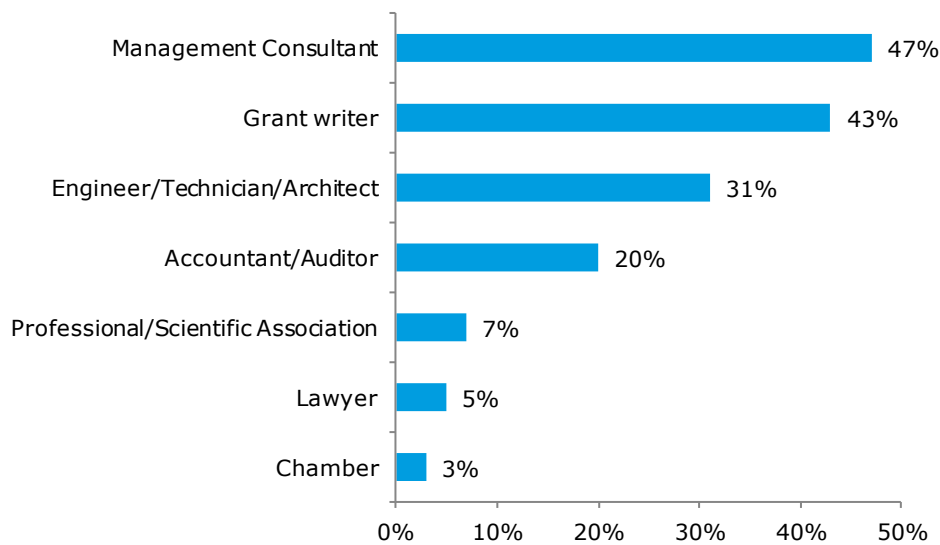
**Table 53: Number and length of application documents submitted – Averages Theme 3, by Countries**

Country		Number of Documents Submitted for Application	Length of Documents Submitted for Application (pages)
Austria	Mean	21,67	115,00
	N	3	3
Czech Republic	Mean	52,39	684,06
	N	18	18
Germany	Mean	12,50	47,88
	N	32	32
Netherlands	Mean	7,25	35,42
	N	12	12
Slovak Republic	Mean	27,81	160,00
	N	104	104
Slovenia	Mean	19,83	115,00
	N	6	6
Total	Mean	25,75	182,55
	N	175	175

There was again variation in opinions about the most complex, resource- and time-intensive parts of the application (cost drivers). In Austria, the project description is apparently the most complex and time-intensive part of the application. Project definition and consortium building/finding co-funding (Netherlands), the feasibility study, construction documentation (Czech Republic), the financial plan, investment plan and documents which had to be delivered from the tax administration (Slovenia) as well as the application form with a detailed project description (Germany) were also mentioned. These answers indicate that for the Urban Regeneration theme as well the complexity of projects influences the costs of an application. Development of a project and the application process mostly go together in practical terms. There were again also differences in the extent to which the re-use of existing data was possible.

External support was again used heavily. Overall, 78 percent of respondents indicated having used external support, more than in themes 1 and 2. The main reasons for the use of external support were a lack of capacity and the complexity of the subject matter -- to a varying degree and for varying tasks: financial and legal support (Netherlands), preparation of a business plan, filling in the application form (Slovenia), urban or spatial planning (Germany). The types of support used differed slightly from those in themes 1 and 2. Grant writers and management consultants were still most popular; however, engineers/technicians/architects also played an important role.

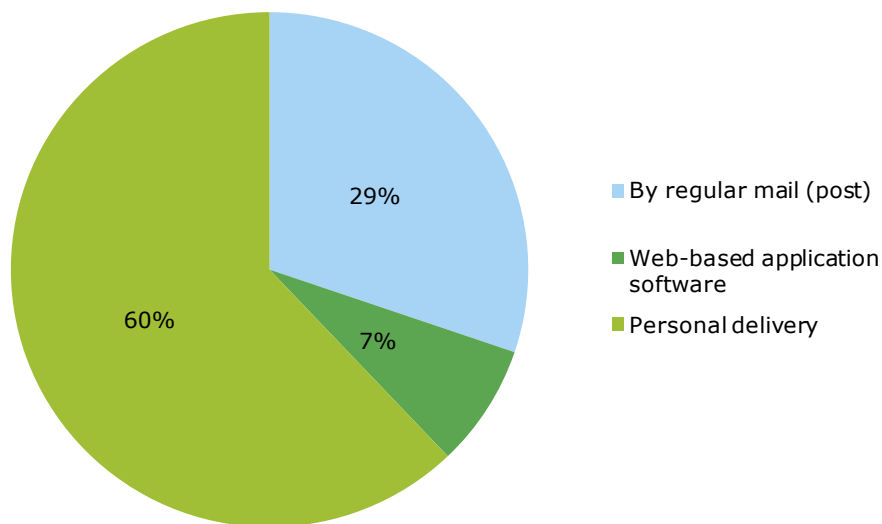
**Figure 44: What kind of outside experts/consultants did you involve? – Responses, Theme 3<sup>53</sup>**



Source: Rambøll Management Consulting, Online-Survey  
N = 175

Application documents were to a very large extent submitted by means of personal delivery; regular mail was also an option that was used quite frequently. Web-based application solutions are not widely available in theme 3. However, the way in which submissions were lodged varied across countries. In Slovakia, for instance, personal delivery is mandatory because the formal assessment takes place at the same time as the submission of documents.

**Figure 45: How did you submit the application? – Responses, Theme 3<sup>54</sup>**



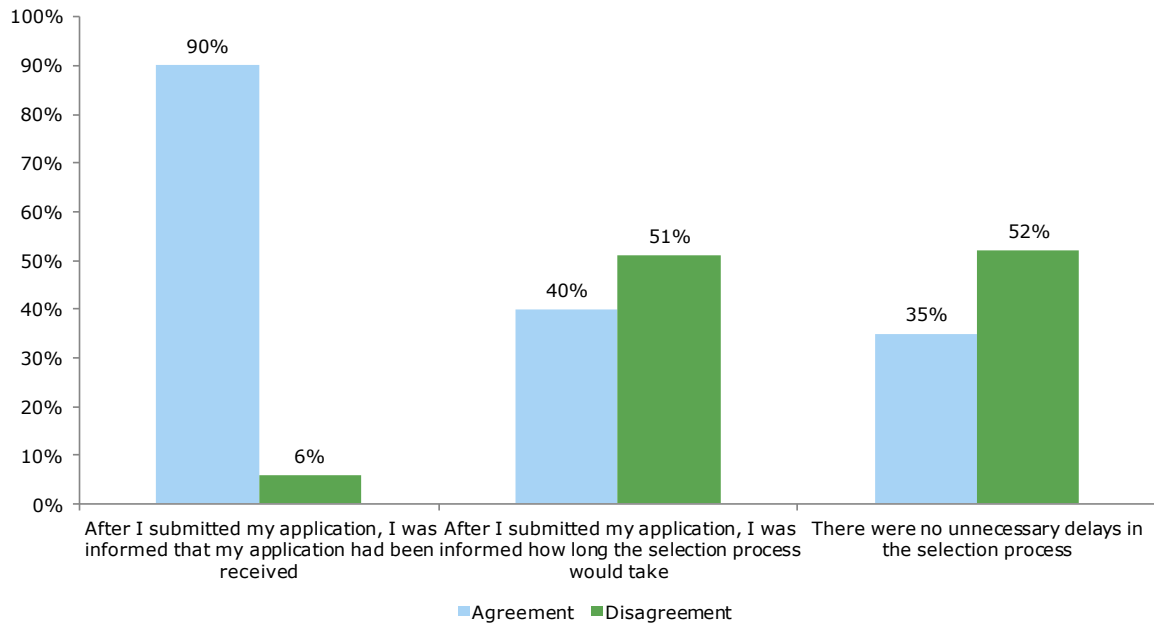
Source: Rambøll Management Consulting, Online-Survey  
N = 175

<sup>53</sup> Respondents were able to select one or more answers. Percentages may therefore add up to more than 100%.

<sup>54</sup> Only 3 most popular answer choices shown.

Once applications had been submitted, almost all respondents were again informed by authorities that the application had been received. Similarly to themes 1 and 2, a large group of respondents also had the feeling here that there were some unnecessary delays in the selection process. A majority of respondents was again not told by the authorities how long the selection process would take (Figure 46).

**Figure 46: To the best of your recollection, please share your overall experiences of the submission and selection process. – Agreement and Disagreement with Statements, Theme 3<sup>55</sup>**

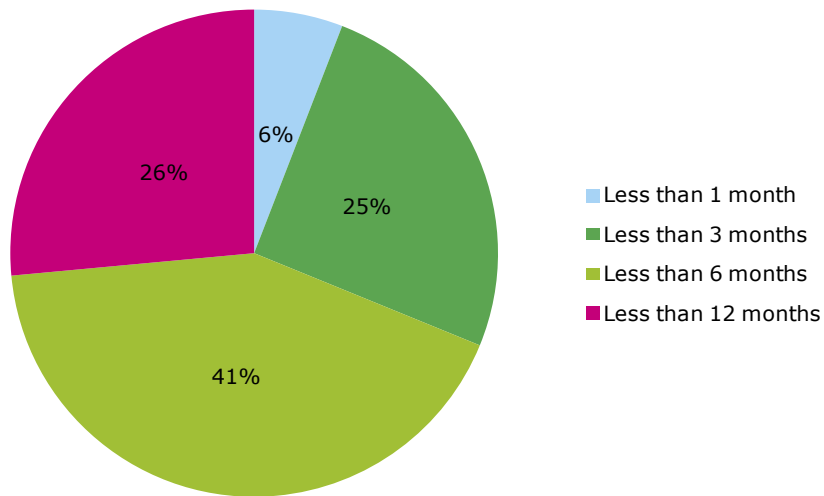


Source: Rambøll Management Consulting, Online-Survey  
N = 175

The time between submission of the application and selection of proposals again varied widely -- but on average appears to be longer than in the other themes: from 16 weeks (Czech Republic) to 10 months (Slovakia). This variation is also reflected in the survey results. The long duration of the process in Slovakia might be due to the fact that the selection process used to be tied to successful public procurement verified by the MA. This system was changed only recently (to public procurement after signature of the contract).

<sup>55</sup> "Don't know" responses not shown.

**Figure 47: To the best of your recollection: please estimate the following time spans; Time span between submission of the application and information about the selection decision – Responses, Theme 3<sup>56</sup>**



*Source: Rambøll Management Consulting, Online-Survey  
N = 175*

The following table summarises selected characteristics of this process step for theme 3 obtained in interviews with beneficiaries.

Next page:

**Table 54: Urban Regeneration – selected characteristics, applicants' perspective**

---

<sup>56</sup> "Don't know" responses not shown.

