

# Insted Institutional Capacity for Territorial Development

Targeted Analysis 2013/2/16

(Draft) Final Report | Version 13/04/2012



This report presents the draft final results a Targeted Analysis conducted within the framework of the ESPON 2013 Programme, partly financed by the European Regional Development Fund.

The partnership behind the ESPON Programme consists of the EU Commission and the Member States of the EU27, plus Iceland, Liechtenstein, Norway and Switzerland. Each partner is represented in the ESPON Monitoring Committee.

This report does not necessarily reflect the opinion of the members of the Monitoring Committee.

Information on the ESPON Programme and projects can be found on [www.espon.eu](http://www.espon.eu)

The web site provides the possibility to download and examine the most recent documents produced by finalised and ongoing ESPON projects.

This basic report exists only in an electronic version.

© ESPON & Politecnico di Milano, 2012.

Printing, reproduction or quotation is authorised provided the source is acknowledged and a copy is forwarded to the ESPON Coordination Unit in Luxembourg.

## List of authors

Prepared by the Lead Partner DiAP Politecnico di Milano (Bruno Dente, Carolina Pacchi, Simone Busetti), Milan, Italy, with assistance from the Project Partners:

DITer Politecnico di Torino, Università di Torino (Carlo Salone, Francesca Governa, Marco Santangelo, Giancarlo Cotella, Ignazio Vinci, Raffaele Colaizzo), Turin, Italy;

IGOP Universitat Autònoma de Barcelona, Barcelona (Joan Subirats, Quim Bugué, Ramon Canal), Spain;

Istituto per la Ricerca Sociale (Claudio Calvaresi, Cristina Vasilescu, Elena Donaggio), Milan, Italy;

Sciences Po, Université de Lyon (Gilles Pinson, Deborah Galimberti, Max Rousseau), Lyon, France





## Table of contents

### **A Executive summary**

- 1 Analytical part incl. key messages and findings
- 2 Options for policy development
- 3 Need for further analysis/research

### **B Report**

- 1 Main results, trends, impacts
  - 1.a. Research questions and conceptual scheme
  - 1.b. Linking the main concepts and variables
    - 1.b.1. Structural Variables
    - 1.b.2. Institutional thickness as a relationship between structural variables and institutional capacity
    - 1.b.3. Institutional Capacity
    - 1.b.4. Capacity Building Policies
    - 1.b.5. Capacity Building Policies and institutional capacity
    - 1.b.6. How do CBPs work? The use of social mechanisms theory
- 2 Options for policy development: Towards a Common Capacity Building Policy
- 3 Key analysis: A system of indicators for institutional capacity
- 4 Links with other Espon projects on governance issues
- 5 Extension of the Insted project: Towards a structured good practices catalogue about progress in Institutional Capacity in Cohesion Policy across the EU, based on mechanisms

## **A Executive summary**

### **1 Analytical part including key messages and findings**

At the beginning of the INSTED project, two main questions were said to be worth answering: a) how Capacity Building Policies (CBPs) influence Institutional Capacity (IC); b) how path dependent conditions influence CBPs, IC and the process of change in IC. To answer these questions a fine job of conceptualization was required in the first place, aiming at providing workable definitions for the main variables considered. Afterwards, relations among these variables were investigated, focussing on the ones that could be tackled in a meaningful way using the INSTED empirical data.

The result of such effort is a capacity framework in which – assuming territorial development as the ultimate dependent variable – two relations appear central: the one between structural variables and IC, analyzed through the institutional thickness (IT) theory; and the one between CBPs and IC. In this respect, IC is the central dependent variable and the one more explicitly addressed in the framework.

The INSTED framework conceptualizes structural variables as path-dependent conditions in a co-evolution relationship with institutional capacity, and partly equal the ultimate dependent variable, that is territorial development. We reviewed different development and growth theory frameworks and identified a set of indicators for measuring structural variables: demographic, territorial, economic and labour accounts, education, science and technology. The unsurprising result is that INSTED regions can be reasonably divided into two homogeneous groups, overlapping with convergence and competitiveness regions: in the first there are the Southern Italian and Polish regions, in the other Toscana and the French regions. If the first result of was the structural characterization of regions in the project, *the main conclusion raised by field research is that the importance of such variables is limited: CBP and IC more generally result in fact largely independent on the level of development.*

For this reason, the need to go more in depth in uncovering contextual conditions suggested the use of the IT framework. *This part produced two main results: it gives an operative definition of IT – ready applicable to our case studies – and it presents main elements of IT in the INSTED regions which can help to better uncover path-dependent processes characterizing IC.* Institutional Thickness aims in fact at identifying key-factors which appear to provide certain regional and urban spaces with more possibilities to enhance local development in the climate of globalization. According to the framework, the IT approach was used to describe the relation between structural variables and IC, as a frame of reference and as a process. In particular, the case studies outlines five analytical dimensions of IT:

- *Consistency through time of strategies, structures and organizations.* If institutions and formal and informal traditions have a massive effect in shaping development policies, their consistency through time is key;

- *Coherence with broader existing framework(s)*. The level of coherence of existing frameworks and EU policy through structural funds is fundamental;
- *Governance*. This is key, but highly diverse across the cases considered and with variable effects: French regions and Toscana have more solid governance structures; the Polish regions are in an experimental post-devolution phase; Puglia and Sicilia are more based on technical devices and agreements conceived on purpose for implementing EU policy ;
- *Adaptation to organizational and cultural changes*. Adaptation to changes can be seen in two main trends: on the one hand, regions with a strong institutional system that select those components of EU management culture and strategies needed in their context (e.g. Toscana or the French); on the other, regions needing to improve the performance of their organizations and structures so to meet the request of the EU;
- *Resistance* represents the possibility that institutions oppose closure to changes: within INSTED, there appears a general trend to focus resisting efforts towards central governments, rather than towards the EU. Resistance to more permanent changes can also be envisaged (e.g. in the case of the Evaluation Unit in Puglia).

IC is investigated within the INSTED framework as a key variable able to contribute to the explanation of the quality of territorial development policies, directly influenced by CBPs, within the context of the structural features of different territories. *This part conveys two main results: it provides a workable definition of IC, able to investigate capacity effects in a broad sense; it analyzes case studies against this conceptualization, and reveals clues on how it unfolds empirically.* Three possible declinations of IC have been identified:

- Type one IC: the ability to come to terms with EU rules and procedures, that is to say the complexity of the management dimension of EU funds and the ability to combine them with the national and/or regional rules and procedures. Evidence of such type one IC was present across all INSTED cases, even if with different modes, temporal dynamics and depending both on the initial level of capacity present in the region and the relative experience in managing EU funded policies. *This latter appears to be an important variable in understanding type one capacity processes, no matter the level of development in the region.*
- Type two IC: the capacity to use EU funds and procedures to bring forth and implement projects and strategies, which local actors already had in mind or which they develop on purpose. Such capacity to integrate thematic areas, implementation tools and devices and funding sources towards a strategic objective is especially found in the French regions and in Toscana: *such type two IC is in fact strictly linked with the initial maturity of administrative and*

*institutional contexts and with the strength of their territorial agenda*, and it is possibly the least widespread of the three.

- Type three IC: the capacity to use the competences built through the use of EU funding in order to improve the overall quality of administrative action, by the mainstreaming of four main policy principles: partnerships, sustainability, evaluations, equal opportunities. Such type three IC is a goal in itself and it can directly influence the final outcomes of territorial development policies, beyond Cohesion Policy interventions. In the INSTED cases, we find evidence concerning mainly the diffusion of the partnership principle and of evaluation procedures (e.g. the Evaluation Unit in Puglia).

Capacity building policies (CBPs) refer to actions aimed at strengthening the capability of government officials to manage their programmes, to provide services to their constituents, or to manage their overall jurisdictional or inter-jurisdictional responsibilities. *This part gives a broad definition of CBPs (staffing, training, networking, procedural arrangements, institutional and organizational innovations), analyzes empirical evidence and reveals three possible risks in CBPs implementation: limited long-term effects, intra-institutional conflicts and lack of integration, inappropriate tailoring or ineffective design.* Main results are summarized as follows:

- Staffing is quite typical when administrations are relatively new to managing the EU cohesion policy or the specific task at hand: recruitment is then aimed at plugging general capacity gaps (as in the Polish regions), but also subsequent to increased or more specialized workload (as in Puglia). Staffing is provided in variable forms of stability: less stable forms may entail problems for long-term capacity building.
- Training is certainly the most widespread of CBPs, but its importance and nature varies significantly, in particular for what concerns the tailoring of the implemented initiatives: these go from very wide-ranging training programmes (e.g. in the Polish administrations), to very focused and specialized interventions (as in the French regions or in Sicilia).
- Networking is extensively practiced in all regions: some networks mainly focus on practice sharing among administrators (the most explicit is the one set up for the Evaluation Units in Italy); others are more open and see the participation of a wider set of actors. Implicit networking effects characterize most CBPs.
- Procedural arrangements may be explicitly designed for enhancing the quality of policy formulation and implementation: they can be a good way for governing at arm's length, maintaining the necessary freedom for implementers while ensuring the demanded results (as in the case of selection procedures in Toscana).

- Institutional and organizational innovations are set up anytime the regional administration is also the managing authority for the ROP, but they get particular relevance when EU policy and regional development policy are both relatively new: this is so for instance the case of the two Polish regions, where EU units progressively evolved into independent departments.

For what concerns the relation between CBPs and IC, *the main result of the analysis is that CBPs can be drivers for breaking path dependency and improve capacity, no matter the level of development.* CBPs actions and effectiveness vary according to the type of capacity considered:

- *Type one IC* is the one more easily tackled: virtually all kinds of CBPs can improve that capacity and several initiatives across INSTED regions were perceived as successful. Among the tools used for enhancing type one capacity, networks are at the same time the less intrusive for administrations and the ones able to address more complex type one issues.
- *Type two IC* entails an existent planning capacity to be used before CBPs are activated and delivered, so that a complete understanding of type two improvements will only be observable in a future planning round. Notwithstanding, drawing on the experience of Toscana, Sicilia and Dolnoslaskie, the analysis shows that: while it is reasonable that other CBPs – in particular staffing and training – may have a good potential for fostering type two IC in the future, procedural CBPs may have a significant potential for activating this kind of IC with effects immediately observable in the short run.
- CBPs effects on *type three IC* still present a problem of observation, but nonetheless, the analysis showed that this type of capacity may be enhanced controlling for two characteristics of CBPs: their ability to get integrated into the wider administration and their time frame of action. In this respect, the case of the Evaluation Unit in Puglia shows not only how a permanent institutional change may be a good hub for the diffusion of the evaluation culture, but also that such innovations need time to reach a wider internal public and eventually to get fully integrated within the administration.

Working more in depth on such capacity relation, *the INSTED project provides a final important result: it applies a method of analysis based on causal mechanisms, able to improve the process of successful transfer of CBPs smart practices from a source to a target case.* Mechanisms are context-specific regularities uncovering causal chains between phenomena: even though they have not the same level of generality of law-like propositions, they reach a level of abstraction able to isolate the relations working in successful capacity processes. The INSTED project provides both a list of basic mechanisms generally useful for policy analysis and a classification of such mechanisms based on four classes: incentives; reputation; coordination, defence. Finally, empirical data collected in the case studies allowed the isolation of main mechanisms active in the INSTED regions.

## 2 Options for policy development

In section 2 of the report, attention is focused on how institutional capacity has been the object of increasing interest in the European Union (EU) debate in the last years. Within the regulation document of the ESF, for instance, the concept of “capacity” is linked to the attention to be given to the development of strategies and competences to maximise the opportunities for policy implementation, a perspective within which the INSTED project moved from the beginning. In fact, regulations for both ESF and ERDF and prospective new regulation proposals for the 2014-20 programming period contain provisions for the strengthening of institutional and administrative capacity as a key element.

In defining more in detail the ex ante conditionality referred to *Enhancing Institutional Capacity and Efficient Public Administration* (art. 9(11) of the general regulation proposal) the Commission states that the basic point is "*the existence of a strategy for reinforcing the Member States' administrative efficiency including public administration reform*" and that implies the fact that such strategy should be already *in place and in the process of being implemented*: impinging on the results of the INSTED project we are in the position of making a certain number of suggestions about how to articulate this proposal as regards the different types of Institutional Capacity, the diagnosis and the strategic planning, the different types of CBP and finally the causal mechanisms explaining the success of CBPs.

As far as the different typologies of IC are concerned, even if it is somewhat natural that the European Commission (EC) is particularly worried about the ability of the different MAs to efficiently manage cohesion policy, it would be wrong to identify effectiveness only with financial management. In fact, the real test of effective implementation is the fact that the goals of the Lisbon strategy are attained and in order to do so the integration between European cohesion policy and domestic policies is actually working: type two IC is therefore very important and this has to do with the ability avoid the risk of a strong separation between the public bodies in charge of the Structural Funds and the Cohesion Fund and the rest of Public Administration.

Secondly, we believe that in designing the strategy for enhancing IC the MS and the EC should take into consideration a larger definition of administrative capacity than the simple ability to manage European funds. What seems necessary is therefore the ability to find some common indicators (like the ones that we will propose in section 3 of this report) and to define in the strategic planning not only the actions to be taken, but also the targets to attain in the different areas of IC. From this point of view the main ex-ante conditionality should be the ability to identify the priorities and the targets of what we can call the IC policy within the EU funded Cohesion Policy.

The following step in the preparation of the strategic plan - and the third of the elements mentioned above - is the choice of the most appropriate CBP in order to solve the problems and to reach the targets. In this regards one could consider the list of different CBPs as the full array of instruments we have available in order to improve IC: this is necessary in order to avoid the risk of preparing generic strategies, inspired to the "one size fits all" approach, not really adapted neither to the specificities of socio-economic development policy nor to the different contexts in which these actions should take place.

This shifts the attention to the last of the elements mentioned above. In order to operate effectively it is important to understand not only what works but also why it works, and this is why we suggested that the literature on social mechanisms (described in detail in par. 1.b.6 and mentioned in other parts of this Summary) can be useful.

In section 3 of the Final Report we propose some analytical tools that will allow the measurement of Institutional Capacity, and therefore assess the readiness of Member States (MS) and Regions in their capacity of Managing Authorities (MA) to use effectively the financial resources allocated by Cohesion Policy, and to evaluate the success of CPB in actually improving IC.

Impinging on the proposed definitions and typologies of IC proposed in par. 1.b.3, and on the accepted methodology for organising a result oriented policy, the Report proposes a first set of possible indicators, to be completed and refined. We will summarise them according to the type of IC which is involved.

Type one IC as *the ability to come to terms with EU rules and procedures:*

- 1. Amount of decommitment at the end of the programme distinguishing between inability to absorb and subsequent recovery**
- 2. Procedural delays, measured as the average extra time needed to accomplish the different tasks involved in the programme, possibly weighted by their financial importance**

Type two as the *capacity to use EU funds and programmes to bring forth and implement projects:*

- 3. Level of co-financing of Operational Programmes measured as the average of the projects included in it**
- 4. High level of multilevel governance measured by the fact that important roles are played (e.g. in the monitoring committee) by institutional actors located at different territorial levels and with different (general or specific) missions or mandates.**

Type three IC as the *capacity to use the competences built through the use of EU funding in order to improve the overall quality of administrative action:*

**5. Mainstreaming of the different institutional features of EU programmes: partnership principle, ex ante and ex post evaluation, analysis of environmental sustainability**

**6. Success in getting access to development funding on a competitive basis**

### 3 Need for further analysis and research

Even though the INSTED project presents valuable results for the understanding of capacity dynamics, a full interpretation of the significant relationships in the framework would need further research. Two more steps are proposed for future investigation:

- *The first would be to further develop and elaborate the proposed indicators.* This means first to refine them in terms of consistency, possibility to be replicated, and comparison over time and across different contexts; secondly to add more indicators, in order to achieve a more complete perspective. Here, the main constraints in INSTED derives from the limited empirical data – grounded on only nine case studies – with very little likelihood that the developed indicators would be applicable across the whole of EU regions.
- *The second would consist in developing an operational data-base of smart practices in CBPs across the EU 27.* Drawing from empirical data deriving both from EU and nationally funded development programmes and policies, the analysis will reconstruct the causal chains between CBPs and improvements in the (different types of) IC. The mechanisms approach has the significant advantage of allowing to use secondary source data: mechanisms can be in fact identified from analysing existing cases already present in smart practice databases. Such future meta-database could be organised along the four classes of mechanisms identified (incentives, reputation, coordination and defence) and it will isolate the main transferable mechanisms implied in CB.

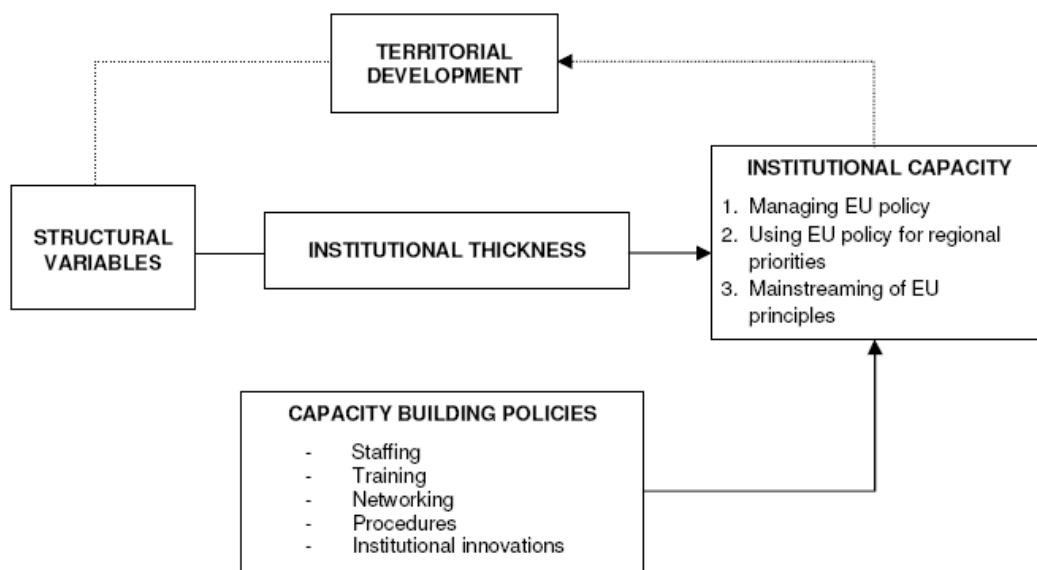


# 1 Main results, trends, impacts

## 1.a. Research questions and conceptual scheme

The INSTED project is based on a capacity framework (see the figure below) in which – assuming territorial development as the ultimate dependent variable – two main relations have been investigated: the first one between structural variables (SV) and institutional capacity (IC) based on the theory of institutional thickness (IT); the second between capacity building policies (CBPs) and IC. In this respect, IC is the main dependent variable of this research and the one explicitly addressed in the framework.

Structural variables and institutional thickness both describe contextual initial conditions in which capacity processes occur. Structural variables (§1.b.1) are conceived as path-dependent conditions: they are related to the level of institutional capacity and they partly overlap with the level of development (then the dotted line in the figure). In the case studies, the elaboration on structural indicators is quite extensive and makes use of different sources of data: the present report refers only to a limited set of indicators, both for reasons of comparability and because field research significantly downplayed the importance of such variables for the capacity framework.



**Figure 1** The INSTED Conceptual Framework

Institutional thickness (§ 1.b.2) aims at identifying key-factors which increase the possibility for certain regional and urban spaces to improve local (economic) development in the climate of globalization. Institutional thickness outlines the role of places to territorially embed global processes. From the fieldwork, five analytical dimensions appear important across INSTED regions: 1) consistency through time of strategies, structures and organizations; 2) coherence with broader existing frameworks; 3) governance; 4) adaptation to organizational and cultural change; 5) resistance.

In paragraph 1.b.3. the INSTED project provides an operative definition of institutional capacity organized along three main types: 1) the ability to come to terms with EU rules and procedures, that is to say the complexity of the management dimension of EU funds and the ability to combine them with the national and/or regional rules and procedures; 2) the capacity to use EU funds and procedures to bring forth and implement projects and strategies, which local actors already had in mind or which they develop on purpose; 3) the capacity to use the competences built through the use of EU funding in order to improve the overall quality of administrative action. The INSTED definition of capacity implies then an active role of regions in making the most of the management of ERDF, entailing a wide conception of the possible outcomes of EU policy on administrative capacity. Also, Chapter 3 of the present report develops a first set of measurable indicators for IC, suggesting baselines and targets.

Capacity building policies (§ 1.b.4.) are the main drivers for intervening directly on the level of capacity possessed by regional administrations (the solid arrow in the figure). Five different types of CBPs are described across the case studies: staffing, training, networking, procedural arrangements, institutional and organizational innovations. They proved diverse levels of effectiveness and this makes generalizations hard: nonetheless, Table 5 summarizes findings from case studies and gives some clues on how different CBPs may help improving a certain type of capacity (§1.b.5).

Such relation is particularly relevant in the framework and it is the object of the main theoretical proposal of the present research, that is to study capacity processes using a social mechanisms approach. Mechanisms – context-specific regularities uncovering causal chains between phenomena – allow to reach a level of abstraction useful for isolating and transferring the basic elements of a process of change and do not necessarily need costly fieldworks to be identified. Paragraph 1.b.6 reveals the main mechanisms activated across INSTED regions.

## 1.b. Linking the main concepts and variables

### 1.b.1. Structural Variables

The INSTED framework conceptualized structural variables in a complex way: they were considered as path-dependent conditions in a co-evolution relationship with institutional capacity, having a direct influence on CBPs and partly overlapping with the ultimate dependent variable of the capacity framework, that is territorial development. Field research significantly downplayed the importance of such variables: in particular, CBPs result largely independent on the level of development and this latter can be convincingly related to IC through the help of the IT framework (see below).

Nonetheless, being path-dependent and regarding non-mobile factors, initial endowments need to be controlled for, in order to better understand the way in which capacity interventions may impact on the quality of development policies and – ultimately – on the level of development. In this effort, the first step has been theoretical; we reviewed different development and growth theory frameworks (neoclassical models, endogenous growth theory, new economic geography) and identified a set of indicators for measuring the level of development in the INSTED regions: demographic, territorial, economic and labour accounts, education, science and technology. A summary view of the indicators considered is presented in Table 1. Measures for the chosen indicators show a high variance across INSTED regions. They in fact differ markedly on some very hard structural indicators (total population, population density, population change, ageing, total land and land use and cover), but also for their level of GDP, labour and education accounts and their degree of innovation.

Notwithstanding the obvious difficulty in finding a common pattern with such a high number of indicators, the possibility to refer to structural variables in the INSTED framework depends on an exercise of simplification. To this aim, INSTED regions can be reasonably divided into two homogeneous groups, approximately below or above the EU GDP average: in the first there are the Southern Italian and Polish regions, in the other Toscana and the French regions. It is no surprise that the two groups overlap with convergence and competitiveness regions: the former with GDP below the EU average, problematic unemployment rates, low migration and natural population change, a greater importance of agricultural activities and very low levels of registered patents yearly; the latter with GDP above the EU average, positive rates of population change, more limited unemployment and higher degrees of innovation. Notice that such classification is not perfect: some of the indicators are less variant between the two groups (like for instance the rate of employment or the level of long term unemployment) whereas others do not vary consistently between them (this is for example the case for education measures or employment in high technology sectors).

	Alsace	Aquitaine	Rhône-Alpes	Toscana	Puglia	Sicilia	Lubelskie	Dolnoslaskie
<b>REGIONAL DEMOGRAPHY</b>								
Population 2010	1.851.443	3.231.860	6.222.045	3.730.130	4.084.035	5.042.992	2.157.202	2.876.627
Population Density 2008	222,5	72	140,5	163	212,5	198,1	86,1	144,3
Total population Change 2009	4,54	7,99	7,75	6	1,1	1	-2,1	-0,2
Natural population Change 2009	4,12	1,18	5,46	-2,6	0,6	-0,1	-0,3	-0,4
Net migration 2009	0,42	6,81	2,28	8,6	0,4	1,1	-1,8	0,2
Old Age Dependency Ratio 2009	23,36	30,41	24,75	36,24	27,29	27,77	20,5	18,54
<b>THE REGIONAL SPACE</b>								
Total Area 2008 (km2)	8.280,20	41.308,40	43.698,20	22.993,50	19.357,90	25.711,40	25.121	19.948
Land Cover: Croplands 2009	29,78	21,28	16,23	25,39	64,35	45,83	48,4	42,63
L.C.: Forestry 2009	35,66	39,94	22,39	37,9	1,99	1,74	24,91	21,64
Land Use: Agriculture 2009	44,55	39,95	41,63	39,29	83,51	72,89	62,93	50,49
L.U.: Services, Residential 2009	10,37	10,51	11,31	6,35	9,09	12,15	3,66	9,11
<b>GDP and LABOUR</b>								
GDP per inh. in pps as EU% 2000	115	103	117	127	77	73	34	50
GDP per inh. in pps EU% 2008	99	96	107	114	67	66	39	60
Employment Rate 20-64 2010	72,2	70,40	71,1	67,8	48,2	46,6	65	62,6
Unemployment (over 25) 2010	7,00	7	7,1	5,1	11,3	12,1	8,4	9,8
Female Unemployment (over 25)	7,6	7,90	7,8	6,7	14,2	14,4	7,8	10,1
Unemployment (15-24) 2010	18,3	24,40	19,9	23,1	34,6	41,3	26	23,7
Long term unemployment 2010	2,84	3,03	3,02	2,88	6,93	8,19	3,15	3,57
<b>EDUCATION</b>								
Students aged 17 as % of corresponding age population 2009	87,8	89,1	90,4	86,9	82,6	78,8	97,1	95,7
Students in tertiary education as % of the population aged 20-24 years at regional level 2009	53,5	53,8	57,5	88,2	48,5	53,8	61,9	83,2
Persons aged 25-64 with tertiary education 2010	30,7	29,1	28,7	15,3	11,6	12,3	21,8	21,6
Participation of adults 25-64 in education and training 2010	6,4	5	5,3	7,2	5,2	4,7	5,9	5,6
<b>SCIENCE AND TECHNOLOGY</b>								
R&D Expenditures as % of GDP 2008 (Italy 2007)	1,67	1,29	2,5	1,01	0,79	0,83	0,48	0,44
Researchers (FTE), % of active population 2009	0,59	0,52	1	0,48	0,26	0,26	0,25	0,41
% of total employment in High Technology sectors 2009	3,98	3,07	3,89	2,31	1,43	1,82	1,03	3,89

**Table 1** Indicators for measuring regional development

Source: Eurostat

## 1.b.2. Institutional thickness as a relationship between structural variables and institutional capacity

Structural variables (§ 1.b1) can be considered as path-dependent conditions, which are in a co-evolution relationship with institutional capacity (IC) and have a direct effect both on capacity building policies (CBPs) and territorial development. As such, structural variables set the stage in which the relation between independent and dependent variables occurs. They provide the framework of preconditions for the development process to take place, but they do not seem to relate convincingly with IC when the latter is considered as a territorialized process and not just a normative and transferable one. In other words, in analyzing territorial development processes it seems that IC and CBPs can be used to analyze and explain the process but not the conditions that have allowed it to start.

To this extent, we may refer to the Institutional Thickness (IT) framework as part of the growing attention of academic and policy-makers to identify the key-factors which appear to provide certain regional and urban spaces with more possibilities to enhance local economic development in the climate of globalization. IT is based on Amin and Thrift's basic ideas (1994, 1995) that: (i) regions and places are, and continue to be, different; (ii) not all regions and places are able to embed global processes; (iii) if and where this happens, processes of development can be "linked" to the local level and (iv) so, regions and places are not simply containers of development processes, but *agents* of their own development. IT outlines the role of *places* to pin down or territorially embed global processes, and accordingly it is *a process more than a product*. To this extent, a close relation between IT and IC should be outlined (Hassink and Lagendijk, 2001), but we may accept that "the main difference [between IT and IC] might be in the hybrid origin of the notion of IC that clearly developed first as a normative and operational notion rather than as an analytical notion" (INSTED Inception Report, 2011; pp. 25).

The debate on IT, though, has not been developed into a structured methodology. Studies that have referred to the concept have broadly debated on some local conditions (i.e. strong institutional presence, interaction between organizations, mutual awareness of a common enterprise, domination and/or coalition patterns) that seem to favor economic growth (cf. MacLeod, 1997; Raco, 1998; Coulson and Ferrario, 2007). However, IT has been very difficult to grasp, always swinging between lists of preconditions for the implementation of a development process (thus resembling a listing of structural variables) and a different way of considering IC in the same processes.

That said, quite recently the Barca Report (2009) has stressed the role of capacity building to improve the effectiveness of local institutions in development strategies. This means that is at the EU level that a major effort is required to be able to address and monitor local institutions, with EU as a provider of methodology and as a reference point with sound expertise, but it is at the local level that development processes should be territorialized. IT, then, should be seen as a set of elements

(preconditions) that allow the implementation of territorial development processes in which the territorialized nature of institutional relations is combined with wider dynamics, thus contributing to the degree of competitiveness of regions. This approach, furthermore, outlines the role of regions as major geographical arenas for a wide range of institutional changes, regulatory experiments and political struggles and as actors in development processes (cf. the international debate on the so called 'regional renaissance': Storper, 1997; Allen et al., 1998; Agnew, 2000; Mac Leod, 2001; Paasi, 2004; Amin, 2004; and on new regionalism::; Jones, 2001; Brenner, 2003).

The IT framework would help:

- to grasp the role of non-economic factors to explain the more or less dynamic behaviour of some regions and to promote local and regional development processes (Hadjimichalis, 2006);
- to overcome the idea that just by identifying a set of local features (social, economical, territorial) we are able to assure the success of local and regional development processes.

Within local and regional development processes, the role of IT is twofold: it «both establishes legitimacy and nourishes relations of trust which continues to stimulate entrepreneurship and consolidate the local embeddedness of industry» (Amin and Thrift, 1995, p. 102). Nevertheless, as the authors outline, IT can also have negative effects, it can determine the 'lock-in' to change and closure, also because institutions are extremely resilient to change.

According to this framework, we have used IT approach to describe the relation between structural variables and IC as a frame of reference – and not as a recipe – and as a process. In particular, the case studies outline five analytical dimensions of IT (see also Table 2):

- **Consistency through time of strategies, structures and organizations.** It has become clear, in the nine case studies, that the role that institutions and formal and informal traditions play have a massive effect in shaping development policies, but it is the consistency of their role during the process that makes the difference. In Alsace the regional administration has played (if not promoted) an important role in demanding competencies in terms of direct management of EU structural funds, but this applies to the 2000-2006 programming period because in the following (2007-2013) only the ERDF has been left to the regional administration (the rest recalled back at the national level). Consistency, in this case, seems to show that the Alsace case, which may at first sight seem a success (and unique) story in the French panorama of regional decentralization as regards management of structural funds, needs instead a reframing and retelling at the national level. A different story is told by the case of Toscana, where consistency can be observed – in the relationship of the regional administration with EU and public funds in general – well before the 2000-2006 programming

period and into the current one. Time, thus, helps us to read IT through different phases, different models of organizations and allows us to reframe – and rethink at – processes. In general, consistency and also coherence (below) seem to have suffered from the change of EU strategies in the 2000-2006 and 2007-2013 programming periods, shifting from a wider and comprehensive development strategies to definition of specific areas of intervention (e.g. innovation). Naturally there is a low degree of consistency when the analyzed experiences refer to an innovation (as in both cases in Puglia) or when the regionalization process is too recent (Poland);

- **Coherence with broader existing framework(s).** IT is a combination of factors and relations, including inter-institutional interaction and synergy, collective representations, common economic purposes and shared norms and values that are usually combined in strategies and visions for the development of a certain territory (Hassing and Lagendijk, 2001). The degree of coherence of such existing frameworks for the action to what has been proposed for the use of EU structural funds is fundamental. To this extent, the role of very strong institutional systems is crucial in readdressing the EU agenda, as in the case of the three French regions in which the policy-definition process that regards both regional and national levels is so structured that EU strategies enter as just one more tool for territorial policies. The same can be said for Toscana, which has a tradition on its own in the Italian panorama of policy-making in terms of programming capacity. In different ways, instead, the Polish and Puglia cases represent a weak degree of coherence because on one hand the role played by EU funds is of greater importance for the regional development, on the other hand there is a stronger need to adopt policies that are said to modernize the existing framework. In Sicilia there is also a weak degree of coherence, even if the Integrated Territorial Projects should be considered as enhancer of coherence with other interventions and policies: this is mostly due to the discrepancy between what should have been done and what actually have been realized, that is more than “integrated” the projects were “generic”;
- **Governance.** Four key elements are constitutive of IT: strong local institutional presence, high levels of interaction between local organizations, mutual awareness of being involved in a common enterprise, structures of domination and/or patterns of coalition (Mac Leod and Goodwin, 1999). As regards governance, there is a very diversified scene in the nine cases. The French case, in general terms, are characterized by the benefits to cooperation that *contractualisation* brings: relationship among different institutional levels and among public and private actors is mediated by the contract that is signed to start the implementation of almost any intervention in France, even – as in the Rhône-Alpes – where there is a high degree of conflict among territorial institutions. Toscana, again, has its peculiar model of policy concertation and partnership that provides a stable and effective framework for policy definition and implementation.

The Polish cases show a complex relationship between the national and regional levels, but this is strictly due to the recent regionalization process and to the presence of central state representatives at the regional level (quite similar to the French relation between *préfets* and presidents of the region). In the two cases of Puglia and in Sicilia, the issue of governance is mainly related to technical devices and agreements needed to implement the different activities;

- **Adaptation to organizational and cultural changes.** Efficient institutions are context specific, and identical formal institutions may yield very different outcomes in different contexts. The effectiveness of such institutions changes with time, and tailor made institutions are better than 'one size fits all' solution (Rodriguez-Pose, 2010). Furthermore, IT is characterized by «the institutionalizing processes that both underpin and stimulate a diffused entrepreneurship – a recognized set of codes of conduct, supports, and practices» (Amin and Thrift, 1995, pp. 103). In this case IT drives directly to IC (see following paragraphs), and we can witness in several cases how institutional “preconditions”, which shape the thickness of a context, have favored CBPs. Adaptation to changes can be broadly seen in two main trends in the analyzed case studies: on one hand there are those regions in which there is a strong institutional system that select those components of EU management culture and strategies that are needed in their context (e.g. Toscana implementing its already powerful concertation mechanism or French regions using EU to increase their degree of autonomy from the central state); on the other hand, other regions need to improve the performance of their organizations and structures so to meet the request of the EU, that is a technical adaptation which may not be fully coherent with a review of the existing mechanisms;
- **Resistance.** This dimension represents the possibility that institutions oppose closure to changes or try to limit or modify external inputs. This closure could, in fact, be explicit or partial, and the latter is interesting case to analyze. Partial resistance to changes could happen when a high degree of IT is present, that is when institutions are able and willing to contrast external inputs because there is a very strong territorial agenda. This is a process in which IT preserves the local agenda against a globalized attempt to export the same development recipe for all the territories (Pile and Keith, 1997). As regards resistance, there is a general trend to focus resisting efforts towards the central government, rather than towards the EU (which is often considered as an help to gain autonomy; this happens in the French and Polish cases), as there is also resistance to permanent changes (e.g. in the case of the Evaluation Unit in Puglia, where the possibility to be assessed and then to have to modify/adapt any action according to the assessment is “disturbing” to a certain degree). Sometimes, besides, resistance is not clearly shown, but poor results in some fields may highlight a widespread opposition to a certain strategy or agenda (e.g. in the case of the Integrated Territorial Projects in Sicilia).



**Table 2** Evidences of Institutional Thickness

	<b>Consistency through time</b>	<b>Coherence with broader existing framework(s)</b>	<b>Governance</b>	<b>Adaptation to organizational and cultural changes</b>	<b>Resistance</b>
<b>Alsace</b>	Marked difference in devolved competencies in the two programming periods	Decentralization of management of OP allowed a programming that reflected regional targets and objectives (at least in the first programming period)	Long political stability and smaller size of the region, plus political alignment with the national level provide good conditions for a well oiled multi-level governance	Transfer of competences to the regional level have promoted the rise of a “European culture” within the regional council (adaptation to the EU context)	Sort of passive resistance to central State interventions, due to the uniqueness of the regional situation in terms of structural funds management (that depends on the devolution of competencies from the central state itself)
<b>Aquitaine</b>	High degree of consistency due to the rather strong political leadership of the Region	The regional administration is recognized as effective in designing and implementing territorial policies, and as such the use of EU funds is adjusted to fit the regional development strategies	Territorial institutions are not characterized by high degrees of voluntary cooperation, but there is a high level of contractualized interaction (due to the specificities of the French state) in which all the important and necessary public and private actors are present	As is written in the case study “the adaptation to new tasks and to the new framework occurred without evident problems or hesitations, in particular because of the high IT capacity stock that characterizes French systems”	Resistance to the central government. Choice to internalize – at the regional level – all the necessary competences needed to manage the different tasks related to the use of EU funds, to contrast the national level
<b>Dolnoslaskie</b>	Very weak consistency due to the national centralized system (situation that has changed only for the current programming period)	Weak coherence with broader frameworks, at the regional and national level, because of the readdressing of the territorial policies to adjust to EU requests. Another problem is related to political changes at the regional level that brought to abandon previously defined strategies	Complex relationship between the central government (both at the national level and at the regional level) and the regional administration, especially because of the latter recent institution. Involvement of other relevant actors during the process (to prepare the regional development strategy) has been successful but the strategy itself has been put aside to focus on the ROP	High degree of adaptation to a whole new set of rules and norms that have substantially modified the political culture in order to adapt to the EU system	Almost no resistance to changes and a consequent reshaping of regional strategies, agenda, organization. This is due to the sometimes contrasting forces of the EU and the national government
<b>Lubelskie</b>	Very weak consistency due to the national centralized system (situation that has changed only for the current programming	Weak coherence with broader frameworks, at the regional and national level, because of the readdressing of the territorial	Complex relationship between the central government (both at the national level and at the regional level) and the regional	High degree of adaptation to a whole new set of rules and norms that have substantially modified the political culture in	Almost no resistance to changes and a consequent reshaping of regional strategies, agenda, organization. This is

	period)	policies to adjust to EU requests	administration, especially because of the latter recent institution	order to adapt to the EU system	due to the sometimes contrasting forces of the EU and the national government
<b>Puglia (Evaluation Unit)</b>	Innovative intervention that is scarcely related to previous experience	Intervention implemented to improve the coherence of the different frameworks in the region	Technical governance needed to design and strengthen the evaluation unit through the different programming periods	The evaluation unit in itself is a tool to maximize adaptation to changes. The unit is mainly composed of external experts, which may cast some shadows on its long-term effects	Light resistance, especially since the change of political leadership at the regional level in 2005 has strengthened the role of the Unit. Resistance is mainly due to the potential role that could be played by the Unit in terms of assessing policies and outcomes
<b>Puglia (Waste and water)</b>	Innovative intervention that is scarcely related to previous experience	Attempt to create a coherent framework for different territorial policies	Technical governance involving all the institutions and organizations that are expected to coordinate their actions	Creation of a new set of normative frameworks to which different actors must conform	A certain degree of opposition to the implemented activities is due to the complexity of the tasks, coupled with different levels of institutional capacity to adapt to changes
<b>Rhône-Alpes</b>	Very formalized programming from the national to the local level, so that consistency seem granted by the French system of government	Integration of existing plans and policies in the EU ERDF strategy for 2007-2013	Difficult relationship among territorial actors (region, <i>départements</i> , large cities), lack of significant political stability, but strong legitimacy of public intervention	European intervention as a device to strengthen decentralization and the role of the regional administration	Resisting seems more important towards the influence of the central State
<b>Sicilia</b>	Integrated Territorial Projects followed many other development projects and programmes promoted at EU or national level for urban and rural areas	Weak coherence with other regional and local strategies, notwithstanding the nature of the integrated projects. The TIP being promoted by the central government for all Ob. 1 areas in the country	Governance has been technically assured by continuous relationships among the different institutional levels involved. Most of the projects, though, worked by putting together – rather than integrating – municipalities agendas	Technical adaptation granted in order to fulfill to the management issue requests. A certain degree of cultural change may be witnessed because of the need to follow EU procedures of feed-back and monitoring	Apparently no resistance to changes. The low medium level of spending, the almost complete coverage of the region's municipalities (388 out of 390) and the poor level of outcomes from the qualitative point of view may be sign of a weakly territorialized experience
<b>Toscana</b>	Well defined agenda through different phases. EU agenda adapting to the territorial one	The region prepared the OP 2007-2013 in full coherence with the Regional Development Plan (approved in 2006) and with several territorial policies	Region characterized by a model of social partnership and policy concertation. The culture of planning and programming is deeply rooted in Toscana	Concertation practices were influenced by EU models, as was with the selection/assessment procedure to rank projects	Strong IT that positively relate with external inputs and stimuli

### 1.b.3. Institutional Capacity

Institutional Capacity (IC) is investigated within the INSTED framework as a key variable able to contribute to the explanation of the quality of territorial development policies, in connection with Capacity Building Policies (CBPs) and in the context of the structural features of different territories.