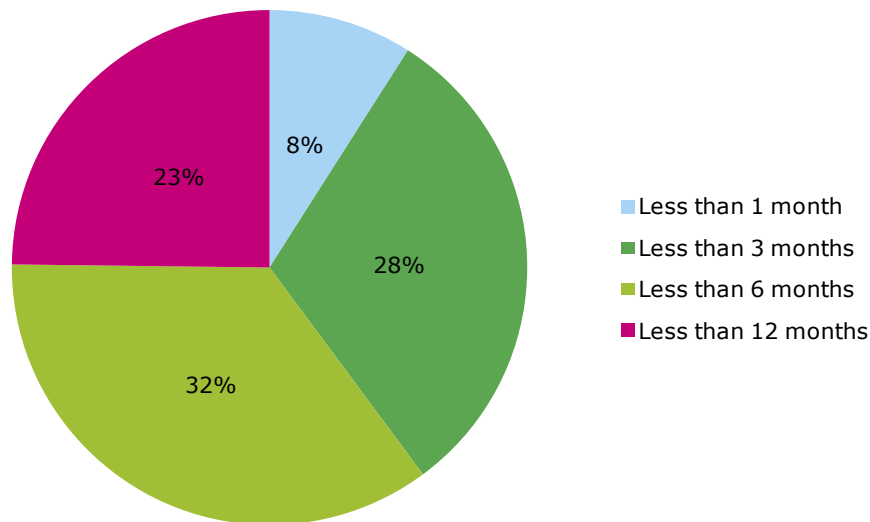
	Call	Most complex, resource- and time-intensive parts of the application (cost-drivers)?	Time-span between submission of the application and selection of proposal (weeks)	Time-span between selection of proposal and settling of the contract (weeks)	Application: Reuse of existing data possible? What kind of and to what extent?		Selection results published / noted?	
					yes/no	comments	yes/no	comments
Austria	Contribution to the integrated development of selected target areas covered by the City Development Plan	no information at this moment, but it seems that the project description is time consuming	not available	not available	not available	not available	yes	only positive applications are published
	Other operations targeted at urban development	no information at this moment, but it seems that the project description is time consuming	not available	not available	not available	not available	yes	only positive applications are published
Czech Republic	3.1-04: Development Poles of the Region	feasibility study (+ construction documentation)	16 weeks	12 weeks	yes	some information from IUDP	yes	website ORC + letter
	3.2-03: Sub-regional centres - Infrastructure for education and leisure	feasibility study	5 months	5 months	yes	most of the respondents reused existing data - previous application or project idea (with architectural study, preliminary budget)	yes	website (www.rr-moravskoslezsko.cz) and letter
Germany	Guideline on Urban Regeneration	application form with detailed project description	between 3 and 9 months	between 2 weeks and 3 months	yes	all interviewees could re-use existing data. However, the extent of this data varies between 10% and 75% of the total information	yes	communicated to the applicants often via phone upfront and then via official notification of approval/rejection.
Netherlands	Programme City Rotterdam: Improving the business climate and living climate	project definition and consortium building / finding co-funding	18-60 weeks	2-12 weeks	partly	not available	yes	mainly by phone
	Programme City Amsterdam: Improving the business climate and living climate	project definition and consortium building / finding co-funding	18-60 weeks	2-12 weeks	partly	not available	yes	mainly by phone
	Programme City The Hague: Improving the business climate and living climate	project definition and consortium building / finding co-funding	18-60 weeks	2-12 weeks	partly	not available	yes	mainly by phone
	Programme City Utrecht: Improving the business climate and living climate	project definition and consortium building / finding co-funding	18-60 weeks	2-12 weeks	partly	not available	yes	mainly by phone
Slovakia	ROP-4.1c-2009/01 Regeneration of settlements (individual demand-driven projects)	in most cases the infrastructure project was the most demanding	10 months	the first contracts have been signed in 9 months, however, most of the contracts are still not signed one year after the decision was taken	yes	mostly financial data/ balance sheet were used	yes	published on the web site of the MA/IB the official confirmation by post took much longer
	ROP-4.1a-2010/01 Regeneration of settlements (individual demand-driven projects)	in most cases the infrastructure project was the most demanding	8-9 weeks	the first contracts have been signed within 1-2 months, however, most of the contracts are still not signed one year after the decision was taken	yes	financial data - balance sheet and /or some general descriptions	yes	published on the web site of the MA/IB the official confirmation was provided by post, in some cases information was provided by the consultants
Slovenia	Public open calls for proposals for co-financing operations under activity field "Regional Development Programmes"	financial plan, investment plan and documents which had to be delivered from tax administration	not available	16 weeks	sometimes	normally the spatial documentation was prepared in advance	yes	decision reached beneficiaries by regular post and information published online on the IB's webpage
	Third open call under activity field "Regional development programmes" under OP Strengthening Regional Development Potentials for the period 2007 - 2013, priority axis "Regional Development"	Investment documentation	not available	8 weeks	no	not available	yes	decision about the selection by post



### 5.3.3 Process Step 7: Agreeing on ERDF support

Once a decision on the application has been taken, applicants are usually informed by phone, by letter or online. The time between selection of the project and settling the contract again varied widely between two weeks (Netherlands) to nine months (Slovakia). According to the survey, the time between selection of a proposal and settling the contract was usually between three and six months; however, for almost a quarter of respondents, it was up to 12 months (Figure 48).

**Figure 48: To the best of your recollection: please estimate the following time spans; Time span between selection of your proposal and settling of the contract – Responses, Theme 3<sup>57</sup>**

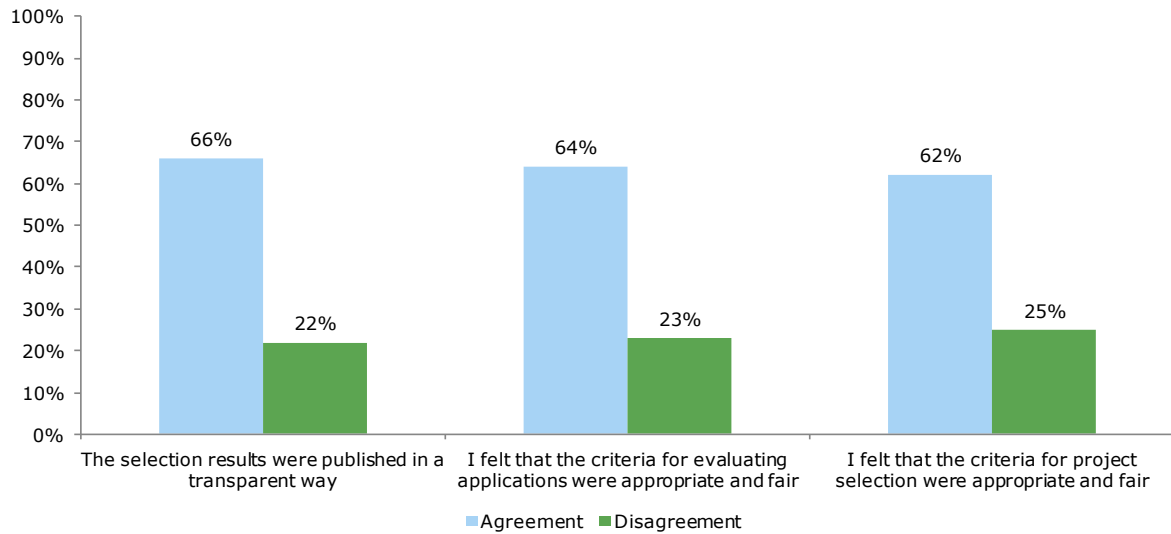


Source: Rambøll Management Consulting, Online-Survey  
N = 175

Survey respondents mostly indicated that selection decisions were published in a transparent manner. The majority of respondents also felt that the criteria for evaluating applications and project selection were appropriate and fair (Figure 49). Reasons for project selection were provided in about half of the cases. While some applicants described the process as very transparent, others described the process as “hardly comprehensible”.

<sup>57</sup> “Don’t know” responses not shown.

**Figure 49: To the best of your recollection, please share your overall experiences of the submission and selection process. – Agreement and Disagreement with Statements, Theme 3<sup>58</sup>**



*Source: Rambøll Management Consulting, Online-Survey  
N = 175*

In many cases, there is no need to hand in additional information to supplement the signed contract after the selection process. In some cases, revisions of application documents were again needed for contracting (implementation plan, payment schedule, and construction documentation), but in most cases no or only a little additional documentation had to be provided.

In Slovakia, on average, 10 pages have to be handed in. The Czech Republic demands full construction documentation in the Development Poles of the Region call. This can consist of up to hundreds of pages. For the other call, only payment schedules and construction permits with all relevant documents have to be handed in – up to 10 pages.

<sup>58</sup> "Don't know" responses not shown.

**Table 55: Urban Regeneration – extensiveness of documentation for contracting**

	Call	Agreeing on support: Additional forms and documents for contracting?	Agreeing on support: Total length of forms and documents (number of pages)
Austria	Contribution to the integrated development of selected target areas covered by the City Development Plan	Not available	Not available
	Other operations targeted at urban development	Not available	Not available
Czech Republic	3.1-04: Development Poles of the Region	full construction documentation incl. documents of ownership; agreement on bank account for project expenses	project with construction part - hundreds of pages; without construction part - dozens of pages
	3.2-03: Sub-regional centres - Infrastructure for education and leisure	yes - mainly payment schedule, in case of project with construction part - construction permit and relevant documents	up to 10 p.
Germany	Directive on Urban Regeneration	Generally, no additional forms and documents are requested.	Information not provided.
Netherlands	Programme City Rotterdam: Improving the business climate and living climate	No, except for implementation plan	Not applicable
	Programme City Amsterdam: Improving the business climate and living climate	No, except for implementation plan	Not applicable
	Programme City The Hague: Improving the business climate and living climate	No, except for implementation plan	Not applicable
	Programme City Utrecht: Improving the business climate and living climate	No, except for implementation plan	Not applicable
Slovakia	ROP-4.1c-2009/01 Regeneration of settlements (individual demand-driven projects)	only a few	up to 10 pgs
	ROP-4.1a-2010/01 Regeneration of settlements (individual demand-driven projects)	only a few	up to 10 pgs
Slovenia	Public open calls for proposals for co-financing operations under activity field "Regional Development Programmes"	none	Not applicable
	Third open call under activity field "Regional development programmes" under OP Strengthening Regional Development Potentials for the period 2007 - 2013, priority axis "Regional Development"	none	Not applicable

### 5.3.4 Administrative Burden

The table below shows the administrative burden on (potential) beneficiaries associated with applying for funding in theme 2, based on internal costs. The horizontal axis shows the hourly wages and per process step the median time spent per (potential) applicant/beneficiary, the quantities (in number of applications) and the (internal) administrative burden, and totals the time and burden for each country on the vertical axis. In the last column, the ratio of the administrative burden to the expenditure (until 31.12.2010 resp. on the selected calls) is presented.<sup>59</sup>

**Table 56: Urban Regeneration – Administrative burden per process step and Member State**

Member States	Hourly wage (in euro)		Process steps											Totals			
			1. Informing			1a. Informal pre-procedure: drawing up and submitting project ideas/project outlines			4. Drawing up and submitting applications			7. Agreeing on ERDF support/preparing documents for contracting					
	Managers	Professionals	Median time spent (in hours)	Quantity	Admin burden (in euro)	Median time spent (in hours)	Quantity	Admin burden (in euro)	Median time spent (in hours)	Quantity	Admin burden (in euro)	Median time spent (in hours)	Quantity	Admin burden (in euro)	Median time spent (in hours)	Total admin burden (in euro)	Ratio of admin burden to expenditure
Austria	52	39	10	25	11.375				22	25	25.025	3	25	3.413	35	39.813	1,01%
Czech Republic	12	8	20	103	20.600				96	103	98.880	10	70	7.000	126	126.480	6,32%
Germany	46	43	10	229	101.905				22	229	224.191	3	174	23.229	35	349.325	0,99%
The Netherlands	37	35	23	140	115.920	16	70	40.320	105	54	204.120	10	41	14.760	154	375.120	0,64%
Slovakia	8	5	16	221	22.984				100	221	143.650	10	136	8.840	126	175.474	0,18%
Slovenia	18	19	40	493	364.820				104	493	948.532	7	368	47.656	151	1.361.008	0,53%

In terms of the totals, the (internal) administrative burden is highest in Slovenia and lowest in Austria. As before within the other two themes, the determining factor is the quantity (number) of applications (493 in Slovenia, 25 in Austria). An (informal) pre-procedure is part of the process only in the Netherlands.

Overall, compared to the other two themes, the median efforts spent by applicants on the entire process are lower and more balanced between the Member States. This is particularly the case for Austria and Germany. It is worth noting that in the Czech Republic, the median efforts required by applicants are almost equal for all three themes.

#### External/outsourcing costs

Applicants in all six Member States make use of external experts in the application process in theme three. This is very marked in Slovakia; on the basis of the response rates, it is less characteristic and relatively balanced in the other Member States.

The table below illustrates the costs associated with the use of external experts per Member State, indicating the number of quantified responses, and the median, minimum and maximum costs indicated.

**Table 57: Urban Regeneration – External/outsourcing costs**

	External/outsourcing costs (in euro)					
	AT	CZ	DE	NL	SK	SI
Number of responses	6	11	11	8	91	5
MEDIAN	1.350	5.047	2.000	12.500	4.000	5.000
MIN	50	1.126	10	500	300	4.800
MAX	9.000	42.000	120.000	125.000	1.000.000	15.000

For all Member States the range between the minimum and maximum amount of costs spent on external experts is very large. Based on the median, the costs indicated are highest in the Netherlands and lowest in Austria.

<sup>59</sup> For Czech Republic data on expenditure was only available for Call 1; for Germany data on expenditure was only available until 31.12.2009. For Slovakia the ratio refers to the budget instead of the expenditure as data on the actual expenditure was not available. As regards Slovenia, the data on expenditure refers to the entire 'activity field' and not only to the selected calls.

*Acquisition/Equipment costs*

In addition to internal costs (see above), applicants may face costs for equipment and supplies. The table below shows the acquisition costs indicated in interviews or the survey, showing the number of quantified responses, and the median, minimum and maximum costs.

**Table 58: Urban Regeneration – Acquisition/equipment costs**

	Acquisition/equipment costs (in euro)					
	AT	CZ	DE	NL	SK	SI
Number of quantifications	6	11	8	5	39	0
MEDIAN	360	2.000	1.000	2.500	500	0
MIN	20	200	100	50	30	0
MAX	30.000	30.000	5.000	15.000	37.000	0

The proportion of respondents who provided quantified information on acquisition costs varies widely. It ranges from six percent in the Czech Republic to 83 percent in Slovakia. Overall, there is a huge gap between minimum and maximum costs and the data includes out-of-scope costs.

As in the case of the other two themes, relevant acquisition/equipment costs which would come on top of the internal costs are: costs for supplying information material, forms etc. (if relevant), the costs for office supplies used for the preparation of the application, i.e. computer, printer/copier, toner, paper, folders, phone and internet costs, postage; fees to supply external documents to be annexed to the application, e. g. extracts from the commercial register or a copy of the building permit for construction projects; and the costs associated with the verification of documents to be annexed to the application, and costs for an electronic signature (if applicable).

Additionally, especially in case of construction projects, there might be acquisition costs for expert opinions, feasibility studies, project documentation and the like in some Member States. However, a detailed assessment would be needed to differentiate between documents required for the application and documents related to the construction project itself. In practice, a significant number of indications of acquisition costs related to the construction projects seem to be out of scope (see also Annex 7).

### **5.3.5 Concluding Summary**

When asked about their general knowledge about ERDF funding, survey respondents in theme 3 reported having more knowledge than those in themes 1 and 2, with an even bigger group indicating that they knew a great deal or a fair amount about ERDF funding. It appears to be relevant that the process of obtaining information about funding and the process of exchange with authorities is slightly different in theme 3. MAs and IBs often directly reach out to eligible applicants (Austria, Germany, and Netherlands).

When asked more concretely about their overall experience with familiarising themselves with ERDF funding opportunities and collecting information for an application, respondents were fairly satisfied with most aspects. The highest level discontent was once again voiced in relation to the issue of whether documents, forms and criteria are understandable, clear and user-friendly. The number of application pages that have to be handed in differs across countries, depending on the type of project. It starts with 10 pages for the application form itself and ranges up to 500 pages for an application in total, including all annexes.

External support was again used heavily. Overall, 78 percent of respondents indicated having used external support, more than in themes 1 and 2. The main reasons for the use of external support were a lack of capacity and the complexity of the subject matter -- to a varying degree and for varying tasks: financial and legal support (the Netherlands), preparation of a business plan, and filling in the application form (Slovenia), urban or spatial planning (Germany). The types of support used differed slightly from those in themes 1 and 2. Grant writers and management consultants were still most popular; however, engineers/technicians/architects also played an important role.

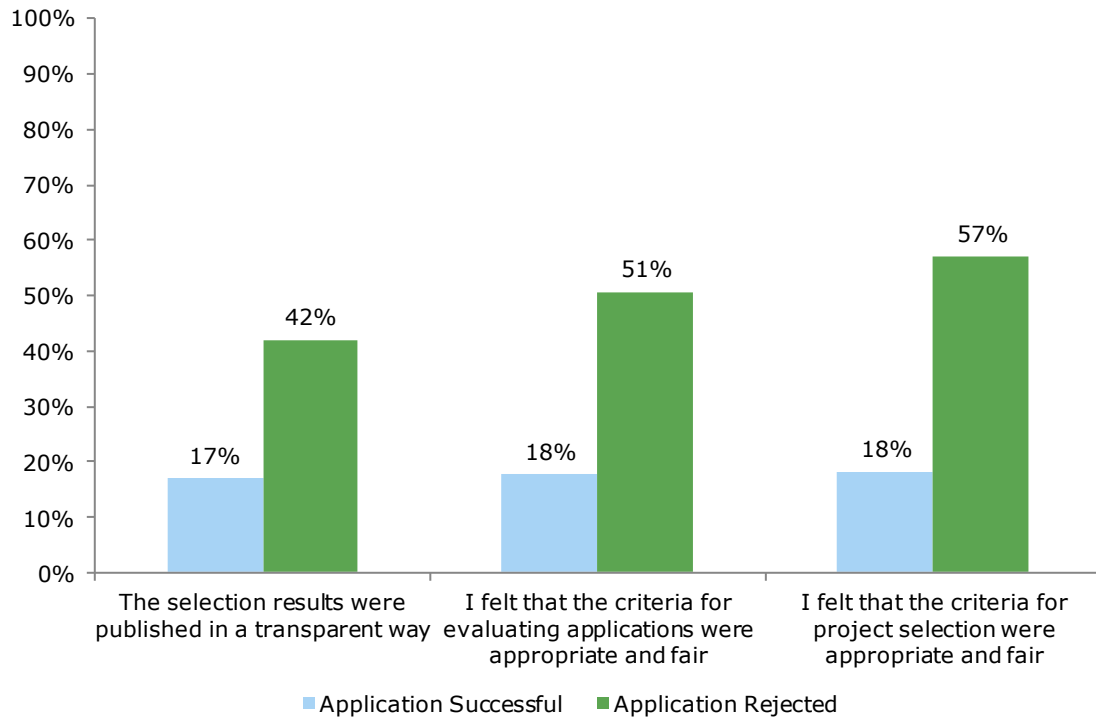
Application documents were largely delivered personally, but regular mail was also an option used quite frequently. Similarly to themes 1 and 2, a large group of respondents also had the feeling here that there were some unnecessary delays in the selection process. However, the majority of respondents felt that the criteria for evaluating applications and project selection were appropriate and fair. Reasons for project selection were provided in about half of the cases.

The total administrative burden associated with Urban Regeneration projects is highest in Slovenia due to the comparatively large quantity of applications and selected projects. Dutch applicants devote the highest amount of resources as is the case for the other two themes. Applicants in Austria and Germany spent least time.

#### 5.4 Excursus: Opinions of Rejected Applicants

Interestingly, there was a correlation in all themes between the success of applications submitted and the perception of transparency and fairness. Those whose application for ERDF funding had been successful (beneficiaries) thought that the process was more transparent and fair than those whose application had not been successful (rejected applicants) (Figure 50). In fact, a majority of rejected applicants were of the opinion that the criteria for evaluating applications and project selection were not appropriate and fair.

**Figure 50: To the best of your recollection, please share your overall experiences of the submission and selection process. –Level of Disagreement by Success of Application<sup>60</sup>**

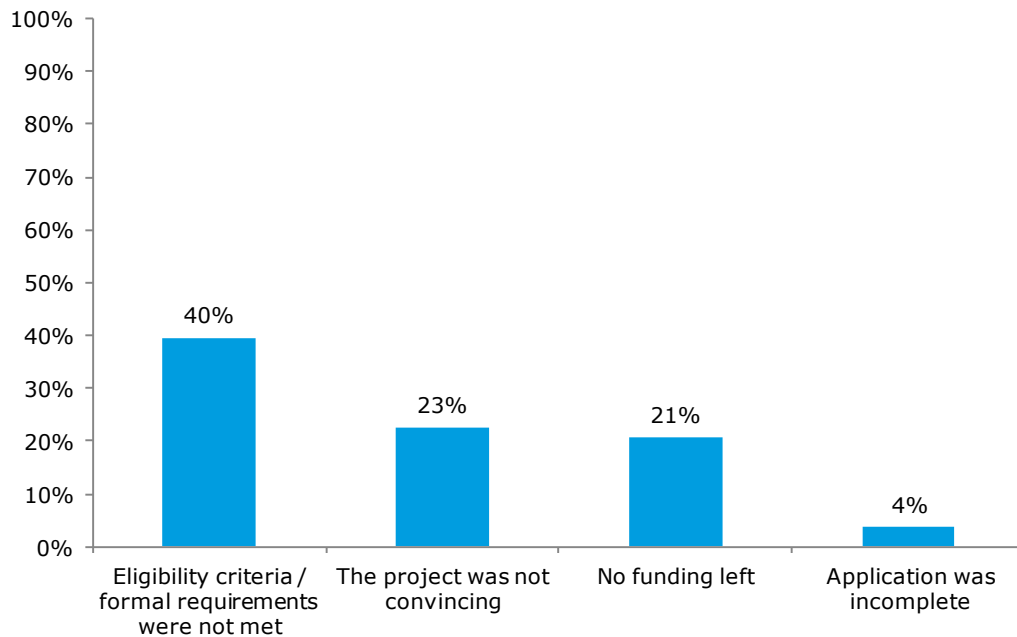


Source: Rambøll Management Consulting, Online-Survey  
N = 498

A majority of those whose applications were rejected (65 percent) did, however, receive an explanation from the respective authorities as to why their application had not been successful. The explanation provided most frequently was that formal requirements were not met. In other cases, projects were not convincing or no funding was left (Figure 51). But a majority of rejected applicants (68 percent) reported that the explanation provided for their rejection did not satisfy them.