We started our research summarizing different approaches derived both from literature and from policy, able to propose convincing and workable definitions of IC, within the framework of EU policies and beyond, with the awareness that in the literature it developed first as a normative and operational concept rather than as an analytical notion. If we look at the Cohesion Policy framework, in particular, the Barca Report proposes a workable definition of IC as “the capacity of public and private local institutions to govern and coordinate collective decision-making”.<sup>1</sup>

Starting from this definition, and deriving the main inputs from the review of the nine case studies, *three possible declinations* of the concept of *institutional capacity* have been identified. Our hypotheses are strictly linked with the policy area examined in this study and it is therefore possible to test them in different regional contexts. Even if they are partly overlapping at the empirical level, the three declinations can be distinguished from an analytical point of view, and can thus be very useful in a policy development perspective, in particular as far as the debate over conditionalities is concerned.

A first possible declination has to do with *the ability to come to terms with EU rules and procedures*, that is to say the complexity of the management dimension of EU funds, and the ability to combine them with the national and/or regional rules and procedures. We find evidence of such type one IC across all INSTED cases, even if with different modes and temporal dynamics, depending on the initial level of capacity present in the region, but also the length of the period in which regions have been involved in EU funded policies: here, differences between regions managing since a lot of time European Structural Funds and newcomers are significant.

In this sense, it seems that the Italian cases can be contrasted with the French and the Polish ones, but also that there are considerable differences between regions with a significant initial level of institutional capacity and weaker ones. If we look at the Italian regions, we can certainly say that the long experience in managing EU Structural Funds has meant an overall capacity to come to terms with such procedures, even if, since in most cases the administrative structures of the target regions were considerably weak and characterised by low levels of administrative and institutional capacity, the results have not been the expected ones. As we will see in the part on CBPs, how frequently technical assistance policies from the central government level have substituted local actors, without properly contributing to an

---

<sup>1</sup> F. Barca, *AN AGENDA FOR A REFORMED COHESION POLICY. A place-based approach to meeting European Union challenges and expectations*, April 2009, p. 22

overall increase in capacity. This has been for instance the case for the management of waste and water policies in the Puglia case.

On the other hand, in Sicilia, a Region with a long experience in managing Structural Funds, the huge amount of local development programmes promoted through TIPs and their related projects overloaded the regional bureaucracy and increased the level of conflict between centre and periphery, with a resulting low degree of effectiveness of the local development policy.

In the French cases, on the contrary, there is a widespread capacity of managing complex territorial development processes, and the only gap to be filled in is the one between the French national system of rules and procedures and the EU one. In this sense, the case of decentralization of competences in Alsace shows that together with the transfer of specialised staff from the State administration, there is a significant investment in human resources after the decentralization started. Similarly, the Aquitaine case shows a growing institutional capacity of this first type, and this brings forth the general acknowledgement that the Region is the right actor to deal with this process.

In the two Polish cases, introducing Cohesion Policy for the first time implied a significant effort in coming to terms and complying with new systems of rules and procedures, both at the national and local level: in this respect, the choice made by the National Government to proceed through a sort of 'delayed decentralisation' strategy, even if it overloaded regional actors with very complex procedures, proved effective to a certain extent. Probably the on-the-ground training implemented through pre-accession procedures and the 2004-06 programming period had not been able to build the institutional and administrative capacity which was in fact needed for the 2006-13 programmes. Thus, the complex institutional arrangements put in place between the Voivodship and the Marshal Office both in Dolnoslaskie and Lubelskie may be considered part of this institutional and administrative capacity building process.

In particular, despite its very recent institution, the Dolnoslaskievoivodship presented a good level of institutional capacity at the outset of the analyzed intervention, in terms of good quality, highly educated civil servants, organizational characteristics and interdepartmental relations, even if the high degree of personnel turnover has put some strain on the effectiveness of the administrative units involved. As for the Lubelskievoivodship, despite the overall structural socio-economic conditions, the analysis showed how the level of institutional capacity seems to have been growing throughout the time schedule of the observed phenomena (with a significant role played by the skills and competences of the administrative personnel, both those gained before entering the regional offices, and those gained afterwards).

A second declination is *the capacity to use EU funds and procedures to bring forth and implement projects and strategies, which local actors already had in mind, or which they develop on purpose*. While very frequently the availability of EU funding

triggers opportunistic behaviour on the part of local or regional actors, in some cases actors have shown their ability to use funding in order to implement strategic and coherent projects or programmes which they already deemed necessary. In other words, local actors show the capacity of implementing integrated policies, which means that they are able to integrate different sectorial policy issues by pooling different tools and different funding streams (public and private, regional, national, EU from different Structural Funds). This capacity to integrate thematic areas, implementation tools and devices and funding sources towards a strategic objective is to be found, within our cases, especially in the French cases and in Toscana, because this typology of institutional capacity does not specifically depend on the experience in managing EU rules and procedures, but is strictly linked with the initial maturity of administrative and institutional contexts, and it is possibly the least diffused of the three typologies.

We can find for instance this capacity in the Rhône-Alpes case, where a complex multi-regional regeneration programme used EU funding along with national and regional funding, through the reconfiguration of the original scope, from a quite sectoral to a more comprehensive and strategic one: the Plan Rhône is in fact interesting because it is representative of a habit of French actors involved in regional policies to expand the scope and resources of existing partnerships and inter-institutional cooperation devices through structural funds. From another point of view, in the Aquitaine case the ability to show competence both at content and at process level played in favour of the legitimation of the role of the Regional Government for the design and management of the programme. At the process level, the long acquaintance with experiences of *contractualisation* actors, be they internal or external to the administrative structure, played a significant role, while from a content point of view, the experience in promoting, designing and managing policies towards innovation has significantly contributed to the overall capacity of this second type.

Probably the most interesting case in which such type two IC is found is the case of Toscana. Here, the opportunity of using Cohesion Policy funds on Axis 5 was matched with the emerging need of innovating the strategies and tools for urban regeneration at the local level. The regional structures showed here a significant capacity of matching the needs and attention towards urban regeneration with a more general policy perspective, which recognises urban contexts as significant hubs for territorial development in Toscana, and with the appropriate funding sources.

The third declination is *the capacity to use the competences built through the use of EU funding in order to improve the overall quality of administrative action*, i.e. the increase in the quality of the intervention due to the diffusion and mainstreaming of the partnership principle, the sustainability framework, the use of monitoring and evaluation, the emphasis on multilevel governance, etc. In this declination, institutional capacity is a goal in itself and it can influence the final results in terms of territorial development, because its effects can improve the quality of administrative

action beyond the Cohesion Policy interventions. More precisely, the principles deriving from the diffusion of EU policies can be summarised in four main elements:

- the *partnership principle*, i.e. the ability to understand in which occasions it is appropriate or necessary to strengthen public/private or public/public cooperation and densify networks in a governance perspective;
- the ability to internalise the *environmental sustainability* dimension (through the introduction of tools such as SEA)
- the introduction of *evaluation procedures* in different phases of the policy cycle, along with the NPM framework and again in a governance perspective;
- the *equal opportunities* approach (in particular in the ESF funded policies and projects).

In the INSTED cases, we find evidence concerning mainly the diffusion of the partnership principle and of evaluation procedures, even if for instance in the Puglia waste, water and soil case, there is some evidence that the environmental competences built for the specific project may have had positive impacts on the regional structures more in general.

The NUVAL Puglia case is very clear from this point of view: the Evaluation Unit has been a tool for the improvement of the capacity to plan, select and evaluate projects, especially but not only in the framework of the ROP: in terms of improving planning capacities, the Evaluation Unit had not a relevant impact in the 2000-2006 programming period as it was not involved in the programming phase, while its involvement in the elaboration of the 2007-2013 ROP contributed to the adoption of a different programming vision based on the use of specific methodologies, greater policy integration, the enhancement of participation. This means that the set-up of the Evaluation Unit, which can be considered to a certain extent a CB policy in itself, has promoted the mainstreaming and diffusion of evaluation across all the policy areas controlled by the Region, starting from the EU funded ones to encompass the others.

Toscana is another interesting case: here ISUDP (Integrated Sustainable Urban Development Projects), the delivery mechanism of the policies drawn in Axis 5 of the ROP 2007-2013, focuses on cities, as a fundamental part of a development strategy. ISUDP is a coordinated and systematic set of public and private actions aimed at enhancing sustainability and combining a better urban and environmental quality with a higher economic competitiveness, that has been implemented through a competitive mechanism and with a significant role played by the strengthening of partnerships at different levels. This is the other relevant element of institutional capacity in the Tuscan case: the implementation of the ISUDP policy enhanced networking and partnerships both along the vertical axis (multilevel governance) and along the horizontal one (different cases of inter-municipal cooperation). In this case, the increase in capacity has been one of the objectives of the regional actor, which

enhanced its diffusion from the regional to the local level, in particular with the adoption of the competitive mechanism.

Also in the Aquitaine case, which focused on the process of establishment of an effective collaboration between the Managing authority of the Operational Program, the Préfet de Région, and the Regional Authority with particular attention to innovation, the analysis shows that collaboration is particularly relevant since it concerns the field of innovation and research, where the regional authority holds a strong leadership and technical capabilities. The new partnership sets real challenges both at regional and state level, with regard to two main aspects: the establishment of new patterns of collaboration and the integration of the new European guidelines and in particular of the innovation issue.

From the review so far, it seems that different types of capacity are present in different combinations: while in the French cases we find evidence of type two IC and some elements of type three IC, while the first type is also intervening; Toscana offers a good example of type one and type three; in both Puglia cases again the emerging dimensions seem to be the first and the third one; in the Polish cases the first dimension appears paramount, and the same happens for very different reasons in Sicilia.

The following table tries to summarise these results.

INSTED Regional Cases	Institutional Capacity		
	Type 1	Type 2	Type 3
<b>Alsace</b>	Filling the gap between French and EU procedures		
<b>Aquitaine</b>	Filling the gap between French and EU procedures; legitimizing the role of the Region	Already defined regional projects in the area of innovation	Partnership along the vertical axis (State-Region)
<b>Rhône-Alpes</b>	Filling the gap between French and EU procedures	Already defined regional project on the Rhône basin	
<b>Toscana</b>		Using the Structural Funds opportunity to intervene on urban regeneration, considered a crucial area for local development	Partnership along the vertical axis (Region-Local Authorities)
<b>Puglia (Evaluation Unit)</b>			Itself a policy for the mainstreaming of evaluation within the Regional administration
<b>Puglia (Waste, Water and Soil)</b>	Enhanced through technical assistance		Some evidence of spillover effects of environmental field competences
<b>Sicilia</b>	Long experimented capacity in structural funds management		
<b>Lubelskie</b>	Significant part of the institutional capacity building process		
<b>Dolnoslaskie</b>	Significant part of the institutional capacity building process		

**Table 3** IC in the INSTED Regions

#### 1.b.4. Capacity Building Policies

Capacity building policies (CBPs) refer to actions aimed at strengthening the capability of government officials to manage their programmes, to provide services to their constituents, or to manage their overall jurisdictional or inter-jurisdictional responsibilities. CBPs refer, therefore, on the one hand to improving managerial practices (along New Public Management theories), such as management, strategic and operational planning or evaluation; and on the other, to transforming power and institutional relations (i.e. governance) and producing learning and innovative governing arrangements.

Five main types of CBPs can be identified: staffing, training, networking, procedural arrangements, institutional and organizational innovations. A summary view of CBPs implemented in the INSTED case studies is given in Table 4.

Permanent *staffing* is present in a significant measure in five cases: Alsace – where it results by transfers of staff from the former managing authority –; Aquitaine – where all people managing ERDF were newly recruited –; Lubelskie and Dolnoslaskie – where EU departments were created and significantly equipped with qualified human resources; the Puglia task forces for managing waste, water and soil. Hiring is then quite typical when administrations are relatively new to managing the EU cohesion policy or the specific task at hand: in this respect recruitment is not only aimed at plugging capacity gaps, but it is part of a natural restructuring due to increased or more specialized workload. Less stable forms of staffing are also used: they have the advantage of quickly providing high-skilled workers, but long-term capacity building may get harder. This latter was quite a significant policy in the case of Sicilia, where the elaboration of the development projects for the TIPs saw the participation of experts temporarily collaborating with local authorities and where the different CB programmes implemented provided some technical support in the form of staffing. Also, though more limited in its dimension and with a median level of stability, the case of the Evaluation Unit in Puglia is where recruitment had the most precisely targeted professional profiles.

*Training* is certainly the most widespread of CBPs, but its importance and nature varies significantly, in particular in the tailoring of the implemented initiatives. Training in the Polish regions covered a very wide range of competences: from basic skills (like languages or computer skills), to EU management procedures (technical, accounting, procedural training), and mainstream topics (like sustainable development). The case of Lubelskie is also worth noting because a significant amount of training programmes were dedicated to possible beneficiaries of EU policy, in so giving publicity to the ROP: they mostly dealt with the possibilities of applying for the funds, how to fill the application forms, implementation, public procurement, etc. Sicilian TIPs profited from more focused activities, organized at different jurisdictional scales by public and private actors and covering again a wide range of technical features related to TIP management (EU procedures, labour issues, etc.). In the case of Puglia, the novelty of both performance measures for the



waste and water services and the Evaluation Unit were associated to training activities aimed at setting up the new systems. Particularly interesting it is the case of the initiatives organized as part of the PON ATAS, which focused on highly specialized topics and aimed at creating a new class of technical administrators. Finally, the case of Aquitaine is worth mentioning, mostly because of the ways in which training was designed: activities were in fact co-conceived and co-directed by State and Regional actors.

A third type of CBPs regards *networking* activities. Maybe the most explicit networking was implemented during the setting up of the Evaluation Units in Italy. Here, the Network of the Evaluation Units was created in 1999 and became operative in 2003, designed mainly as the leading coordinating structure of a community of practice: nonetheless, its success was limited and informal contacts bypassed its formal structure. Together with the Network, the Italian Department for Cohesion Policy set up the NUVAL initiative, a technical assistance and training programme that indirectly became a relevant opportunity for networking. The same networking effect was produced by the National Evaluation System, a set of support and orientation actions for the improvement and valorization of evaluation activities.

Other regions had more open networks, seeing the participation of a wider set of actors: one was certainly the network of innovation policy in Alsace (even though it had not a particularly long reach outside the normal network of the local innovation agency), the other the so called “Concertation Conference”, a required step of participatory design for the ISUDP in Toscana.

Other experiences in the INSTED cases had more implicit networking effects. A good example is given by the several training programmes benefiting the Sicilian TIPs, and the same can be said for the elaboration of Regional Action Plans for the management of waste and water in Puglia: these were required by the national administration and resulted in a better coordination of the different actors and tools in the governance of the waste and water service. Finally, Rhône-Alpes – a region which was experimenting interesting networking activities for its urban projects – did not follow this experience for the Rhône basin: here, only a coordinating table at DATAR was set up and worked lightly as a networking device.

A fourth type of capacity building policy is related to the use of *procedural arrangements* aimed at enhancing the quality of policy formulation and implementation. A first example is that of Aquitaine, where a work of homogenization of procedures was carried out in order to smooth the collaboration of State and Regional officials. Still in the Aquitaine region, the shared responsibility for the EU budget among the different units involved made spending a better tackled issue across the wider regional organization, not something limited to ERDF coordinators only. Another interesting device was set up in Sicilia, where the region established PuntoPIT, an internet platform for holding track of the implementation process of the Sicilian TIPs.

INSTED Regions	Implemented CBPs				
	Staffing	Training	Networking	Procedural Arrangements	Institutional and organizational innovations
<b>Alsace</b>	– Transfer of staff from the former managing authority		– Innovation network		– Agence régional de l'innovation – Delegation on Urban Development to Mulhouse and Strasbourg
<b>Aquitaine</b>	– Recruitment of full-time ERDF employees – Outsourcing of service certification	– State-Region Co-organized activities		– State-region procedural homogenization – Shared budget responsibility	
<b>Rhône-Alpes</b>		– Initiatives on managing European Projects	– DATAR Interregional working group – Network PUI 20 (for urban projects)		
<b>Toscana</b>			– Concertation Conference” – “Artimino Meetings”	– ISUDP selection procedures – “Concertation Conference” – Memorandum of Understanding – Evaluations	– “Participation Authority”
<b>Puglia (E.U.)</b>	– Highly skilled Unit members	– Nuval Initiatives	– Network of the Evaluation Units – National Evaluation system and Uval		– Evaluation Unit
<b>Puglia (Waste, Water and Soil)</b>	– Recruitment of new trained staff in Water, Waste, and Soil Regional Departments	– One year residential training for the environment and other initiatives	– Reform processes implementation shared by Central Administration and Regions – Regional Action Plans	– Performance Measurement for the service – Performance reserve – Implementation of reform processes in Water, Waste and Environment sector	– New Governance of Water, Waste and Environment sector
<b>Sicilia</b>	– Temporary Staffing linked to networking and training programmes	– Programmes: – Rap 100 – SPRINT – PIT-AGORA – POSTIT – PIT Lavoro (less so)	– Programmes: – Rap 100 – SPRINT – PIT-AGORA – POSTIT – PIT Lavoro	– Platform PuntoPIT to monitor implementation	– TIP Supervisory Committees – Negotiating and Discussion Table – TIP Office in the Leader Municipality
<b>Lubelskie</b>	– Permanent full time employees – Staff selection criteria (higher education, foreign languages, ICT skills)	– wide ranging (for employees) – Training initiatives for beneficiaries on a various array of topics		– Evaluation initiatives – Communication initiatives (communication campaign)	– Subdivision of the Department staff in sub-units focusing on specific tasks (at first informally, then formally) – New department for managing the ROP
<b>Dolnoslaskie</b>	– Staff selection criteria (higher education, foreign languages, ICT skills)	– wide ranging	– Web-sharing of information and material; – Online procedure for consultation & feedbacks – Working groups for the VDS	– Evaluation initiatives for the ROP and the Development strategy	– New department for managing the ROP

**Table 4 CBPs Implemented in the INSTED regions**

Procedural arrangements can also be a good way for governing at arm's length: setting standards maintains in fact the necessary freedom for implementers while ensuring the demanded results. In the case of Toscana, the region set up a framework to structure the elaboration of the plans and some selection standards, which were going to improve institutional capacity and ultimately the quality of development interventions. The very same mechanism characterized the introduction of performance measures for waste and water services in Puglia, which – even if not completely successful in terms of service improvement – stimulated some advancement in sectorial planning and intervention monitoring. In this latter case, the performance reserve linked to a set of national requirements resulted in a successful incentive for the modernization of the regional administration in Puglia. Finally, the establishment of ongoing evaluations is a good learning exercise – and when results are made public and used – it can be an important CBP for managing EU policies: similar initiatives are reported in the case of the Polish regions and – more indirectly – in Toscana.

Finally, a fifth type of CBP entails *institutional and organizational innovations*. The establishment of special administrative units for ERDF is present anytime the regional administration is also the managing authority: this is particularly significant in the case of the two Polish regions, where EU units progressively evolved into independent departments. The case of Sicilia witnessed the creation of several administrative arrangements to encourage a smooth implementation process for the projects: supervisory committees, negotiating tables, special issue units and – probably the most important innovation – a TIP Office in the Leader Municipality with powers of coordination and – in a limited number of cases – with procurement function for infrastructural projects. Finally, a significant case is that of the Evaluation Unit in Puglia: embodying the idea that change management requires some form of institutionalization, the unit can be considered an innovation successfully matching high quality staffing and the introduction and diffusion of the evaluation culture in the administration at large.

Besides their type, CBPs can be classified according to the actors involved and their relations, the timing of the interventions and their results and main constraints.

As it is apparent, the nature of the *actors* involved is diverse. Different jurisdictional levels enter such programmes and may play alternatively different roles. While both coordinators and receivers of CBPs are public administrations, a slightly greater diversity may characterize capacity givers, who may well be private consultancies, external experts or other types of institutions (as for instance universities). Notwithstanding, CBPs appear to be heavily dominated by public-public interactions, with limited cases of greater openness (such as the already mentioned case of innovation management in Aquitaine or the “Concertation Conference” for the ISUDP). CBPs always entail a multi-actor structure and apparently this never generated significant problems, even when relations were complex and network dense or multilevel: both innovation management in Aquitaine as the environment,

soil and water reform in Puglia shows fruitful interactions among national and regional actors.

Another feature of interest in CBPs is the *timing* of capacity interventions, which means not only their duration, but more significantly their evolution over time. For what concerns the first, this is highly dependent on the type, goals and results of the initiatives: even if they are generally conceived as temporary interventions, their ability to fulfill their goals may enhance their long-term duration (this is absolutely key in the case of networking, whose effective functioning is completely dependent on successful exchange). For what concerns dynamics over time, institutionalization is particularly important for all organizational innovations: it is less so for temporary structures like special units for technical assistance (which are due to disappear at the end of the projects), but it is instead particularly relevant for more permanent innovations. For the latter, two main challenges are worth mentioning: the capacity to acquire legitimacy and effective power within the new administration and the fruitful integration between new and old structures. For the first one, the Evaluation Unit in Puglia successfully evolved, progressively increasing its status and reputation within the regional administration. For the second instead, it is unclear how much the Unit – composed by external experts – is really perceived as part of the regional administration and not instead as an external evaluator. Integration was also a delicate issue in the Polish regions, where the evolution of the regional EU managing departments risked to create a completely separated administrative body focused on EU policy.

A final dimension worth investigating regards *results and constraints* characterizing CBPs working. Perception on their effectiveness is mixed. CBPs are judged positively when receiving administrations recognize an existent capacity gap: this happens not only when experimenting major change (as it is in the case of Poland), but more generally when the activity is finely targeted (as in the case of the Sicilian TIPs), or when the administration is new to the task (the Evaluation Unit in Puglia) or to EU policy procedures (the French regions). Nonetheless, regions with more experience in local development may well perceive such initiatives as a spending duty, or actually may not find an interest in the implementation of CBPs (as partly in France or Toscana).

Even though results are quite diverse across regions and type of CBPs (more information can be found in the specific sections of the case studies contained in the Scientific Report) some general risks may be mentioned: limited long-term effects, intra-institutional conflicts and lack of integration, inappropriate tailoring or ineffective design.

For the first one – limited long term effects – we have already mentioned that the use of temporary external experts may quickly deliver positive results, but with no enduring capacity gains for the administrations involved. This problem can be more widespread and may characterize all kind of “on demand” CBPs – like for example when training is focused on highly specific tasks or when technical assistance

actually support implementing administrations without significant learning effects on the part of the latter.

For what concerns intra-institutional integration, major injections of new staff and administrative restructuring need to be managed carefully in order to avoid the creation of administrative “silos”: these may hinder the diffusion of capacity benefits across the administration as a whole, and hamper coordination with existent regional policies. This was a problem reported in the case of the Polish regions, but – even though to a lesser extent – for the Evaluation Unit in Puglia: successful integration is not only the product of specific organizational arrangements, but also of the legitimacy of the new structures, perceived as an effective gain for the administration as a whole.

Finally, the problem of inappropriate design and tailoring is typical for training, and even more so in the case of general wide-ranging training programmes. Such flaw characterized training initiatives within the Network of the Evaluation Units – too general for expert senior civil servants as Unit members were –, while training activities were generally successful in Sicilia and the Polish regions. In this latter case nonetheless, it is reported how the traditional way of delivery affected participation, with distant locations discouraging applicants: the importance of such organizational features should not be underestimated.

### 1.b.5. Capacity Building Policies and Institutional Capacity

In the INSTED framework *CBPs are conceived as intervening variables in-between SV and IC*. This means that within the relation envisaged in the framework between SV and IC, CBPs can be drivers for breaking path dependency and improve capacity, no matter the level of development.

This pivotal power is partly confirmed by field research, which shows how the initial level of development is a very weak predictor for the way in which CBPs are designed and implemented. Notwithstanding, the fieldwork showed some evidence that their effectiveness may be partly influenced by structural values in the region, and this is clearly more so the less CBPs are confined within the boundaries of the public administrations involved. In this respect, the example of networks is quite telling: networks specifically devoted to practice sharing across communities of implementers work fine no matter the development context (the National Evaluation System initiatives in Puglia or the programmes for the Sicilian TIPs); the effectiveness of networks aiming at activating local actors on a common development objective (as the innovation network in Aquitaine) depends instead crucially on the wider level of development in the region. An opposite case is reported for training and staffing in Lubelskie, where – in a quite depressed area – the possibility of the administrations to get and retain high-skilled workers is increased by a stagnating labour market.

With no intention to underestimate such results, the relation between CBPs and IC remains central to the present analysis. Nonetheless, before elaborating further, one caution is needed. Capacity interventions are part of the wider development policy to be implemented in a region, and they are not merely instrumental for its effective working: ideally, they should certainly be a tool for tackling forthcoming or ongoing EU programmes, but they should also constitute a long term investment for improving administrative effectiveness and regional development policies more generally. In this respect, they are not only related to the level of capacity already present in the region – different capacity gaps ask for different CBPs – but also to the wider development intervention designed for that region – a certain kind of development policy requires a certain type of CBPs. Such relations are complex and differ widely across regions, across types of initiatives and also within the same type: hence, the aim of this section is not to give an account of CBPs results – which are extensively described in the case studies – but to conduct a more general reasoning on CBPs appropriateness, that is their potentials for improving IC within managing administrations.

*Type one IC* is the one more easily tackled: virtually all kinds of CBPs can improve that capacity and several initiatives across INSTED regions were considered successful. Generally, technical assistance is typically directed to solving type one capacity puzzles: whether it is organized with help desks, training initiatives or discussion tables, the focus is always on how to manage EU projects and policies.

Staffing, organizational innovations, training and networking are all good ways of enhancing type one capacity gaps. Notice that they are listed in descending order for what concerns the impact they have on the receiving administrations (from the hardest to the softest measure) and in ascending order for their level of specificity in solving type one capacity gaps.

In this respect staffing and organizational restructuring are strictly related, since – depending on its size – staffing normally has organizational consequences: this is proved by massive staffing (and the subsequent establishment of new departments) in the Polish regions; the more limited staffing measures for the EU units in the French regions; or the highly specialized staffing experienced in Puglia both for recruiting the members of the Evaluation Units as for managing waste, water and soil. If the size of the capacity intervention is largely determined by the starting level of capacity, what is common is that the novelty of the task is dealt with the injection of new human resources into the administration. On the contrary, outsourcing is not extensively used: across INSTED regions, the only case reported is service certification in Aquitaine, which was considered a time-consuming and non-strategic activity, preferably dealt with outside the administration.

Training is another powerful tool, and – even if sometimes very basic topics are treated – it normally deals with specific technical aspects of the management of EU policies. As said, this is the most widespread of CBPs and one can envisage three main ways in which training may address type one capacity gaps, depending on the starting level of capacity and the experience with EU policy. Regions with powerful administrations but no experience (the French ones) organize training initiatives which are strictly focused on how to manage EU projects and are sometimes dominated by learning EU procedures: here, technical assistance is limited and generally not perceived as essential. Secondly, regions with experience in EU policy, but no effective administrations overall – as it is the case for Sicilia – profited both from strictly managing training and from initiatives more connected to project design and implementation: notice that here municipalities had to elaborate local plans, playing in a procedural framework set by the EU experienced Sicilian region. Thirdly, when the administration have no experience and low starting levels of capacity, training is more wide-ranging, covering all possible topics – from technical to substantive – considered necessary for managing EU policy: this is clearly the case of the Polish regions. Finally, it is no coincidence that the experienced and capable Toscana did not make use of training initiatives and saw a limited importance of CBPs more generally.

Among the tools used for enhancing type one capacity, networks are at the same time the less intrusive for administrations and the ones able to address more complex type one issues. In implementing EU policy, administrations are continually called to face unforeseen situations in which ready-made solutions are rare: anytime EU policy needs to be adjusted to local rules or idiosyncratic situations, networks can be the best way of finding the good solution (copying what works in other

administrations) and of legitimizing administrative actions (doing something partner administrations do in the same situation). Following this reasoning, the utility of networking initiatives should be directly related to the level of innovation of the task at hand. With this in mind, the failure of the Network of the Evaluation Units as a CBP in Puglia may be connected to the specific way in which its activities were organized, and not so much to the appropriateness of the initiative in itself: it is in fact no coincidence that informal connections were ongoing and that the National Evaluation System initiatives were considered important also for their networking effects.

Such kind of networks are present across most INSTED regions, but the importance of sharing practices for type one capacity is so great that this effect is present in many CBPs which are not networks in the first place: training, procedural arrangements and institutional innovations often have in fact a byproduct networking effect. It is for example the case of the several programmes of technical assistance for the TIPs, which regarded Sicilia as well as other Italian regions and – besides discussing a specific topic or delivering a specific training – served as a way of creating contacts among implementers. The same can be said for the intensive training delivered as part of the OP Environment in the case of Italy: the one year residential training programme created a strongly connected community of experts, who was to be in close contacts once distributed between the central and the regional task forces.

The case of *type two IC* is more difficult to evaluate, since CBPs effects are less easily observable: type two IC entails in fact an existent planning capacity to be used before CBPs are activated and delivered, so that possible type two improvements will only be observable in a future planning round. Both Rhône-Alpes and Aquitaine effectively managed to use EU funds for their own priorities (the Rhône basin and the innovation sector respectively), but the implemented CBPs were by no means the drivers of such capacity.

The emerging answer to this puzzle is suggested by three quite different cases: Toscana, Sicilia and Dolnoslaskie. In the first, a strong regional administration set an institutional framework for the selection and formulation of ISUDP projects that – while ensuring the respect of preset quality standards – activated a bottom-up process which integrated the needs of the cities involved. Among this the so called “Concertation Conference” – mandatory meetings for collecting needs and ideas of stakeholders in the elaboration of the plans – could be considered a good procedural CBP to improve the matching of local needs with EU funds: what is important is that this is a transferable procedure, possibly working even in contexts less advanced in terms of capacity. A similar case is that of Sicilia: here, an experienced administration set up a procedural framework for municipalities participating in the plans. Even though using a very inclusive selection threshold, projects coming from coalitions of municipalities were the product of their bottom-up collective thinking in the framework of preset rules. Finally, the latest revival of the Dolnoslaskie Strategy subsequent to the completion of its evaluation, started a process of elaboration of regional priorities



which will serve also in the new EU programming period (and this after a first EU cycle in which EU policy completely absorbed the regional administration): here, the power of evaluations as a learning exercise could be the tool for the future enhancement of type two IC.

Shortly put, while it is reasonable that other CBPs – in particular staffing and training – may have a good potential for fostering type two IC in the future, these three cases suggest that some procedural CBPs may have a significant potential for activating this kind of IC even with effects immediately observable in the short run.

Finally, for what concerns *type three IC*, there is again a problem of observation. It is in fact quite natural that during the EU policy cycle, CBPs and subsequent improvements of capacity will all focus on EU policy: the real question is if EU principles will actually mainstream across the whole of the administration once the EU cycle is closed. Such type three effects may be enhanced controlling for two characteristics of CBPs: their ability to get integrated into the wider administration and their time frame of action.

The former is particularly tricky, because sometimes the way in which CBPs are delivered may actually prevent the development of such capacity. In this sense, the creation of special administrative units and the use of external experts or temporary staffing (which are not at all infrequent in the management of EU funds) may create specific problems of integration. Such phenomena of dispersion of capacity are lamented in the case of the TIPs in Sicilia – where external experts entered the elaboration of plans – in the case of the new EU department for Dolnoslaskie, and also for the newly recruited staff for managing water, soil and waste in Puglia. In all such cases, specific moments of integration, aimed at transferring and exchanging competences and policy principles were lacking, and this hinders the future increase of type three IC.

Nonetheless, non-restricted training could well be a good way of informing the whole regional development policy to the EU principles: this is more relevant when training is wide-ranging and the administration relatively new to development policy more generally, as was the case for the two Polish regions. For more experienced regions – like the French ones – not only training is normally limited to EU procedures, but these regions can be more resistant to changing the way they manage development policy. Similar limitations may characterize also networks and staffing: the more they are limited to solving specific problems of implementation and the more administrations are experienced, the less probable that mainstreaming effects will produce.

The other relevant feature regards the time frame. Clearly, the more long term the capacity intervention, the greater the possibilities for the full penetration and mainstream of the EU way within the administration. In this respect, the case of the Evaluation Unit in Puglia shows not only how a permanent institutional change may be a good hub for the diffusion of the evaluation culture, but also that such

innovations need time to reach a wider internal public and eventually to get fully integrated within the administration. Finally, some procedural arrangements may have a good potential for stimulating type three IC: this is certainly the case of selection procedures for the TIPs in Sicilia or for the ISUDP in Toscana. Such procedural frameworks partly internalized EU principles (in particular the partnership principle) and get the administrations working in that framework for a relatively long time: the question remains whether once the framework is no more binding, if administrations will replicate those principles.

In short, type three improvements are the more complex because no CBP explicitly deals with it and because in most cases improvements depend on the successful acquirement of type one capacity in the first place and the subsequent diffusion of such capacity to the wider regional policy making. Also, as mentioned, such Europeanization of regional policy making may instead be directly hindered by some CBPs.

CBPs	INSTITUTIONAL CAPACITY		
	TYPE one IC	TYPE two IC	TYPE three IC
Staffing	++	++	+
Training	++	+	+
Networking	+++		
Procedures		+++	+
Institutional and organizational innovations	+	++	++

**Table 5** CBPs effectiveness for enhancing IC

In the table above you can find a summary view of the way in which CBPs impact on IC. As already said, type one IC is the most easily addressed: all CBPs but procedures have a direct and immediate influence on it, with networks showing a specific potential in tackling the most ambiguous issues. For both type two and type three IC a problem of time lag emerged, with results only available in the future. Notwithstanding, while some CBPs will probably deliver type two IC with no particular difficulties and some procedural arrangements do show effects in the short run, type three IC cannot benefit from a generally effective capacity intervention among the ones implemented (the only case in point being the Evaluation Unit in Puglia).

### 1.b.6. Why do CBPs work? The use of social mechanisms theory

The use of mechanisms is widespread across a great number of scientific disciplines: it is used extensively from biology to sociology, and this makes the concept familiar and intuitive (consider for instance the well-known mechanism of natural selection in evolution theory). Such diffusion has not been necessarily beneficial: the existence of different definitions makes the concept fuzzy and attempts to find a general one can make it stretched.

In social sciences, mechanisms typically belong to the sociological vocabulary (Hedström and Swedberg, 1996; Elster, 1998; Pawson, 2000): they are building blocks of middle range theories (Merton, 1957), that is detected regularities that nonetheless have not the same level of generality of law-like propositions.

According to Renate Mayntz “mechanisms state how, by what intermediate steps, a certain outcome follows from a set of initial conditions” (Mayntz, 2004): they provide detailed explanations on how social phenomena are linked, going more in depth than the simple observation of a covariation and trying to reconstruct and uncover the causal chains among them.

As middle range, they are context specific, since they work in a certain context producing certain results, but with no guarantee of flawless regularity when activated within different initial conditions. In the well chosen wording by Barzelay, they are “sometimes true theories” explaining some regular links among political and institutional procedures, decision tools, characteristics and propensities of actors, and effects to be expected (Barzelay, 2007). In our view, mechanisms are basically actor-based: they refer to patterns of influence, coordinating rules and – more generally – forms of interactions among actors-in-institutions, which influence the production of expected policy results. With no ambition to completeness, Box 1 presents a brief list of mechanisms which can be helpful in understanding policy dynamics.

There are two main advantages of using the mechanisms approach. The first we already referred to: they study and specify causal chains giving a better understanding of how a certain outcome is produced. In this respect, they can be used in conjunction with quantitative statistical as with more qualitative analysis, and they are particularly important for these latter where the ability to detect regularities is more limited. In this sense, the INSTED project design – organized on nine case studies dealing with significantly different substantive policies – can make the understanding of relations among variables hard. In this sense, searching for mechanisms can be a good way of overcoming the typical social science problem of having few cases and many variables, by isolating the mechanism dynamics working in a certain setting and bringing them to a higher level of generalization.

In the INSTED framework, two main causal chains are worth reconstructing: the ones explaining how IC can bring about better development policies and the ones linking

CBPs with improvements in IC. This is an analytical distinction, since CBPs can be said to improve both IC and development policies at the same time.

- **Authority/Reputation:** it is particularly relevant for capacity building, enhancing knowledge transfer and increased participation are more possible to occur in the presence of a credible and trustworthy source.
- **actors' certification and de-certification:** it concerns the positive or negative validation of actors, their performance and their claims by external authorities that can enhance or reduce the role of a specific actor.
- **public disclosure, naming and shaming,** the mechanism defining the sanctions against defection or free riding.
- **Search for attention and legitimization:** facilitating the adoption of innovation and the maintaining of certain standards and modes of conduct for gaining the acceptance of partners.
- **Control systems:** mechanisms of feedbacks, monitoring and correction directed to ensure the completion of a certain action and the avoidance of risks (control by mutuality, police patrol, fire alarm).
- **Framing** entails the creation and maintenance of a shared view: it helps communication and the simplification of complex issues.
- **Creation of focusing events** explaining how a certain issue increase in its salience, entering and climbing the policy agenda.
- **Diffusion, threshold effect and bandwagon:** the success of a practice resides in the number of participants adhering to it. Threshold effects point to the level at which actors perceive participation as beneficial and explain entering to a partnership.
- **Organizational learning and learning by doing:** all mechanisms based on the observation and repetition of others' behavior, based on the fact that they later become permanent reasons for behavior.
- **social exchange** refers to mechanisms of likeness and fruitful interchange among individuals which – in organizations – may improve performance.
- **creation of community of practices:** literature shows that a community of practice is a platform for individuals to develop and share best practices across organizational units (McDermott, 1999).
- **participation of institutions considered similar or better:** knowledge or capacity transfer processes are influenced by the fact that the transfer source is perceived by the receiver as similar to itself. Isomorphism is a powerful source of diffusion of innovation.
- **stick and carrots:** it refers to the attribution of incentives and penalties in order to induce change in agents' behavior by acting on their structure of preferences.
- **attribution of threat and opportunity** explains why policy entrepreneurs respond with intense efforts to situations where they perceive that the window of opportunity may open, and more generally help explaining the actions pursued by an actor.
- **performance feedback:** it entails the production, handling, and interpretation of information about efforts and outcomes, in the light of previously established aspirations and goals.
- **creation of rules of coordination:** they improve the capacity to anticipate moves, enhancing self-coordination by the actors towards an agreed objective. Different rules and modes can be defined: hierarchy, reciprocity, deferential adjustment, positive and negative coordination, voting, repeated interactions.
- **defining deadlines and commitments** are tools structuring future events and discarding other options. They favour pre-commitment to results and prevent procrastination tendencies.

**Box 1** A non-exhaustive list mechanisms

The second advantage follows suit, and is even more intriguing. Even though context-specific, mechanisms can be manipulated and extrapolated. The extrapolation problem regards the transfer of something that worked in a certain situation (the source case) to a different context (the target case): if successful, such operation would give the enormous advantage of facilitating learning from experience in the policy sphere, where the great accumulation of empirical knowledge not always find its most profitable use. To overcome the ties and conditioning of idiosyncratic contextual features, Eugene Bardach had the promising intuition to solve the extrapolation problem by focusing on basic elements that worked in the source case, without reproducing the entire policy (Bardach, 2004): such basic elements are the mechanisms underlying policy success.

Different classes of mechanisms have been proposed in the literature: according to how they link macro and micro dynamics (Coleman, 1990); if they act at the social, relational, cognitive level (Tilly, 2001); depending on the resources they employ (with the typical distinction into organization-hierarchy, markets-incentives and networks-trust; see for instance Ongaro, 2009). In analyzing the empirical evidence collected in the INSTED case studies, we will organize mechanisms into four groups:

- Incentive mechanisms: typically actor-centered, they follow a stick-carrot dynamic and are based on incentives and sanctions acting upon the utility actors attribute to a certain course of action;
- Reputational mechanisms impact on the reputation of actors in the process. They are actor-based but with a relational character: reputation can be in fact conceptualized as a resource of a certain actor, but – to be effective – it depends on other actors' perception.
- Coordination mechanisms are relational: they determine and structure actors relations, by modifying their modes of interaction;
- Defense mechanisms are all those aimed at anticipating failures in a system of structured interactions: they are basically rules of pre-commitment and other forms of managing possible risks.

These classes are based on the policy effect they produce and – for this reason – they are not mutually exclusive: as already mentioned, mechanisms may in fact produce different effects (for instance coordination and defense) depending on the context, so that it is quite likely that the same mechanism is present in more than one class. The table below presents the main mechanisms found in the fieldwork: they uncover causal chains acting within the capacity framework in the different regions.

	<b>Mechanisms in the INSTED Regions</b>
<b>incentive</b>	<ul style="list-style-type: none"> <li>- Lubelskie: competitive regional funds incentivized local authorities to improve their capacity (carrots)</li> <li>- Puglia W.W.S.: national performance reserve made administration complying to national requirements (stick and carrots)</li> <li>- Puglia W.W.S.: performance measurement in the case of waste and water activated service reforms at the local level (stick and carrots)</li> <li>- Toscana: Competition among municipalities, non-standard activity, selectivity within the urban area and the possibility to access funds enhanced motivation both at the political as at the bureaucratic level (focusing events; carrots)</li> </ul>
<b>reputation</b>	<ul style="list-style-type: none"> <li>- Lubelskie: the EU and – consequently – the department as a trustworthy authoritative source improve the diffusion of knowledge and respect of new norms (certification)</li> <li>- Dolnoslaskie: the EU and – consequently – the department as a trustworthy authoritative source improve the diffusion of knowledge and respect of new norms. Here, the former department was somewhat decertificated (certification)</li> <li>- Dolnoslaskie: development policy networking created trust and enhanced coordination among actors outside the regional administration (legitimization, creation of communities)</li> <li>- Aquitaine: shared ERDF budget within the administration for improving the use of funds (creation of rules of coordination)</li> <li>- Puglia E.U.: the E.U. is at the same time certificated and certificatory, transmitting authority with its advice (certification)</li> </ul>
<b>coordination</b>	<ul style="list-style-type: none"> <li>- Lubelskie: reorganization of the regional department into subunits and formalization of the division of tasks (creation of rules of coordination)</li> <li>- Lubelskie: the physical proximity of the two departments (the one managing the ROP and the Regional Development one) enhanced coordination between the two, improving social exchange by the use of repeated interactions (social exchange, repeated interactions)</li> <li>- Puglia E.U.: creation of inter-sectorial groups for development policy (repeated interactions)</li> <li>- Alsace: devolution created a single hub for EU funds and this smooth coordination and communication with local actors certifying the regional administration (actor certification)</li> <li>- Aquitaine: devolving one axis in its entirety improved coordination of innovation actors (actor certification)</li> <li>- Aquitaine: unified application form for regional funds (no matter if EU or not) (creation of rules of coordination)</li> <li>- Sicilia: the TIP Office and the Supervisory Committee enhanced coordination (repeated interactions)</li> </ul>
<b>Defense</b>	<ul style="list-style-type: none"> <li>- Lubelskie: periodic evaluation and monitoring by external consulting firms enhancing capacity improvements (control feedback)</li> <li>- Dolnoslaskie: deadlines and commitments by the national authority for the regions improved their capacity (sticks)</li> <li>- Puglia E.U.: accepting the Unit decision is a way for regional officials to legitimize and protect their conduct (blame avoidance)</li> <li>- Rhône-Alpes: even though little, the presence of EU funds and specifically the rule of decommitment significantly improved project management and financial engineering (precommitment)</li> <li>- Toscana: Structured process of application with predefined standards and procedures (framing, precommitment)</li> <li>- Sicilia: Structured process of application (framing, precommitment)</li> <li>- Sicilia: Organizational Agreements of the partnership with the region (precommitment)</li> </ul>

**Table 6** Causal mechanisms in the INSTED Regions

## 2 Options for policy development towards a common Capacity Building Policy

In recent years the European Union (EU) developed an increasing interest for institutional capacity, in particular since the accession of Central and Eastern European countries in 2004. During the preparation of the European Social Fund (ESF) programming framework for 2007-2013, a new priority was integrated, consisting in improving the institutional and administrative capacities of the regions benefiting of “convergence funds”. Within the regulation document, these institutional and administrative capacities are defined as the “the set of characteristics related to human capital in the public sector and to the performance and success of public policies.” The concept of “capacity” underlines the attention to be given to the development of strategies and competences to maximise the opportunities for policy implementation. Typical aspects of capacity are the quality of civil servants, organisational characteristics, the diffusion of ICTs among organisational units, inter-department relations and the style of interaction between government and its social and economic environment. The intuition at the origin of this interest of the EU for institutional capacity lies in the hypothesis that well managed public institutions and well trained public servants are essential for successful design and implementation of public policies in the field of the knowledge-based economy around which the Lisbon’s strategy and the more recent EU 2020 Strategy are pivoted.<sup>2</sup>

On June the 29<sup>th</sup> 2011, the Commission adopted a proposal for the multi-annual financial framework for the period 2014-2020: A Budget for Europe 2020. In its proposal, the Commission decided that cohesion policy should remain an essential element of the next financial package and underlined its pivotal role in delivering the Europe 2020 strategy. In defining the strategic approach at the basis of the proposal for regulation laying down the 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, the European Commission argues that, in order to maximise the impact of the policy in delivering European priorities, there is a need to reinforce the strategic programming process. This involves defining a list of eleven thematic objectives in the Regulation in line with the Europe 2020 Strategy. Among these objectives, a relevant position is occupied by ‘enhancing institutional capacity and an efficient public administration’.

This point has been inserted into the proposal "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

---

<sup>2</sup> In this framework, the ESF has first targeted the services and administrations whose action has a direct impact on the labour markets, namely employment services and education and training structures. These actions have been then extended to other sectors and to NGOs.

Social Fund and the Cohesion Fund” (2011/0276 (COD)) as well as the specific proposals about ERDF and ESF.

For example, when defining the rules that will determine how the ESF will work in the 2014-2020 period, the Commission proposes to target the ESF on four ‘thematic objectives’ throughout the EU, each translated into intervention categories or ‘investment priorities’. Among these objectives, a particularly relevant role is indeed played by the ‘enhancement of the institutional capacity and the efficiency of public administration’. More in details, the document specifies that, in the less developed regions and Member States, and with a view to increasing economic growth and employment opportunities, the efficiency of public administration should be improved and the institutional capacity of stakeholders delivering employment, education and social policies should be strengthened.

When defining the scope of support, it states that (EU, ESF, 2012 – Article 3) the ESF shall support the enhancement of institutional capacity and efficient public administration (i) via investments in institutional capacity and in the efficiency of public administrations and public services with a view to reforms, better regulation and good governance<sup>3</sup>, (ii) via capacity building interventions targeting stakeholders delivering employment, education and social policies and sectoral and territorial pacts to mobilise for reform at national, regional and local level. Moving to the specific provisions for programming and implementation, the document argues that, in order to stimulate the involvement and adequate participation of partners in actions supported by the ESF, managing authorities of the operational programmes shall ensure that an appropriate amount of ESF resources is allocated to capacity-building activities, in the form of training, networking measures, and strengthening of the social dialogue, and to activities jointly undertaken by the social partners. In this light, the Commission clearly aims at facilitating capacity building for social innovation, in particular through supporting mutual learning, establishing networks, and disseminating good practices and methodologies.

Similarly, when defining the main investments priorities, the proposal for regulation concerning the specific provisions of the European Regional Development Fund and the Investment for growth and jobs goal confirms how the ERDF shall support the enhancement of institutional capacity and of the efficiency of the public administration and public services related to implementation of the ERDF, and in support of actions in institutional capacity and in the efficiency of public administration supported by the ESF.

Beside the mentioned attention to the topics of Institutional Capacity and Capacity Building, it is worth to mention that the new regulation proposal prepared by the European Commission in relation to the future programming period 2014-2020 includes a number of important changes to the way cohesion policy is designed and implemented. Among them, particularly relevant appears the proposal to concentrate

---

<sup>3</sup> However, the document specifies that this investment priority is only applicable throughout the territory of the Member States which have at least one NUTS2 region in Convergence Objective or in Member States eligible for Cohesion Fund support.



funding on a smaller number of priorities better linked to the Europe 2020 Strategy: focusing on results, monitoring progress towards agreed objectives, increasing the use of conditionalities and simplifying the delivery are among the major hallmarks of the proposal.

When discussing how to increase the performance of the Cohesion policy, the documents argue that the effectiveness of the different structural instruments depends on sound policy, regulatory and institutional frameworks. In many sectors, a combination of strategic and regulatory conditions and public investment is needed to address bottlenecks to growth effectively. The options examined in this context related to: a) the status quo (macrofiscal conditionality and compliance with procedures and with EU sectoral legislation and strategic frameworks); b) *ex ante* conditionalities to be fulfilled prior to the adoption of the programmes; c) *ex post* conditionalities including the performance framework and performance reserve.

Partnership Contracts between the Commission and each Member State will set out the commitments of partners at national and regional level and the Commission. They will be linked to the objectives of the Europe 2020 Strategy and the National Reform Programmes. They will set out an integrated approach for territorial development supported by all the CSF Funds and include objectives based on agreed indicators, strategic investments and a number of **conditionalities**. They will contain commitments to give yearly account of progress in the annual reports on cohesion policy, on rural development policy and in other public reporting.

The concept of conditionality is not a new concept within the framework of cohesion policy. Over successive programming periods, a number of mechanisms have been introduced to maximise the effectiveness of the interventions. Some are linked to management and control disciplines while others to strategic and regulatory frameworks as well as administrative capacity.

The rationale for strengthening '*ex ante*' conditionality for these funds is to ensure that the conditions necessary for their effective support are in place. Past experience suggests that the effectiveness of investments financed by the funds have in some instances been undermined by bottlenecks in policy, regulatory and institutional frameworks.

On the other hand, '*ex post*' conditionalities aim at strengthening the focus on performance and the attainment of the Europe 2020 objectives. They will be based on the achievement of milestones related to targets for outputs and results linked to Europe 2020 objectives set for programmes in the partnership contract. 5% of the budget of the relevant funds will be set aside and allocated, during a mid-term performance review, to the Member States whose programmes have met their milestones. In addition to the performance reserve, failure to achieve milestones may lead to the suspension of funds, and a serious underachievement in meeting targets for a programme may give rise to a cancellation of funds.

Finally, to ensure that the effectiveness of the funds is not undermined by unsound macrofiscal policies, the Commission proposes to reinforce the rules governing the Funds on macrofiscal conditionality and align them with the new Stability and Growth

Pact enforcement measures to be adopted as part of the Sixth Economic Governance Package.

In defining more in detail the ex ante conditionality referred to *Enhancing Institutional Capacity and Efficient Public Administration* (art. 9(11) of the general regulation proposal) the Commission states that the basic point is "*the existence of a strategy for reinforcing the Member States' administrative efficiency including public administration reform*" and that implies the fact that such strategy should be already *in place and in the process of being implemented* and that it includes:

- *an analysis and strategic planning of legal, organisational and/or procedural reform actions;*
- *the development of quality management systems;*
- *integrated actions for simplification and rationalisation of administrative procedures;*
- *the development and implementation of human resources strategies and policies covering the recruitment plans and career paths of staff, competence building and resourcing;*
- *the development of skills at all levels;*
- *the development of procedures and tools for monitoring and evaluation.*

From the results of the INSTED project we are in the position of making a certain number of suggestions about how to articulate this proposal as regards the following elements:

1. the different types of IC
2. the diagnosis and the strategic planning
3. the different types of CBP
4. the causal mechanisms explaining the success of CBPs

In the first place, as we have seen, there is not only one possible definition of IC, and it is not correct to imagine that it is a sort of a linear process in which a member state (MS) starts at a low level and evolves towards an always better level of capacity. Even if it is somewhat natural that the European Commission (EC) is particularly worried about the ability of the different MAs to efficiently manage cohesion policy, it would be wrong to identify effectiveness only with financial management, the ability to absorb the allocations, the respect of all the European regulation and so on. In the first place the real test of effective implementation is the fact that the goals of the Lisbon strategy are attained and in order to do so the integration between European cohesion policy and domestic policies is actually working: type two IC is therefore very important and this has to do with the ability to avoid the risk - very present mainly in Convergence Regions - of a strong separation between the public bodies in charge of the Structural Funds and the Cohesion Fund and the rest of Public Administration. In the second place the design of European regional policy embeds some of the key principles of good governance like transparency, accountability,

involvement of the stakeholders, enhancement of equal opportunities and avoidance of discrimination, and so on. The mainstreaming of some of these key concepts in all public action - type three IC - is therefore a strategic added value of European cohesion policy and it is not necessarily true that public administrations that are effective as far as type one and type two IC are concerned are also good in type three. In other words we believe that in designing the strategy for enhancing IC the MS and the EC should take into consideration a larger definition of administrative capacity than the simple ability to manage European funds.

This consideration shifts the attention to the second point mentioned above, namely the analysis and the strategic planning of the necessary reforms. If we understand correctly the ex-ante conditionality envisaged here is the fact that the planning documents include a more or less homogeneous action plan about what to do in order to reach the desired level of IC. The risk here is that such a step, if not taken very carefully, will be at the same time too much and too little. Too much because the different administrative traditions, sometimes strongly embedded in the national administrative cultures, design different development trajectories that it is quite impossible to reduce to one and one only model. Too little, because the different elements included into the EU document lend themselves to be interpreted in a formal way - basically writing documents and/or defining procedural arrangements - whose respect not always coincides with real and long lasting improvements. What seems necessary is therefore the ability to find some common indicators like the ones that we will propose in chapter 3 of this report and to define in the strategic planning not only the actions to be taken, but also the targets to attain in the different areas of IC. From this point of view the main ex-ante conditionality should be the ability to identify the priorities and the targets of what we can call the IC policy within the EU funded Cohesion Policy. This implies a careful diagnosis of the existing situation, identifying the main obstacles - the bottlenecks in the common parlance - that prevent the full deployment of the potentialities of development policies and programmes. The ability to understand where the most important problems lie is at least half of the total effort needed, because poses the most important questions: "why is it difficult to fully comply with EU regulations?", "which are the main factors that prevent the integration between domestic policies and EU policy?", "in which fields would the adoption of the basic principles of EU cohesion policy (e.g. systematic evaluation, partnership principle, etc.) most improve the impacts of the interventions?".

The following step in the preparation of the strategic plan - and the third of the elements mentioned above - is the choice of the most appropriate CBP in order to solve the problems and to reach the targets. In this regards one could consider the list of different CBPs as the full array of instruments we have available in order to improve IC. From this point of view one possible suggestion is to make the description of the strategy envisaged in the EC proposals more analytic, spelling down the different types of actions that can actually be carried out. For instance, when proposing *the development of quality management systems*, it could be

possible to make reference to the Common Assessment Framework (CAF) developed within the Innovative Public Services Group and maintained by EIPA. But also the findings summarized in Table 5, if confirmed by further research, can be useful in order to provide guidance about how to design the strategy and the strategic plan. In other words one of the main conclusions of the present study is that we must accumulate experience and knowledge on what actually works in improving institutional capacity and base on this experience and knowledge the design of the relevant actions. This is necessary in order to avoid the risk, already mentioned, of preparing generic strategies, inspired to the "one size fits all" approach, not really adapted neither to the specificities of socio-economic development policy nor to the the different contexts in which these actions should take place. It is all very well to state for instance that it is desirable *the development and implementation of human resources strategies and policies covering the recruitment plans and career paths of staff, competence building and resourcing* but in a period in which many if not most MS recipient of EU cohesion policy struggle with spending cuts, downsizing of permanent bureaucracies, lack of funds etc. it is rather unlikely that the classic approaches to administrative reform - a mix between the principles of New Public Management and the governance approach - will work equally well in all national and regional situations. This implies that problems of capacity exist not only in the periphery, and in the implementation phase, but also at the center - be it the European Commission or the national administrations - in actually helping the MAs and the final beneficiaries to adopt an approach able to actually work in the different contexts.

This shifts the attention to the last of the elements mentioned above. In order to operate effectively it is important to understand not only what works but also why it works. This is possible the main analytical proposal of the present study: in order to understand the causal chains that link the different activities and the various tools that can be used to the attainment to the desired goals we suggested that the literature on social mechanisms can be useful. We have already discussed the findings in par. 1.b.6 and it is not necessary to repeat ourselves here. What is important however, is to stress how in order to allow the transferability of one solution from one situation to another, the identification of the mechanisms at work is of crucial importance. But we will be back, albeit briefly, to this point in chapter 5 of this report.

### 3 Key Analysis: A system of indicators for institutional capacity

In this section of the Final Report we draw some key conclusions from the work carried out, i.e. we will propose some analytical tools that will allow the measurement of IC, and therefore assess:

1. the readiness of Member States (MS) and Regions in their capacity of Managing Authorities (MA) to use effectively the financial resources allocated by Cohesion Policy, and
2. to evaluate the success of CPB in actually improving IC.

In order to do so we have to go back to the three notions/definitions of institutional capacity that we have already presented in par. 1.b.3 of this report.

Furthermore we have to make reference, at least in order to evaluate the success of CBPs, to make reference to the accepted methodology for organising a result oriented policy. In particular according to Barca and McCann, this implies the following steps:

1. When choosing a policy action, choosing also its **intended outcome**: *Which dimensions of the well-being and progress of people in the region motivate policy action?*
2. For any outcome, selecting one or more **outcome indicators**: *Which aspect/s of the intended outcome should be focused on and can be measured?*
3. For any outcome indicator, establishing a **baseline** (i.e. *the value, and possibly the trend, of the indicator before policy intervention*) and, whenever possible, a **target** (i.e. *the value of the indicator which policy actions aims to achieve*).
4. For any outcome indicator and target, describing how the planned policy action is expected to produce the chosen target (the **theory of change**).
5. For any outcome indicator, measuring and **reporting** about progress, in an open way.
6. For all policy actions, evaluating, according to ex-ante plans and through appropriate techniques, *whether and by what extent changes in outcome indicators are the result of policy action (impact evaluation)*. Counterfactual impact evaluation should be used whenever possible.

Here we are mostly concerned with the design of outcome indicators but also with making suggestions on how to measure the baseline and establish a target.

Obviously the evaluation of CBPs does not consist only in the measurement of the outcome, as, for instance there are different dimensions that can and should be investigated in order to assess the effectiveness of the different tools that can be used in the different programmes implemented by MS and MA. For instance in order to evaluate training programmes we have the possibility, and indeed we should, of investigating their diffusion (the types and the number of personnel that actually attended the exercise out of the total potential population), the satisfaction of the users, etc. And the same goes for the other possible tools that we listed in par. 1.b.4.

However the measurement of outcomes is of particular importance because it allows to assess:

1. the readiness of a specific institutional setting (a National Department, a Region, etc.) entrusted with the role of MA to get the best out of EU Cohesion Policy; on the basis of this assessment it will be possible therefore to design in the preliminary phase of the programme the most appropriate CBP, as we have already seen when we were talking about conditionalities;
2. the progress made through the CBPs themselves in the form or not of technical assistance programmes.

The first definition/notion of IC, as we have seen, has to do with ***the ability to come to terms with EU rules and procedures***, that is to say the complexity of the management dimension of EU funds, and the ability to combine them with the national and/or regional rules and procedures. We have found evidence of the need of such type of IC across all INSTED cases, even if with different modes and temporal dynamics, depending on the initial level of capacity present in the region: here, differences between regions managing since a lot of time European Structural Funds and newcomers are significant.

In order to measure this type of IC the easiest way appears to be a focus on two different dimensions and namely on the ability:

1. to fully use the allocated money
2. to avoid delays in reaching the intermediate and final targets

The first dimension, therefore, is linked to the avoidance of de-commitment according to the n+2 rule, but also at avoiding recovery of funds by the European Commission due, for instance, to negligence, fraud, non-eligible expenditures, etc.

The second dimension mostly relates to the delays incurred for procedural reasons, regardless of the fact that the delays resulted or not in the automatic de-commitment. Building appropriate indicators able to measure these two outcomes is by and large sufficient to give an idea if and how MAs, the intermediary bodies and the final beneficiaries apply correctly EU rules and are able to come to terms with the interaction between national and European rules.

Obviously one can make more detailed analyses, by assessing the quality of the planning documents (e.g. the fact that additionality analysis is done correctly), the quality of the financial management, the effectiveness of the audit authorities, etc..

As a first step, however, and mostly in order to have comparable data, the proposal stemming out of the present study is to integrate the ESPON database with two additional indicators that should be fairly easily calculated by the European Commission offices in charge of the different Structural Funds and the Cohesion Fund, as well as of the other initiatives or EU funded programmes.

**1. Amount of decommitment at the end of the programme distinguishing between inability to absorb and subsequent recovery**

unit of analysis: programme

baseline: the value of the last programme implemented by the same MA

target: 0%

**2. Procedural delays, measured as the average extra time needed to accomplish the different tasks involved in the programme, possibly weighted by their financial importance**

unit of analysis: programme

baseline: the value of the last programme implemented by the same MA

target: 0%

A second declination is the capacity to use EU funds and programmes to bring forth and implement projects and strategies, which local actors already had in mind, or which they develop on purpose. While very frequently the availability of EU funding triggers opportunistic behaviour on the part of local or regional actors (“let’s imagine how to spend this money”), in some cases actors have shown their ability to use funding in order to implement strategic and coherent projects or programmes which they already deemed necessary. In other words, local actors show the capacity of implementing integrated policy, by pooling different issues, different tools and different funding streams (public and private, regional, national, EU from different Structural Funds).

On the one hand this notion of IC is probably the most important one. The ability to use the available resources in an integrated way in order to give substance to a well defined strategy of territorial development is an essential part of the success of the strategy itself.

On the other hand it is also the most difficult dimension to evaluate. The success or failure of the strategy can in fact derive from a plurality of factors: the insurgence of external shocks like the present financial crisis, changes in the political orientations of the relevant institutions that led to the modification of the strategy, sudden transformations of the context, etc. Socio-economic development policies are by definition characterized by an high level of uncertainty, and it would be basically wrong to attribute their failure or partial success only to the lack of the relevant capacity.

However, some attempt to measure this dimension is necessary. One of the risk of EU Cohesion Policy is to be played nationally and locally by specialised policy communities, sharing an idiosyncratic language and a specific knowledge. Furthermore, the peculiarities of European rules and practices (from the already mentioned automatic de-commitment to the use of English in many documents and exchanges) make even more difficult the alignment between EU funded programmes and the other national and regional programmes, with the political cycle, etc. The outcome, therefore, is the danger of a separation between the two components of

socio-economic development with dysfunctional consequences for the effectiveness of both.

It is obviously very hard to observe directly this dimension of integration and therefore in order to make useful suggestions about how to measure it we should recur to some proxies, i.e. variables that are more easily observed and that are connected with the concept of integration. Here we suggest two possible indicators that in our opinion are particularly useful.

The first is the ability to further co-finance (besides the compulsory part) the programmes and projects selected in the Operational Programmes (OP) with other sources, coming from domestic programmes and/or by other international funding (think, for instance, of the European Bank) and/or from private investment. Here what is relevant is the ability to attract private investment, in the first place, and to integrate the programme with other programmes and policies by different public bodies. It is reasonable to expect that the more the programme or project receives monies different from the sums provided under the European policy, the more integrated is the policy. The indicator is somewhat more difficult to estimate than the ones presented above, mostly because in order to measure it correctly one should probably go beyond the formal financial statements and investigate the reality of the policy issue, but in its simplest form is also a possible candidate for inclusion in the ESPON database.

**3. Level of co-financing of Operational Programmes measured as the average of the projects included in it**

unit of analysis: programme

baseline: the value of the last programme implemented by the same MA

target: improvement/reaching a given threshold

The second proxy is even more elusive but not less important. One of the characteristics of modern policy making is the concept of multilevel governance, i.e. the involvement in the same policy of a plurality of public institutions located at different territorial levels and with different (general or specific) missions or mandates. A policy or a programme in which all the relevant actors (or the large majority of them) belong to the same institution and operate at the same territorial level, almost by definition cannot be considered truly integrated. In other words it is necessary that in the governance of socio-economic development programmes the actors that are really able to make a difference have different constituencies and different missions. This has already been pointed out by the literature as an antidote to the ever present risk of collusive behaviours. The European regulations already recognize this need but, as often happens, between the formal provision and the actual functioning of the policy very often there is a wide gap. Hence, it is difficult to attribute a numerical value to this indicator and therefore on the one hand it should be estimated by appropriate evaluative research and on the other it is not a candidate for inclusion in the Espon database.



**4. High level of multilevel governance measured by the fact that important roles are played (e.g. in the monitoring committee) by institutional actors located at different territorial levels and with different (general or specific) missions or mandates.**

unit of analysis: programme

baseline: the value of the last programme implemented by the same MA

target: improvement

The third notion/definition of IC is the capacity to use the competences built through the use of EU funding in order to improve the overall quality of administrative action. EU policy wants to be a model of how public institutions should operate in order to maximise effectiveness, efficiency and transparency of the public action. The specific requirements associated to the use of structural funds (e.g. competitive tendering, financial controls, etc.) are also aimed at improving the overall capacity of the public administration. In this declaration, institutional capacity is an objective in itself and it should influence the final results in terms of territorial development. Among the different elements that probably play an important role three are of paramount importance as far as territorial development is concerned:

1. the partnership principle, i.e. the ability to understand in which occasions it is appropriate or necessary to strengthen public/private or public/public cooperation and densify networks in a governance perspective;
2. the ability to internalise the environmental sustainability dimension (through tools such as Strategic Environmental Analysis - SEA);
3. the introduction of evaluation procedures in different phases of the policy cycle, in accordance with the New Public Management framework and in a governance perspective.

At least these three elements could therefore be the object of specific evaluations, in order to assess the improvements in IC: what counts here is the diffusion of these practices outside the field of EU policies and programmes, where they are compulsory. This dimension can be investigated directly, for instance by verifying if the body/structure in charge of the evaluation in European OPs is entrusted with tasks in other policy fields or domestic programmes, by analysing if and how SEA is able to make a difference in territorial planning documents, by understanding if the involvement of socio-economic actors in the planning and in the formulation phase of territorial development policies and programmes has been effectively mainstreamed. In all these instances the measurement of this indicator implies some sort of evaluative research (that can take the form of case studies, surveys of the beneficiaries, analysis of administrative documentation, etc.) and therefore it is difficult to give it a numerical value and to consider it for inclusion in the Espo database.

**5. Mainstreaming of the different institutional features of EU programmes: partnership principle, ex ante and ex post evaluation, analysis of environmental sustainability**

unit of analysis: public institutions different from the ones in charge of EU programmes

target: improvement

Another way to assess the diffusion of the smart (institutional and administrative) practices implicit in EU cohesion policies is more indirect, but has the advantage of being more easily measured and allows the creation of a quantitative indicator (that therefore could be internalised in the ESPON database). The logic is the following: the adoption of the characterizing features mentioned above should result in better projects, meaning in high quality proposals and smoother implementation. Consequently the institutions that have been able to improve their IC by correctly implementing the smart institutional practices should fare better in all the cases in which the access to funding is on a competitive basis. Measuring the rate of success of their bids in EU, other international or domestic competitive tenders should therefore provide a measure of their level of IC.

**6. Success in getting access to development funding on a competitive basis**

unit of analysis: public institutions different from the ones in charge of EU programmes

target: improvement

#### 4 Links with other Espon projects on governance issues

Two ESPON projects are directly related to governance issues and, as such, have influenced and can be influenced by INSTED. The first project is the ESPON 2.3.2 “Governance of Territorial and Urban Policies from EU to Local Level”, implemented during the 2000-2006 ESPON programming period. In that project, attention was paid to four different dimensions of territorial governance:

- a. *Vertical coordination.* It regards mainly public actors and can be divided in coordination among them (e.g. in decentralization or devolution processes, or interaction with the EU), and among their policies (e.g. the intra-sector coordination of policies). This dimension is strictly related to the subsidiarity principle;
- b. *Horizontal coordination.* Also named multi-channel governance, it refers to coordination among actors and policies at the same territorial level. As regards the actors, it regards coordination among public and private actors, as long as it deals with horizontal subsidiarity, that is the interaction of the State, society and the market. Horizontal coordination of policies refers to inter-sector coordination;
- c. *Involvement of stakeholders and participation of the civil society.* Here the attention is on the difference between the involvement of organized interests and stakeholders and the wider participation of citizens;
- d. *Territorialisation.* This dimension refers to those governance processes that recognize and valorize territorial capital and are based on its specificities.

Dimensions of territorial governance characterize processes that happen in specific territories and this place-specific feature recalls the INSTED approach to find and analyze characteristics of institutional thickness and institutional capacity. However, what has been researched in the ESPON 2.3.2 project through the analysis of 54 case studies in 29 European countries does not directly tackle the issue of institutional capacity or capacity building policies. It rather provides hints on context-differences and in similarities due to political and cultural frameworks, and focuses on three main hypotheses: (i) the State (its institutional features and organization, its traditions and political culture) stays at the centre of the stage, especially when it is capable of managing changes in the multi-level coordination process; (ii) accordingly to the reconfiguration in the multi-level governance scenario, accountability becomes a key issue; (iii) at the same time there is a reconfiguration in the horizontal coordination process in which new actors play different roles in the arena, thus another key issue is legitimization. These three hypotheses are connected with the INSTED framework, because it is the State that often represents a key holder in institutional capacity, while it is by considering accountability and legitimization that good capacity building policies can occur.

What is less considered in the ESPON 2.3.2, and it is crucial for INSTED is the possibility to learn from different practices in order to transfer them in different

contexts. ESPON 2.3.2, in fact, provides us with an analytical tool to understand how the territorial governance works, which are its main dimensions and what features characterize it. But it is a new – and ongoing – ESPON 2007-2013 project that is dealing with transferability issues: the ESPON Tango “Territorial Approaches for New Governance”.

In this project, the analysis of territorial governance practices (in 12 case studies, a quite smaller set of experiences compared with ESPON 2.3.2) is addressed to understand which factors lead to successful policy outcomes (i.e. to find examples of “good” governance), and to identify modalities for transferability as well as barriers and conditions. To define the idea of what is considered successful, the project refers to governance practices that contribute to achieve priorities identified in the Europe 2020 strategy: smart, sustainable and inclusive growth. To this extent, case studies should help to identify *components of place-based, organizational and often intangible innovation* that are necessary to the effective and sustainable achievement of the Europe 2020 policy aims.

The project acknowledges that generically described “good” practices have a limited role in policy-making processes, since other place-based characteristics are also, or even more, influential. The possibility to transfer practices, or – better – components of those practices, between contexts with dissimilar social, economic, institutional frameworks is quite problematic and it is related to two issues: the first regards the fact that each (territorial) governance process is context-specific and has its own arrangements and complexities; the second issue concerns the fact that transferability is generally associated with the provision of general and universal guidelines that, as a result, seldom can really be applied in different contexts (and that is why the ESPON Tango projects focus on transferable components, rather than in success stories or other similar approaches).

ESPON Tango, thus, bases its transferability idea on the fact that successful transfer involves learning and adaptation processes in which traditional collections of best/good practices do not seem to represent the more effective way to foster mutual learning. The transfer of components of practices is an exchange process: it implies mutual interaction between contexts and actors involved and furthermore it is based on adaptive attitude. To this extent, the Tango project is currently working on some hypotheses that, again, seem to be very interesting for INSTED-related future developments: (i) specific components of territorial governance can be identified and selected; (ii) it is possible to understand how these components shape the process in order to allow a learning process; (iii) it is possible to adapt such learning process to different contexts, i.e. it is possible to fully exploit the transferability potential of knowledge, ideas, practices, principles, and philosophies and also of methodologies, techniques and rules.

## 5 Extension of the Insted project: Towards a structured good practices catalogue about progress in Institutional Capacity in Cohesion Policy across the EU, based on mechanisms

Analysing evidence from the case studies and looking at the first indicators proposed in § 3, we can note that the interpretation of the significant relationships cannot be considered complete at this stage. Two more steps should be necessary in order to fully operationalize the relationship between the increase in Institutional Capacity and the results in term of quality of policymaking in the territorial development field.

The first would be to *further develop and elaborate the proposed indicators*, to refine them in terms of consistency, possibility to be replicated, and compared over time and across different contexts; the second one would be to *add more indicators*, in order to achieve a more complete perspective. In order to do so, nevertheless, we think that further empirical research is necessary, since it is very difficult to propose a reasonable set of indicators which should be valid for all European regional contexts starting from just nine cases in three countries, and this is particularly true in the light of the debate about ex-ante conditionalities (see also § 2).

There are obviously some risks in putting the accent so much on Institutional Capacity, in particular as far as the first typology of IC is taken into account. Within the same administration it is in fact possible to find some evidence of the risk of a growing separation between structures devoted to EU Cohesion Policy and structures devoted to territorial development but not connected to the former. In this case, as it happens for instance in the two Polish regions examined – but also since long in many Italian Regions – the capacity to manage European funds and procedures triggers an increase in efficiency levels of just those units working on it, and causes a growing separation with the rest of the administrative structure.

It becomes therefore extremely important to understand under which conditions an improvement in IC can have positive spill over effects also beyond the domain of EU policies, at the EU 27 level.

In order to do so, our proposal is to develop an *operational data-base of smart practices in CBPs across the EU 27*, based on two assumptions:

- first, there should be evidence of an increase in IC that brought about good results in terms of better quality of both EU funded and nationally funded development programmes and policies
- second, that it is possible to reconstruct a convincing relationship between strategies and results, i.e. about the causal chains between CBPs and actual improvements of the (different types of) IC.

The possible organisation of the database can make use of the basic classification of social mechanisms (see § 1.b.6) as a criterion to organise the analysed smart practices, starting with four main categories:

- coordination
- reputation
- defence
- incentive

While providing a good level of abstraction – useful for isolating transferable elements of the analysed practice – the mechanism approach has the relevant advantage of being applicable to secondary sources and existing databases. In fact, in order to identify the mechanisms at work in a certain case, there is no need to reach a deep and costly level of investigation: this means that a huge amount of data would be available for the analysis. Such a project would certainly make a great step forward in understanding the causal chains between Capacity Building Policies and Institutional Capacity on the one hand, and between Institutional Capacity and the design and management of development programmes on the other.