<sup>60</sup> "Don't know" responses not shown.

**Figure 51: What was the explanation given to you why your application was not successful? – Responses<sup>61</sup>**



*Source: Rambøll Management Consulting, Online-Survey  
N = 53*

However, only a quarter of respondents indicated that they knew of a complaints system through which they could voice their dissatisfaction vis-a-vis the authorities – even though a complaint system officially exists in all countries studied. When respondents were aware of the existence of a complaint system, approximately half (55 percent) made use of this tool to complain about the selection process.

<sup>61</sup> "Don't know" and "other" responses not shown.



## 6. CONCLUSIONS, GOOD-PRACTICE AND RECOMMENDATIONS

This study examined the different project selection processes for three themes (1. R&D-Technology Transfer; 2. Innovations in SMEs; 3. Urban Regeneration) across 14 Cohesion Operational Programmes financed by the ERDF in six EU Member States during the programming period 2007-2013. The study identified, examined in detail and assessed the project selection processes for each theme and country. The objectives of the comparative study were to:

- Assess the effectiveness of the project selection process per chosen theme and country (i.e. selecting the projects best fulfilling the objectives of the OP).
- Assess the efficiency of the project selection processes per chosen theme and country (i.e. carrying out selection process with least resources and without delays) including the level of administrative costs linked with the project selection.
- Identify good practice examples for each chosen theme across member states both in terms of effectiveness and efficiency.
- Propose recommendations that could serve for post-2013 policy design.

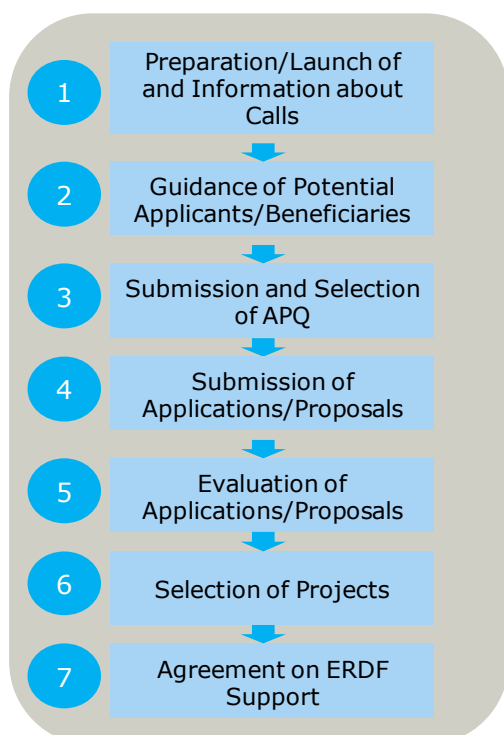
This chapter synthesizes the results of the comparative analysis of selection procedures from the administrations' as well as the beneficiaries' point of view, in order to answer the study questions of the ToR outlined in Chapter 2. In a second step, this chapter strives to identify good practice examples and to develop recommendations that follow from the results of the comparative analysis.

### 6.1 Conclusions

The following conclusions are fed by the findings that can be drawn from the analysis in Chapters 3, 4, and 5. They focus on the identification of factors influencing the overall effectiveness and efficiency of selection procedures, based on the examination of calls selected for this study. Moreover, they also serve as input for discussing how to improve the effectiveness and efficiency of selection procedures in section 6.2.

The conclusions are structured along the generic process steps in the selection procedures:

**Figure 52: Generic steps in selection procedures**



On the administration's side, the preparation and launch of a call for projects was taken as the starting point of the analysis. The formulation and approval of eligibility and selection criteria form part of this first process step, which also covers the definition of the specific scope of a call as well as outreach to beneficiaries. Guidance for potential beneficiaries by the Managing Authority and/or Intermediary Bodies was analysed as a separate step. Afterwards, either a two-stage selection process or a one-stage selection process follows. Therefore, the study differentiated between evaluation and selection of applications for pre-qualification<sup>62</sup> and evaluation and selection of proposals/applications. Finally, once the selection is finalised, the process results in an agreement (e. g. contract, administrative decision).

On the beneficiaries' side, the focus was on the activities which potential beneficiaries have to carry out in order to comply with the administrative framework of ERDF support. The starting point was the degree to which potential applicants are informed, especially about the objectives, expected results, eligibility and selection criteria. The application process which follows has either two stages or one stage. Depending on the type of process, applicants go on to draft and submit an application for pre-qualification and/or a project proposal/application. Once a project has been selected, agreements between the MA/IB and the beneficiary may require that the beneficiary provide additional documentation in order for the decision on ERDF support to be fully completed.

### 6.1.1 Preparation/launch of and information about calls

In all programmes and themes, basic decisions on launching calls are made in the OP programming phase. Here, a framework is established as to how national/regional policies and EU regulations are to be combined and aligned. The OP sets out the operations envisaged in the six EU Member States and thus determines the scope of calls. In the programming phase, authorities also have to take a decision on whether to base overall programme implementation on a system of temporary or permanent calls. This in turn has implications for the basic implementation structures and procedures: permanent calls are mostly prepared at the beginning of the programme period. Here it is difficult to differentiate activities for preparing calls from programming. The nature of temporary calls requires separate preparation for each call throughout the programme period.

The study identified two basic approaches to aligning ERDF funding and national policies when deciding whether to use permanent or temporary calls:

- ERDF funding is used to support/supplement existing national or regional policies, also by means of co-funding (Austria, Germany, and Netherlands). This means that the ERDF is either closely linked to national and regional support instruments which have existed for quite some time already (Austria, Germany) or as an instrument for targeted policy-making at regional level (Netherlands). In these cases, ERDF support is implemented through permanent calls.
- ERDF funding is used as a starting point for new national or regional policies rather than supplementing existing approaches (Czech Republic, Slovakia, and Slovenia). In these cases, ERDF support is implemented through temporary calls.

The bodies involved in the preparation of calls are usually MAs and IBs. IBs usually play a key role in the preparation and publishing of calls, which tend to be a lot more detailed than the frameworks set by the OPs. In theme 2, different public agencies specialised in the field of innovation policies act as IBs in several countries. In theme 3, there is an even greater variety of actors involved in this first process step, with strong involvement of regional and municipal actors. Often, other ministries, government departments and other stakeholders are consulted in the preparation process. This is especially true in countries with permanent calls. Stakeholders are

<sup>62</sup> An *application for pre-qualification* is defined as the formal, mandatory process of identifying a suitable group of potential beneficiaries who will be invited to deliver proposals in a separate selection process (restricted calls) -- where only selected applicants can move on to deliver a project proposal for the final selection round and where other applicants are excluded from the final selection round. In this context, it is important to distinguish this formal application for pre-qualification from a more informal *pre-check procedure*. Informal pre-checks have similar characteristics but do not constitute a formal part of the selection procedure; an example of such an informal pre-check would be the submission of a draft project design by an applicant to the IB in advance of the submission of the actual proposal. Such informal pre-checks are not primarily aimed at excluding a certain proportion of applicants from a final selection round but are rather used as instruments for guiding applicants and allowing for better fine-tuning of final applications.

also involved through Monitoring Committees as selection criteria usually have to be approved by Monitoring Committees.

### **6.1.2 Guidance of potential applicants/beneficiaries**

Guidance provided by authorities to applicants is an important variable determining the overall effectiveness of selection procedures, that is, their ability to generate good projects. Guidance is primarily delivered by IBs, but sometimes also by MAs. Their provision of guidance largely focuses on providing information about funding and being consulted on the application. However, in quite a few cases, guidance goes far beyond such aspects, involving active outreach or networking in order to bring actors together in order to generate projects. Numerous interviewees and respondents indicated that person-to-person contacts -- either in the form of face-to-face meetings, telephone calls, or at information seminars -- are an essential part of guidance.

The picture of this second process step obtained from the fieldwork is generally good. In the survey, between 67 percent (theme 2) and 90 percent (theme 3) of respondents reported having had direct contact with the authorities in the application process. Applicants across countries and themes have a good knowledge of ERDF funding; they appear to know when and how to apply, where to find relevant documents and who to contact if they have questions.

When asked more concretely about their overall experience with familiarising themselves with ERDF funding opportunities and collecting information for an application, respondents were somewhat dissatisfied when it came to the question of whether the forms, documents and criteria were understandable, clear and user-friendly. Between 47 percent (theme 3) and 56 percent (theme 2) of applicants said that the documents, forms and criteria are not sufficiently understandable. This is especially true of applicants with no previous application experience.

Many applicants found the documents so complex that they hired external consultants. In fact, the use of external consultants in the application process appears to be exceptionally widespread: between 33 percent (theme 1) and 78 percent (theme 3) of applicants indicated that they used external consultants in the application process. Overall, the support of grant writers and management consultants was most popular; in theme 3, engineers/technicians/architects also played a strong role.

The main reasons given for the use of external support were an internal lack of capacity to deal with the application and the complexity of the subject matter. All in all, it seems that external evaluators are mainly used to fill gaps where applicants feel overwhelmed by the application process and do not receive enough external support for dealing with it. However, several cases were reported where external consultants were actively involved in project development, reaching out to potential beneficiaries, informing them about funding opportunities, thereby directly contributing to project generation.

### **6.1.3 Submission and selection of APQ**

A formal two-stage procedure with an application for pre-qualification is only applied in theme 2, and only in the Czech Republic and Germany. The approach and the role of these APQ-procedures are, however, very different in both countries:

- In the Czech Republic, the APQ is mainly aimed at pre-assessing the eligibility of applicants.
- In Germany, this process step primarily serves the purpose of discussing project ideas with regional stakeholders. Hence, the APQ procedure is part of a broader understanding of guidance in this case.

Generally, it was found that these APQ-procedures effectively filter out projects which are not eligible and do not fit into the funding scheme at an early stage of the process. Hence, early feedback is provided to the applicants on chances for success which reduces uncertainty as well as administrative burden on applicants rejected at the first stage, which is less extensive and time-consuming than the second (formal application). Moreover, as the APQ is not only an instrument of pre-selection but can be part of a wider understanding of guidance, it can also contribute to the development of high-quality project ideas. On the other hand, it should not be for-

gotten, however, that APQ-procedures add to the overall procedural complexity of selection procedures as they add additional procedural layers.

Meanwhile, the study also shows that a process of informal pre-checks -- that are not mandatory -- is also in place in a number of other themes and countries. These can provide additional guidance to applicants and provide early feedback to the applicants on the chances of success.

#### **6.1.4 Submission of applications/proposals**

Application documents are submitted in various ways across calls and countries but it seems that postal and personal submission are still the preferred method -- even though online submission is possible in the majority of calls. In selected cases, personal delivery is not only an option but mandatory as eligibility is checked at the point of submission and personal presence is required for this purpose.

The number of documents of application materials that have to be handed in differs significantly across themes and countries, often depending on the type and size of a project. In some cases, applications are only 10 pages long; in others, several hundred pages have to be provided, plus annexes.

Across all themes, the newer Member States appear to be more far more demanding in this respect than the old Member States; in the three newer Member States, application documents tend to be a lot longer than those in the older Member States. As a result, many applicants complained about the significant bureaucratic burden and the complexity of the application requirements and called for a reduction in documentation requirements.

Once applications are submitted, a significant proportion of applicants are not informed by authorities how long the evaluation and selection process will take. In fact, many applicants voiced the frustration that they felt that there were unnecessary delays in the selection process as it mostly took authorities quite a while to inform applicants about the selection decision. For 36 percent of surveyed beneficiaries, this took between three and six months, for 20 percent even up to twelve months; only seven percent reported that decision-making took less than one month.

#### **6.1.5 Evaluation of applications/proposals**

In most Member States and themes, evaluation of applications is the responsibility of the IBs. Generally, the process of assessing eligibility is clearly separated from the assessment of projects' quality. Eligibility criteria tend to be exclusion criteria (yes/no); full compliance is required in order for a proposal to be selected. The quality criteria, on the other hand, vary widely in the Member States and themes studied. In this case, too, a divide between old and new Member States can be observed.

The old Member States tend to use qualitative assessments to evaluate the quality of applications on a one-by-one basis. This is mostly due to the fact that there is less direct competition between applications in permanent calls. This means that a project has a good chance of being selected as long as it fulfils the eligibility criteria and complies with the global, horizontal and specific objectives of the call -- and as long as financial funds are available. The new Member States, on the other hand, tend to use scoring methods for assessing quality and ranking as the basis for selection. Points systems, involving scoring and weighting, are used to conduct comparative evaluations (as there tends to be greater competition between applications in temporary calls).

If the proposal is of high quality, the application receives a high score. A final ranking of projects for selection by score is then mostly approved by a Selection Committee. The degree of detail of the different criteria used for scoring varies across the Member States studied. However, in some cases the evaluation system appears to have become so complex that there is a real risk of losing sight of the big picture of the project as whole when evaluating it.

**Figure 53: Differences in evaluation and selection**

<b>Evaluation and selection</b>	<b>Definition</b>	<b>Main practice AT, DE, NL</b>	<b>Main practice CZ, SK, SI</b>
<b>Formal assessment</b>	Eligibility of applicant, activities, costs etc.	√	√
<b>Technical assessment</b>	Compliance with objectives of call	√	√
	Ranking of projects according to scores		√
<b>Selection</b>	Selection among ranked projects		√

External evaluators are strongly involved in the evaluation of applications in a number of Member States. They can provide valuable specialist knowledge (technical or financial) which the MAs or IBs do not have and bring fresh external perspectives into the evaluation -- as long as they are objective professionals and their selection/involvement is transparent.

#### **6.1.6 Selection of projects**

Project selection is, as mentioned above, not always carried out as a separate step of the overall process (but rather as one step together with evaluation). When a separate selection step exists, selection is usually carried out by a Selection Committee or a Steering Group. However, these bodies tend to mostly adhere to the selection recommendations prepared by evaluators in advance rather than making independent selection decisions. An exception is theme 3, where a large part of the selection is prepared at the regional level and pre-selection decisions are made by local officials/committees prior to the final selection decisions at central level.

Selection Committees and Steering Groups can nevertheless add value to the overall selection process by drawing in additional external expertise, thereby contributing to consensus-building and acceptance of the process.

Once a final selection decision has been made, applicants are usually informed of the outcome by post mail. Reasons for project selection are provided in about half of the cases. Official complaint systems for rejected applicants exist in all programmes studied; however, knowledge about these complaint systems is apparently not widespread among applicants and only a small proportion of applicants actually make use of these mechanisms. This might be because applicants mostly thought that the selection decisions were published in a transparent manner and also felt that the criteria for evaluating applications and project selection were appropriate and fair. However, there were also those that perceived the process to be somewhat non-transparent; these applicants felt that the selection process was a "black box" and internal procedures in the bodies responsible were not understandable to the outside observer.

### **6.1.7 Agreement on ERDF support**

The responsibility for preparation and signature of the agreement on ERDF support between the authorities and the beneficiaries lies, in most cases, with IBs or MAs.

In most Member States, this process step does not require a great number of formalities. In others, extensive additions to and revisions of application documents are required for signature of the agreement. The extent and number of documents to be submitted at this stage differs greatly. Often, the calls with the highest amount of funding per project also require the largest number of pages. In the case of large projects, this final process step can therefore take more than half a year, resulting in long delays in the overall selection process.

### **Administrative costs and burdens – conclusions across process steps**

According to the estimates collected, the project selection procedures per applicant on the part of the administrations are most time-consuming across all themes in the Czech Republic and the Netherlands.

Decisive factors in the Czech Republic seem to be the involvement of a comparatively high number of people (internal and external) especially in the evaluation of applications, the comparatively high complexity of the applications in terms of the number of documents and pages, and, for R&D and Urban Regeneration, the unique time- and resource-consuming "negotiation" between the MA and the applicant on project details, including requests for additional documentation within the last process step.

In the Netherlands, it is mainly the comparatively complex procedural set-up. This involves an informal pre-procedure for all themes and a very strong focus on providing guidance and helping (potential) applicants throughout the entire process. The extent/complexity of applications does not seem to be a decisive factor or it is overlaid by others, as the number of documents and pages compared, for instance, to the Czech Republic.

In line with the findings on the administration's side, it is also the Netherlands where applicants spend most time on the entire procedure, from informing themselves about the funding possibilities until concluding an agreement on receiving ERDF funds, in all three themes. These burdens are not only driven by the comparably high time spent on drawing up and submitting project ideas (first stage of the informal two-stage procedure); also the formal applications are by far the most time-consuming in a comparative perspective, at least for themes 1 and 2. However, it has to be kept in mind that the administrative burdens presented are based on internal time spent by the applicant himself only and that the picture might change considerably when taking account of the outsourcing and acquisition costs as well.

There are several factors being decisive for the expenditure of time on the applicants' side:

- Availability/accessibility and quality of information (seminars, FAQs, good practice examples of an application, etc.),
- Number, complexity and user-friendliness of forms and the documents to be provided,
- Level of experience with ERDF funding and the rationale of projects,
- Size and complexity of the project,
- Availability of online systems,
- Acceptance of self-declarations instead of certified copies.

Overall, the study results in terms of time spent and administrative burden associated with the project selection procedures in the studied themes and Member States do not lead to a conclusion of which type of call, permanent vs. temporary, is more or less efficient than the other one. However, one conclusion that can be drawn on the results is that a two-stage procedure -- no matter if a formal or an informal one -- reduces the administrative burden for the unsuccessful (potential) applicants who are filtered out within the first stage as they do not have to provide a formal application (second stage of the procedure) which in all cases is by far more time-consuming than the first stage.

### 6.1.8 Results of the Multi-Criteria Analysis

In order to draw together all the findings of the comparative analysis outlined in Chapters 3, 4, and 5 and in order to answer the study questions outlined in the ToR, the study team conducted a multi-criteria-analysis.

As a basis for the analysis, the study team assigned specific aspects to each study question. These are summarised below.

**Table 59: Study questions and aspects assigned**

<b>Study Question from the ToR</b>	<b>Aspect Assigned</b>
What is the availability, suitability, quality and “user-friendliness” of the national eligibility rules and guidance provided by the Managing Authorities (or delegated bodies) to potential beneficiaries during the entire process until the project selection?	Information and Guidance
How complex is the evaluation process of projects/operations submitted?	Complexity
How extensive and complex is the project application form, including its annexes, to be completed by potential beneficiaries?	
What is the overall effectiveness of the project selection process for each theme and Operational Programme?	Effectiveness
What is the overall efficiency of the project selection process for each theme and Operational Programme?	Efficiency
How efficient is the evaluation process of projects/operations submitted?	
Assess the administrative burden that final beneficiaries face during the whole project selection process.	
How transparent is the evaluation process of projects/operations submitted?	Transparency
How might the project selection process be simplified in order to minimise the administrative burden for the beneficiaries without potential negative impacts on sound financial management or achievement of Cohesion Policy and programme objectives?	<i>Recommendations (please see following section)</i>

The study team then assigned measurable descriptors/indicators to all aspects. These indicators were designed in relation to the factors that, according to the findings of the comparative analysis above, tend to influence the overall effectiveness and efficiency of selection procedures. Then, the study team went through each single indicator and assessed it based on the results of the desk research and the fieldwork<sup>63</sup>, using a traffic light system (green, amber and red). The category groupings, indicators/descriptors and criteria for scoring are summarised as part of the Annexes, along with the detailed results of the multi-criteria-analysis by country and theme.

The results by theme are summarised below. However, it is important to note that the scoring only provides initial indications for answering the study questions. The scores have to be interpreted carefully and only against the specific background and characteristics of the calls studied as described in the previous chapters. Overall, the scores are only a snapshot of a very complex reality of selection procedures and should not be used as a basis for benchmarking.

---

<sup>63</sup> Scoring was applied in a range from plus 1 to minus 1; a high score (closer to +1) means: good level of information for applicants and good quality of guidance; low level of complexity; good level of effectiveness; good level of efficiency; good level of transparency.



**Table 60: R&D – results of the multi-criteria-analysis**

Aspect	Results
<b>Information and Guidance</b>	<ul style="list-style-type: none"> <li>• Most countries achieve average scores; Slovakia, with a positive score, is the only exception.</li> <li>• The high score for Slovakia result from the satisfaction expressed by applicants; they felt they had a good level of information and preparedness. The seminars organised by the IB for introducing calls, providing information about objectives and about how to apply, can be assumed to contribute to this positive finding.</li> <li>• The slightly negative score for the Netherlands might be attributable to the rather negative assessments of the availability and user-friendliness of information and documents.</li> </ul>
<b>Complexity</b>	<ul style="list-style-type: none"> <li>• The new Member States achieve average scores; the old Member States achieve higher scores, indicating lower complexity.</li> <li>• To understand these higher scores in the old Member States, it should be noted that their calls are permanent calls and are those with the lowest financial allocation; they have often been implementing calls for many years already and supposedly routines have developed on the part of the administration and applicants.</li> <li>• One factor contributing to the fact that the procedures in the young Member States have a high level of complexity is the amount of information and documentation which has to be provided by applicants. In terms of mere numbers, Slovakia and Slovenia are most demanding in this respect.</li> </ul>
<b>Effectiveness</b>	<ul style="list-style-type: none"> <li>• Most countries achieve average scores; Slovakia and Germany are the exceptions.</li> <li>• The high score for Slovakia can mostly be traced to the very sophisticated selection criteria framework and the programme's high degree of selectivity. Additionally, the fact that stakeholders are involved in preparing the call and external evaluators are involved in the selection process is rated highly. However, interestingly, the applicants' overall assessment of the selection process was below average; this may be because a highly complex scoring system carries the risk of losing sight of the "big picture" of projects.</li> <li>• At the other end of the scale, Germany has a below average score. This is mostly due to the nature of the selection criteria applied (exclusionary, eligibility and quality assessments not clearly separate).</li> </ul>
<b>Efficiency</b>	<ul style="list-style-type: none"> <li>• The indicators used for scoring reflect several dimensions, including the perspective of applicants on the duration of the process as well as administrative burden and costs. The results of the scoring are rather paradoxical.</li> <li>• Austria and the Czech Republic receive the highest score. This is mostly due to the fact that selection decisions are reached relatively quickly; moreover, administrative burdens are relatively low. However, administrative costs in both countries were above average.</li> </ul>
<b>Transparency</b>	<ul style="list-style-type: none"> <li>• Three countries -- Austria, the Netherlands, and Slovakia – achieve above-average scores; these high scores can be traced to the positive assessment of applicants of the appropriateness and fairness of evaluation and selection criteria.</li> <li>• The Czech Republic, on the other hand, scores negatively due to the markedly negative view of applicants on the transparency of the process; possibly, this is due to the fact that selection decisions may be "re-negotiated" in the final step of the selection process, and this may not be fully transparent to applicants.</li> </ul>