## References

- Allen J., Cochrane A. e Massey D. (1998), *Rethinking the region*, Routledge, London.
- Amin A. and Thrift N. (1994), "Living in the global", in A. Amin and N. Thrift (eds), *Globalization, institutions, and regional development in Europe*, Oxford University Press, Oxford, pp. 1-22.
- Amin A. and Thrift N. (1995), "Globalization, 'institutional thickness' and the local economy", in P. Healey, S. Cameron, S. Davoudi, S. Graham and A. Madanipour (eds), *Managing cities: the new urban context*, John Wiley and Sons, Chichester, pp. 91-108.
- Barca F. (2009), "An Agenda For a Reformed Cohesion Policy. A place-based approach to meeting European Union challenges and expectations", Independent Report prepared at the request of Danuta Hübner, Commissioner for Regional Policy, Brussels.
- Barca F. and P. McCann (2011) *Outcome Indicators and Targets – Towards a Performance Oriented EU Cohesion Policy*, 2011 [http://ec.europa.eu/regional\\_policy/sources/docgener/evaluation/performance\\_en.htm](http://ec.europa.eu/regional_policy/sources/docgener/evaluation/performance_en.htm)
- Bardach, E. (2004). "Presidential address - The extrapolation problem: How can we learn from the experience of others?" *Journal of Policy Analysis and Management* 23(2): 205-220
- Barzelay, M. (2007). "Learning from Second-Hand Experience: Methodology for Extrapolation-Oriented Case Research." *Governance* 20(3): 521-543
- Brenner N. (2003), "Metropolitan Institutional Reform and the Rescaling of State Space in Contemporary Western Europe", *European Urban and Regional Studies* 10, pp. 297-325.
- Coleman, J. S. (1990). *Foundations of Social Theory*. Cambridge: The Belknap Press of Harvard University Press
- Coulson A. and Ferrario C. (2007), "'Institutional thickness': local governance and economic development in Birmingham, England", *International Journal of Urban and Regional Research*, 31.3, pp. 591-615.
- Elster, J. (1998). "A Plea for Mechanisms", In Peter Hedström and Robert Swedberg (eds.), *Social Mechanisms: An Analytical Approach to Social Theory*, Cambridge University Press, 1998
- Hadjimichalis C. (2006), "Non-Economic Factors in Economic Geography and in 'New Regionalism': A Sympathetic Critique", *International Journal of Urban and Regional Research*, 30.3, pp. 690-704.
- Hassing R. and Legendijk A. (2001), "The dilemmas of interregional institutional learning", *Environment and Planning C: Government and Policy*, 19, pp. 65-84.
- Hedström, P, e R. Swedberg (1998). *Social Mechanisms: An Analytical Approach to Social Theory*, Cambridge University Press
- Jones M. (2001), "The rise of the regional state in economic governance: partnerships for prosperity or new scale of state power?", *Environment and Planning A*, 33, pp. 1185-1211.
- MacLeod G. (1997), "'Institutional thickness' and industrial governance in Lowland Scotland", *Area*, 29.4, pp. 299-311.
- MacLeod G. (2001), "New Regionalism reconsidered: globalization and the remaking of political economic space", *International Journal of Urban and Regional Research*, 25.4, pp. 804-829.
- MacLeod G. and Goodwin M. (1999), "Space, scale and state strategy: rethinking urban and regional governance", *Progress in Human Geography*, 23.4, pp. 503-527.
- Mayntz, R. (2004) Mechanisms in the analysis of social macro-phenomena, in *Philosophy of the Social Sciences*, Vol. 34, No. 2, pp. 237-259
- Merton, Robert K., 1957. On Sociological Theories of the Middle Range. In *On*

- Sociological Theory. Five Essays, Old and New. New York: Free Press, 39-72
- Ongaro, E. (2009) *Public Management Reform and Modernization*. Cheltenham: Edward Elgar Publishing Limited
- Paasi A. (2004), "Place and region: looking through the prism of scale", *Progress in Human Geography*, 28.4, pp. 536-546.
- Pawson, R. (2000) Middle-range realism. *Archives Européennes de Sociologie* XLI (2), 283-324
- Pile S. and Keith M. (eds) (1997), *Geographies of Resistance*, Routledge, London.
- Raco M. (1999), "Assessing 'institutional thickness' in the local context: a comparison of Cardiff and Sheffield", *Environment and Planning A*, 30, pp. 975-976.
- Rodríguez-Pose A. (2010), "Do institutions matter for regional development?", *Imdea Ciencias Sociales - Working paper series in Economic and Social Sciences*, Madrid.
- Storper M. (1997), *The regional world: territorial development in a global economy*, Guilford, New York.
- Tilly, C. (2001). "Mechanisms in the Political Processes", *American Political Science Review*, 4, 21-41



[www.espon.eu](http://www.espon.eu)

The ESPON 2013 Programme is part-financed by the European Regional Development Fund, the EU Member States and the Partner States Iceland, Liechtenstein, Norway and Switzerland. It shall support policy development in relation to the aim of territorial cohesion and a harmonious development of the European territory.

ISBN

# Insted Institutional Capacity for Territorial Development

Targeted Analysis 2013/2/16

Scientific Report | Version 13/04/2012



This report presents the draft final results a Targeted Analysis conducted within the framework of the ESPON 2013 Programme, partly financed by the European Regional Development Fund.

The partnership behind the ESPON Programme consists of the EU Commission and the Member States of the EU27, plus Iceland, Liechtenstein, Norway and Switzerland. Each partner is represented in the ESPON Monitoring Committee.

This report does not necessarily reflect the opinion of the members of the Monitoring Committee.

Information on the ESPON Programme and projects can be found on [www.espon.eu](http://www.espon.eu)

The web site provides the possibility to download and examine the most recent documents produced by finalised and ongoing ESPON projects.

This basic report exists only in an electronic version.

© ESPON & Politecnico di Milano, 2012.

Printing, reproduction or quotation is authorised provided the source is acknowledged and a copy is forwarded to the ESPON Coordination Unit in Luxembourg.

## List of authors

Prepared by the Lead Partner DiAP Politecnico di Milano, Milan, Italy, with assistance from the Project Partners:

DITer Politecnico di Torino, Università di Torino, Turin, Italy;

IGOP Universitat Autònoma de Barcelona, Barcelona, Spain;

Istituto per la Ricerca Sociale, Milan, Italy;

Sciences Po, Université de Lyon, Lyon, France

## Table of contents

### **C Scientific report**

<b>Alsace Case Study</b>	<b>2</b>
<b>Aquitaine Case Study</b>	<b>29</b>
<b>Rhône-Alpes Case Study</b>	<b>66</b>
<b>Toscana Case Study</b>	<b>95</b>
<b>Puglia Case Study: Evaluation Unit</b>	<b>133</b>
<b>Puglia Case Study: Waste, Water, Soil</b>	<b>171</b>
<b>Sicilia Case Study</b>	<b>225</b>
<b>Lubelskie Case Study</b>	<b>264</b>
<b>Dolnoslaskie Case Study</b>	<b>311</b>

### **Annexes to the Scientific report**

<b>List of Abbreviations</b>	<b>355</b>
------------------------------	------------

# Alsace Case Study

Max Rousseau<sup>1</sup>

## 1. Research problem

Alsace case study focuses on the decentralization of the management of Operational Programmes to the Regional Authority. Indeed, Alsace region has been an experimental case of decentralization in France since 2003. The regional institution became the managing authority for the implementation of OP 2000-2006, Objective 2, and still is for the OP ERDF 2007-2013. This transfer means a delegation of authority from the State (and its regional representative, the Secrétariat Général pour les Affaires Régionales or SGAR) to the Region and an evolution of institutional capacity among regional stakeholders. Thereby, we can hypothesize that Alsace Region is a “good” illustration of institutional capacity at regional level in France.

More precisely, the delegation of the management of the Operational Program from the French State to the Alsace Region occurred in 2003, i.e. in the mid of OP 2000-2006. The OP 2000-2006 which focused on “regions in structural difficulties” and “undergoing economic change”, concerned only 40% of the Alsace region<sup>2</sup>. During this first period of the decentralization experiment, the European financial support to Alsace region reached 109,2 M€ shared among ERDF (85.3 M€), ESF (7.2 M€) and EAGF (13.8 M€), and allowed 1838 projects to be implemented. Both a transfer of skills and staff from the Prefecture of Alsace to the Regional Council and the creation of an “Objective 2 Office” (within the Direction de l’animation et de l’aménagement des territoires de la Région Alsace) followed this decentralization of managing authority. The other stakeholders involved were the Caisse des Dépôts et consignation (payment of the grants), the State, the two departments, municipalities, Natural Parks, Agricultural Chambers, etc.

The Alsace Region remains the managing authority for the ERDF OP “Regional Competitiveness” 2007-2013<sup>3</sup>. The main orientations of this OP, through which territorial zoning is suppressed, deal with competitiveness and employment (Lisbon Objectives) in a context of sustainable development (Goteborg Objectives). This OP has a total budget of about 303M€. The financing provided by the ERDF amounts to some 76M€. The OP focuses on 4 axes dealing with innovation, competitiveness, environment and urban

---

<sup>1</sup> Laboratoire Triangle CNRS (UMR 5206), Ecole Normale Supérieure de Lyon

<sup>2</sup> Union Européenne et Région Alsace, 2009. *Regard sur le Programme Objectif 2 2000/2006 en Alsace*. Strasbourg: Région Alsace, 17 p.

<sup>3</sup> Union Européenne et Région Alsace, *Le programme « Compétitivité régionale » 2007 – 2013. Avec l’Europe, davantage de croissance et d’emplois en Alsace*. Strasbourg: Région Alsace, 2007. The OP Regional Competitiveness is one of the two regional European Union programs implemented in Alsace region under ERDF funds, with Territorial Cooperation INTERREG IV A Upper Rhine. See: [http://www.region-alsace.eu/dn\\_alsace-and-europe1/alsace-and-europe1-10042007-140050.html](http://www.region-alsace.eu/dn_alsace-and-europe1/alsace-and-europe1-10042007-140050.html)

cohesion. It involves a system of actors which is particularly dense, complex and specific to each axis.

The aim of this case study is to analyze the strengths and weaknesses of this new approach to structural funds management<sup>4</sup> and identify which institutional prerequisites are essential to make the decentralization effective. The main research questions are:

- Has the recourse to sub-delegation (at regional level) improved the effectiveness of the use of structural funds at regional level?
- How has this improvement occurred?
- Was the institutional capacity already possessed by the Alsace Region sufficient for the carrying out of the new tasks?
- Has this institutional capacity been improved and how?

Between the beginning of the experimentation, in 2003, and 2012, both the regional strategy regarding the OP and its governance deeply evolved. A progressive process of “regionalization” of the OP has been implemented in Alsace. This appears as the result of an original evolution of both institutional capacity and the capacity-building policies.

## **2. Context related features**

### **2.1. Socio-economic characteristics**

In January 2005, Alsace counted 1.805.000 inhabitants (1.070.000 in Bas-Rhin and 735.000 in Haut-Rhin). It accounts for 3% of the metropolitan population, and 0,4% of the population of the European Union. The Alsatian population increased more rapidly than the national average between 1990 and 2005. With a total increase of 6,8% during this period, it is the second region of France. Moreover, the region is characterized by its youth. People under 25 years represent more than 31% of the total population. On the other hand, people above 60 represent only 19% of the population (against 21% in France). The national forecasts state that the Alsatian population will continue to grow during the thirty next years.

The economy of Alsace is characterized by its interdependence with Germany and Switzerland. Alsace is thus the 4<sup>th</sup> exporting and importing region of France, and 30% of its exports relate to Germany. The region is also characterized by a dynamic but vulnerable economic structure. The manufacturing activities occupy a relatively important place in the Alsatian GDP. Since 1997, the productivity of the Alsatian industrial sector became lower than the national average. Conversely, the activities of design, resting on the innovation and the intensive use of high technologies, are less present. In addition, the rate of creation of new companies is lower in Alsace of 20% than the national average.

The unemployment rate increased in Alsace during the last decade. In June 2001, Alsace had the lowest unemployment rate of France (5,3%). But the unemployment rate of the region increased in a continuous way since 2001. In 2009, the unemployment rate in Alsace amounted to 8,4%, that is to say 2,5 point in lower part of the national average. But under the effect of the international economic crisis, it then rose of 30% until 2011. If the

---

<sup>4</sup> Actually ERDF, since FSE and EAFRD are still under the State authority.

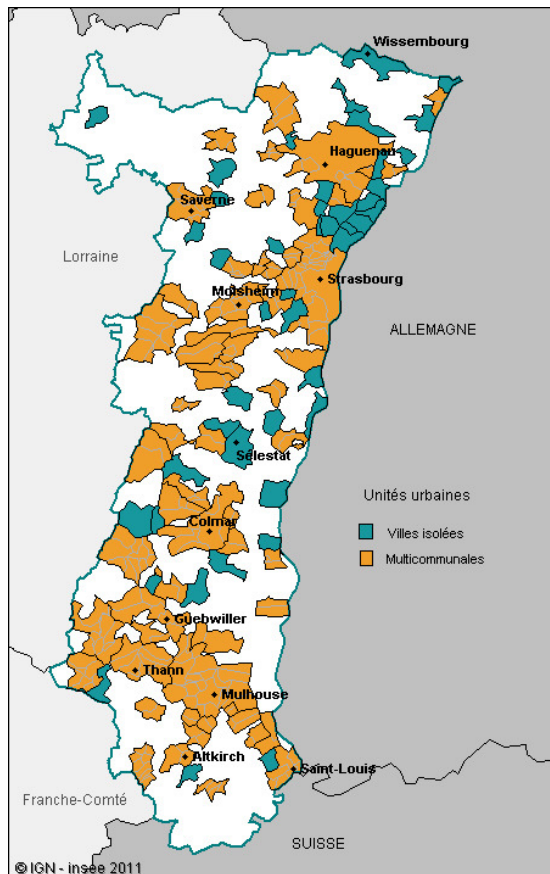
whole of the Alsatian territory loses industrial employment, the growth of unemployment was stronger in Haut-Rhin than in the Bas-Rhin, the unemployment rate of the industrial conurbation of Mulhouse being much higher than that of Strasbourg. In the disadvantaged districts of the two cities, the unemployment rates are above 20%.

The education level of the population in Alsace is lower than in the rest of France. One notes a relative underdevelopment of private research: in 2001, only 0,64% of the Alsatian GDP is devoted to the research and development, against 1,32% of the French GDP. On the other hand, the university and the public research, whose strong points are health and biology, are very important. The four universities of Alsace gather more than 48.000 students (figures 2004), including 19% in third cycle.

Tourism represents a strong economic issue for Alsace (5,1% of the GDP), with an annual flow of 8,4 million visitors providing 25.000 local jobs. Moreover, Alsace profits from a central situation within the strong axis of the development of Europe connecting London to Turin. The capital of the region, Strasbourg, is also a capital of the European Union and is the location of the headquarters of the European Parliament, the Council of Europe and the European Court of the Human rights. This situation offers the city a number of higher metropolitan functions related to the presence of many institutions and European and international organizations. Strasbourg therefore possesses many universities and research and development institutions, several international companies (like the French and German television channel ARTE), and many upscale public and private services.

The Region displays a strong wish to develop interregional and transborder co-operation. Several initiatives of co-operation in the field of economic development have been impulsed recently by the Alsatian local government agencies, like the creation of two networks including the main Alsatian cities or the set up of three Eurodistricts on both sides of the Rhine River. The regional council has also encouraged the economic actors to establish networks since the early 1990's, leading to the creation of several poles organized around an economic specialization.





**Figure 1** Map of the urban areas and main isolated cities in Alsace. Source: INSEE.

The closures of the factories in rural territory have not been replaced by the job creations in the services in these territories. Consequently, the expansion of the service sector contributes to concentrate the population near the main conurbations of the region, which concentrate most of the new employment in services (except Mulhouse). Colmar and especially Strasbourg fully benefit from the Alsatian economic transition. On the other hand, the department of Haut-Rhin and the South of Alsace currently face pregnant social and economic problems. The agglomeration of Mulhouse, the West of the Haut-Rhin and the valleys of the Vosges are confronted to the closures of the industrial companies, in particular in the textile. Poverty increased in Alsace since the beginning of the years 2000, even if at a slower pace than on the whole of the national territory: 10,6% of the corresponding Alsatian population lived under the poverty line in Alsace in 2004 (against 12,9% in France).

Even if Alsace's most disadvantaged urban neighborhoods (identified by the French State as the Zones Urbaines Sensibles, ZUS) lost 4,7% of their population between 1990 and 1999, they still account for 7,8% of the regional population (136.000 inhabitants), that is to say more than the national average. The Alsatian ZUS face a situation even more difficult than the French ZUS. Unemployment increased there by 25% between 2001 and 2003 (against 2% in the French ZUS). The unemployment of the people under 25 years

increased by 29% (against 5% in the French ZUS). In addition, youth unemployment is also higher there than in the other ZUS (25% against 19%).

## **2.2. Institutional and political features**

### **Institutional features**

Apart from the management of the European funds, the Alsatian region does not present any particular institutional feature compared to the other French regions. Since the decentralization initiated under the government of Jean-Pierre Raffarin in 2002, the French State has been governed by two successive Prime Ministers: Dominique de Villepin from May 2005 until May 2007, then Francois Fillon. Thus, the French government remained governed by the right (UMP) and the management of the European funds by the regional council of Alsace has consequently benefited from a high degree of political stability at the national scale. A similar political stability characterizes the regional scale, since only two presidents governed the regional council since the implementation of decentralization: Adrien Zeller, since 1996, then Philippe Richert, who succeeds to him in 2009, following the death of A. Zeller. This change at the head of the regional executive did not have either a major political consequence: the two successive presidents of the regional council followed a relatively similar political course, leaving together the UDF (center-right) for the UMP (right-hand side) the year of the negotiations of decentralization, i.e. in 2002. The Alsatian experiment of decentralization of the management of funds ERDF thus proceeds in a context characterized by a strong political stability. However, if the succession of A. Zeller by P. Richert did not produce major political change, it produced a certain effect on the organization of the relationship between the executive and the administration within the regional council.

In Alsace, the role of the president of the regional council, which impels the main orientation of the regional policies, is described as particularly crucial. The relations between the administrative structures and the councilors have therefore been clearly affected by the recent change at the head of the executive of the regional council. Adrien Zeller (UDF then UMP) chaired the regional council from 1996 until his death in 2009. He appeared above all as a political representative deeply anchored in his territory. In 1996, he was elected for the first time at the head of the regional council with the support of the Greens, after having bet the right-wing candidate (RPR). A. Zeller's style of leadership was based on a strong presence at the Regional council and on a strong personal implication in the administrative management. Its successor, P. Richert, began his political career following the trail of A. Zeller. He joined UMP in 2002 the same year as A. Zeller. But while the former never achieved a true national career (except a short experiment of secretary of State to the social security between 1986 and 1988), P. Richert became minister in charge for the territorial collectivities, charged to implement the territorial reform, shortly after its election at the head of the regional council. This ministerial function has notable consequences on the link between the political power and the

administration of the Regional council. This modification of the style of leadership results in the rise to power of the managing director of the services of the Regional council. Thus, the couple formed by the president and the director and the relations which both maintain are currently perceived as determining the way in which the Region is currently managed. In spite of this minor organizational change, the relations between the administration and the political representatives proceed in a relatively harmonious way. The organizational structure of the regional council is composed of five functional directions, six operational directions, three technical directions and four territorial agencies. The administration of the regional council counts 400 agents located in the headquarters and in the antennas. It is before all a task force, which explains why it comprises fewer personnel than in the other Alsatian territorial collectivities. In a general way, the organization of the Regional council of Alsace has a short hierarchical structure: a DGS, a director, a department head and a team. Most of the employees of the regional council are executives. Most are women, but those are fewer at the top of the administration of the regional council.

### **Political features**

With only two departments, Alsace is a very small administrative region. The agreement between the regional government and the decentralized services of the State is relatively good in comparison with most of the other French regions. The key values which guide the administration of the regional council are the adaptation to change and the proximity with the users. The capacity of the regional administration to incarnate the reduction of the distance with the citizens has been erected as one of the main arguments during the negotiations on the decentralization of the management of the European funds.

The principal reform having affected the administration of the regional council is the Révision générale des politiques publiques (RGPP) launched in July 2007 by the national government of Nicolas Sarkozy with the objective to modernize the organization of the administration while limiting the progression of the public expenditure. This reform led to a series of administrative reorganizations and fusions of services in order to improve organizational coherence and the efficiency of the service. If the RGPP applies to the central State administrations, the regional authority of Alsace is committed in a process of relatively similar rationalization and fusion. Because of its particular political situation characterized by an alignment on the central government, and because of the fact that the president of the regional council is also the Minister in charge for the administrative reforms, Alsace even exceeds currently the principles of the RGPP with regard to the administrative reforms of its own territorial collectivities.

Under the impulse of the new president of the regional council, Philippe Richert, Alsace is indeed leading the application of the reform of the French territorial collectivities engaged by the government of N. Sarkozy in 2008. This reform authorizes in particular the fusion of a region and the departments which compose it in a single territorial collectivity. In accordance with the wish of P. Richert, the principle was quickly acted by the concomitant decisions of the regional council and the two departmental councils. The exemplarity of

Alsace in the implementation of a reform implemented by the State can be explained by the fact that in addition to the regional council of Alsace (the only one still controlled by the UMP in France since 2004), the two departmental councils are also controlled by UMP. The Alsatian project to become the first region of France whose communities will amalgamate should be ratified after the presidential elections of 2012 and should lead to a local referendum. However, if the principle is acted, the details of implementation still remain to be defined, leading to a certain amount of stress for the civil servants.

### **3. Outcomes of the analysed intervention**

The effective impact of the regionalization of the management of the European funds is not an easy to judge because of the initial dissociation of State's and Region's strategies: the regional civil servants assess that the regional management is at least as rigorous, fast and efficient as was the State's management; the local and State servants state the regional management has not produced a real improvement of the Funds use or of the supported projects. One can assess that the main advantages are:

- The increasing readability of the management of funds ERDF. The partners and the project carriers identify clearly the single pilot, i.e. the regional council.
- The decentralization of the management of the Operational Programme to the Regional Authority made it possible for the Region to implement a program which is not a mere variation of national targets, but a true reflection on the regional stakes. This program is coherent and is based on a total strategic vision of the economic development of the region. It is said that in the other French regions, the coherence of the programming appears to be more jeopardized by a division between the State and the regional council.
- -The treatment of these regional stakes by the use of the ERDF funds is based on a rigorous instruction allowing the programming of mature and coherent projects.
- The procedures as a whole are perceived as simpler and more readable, thanks to the strong presence of the civil servants in charge of the management of the funds on the territory and to the creation of an one-stop service for the project carriers.
- The partnership with the principal partners at the committee of programming and monitoring is reinforced. The State is said to have more locked the programming in the past, managing it in a purely administrative way.
- The delays of instruction, programming and payment as a whole are well controlled.

On the other hand, there are several disadvantages:

- The strategy pursued by the Region led to relative delays of programming during the period 2007-2010, even if it is not the case anymore at the beginning of 2012.
- The costs in human resources assumed by the Region appear as important. Even if the difference between the total amounts of human resources mobilized for the management of the structural funds by the State, then by the Region, is a matter of debate, the efficiency of the technical management of the ERDF OP is dependent on a political will by nature subject to fluctuation.

- Only one fund is concerned by the decentralization, which leads to a marginalization of ERDF compared to the other European funds. Whereas the OP “Regional Competitiveness” (ERDF) is managed by the region, the OP “Employment” (FSE) is still managed by the State. However, both PO take part in the same objective (“regional Competitiveness and employment”). In addition, this weak articulation between the funds increases the perplexity of the project carriers. Moreover, each fund has its own ministry in charge. However the coordination between the various ministries seems defective, the DATAR being sometimes accused of not playing its role in the matter.
- Finally, the regionalization of the management brings the risk that the European funds are used as a mere complement for the implementation of the policy of the Region in spite of being truly put at the service of the territory. The risks are those of an increased pressure of the local councilors on the civil servants in charge of the management of the funds. However, it should be précised that the risks of a purely political management of the ERDF funds are not specific to the regional management: the management by the State poses the same type of problems. The State, like the Region, is likely to use the European funds to serve its own interest.

#### **4. Telling the story of the intervention**

##### **The beginning of the experimentation: the decentralization of the OP “Objective 2” (2000-2006)**

The introduction of a principle of experimentation was a major originality of the law on the local responsibilities announced in spring 2002 by the government of J. - P. Raffarin: the territorial collectivities authorized to do so by the Parliament would be able to derogate from the laws and payments which govern the exercise of their competences. After evaluation, these experiments would be generalized or abandoned. The French government invited the Regions to make proposals. Under the impulse of its president Adrien Zeller, partisan of the decentralization and author of a book on the question, the Alsace Regional council made a proposal to obtain the management of the OP 2000-2006.

The arguments advanced by the Alsace region rest above all on the proximity of the service, guarantor of the effectiveness of the management of the European funds. The region put forward its long experience of international cooperation. It argued that the management of the European funds by the State reduced their effectiveness. The Region being only one partner among others, the procedures were presented as heavy and likely to discourage the project carriers. From now on there would be no more than one one-stop service for the project carriers, and the procedures would be simplified. The Region also put ahead the recent creation of a network of local antennas in the two departments of the region, presenting them like relays of proximity for a more efficient use of the European funds. To the Region, the objective of the regionalization of the management of the European funds was thus to simplify the procedures for the public and private partners in order to increase the general effectiveness of the European funds and to consume the

entirety of the financial allocation of the program (110 M Euros over the period 2000-2006). The region planned to ensure the authority of management, payment and control. It was consequently envisaged to reinforce the regional administration, while continuing to request the dedicated services of the State<sup>5</sup>.

In July 2002, the Alsace Region officially applied to ensure the role of authority of management and payment of the program Objectif 2 on an experimental basis and starting from January 1st, 2003. The main technical axes of the transfer of authority were registered in the preparatory protocol signed in Strasbourg on September 6th, 2002 in the presence of the Prime minister, the president of the Regional council of Alsace and the prefect of the region. According to the principle of a one-stop service for the deposit of the files, the State would remain associated as a partner. Permanent contacts would be maintained with the services of the SGAR, and the regional prefect would preside with the president of the Regional council the monitoring committee.

The convention signed with the State acted the transfer of competence of 70 % of the PO Objective 2 (110 million euros). Three funds (FEOGA-G, FSE and ERDF) were concerned by the experimentation. The transfer of competence also involved the transfer of the 200 projects programmed by the State. The Alsatian experimentation was then regularized *a posteriori* by the constitutional law of March 28th, 2003. To exert its new competences, the Region decided to create a team specifically dedicated to the management of the European funds. It also immediately decided to delegate the function of authority of payment to the Caisse des dépôts et consignations. Finally it decided to widen the composition of the regional committee of programming, still jointly chaired by the president of the Regional council and the regional prefect, but with a broader representation of the Alsatian departments and municipalities.

At the end of 2005, the Alsace Region addressed to the services of the State an assessment of the experimentation. The consequent report submitted by the French government to the Parliament observed on the one hand that the experimentation benefited from a *favorable partnership context, a simplification of the management* and an important investment in human resources. On the other hand it noticed that “*Alsace is at the 13th place on 21 regions of continental France for programming and realization*”. The report still concluded that “*the quality of the partnership, the engagement of the Regional authority to acquire the human skills and the association of the services of the State are the principal strong points*” of the experimentation but that “*the moment of the assessment, at the end of 2005, does not make it possible to formulate conclusion final (...). An extension proves to be necessary to have all the useful lesson*”<sup>6</sup>.

---

<sup>5</sup> *Les Echos*, 6 September 2002.

<sup>6</sup> See Rapport d'information de la commission des finances, de l'économie générale et du plan sur la programmation et la consommation des fonds structurels européens, Assemblée nationale, 26 May 2004.

### **The extension of the experimentation: the OP “Regional competitiveness” (2007-2013)**

The government decided in March 2006 to prolong the Alsatian experimentation for the next OP without however generalizing it. The decision of the State to continue the experimentation in Alsace was validated by the comité interministériel de l'aménagement et de la compétitivité des territoires (CIACT). Within the framework of the programming 2007-2013, the Alsace region benefitted from 75,9 M€ of European credit of the ERDF for a total budget of 302,9 M€ (including the national public funds and the private funds). It was the weakest envelope of the French regions. Over the period 2007-2013, the Region has been assuming not only the functions of authority of management and certification but also the responsibility for its elaboration, in partnership with the representatives of the State.

However, the beginning of programming 2007-2013 is carried out in a context of legislative blur. Indeed, the law of 2003 which promulgated the Alsatian experimentation only related to the 2000-2006 period. The new period thus starts without any legislative framework, the decision of the CIACT to continue the experiment having only a political dimension. The law of modernization of the economy which officializes the delegation of the management of the OP “Regional Competitiveness” to the region over the period 2007-2013 only goes back to August 2008. In this context of legislative blur, the 2007-2013 period opens in a context of crispation between the State and the region. The region estimates that its statute of authority of management must enable it to elaborate the PO ERDF by its own. As regards the State, the reflex is to withdraw its management of the European funds. The State observes, brings if necessary elements of evaluation and takes part in fact in the follow-up committee pluri-bottoms, but clearly keeps its distances. In addition, the Region puts forward its capacity to implement a true dialog with the local local authorities. However, those indicate that the dialog took more the form of a simple consultation, the region clearly keeping the control of the elaboration of the OP. The result is the alignment of the European funds with the priorities of the Region as regards economic development. The OP was clearly built to answer the strategic priorities of the regional council, which were based on many studies and evaluations. The OP ERDF 2007-2013, for which the whole of the Alsatian territory is from now on eligible, comprises four priority axes.

- The axis 1 (23 M€ of European funds covering 25% of the total of the budget of the axis) finances the projects which contribute to the development of the innovation.
- The axis 2 (21 M€ of European funds covering 21% of the budget) deals with the creation of new economic activities and services.
- The axis 3 (17 M€ of European funds covering 25% of the budget) deals with sustainable development.
- The axis 4 (12 M€ covering 29% of the budget) deals with economic redevelopment in the ZUS.

### **The problems affecting the programming of the new OP**

However, the programming is affected by several negative factors during the first half of the 2007-2013 period. The first factor is not specific to the Region, but relates to the change of orientation of the policy of cohesion between the program 2000-2006 and that of 2007-2013. Reflecting the strategy of Lisbon and the will to increase the competitiveness of the European Union, the priority is given to innovation and the eligible perimeter is extended to the whole regional territory. Consequently, the logic of attribution of the funds is reversed: whereas Objective PO 2 targeted the rural or deindustrialized territories, the OP "Competitiveness and employment" targets the territories which are most likely to maximize the lever effect. The representatives of the declining territories, who used to regard the ERDF funds as a mean to implement small projects related to tourism or urban improvement, see the European source being dried up in favour of the territories possessing the competitive firms, research institutes and universities. This situation generates frustration among some of these representatives, who are likely to reject the responsibility on the delegation of the authority of management to the Region. In addition, even if the Region is not responsible for this reorientation of the OP, it is often suspected of an overly political treatment of the files. This new situation increases the pressure on the technicians in charge of the management of the European funds.

The second problem affecting the programming is the evolution at the presidency of the Regional council. A. Zeller used to chair himself each of the programming committees, which were held successively in the Bas-Rhin and Haut-Rhin. After 2009 the meetings have become fewer and are replaced by a growing recourse to written consultations, complicating the definition of the general orientations of the programming.

The other problems affecting the programming are the consequences of the choices made by the Region in 2007, at the time of the elaboration of the OP Competitiveness and employment. The OP was largely disconnected from the other contractual programs and policies, in particular the Contrat de Plan Etat-Région (CPER). Moreover, because of the low amount of the ERDF funds in Alsace, the Region chose to select the projects in a drastic way. Consequently, it decided not to communicate on ERDF in order to limit the number of subjected projects<sup>7</sup>. Lastly, the initial choices in favor of an OP covering a large amount of measures financed at a low degree by the European funds, and in favor of a programming only focused on mature operations<sup>8</sup>, complicated the new programming. These factors might have been counterbalanced by a supplementary investment of the Region in the technical management of the OP. However, this option was not selected.

As a consequence, Alsace appeared as relatively late in terms of programming and realization at the end of 2010, compared to the majority of the other French regions. As regards the objective "Competitiveness and employment", Alsace was thus located at the 19<sup>th</sup> rank of the 22 metropolitan regions in terms of programming and at the 16<sup>th</sup> rank in

---

<sup>7</sup> See Région Alsace et Ernst &Young, *Programme « Compétitivité régionale 2007-2013 » : Bilan de l'expérimentation alsacienne*, Strasbourg : Région Alsace, 2011.

<sup>8</sup> *Idem*.



terms of realization<sup>9</sup>. However, a pragmatic reorientation of the strategy allowed the Region to take up the slack during the year 2011. Firstly, a closer link was established between the OP ERDF and the Contrat de Plan Etat-Région, allowing to program more important projects. Secondly, the Region established a more serene collaboration with the services of the State. In spite of the greatest technical presence of the State, this one continues to respect the authority of the Region even if some agencies still pretend to be more legitimate on their own sets of themes. Thirdly, the services of the Region proved more flexible on the criteria of acceptance of the files. In 2011, the region thus managed to make up for its delay in the programming of the ERDF funds. At the end of the year, it was located in the national average.

## **5. Actors involved**

### **During the first phase of the decentralization (2002)**

- The French government appears as one of the two key actors. It accepted the proposal of Alsace for several political reasons. On the one hand, the political color of the Alsatian regional council was similar to the one of the national government. In addition, the region did not constitute a major strategic issue for the French government because of its administratively and demographically small size, and because of the relative weakness of its economy. According to the interviewed people, a similar request for decentralization of the management of the European funds coming from more strategic regions for the State, like Provence-Alpes-Côte-d'Azur or Rhône-Alpes, would have never been accepted. To the government, the aim of the experimentation was to check if the regional councils could manage to increase the regional consumption of the European funds. Patrick Devedjian, Minister off State for Local Freedoms, said that "Alsace must demonstrate its ability to do better than the State services, which are today under the threat off having to send back to Brussels unspent funds".
- The Regional council of Alsace answered under the impulse of its president Adrien Zeller. For the executive of the regional council, the stake was political: the regionalization of the management of the European funds would make it possible for the regional council to reinforce its direct role in the development of the territory. The director of country planning at the regional council of Alsace explained that "henceforth, it will be the region, and not the prefect, that will decides which areas will benefit from Brussels' aid, that will distribute the budget among the various projects under examination, and that will control the implementation of programs"<sup>10</sup>. The president of the Regional council, A. Zeller, is identified as the major actor in the process of decentralization. He used his political proximity with the French government like a key resource.

### **During the second phase of decentralization (2006)**

---

<sup>9</sup> *Ibid.*

<sup>10</sup> Le Moniteur-expert, « Collectivités locales : les premiers pas de la décentralisation », n°5155, 13 September 2002.

In 2002, the decentralization seemed above all the result of a man's will. In 2007, the renewal of the experimentation appeared as more natural. The State ratified the extension of the experimentation without generalizing it. In addition to the Regional council, several other Alsatian actors were in favor of prolonging the experimentation, but they did not play any significant role in the negotiation.

- The departmental councils were overall supportive of the prolongation of the experimentation. However, the regionalization of the European funds has never been a policy issue for them.
- As key actors of the rural development, the chambers of agriculture wished that the region would continue to manage the European funds. Indeed, the natural interlocutor of the chambers of agriculture is the local authorities more than the State.
- Finally, the Communauté Urbaine de Strasbourg (CUS) asked for the capacity of manage the European funds intended for the disadvantaged districts itself. The fact that the Region was given the responsibility for the elaboration of the new OP is important: the State would not have had the same strategic priorities and would perhaps not have created an urban axis. Historically, the CUS already had a long experience as regards the management of the European funds: before 2006, the CUS was the authority of management for the URBAN funds. The technicians of the CUS explained to their political representatives that a direct management of the axis 4 on the level of the CUS was useful, and the transfer was then facilitated for several reasons. Firstly, the relations between the CUS and the Region are rather good. Secondly, the CUS regards the Region as qualified to manage the rural territories, less the urban territories. On its side, the Region did not want to deal with urban policies and accepted the transfer. Thirdly, a strategic reason explains the request for transfer: the carrier of a project abounded by the European funds is likely to think that the CUS, and not the EU, provided the subsidy.

## **6. Analysing institutional capacity**

In spite of its long experience of cooperation with economic and social actors, the Alsace region did not have, by the end of 2002, the institutional capacity necessary in order to manage efficiently the OP "Objective 2" because of the high level of technical skills required by the European procedures. A political choice was made to quickly address the question of the deficit of the institutional capacity of the Region, with the creation of a team dedicated to the management of the European funds within the regional council. The great complexity of the management of the ERDF funds required the creation of this team, initially based on a transfer of personnel from the Prefecture towards the Region. This important transfer clearly indicated that the region was willing to invest in human resources in order to legitimate the experimentation of the decentralization of the management of the European funds.

However, once the prolongation of the decentralization was acted, the strategy of the Regional council clearly evolved. This time, the point was less to display the ability of the Regional council to come to terms with EU procedures than to use the ERDF funds to

complement its own economic strategy. The overall institutional capacity of the Region was deeply affected by this evolution. After looking at the initial effort mainly regarding the capacity to come to terms with European procedures, we will observe the current features of institutional capacity in Alsace.

### **The initial increase of institutional capacity**

#### ***The initial transfer of competences from the Prefecture to the Region***

The Region made the initial choice of a different organization than the one usually implemented by the State. In most of the regions, the SGAR is the authority of management, which coordinates the various instructor services: the decentralized services of State such as the departmental Prefectures, the DRAAF, the DREAL and so on. To exert its new competences, the Alsace region decided to concentrate the management of the European funds in the hands of a narrow, flexible and versatile team dedicated to the management of the European funds, the service Objectif 2. This important investment in human resources resulted from the initial need for the Region to demonstrate its technical capacity to perform as well as the State in terms of programming.