**Table 61: Innovation – results of the multi-criteria-analysis**

Aspect	Results
<b>Information and Guidance</b>	<ul style="list-style-type: none"> <li>All countries achieve quite similar and average scores; this is not surprising considering that guidance in this theme is provided by similar types of agency in most countries.</li> <li>Interestingly, the two countries that score slightly better than the others are the two countries where pre-application is part of the procedure, indicating that the APQ is not only an instrument of pre-selection but part of a wider understanding of guidance.</li> </ul>
<b>Complexity</b>	<ul style="list-style-type: none"> <li>There is a wide variation in the complexity of selection procedures, even though the number of bodies involved in the process is similar across countries; the differences are due to variations in procedural layers and documentation requirements.</li> <li>The two countries with the lowest score are the two countries where pre-application is part of the procedure; this adds an additional layer to the selection procedures and also increases the burden of documentation for applicants.</li> <li>Moreover, a different picture emerges from that of theme 1: the division between permanent and temporary calls is not quite as clear-cut; this is due to the fact that the temporary calls in this theme are highly standardised.</li> </ul>
<b>Effectiveness</b>	<ul style="list-style-type: none"> <li>Most countries achieve similar scores; the exceptions are the Czech Republic and Austria.</li> <li>Austria's low score of Austria is due to the nature of the selection criteria applied, the lack of involvement of external stakeholders and external evaluators as well as the low selectivity. However, there is a paradox similar to that of theme 1: despite the low scores on all of these dimensions, applicants' were very satisfied with the overall selection process.</li> <li>The high score for the Czech Republic can be traced to the framework of selection criteria; moreover, stakeholders rate positively the fact that stakeholders are involved in preparing the call and external evaluators are involved in the selection process.</li> </ul>
<b>Efficiency</b>	<ul style="list-style-type: none"> <li>The scoring results for efficiency are again rather paradoxical -- Austria and Germany receive the highest score.</li> <li>This is mostly due to the fact that selection decisions are reached relatively quickly; moreover, administrative burdens are relatively low. However, administrative costs in both countries were above average.</li> <li>In this context, it is quite remarkable that in the case of Germany, applicants did not voice complaints about the length of the procedure, although a two-stage selection process with an APQ is applied.</li> </ul>
<b>Transparency</b>	<ul style="list-style-type: none"> <li>Generally, transparency of selection procedures in this theme is scored lower than under theme 1.</li> <li>There is also less variation; most countries receive average scores, with the Netherlands being the only exception.</li> <li>The Dutch scoring is particularly interesting against the background of the Netherlands receiving an above-average score in theme 1 (with selection procedures in both themes being identical). The negative scores in this theme can be traced to the below-average rating on the part of applicants of the fairness of the evaluation and selection criteria. The assumption of the study team is that R&amp;D promoters and SMEs appear to have different opinions and preferences when it comes to the evaluation of selection procedures.</li> </ul>

**Table 62: Urban Regeneration – results of the multi-criteria-analysis**

Aspect	Results
<b>Information and Guidance</b>	<ul style="list-style-type: none"> <li>• Most countries again receive average scores; the only exception is Austria.</li> <li>• The positive score for Austria is mostly attributable to the fact that applicants have a very good overall knowledge of ERDF funding, knowing extremely well where to find all relevant information, as well as to the perceived user-friendliness of forms.</li> <li>• However, it should be kept in mind that applicants are all municipal bodies closely involved in the implementation of the urban development programme and participated in the programming. Accordingly, applicants can be expected to be well informed and well prepared.</li> </ul>
<b>Complexity</b>	<ul style="list-style-type: none"> <li>• In this theme, four countries receive above-average scores when it comes to complexity of procedures; three of these countries are again countries implementing permanent calls.</li> <li>• In Slovenia, the temporary calls are completely standardised and several deadlines are set for submission of applications each year; therefore, these calls are very similar to the permanent calls in the other three countries.</li> </ul>
<b>Effectiveness</b>	<ul style="list-style-type: none"> <li>• Generally, effectiveness of selection procedures in this theme is scored lower than in themes 1 and 2; there are no major differences between countries.</li> <li>• The weaker effectiveness of selection procedures can be traced to the particular structures of selection procedures in the Urban Regeneration theme; a large part of the selection is prepared at the regional level and pre-selection decisions are made by local officials/committees prior to the final selection decisions at central level.</li> </ul>
<b>Efficiency</b>	<ul style="list-style-type: none"> <li>• There is a wide variation in relation to the efficiency of selection procedures: two countries receive above-average scores (Austria and Germany) and two countries score below average (the Czech Republic and the Netherlands).</li> <li>• The good scores for Austria and Germany can be traced to the fact that selection decisions are reached relatively quickly; moreover, administrative burdens are relatively low. However, administrative costs in Austria were above average and average in Germany.</li> <li>• The relative inefficiency of procedures in the Netherlands is due to low scores on the time needed by authorities for decision-making, high administrative burdens and costs. The high administrative costs can be traced to the variety of actors involved: in programming, a broad spectrum of partners contributed, while implementation is carried out de-centrally at level of four cities.</li> <li>• The relative inefficiency of the Czech Republic is due to the widespread dissatisfaction among applicants about delays in the selection process; moreover, the unique time- and resource-consuming “negotiation” between the MA and the applicant on project details, including the request for additional documentation within the last process step, also plays a role.</li> </ul>
<b>Transparency</b>	<ul style="list-style-type: none"> <li>• There is a wide variation in terms of the transparency of selection procedures in theme 3: two countries receive above average scores (Germany and Slovenia), two countries score below average (the Czech Republic and the Netherlands).</li> <li>• High scores can again be traced to the positive assessment of applicants of the appropriateness and fairness of evaluation and selection criteria.</li> <li>• The Czech Republic and the Netherlands also receive below average scores on transparency in other themes; this suggests that there is a cross-cutting issue of applicants not believing in the appropriateness and fairness of evaluation and selection criteria.</li> </ul>

## 6.2 Good practice examples and recommendations

Based on the conclusions on the studied calls presented in the previous section and incorporating the good practice examples identified in the previous chapters, this section provides the recommendations from the study team which are intended to provide valuable input for designing project selection procedures in the future. In considering their 'implementability', each recommendation needs to be looked at in the light of the specific programme context, e.g.

- Objectives and thematic fields of operations,
- Beneficiaries and recipients of assistance targeted,
- Type of projects,
- Size of projects,
- Levels of governance and national/ regional administrative structures.

Against this background, the recommendations serve as input for further discussion and improvements to the project selection procedures of ERDF programmes in terms of effectiveness, efficiency and transparency within the framework of the Structural Funds' principle of shared management between the EU Union and the Member States. As with the conclusions in the previous section, the recommendations are structured in accordance with the generic steps of the selection procedures.

### 6.2.1 Preparation/launch of and information about calls

#### **A. Enhance partnership by applying a broader concept of involving regional stakeholders in the programming and call preparation phase, going beyond the current role of the Monitoring Committees**

The study findings show that the broad participation of regional stakeholders and social and economic partners in the programming and call preparation phase is a key to linking EU structural policy and Member State's regional policy. Regional stakeholders and representatives of the private sector should be involved in the discussions associated with preparing the calls; the discussions should focus on the strategic level of targets, instruments, financing and procedures.

The Netherlands provides a good practice example in this regard: stakeholders are highly committed to programme implementation.

#### **B. Concentrate ERDF funds on a few strategic beacon projects to highlight the specific contribution of the ERDF to regional development**

In terms of Urban Regeneration, Member States should put emphasis on preventing fragmentation and focus on specific themes, zones and/or target groups. The specific contribution of the ERDF to regional development could be highlighted, concentrating the ERDF funds on a few strategic beacon projects. This applies especially to the more developed regions.

A good practice example of this was found in Austria. During the programming phase, beacon projects were selected from the comprehensive Integrated Urban Development Plan and included as operations in the OP.

**C. Ensure effective project selection mechanisms at local level (Urban Regeneration)**

Special attention should be paid to improving the framework for bottom-up selection procedures. At present, the central level is dominant in the final project selection procedures in many cases. If the objective of the ERDF is to focus support explicitly on the implementation of integrated spatial strategies as outlined in the Commission's proposal for the regulation of the Structural Funds (Art. 7)<sup>64</sup>, Member States need to define and prepare the process for the selection of relevant cities early in the phase of programme planning for the next period.

Special emphasis should be put on how to ensure effective project selection mechanisms at local level. Linking the ERDF to the implementation of existing integrated local development strategies in the programme areas has proven to be effective and efficient. However this cannot be expected across all Member States.

**D. Decide upon the type of call case by case**

The study results do not lead to an exhaustive answer to the question of which type of call (permanent or temporary) is more effective and/or efficient. It seems that de-facto implementation of selection procedures is the decisive factor; the type of call does not seem to be as relevant as ongoing debates imply. There are a number of good reasons for both, as outlined below:

*Temporary calls*

- Enhance competition as project applications are received by a certain deadline/at the same point in time and can be assessed in parallel with a comparative perspective.
- Are more selective, i.e. are associated with higher rejection rates.
- Allow for a direct response to evolving needs and address specific challenges which may also facilitate overall programme management.
- Facilitate learning in terms of implementation and results from one call to the next.

*Permanent calls*

- Provide greater flexibility for applicants: as no deadlines are set, applicants have more time to prepare their application.
- Reduce the administrative efforts associated with preparing and launching calls as the efforts only have to be made once at the beginning of the programming period (aside from possible changes to the call later on).
- Are less selective, i.e. are associated with lower rejection rates.

In the study team's opinion, bearing in mind the different advantages, the decision for one or the other type should be taken separately per funding scheme:

- Permanent calls seem to be especially suited to the implementation of highly standardised instruments of support and projects of low complexity.
- Temporary calls are well-suited for fields with high competition for funding and subject matters that require flexible responses to evolving needs.

Implementing this recommendation might lead to both types of call co-existing in the Member States. It would require the administrative bodies involved in project selection to become acquainted with the logic and requirements of the respective new type and set up new procedures.