The service Objectif 2, a team of fifteen employees, was created within the Direction de l'Animation et de l'Aménagement des Territoires de la Région Alsace. Because of the previous work experience of several of its employees at the SGA, the new service concentrated a high level of expertise in the management of the European funds. It was organized around three principal poles. Firstly, the "Animation-Conseil" pole gathered the territorial organizers directly installed on the eligible territories. Secondly, the "Instruction" pole constituted the one-stop service for the deposit of the files. Its four instructors were based in two antennas in Strasbourg and Mulhouse. This organization aimed at providing a single management from the beginning to the end of the instruction of the projects. Thirdly, the pole "Contrôle" was responsible with the controls and audits of the European funds. It was attached in July 2005 to the Direction des Finances in order to guarantee its functional and hierarchical independence. Two employees were delegated to the Regional council of Alsace by the State for 6 months. Thus, the PRESAGE manager of the SGAR joined the services of the Region. At the end of 2003 and for a few weeks, the SGAR also placed at the disposal of the Region a qualified employee to accelerate the operations of certification and setting in payment of the European funds.

#### ***The difficult relationship with the services of the State***

The region also decided to set up several partnerships in order to profit from an external technical expertise. The instructor service thus requested in an informal way the opinions of the operational directions of the Region, of the decentralized services of the State, the payment services, the Ministries and the European commission. However, the central administrations proved to be hostile with the experimentation, often more for "ideological" than technical reasons: at that time, the Region was simply not considered to be

legitimate to manage these funds. However, the services of the State reacted in a different way<sup>11</sup>. The co-operation was good with the services of the SGAR and with the directions régionales de l'agriculture et de la forêt. But it was colder with the other services, like the directions régionales de l'emploi, du travail et de la formation professionnelle, the direction régionale de l'industrie, de la recherche et de l'environnement and the agence nationale de valorisation de la recherche. The main conflict opposed the regional council and the services of the trésorier-payeur général, who hitherto provided the function of authority of payment. The services of the Treasury initially tried to struggle with the decentralization, after which they withdrew from the circuit of programming, payment and control of the European funds. The Regional council of Alsace substituted the Caisse des dépôts to it in order to avoid the strict rules of public accounts.

### **The current declinations of institutional capacity in Alsace**

#### ***The ability to come to terms with EU rules and procedures***

Overall, the concentration of technical expertise within the team dedicated to the management of the European funds allows the Regional council to come to terms with EU rules and procedures, as was demonstrated by the evaluation of the first step of the decentralization between 2003 and 2006. The initial organization of the service Objective 2, which becomes the Service régional des politiques européennes (SPRE), is maintained between 2007 and 2013. Several modifications are nevertheless made in order to adapt the service to the new OP, and also to address the erosion of the workforce of the SPRE (17 employees in the mid-2000's, and only 11 in 2011). This last process results from the decreasing need for the Region to prove that it can perform as well as the State in terms of programming once the experimentation of the decentralization had been renewed.

The chief of the SPRE, who was previously in charge of the control and audit of the European funds at the Regional council, regularly updates the juridical and technical expertise of the team on EU procedures. Supplementary legal intelligence on the EU procedures is carried out at the control and audit pole of the Regional council. If the project under investigation is supposed to be jointly financed by both the Region and the EU, the operational direction concerned by the project investigates the case on its own. In addition, the weak degree of cooperation with the services of the State with regard to the instruction of the files leads the service of the European regional policies to increase the technical expertise of the pole "Pilotage et animation". The managers coordinate the thematic expertise and the co-operation with the services of the State is only specific. In the same way, the operational directions of the Regional council are sometimes requested for technical opinion, but they do not intervene in the instruction of ERDF projects.

The strong technical skills of the service of the European regional policies make it possible to support the choice of a qualitative programming focused on strong projects, even if the Region still lacks some of the specific skills the State used to possess, for

---

<sup>11</sup> See Rapport d'information de la commission des finances, de l'économie générale et du plan sur la programmation et la consommation des fonds structurels européens, Assemblée nationale, 26 May 2004.

example in terms of economic and financial analysis. On the other hand, it lengthens the procedures of programming<sup>12</sup>. Finally, according to some project carriers, the reinforcement of the expertise within the Regional council also allows to better hide the fact that the programming obeys above all to the political priorities of the Region.

***The capacity to use EU funds and procedures to bring forth and implement projects and strategies, which local actors already had in mind***

This declination of institutional capacity obviously appears as the main feature of the Alsatian management of the European funds. The positive evaluation of the regional management between 2003 and 2006 meant that the Region had successfully demonstrated its capacity to manage the European funds as efficiently as the State. Therefore, as a next step in the experimentation, the OP 2007-2013 was clearly built by the Regional council in order to coincide with its own strategic priorities. This situation distinguishes the Alsace region from the other French regions. Since the current OPs have been conceived at the same time than the Contrats de Projet Etat-Régions (CPER), most of the French regions tried to tightly articulate both of them. On the contrary, the Alsace region deliberately chose not to bring the CPER into line with the ERDF OP. As a result, the State finances the OP at the very low rate of 3%<sup>13</sup>. Officially, the Alsace region explains that such a choice to dissociate the ERDF OP from the CPER aims at preventing a “windfall effect”. However, it also clearly reflects the political stake of the regional management of the structural funds. The dissociation between both sources of public financing allows the Regional council to keep the control over the European funds and to use them to finance its own strategic priorities. Such a choice would however complicate the programming during the OP 2007-2013 because it prevents to use the funds in order to co-finance the big projects of the CPER involving for example some new large real estate programs.

**The capacity to use the EU funds to implement a program of urban redevelopment: the case of the management of the axis 4 by the urban community of Strasbourg**

The delegation of the management of the axis 4 of the OP 2007-2013 to the urban communities of Mulhouse and Strasbourg aims at using the ERDF funds in order to implement the economic strategy of the political leaders at the metropolitan scale. The organization of this delegation which was another consequence of the decentralization of the management of the European funds in Alsace (see above) is however radically different depending on the two urban communities. Because of its former implication in the management of the URBAN program, the CUS already had the team and the competences to obtain the authority of management on the axis 4. Moreover, to increase

<sup>12</sup> Région Alsace et Ernst & Young, *Programme « Compétitivité régionale 2007-2013 » : Bilan de l'expérimentation alsacienne*. Strasbourg : Région Alsace, 2011.

<sup>13</sup> *Idem*.

its institutional capacity, the CUS decided to create an additional position of operation manager in 2007. On the other hand, Mulhouse had neither the team nor the necessary competences to manage the European funds. As a consequence, the urban community did not ask for a complete management of the funds but obtained instead the possibility of financing ten important projects selected at the beginning of the period of programming.

The axis 4 of the OP in Strasbourg is implemented by two administrative officers of the CUS (which employs 8 000 agents), under the supervision of three vice-presidents of the urban community. Compared to the Region, the management of the OP in the CUS appears as both more technical and less political for two main reasons. Firstly, only 6,2 M€ of ERDF funds are directly managed by the CUS (compared to the 75 M€ managed by the Regional council). Secondly, the funds managed by the Regional council since 2007 concern the whole of the region, increasing therefore the requests of the political representatives. In Strasbourg on the contrary, the funds continue to be targeted on precise zones, the ZUS. Moreover, the civil servants in charge of the management of the axis 4 appear as relatively autonomous from the chain of command of the CUS because of the specificity and the complexity of the European regulation.

The role of the cell in charge of the management of the ERDF funds in the disadvantaged neighborhoods of the Strasbourg agglomeration mainly consists in the external redistribution of the funds in order to achieve the objectives set by the elected officials. Contrary to the majority of the other French cities which manage directly the ERDF funds, and which mainly relate to urban renewal, the strategic objectives of the CUS are only focused on economic development, in the objective to maximize the leverage effect in the ZUS. This strategy is made possible by the strong institutional capacity of the CUS as regards the management of the European funds. Whereas Mulhouse chose to concentrate the funds on a handful of large-scale projects abounded with a minimal height of 500 000€ by the European funds, the institutional capacity of the CUS made it possible to implement a strategy in which a hundred small projects are financed at a total amount of 2000 to 100 000€.

Since 2007, the civil servants in charge of the implementation of the ERDF funds have increased their expertise of the redevelopment of the disadvantaged urban neighborhoods. As the initial objectives did not evolve, they have become more experienced with regard to the recognition and the support of the perennial projects. The cell of the European funds of the CUS frequently consults the chamber of commerce to know its opinion on the viability of the projects presented by the tradesmen, craftsmen and SME of the ZUS of Strasbourg. It also works closely with the partners of employment in order to increase the inclusiveness of the redevelopment of the ZUS. Finally, the agents have a strong knowledge of the neighborhoods on which they intervene and manage to establish close links with the project carriers. The division between the operational and the

technical parts of the management of the OP does not exist within the CUS because of the importance of the human resources mobilized compared to the height of the funds. The versatility and the proximity of the agents of the CUS in charge of the management of the axis 4 of the OP 2007-2013 enable the CUS to implement a true economic development program of the ZUS under the supervision of the political representatives. As a consequence, if the relationship between the CUS and the SPRE appears as rather good, the direction of economic development does not always agree on the strategic priorities of the CUS regarding the axis 4.

### ***The capacity to appear as visible to the projects carriers***

One of the key arguments put forward by A. Zeller to support the experimentation was that the creation of a one-stop service incarnated by the region would improve the effectiveness of the OP. Such a bet thus depended in particular on the ability of the regional council to incarnate the only legitimate interlocutor to the project carriers. With the passing of years, it is clear that the region managed to incarnate the single interlocutor for the access to the European financings. Thus, the results of the investigation of Ernst & Young carried out in December 2010 indicate that, for a large majority of the recipients, the direct contacts with the various services of the Region constitute the principal channel of information on the possibilities of financing offered by the ERDF OP. The SPRE was by far the first point of information on the OP<sup>14</sup>. The investigation indicates that Alsace is the second region after Corsica where the feeling to be quite informed on the financial aids brought by the EU is the highest. Finally, the proximity incarnated by the delocalization of the service of the European regional policies seems to bear its fruits, since the investigation of Ernst & Young also shows that the majority of the project carriers designate the SPRE as the principal support to the elaboration of the application to the funds, praising the proximity of the instructors, their reactivity and their technicality.

Even if the Regional council incarnates the only legitimate interlocutor to the project carriers, the animation of the OP in Alsace becomes more and more based on the cooperation with the various financial and technical partners of the program. Thus, the Departmental councils inform on the possibilities of financing by PO ERDF of the buildings low energy consumption. The agents of the Direction du Développement Economique de la Région, of the Direction Environnement et Aménagement de la Région and of the Direction Innovation, Recherche et Enseignement Supérieur inform the project carriers on the possibilities of financing by the ERDF OP and contribute to identify the eligible projects.

### ***The capacity to use the competences built through the use of EU funding in order to improve the overall quality of administrative action***

---

<sup>14</sup> Ernst & Young, *Enquête auprès des bénéficiaires du programme PO ERDF*. Strasbourg : Région Alsace, 2010.

Generally speaking, the competences built through the use of EU funding did not really led to an improvement of the overall quality of administrative action. This holds true for three of the four principles deriving from the diffusion of EU policies. Firstly, the partnership principle was already well established in Alsace long before the decentralization of the management of the structural funds. The new managers of the structural funds have simply joined the preexisting networks in order to spread and receive the information. In this sense, it can be stated that the decentralization of the management of the European funds only helped to further the cooperation between various public and private bodies which were already used to collaborate. Even on the technical level of the discussion of the financings, the managers of the ERDF funds do not take the lead. On the contrary, they appear to be often called too late, once most of the financings have already been found by the powerful regional partnerships running the different programs eligible for the ERDF funds and which overall simply perceive the ERDF as a mere additional financial resource. Secondly, a similar judgment can be made about the mainstreaming of the principles of sustainability. Sustainable development, which was the object of several regional policies on energy efficiency and renewable energies, was already an important regional priority before the decentralization of the structural funds, and several networks had already been organized around the Regional council on this topic. Therefore, in a similar way, the decentralization of the management of the ERDF funds has once again mainly contributed to further a preexisting political strategy; but it did not really bring a new way of thinking among the Region. The third European principle with respect to the structural funds is the equal opportunities approach. According to the interviewees, this principle, which is taken into account during the instruction of the projects by the employees of the SPRE, did not really percolate into the other services of the Regional council.

The only principle deriving from the management of the structural funds by the Regional council which has spread through the whole regional administration is the greater strictness in the management of the subventions. The principles of control and evaluation of the SPRE have influenced the other services of the Region. However, this mainstreaming of the European principles currently appears as still incomplete. As an example, the gap between the levels of requirements and strictness of the management of the European funds and these of the other public funds still prevents the Regional administration from enacting a common procedure which would allow treating the European and the regional funds in a single juridical framework (see next part). Indeed, the spread of the strictness of the European management is still incomplete in the Regional administration. With respect to the sub-delegation of the axis 4 to the urban community of Strasbourg (see next part), this European principle of strictness and evaluation appears as even more limited to the cell responsible for the management of the program. Most of the services of the Regional council and of the CUS generally tend to regard with defiance the strictness and the complexity of the management of the European funds.



## **7. Capacity building policies**

### ***Staffing***

The SPRE is responsible with all the functions devolved to the managing authorities: communication and animation of the OP, secretariat of the committee, examination of the applications, payment of the European funds, piloting, relations with the Deposit and consignment office, evaluation of the OP. However, the important initial investment of the Regional council in human resources in order to demonstrate its capacity to manage the structural funds was succeeded by a decrease of the workforce managing the European funds after the first experimentation had been successfully evaluated by the central government. Indeed, the SPRE was not less concerned than the other services of the Regional council by the cuts in the total workforce operated in the late 2000's. Even if the SPRE proves to be able to attract a large amount of public investments for the region and even if a large part of the wages of the new employees would be financed by the structural funds, the service is not considered to be strategic enough to avoid the cuts. The erosion of the workforce of the SPRE has been addressed before all by a reorganization of the service along thematic specialities. The employees of the service are asked to exert several distinct competences and it is currently considered that the internal competences of the service are sufficient. The lack of specific competences of the service is addressed by the temporary use of external consulting. For example, the service does not possess any true expert in evaluation of public policies. The PRESAGE manager, who holds competences in evaluation, puts them at the service of the SPRE. However, most of the evaluation on behalf of the SPRE is externalized, the service making an extensive use of external consultants in this field of expertise.

However, the development of the expertise as regards European funds in Alsace does not only concern the Regional council. The attraction of the European funds becomes an important issue for many territorial collectivities faced with the general increase of their competences in a context of stagnating national funds and tax revenues since the mid 2000's. Some of them increase the human competences necessary to attract the European funds, and in particular those managed by the Region. For example, the Departmental council of the Bas-Rhin also tried to develop its own capacity to attract the European funds by creating a post of manager in charge of the European matters in 2005.

### ***Administrative reorganizing***

The reorganization of the service of the European regional policies was supposed to help to adapt it to the new characteristics of the operational program 2007-2013, which covers the whole regional territory and which substitutes a thematic logic (innovation, energy, economic development and urban redevelopment) to the territorial logic of the former OP. Thus, the pole "Pilotage and animation" was reorganized around the themes of the OP. The managers became thus specialized in a specific set of themes (innovation, energy) while still being affected by department (Haut-Rhin, Bas-Rhin) in order to maintain the

dimension of proximity. The animation of the axis 4 of the OP was delegated to the CUS and the Mulhouse Alsace Agglomération. This reorganization of the service around the main themes of the OP was also supposed to address the decreasing capacity of the service to manage efficiently the European funds because of the continuous erosion of its workforce. However, it did not prevent the Region from appearing as relatively late in terms of programming by 2010.

### ***Training***

Training does not appear as an important capacity building policy in the Alsace case. Most of the procedural training is internalized. The chief of the service of the SPRE and the chief of the Pôle de contrôle directly deliver most of the formations to the employees of the SPRE, whose skills are generally considered as having increased in a considerable way since 2003. The chief of the regional service of public markets once trained the employees of the SPRE on his area of expertise. Training on specific technical topics also requires the occasional use of an external expert. As an example, the service asked once a public accountant to deliver a formation on financial analysis. An expert on the procedures of State aids of the DATAR also came twice in Alsace to deliver a formation to the employees of the SPRE. But such a use of external expertise to train the managers of the structural funds in Alsace remains exceptional.

### ***Networking***

The technical management of the structural funds in Alsace benefits from various formal or informal networks. It is for example involved in an informal network of the operation controllers which had once disappeared before being recreated in the early 2010's. In a similar way, Alsace is very active in the informal exchanges between the management authorities. These informal networks, which are not organized by the DATAR or the EU, only concern the managers who can share technical information about the eligibility of the projects. Some of these exchanges are organized by the Association des Régions de France. In the latter case, the nature of the exchanges is generally more political than technical. However, the network organized around the ARF, which deal with European topics and the future negotiations, appears as important for the Alsace managers as the informal networks of technicians because of the specific position of the region regarding the management of the structural funds. Finally, the region benefitted from a better insertion within the informative networks implemented by the national authorities, and in particular the DATAR. This integration was rather weak between 2003 and 2006, the DATAR regarding the regionalization of the management of the funds with suspicion. The reinforcement of the partnership in the implementation of ERDF funds also rests on a communication strategy impelled by the French government since 2007 and implemented by the SPRE. The communication with the partners rests on three pillars: an extranet launched at the beginning of 2010, many briefings on the European programs at the departmental council of Haut-Rhin associating the Region, the SGAR and the DRAAF;

and a series of briefings on ERDF and FEADER in 2008 with the Pays Alsaciens, the services of the departmental council of Bas-Rhin, and the managing teams of the natural parks in the Vosges.

The strategic management of the structural funds in Alsace also clearly benefits from networking. The governance of the different axis of the OP reflects the wish to take advantage of the decentralization of the management of the European funds in order to further the pre-existing partnerships built by the Regional council. Apart from the axis 4 devoted to urban development and delegated to the urban communities of Mulhouse and Strasbourg, the three other axes are organized around a simple system of actors, which results from the initial choice of a policy of proximity. If the management of the OP is primarily centralized in Strasbourg, a network of people helps to identify the eligible projects in a partnership with the State. Overall, the implementation of the four operational axes of the ERDF OP is facilitated by the homogeneity and the small size of Alsace. The interviewees insist indeed on the fact that contrary to a region like Rhone-Alpes for example, the networks of Alsatian actors are rather simple, and people can identify each other very easily.

As a consequence, it should be emphasized that the principle of partnership between various public and private bodies was already well established in Alsace long before the decentralisation of the management of the structural funds. In this sense, the experimentation did not create a new “best practice” in the governance of regional policies. It simply contributed to further the collaboration between different actors at the regional scale who were already used to work together. For example, with respect to the axis 1 of the OP 2007-2013 which deals with innovation, the managers of the European funds have simply been integrated in the pre-existing regional public-private network around innovation and have only contributed to the conception of the regional strategy for innovation which the European funds are meant to co-finance. The governance of the axis 3 of the OP on sustainable development obeys to the same logic: the managers of the European funds have simply been integrated in the pre-existing networks initiated by the Region before the decentralization of the management of the ERDF, such as the Energivie program, a pre-existing program which the European funds contributes to finance.

### ***Use of procedural arrangements***

After having been momentarily considered, the use of procedural arrangements has finally not been considered as a potential capacity-building policy in Alsace. The managers of the structural funds are aware that many other French regions try to homogenize the regional and European procedures in order to facilitate the implementation of the programs. In a similar way, several attempts have been made in Alsace to homogenize the procedures for the regional and European subventions on specific programs. However, these have not led to tangible results because of the high level of requirements of the European procedures compared to the regional ones. Although the general policy of

the regional council is to try to maximize co-financing by the regional and the European funds, it has been considered that the homogenization of the procedures would have implied to increase the levels of requirements of the regional funds and would have therefore increased the general degree of complexity of the management of the programs in the end. As a result, the European, national and regional procedures are still submitted to specific conventions in Alsace.

### ***The institution of specialized units: the example of the Agence régionale de l'innovation***

The creation of the Agence régionale de l'innovation (ARI), which appears as the main actor in the governance of the axis 1 of the OP 2007-2013 on innovation, appears as a good example of the institution of a new body with the aim of using the European funds in order to strengthen a pre-existing partnership organized around the regional policy of innovation. However, it should be emphasized that the creation of this association, which now appears as a key actor in the governance of the innovation policies in Alsace, was initially more linked to the rising importance of innovation in the regional policy than to the decentralization of the management of the ERDF funds. Indeed, the importance of innovation for the future of the Alsatian economy was already a regional priority before the implementation of the OP 2007-2013. For example it was highly influential in the elaboration of the Schéma Régional de Développement Economique in 2004. The important role conferred to innovation in the OP 2007-2013 and the creation of the ARI therefore reflects once again the main objective of the Region: to use the European funds in order to complement its own preexisting strategy of economic development. Created in 2006 by A. Zeller, co-financed by the Region (60% of the budget of the ARI), the ERDF funds (30%) and the State (10%), the ARI went up quickly in power between 2006 and 2009 and was soon given two main missions.

The first mission of the ARI is to provide the companies of the region with a single access to the policies supporting innovation. The ARI thus accompanies the companies with a strong potential and assists them in their search for the best financings. Two of the ARI's employees are specialized on European projects, the others being specialized on a set of themes. Within the framework of this mission, the ARI benefits from the proximity induced by the regionalization of the management of funds ERDF and collaborates narrowly with the instructors of the SPRE.

The second task of the ARI is to formalize and pilot the coordination of the powerful actors involved in the processes of innovation. The ARI contributed to the elaboration of the ERDF OP by establishing the regional diagnosis of innovation, then by taking part in the definition of the regional strategy for innovation which would feed the OP. The axis 4 has precisely set up a system of governance in which the ARI plays a crucial role of coordination of the regional actors of the innovation. This system consists of three structures:

- a strategic steering committee jointly chaired by the State and the Region, which validates the orientations of the strategy, the plans and the means implemented.
- a committee of evaluation and orientation of the innovation, formed of experts (academics and entrepreneurs) charged to propose orientations and to follow the implementation of the regional strategy for innovation .
- the operational office, controlled by the direction of the Regional office of the innovation. This office which gathers the actors of the regional system of innovation contributes to the implementation of the regional strategy for innovation through the signature of contracts of objectives.

However, this mission of coordination proved difficult for two main reasons. On the one hand, as a simple association co-financed by the ERDF funds, the ARI lacked a strong legitimacy to coordinate the actors of innovation. In addition, the ARI did not manage to run the operational office because of the conflict opposing the two principal partners, the State and the Region. Because of this failure in the governance of the axis 1, the governance of the regional innovation was reorganized at the beginning of 2012. The role of the universities and the chambers of commerce at the strategic steering committee will increase, and the ARI will not control the operational office anymore.

In spite of this failure in the governance of the axis, the network of actors of innovation at the regional scale (public and private research institutes, universities, companies) contributes as much as the quality of the projects to the recent successes of the Alsatian applications. Alsace is thus in 2011 the second French region (behind the Ile-de-France) for both the financings and the labels obtained (like “Initiatives of Excellence”). Financed by the European Union to animate the regional network of the actors of the innovation, the ARI tries to stimulate the networking of the regional actors of the innovation. It also tries to stimulate the emergence of innovating projects within the companies by working permanently with external schools and cabinets on project stimulation and creativity. Within the framework of the network, the ARI also proposes a common training program on innovation in order to mutualize the training costs of the actors of the network. The ARI consults the members of the network and then research the speakers, either in universities or in private cabinets.

### ***Spreading a “European culture” across the Regional council***

One of the most original capacity-building policies resulting from the decentralization of the management of the European funds in Alsace is the diffusion of a “European culture” among the administrative services of the regional council. This was conceived as a tool in order to reinforce the implication of the various operational directions of the Alsace region in the implementation of the OP 2007-2013. This strategic decision was firstly aimed at addressing the lack of technical expertise of the service in charge of the management of the funds on issues related to the other operational directions. Indeed, even at the peak of its manpower, the service managing the funds was nevertheless employing less people than what the State used to do and it is recognized that the service lacks some of the

technical competences the services of the state use to possess. Moreover, and even if the prefect was willing to put its services at the disposal of the Regional council, the latter deliberately avoided to collaborate with the technical services of the State in order to keep an integral control over the use of the structural funds. Implying the competences of the operational directions of the Regional council in the instruction of the European projects appeared therefore as a solution in order to fill the gap in institutional capacity left by the retreat of the State from the treatment of the projects.

Secondly and above all, the main objective of the Region after the prolongation of the experimentation was, this time, to directly use the EU funds in order to fully accompany its own strategy of regional economic development. This explains why the Region chose to disconnect the OP 2007-2013 from the CPER. On the contrary, there is a possibility of a joint financing by the European and the regional funds for three axes of the operational program<sup>15</sup>. The objective of the creation of a “European culture” among the Regional council was to concretize this strategy by maximizing joint financing. This would ensure that the projects financed by the European funds would be coherent with the strategic priorities of the Region. Clearly, the idea was that the European source of income could well complement the regional funds. The ERDF funds would leverage the regional projects and, in a context of austerity, relieve the regional funds when possible, that is to say in the case when the projects comply with the European procedures. Moreover, on some projects co-financed by the Region, the operational directions strongly contribute to the animation of the OP by informing the project carriers on the subventions offered by the European funds and by bringing the projects to the instructors of the SPRE. Such a close integration between the European and the regional financings required to reinforce the link between the SPRE and the operational directions.

Concretely, the diffusion of this European culture, which aims at making the operational directions take the systematic reflex to check if their projects are eligible with the European financings, took several years. It was created through the creation of a new post within the Regional council. A manager specialized in the search for all the new European programs potentially interesting for the Region was thus recruited. In addition, the representatives from Alsace in Brussels tell the Regional council about the European information and make lobbying for the Region. To spread the “European culture” among the directors of the Regional council, a steering committee on Europe was also created in 2009 on the initiative of the managing director of the services. Once a month, a committee gathering all the directors meets around a topic to evoke the European policies which can directly or indirectly interest the different services of the Region. Even if this strategy proved rather successful, the technicality and the complexity of the European procedures make impossible their complete integration in the operational directions. Finally, the

---

<sup>15</sup> The axis 1 on innovation with the Direction Innovation, Recherche et Enseignement Supérieur, the axis 2 on economic development with the Direction Développement Economique, and the axis 3 on environment with the Direction Environnement et Aménagement.

culture of the European funds is also diffused among the technicians. A Eurogroupe committee meets every quarter to discuss some general European problems. This group brings together the whole of the participants in the management of the European funds, including the services of the State and the SGAR. However, the creation of the Eurogroupe should not be taken to the credit of the Regional council only: such a committee already existed when the State managed the funds between 2000 and 2003, before reappearing at the end of the years 2000 on the initiative of the technicians.

## **8. What works**

The decentralization of the management of the Operational Programs to the Regional Authority followed two successive steps. During the period 2003-2006, the main stake for the Region was to demonstrate its technical ability to perform as well as the State in terms of programming. The first declination of institutional capacity (“the ability to come to terms with EU rules and procedures”) was the most important, for political reasons above all. This explains the fact that staffing (and, albeit to a lower extent, training) was the main capacity-building policy then used by the Regional council: the strong investment in human resources initially made by the Region was aimed at making it appear as fully legitimate to manage the ERDF funds.

Once the principle of the decentralization of the management of the structural funds was extended to the OP 2007-2013, a new logic appeared in Alsace. The Region successfully asked the competence not only to technically implement the new program, but also to conceive it. The OP 2007-2013 was therefore clearly designed in order to complement the preexisting strategy of the Region. This objective was made easier by the fact that several of the new European priorities were indeed regional priorities already, such as innovation and sustainable development. The current period 2007-2013 is therefore dominated by a second type of institutional capacity (“the capacity to use EU funds and procedures to bring forth and implement projects and strategies, which local actors already had in mind”). This specific situation explains why the spread of a “European culture” among the whole Regional council appears as one of the main capacity-building policies in Alsace after 2006. Indeed, the objective of the Region is to use the ERDF funds in order to implement its own pre-existing strategy. The structural funds are primarily conceived as a complement to the regional funds in order to co-finance a coherent economic regional strategy in line with the European priorities. Spreading a “European culture” among the operational services of the Regional council is therefore conceived as a tool in order to maximize co-financing by the Region and the EU. It should be noted that this capacity-building policy did however not led to an increase in the third type of institutional capacity (“the capacity to use the competences built through the use of EU funding in order to improve the overall quality of administrative action”). The failure of the attempts to homogenize the regional and European procedures proves this point. Despite the close collaboration between the managers of the European funds and the other operational directions of the Regional council, these latter successfully resist to the spread of the principles of the European procedures (such as the strictness of the procedures and the

equal opportunities approach). The Europeanization of the regional administration therefore appears as still incomplete. In a similar way, the administration of the Urban Community of Strasbourg also proves impenetrable to the principles of the cell responsible for managing the axis 4 of the OP. Finally, networking and the institution of technical bodies to coordinate the networks (such as the Agence régionale de l'innovation) are also intensely used in Alsace during this second period. But in a similar way, these capacity-building strategies appear as the result of the pre-existing regional strategy more than of the influence of European principles. Indeed, the networks acting in the governance of the different axis of the OP already existed before 2007. The implementation of the current OP by the Region was seen as a way to strengthen these networks, but it did not create them.

On the other hand, the first type of institutional capacity and the associated capacity-building policy (staffing) appears as less strategic to the Region after 2006. Of course, this does not mean that the Region does not possess this capacity anymore and indeed, the current performances of Alsace region in terms of programming are average. It means rather that it is currently considered that the technical performances of the Region regarding the management of the ERDF funds are sufficient, and that maintaining this capacity should be done at a less expensive cost than what staffing requires. Administrative reorganizing of the technical management of the European funds and the temporary use of external expertise appear therefore as the privileged solutions of the Region during the implementation of the OP 2007-2013.

To conclude, the decentralization of the management of the Operational Program to the Regional Authority in Alsace appears above all as a tool for the Region to complement and strengthen its own development strategy. In Alsace, the ERDF funds are put at the service of a coherent policy which was based on a diagnosis of the main forces and weaknesses of the regional economy. In spite of this "regionalization" of the OP, the performances of the region in terms of programming remain average, thanks to the legacy of its important initial investment in human resources. From this point of view, the experimentation appears as a clear success. However, several problems still remain. The decentralization has not ended the difficult relations between the State and the Region on specific policies, as the problematic governance of the network organized around innovation demonstrates. Moreover, to some observers, the concentration of political leadership and technical expertise in the regional council is also likely to undermine the equal access to the ERDF funds for all the local authorities in Alsace. Finally, the regionalization of the OP is likely to increase the political pressure on the technical managers who face growing demands of financing regarding projects which do not always match the European procedures. From this point of view, the relative disinvestment of the Region in its technical management of the ERDF funds after 2006 could appear as problematic.



# Aquitaine Case Study

Deborah Galimberti<sup>16</sup>

## 1. Research problem

The case study focuses on the process of establishment of an effective collaboration between the managing authority of the operational Program, the *Préfet de Région*, and the Regional Authority with particular attention to innovation. As regards European policy this collaboration dated back to 2000 – 2006, with the OP Objective 2. However, it is just since 2007 that a real partnership on both political and technical side has been put into action, with the implementation of the OP ERDF for 2007 – 2013. The analysis of the collaboration is particularly relevant since it concerns the field of innovation and research, where a balance between regional and national initiatives is still to be found in the French scenario. For 2007 – 2013 regional council benefits from a global grant for the management of Axis 1, focused on innovation (44% of ERDF credits), whereas the *Préfet* remains the managing authority of the overall program and the final responsible for it. The new partnership sets real challenges for the actors intervening in the management of the program, both regional and state representatives, with regard to the establishment of patterns of collaboration and to the integration of European guidelines.

In the paper we will go through the following issues:

- Have the new patterns of cooperation between the Managing Authority and the Regional authorities brought about a more effective programming and implementation of structural funds in the region?
- How has it occurred?
- Which changes were necessary in order to adapt the existing administrative structures and institutions to the new institutional situation?
- Has the increase in institutional capacity trigger mainstreaming effects on innovation policies?

It is clear that the program, in its substantial and organizational characteristics, challenged the existing institutional capacities and forced the partners to find new solutions. The case study aims precisely to highlight and define which types of institutional capacity were stressed by the program implementation. To this regard we will enlarge our scope of analysis to other partners actively intervening in the programming and implementation of European Policy. We will pay particular attention to intermediate innovation facilitator organizations, interposing between the managing authorities and the final targets of European program. Finally the

---

<sup>16</sup> UMR 5206 TRIANGLE, Ecole Normale Supérieure de Lyon.

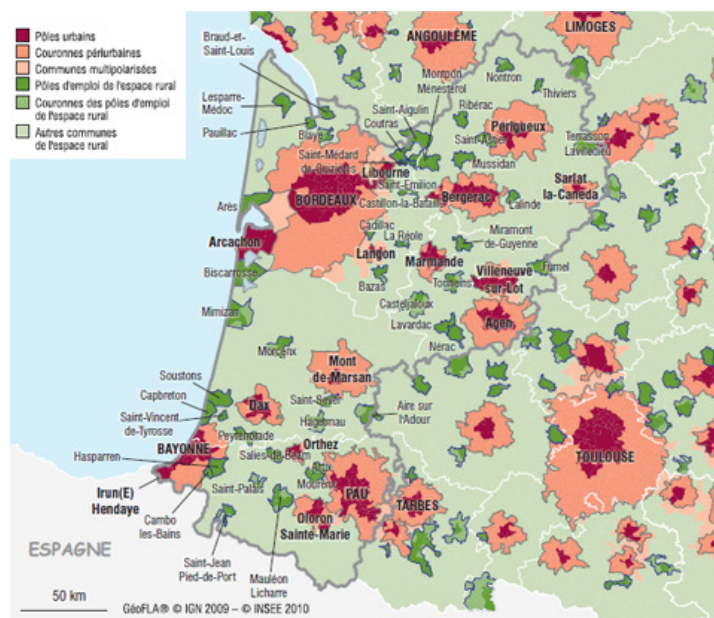
impact of capacity building policies (CBP) will be analysed, describing not only their substantial dimensions but also more precisely how, by whom and when they were implemented.

## 2. Context related features

### 2.1. Socio-economic characteristics

#### 2.1.1. Demographic

Aquitaine Region is the third French Region in terms of surface, 41.309 km<sup>2</sup> (7.9% of French Hexagon surface). With more than three millions of inhabitants in 2010 (3,23 INSEE, 2011) the region is mainly rural.



**Figure 2** Map of zoning of urban and rural areas, ZAUER (Zonage en aires urbaines et en aires emploi de l'espace rural). Source: INSEE. Notes: Grey and light green and green spaces correspond to rural areas.

The chief regional capital is Bordeaux, whose urban area (*Aire urbaine*)<sup>17</sup> is the 6<sup>th</sup> in the national ranking with 1.009.313 inhabitants in 2007. Aquitaine is barely populated, with 77,2 inhabitants/km<sup>2</sup> in 2008 below the national average (Eurostat, see Table 1). In the last years it has been invested by a remarkable demographic growth: the annual average increase is 0,96% between 1999 and 2010, which is 65% higher than the national average (INSEE, 2011). This is due mainly to external

<sup>17</sup> They are defined by INSEE as unbroken and enclave free agglomerations of communes made up of one urban core (i.e. the communes of the contiguously urbanized area around the city center) and all the communes in the outer ring in which 40% of the resident population have a job in the urban core or in the outer ring.

migration fluxes: Aquitaine is the chief region of an overall demographic growing dynamic characterizing Southern West France (INSEE 2011). INSEE estimates that if the population increasing rate stays constant, in 2040 Aquitaine population will grow by 20%, reaching 3,88 millions of inhabitants mainly thanks to the attractiveness of the region. These new residents generally come from Ile de France and closer regions. They are quite young, 2/3 are less than 40 years old (INSEE 2011). The demographic growth and the touristic industry had a strong impact on the regional total revenue. Under this point of view Aquitaine can be considered to be a “winning territory” of the new French national geography of revenues (Davezies, 2008). However, this attractiveness is not equally distributed in the regional area: the migration phenomenon concentrates in the western - littoral part of the territory and around urban centers. This dynamic poses serious challenges to the local administrations with regard to the implementation of a cohesive regional policy.

### 2.1.2. Socio-economic structure

Aquitaine GDP per capita is 27,3 thousand Euros, that is to say 109% of the EU 27 average, and the 8<sup>th</sup> national scale (2008, Eurostat). As regards economic specialization Aquitaine is the second French rural region in terms of gross value added, 8.2% of the national value (INSEE 2011). Agriculture counts for 2,3 % of the total jobs. What really characterized the region is the predominance of the so called *activités presentielles* which included goods and services provided locally from which can benefit people resident or not resident in the area (in other words all the activities related to tourism). The touristic industry in 2010 generated 5% of the total jobs. Secondary sector is rather important, with 12% of total jobs (values in 2008, INSEE)<sup>18</sup>. Moreover, public or semi-public companies historically characterized Aquitaine economic structure (Davezies, 1998). The new focus on entrepreneurialism and innovation is a clear sign of rupture with the classical economic specialization of the Region<sup>19</sup>. A widespread tissue of very small (<10) and small enterprises characterizes Aquitaine. In 2009 81,66% of companies had less than 10 employees, and 63,73% less than 5 (INSEE, CLAP 2009). Companies with less than 50 employees are about 15%, and the residual part includes medium and big companies (3%). One of the main economic challenges regards sustaining the growth of existing companies. For Aquitaine region this means accompanying companies to the threshold of 20 employees. During the

---

<sup>18</sup> In this definition of secondary sector construction activities, representing 8% are not included.

<sup>19</sup> As for industry specialization Aquitaine economic activity concentrated in traditional industries and new emerging ones, which are well represented in the clusters receiving the national label of *pôles de compétitivité*: “Aerospace Valley”, a global competition cluster in association with Midi-Pyrénées region in the industry of aeronautics, military and defence, mainly composed of big companies and tissue of subcontracting SME; “Xylofutur”, in the industry of paper and wood (a traditional industry of Aquitaine region), “Route de Laser”, in the field of optics and photonics, in which SME are particularly active, emerged from the dismissing of nuclear testing (see further § Outcomes of analysed intervention); “Avenia”, a cluster in energy fossil exploitation and stocking dominated by big companies (Total, GDF Suez, Rhodia).

interviews the “small is beautiful” philosophy emerged to be a deep-rooted paradigm among company owners. Regional economic developers agree that this latter could represent a cultural barrier to the development of Aquitaine region. To this regard the ERDF OP could represent a valid contribution for overcoming this resistance through the diffusion of a risk oriented entrepreneurship culture.

### **2.1.3. Education and research development**

29% of the population between 25 and 64 years attained tertiary education (Source Eurostat, 2010), which corresponds to the national average. However, as for innovation and research development Aquitaine Region shows signs of backwardness. This explains the current focus by both national and regional level on ambitious economic development policies boosting innovation and the creation of enterprises. In 2007 the number of patents registered per millions of inhabitants was considerably low, less than one half of the national average, that is to say 33 with respect to 80 (Eurostat, Table 1). In absolute terms Aquitaine employees working in science and technology field represented 5,23% of the total French HRST (Human resources Science Technology) in 2010 (Eurostat, Table 3).