---

<sup>64</sup> EU Commission, Proposal for a Regulation of the European Parliament and of the Council laying down common provisions on the European Regional Development Fund, the European Social Fund, the Cohesion Fund, the European Agricultural Fund for Rural Development and the European Maritime and Fisheries Fund covered by the Common Strategic Framework and laying down general provisions on the European Regional Development Fund, the European Social Fund and the Cohesion Fund and repealing Regulation (EC) No 1083/2006. Com (2011) 615.

Moreover, the study team underlines the relevance of the following topics where lessons can be learned from the new Member States in relation to publication of temporary calls and transparency:

➤ ***Publish annual plans of calls (in the event of temporary calls)***

➤ ***Introduce and promote calls by means of nation or region wide seminars***

Based on the study findings, it seems that information events are carried out for almost all calls in all six Member States. However, they differ in terms of objectives, scope and content. In the newer Member States there is a clear emphasis on providing seminars going beyond bare information events. In Slovakia, for instance, the IB presents the full application package and facilitates discussions with potential applicants during the seminars. The focus is on the requirements which are most difficult to fulfil.

***E. Ensure that the essential characteristics and requirements of the calls are clearly determined and communicated to all parties involved***

In order to lay a sound basis for the effective and efficient generation and selection of projects, the following should be clearly determined and communicated within the administration, and to applicants and stakeholders:

- Specific targets to be achieved by the call.
- The budget available, including conditions for co-financing.
- Evaluation and selection criteria (see recommendations on evaluation of applications).
- Application and project selection procedure, including the type of call (permanent vs. temporary), deadlines for submission of applications, decision taking and publication of selection results.

Drawing on the findings of the survey and interviews with beneficiaries, the most satisfaction across all themes on this was found in Austria and Germany. In both Member States 'guidelines' as a specific form of permanent call provide the central information for all parties involved. However, these are mostly judged as weak in terms of the transparency and clarity of the selection criteria.

**6.2.2 Guidance of potential applicants/beneficiaries**

Guidance to (potential) applicants and beneficiaries is crucial for effectiveness, efficiency and transparency within application and project selection procedures. This, particularly, should be seen in the light of the prevalence of using external consultants as support for drafting applications in some Member States. Applicants' needs for guidance evolve at different levels and stages of the process.

The study identified three levels of guidance which should be covered in terms of providing needs-responsive guidance to applicants:

- Information and support in application process
- Project acquisition and development
- Project development and management.

**F. Reflect which institutions can contribute effectively to programme implementation**

As a point of entry, each programme region should reflect which institution can contribute effectively to programme implementation. Some survey respondents noted that they find it difficult to make their way through the "funding jungle" and find out which funding scheme might be suited for their project.

The Netherlands might serve as inspiration in this respect: the "Steunpunten" in the Dutch provinces operate as "information windows" for all EU programmes and for all national programmes. Individuals interested in funding have the possibility to consult these central points with their project ideas to learn which funding programme would be best suited to the project.

**G. Strengthen the role of the IBs in terms of providing guidance**

The IBs, especially in the new Member States, appear to restrict themselves too much to playing a formal administrative role. As they are mostly involved in both the preparation of calls and provision of information to the applicants, they should pay far more attention to the information provided in print, on the web and in person being understandable.

The objective should be to provide each applicant with the best information possible. In order to improve the efficiency of guidance, this should also encompass personal assistance (by phone or even face-to-face) allowing, for instance, for:

- Provision of comprehensive answers and an opinion on the chances of a project (see also "pre-check" in the next section),
- Explanation of requirements and the reasoning behind them,
- Assistance in filling forms and drawing up documents, e.g. the project description.

The SAB (Sächsische Aufbaubank - Agency and Intermediary Body Level 2) serves as an example of good practice in this respect. It is located in the State Capital Dresden and has seven local offices serving as a first point of contact. Its website provides information about support programmes and the assistance offered. It provides a service centre which is open during working hours and can be reached by phone and e-mail. The SAB department responsible for the implementation of the calls studied (Department for Technology, which is in charge of all State support programmes in this area) has 18 employees. Each employee is on duty one day a week advising applicants in the service centre. In addition, staff of the State Ministry for Science and Education and the SAB participate in business and science networks providing information about the programmes (e.g. events organised by the Chamber of Commerce and Industry, sector networks).

#### **H. Improve guidance to applicants within the application process**

A number of measures identified throughout the study can be subsumed under this rather generic recommendation:

➤ **Provide clear and concise instructions for filling in forms – “how-to-do’s”**

Member States should provide clear and concise instructions on how to fill in the application forms, calculate project costs and structure project descriptions, and provide practical examples of applications and projects, and flowcharts of the application procedure.

A good practice example in terms of a flowchart of the application procedure was found in Germany for “Innovation in SMEs”. The Hessen Agentur provides on its website a flowchart of the entire application procedure including limitations on the number of pages of project outlines and applications.

➤ **Introduce a self-assessment tool which allows eligibility to be pre-tested online**

Member States should consider developing and introducing a self-assessment tool to pre-test eligibility online. Such a tool, providing it was fully utilised by the potential applicants, would avoid the administration having to assess and filter out applications that are not eligible; potential applicants with a negative pre-test result would not submit an application (see also Recommendation I below). This measure would have a positive impact on the administrative burden for potential applicants as well as on the efforts of the administration in assessing the eligibility of applications.

➤ **Tailor information and guidance services to different target groups (SMEs, research institutes)**

SMEs, research institutes and other groups of applicants might have different information needs and be in different situations. This should be taken into account in written and spoken guidance. Guidance documents should be tailored to the specific target groups and personal guidance should be provided by people familiar with the specifics of the respective target group.

➤ **Highlight changes in programming/application documents**

Frequent amendments to the relevant programme and application documents should be avoided. In the case of temporary calls, changes should not be introduced during the call period, but only between calls. In any event, changes in relevant programme and/or application documents should be highlighted to facilitate faster orientation of the applicants.

#### **I. Improve guidance targeted at project acquisition and development**

A good practice example in terms of project acquisition and development was found in the Netherlands in relation to the implementation of R&D and Innovation in SMEs.



The MA has assigned the task of acquiring projects for ERDF funding to Oost NV, a regional development agency, to acquire projects for ERDF funding. Some 80-90 percent of funded projects in the fields of R&D and technology transfer, and Innovations in SMEs found their way to ERDF support via Oost NV.

This approach works as follows:

- 1: Oost NV collects project ideas;
- 2: Potential applicants fill in an orientation form of two to three pages;
- 3: Oost NV introduces and discusses project ideas in a coordination meeting with the IB (Programme Secretariat) once a month
- 4: Oost NV gives feedback to the potential applicant and provides informal advice
- 5: Projects are discussed during progress meetings between Oost NV and the IB every three weeks.

A lot of effort (time, personnel) is invested in this process, but this is deemed worthwhile as it lowers risks in project implementation. It also shows the potential for cooperation between regional development agencies on the one hand, and the IB and MA, on the other.

#### **J. Cover costs for project development and management with ERDF resources**

Large infrastructure projects in particular, e.g. in the field of R&D, joint projects from R&D institutions and enterprises, as well as the implementation of Integrated Urban Development Plans require capacities for development and management which cannot necessarily be covered by the internal staff of applicants/beneficiaries. These costs for external expertise should thus be covered by the project costs supported by the ERDF.

#### **6.2.3 Submission and selection of APQ**

##### **K. Implement a pre-check of applications as a guidance tool**

A formal two-stage procedure applies only in the Czech Republic and Germany to the Innovations in SMEs theme. In the Czech Republic, this approach is primarily designed to assess whether the eligibility requirements are met. The APQ procedure provides early feedback to the applicant on chances for success and filters out ineligible projects. The selectivity of this procedure is rather high. This indicates that this type of procedure clearly contributes to administrative efficiency. In Germany the first stage of the two-stage procedure serves primarily for the stakeholders and multipliers represented in the selection committee to discuss project ideas and weigh up the quality and effects of planned projects. The selectivity of this procedure is comparably as high as in Czech Republic. If projects are rejected, recommendations are made for alternatives for implementation.

Both procedures reduce the uncertainty and administrative burden of applicants rejected at the first stage, which is less extensive and time-consuming than the second (formal application).

Furthermore, the study shows that similar procedures are in place in Germany as well for R&D and in the Netherlands for all three themes, but not in a formal sense (pre-checks). These are also considered as good practice especially in terms of providing guidance to the applicants and developing project ideas.

Informal pre-checks of project ideas as applied in the fields of R&D and Innovation in SMEs in the cases of Germany and the Netherlands have proven to be an effective approach both from the administrative and the applicant's viewpoint. Member States should consider introducing a pre-check combined with guidance activities targeted at project development.

A transparent division of tasks between those providing guidance and those in charge of selecting projects should be ensured by the organisational set-up of the process.

#### **6.2.4 Submission of applications/proposals**

##### **L. Reduce the extent and the requirements of applications to the necessary minimum**

Applications – forms and documents to be provided – should be reduced to the necessary minimum and only require the information which is actually needed to assess the eligibility of applications and the quality of planned projects. The study team believes that there are a couple of recommendations in this regard which should be taken into account for the new programming period:

➤ **Eliminate irrelevant/dual requirements from applications**

In order to reduce burden on the part applicants and to ensure smooth application, the Member States' funding authorities/bodies should make sure that applications only require information relevant for the selection decision and support agreement. Several survey respondents from the Czech Republic and Slovakia noted in relation to Innovation in SMEs that they have the impression that information was requested which is partly irrelevant and they had to provide some information twice. An example of a requirement perceived as irrelevant was mentioned in the Czech Republic in relation to theme 1, R&D: the "financing gap" for non-commercial entities.

➤ **Facilitate the re-use of information and data as far as possible**

Almost two thirds of the applicants in scope of this study have applied previously for ERDF funds. Some information, as for instance the applicant-related information, has to be provided with each application even though this information is already at hand of the administration and could be re-used. The re-use should be facilitated for instance by setting up and keeping a central folder of each applicant. This would reduce applicant's irritation and administrative burden. This recommendation would be facilitated by an e-system (see also Recommendation M below).

➤ **Provide the evaluating bodies with access to relevant folders/files available at other authorities/bodies**

Several documents to be provided with an application for ERDF funds are copies of official documents issued by other authorities, as for instance building permits in the case of infrastructure projects. Others have to be gathered by the applicants from official registers, as for instance the extract from the trade register. Providing the evaluators with access to relevant folder and/or files available at other authorities and to the registers would reduce the administrative burden of applicants.

➤ **Align the required financial information with the format of information at hand of applicants**

Data requirements, especially in terms of financial information, should be aligned to the format of data already at hand of the applicants. Preventing applicants from converting existing data into a different application format would reduce the time and resources spent on an application, i.e. the administrative burden.