The main economic challenges for the region seem to be companies’ growth, specialization in new industries, and industry hybridization. As for innovation field, a shifting focus occurred from start up support to growth of innovative (mainly high tech) companies during the last ten years. This latter follows a national trend but it is particularly true for Aquitaine region where a main gap in the support to the financing of medium – companies was detected<sup>20</sup>.

## **2.2. Institutional and political features**

### **2.2.1. Central / Local relations in Aquitaine**

As claimed by Cole<sup>21</sup> between the two classic analytical approaches to decentralization and regionalization, that is to say the “top-down” approach based on the study of devolution processes and the “bottom up” one focusing on regionalism and minority identity nationalism, there is a third one, which concentrates on the iterative processes of local and regional institutional capacity building. Hereby we will privilege this conceptual approach in order to give an account of the current state of Aquitaine Region in the French system of local government. First of all the high institutional fragmentation of the region should be pointed out, with 2292 municipalities, organized in five *départements* (Dordogne, Gironde, Landes, Lot-et-Garonne et Pyrénées-Atlantiques). Even if this situation is typical of French scenario, in case of Aquitaine the high institutional fragmentation

---

<sup>20</sup> Katalyse, Financement de l’innovation en Aquitaine: bilan et analyse, Final report, September 2008. Report commissioned by DRIRE Aquitaine, for “Regional Innovation Strategy” formulation (see infra).

<sup>21</sup> Cole. A. (2006), “Decentralization in France: Central Steering, Capacity Building and Identity Construction”, *French Politics*, 4, pp. 31 – 57.

is combined with the territorial extension and the east rural and western urban and littoral cleavage above cited. These phenomena pose a real challenge to the capacity of local administrators (both state representative and regional) for the construction and implementation of collective and cohesive development policies. As for infra regional institutional relations, Aquitaine is not characterized by the presence of particularly powerful and long lasting EPCI (*Etablissement publics de coopération intercommunale*). The Bordeaux inter-urban government (CUB) has been characterized for a long period (during the Chaban period, 1980 – 1995), by little policy innovation initiative, mainly exercising its functions at a minimum level, constrained by the opposition of left-ring municipalities<sup>22</sup>. Therefore the CUB did not develop a reflection and specific policy tools in the field of economic development. If the urban revitalization initiatives have multiplied after the arrival of A. Juppé, major of Bordeaux, the CUB is still marginalized in the system of actors intervening in economic and territorial development initiatives (and ERDF implementation too). Another important feature of Aquitaine institutional context that should be reported is the relative important role played by local lobbyist groups and industry corporatist parties, in particular wine, agricultural and rural bodies<sup>23</sup>.

This institutional configuration leads to the emerging of the regional level as a central scale for territorial and economic development policies implementation. Following a *path dependency* approach some researchers pointed out the importance of local development policies with regard to the regional construction<sup>24</sup>. The actual political and institutional legitimation of Aquitaine Region will be the result of a long lasting process of institutional learning, which led to the construction of a solid *savoir faire* in the field of territorial policies. This process of institutional learning would have deployed mainly through the implementation of the spatial management policy (*politiques d'aménagement du territoire*). Therefore the process of regional building in Aquitaine cannot be discerned from a growing focus on endogenous local development policies.

---

<sup>22</sup> Segas S. « Le discours savant sur l'agglomération bordelaise (1995-2005) : entre impulsions transformatrices et sentier de dépendance communautaire », in Godier P., Sorbets C., Tapie G. [dir.] (2009), *Bordeaux Métropole. Un futur sans rupture*, Paranthèses, Marseille.

<sup>23</sup> This is particularly true for the supporting to artisan companies situated in rural zones: the pressure of CPNT (a traditionalist political association focused on hunt, fishing and rural zones) party lead the region to assure a high financial support to this public (in particular before A. Rousset arrival 2002). The rural and agriculture interests groups continue to paly a central role in Aquitaine. Obviously their pressures have an impact on the cohesion policy programming and implementation. See: Nay O., « Les intermediaires en politique: médiation et jeu d'institution », in Nay O., Smith A., dir., *Le gouvernement du compromis. Courtiers et généralistes dans l'action politique*, Paris, Economica, 2002, 1-21.

<sup>24</sup> Palard J. « La région au cœur des enjeux territoriaux », in Palard J., Gagnon B. [dir.], (2006), *La Région et ses territoires. Stratégies et acteurs du développement en Aquitaine*. Ed. Confluences Sciences Po Bordeaux, Bordeaux.

In recent years Aquitaine Region took the leading role for local economic development policies (as stated in 2004 local administrative reform)<sup>25</sup> and innovation and research policy. Since the beginning of the 2000s Aquitaine region has been conducting an ambitious economic development policies, with a specific focus on innovation and R&D. The leading role of regional authority in economic policies is not put in discussion by the *départements*. Only for innovation and R&D policies Aquitaine regions devolves about 10% of its budget, which steadily increases in the last five years.

As for institutional characteristics French regions were characterized by a general process of modernization and political affirmation in the last decade<sup>26</sup>. This two processes are complementary: the political affirmation of the region in different policy fields occurred thanks to the professionalization of regional elected official and to the reinforcement of regional bureaucracies. The number of regional employees has significantly increased, since 2004<sup>27</sup>. This trend was accompanied by a streamlining of the national representative bureaucratic machinery, following the RGPP orientations<sup>28</sup>. In general terms the state officials steadily declined since 2005 and were compensated by a proportional increase of local authorities officials.

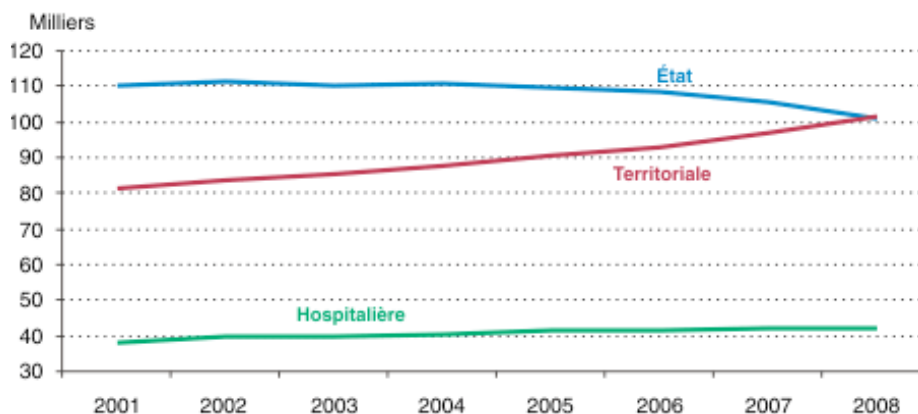
---

<sup>25</sup> This is not the case in other regions, such as Rhone-Alpes, where the early emergence of regional industrial and innovative policies has been accompanied by a strong activism of various inter-municipal bodies and their local development agencies, as it is the case of Grand Lyon and Grenoble. In 2004 all French regions were asked to conceive and propose a regional economic development strategy. However, regional differences exist between the regulating impact of the regional strategy on the actually existing local, and agglomeration economic policies.

<sup>26</sup> Fontaine J., « Regions in France : stronger institutions in a more unstable context » / « Les Régions en France : des institutions renforcées dans un contexte instable », *The Canadian Journal of Regional Science / Revue canadienne des sciences régionales*, Volume 33, (3) 2010, p.109-124.

<sup>27</sup> This is the natural consequence of the application of Law 13th August 2004 on the responsibilities of local authorities, which implicates a transfer of function, mainly transports and education to regional level. In 2004 the Regional council counted 578 employees, with a progression of 13% with respect to 2003, with a strong representation of high skilled and independent staff (54% A and B officials) (ibidem). In 2011 the number of regional employees multiply by six (3583, 1<sup>st</sup> December 2010). However, this increase regards mainly (90%), technical and low-skilled workers.

<sup>28</sup> RGPP states for “Révision Général politiques publiques”, a general reform of public policies, an extended and multifaceted program affecting state industry, promoted since 2007 by Sarkozy government. It mainly consists in a reduction of the number of civil servants (with the principle of the non-substitution of one out two servants retiring) and in the promotion of NPM principles through a general rationalisation of public spending and assembling of directions and territorial units.



**Figure 3** Evolution of the three public function workforce in Aquitaine (State, local authorities, medical) 31<sup>st</sup> December 2008. Source: INSEE, Fichiers de paie des agents de l'Etat, Enquêtes annuelles collectivités territoriales – Drees, SAE.

As regards political representation Aquitaine is characterized by a longstanding stability: since 1998 A. Rousset (*Parti Socialiste*) is the president of *Conseil Régional* (for three mandates). Moreover since 2004 he is also the president of the association of French Regions (Associations des Regions de France, ARF), an interest group founded in 1998 exercising lobbying activities at both national and European level. A. Rousset holds a strong leadership among regional economic actors and he is considered to be a main “spokesman” of the regional empowerment<sup>29</sup>. A. Rousset position towards a stronger independence of regions and direct dialogue with Brussels, reflects the regional / central power diatribe, in larger part linked to partisan opposition (all French regions except from Alsace are left-wing). For state representatives, both political and technical, the figure of Aquitaine president personified the regional demands for autonomy in structural funds management. A. Rousset is particularly active at both national and regional level. The relationship between the Préfet seems to be tense but without frontal and rough confrontations. Both regional and state officials underline the existence of a constructive dialogue in particular at technical level, which dates back to the mid of the '80s, with the implementation of the PIM (Programmes intégrés méditerranéens), in 1986, which were co-signed and co-managed.

### 2.2.2. Innovation and Economic development policies

The European interventions are nested in a complex institutional matrix, which sees national policies, contracted policy between national and regional level, regional and inter-communal initiatives overlapping and meeting in different orientations. In order to assess the capacity of the national and regional entities to collaborate in the management of structural funds it is imperative to explore other scenes of collaborations that already exist in the implementation of a broader

<sup>29</sup>P. Bidalon, “Alain Rousset, un socialiste atypique”, *Dossier Elections Régionales 2010*, *L'Express.fr*, 21st March 2010.

regional economic development policy, and in particular of innovation and R&D support<sup>30</sup>.

In the last decade industrial and innovation French national policies has been characterized by two main interventions: the launch of the *Poles de compétitivité* program in 2005 and the “turn” to the Smes (Small and Medium Enterprises), conducted mainly through the expansion of a national agency (OSEO) supporting the SME, in particular after the global financial crisis of 2008<sup>31</sup>. As for innovation policy a study of OECD<sup>32</sup> pointed out the high centralism characterizing France in innovation and R&D policies. On the national scale in the last ten years the innovation policy has been marked by two fundamental passages: following the Allègre Law 1999 the focus was put in the beginning of the 2000 on the financing of start up companies (mainly in ICT industry). Recently it tips the balance in favor of the so-called ETI (*Entreprises de taille intermédiaires*) (Intermediate size companies), following the German middle size company model. This is particularly notable for Aquitaine, since, as cited above, the majority of companies are placed in the “very small” category. This change implies a reduction of central state interventions (through OSEO) in favor of small projects and the “turn” of companies to the regional authority. The second important choice concerns the reinforcement of the fiscal measure “crédit impôt recherché” (Research Tax Credit), which has been fully reinforced. For 2008 – 2011 period it counts 10 milliards euros. Moreover central state regulates R&D through ambitious policies on national scale: in recent years with the *Grand Emprunt or Investissements d’avenir*<sup>33</sup> measures, and historically by governing central agencies granting fellows and aids, in particular ANR (*Agence nationale de la recherche*). However, in the last years regions have significantly increased their participation in R&D policies, in some cases by entering in direct competition with traditionally state prerogative actions (research fellowships, private equity, constitution of innovation platforms etc.). As for Aquitaine in 2006 a strategic plan for economic development has been adopted (*Schéma régionale de développement économique*), emphasizing the centrality of innovation policy for regional development.

---

<sup>30</sup>The more classical scenes of contracting between national and regional level are the CPER (*Contrats de Projets Etat/Regions*).

<sup>31</sup> OSEO was set up in 2006 from the fusion of ANVAR and 2008 OSEO absorbed the national agency for industrial innovation (*Agence de l’innovation industrielle, AII*), mainly focused on projects promoted by big industrial groups. Since then its financial and strategic role in the innovation and industrial field did not stop to growth

<sup>32</sup> OECD (2011), *Regions and Innovation Policy*, OECD Reviews of Regional Innovation, OECD Publishing. doi: 10.1787/9789264097803-en.

<sup>33</sup> This is a broader and articulated financial plan (through the recourse to national debt) launched in 2010 of large public investment’s promoting huge public investments in R&D, research and innovation, for the promotion of excellence to face the 2008 – 2009 financial crisis. The initiatives financed through public debt are supposed to encourage private investments in France.



As for vertical collaboration in the field of innovation France does not have formal, recognized and *ad hoc* coordination and regulation tools, between national and regional level<sup>34</sup>. The industrial and innovation policy deploys through the contracted policies between national and regional level, which main instrument is the “*Contrat de Projet Etat Region*” (CPER). For the period under analysis a CPER was voted in 2007, with a specific measure (Axis 2) focused on innovation. The same actors that are present in the communitarian programming, SGAR, DIRRECTE, DRRT and regional council signed the CPER. In 2005 the first regional innovation agency in France, called Innovalis<sup>35</sup>, was set up, thanks to the strong implication of the Regional Council and state services.

This brief introduction appears necessary in order to show that the OP could capitalize on a dense matrix of already existing actions and structures. Differently from other countries, the European funds are intended as a vehicle for reinforcing and bringing forth existing plan and strategies, in a wider context of mainly national and growing regional interventions for innovation and companies’ supports.

### **2.2.3. Cohesion and Competitiveness policy in Aquitaine**

For 2000 – 2006 period Aquitaine has been part of the European convergence policy. About 80% of the regional territory was eligible for Objective 2 program, which concentrated on the economic and social revitalization of territories suffering from structural problems. This is due to the above cited socio – economic regional configuration and in particular to the deep west - east fracture, opposing the industrial sites around Bordeaux urban area, Bayonne-Anglet-Biarritz and Pau to the internal rural and agriculture east part. 2007 marked a turning point in the European Regional Policy for Aquitaine. The proposed strategy is indeed more offensive and explicitly part of the regional competitiveness objective (*Objective de compétitivité régionale et emploi*). The OP Feder 2007- 2013 concentrates on innovation, ICT and energy, and particularly targets the SME, in line with the objectives of the Lisbon strategy. The guiding line of the OP is “making innovation and sustainable development the drivers of regional and labour competitiveness”. For this purpose it devoted 56% of the total credits to the priority “reinforcing competitiveness through innovation” (“*faire de l’innovation et du développement durable les moteurs de la compétitivité régionale et de l’emploi*”).

See below:

---

<sup>34</sup> Ibidem.

<sup>35</sup> Innovalis Aquitaine is a not for profit association (Law 1901) set up in 2005. All the actors intervening in the implementation of the EU cohesion policy in the field of innovation are present in Innovalis Aquitaine governance, in particular OSEO and DRRT. Innovalis is supported also by European Union (it finances itself for 1/3 with ERDF funds). Innovalis hosts a European Office, assisting companies and research centers for European calls, and it is member of the international network “Enterprise Europe Network”.

<b>Axis</b>	<b>Total (Mil. Euros)</b>	<b>%</b>	<b>EU</b>
<b>1 Priority: Reinforcing Competitiveness through innovation</b>	<b>711,90</b>	<b>0,56</b>	<b>220,00</b>
Axis 1 Promoting society knowledge economy	583,30	0,46	175,00
Axis 2 Developing ICT for knowledge economy	128,60	0,10	45,00
<b>2 Priority: Valorizing environmental assets</b>	<b>536,70</b>	<b>0,42</b>	<b>161,00</b>
Axis 3 Valorizing energetic and environmental potential	380	0,30	114,00
Axis 4 Sustainable development for specific territories (Urban and territorial priority)	156,7	0,12	47,00
<b>Technical assistance</b>	<b>19,00</b>	<b>0,01</b>	<b>11,40</b>
<b>Total</b>	<b>1267,50</b>	<b>1,00</b>	<b>392,40</b>
Total grant Regional Council (Axis 1)	583,30	0,46	175,00

*Table 1 PO ERDF per axis. Our elaboration from Aquitaine OP 2007 – 2013.*

The first axis on innovation is divided into two main objectives: the first (Objective 1.1.) focuses on R&D and valorisation concerning public institutions while the second (Objective 1.2) specifically targets enterprises through direct financing for innovation projects.

As for Objective 1.1, it distinguishes between three main types of actions:

- 1) Developing applied research, mutualisation and valorisation, mainly by financing research projects when involving enterprises and through direct investments for material infrastructures of research institutions (research centres, universities, specific institutions);
- 2) Strengthening interface structures between research and economic environment: it involves the financing of organizations already operating in technological transfer and the support to specific animation and cooperative projects.
- 3) Promoting technical and scientific qualifications and the innovation culture: supporting “*sensibilisation*” activities to innovation matters and promoting specific trainings.

Objective 1.2 is organized into four main categories of actions:

- 1) Reinforcing innovation potential of SMEs, mainly through the promotion of collective actions intervening in the modernisation of clusters and industries (with a

specific attention to export) and direct support for material and immaterial infrastructures when related to innovation projects;

2) Supporting start up creation, incubation, attraction and companies transfer, mainly through the involvement of regional incubators, technological parks and regional innovation agencies (2ADI and Innovalis);

3) Financing and capitalization, mainly through the combination of different financing tools allowed by European discipline (loan on trust, risk capital, guaranteed fund)

4) Promoting innovation and entrepreneurial spirit: mainly concerning event and meeting organization.

The SGAR maintains its functions of managing authority of the program. The internal organization of SGAR missions did not change dramatically in the current programming. The Europe Mission of SGAR is responsible of the programming of the program, monitoring and evaluation. It is organized in six poles, programming and management, instruction, controlling, IT (in charge of Présage software) communication and evaluation. SGAR is directly in charge of Axis 2 instruction. For the other axis it leans on local prefectures. The regulation is arranged with these latter in the different phases of the programming and implementation, on the basis of existing or *ad hoc* conventions and rules.

On the other hand the delegated managing authority (regional council) for axis 1 can count on a European Office and on the operating department of Economic Development for the instruction and programming phase in the limit of the first axis. The European Office assures coordination for all the ERDF OP and other European funds. The European unit already exist before 2007. During the previous programming period a general reorganisation of services has been implemented, in September 2001 at regional Council, after the arrival of a new General Managing Director. This reorganisation regarded mainly the implementation of ICT systems within the services, which allowed a simplification of procedures, an increase in the sharing of information between services, through the production of mid-term reports/dashboards and a better efficiency of the processes<sup>36</sup>.

---

<sup>36</sup> The service modernizations aimed at improving the productivity of regional aids management through the homogenization of procedures and practices among different functional services. The region chose to adopt the software, called PROGOS, specialized in the management, reporting and monitoring of individual subsidies. PROGOS is an Internet based tool that can be used directly by everyone wishing to response to bids. Moreover another software was implemented for the management of procurement contracts (*marchés publics*).

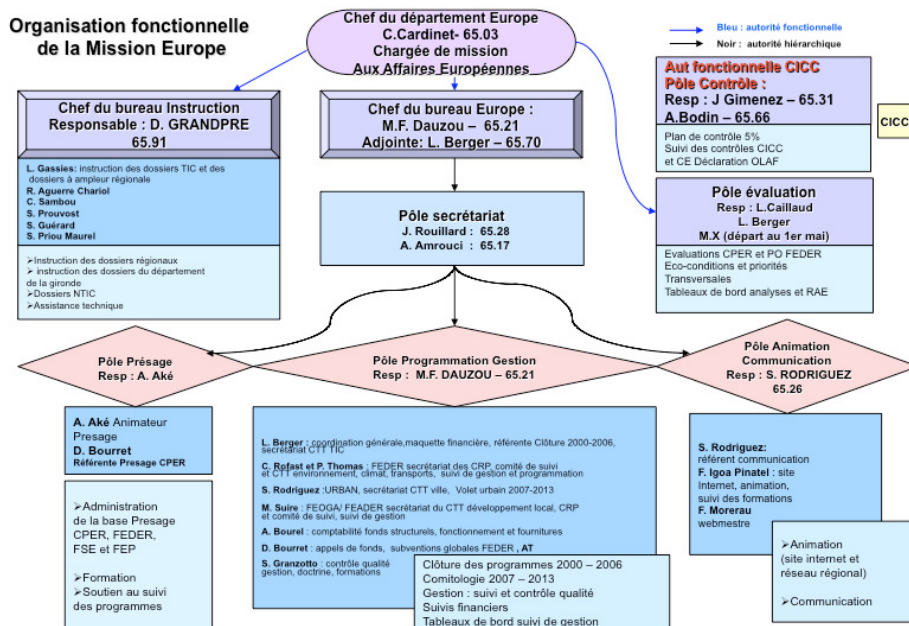


Figure 4 SGAR, Europe Mission organogram (April 2011).

### Délégation Régionale Affaires Européennes et Internationales

#### Direction Fonds Structurels et Coopération Transfrontalière – 2007 / 2013

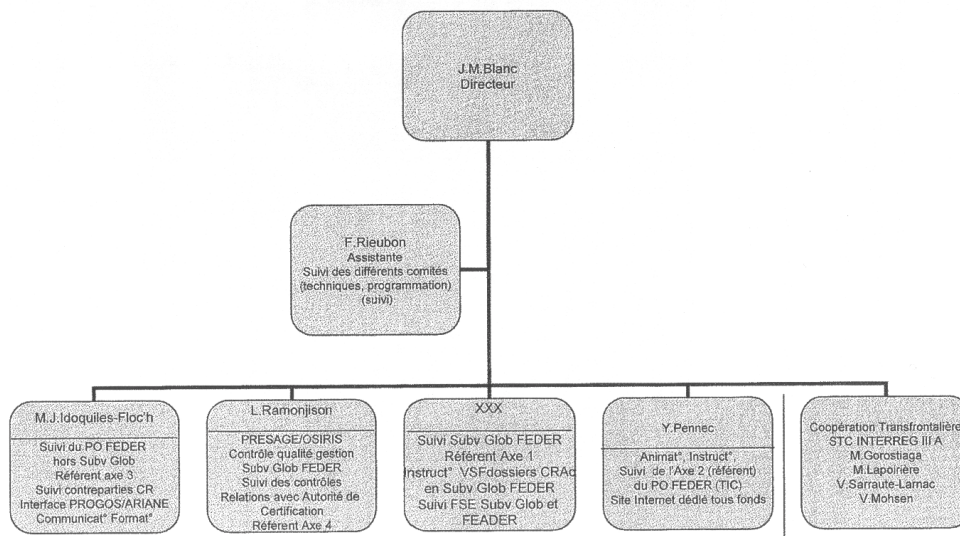


Figure 5 Regional Delegation for European and International affairs organogram

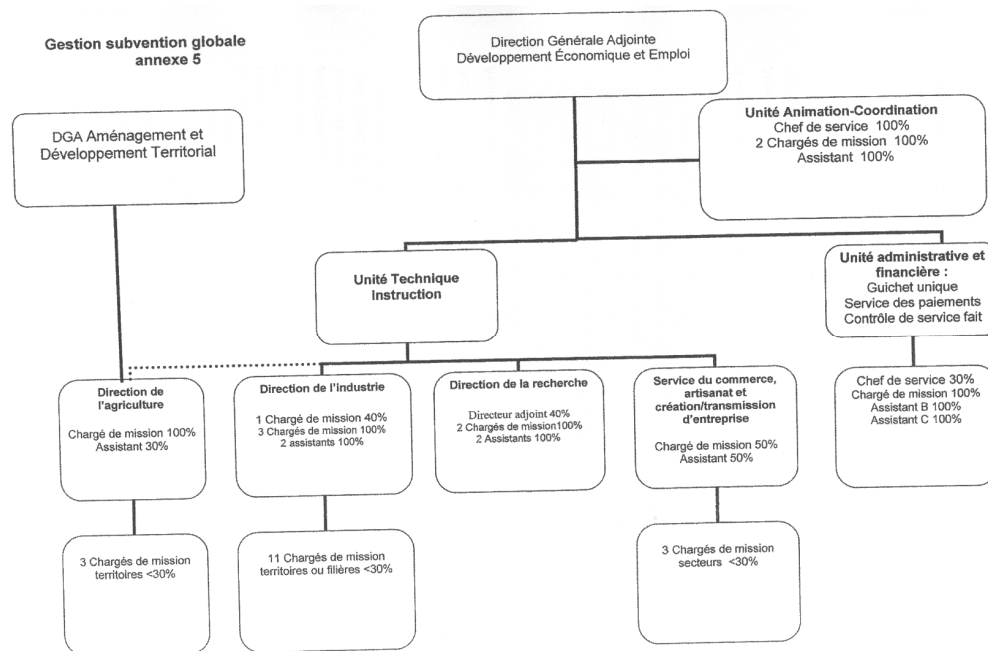


Figure 6 Regional Economic Development Direction organogram

### 3. Telling the story of the intervention: the construction of *Préfét* – Regional council partnership around innovation.

The decision of allowing to the Region a total grant for the management of Innovation axis is perceived by all the actors as a quasi- natural fact. This is due both to national and local contextual factors. Overall in France at the moment of the programming of the 2007 - 2013 CRSN “*Cadres de référence stratégique nationales*” (CRSN) for ERFD funds, the regional demand for more autonomy in the management and implementation of European funds become particularly vigorous<sup>37</sup>. Many regions experienced a total grant for the 2007 – 2013 period, in particular for economic development and innovation interventions. The allowing of a total grant to regional or national agencies (such as OSEO for innovation and ADEME for energy and sustainable development) is henceforward become a praxis. Which is specific for Aquitaine is that the delegation occurred for the integrity of one axis, giving a large autonomy and scope of maneuver to regional authority in one particular field. Moreover the total axis counts for 44% of the OP, 583 mil. euros, which actually corresponds to the national limit.

<sup>37</sup> The national law of August 13th 2004, art. 125, and law August 4th 2008, limited the experimentation of the decentralization of the management of ERDF program to Alsace region. However, following a large and animated debate the decision to raise the threshold of the global grant, from 25% to 50% of the ERDF budget (circulaire 13th February 2007) was taken.

We should add that not surprisingly the axis given in delegation focuses on innovation and R&D. Already in the previous program the region benefited from a global grant for the management of the 2.2 and 2.3 measures of the program, respectively focused on innovation and R&D and SMES support for technological transfer, for about 20 mil euro (around 5% of ERDF communitarian credits). At the moment of preparing the current programming in 2006, it was decided to organize the program in homogeneous axis, instead of having transversal measures. Somehow the program was already conceived for facilitating the delegation of the integrity of innovation and R&D measures to the region. As already said the axis includes two main categories of interventions, the first focused on R&D targeting specifically public institutions, research centers and universities, and the second one focused on innovation for SME. In the previous program OSEO (OSEO – ANVAR) was in charge of a global grant for the management of funds dedicated to innovation measures for enterprises, corresponding to 4 mil. Euros (1.4 measure “Innovation Support”). In another regions, such as Rhône-Alpes, the regional direction of OSEO uses to manage these funds. In Aquitaine it has been decided to delegate also the SME innovation part to regional services, and to continue reinforcing the existing partnership with OSEO, antecedent to the OP, but outside the OP framework. Always in Rhône-Alpes a choice of diversification in the management of innovation axis, including DDRT and DIRRECTE has been made.

In order to fully comprehend why the regional council obtained a global grant is necessary to take into account the combined effects of regional demand for more autonomy with the impact of RGGP application. The general reform of public services (RGPP) remarkably affected the decentralized national services (in term of turnover and reduction of personnel). This reform was effective since 2007, therefore after the consultation phase. For some actors the political factor and the willingness of the region to emerge as a central referent in the field of innovation counts more than the relative reduction of expertise affecting decentralized services. We partially diverge with this analysis since, if the political role of the president of Aquitaine region, at the head of ARF, largely explains the process of delegation, it cannot be considered the only explaining factor. The growing and gradually collectively recognized technical expertise (both in innovation and in general project management) of regional staff is also a key factor that supported the activism of regional president. Gradually regional services turn out to be legitimated actors to the eyes of state representatives and more largely among business and innovation community. The programming phase saw since the beginning the direct implications of regional staff. If they were already part of the general consultation for 2000 – 2006 period, a clear change occurred for 2007 – 2013 consultation. This change was about state representatives attitude, since they gradually become more willing to recognize that personnel regional staff were capable to bring in key expertise. If before 2007 the general management of

European programs was just a “state affaire”, a gradual process of opening up to exchange and mutual collaboration occurred.

A specific committee for innovation co-animated by SGAR and regional agents was in charge of the redaction of revision and propositions for priority 1 and 3, to be included in the final version of the OP. The committee involved other partners, local authorities (*Départements*), public institutions (Universities), socio-economic actors (Chambers of Commerce) and intervening organizations (BIC, development agencies). The programming was effective in the early beginning of 2007. The first monitoring committee (*comité de suivi*) was held in March, which shows the good rhythm taken by the program. In the preparation of the program the group, informally called “gang of four”, including Regional Council, OSEO, DIRRECTE and DDRT<sup>38</sup> was at the heart of the negotiation. We will see in the following section that the power influence and strategic orientation capacity of these actors will vary during the implementation of the program.

If all the interviewed actors agree in defining the delegation as a quasi-natural fact, the decision around governance arrangements regulating the delegation was not without tensions and problems. The convention regulating the global grant between the *Préfet* and the Regional Authority was officially signed in January 2008 (one year after the beginning of the program). The functioning of governance and strategic bodies was at the center of the debate (see § institutional capacity). Since the *Préfet* is the managing authority of European programs in France (with the exception of Alsace), he is the final responsible for it, in charge of its global monitoring and evaluation. The establishment of a global grant for the integrity of one axis, which is besides extremely strategic and at the heart of Lisbon strategy, implies the concession of a large autonomy to the Regional Authority. The delegated authority received automatically the responsibility for the implementation management and control, which it executes exclusively and autonomously. More precisely the delegated managing authority is responsible for (in the limited scope of global grant axis): animation, technical support, instruction, selection and formalization of juridical acts, monitoring, collection of data for evaluation and internal controls. We will insist on this point later on, but it is clear that in the programming and implementation phase the delegated authority benefits from a large autonomy and that the partnership principle functions through the presence of a preliminary but not binding advising role exercised by the *Préfet* and its technical services. To this regard it is particularly relevant to focus on the functioning of the programming and monitoring bodies that was adopted. We will

---

<sup>38</sup> This group included OSEO ANVAR, the Regional Council, DRIRE (today DIRRECTE) and DRRT. This is an informal conventional label for addressing a stable, informal group composed by the major bodies involved in innovation, which is almost present in all French regions. The equilibriums and power relationships in the regional “gang of four” are however mutable and territorial related. The expression “gang of four” dated back to the beginning of the 2000.



go into the details of this arrangement in the institutional capacity § 6. In general we could say that a compromise was reached, which can be interpreted as a concession to regional autonomy demands and a formal recognition of regional capacity and legitimacy to intervene in European funds management.

Here follows the details of the programming and implementation process for the global grant axis on innovation, as organized in Aquitaine:

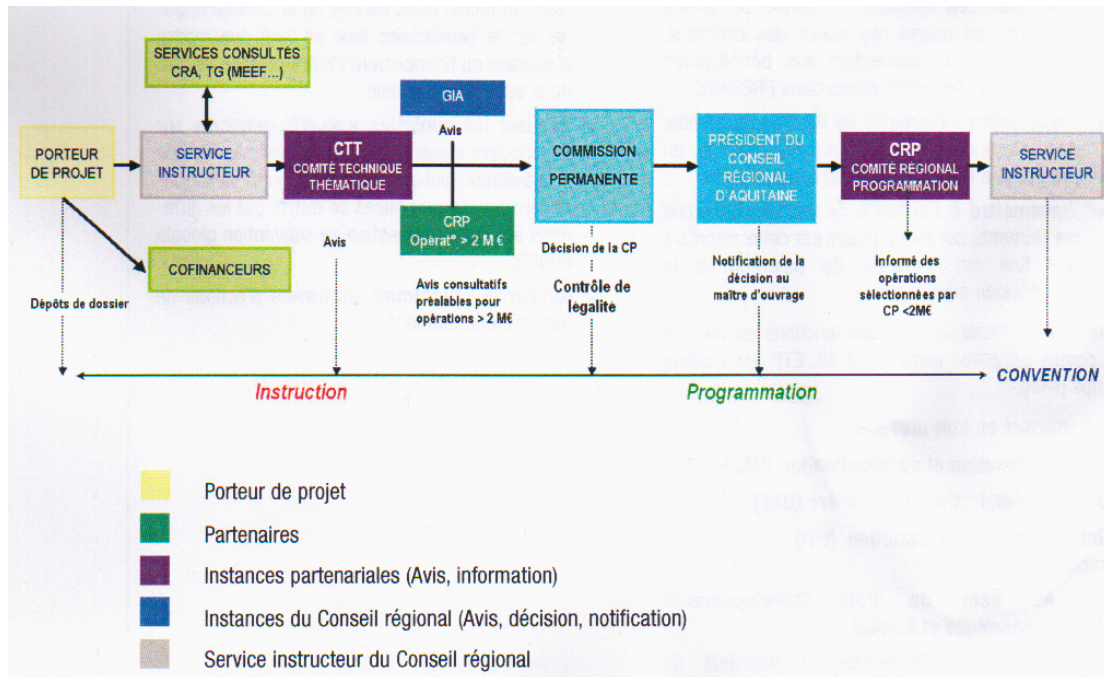


Figure 7 Axis 1, instruction and programming process. Source: Procedures handbook for global grant Aquitaine Regional Council

As already said, the OP is part of a broader innovation strategy carried out at regional level since 2000. The OP includes a detailed analysis of the state of arts of Aquitaine policies in the innovation and research field, showing the evidence of an already existing and partially well structured regional innovation system. The challenge was therefore to amplify the existing actions and generate new dynamics in particular thanks to the financial leverage of European funds<sup>39</sup>. The promotion of a precise and formalized innovation action plan was also mentioned in the OP document as a priority.

Aquitaine region was the pioneer in the formulation of a regional innovation strategy (SRI), following European requests. This has been the occasion to get

<sup>39</sup> OP, p. 38. As for the expected results for measure 1.1, "Developing applied research and valorisation results" an increase in the R&D expenditures both in private and public sectors together with a broader participation of companies to transnational research projects are expected. For measure 1.2, focused on innovation for companies an increase in R&D investments and a consequent growing demand for patents are the main expected outcomes.



back to the state of arts of the partnership in the innovation field. The SRI has been voted in 2010, the steering committees officially started in 2009. This delay is due to the high engagement required to the actors for the evaluation of the previous program, contracting of the new one and formalization of partnership principles. As already mentioned Aquitaine is region where a well structured innovation strategy and a dense policy community already exist before the formal obligation of engaging in the SRI formulization. Therefore this latter was interpreted by regional actors as the occasion to carry out an interim analysis on the regional innovation strategy, mainly related to the OP. It should be said that the OP already contain a fine analysis of strategies, policies and actors intervening in the innovation system, drawing some conclusion on weaknesses that needed to be reinforced. The SRI can be read as an interim analysis, whose main purposes were updating and reorienting the current strategy by improving mechanisms and policy tools. It is based on a fine analysis of inter-institutional relationships (in order to reduce redundancies and improving the general network efficiency) and innovation fallacies, in particular as for the financing targets<sup>40</sup>. The final result of SRI process is document of about ten pages presenting five lines of actions, which appears to be very general and not target oriented<sup>41</sup>. The “gang of four” and the SGAR were at the heart of the process, which was mainly internally managed. A limited implication of other actors can be asses, with exception for the restitution of results, which were presented to a larger audience of innovation field including Universities, socio-economic associations, companies, development and technological transfer agencies etc. The translation of the general recommendations of the SRI into precise policy actions is still in progress. The formalization of SRI did not entail entrusting a specific institution with the task of putting into action the SRI principles. One of the five structural axis of SRI regards the governance of SRI actions. To this regard no particular innovations were introduced: the governance leans on the existing bodies and structures, mainly linked to ERDF OP and CPER. Therefore the SRI did not bring any particular change in the current equilibrium. The statements on the functioning of Aquitaine innovation system drawn by the experts did not reveal anything new to the actors, about the strengths and the fallacies of the system. However, it has the merit of having contributed to formalize a state of art. The real consequences of SRI are not really perceived by the actors we met.

---

<sup>40</sup> The SRI is essentially based on three studies commissioned to two external cabinets and to a local research centre: 1) *Le financement de l'innovation en Aquitaine: bilan et analyse*, Katalyse, September 2008; 2) *Diagnostic du Système régional d'innovation en Aquitaine*, Technopolis, January 2009; 3) *Les composants globales du SRI*, GrethA, May 2009.

<sup>41</sup> These lines of actions can be interpreted as general strategic orientations, with no clear translations into precise strategic actions. They regard: 1) structuring innovation animation; 2) assigning a priority to SMES; 3) completing the financing offer; 4) supporting all the innovations, not only technological one. A specific § is also devoted to governance, stressing the importance of formalizing existing partnerships and enhancing evaluation.

If no significant changes in the *Préfet* – Regional Council equilibrium around innovation were introduced, incremental adjustments are in progress. The question of the governance of the so called “New Agency” of innovation, fusion of two structures, Innovalis and 2ADI is a good example. OSEO is still in, whereas DIRRECTE is not following the dynamic and DDRT is still associated in the board (with no huge financial engagement). The transition to the new agency is a good representation of the centrality of governance issue in innovation field, in particular with relation to who is going to play the leading role. As already mentioned innovation field and in particular R&D activities, research and university policy in France are highly centralized. However, with the growing implication of the region in competitiveness policies thanks to ERDF, it is clear that the situation is going to mutate.

#### **4. Outcomes of the analysed intervention**

In this section we are going to analyze the main outcomes of the program. First of all we will focus on the financial performances of it (programming and realization rates), then we will report the quantitative results and impact indicators and lastly we will provide some qualitative examples to assess the program contribution to regional development and mainstream effects.

As financial performance is concerned, state representatives sustain that innovation axis used to be financially efficient before the establishment of the global grant. The comparison with the previous programming is risky, since the 2000 – 2006 OP was mainly focused on cohesion objective, and innovation measures represented a rather small part of the program. As for the current programming, Axis 1 is well performing, as showed in table 2. In general the entire program is well performing, with the exception of Axis 4 (territorial priority) and partially the European part of axis 3 (energy and sustainable development). The second measure on ICT (representing 10% of the OP) managed by SGAR is the best performing axis in terms of planning and realization capacity.

As for innovation the programming cycle has been growing regularly through time, which could be the sign of a constant and well established planning capacity, not dependent on exogenous and incidental factors. In the case of Objective 1.1 (R&D) 166 dossiers have been approved so far, 252 for Objective 1.2 (SMES). The programming cycle is dependent on big investments (over 1 mil. Euros), representing for Objective 1.1 23% of total dossiers, which corresponds to 72% of the total programmed investments. A high proportion (31%) of big projects over 1 mil. Euros characterized also Objective 1.2, representing around 80% of the total amount programmed (79%) (data are updated at 31th December 2011). The choice of financing structural assets (material and immaterial) has been preferred to the dispersion of credits in micro projects. In particular the material investments concern the realization of technological platforms and scientific equipment for

laboratories. The immaterial actions for companies consist in the personalized support and follow up for the realization of innovation projects.

This data clearly shows the capacity of regional and state authorities to use the ERDF to consolidate and finalize structural investments in the region, which otherwise would not have been possible without the contribution of European credits. The ERDF counts for 26,6% and it is combined by investments of mainly private (38%), regional (18%) and other public services, including decentralized services and local authorities (9%), with a small incidence of direct nation investments and *départements*, both at 3.4% (data referred to the total programmed investments). The introduction of the “unique dossier” (see § 8 CBP) for the treatment of ERDF demands since 2007 at regional level played a facilitating role in assuring a coherent implementation of the European policy and a good articulation with regional policies and national one (mainly those already present in CPER). The planning of European and related (mainly regional) credits are indeed speculative (80,3% total, 72% EU for Axis 1).

Avancement financier : programmation (M€ et %)											
Axe	Situation initiale (maquette)		Exercice annuel précédent 31-12-2010			Situation au 01-01-2012			En attente		
	Total	UE	Nb	Total	UE	Nb	Total	UE	Nb	Total	UE
1 Promouvoir l'économie de la société de la connaissance	583,3	175,0	346	380,4 65,2%	101,3 57,9%	418	468,1 80,3%	126,1 72,0%	11	0,1 0,0%	0,0 0,0%
2 Développer les TIC au service de la société de la connaissance	130,7	40,5	44	119,7 91,5%	36,4 89,8%	48	125,6 96,1%	38,7 95,7%	19	17,7 13,5%	5,9 14,7%
3 Valoriser le potentiel énergétique et environnemental de l'Aquitaine	402,2	111,7	316	222,6 55,3%	55,4 49,6%	384	283,4 70,4%	69,2 62,0%	86	108,1 26,9%	25,4 22,8%
4 Développer durablement les territoires spécifiques	202,7	53,8	115	100,0 49,3%	25,3 47,0%	151	116,4 57,4%	29,0 53,9%	42	59,9 29,5%	13,9 25,9%
5 Assistance Technique	19,0	11,4	14	9,8 51,8%	6,6 58,3%	18	14,9 78,9%	9,2 81,3%	0	0,0 0,0%	0,0 0,0%
<b>Total</b>	<b>1 337,9</b>	<b>392,4</b>	<b>835</b>	<b>832,4 62,2%</b>	<b>224,9 57,3%</b>	<b>1 019</b>	<b>1 008,5 75,4%</b>	<b>272,3 69,4%</b>	<b>160</b>	<b>185,7 13,9%</b>	<b>45,3 11,6%</b>

Figure 8 Programming rate OP. Source: PRESAGE / ViziaPROG Aquitaine - Traitement : © ViziaPROG, SGAR Aquitaine, Evaluation Unit.

Avancement financier : réalisation (M€ et %)											
Axe	Situation initiale (maquette)		Exercice annuel précédent 31-12-2010			Situation au 01-01-2012			Reste à réaliser		
	Total	UE	Nb	Total	UE	Nb	Total	UE	Total	UE	
1 Promouvoir l'économie de la société de la connaissance	583,3	175,0	217	202,6 34,7%	38,1 21,8%	304	289,47 49,6%	67,02 38,3%	178,7	59,0 33,7%	
2 Développer les TIC au service de la société de la connaissance	130,7	40,5	30	24,8 18,9%	8,3 20,6%	38	73,12 55,9%	21,13 52,2%	52,5	17,6 43,5%	
3 Valoriser le potentiel énergétique et environnemental de l'Aquitaine	402,2	111,7	138	57,3 14,2%	10,8 9,7%	245	94,24 23,4%	20,54 18,4%	189,1	48,7 43,6%	
4 Développer durablement les territoires spécifiques	202,7	53,8	42	24,2 11,9%	5,3 9,8%	84	49,92 24,6%	12,20 22,7%	66,5	16,8 31,2%	
5 Assistance Technique	19,0	11,4	7	4,1 21,6%	2,3 20,2%	13	7,5 40,9%	2,30 20,2%	7,2	6,9 61,1%	
<b>Total</b>	<b>1 337,9</b>	<b>392,4</b>	<b>434</b>	<b>313,0 23,4%</b>	<b>64,8 16,5%</b>	<b>651</b>	<b>514,51 38,5%</b>	<b>123,19 31,4%</b>	<b>494,0</b>	<b>149,1 38,0%</b>	

Source : PRESAGE - 01-01-2012 - Traitement : © ViziaPROG

Montants en millions d'euros - Taux de réalisation : montant réalisé rapporté à la maquette

Figure 9 Realisation rate OP. Source: PRESAGE / ViziaPROG Aquitaine - Traitement : © ViziaPROG, SGAR Aquitaine, Evaluation Unit.

The realization rates are also generally well performing, even if some critical states exist for Objective 1.1 on R&D in particular for European credits mobilization (28,3%).

In order to assess the contribution of the OP to the reinforcement the current regional innovation strategy we could look to some indicators such as territorial distribution and the nature (public and private) of projects managers. Roughly we could say that credits distribution tends to follow the existing socio-economic environment, and therefore to concentrate in Gironde district (22%) of projects. However the high proportion of regional initiatives, mainly consisting in the collective actions (51%) assures a balanced distribution of efforts over the regional territory.

The projects financed present a good mix of public (31,8%) and private (68%) project promoters. However this data is falsified by the fact the “private label” corresponds to the juridical status. By consequence it includes a high proportion of non-profit, associations and cooperatives, largely benefiting from public sources (regional, national and European) for their functioning. To this regard a critical dimension to be taken into account would be analyzing the *real impact* for companies, entrepreneurs and research centers of the financing of collective actions promoted by intermediate innovation agencies, which represent an important part of credits consumption.

As regards the effectiveness (implementation) of the projects financed, since they concerned R&D and innovation, whose impacts are hardly evaluable in the short term, we face a problem in the assessment of the real contribution of the projects to regional development<sup>42</sup>. Moreover the financial and economic crisis of 2008 and 2011 strongly affected Aquitaine, partially masking the OP impact on general economic development indicators<sup>43</sup>. In the 2010 “*Rapport Annuel d’exécution*” (RAE) are reported the intermediate results for axis 1 for the chosen realization, result and impact indicators. As for the number of scientific collaboration between

---

<sup>42</sup> The evaluation of innovation activities impact financed by FEDER is a topic of reflection for European Commissions and experts. See the policy tender N° 2010.CE.16.0.AT.075 , “Evaluating innovation activities: methods and practices”, [http://ec.europa.eu/regional\\_policy/tender/tender\\_en.htm](http://ec.europa.eu/regional_policy/tender/tender_en.htm) and the related research study, [http://ec.europa.eu/regional\\_policy/information/evaluations/index\\_en.cfm#2](http://ec.europa.eu/regional_policy/information/evaluations/index_en.cfm#2).

<sup>43</sup> This point has been fully investigated by a study commissioned by SGAR to Bordeaux IV University, GRETHA research centre. The contextual conditions of OP implementation changed dramatically during the program implementation. The favourable economic cycle encountered in the previous programming brought to the establishment of ambitious objectives, which risk not to be fully matched. As for innovation axis, if for measure 1.1, mainly involving public and mixed institutions, the engagements could be assured without dramatic stops, for measure 1.2 whose main target are enterprises, the credit crunch could have negative effects on companies willingness to invest in R&D (GRETHA report, see SRI documents).

research centers and companies a good result has been achieved. The same consideration can be drawn for the support provided to start up companies. A clear-cut judgment of OP impact on economic development and regional innovation is not possible by the moment. To this regard important insights would be taken by the program revision and new programming preparation phase.

Axe 1 - Objectif 1.1 Développer la recherche finalisée et valoriser ses résultats				
Réalisation	Objectif initial	Attendu	Observé	Date de valeur
Nombre de projets de RDT (CE n°4)	40	18	8	01-01-2012
Nombre de projets de coopération entreprises et organismes de recherche (CE n°5)	140	2 627	1 248	01-01-2012
Nombre de jeunes pousses aidés (CE n°8)	-	6	8	01-01-2012
Nombre de dossiers	-	166	84	01-01-2012
Nombre de projets des structures d'interface de transfert de technologies	126	7	1	01-01-2012
Résultat	Objectif initial	Attendu	Observé	Date de valeur
Nb de visites d'entreprises par des conseillers en développement technologique	-	550	600	01-01-2012
Nombre de brevets issus de la recherche publique	50	41	27	01-01-2012
Impact	Objectif initial	Attendu	Observé	Date de valeur
Nombre de poste de R&D ou assimilés créées suite aux investissements	300	2	0	01-01-2012
Emplois directs additionnels créés bruts (ETP) en attendu et réalisé	1 000	192	72	01-01-2012

Axe 1 - Objectif 1.2 Faire de l'innovation le moteur de la compétitivité des entreprises et des territoires				
Réalisation	Objectif initial	Attendu	Observé	Date de valeur
Nombre de projets d'aide directe à l'investissement de PME (CE n°7)	476	48	45	01-01-2012
Nombre de jeunes pousses aidés (CE n°8)	20	537	468	01-01-2012
Nombre de dossiers	-	252	167	01-01-2012
Résultat	Objectif initial	Attendu	Observé	Date de valeur
Nb d'entreprises impliquées dans une opération collective	-	1 608	1 347	01-01-2012
Nb de visites d'entreprises par des conseillers en développement technologique	-	250	211	01-01-2012
Nombre de demandes de brevets déposés	357	52	3	01-01-2012
Nb de visiteurs par an des structures de production/diffusion de la culture scientifique et techniq.	-	550	703	01-01-2012
Nb d'entreprises hébergées en pépinière	-	20	3	01-01-2012
Impact	Objectif initial	Attendu	Observé	Date de valeur
Emplois directs additionnels créés bruts (ETP) en attendu et réalisé	4 300	4 372	3 440	01-01-2012

Figure 10 Realization, results and impact indicators (December 2011) Source: PRESAGE / ViziaPROG Aquitaine - Traitement : © ViziaPROG, courtesy SGAR Aquitaine, Evaluation Unit.

Generally speaking all the stakeholders interviewed underlined the importance of ERDF funding for innovation financing in Aquitaine. This is the case for both big and smaller operations. As already underlined ERDF reveals its strategic contribution for the financing of already existing projects, by strongly reinforcing their financial investments. A lot of projects supported by the OP were already present in the CPER<sup>44</sup>. The OP fully contributed to the reinforcement and the completion of the projects. To this regard a good example is the financing of a set of operations related to Route de Laser project and the structuring of a supply chain around optics. Route de Laser is a good example of intersection and articulation of national, regional and European interventions. Even if the strength

<sup>44</sup> The CPER priority on innovation (Grand Projets 2) counts 249 mil. Euro: 52 coming from the central State, 109 of the Regional Council and 44 from ERDF.

of the industry is antecedent to the European support, a reinforcement of the partnership between regional and nation level was possible through the promotion of project supported by ERDF funds, also in the previous OP<sup>45</sup>.

ERDF is perceived to be for smaller operations as important as for big ones. ERDF represents a strategic opportunity to promote new activities outside the traditional scope of action of intermediate innovation facilitator organizations. In a traditional industry such as agro food ERDF allowed the promotion of new projects, focused on innovation. The example of GULLIVER project is a good one. The project was promoted by ARDIA (*Association regional développement industries agroalimentaires*), a regional association representing agro food companies (mainly SMES). It obtained the financial aid from ERDF (corresponding to more than 50%) and from regional council. GULLIVER consists in the development of tailor made nutritional profiling for SME (which are the target of the OP). Also larger companies showed interest in the service. That's way thanks to the intervention of national services (*Ministère Agriculture*) the service provided by ARDIA was extended to big companies To this regard the ERDF supported the promotion of a "best practice" in public policies, through the promotion of a service that was in a second time extended to a larger public.

The emphasis on innovation brought about a refection on innovation conceptual definition and allowed the financing of operations not strictly eligible for existing regional and national aids. These latter in particular tend to concentrate on high tech industries and big budgets (in particular OSEO). Regional staff claims that ERDF allows the promotion of projects based on a social and organizational dimension of innovation, i.e. project on packing for agro-food and tourism industry. However, a general criticism has been reported to us: they recognized the necessity to pursuit and reinforce the general effort by developing better instruments to support projects that are intrinsically innovative but not conventionally detected as they were, because of a limited conception of what innovation stands for, therefore to use the OP as a way of developing *innovation capacity* of leading actors to open up to new possibilities and strategies for development.

---

<sup>45</sup> State representatives, regional stakeholders and member of development agencies cited the Route the Laser project and the development of optical cluster as one of the success of innovation policy and of ERDF impact. Route de Laser is a composite project around optical industry started in 1996 after the dismissing of real nuclear test. A Laser for simulation was installed in Aquitaine. Gradually a supply chain (research, technological transfer and industrial production and commercialization) emerged. The ERDF contribution was strategic in the 2000 – 2006 programming (financing of a ad hoc company for the promotion and coordination of the operation in optics) and in the current OP, through the construction of an Optical Centre (19.000 m2 centre for research and technological transfer around optics and laser). In the meantime in 2005 the cluster received the *poles de compétitivité* label. The budget for this operation stands at 46,6 mil. Euros, and ERDF is participating with 10 mil. Euros (20%). The Optical Centre. The articulation of regional and national support around optics development concretized in the creation of CRT (*Centre de Ressources Technologiques*), technological transfer centre, called ALPhANOV.

## 5. Actors involved

In a wider system of actors involving national agencies, local governments and socio – economic actors the OP 2007 – 2013 is strictly based on the *Préfet* – Regional Authority partnership. As already mentioned if the partnership was already present in 2000 – 2006 on a political level (programming and technical committees), it did not affect working practices and procedures. It is just since 2007 that the partnership became really effective through the implementation of new institutional arrangements, procedures and institutional operating solutions. In order to present the network of actors related to OP 2007 – 2013, with a focus on innovation interventions, a first distinction should be made between the strategic, political coordination and monitoring, the programming, the operating management and implementation and the associated activities of animation and finally the evaluation.

As for the strategic, political coordination and monitoring two main actors, the *Préfecture* and the Regional Council are mainly concerned. The monitoring (*suivi*) committee is a unique, co-directed unit for ERDF, ESF and EARFD. It includes *Préfet*, Regional President, territorial *Préfectures*, Local Chamber of Commerce, president of CESR (*Conseil Economique et sociale regional*) and regional paymaster (*Trésorier general*). Correspondents of European Commission, DATAR, various Ministries, local authorities, unions, associations, local development agencies, universities, experts are also invited, as advisers. The programming phase is also clearly articulated around the *Préfet* – Regional council alliance. The programming and technical committees are also co-directed. As for innovation and competitiveness (*comité technique et compétitivité*), this latter is composed by staff belonging to regional services (*Département Développement économique et emploi*), state services (DIRRECTE and DDRT), *Conseils Généraux*, OSEO Aquitaine, *Banque de France* and regional paymaster.

With respect to the previous programming the couple *Préfet* – Regional Council appears to be clearly reinforced. We could appreciate a change in the equilibrium of actors before and during the implementation of the program. Already before 2007, a technical group, informally called the “gang of four” was collectively recognized as the main referent for technical and strategic decision-making. As already said this informal association still exists, and it is not limited to European policy. However, we could say that as for ERDF, in the day-to-day relationships, the circle has restricted to regional services and OSEO, with DDRT and particularly DIRRECTE, more in background, even if they still participate to all the governance bodies. This statement was also confirmed by socio-economic actors interviewed, who particularly stress the growing role played in negotiation arenas by national agencies, such as OSEO for innovation, ADEME for energy, and financial national partners as CDC (*Caisse de Dépôts et Consignations*).

The operating phase of dossier instruction is fully managed for innovation by regional services, with no implication of state services, with the exception of the possibility of asking external expertise. As for the animation and related activities for the implementation of the program the regional services (Europe Unit) and the national (SGAR) are both fully engaged in it. However, a strong involvement of other actors can be assessed. This is the consequence of a specific choice that has been made as for Axis 1,2, regarding the promotion of collective actions in the field of innovation. To this regard the SGAR and regional Europe Unit fully count on intermediate partners, to carry out animation initiatives. The former agency Innovalis (now called "Nouvelle Agence) is fully engaged in this task, as well as other organizations (see further on regional innovation system).

The "classical" socio economic partners such as Local Chambers of Commerce are associated to strategic programming phase (allowing mutualisation of knowledge) and tend to be mobilized for animation activities. Historically they not used to be particularly proactive<sup>46</sup>. However, as regards local Chambers of Commerce a renewed implication in the last period the innovation field can be assessed. This is due both to local and national reason<sup>47</sup>. From a local perspective CCIR entered the field of innovation since 2006 by coordinating the action of territorial Chambers and recently proposed a commercial operation based on Innovation, called *InvestinAquitaine* (financed by ERDF).

The *regional innovation system*<sup>48</sup> appears to be rich in terms of number of actors intervening but particularly fragmented. It is perceived by enterprises to be poorly effective and legible<sup>49</sup>. It is composed mainly by public organizations, dependent on both regional and national level. The regional authority and the diverse associations strictly related to it (in particular Innovalis) can be considered to be the *metamanager* of the innovation field in Aquitaine. However, the role of national bodies, through decentralized offices of national organisms (OSEO) is still important. The private initiative is limited to the governance structures of the five *Poles de competitivité* and to some specific initiatives of PPP (Public Private Partnerships).

---

<sup>46</sup> Local chambers of commerce and business unions are not directly implicated in European policy programming and implementation because of a lack of expertise and human resources. This is not typical of Aquitaine Region, it is a general situation characterizing business representation organizations in France.

<sup>47</sup> A national reform of the territorial organization of Chamber of Commerce, stressing the coordination role of the regional level came into force at the beginning of 2011. CCIR sees its legitimation reinforced, as main interlocutor of the regional council. Even if the consequences of the reform are uncertain, a consolidation of collective vision and strategy of Chamber of Commerce at regional level and an improvement in the public partnership could be expected.

<sup>48</sup> The regional innovation system here described is closed to the concept of "policy community". See Rhodes, R. A. W. (1997) *Understanding Governance*, Open University Press, Buckingham.

<sup>49</sup> Technopolis report for SRI.



## 6. Analysing institutional capacity

The OP 2007 - 2013 sets real challenges for the actors intervening in the management of the program, both regional and state representatives, and largely to all the actors intervening in the innovation process, with regard to two main aspects: 1) the establishment of new patterns of collaboration, 2) the integration of the new European guidelines. We will focus our attention on different aspects related to the programming and implementation of the OP.

Generally speaking the qualifications of public servants in France are particularly high. The capacity to collaborate is deeply rooted in Aquitaine, and more general in France, as a consequence of the practice of “*contractualisation*” (elaboration of CPER). We face the same situation for the exercise of strategic planning, both at regional (elaboration of economic development strategy on a fixed period of five years) and territorial national services (*chartes développement* etc.). The domains that are still partially uncovered are the evaluation, monitoring and controls processes. To this regard the implementation of ICT modernizations, which strongly impacted internal processes, somehow prepare the regional bureaucratic machinery to further improvements brought by the OP 2007 – 2013, in particular in relation to monitoring procedures. The exercise of evaluation is considered to be by both regional and state representatives the area that still needs to be improved.

Here follows a detailed analysis of different declinations of institutional capacity triggered by the programming and implementation of the OP, with a detailed account of changes occurred over time.

- **Capacity to adopt and integrate European procedures and rules**

The stakeholders confirmed us that European procedures are far stricter and extensive than the normal procedures followed to grant subsidies or to handle procurement contracts (*marchés publics*). Even if the institutional capacity of the state and regional services was high, the European rules ask for further improvements.

In order to face the increased amount of work and responsibility the delegated management authority decided to lean on the Regional Economic Direction staff (*Direction Développement Economique et Emploi*) for the instruction of ERDF dossiers. The European Unit remained responsible for the overall supervision and programming of all European programs. This separation between operating and programming activities prevented economic services from being directly exposed to the controlling procedures. They could have indeed the preliminary internal

feedbacks and controls by the European Unit staff. The European Unit Staff actively played the role of controller and coordinator, by regular meetings and exchanges with economic development staff. However, the integration of the European mechanisms and procedures was not an easy task: the European Union staff was asked to behave as supervisor, and sometimes this entailed some resistances, because of the reproduction of the typical subordinated relationship between national and regional services inside the regional bureaucratic machine. A fine –tuning and time demanding day-to-day activity was required to European Unit staff. Despite some initial resistances and rare exceptions, the new procedures have been fully integrated by all services, and in particular by the economic development unit. Technical and management skills held by regional staff in innovation and economic development field, and the presence of key-resources (high qualified staff), played a facilitating role in the adaptation to the new tasks and requirements related to European Cohesion Policy implementation.

A certain lack of competences is expressed by both regional and state representative in relation to technical aspects, in particular the juridical interpretation of European directives and norms, which do not regard the adaptation of services but rather the relation with central government bodies and controlling entities (*Commission interministérielle de coordination des contrôles*, CICC). The vacuum characterizing legislative interpretations is an aspect that concerned mostly national bodies (DATAR) and their services providing legal support (*Plateforme juridique*)<sup>50</sup> which are not considered to be effective by both regional and state representatives officials.

- **Capacity of SGAR and Regional Council to effectively collaborate**

What is really at stake in the implementation of the OP is the improvement of the capacity of the managing authority and the Regional Council to establish a good and constructive dialogue and to collaborate. As already said Aquitaine could capitalize on existing “stock” of partnership and dialogue. The challenge of the program resides in the intensification and formalization of new patterns of collaboration in the new framework of competitiveness driven policy.

The European units of regional council and SGAR decide to organize in a speculative way since 2007. This organizational choice facilitated the dialogue since the regional and state representatives could easily identify their thematic

---

<sup>50</sup> It is a service provided in the framework of Europ'Act OP (national technical assistance program), giving support to regulation's interpretations. It functions through web portal, where regional representatives can address specific questions regarding problems of interpretation of rules. The interest is in the building of a unique national answer, since different ministries manage European funds, interpretations could not be convergent. In the past these organizations used to answer separately. The interest hereby is not only in the answer, but in the fact that all the institutions have been brought to communicate and to work on a common position.

correspondents. Besides, all the technical committees and the advising ones (*Comité régional de Programmation*), are co-directed, but this was already the case in the last generation of programs. At technical level the partnership is based on good communication and regular exchanges. The technical committees are a multi-actors arena associating the competent referent of state and regional services. These committees exist for all the axis of the OP, and on the basis of the thematic different actors (always caring of the state – regional council couple) are represented.

Even if the partnership on the technical side is considered to be effective, on particularly touchy issues, such as press communicates, and political matters the *Préfét* could act in a directive way and make its final responsibility prevail on the partnership logics. At the same time state representatives have the feeling that the regional President can use the global grant to support its own regional policies, in particular by granting ERDF support to agencies intervening on innovation, which somehow are the operating services of regional strategy. The politicization of ERDF funds in order to pursuit its owns goals by both *Préfét* and Regional Authority is a possible risk that can threaten the established collaborative patterns. However, this seems to be marginal. Despite the political tensions between central and local level, that are not specific of Aquitaine, the common cause seems by the moment to prevail.

The politicization of ERDF funds is linked to a growing conflict existing between the regions and central state. As already cited above the redaction of global grant convention and procedure rules were source of tensions. The final arrangement that was approved could explain why conflicts tend to be avoided. As for the final decision of granting, it was decided that the advise of the programming committee (which is the co-directed body) has just consultative value and that the final decision is up to the managing authority (*Préfét*) for the axis he manages and to the Regional Council for Axis 1 (global grant). This distinction can be interpreted as a clear separation or power sharing between *Préfét* and Regional Council. Since lastly each one has the final voice on the dossiers he manages, the two parts have no incentives to look for a dispute. *The mechanism is fully efficient, since it prevents from blocking and allows a rapid programming and consumption of credits.* In addition to this the two parts are encouraged to engage themselves more on the technical committees, and try to persuade the other of the convenience of one project before the arrival in the programming committee. However, this is a more a matter of moral suasion than effective possibility to intervene in the decisions, since a full autonomy is experienced by the operating services. *As for the effectiveness of the arrangement some points of debate can be raised. Paradoxically the partnership seems to be effective since a clear subdivision of roles exists. The partnership principle is not fully applied and the conflict is avoided. One could ask if the quality of the program could have*

*benefited from a full partnership that sees the final decisions submitted to the advise of the governance committee (the programming committee).* Obviously this is more time demanding since it implies looking for a full convergence, and the efficiency of the program and the consumption of credits could slacken. European constraints and in particular the automatic decommitment do not seem to be an incentive to the establishment of fully and real collaborations. To sum up the institutionalization of the partnership in the new OP demanded the introduction of new rules and arrangements. The choice of autonomy and partial independence in the operating phase has been preferred, following the necessity of assuring a good planning rate for the entire program. The capacity to collaborate has been particularly strengthened with respect to the previous programming, in some strategic processes, such as program preparation, revision and evaluation.

- **Capacity to stimulate demands, mobilize civic society and socio-economic partners**

The “turn” to innovation needed to find responses in the economic community. In some operations of the OP where already present in the CPER, an important part consists in direct support to companies and research centers. A big issue was therefore the capacity of regional services to stimulate demands and mobilize civic and socio-economic patterns.

To this regard the internal organization of unique dossiers contribute to a broader treatment of ERDF dossiers. A unique demand document for financing was introduced for both regional and European demands. This arrangement largely enlarges the number of projects that are potentially eligible for ERDF support, since it is up to regional services to decide the correct financing of a project. The unique dossier was introduced in 2007 and contributed to an improvement in the planning capacity of economic development services. Moreover the regional staff organized in territorial and industrial units, which allowed a deep detection of projects in all regional territory.

As for animation both state representatives and regional staff assure the animation of the program. As already underlined for innovation Innovalis agency play the role of local animator. Regional council largely relies on Innovalis for the organization of meetings and social events. If the effort in animation activities was already intense the European framework largely contribute to improve it. The mobilization of civic society and socio-economic actors in France is limited than in other countries, where the horizontal subsidiarity has larger application. The mobilization of socio-economic partners was indeed a challenge for the implementation of the program. To this regard the political leadership of A. Rousset plays a critical role. A. Rousset has been involved in the field of innovation since 1990, when he set up Unitec, a BIC (Business Innovation Center). Unitec has been an important

laboratory for the cultivation of relations with socio-economic actors and national representatives in R&D field. A. Rousset was able to build a strong leadership among business community, which turns out to be a critical factor of success for the implementation of the regional policy. In the framework of European Policy implementation the communication effort participate to consolidate the existing reputation and widespread knowledge. An interviewed told us that a company owner or an entrepreneur of Aquitaine who does not know that financial support for innovation means regional council and OSEO, he would probably live abroad or not read newspaper at all.

- **Capacity to coordinate network of actors intervening in innovation: improving cohesion and collective decision-making**

We could interpret a latent objective of the OP the intervention on the *institutional capacity* of the Aquitaine *innovation system* to effectively planning, implementing, coordinating and commuting in order to enhance innovation processes and R&D initiatives. If ERDF have had an impact on the general quality of the relationships within the innovation policy community at regional level is a complex question that asks for further appreciations. The SRI analysis in 2010 pointed out some fallacies of the system, which is considered to be rich in terms of structures and organisms, but often not sufficiently intelligible, with some redundancies and a lack of coordination.

To this regard an action of simplification of the panorama is being pursued. The two regional innovation agencies, Innovalis and 2ADI have been merged in one agency in course of construction. This represents an occasion to reflect on the missions of these agencies (which turn out to be essential actors for the animation and their proximity with companies).

As for one to one relationships we investigate the collaborations between OSEO, DDRT, DIRRECTE and the regional council services (Economic Pole). As for OSEO the relationship is considered to be effective by both sides. In order to qualify it we borrow an expression of one stakeholder: "We are independent but coordinated". No formal arrangements (except from one convention) exist between the two parts. OSEO and regional council pursuit different goals (OSEO responding to a national strategy) and tend to support different projects, since the financial evaluation for supporting one company or entrepreneur is based on different criteria. However, the two structures are able to fully collaborate. A regular (and informal) exchange of information between the services characterizes the relationship, in particular with reference to some dossiers that are considered to be interesting for the partner. The sharing of information is regular ex ante and ex post (dossiers retained). The ex ante sharing has no constraints and is fully dependent on routines and practices and a recognized confidence cultivated

during the time. By consequence a high integration of state and regional support is guaranteed. OSEO and regional agents use to go together meeting the companies asking for support and try to find the better financial solutions responding to his needs (using ERDF or not). This allow a fully integration of European, national and regional support. The relationship was already solid and ERDF did not bring dramatic changes.

DDRT and regional council use to collaborate in the framework of CPER contract. They exchange also because of ERDF and European policy, however this is not the primary reason. Other scenes of collaboration exist, in particular project inscribed in CPER and benefiting from both national, regional (and sometimes European) support. As for DIRRECTE and regional council, the two structures do not intervene except from national policies involving a regional counterpart (*Poles de compétitivité*). The ERDF and the current configuration have marginalized the role of DIRRECTE as for ERDF. Just one person is in charge of the technical advising and he does not any levers to intervene in the programming phase. DIRRECTE is implicated in the programming and technical committees, however we can draw the conclusion that a clear distinction between national policies and regional ones exists. As for DIRRECTE and DDRT the actual arrangements do not allow a more fluid collaboration. As for DIRRECTE, DDRT, and SGAR relationships, they are still intense, since SGAR counts on them in order to elaborate technical advices on ERDF dossiers. In conclusion the European framework contributed to a rationalization of responsibilities between regional and state services. In order to improve the collective decision making processes and implementation coherence further efforts appears to be necessary. This would mean pursuing the SRI process, by translating into actions the recommendations regarding the coordination problems with intermediate actors (BIC, innovation agencies, R&D transfer centers).

## **7. Capacity building policies**

Aquitaine is a particularly pro-active region in regional technical assistance initiatives. A common feature of the initiatives is that often they are co-conceived and co-directed by regional and state representative staff, and that they use to mobilize internal resources. These initiatives are deployed constantly during the program. It should be point out that an important effort has been made before the official start of the 2007 – 2013 program in order to anticipate as better as possible the needs and problems related to program implementation. It is well known that it exists a generalized attitude in all French regions to consider the technical assistance as a sort of kitty, a sum actually present in the budget that they are asked to spend. Often technical assistance is mentally associated to countries with low level of general public institution capacity. For these reasons it risks to not be

taken seriously, as a strategic tool to use in order to enhance the effectiveness of the program.

If the initiatives that are financed with TA do not vary conspicuously among regions, the way TA is interpreted and practice can make the difference<sup>51</sup>. To this regard during our interviews we have the impression that TA, and in particular animation and communication of the program was considered to be strategic tools for an effective implementation of it, in particular by staff belonging to European Units (in charge of TA). However, the interpretations of what AT consists of are not clear among staff and project promoters outside European units. We were often asked: “what do you mean by technical assistance?”. This denotes a poor clarity about what can be the value added of such initiatives, whose expertise tends to be restricted in the European units.

Before going through the detail of the various activities we will look at how the credits have been used through time. SGAR is responsible for TA. The axis devoted to technical assistance counts for 11,4 m euros (European credits, 11,3%) in total 19 mil. euros. These credits have been spent gradually during the program with a particular emphasis on the beginning of it. At the end of the second year (2009) around 1/3 of the budget was programmed (31,6% total budget). The consumption grew gradually up to 80% at the end of 2011.

In total the technical supporting staff implicated in the programming and implementation of the OP includes 51 people working full time, 34 in SGAR and territorial prefectures and 17 at regional council. They cover all the program sections, from instruction till evaluation. A specific pocket of technical assistance budget is devoted to the implementation of global grant, corresponding to 3,55 mil euros. It mainly regards the animation in order to stimulate the emerging of dossiers and the control and payment certification phase. All the actions included in the global grant technical assistance pocket are conducted through a collaboration between the managing authority and the delegated one, in particular as for communication and training.

Capacity building policies seem to produce positive effects on institutional capacity. Interviewees agree on the fact that ERDF rules brought about a transfer effect in particular for the planning capacity. Here follow a detail of CB initiatives that were put into action by both SGAR and regional staff.

#### ▪ **Procedures homogenization and formalization**

---

<sup>51</sup> Regional technical assistance initiatives are not coordinated at national level. Normally TA concerns general objectives for the implementation of the program, no particular instructions and constraints exists. Basically each region can chose how to use technical assistance.

A general work on process formalization concerning ERDF planning has been carried out before the effective start of the program. This work concerned internal procedures and the establishment of common instruction documents for the treatment of ERDF demands and involved actively state representatives and regional ones. This point is particularly remarkable: state representatives considered regional ones a competent partner before the official starting of the program. Moreover these elements are by now a solid, acquired and common base knowledge that does not need further modifications. The results are synthetized in a process handbook at disposal of all regional and state staff.

- **Training activities.**

They have been organized constantly by mobilizing internal key resources, already well known and esteemed, and by mixing regional and state representatives trainees. The training activities focus on both general themes and technical ones<sup>52</sup>. Obviously trainings were used to enhance technical capacities, as for European procedures and specific fields, such as innovation and sustainable development. However, they were also interpreted as a vehicle for strengthening the partnership and enhance the program effectiveness. Interviewees estimate that important improvements have been made in comparison with the last generation of program. The decision of investing time and money in trainings follows the final remarks made by the European Commission on the last generation of programs, and the fact that the new OP brought important challenges in terms of general management and new policy objectives.

*The fact of using internal key – resources and of co-organizing the training could be interpreted as a key mechanism enhancing the collaboration and the sharing of experiences.* Regional and state representatives of European Missions jointly participated in the training conception and organization. The general logic orientating training organization was to mobilize the most experienced people, without taking care of the institutional barriers, with the objective of spreading the knowledge, which is often internal to one department, among the partners of the programs<sup>53</sup>. A specific effort has been made in order to mix the public of training sessions, regional and state services but also final targets (project leaders). In this case trainings are used to institutionalize confidence between project leaders and instruction services, following a logic of first awareness by project leaders of service

---

<sup>52</sup> The training activities focused on five main topics: 1) general culture of European programs and funds in the region; 2) policy beliefs orientating public action particularly stressed by Europe, such as sustainable development and equal opportunity; 3) technicalities, such as environmental criteria (*eco-conditions*), 4) process management; 5) *Présage* use. Moreover some specific training sessions were organized for topics such as accounting, sustainable development, public aids for economic development and innovation.

<sup>53</sup> Internal key resources are particularly experienced staff, willing to share their knowledge and capabilities on topics they are specialized in. They are both from regional services, state services and special agencies (such as ADEME) and are supposed to intervene in joint trainings mixing staff of different entities (regional council, state services, territorial communities).



instructor, becoming gradually a constant support, someone who is well known, a stable institutional referent<sup>54</sup>. The trainings can be interpreted as an important moment of socialization, mutual institutional knowledge and sharing of practices and habits between regional and state services. With institutional mutual knowledge we mean the real meeting of two institutional cultures, which has been both profoundly modified in the last five years by national reforms and political orientations. Obviously state representatives and regional ones have at their disposal other scenes of mutual knowledge and collaboration, that sometimes can be superficial. In the case of trainings, mutual knowledge involves entering and explicating the key internal mechanisms, both hard and soft, procedural and cultural of one organization. The initial suspicious attitude of national representatives, and an excessive regional willingness to show competence in European matters, as they were reported to us, emerged to be the main initial constraints to the effective implementation of these initiatives. However, they were easily overcome. Both regional and state representatives agree on the importance of the early organization of training activities and on the value-added of mobilizing internal key resources and mixing public.

- **Permanent Staffing**

For regional council services, and in particular in the Economic Department, in charge of the instruction of dossiers, all people working full time for ERDF were recruited on purpose. As for the general management of the OP 51 people for decentralized services and 19 are fully working for the program, in the different functions (instruction, controlling, evaluation, animation, training, communication). Moreover key resources, that is to say high qualified specialists in different fields (public aids, law etc.), are explicitly encouraged to follow trainings and to participate to national meetings organized by DATAR or by ARF. The qualification of technicians is used in strategic way both at regional (through their implication in training sessions) and at national level, in order to anticipate the possible evolutions, through their direct implication in the national sessions dedicated to the interpretations and operationalization of European directives.

- **Outsourcing**

As already mentioned the use of internal resources is preferred to the practice of externalization. Both SGAR (partially) and the regional Council (totally) outsourced the “service certification” procedure (*“certification des services faits”*) to external

---

<sup>54</sup> In the case of trainings on sustainable development European mission organized joint training sessions, targeting both project leaders and regional or state representative correspondents. This choice allowed accompanying the project manager by the service instructor he knew better. Since environmental diagnostics are required for sustainable development projects over 2 million euros budget, the European mission try to stimulate the association of service instructor on training session on environmental criteria organized for project leaders.

service providers. The decision has been taken in 2010 order to accelerate the certification process, which resulted to be slow. The outsourcing of this task, a key-one for obtaining the reimbursements by the EU, but which is considered to be extremely time demanding, allows to ERDF project managers to implicate themselves in more strategic tasks.