- **Accept self-declarations instead of certified copies**  
During the application phase, self-declarations should be accepted instead of requiring certified copies to be collected by applicants from different sources. If necessary, certified copies should only be requested from the successful applicants reducing their administrative burden.
- **Limit page numbers**  
The extent of project outlines, applications for APQ and applications including the project description should be limited by introducing a ceiling of page numbers. This would clarify the expectations and help applicants to focus on the relevant minimum information. As regards the project description for joint projects, a common coordinated description might be sufficient.
- **Implement a flat-rate allowance for calculating project costs**  
Implementing a flat-rate allowance would facilitate the calculation of project costs and reduce the time applicants spend on calculations and thus their administrative burden. The recommendation is addressed at both, the Commission and the Member States. Flat-rate allowances are foreseen as a form of grant in the Commission's proposal for the regulation of the Structural Funds for the next programming period<sup>65</sup> (articles 57 and 58).
- **Introduce a simplified application procedure**  
Member States should consider introducing simplified application procedures. These could be applied to small projects with a budget of for instance beneath EUR 150,000 or in case of temporary calls. In terms of the latter case, the MA competent for Urban Regeneration in Czech Republic is currently pilot testing a simple evaluation system based on exclusive evaluation criteria (yes/no).

#### **M. Implement e-solutions and enhance online submission of applications**

Post and personal delivery still seem to be the preferred method of application submission. Although the majority of calls provide for, and some even require online submission of applications, applicants consider personal delivery as a last opportunity to check the proposal before final submission. The personal contact is also essential in terms of quality of service and guidance.

The Commission's proposal for the regulation of the Structural Funds for the next programming period<sup>66</sup> covers the requirement to implement e-solutions in all Member States. Article 112 of the proposed regulation requires the Member States to ensure that all exchanges of information between beneficiaries and authorities can be carried out solely by means of electronic data exchange systems. The systems shall facilitate interoperability with national and Union frameworks and allow for the beneficiaries to submit all information only once.

Such e-solutions facilitate the application process and provide further support for the evaluation of applications, as the examples in Czech Republic and Slovakia illustrate. To what extent an e-solution contributes to smooth the application and selection process and decreases the administrative costs and burdens, depends on the functionalities of the individual system. However, when a system is implemented, applicants would also need to be encouraged to use it.

---

<sup>65</sup> EU Commission, Proposal for a Regulation of the European Parliament and of the Council laying down common provisions on the European Regional Development Fund, the European Social Fund, the Cohesion Fund, the European Agricultural Fund for Rural Development and the European Maritime and Fisheries Fund covered by the Common Strategic Framework and laying down general provisions on the European Regional Development Fund, the European Social Fund and the Cohesion Fund and repealing Regulation (EC) No 1083/2006. Com (2011) 615.

<sup>66</sup> EU Commission, Proposal for a Regulation of the European Parliament and of the Council laying down common provisions on the European Regional Development Fund, the European Social Fund, the Cohesion Fund, the European Agricultural Fund for Rural Development and the European Maritime and Fisheries Fund covered by the Common Strategic Framework and laying down general provisions on the European Regional Development Fund, the European Social Fund and the Cohesion Fund and repealing Regulation (EC) No 1083/2006. Com (2011) 615.

### **6.2.5 Evaluation of applications/proposals**

In terms of the process of evaluating applications and the criteria applied, the study uncovered differences in particular between the old and new Member States, and between permanent and temporary calls. For all the themes studied the old Member States mostly apply eligibility and quality criteria and evaluate applications on a one-by-one basis. Eligibility criteria are exclusionary in the sense that full compliance is required. There is a one-by-one assessment of compliance with the quality criteria. When applying this approach, projects are not compared directly and this leaves ample room for individual assessment and interpretation. The new Member States mostly apply eligibility, quality and selection criteria, and carry out a comparative evaluation leading to a ranking of projects. The comparative perspective sharpens the implementation of the criteria and puts applicants in competition with each other, so that they strive to deliver the “best application”.

Based on the practices examined, the study team identified some key elements of an effective evaluation process. These ideal characteristics highlight the importance of linking the evaluation and selection criteria coherently to the programme objectives (see also recommendations on the preparation of calls, section 6.2.1).

### ***N. Design and apply effective and efficient evaluation processes***

#### **Comparative perspective:**

- A comparative perspective is best suited for identifying the projects which fully or best meet the criteria applied.
- The administration should be driven by this objective, which should not be counteracted by the availability of funds and the pressure to spend them.
- A comparative perspective does not necessarily depend on the type of call chosen. In organisational terms, it is also possible to collect and assess projects comparatively within the framework of a permanent call (the German case under the theme Innovation in SMEs). Another possibility is to define several deadlines for submission of applications (see temporary calls in Slovenia under the theme Urban Regeneration).

**Quality of evaluation and selection criteria:**

- Eligibility, quality and selection criteria should be clearly distinguished.
  - For instance, information about the applicant serves to ensure proper implementation. If this is not guaranteed, a project is not eligible.
  - *Quality criteria* should clearly relate to the objectives set out by the call and the wider programme objectives, and focus on the expected results. This allows the evaluator to focus on whether the objectives are likely to be achieved by the proposed activities.
  - *Selection criteria* determine the mechanism for preferring one project over the other: the mechanisms applied are mostly scoring systems, which set a minimum or maximum. A cost-benefit ratio might also serve as a selection criterion.
  - Criteria should be simple and clear, and limited in number. This relates especially to the need for criteria to be understandable. Evaluation and selection criteria are not identical to a check list or a manual for evaluation. They clarify what the funding authorities expect of the applicants and form the binding basis for evaluation and selection.

These ideal characteristics highlight the importance of linking the evaluation and selection criteria coherently to the programme objectives (see also recommendations on the preparation of calls, section 6.2.1).

The selection process in Austria for Urban Regeneration demonstrates how a comparative evaluation of applications using good indicators can be carried out within a permanent call. It also illustrates that a feasible scoring methodology does not necessarily require complex IT solutions.

An Excel-based check list was developed for assessing the eligibility of an application as well as for the qualitative assessment. The questions to be answered by the assessors reflect the objectives of the OP and are weighted accordingly. In order to ensure the selection of projects which clearly also demonstrate European added value, visibility of the project in the public is one of the ranking criteria

<b>Compliance with targets set out</b>	<b>Max 75 points</b>
Compliance with targets at level of priority axis, operation, horizontal objectives	Max 30
Focus on results	Max 25
Degree of innovation	Max 20
<b>Quality of project design</b>	<b>Max 70 points</b>
Quality of project design	Max 25
Cost (resource) efficiency	Max 25
Visibility (quality of communication activities)	Max 20

These criteria are specified by further sub-criteria. The application of the system clearly facilitates the evaluation process. Only applications that achieve a minimum threshold of points can be selected.

Another area for recommendations in relation to the evaluation of applications is the use and involvement of external evaluators.

**O. *Avoid conflicts of interest and biased selection when using external evaluators***

External evaluators contribute to the evaluation of applications in the R&D and Technology Transfer, and Innovations in SMEs themes in particular. Their main role is to provide specialist technical or financial knowledge which the MAs or IBs carrying out the evaluation do not have to hand. Only specialised IBs or agencies like those for R&D in Germany or Innovations in SMEs in Austria can rely on their in-house experts.

External experts are usually called upon on a case by case basis. A pool of experts has been built up for this purpose in the new Member States by means of 'calls for experts' or procurement procedures. The additional expert opinion provided in the evaluation process certainly supports the effectiveness of the selection process. However, care needs to be taken about the risk of biased selection, as in Slovakia and Slovenia, for instance, cases were reported in which external assessors were not working exclusively on project evaluations on behalf of the funding administration, but also as external consultants for applicants. Therefore, it is crucial that experts have just one vote within the evaluation teams or groups and be held responsible for disclosing potential conflict of interests. External evaluators should be selected carefully; the selection should only involve professionals who are experienced and dispose of appropriate knowledge in the respective special field.

#### **6.2.6 Selection of projects**

**P. *Set up selection committees for taking selection decisions***

Selection committees provide another possibility for drawing on external expertise. Selection Committees assembling members from economic and social partners (e.g. research and development, employers' and employees' associations, Chambers of Commerce and Trade) play a viable role in Germany, the Netherlands and in part in Austria. Although the case of the Netherlands indicates that a high level of involvement of stakeholders is very resource-consuming, this investment should be highly valued. The involvement of a mixture of external expertise and stakeholders enhances the effectiveness of regional policy making and the commitment to EU policies, and implies a stronger needs-orientation. Committee decisions taken on a broader basis trigger higher acceptance.

In terms of the composition, work-flow and role of the selection committee, Germany seems to provide for a good practice example. This case indicates that selection committees are specifically able to link regional economic policy with ERDF interventions. It requires proficient knowledge and insight into specific technologies, markets and the needs of enterprises and research institutions to judge a project against these criteria. This may go beyond knowledge available in public administrations.

In the **German** case, the committee consists of representatives of the Ministry for Economy, Transport and Regional Development of Hessen (MA and IB Level 1), Ministry for Science and Education of Hessen, the WiBank and technological consultants from the Chambers of Commerce and Industry. The committee discusses both applications for pre-qualification and project proposals.

The IB 1 is in charge of the legally binding selection decision and sticks to the suggestion of the committee. Its input is appreciated as professional and well argued. From the viewpoint of the Rambøll study team, this is understandable, especially when considering the specific criteria projects have to comply with:

- comprehensible core competencies of the research partners,
- degree of innovation of the scientific-technical concept,
- technical feasibility, product quality,
- transferability of results, technology and knowledge transfer into further branches,
- degree and quality of cooperation of the consortium,
- customer value, economic utilization, merchantability, market strategy,
- refinancing / technical and economic potential,
- contribution of the project towards the improving the enterprises competitiveness.

#### 6.2.7 Agreement on ERDF support

##### **Q. Ensure that documentation/information essential for decision-making is requested before (and not after) project selection**

As explained in detail in several sections of this report, the administrations responsible for selecting R&D and Urban Regeneration projects in the Czech Republic require a major effort in the last process step after the funding decisions are taken.

Before the agreements are finalised, the potential beneficiaries are requested to hand in additional documentation and invite offers from suppliers. This might take several weeks and during this time changes might occur to the factual basis on which the selection decision was based, possibly resulting in a need for "re-negotiation". Such "re-negotiations" create a risk that the accountability of the selection procedure will be undermined. Therefore selection decisions should only be taken when all necessary information has been provided, not beforehand and when they are still based on vague information.

This does not apply to procurement documents. In some cases, it was reported that offers from suppliers need to be invited and collected before handing in an application. This should not be the case. The documentation of invited offers from suppliers should only be requested from the successful applicants in order to prevent the unsuccessful applicants from spending the associated efforts and ensure that offers are not outdated.

##### **R. Keep reserve lists of promising projects which were not selected**

Promising projects which could not be selected for instance due to a large number of promising projects applied for within one call or due to a lack of funds should be kept on a reserve list for the next call with the same objectives.

## **7. ANNEXES**

- Annex 1: Detailed Work Plan and Schedule of the Study**
- Annex 2: List of Sources**
- Annex 3: Overview of Workshops and Interviews Conducted**
- Annex 4: Evaluation/Selection Criteria in Detail By Theme and Country**
- Annex 5: Demographic Background of Survey Respondents**
- Annex 6: Country-Specific Analyses of Key Survey Questions**
- Annex 7: Methodological Information on the EU Standard Cost Model (SCM)**
- Annex 8: Results of the Multi-Criteria-Analysis by Country and Theme**
- Annex 9: Project Selection Profiles by Theme and Country**