- **Incentive mechanisms**

Incentive mechanisms are mainly based on the construction of responsibility and autonomy and not on control. To this regard in the regional economic department a precise internal choice has been taken in order to enhance the emergence of ERDF projects. At the beginning of each year a pro-rata of ERDF budget is allowed to ERDF instruction responsible in the different sub-units on the basis of the programming provisions. The ERDF managing director supervises instructor project managers but does not manage directly the ERDF budgets. It is up to each ERDF instructor project manager to be able to consume “his own” budget and regularly reports to the supervisor. ERDF has indeed the reputation of being particularly complex and subjected to regular, pointed, and particularly stressing controls (with respect to regular tasks). That’s why regional agents may prefer not to engage in too many ERDF projects. This organizational mechanism is particularly interesting since it aims at creating personal but at the same time, shared responsibility on ERDF. ERDF is not just an affair of ERDF coordinator but become a priority for everyone, at the same level then regular tasks. This mechanism prevents ERDF coordinator to spend time asking their instruction to make some ERDF dossier emerging, and dedicate its time to general coordination and supervision activities.

- **Dissemination and communication.**

Communication represents an important part of TA budget, 12,6%, that is to say 1.387.000 euros. To this regard along with more general communication events, specific training sessions are organized involving both ERDF managers and potential project leaders. The communication activities are target oriented, clearly distinguishing between final public and intermediate actors, and responds to specific goals (mobilization, transmission and persuasion). A specific guide for companies on what is ERDF and which are the steps to follow to ask for it has been created. Communication is subjected to a constant monitoring. Communication is not intended to be just a superficial tool of visibility and publicity. It has been indeed fully integrated in the general animation strategy around the program, for enhancing the spreading of innovation cause among civic society, business communities, socio-economic partners and local authorities.

## 8. What works

Aquitaine case study can read as a successful story for the reasons above mentioned. ERDF and the European framework (SRI) brought about a general effort in Aquitaine to meet the Lisbon and Goteborg objectives and to overcome a rooted backwardness in innovation field. Moreover a real transfer of knowledge and increase in institutional capacity occurred in particular as for Regional Council. The adaptation to the new tasks and to the new framework occurred without evident problems or hesitations for regional council staff. The high institutional capacity stock characterizing French systems (IT) partially explain the transfer success. In the case of Aquitaine it is combined with the “Rousset factor”, involving a strong political emphasis and regional orientation towards innovation. The OP conception and management has benefited from a dense matrix of initiatives and policies carried out since 2000 in Aquitaine by both national and regional authorities. To this regard the specialization of regional council services in innovation matters is a central critical success factor for the implementation of the global grant. The case suggests that a strong institutional capacity that can be field specific (in this case on economic development and innovation) plays a facilitating role in the adaptation to new tasks and responsibilities (European funds management). A serious and intense use of TA credits, in particular for training, animation and communication fully participate to the increase in institutional capacity and to the reinforcement of regional and state partnerships. The work on procedures homogenization, the co-joint and mixed training sessions and the strong effort in communication and animation turn out to be critical success variables for mutual institutional knowledge, the set of common collaboration habits and for the building of an “intelligent” and efficient culture of partnership. The interviews revealed a good self-evaluation and critical reflection capacity, which contribute to the strategic management of the program and to the fast adaption to changing contextual conditions. The European guidelines and constraints (SRI and the focus on evaluation process) reinforced these previously existing habits.

However, some points of criticisms can be raised, in particular in relation to how the partnership has been arranged and managed. First of all, instead of partnership, we would speak of a power sharing, and domains specialization between national and regional authorities. This is a general trend characterizing public policies in France that can entail a high risk of politicization of ERDF management. In Aquitaine case the regional council is trying hard to build and preserve its legitimacy in innovation field. A tacit acceptance by national side is accompanying the regional growing influence. It is like if national authority was tacitly accepting the regional growing role, trying to preserve and reinforce its influence in other domains, like energy. Secondly, the institution of a unique dossier for innovation and the growing influence of regional services allow a better

instruction of dossiers (mixing territorial and industrial views) and facilitate the coordination with regional policies. As generally reported there is a full intersection between regional and European projects. However, this organizational arrangement may have a negative side effect: the unification and homogenization of evaluation about the eligibility of projects to ERDF funding's. The existence of multi-front offices dependent on different organizations (both national and regional) or a double evaluation process could act as preventing measure for a political use of ERDF. It should be said that the actually constant exchanges with OSEO services are partially reducing the risk of a unification of evaluation, in our opinion more than the joint technical committees, which responds more to a conflict management issue.

Further efforts need to be made in order to make the regional innovation and socio-economic development cause become a real shared responsibility between state representatives and regional authority and among innovation policy community. In particular a stronger involvement of civic society and local authorities is desirable. To this regard CBP can be a useful instrument, as underlined by one of our interviews:

*“We are persuaded that in some territories, not necessarily industrial one, there is capacity for innovation that we're not able to locate, identify and support yet. The idea would be to come across people specialists in innovation field with people who work in the field for the enrichment of territorial dynamics. There is the necessity to make people, who do not use to work together to meet. If we train them together on the management of the program, they will gain together a shared culture of these programs»*

We think that this will be possible only after a clarification of power sharing and local / central relationships towards Europe, that should be carry out at national scale. This clarification would have a positive effect, by smoothing out the potential emerging conflicts and allowing horizontal subsidiary delegation towards civic society.

## List of interviews

Organisation	Name	Function
DATAR	Serena Lorenzetti	Project Manager Europ'Act OP
SGAR Aquitaine	Marie-Françoise Dazou	Europe Office (Director management and planning unit)
SGAR Aquitaine	Laurent Caillaud	Europe Office (Director Evaluation Unit)
SGAR Aquitaine	Lydie Berger,	Europe Office (Deputy director management and planning, Evaluation unit)
INNOVALIS Aquitaine	Rémi Vignes	Europe Office, Project Manager
INNOVALIS Aquitaine	Véronique Desbledes	Director Europe Office
Conseil Régional Aquitaine	Jean Marie Blanc	Director Europe Office
Conseil Régional Aquitaine	M. J. Idoquils	Deputy Director Europe Office
Conseil Régional Aquitaine	Carine Vergne	Project manager (Law) Europe Office
DATAR	Xavier Chauvin	Regional correspondent Aquitaine
Conseil Régional Aquitaine	Marixtu Lataste	Economic and labour Department, Director ERDF coordination unit
Unitec	Olivier Fry	Director
OSEO	Philippe Bourdier	Director Innovation Department
DDRT	André Touboul	Director
IEP Bordeaux	Andy Smith	Researcher and Professor in Political Science
DIRRECTE Aquitaine	Serge Lhermitte	Project Manager, Economic Office (Pole 3 E, Entreprises, Labour, Economy)
ARDIA (phone call)	Aghate Couvreur	Director

# Rhône-Alpes Case study

Deborah Galimberti, Gilles Pinson<sup>55</sup>

## 1. Research problem

The case study analyses the negotiation, programming and implementation of a multi-regional program for Rhone River Basin and the regional initiatives under territorial priority dealing with urban cohesion within Rhône-Alpes region.

The *Plan Rhône* is interesting because it is a clear illustration of a habit of French actors involved in regional policies to expand the scope and resources of existing partnerships and inter-institutional cooperation devices and projects through structural funds. It is thus a critical case that will allow us to check what the actual added value of the methodologies and orientations (sustainable development) imposed and promoted by the EU through the structural funds is, if there is any. Indeed, the Plan Rhône was born before the 2007 and the start of the current EFRD period. The ***Plan Rhône*** was initially set up as a national plan launched by the central State in 2005 in reaction to several catastrophic flood episodes in 2002 and 2003. It was first implemented through a specific variant of the *Contrats de Projet Etat Région*: the *Contrat de projets interregional Plan Rhône* (CPIER) signed by the State, the five regions: Rhône-Alpes, Provence-Alpes-Cote-d'Azur, Languedoc Roussillon, Burgundy and Franche-Comté, the ***Comité de Bassin Rhône-Méditerranée*** (the assembly gathering all the actors involved in the management of water resources in a single hydrographic basin) and ***Compagnie Nationale du Rhône*** (CNR, authority managing boat circulation and the navigation infrastructures on the river Rhône). The financial engagement of the State and its agencies in the CPIER stands at 228 M€ while the local governments engagements (regions) stands at 200 M€.

Besides, the stakeholders of the Plan Rhône decided to integrate it in the package of projects that France wanted to be funded by EFRD for the 2007-13 period. After the negotiations between France and the EU, a specific inter-regional OP (*Plan opérationnel pluri-régional*), involving the same partners of the CPIER has been set up in order to implement the Plan, together with other multi-regional European operational programs targeting basins or mountainous areas (Loire River, the Alps and the Massif Central). The EU funding for the multi regional program stands at 33,8M€. It has to be noticed that besides the POP; a specific axe of the OP ERDF for the Rhône-Alpes region is specifically dedicated to the Plan Rhône. The Region benefited of a global grant of 24 M€ for this axe and thus

---

<sup>55</sup> TRIANGLE (UMR 5206)

enjoy a great deal of autonomy in the management of this grant. We will get back to this peculiarity.

A notable element of analysis is that the CPIER and the inter-regional OP share the same governance structure. In both cases, the managing authority of the program is the Prefect (State representative) of the Rhône-Alpes Region which also happens to be the coordinating authority of all State field services on the Rhône basin area (*Préfet coordonnateur de bassin Rhône-Méditerranée*). In both cases the partnerships is the same gathering mainly the regions, State field services and State agencies.

Furthermore, Rhône-Alpes is a particularly interesting case for the importance of urban priority in the use of structural funds. With 39M€ dedicated to seven urban programs, Rhône-Alpes is the third French region, after Ile de France and Pays de la Loire, for the mobilisation of structural funds in urban projects. That envelops counts for 11% of the Rhône-Alpes OP.

At the outset of field research, our main research questions were the following:

- What is the level of institutional capacity of the partnerships that has structured for the plan Rhône and the urban programs elaboration and implementation? In which manner did this institutional capacity made the partners able to cooperate, to negotiate with the EU, to build up programs of actions and to implement them?
- How did this institutional capacity emerge? Did it exist at the beginning of the program? If it is so, what are the elements or processes that shaped and nurtured this institutional capacity?
- Are there specific features of the EU methods for negotiation, programming, spending, implementation and control that helped to develop, confirm or consume this institutional capacity?
- More specifically, were the funds provided for technical assistance useful for the enhancement of institutional capacity?
- As far as substantial objectives are concerned, the research aims at checking to what extent the Plan Rhône allowed to improve the management of the Rhône river basin and whether the urban policies funded by the ERDF helped to improve the quality of life and the opportunities for the population living in the targeted neighbourhoods.

## **2. Context related features**

### **2.1 Socio-economic characteristics**

Rhône-Alpes is the second French region in terms of population and surface. With 6 millions inhabitants in 2006 Rhône-Alpes counts for 10% of the whole country's population. The region benefited from a positive and important demographic growing trend, +0.9% between 1999 and 2006. The regional population density is

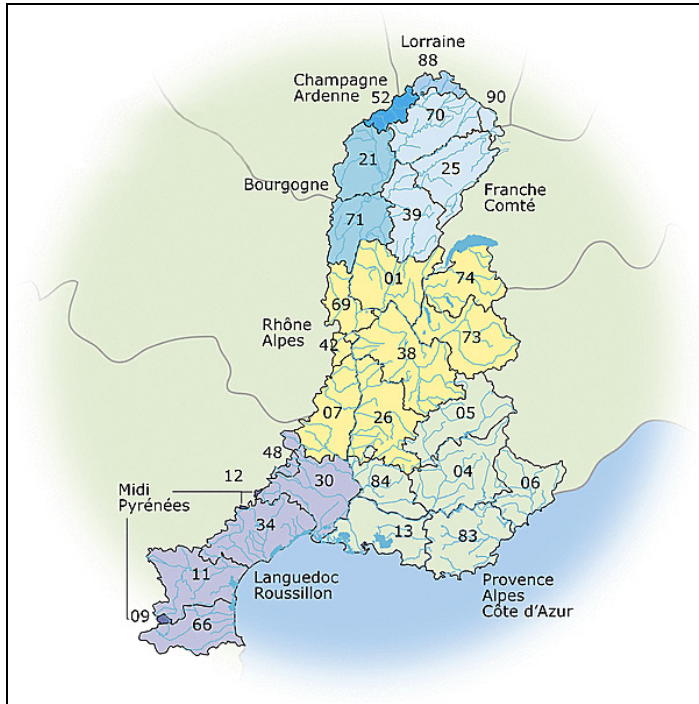
slightly above the national average, with 140 in / km<sup>2</sup>. The region is characterized by the presence of three large urban areas, around Lyon, St Etienne and Grenoble. Rhône-Alpes GPD per capita is 30.5 thousands Euros, the highest in France after Ile de France (47,8 thousands €), which corresponds to 122% of the EU 27 average (2008, Eurostat).

Rhône-Alpes is a historically industrial region, and still is one of the French largest industrial region, the second after Ile de France, with 450.000 employees. The industrial tissue is characterized by the presence of both multinational and SMES companies, highly specialized in some key industries, in particular mechanics, chemicals and plasturgy, agro-alimentary and Biotech. These latter correspond to the leading industries of the 13 national *pôles de compétitivité* and 11 regional clusters actually present in the region. The tertiary sector counts for 1,4 millions of employees. As regards R&D Rhône-Alpes stands out as a leading region, the second one after Ile de France, with respectively 257 and 265 patent applications (per millions of inhabitants, 2007, Eurostat).

As for the natural environment, the Eastern part is mainly mountainous, with the Alpes in Savoie, Haute Savoie and Isère départements. The region is crossed by the Rhone river and counts three big lakes, Bourget, Annecy and Léman.

Having its source in the Swiss Alps, the river Rhône enters the French territory in the outskirts of Geneva and ends in the Mediterranean after flowing through Lyon, Vienne, Valence, Avignon and Arles. 522 km of the 812km of the river are located in France. The Rhône basin covers a surface of 90 000 km<sup>2</sup> in France, i.e. 16% of the national territory, and concern five regions and 21 *départements* (see below, Image 1). Historically, the Rhône valley is one of main paths connecting Southern and Northern Europe. As a consequence, the neighboring territories have always been very dynamic from an economic and demographic point of view, and still are. But this steady development with the construction of numerous communications infrastructures (water, rail, road), often on very constrained spaces, exerted strong pressures on the natural environment. Today not only are the infrastructure close to saturation, but the natural milieus are exhausted. The pumping of water, the digging of waterways, the construction of dams, locks and hydroelectric plants have brought important changes to the natural milieus.





**Figure 1 :** *The river Rhône basin.*

## 2.2 Institutional and political features

- The rise and decline of a regional capacity to plan and coordinate

The Rhône-Alpes Region is one of the 22 French metropolitan regions. Like the other regions, it was first created as an administrative scale (*Etablissement public régional*) for the implementation of the central State policies in the 1960's. It was only as a consequence of the decentralization reform (1982-83) that French regions became fully-fledged regional authorities with their own elected assemblies and presidents. The first regional elections were organised in 1986.

Compared to other regions, like Brittany or Alsace, in which the regional scale and institution is recognized by local actors operating at various levels as the leading actor in matters such as planning and economic development, the Rhône-Alpes region has always faced difficulties in asserting its authorities in face of other government scales, namely large cities (Lyon, Grenoble and Saint-Etienne) and *départements*. To a large extent, it is linked to the huge size of the region and its lack of unitary identity. There is barely anything common between the almost Provençal nature of the southern Drôme with the Haute-Savoie *département* highly connected to Switzerland. As a result, for long the Rhône-Alpes regional institution had difficulties to assert its leadership on domains that were officially in its competencies such as economic development. For a while, it had a repercussion of the way European structural funds were negotiated and implemented. While in other regions, the regional institution was able to elaborate a global framework by mobilizing the other levels of local government which

recognized it as the lead institution, and to negotiate it with the central State, in Rhône-Alpes the ensemble of projects submitted to the central State and the Commission was rather a collage of the projects elaborated by the *départements'* notables and their followers<sup>56</sup>. This lack of regional leadership was aggravated by a long lasting political instability at the head of the Region. Charles Béraudier (centre-right), the first president of the Regional Council elected by direct universal suffrage in 1986, died in 1988 after two years of mandates. He was replaced by the centre-right Charles Millon. Millon was forced to resignation in 1999 after he accepted to build a coalition with the National Front, the extreme right party. That designation drove to a major clash inside the local right. In January 1999, Anne-Marie Comparini, a member of the very same centre-right party as Millon, the UDF, was elected president of the regional council with the support of the Left. Comparini was then defeated during the next regional elections in 2004. Since then, the region is governed by a leftwing coalition composed of Socialists, Communists and the Green and chaired by the Socialist Jean-Jack Queyranne. Under the Millon regional administration (1988-99), regional territorial and development policies experienced a first phase of development, favored by the 1989 reform of the structural funds but also by the development of the practice of contractualisation between the State and Regions (*Contrat de plan Etat Région*) in the broader frame of the adaptation of the French planning system to the new context of decentralization. In this period, senior regional civil servants, some of them coming from the central State administration, decided to invest the region and to make it the central institution in territorial policies and the main interlocutor of the central State. The implicit objective was also to marginalize the *départements*, so far the dominating scale of the French local government system<sup>57</sup>. In 1992, a regional masterplan for equipment and development (*Schéma régional d'aménagement et d'équipement*) was elaborated and voted by the regional assembly. The plan was designed to be implemented through contracts between the region and consortia of communes: *contrats globaux de développement* for rural areas and medium sized cities on one hand, and *contrats de fonctions majeures* for the largest cities. The idea behind was also to foster the building of inter-municipal cooperation structures that would not be based on the perimeters of the *cantons*, the electoral department wards, but rather on functional territories.

The Rhône-Alpes region was successful in that local actors played the game and recognized the region as a legitimate actor in the field of territorial development.

---

<sup>56</sup> Balme, R. & Jouve, B., 1995. « L'Europe en région. Les fonds structurels et la régionalisation de l'action publique en France métropolitaine ». *Politiques et Management public*, 13(2).

<sup>57</sup> Séverac (de), C., Jouve, B., Vanier, M., 2001. « Les contrats globaux de développement », in Jouve, B., Spenlehauer, V., Warin, P., (dir.), *La région, laboratoire politique. Une radioscopie de Rhône-Alpes*. Paris : La découverte, p. 227-24

Thus, 49 contracts were signed in 2000 and the planning and contractual device was maintained after the 1999 and 2004 power shifts. In 2008, the new leftwing majority decided to integrate sustainable development as a main issue in its development policies and as a criterion in the selection of projects: the CGD thus became the *Contrat de développement durable Rhône-Alpes* (CDDRA). Nevertheless, if the region has gained legitimacy on the front of the development policies, it has to be said that the departments' scale managed to maintain strong position. In particular, *départements'* politicians, the famous notables were able to assert themselves as the leaders of the new "project territories" that the regional contract devices helped to create.

- The reassertion of the central State authority in the management of ERDF

The other key actor in the management of structural funds at the regional level is the prefect, the field representative of the central State and coordinator of the State field services. In the case of the Rhône-Alpes region, we are talking about the prefect of the Rhône department who is also the prefect for the Rhône-Alpes region and for the Rhône-Méditerranée basin.

The prefect has always been a key actor in the management of structural funds since he is automatically the management authority. Nevertheless, the cumulated impact of decentralization reforms in France and of the European structural funds reform in the mid-1980's put the State members and their field in a kind of crisis. On one hand, the central State seemed to have given up any vision for the organization of the territory, and, on the other hand, the European Commission imposed a greater involvement of regional and local actors in the process of negotiation, elaboration and implementation of regional policies. As a consequence, the local representative of the State went through quite hard times between the mid-1980's and the mid 2000's. The prefect was seen as an actor whose action was limited to the legal control of local governments' action. This evolution was sponsored by some national governments overtly in favor of an acceleration of decentralization. Under the Jospin government (centre-left, 1997-2002), Dominique Voynet, member of the Green Party and minister of environment and regional policies passed an act where it was clearly specified that regional policies were the responsibility of local and regional governments. A representative of the Rhône-Alpes prefecture that was working at the DATAR at this time told us that two important ministers of this government were in favour of a complete transfer of the management of structural funds to the regions. One of the outcomes of this pressure towards decentralization was the decision to implement in France the principle of "global subvention" to region in which has never been implemented before. The share of global subvention on the global amount of structural funds was set at 25%. The next government, the Raffarin government (centre-right, 2002-2005) went on with this trend with the vote of a second decentralization act in 2004.

But since the mid-2000's and, above all, with the election of President Sarkozy in 2007, a clear change occurred in the position of State field services, in the status of the prefect and in the relationships between the State and local governments, and above all with the region. Today, those internal changes converge with a sort of renationalization of European politics that occurred since the early 2000's to modify the central local relationships in the implementation of structural funds. The first sign of this "coming back" of the State was the elaboration of a National Strategic Framework (*Cadre de reference stratégique nationale*) that outlined the strategic priorities that the central State wanted to be taken in consideration by the Commission and the State. The State was back with a project and the EDRF programs would not be the collage of regional projects anymore. For some scholars (Lapostolle, 2009), those shifts have already relegated the regional administrations in a function of mere implementation of funds.

The second series of events that changed the institutional context and the nature of the relationship between the State and regions was the reform of the State field administration (REATE for *Réforme de l'Administration Territoriale de l'Etat*). The global aim of the reform was to reduce public spending through the rationalization of State field administration, the reduction of the number of services and the transfer of most of the resources from the department level to the regional one, and the reassertion of the authority of the regional prefect on ministries field services. These organizational evolutions have been accompanied by a growing political tension between the right-wing central government and most of the local and regional authorities that had been conquered by the Left in the last years. All these elements had some effects on the conditions in which ERDF have been implemented.

The last series of contextual elements that have to be taken into account is the recent trend in the reforms of local authorities. One of the overarching objectives of the Sarkozy government's reform in terms of decentralization was the reduction of redundancy between the fields of competences of the State and the various level of local government. The expression of this objective was a progressive withdrawal of the State from the contracts with regions in the name of the necessity to clarify the prerogatives of each level. The second was an attempt to clarify the repartition of function between the three tiers of local government through a Territorial Reform Act passed in 2010. This new law did not do much to clarify anything. But it was holding other dispositions that clearly weaken the regional institution. It was first decided that the mandates of regional and departmental councilors would be replaced by the single mandate of "*conseiller territorial*" that will be elected on extended wards and will seat in both assemblies that remains unchanged in their existence and functions. The first election of those new political characters will take place in 2014 and the big issue is to know whether it will benefit to the region or the departments. The reform also created a

status of metropolis, ie a brand new institution that will represent large city regions and will be able to take over functions that were so far operated by the regions and the departments. With three large city-regions on its territory, Lyon, Saint-Etienne and Grenoble, the Rhône-Alpes region feels particularly threatened.

In a way, multi-regional operational program such as the Plan Rhône can be interpreted as one the manifestations of the reassertion of the central State field services in the management of structural funds. When it comes to dealing with issues that express at a supra-regional scale –basins, mountains- the Prefect is naturally designated as the coordinating actor.

### **3. Telling the story of the intervention**

The Plan Rhône is a global strategy set up by the French State on the whole basin of the river Rhône in reaction to the flood episodes of the 1990's and the early 2000's. In 1993 and 1994, catastrophic floods remind neighbouring population of the existence of a risk linked to the river. Other flood episodes of greater importance occurred in 2002 and 2003 and urged the mobilisation of public institutions. A demand of global intervention coordinated by the central State emerged in 2005 during a large conference (*Etats généraux du fleuve*) held by three regions, Rhône-Alpes, Provence-Alpes-Côte d'Azur and Languedoc-Roussillon. Later on, an inter-ministerial committee for regional policies (*Comité interministériel d'aménagement du territoire, CIAT*) commissioned the Prefect of Rhône-Alpes, Prefect in charge of the Rhône Bassin to design a whole strategy for the protection against the flood risk with a time horizon of 20 years (2025). The building up of the Plan Rhône was facilitated by the appointment in 2004 of the prefect Jean-Pierre Lacroix who experimented a first inter-regional contract for the river Loire when he was prefect of the Centre region. The prefect Lacroix and its services elaborated a plan in collaboration with the State field services and the regions. The three global objectives of the plan are the following:

- To conciliate the prevention of floods with the maintenance of several activities in areas that are exposed to floods,
- To respect and enhance the environment of the inhabitants,
- To ensure a long term economic development in a region that is strategic both at the national and European levels.

Those three global objectives were delineated into six domains of intervention:

- Culture: the main aim of this domain is to reinforce the awareness of the presence of the river Rhône in daily life and inhabitants' practices. To do so, a series of programs helping the neighbouring populations to rediscover the material and immaterial heritage linked to the river should be funded.
- Prevention of floods: here, the objectives are the improvement of the capacity to forecast floods, to develop a risk culture by improving the awareness of the possibility of floods, to rehabilitate zones of natural

expansion of the river, to reduce the vulnerability of communities and economic activities, being them agricultural or industrial.

- Improvement of water quality, protection of resources and biodiversity: the objective is to conform to the EU frame-directive in terms of water quality, to preserve biodiversity by restoring natural milieu and easing the circulation of fishes.
- Energy: promoting hydroelectricity as a source of sustainable energy and making it compatible with the protection and rehabilitation of aquatic milieus; promoting the production of energy through windmills.
- Transportation: developing river transportation in order to reduce road transportation.
- Tourism: developing touristic activities that respect natural milieus and valorise immaterial and material heritage; facilitating the access to the river and promoting sustainable transportations infrastructures.

The Plan Rhône strategy is today funded and implemented through three streams. The first and main source of financing is an Inter-regional State-regions contract (*Contrat de projet Inter-régional Etat Régions Plan Rhône*, CPIER) signed in March 2007. The CPIER is an inter-regional variant of the contract (*Contrat de projet Etat-région*) that the central State signs every 6 years with the regional and local authorities since the decentralisation reforms of the early 1980's in order to negotiate at a single region scale the investment strategy and to define the financial engagement of each level. The peculiarity of the CPIER is to involve several regions in negotiations with the State. In the case of the CPIER Plan Rhône, 5 regions are involved (Bourgogne, Franche-Comté, Rhône-Alpes, Provence-Alpes-Côte d'Azur) in the contract but also one power production company, along with the **Comité de Bassin Rhône-Méditerranée (the assembly gathering all the actors involved in the management of water resources in a single hydrographic basin)** and **Compagnie Nationale du Rhône (CNR, a publicly owned company producing hydroelectricity and managing several navigation infrastructures on the river Rhône)**. **CPIER total budget stands at 613 M€.** The table 2 displays the share of different partners in the funding of the CPIER. The importance of share of the State, its agencies (Agence de l'Eau, ADEME, VNF) and a large public company is striking. As the table 3 shows clearly shows, the CPIER provides 92% of the whole financed mobilised in the frame of the Plan Rhône.

Financial Participation to the CPIER	Amounts	Share
State	<b>228M€</b>	<b>37,2%</b>
In which : Agence de l'Eau Rhône-Méditerranée et Corse	50 M€	8,1%
	14M€	2,3%
Voies Navigables de France	1M€	0,2%

<b>ADEME</b>		
Conseil Régional Rhône-Alpes	<b>51M€</b>	<b>8,3%</b>
Conseil Régional Provence Alpes Côte d'Azur	<b>77M€</b>	<b>12,6%</b>
Conseil Régional Languedoc-Roussillon	<b>57M€</b>	<b>9,3%</b>
Conseil Régional Bourgogne	<b>13M€</b>	<b>2,1%</b>
Conseil Régional Franche-Comté	<b>2M€</b>	<b>0,3%</b>
Compagnie Nationale du Rhône	<b>185M€</b>	<b>30,2%</b>
<b>TOTAL CPIER (1)</b>	<b>613M€</b>	<b>100%</b>
EU fundings (POP + PO Rhône-Alpes) (2)	<b>57,8M€</b>	
In which : POP	<b>33,8M€</b>	
PO Rhône-Alpes	<b>24M€</b>	
<b>TOTAL CPIER + ERDF (3)</b>	<b>670,8M€</b>	
National and Regional partners share (1/3)		<b>91,4%</b>
EU share		<b>8,6%</b>

**Table 2:** Financial participation in the CPIER Plan Rhône

Axes	Leading partner	CPIER and other national fundings	POP	OP Rhone-Alpes	Total	Share
River transport	Service Navigation Rhône-Saone	158	10,5	9,5	178	23%
Flooding	DREAL	310,5	13,3		323,8	41,8%
Culture and heritage	Rhone-Alpes Region	12		4	16	2,1%
Tourism	DIRRECTE Rhone-Alpes	79		3,5	82,5	10,6%
Water quality & biodiversity	Agence de l'Eau Rhône-Méditerranée-Corse	83	3	6,5	92,5	11,9%
Energy	ADEME and DREAL	77	6		83	10,7%

TOTAL		719,5M€	32,8M €	23,5M €	775,8 M€	100
-------	--	---------	------------	------------	-------------	-----

**Table 3:** Plan Rhône strategy per axes

The second source of funding is the Pluri-regional Operational Program (POP). The first POP was signed in 2007 March 21<sup>st</sup> for an amount of 33,8 millions €. An updated version was signed in December 2010 in order to extend the scope of the POP. Indeed, the first version was entirely dedicating the funds to the protection against floods<sup>58</sup>. The subtitle of 2007 POP version was “Accompanying flooding axe”. All the three axes were about protection and risk management exclusively related to flooding. It has to be said that a lot of our interlocutors insisted on the very conflictual aspect of the negotiation process between the French State and the regions on one hand and the Commission on the other hand. The former were eager to integrate funds for works of protection against floods, on the other side, the Commission representatives were insisting on the fact that ERDF, in particular in the frame of the “Competitiveness” chapter, were not meant to finance this kind of works. Besides, one of our interlocutors involved in the negotiations of this first version mentioned that the Commission was very reluctant to accept the principle of pluri-regional OP. But eventually, the Commission accepted a first version where most of the funds were dedicated to prevention against floods, and where protection works were excluded. But it soon appeared that with such arrangements, the actors would have great difficulties to spend the ERDF funds. Indeed, the most consuming actions were preliminary studies on flood expansion zones that proved very politically sensible and thus very slow to implement. The projects where it was easiest to spend were projects requiring very low amounts of funds such as the construction of risk culture, the sensibilisation of the neighbouring communities to the flood issue. It was thus decided both by the French government and the Commission to extend the program to other issues such as river transport, heritage, environment, biodiversity and energy in order to avoid automatic decommitment. In 2010, before the mid-term assessment, the content of the POP was thus renegotiated and expanded to other domains such as the restoration of ecosystems, tourism and heritage and the development of river transportation. The amount devoted to technical assistance was also doubled. Another source of conflict, this time between the State and the Rhône-Alpes region was the application of the Region for a global grant within the regional OP for the river Rhône issues. Thus, within the 334 M€ of the OP for the Rhône-Alpes region, 24 M€ are dedicated the priority n°5 named “The river Rhône, axe for the economic development and the protection of the environment”. The Rhône-Alpes region manages in total autonomy this axe, since it is the delegated managing

<sup>58</sup> See p. 30 and 58, CPIER, 21.03.2007 version.



authority. It is noticeable that the 4 categories of operation are in large part redundant with those of the POP: the promotion of the culture, heritage and identity of the river Rhône; water quality, resources preservation and biodiversity; the promotion of transport on waterways; the development of tourism of quality. According to the State representatives, the Commission and the State itself were reluctant to the integration of this priority in the regional OP, but the Commission yielded to the regional pressure. For the region representatives, it is rather the expansion of the POP to other issues than protection against flood that created the redundancy.

2007 program			
N°	Axes description	ERDF	%
1	Reinforcing territorial competitiveness by reducing flooding	13 M€	38,5%
2	Reducing population vulnerability from flooding	7,5 M€	22,2%
3	Managing flooding risk	12,8 M€	37,9%
4	Technical Assistance	0,5 M€	1,5%
Total		<b>33,8 M€</b>	
2010 program			
N°	Axes description	ERDF	%
1	Preventing flooding (risk management - developing risk culture)	13,3 M€	39,3%
2	Sustainable development (energy and biodiversity)	9 M€	26,6%
3	River transports	10,5 M€	31,1%
4	Technical assistance	1 M€	3,0%
Total		<b>33,8 M€</b>	

**Table 4:** POP Rhône Financial report 2007 and 2010 versions

As far as governance is concerned, the interesting aspect of the formal organization of programming and implementation of the Plan Rhône is that the same governance device has been set up to elaborate, implement and monitor the CPIER and the POP. The political supervision is ensured by a *Comité directeur* (CODIR) chaired by the Prefect in charge of the coordination of the Rhône basin (i.e. the Rhône-Alpes prefect) and where the president of the three regions that are more directly concerned, Rhône-Alpes, Provence-Alpes-Côte d'Azur and Languedoc-Roussillon sit. Another committee, the *Comité de Pilotage* (COPIL) ensures monitoring and concertation around the implementation of the Plan Rhône. It is composed of the members of the CODIR and the different stakeholders (State's field services and agencies, local authorities and chambers of commerce, agriculture and craftsmanship). Besides, for each of the 6 themes identified in the Plan Rhône, a coordinating administration has been designated,

most of them being field administration or agencies of the central State (see table 3):

- The culture/heritage domain is the sole domain coordinated by a local authority, namely the Rhône Alpes Region.
- The flood prevention domain is coordinated by the regional field administration of the Ministry of Ecology (formerly Ministry of infrastructure)
- The improvement of water quality, protection of resources and biodiversity domain is coordinated by the Water Agency Rhône-Méditerranée-Corse, which is one of the 6 agencies that have been set up by the State (Ministry of Infrastructures) to manage the water resources, prevent and resolve problems of pollution.
- The energy domain is theoretically coordinated both by the ADEME, the State agency of ecology and the control of energy consumption and the DREAL. But in actual facts, the more influential actor as far as the energy domain is concerned is the Compagnie nationale du Rhône, a company whose capital is mainly detained by the central State and who manages most of the hydroelectric plants on the river Rhône. The financial contribution of the CNR in the Plan Rhône is worth 185 M€ on the 2007-13 period, while ADEME's is 1M€.
- The transportation domain coordination is ensured by Voies Navigables de France, the French navigation authority responsible for the management of the majority of France's inland waterways network and the associated facilities. Like the Water management agencies, VNF is a public body related to the Ministry of Ecology.
- The tourism domain is coordinated by the DIRECCTE Rhône-Alpes, the central State field service at the regional scale that deals with economic development, labour market and markets regulations matters and which is placed under the double supervision of the Ministry of Finances and the Ministry of Labour and Health.

Each authority that is responsible for an axe has to animate the partnership, to identify potential beneficiaries and to evaluate applications for funding. The technical coordination of the whole POP device is endowed to Rhône-Alpes prefect, but in actual fact to the General Secretary of Regional Affairs (SGAR), the technical staff that assists the prefect on regional policies matters and which is in direct link with the DATAR. The service in charge of the programming, monitoring, animation and evaluation activities at SGAR is the *Mission Bassin*, which is also responsible for the general management of CPIER and sustainable development policies managed by SGAR services. The leading partners of the axes concerned with the POP are in charge of the instruction of applications for funding and both

contribute to the animation. The *Mission Bassin*, which gathers 3 staff, leans on the Europe Department of SGAR (17 employees), which is in charge of programming of OP Rhone-Alpes, for some activities, mainly related to technical assistance (communication and trainings) and support for controls. An audit led by the *Commission Interministérielle de Coordination des Contrôles* revealed that the Basin Mission did not rely enough on the SGAR's Europe Department and was therefore in a uneasy situation to assist the instructing services.

As for the ERDF OP of Rhône-Alpes the managing authority is still the Prefect. However, the region benefits from a greater scope of action, since the V axe on river Rhone is managed by regional services through a global grant. This allows the Rhone-Alpes region a large and exclusively scope of action in the management of these credits. The services responsible for it are at the Department of Territorial policies, where a specific mission Rhone exists.

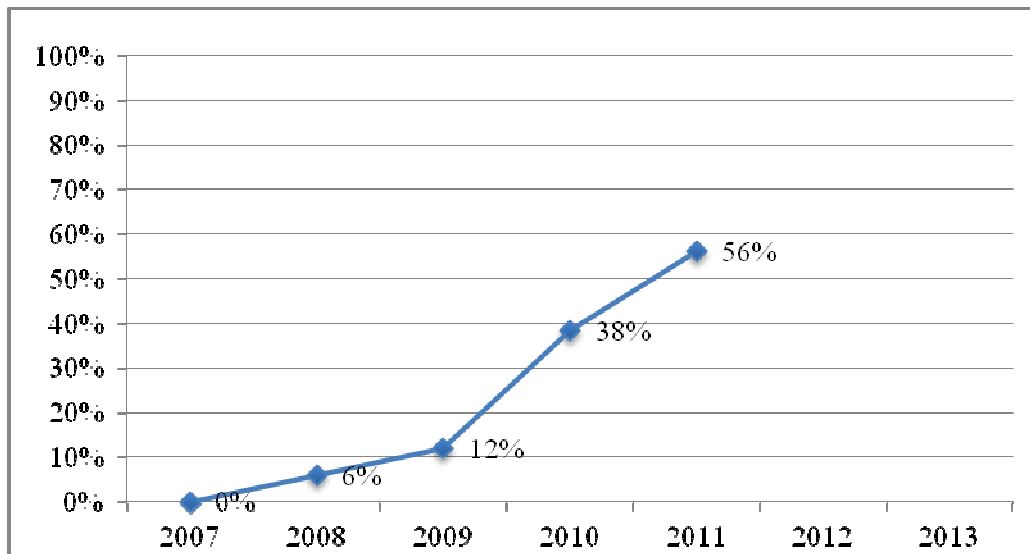
#### **4. Outcomes of the analysed intervention**

As far as the financial programming of the POP is concerned, the above cited difficulties brought to a under consumption of credits and to an instable programming cycle. It is only since 2010 that the programming cycle started to be more regular. As far as the credits consumption is concerned, it has to be said that a sharp acceleration occurred after the renegotiation occurred in 2010. In 2009, the programming rate of the POP was only 11%. According to the SGAR, the automatic decommitment was close. But the renegotiation and, above all, the extension of the program scope allowed an acceleration of the consumption rhythm. Thus, at the beginning of 2012, the programming rate was 58% with 148 planned operations (excluding technical assistance initiatives). From the graph below we can clearly see the turning point of 2009 – 2010, when the POP was re-negotiated. The acceleration was helped by the extension of the POP to more consuming issues such as waterways and hydroelectricity and the entrance of large organizations with huge financial needs such as the CNR or the SYMADREM, a consortium of local authorities (2 regions, Languedoc-Roussillon, PACA; 2 départements, Gard and Bouches-du-Rhône; 15 communes) that manages 225 km of levees in the Rhône delta area. Among the most emblematic operations funded by the POP, we can mention:

- The improvement of the ship canal linking the river Rhône and the Sète harbour;
- The construction of the small hydro-electric power plant in Rochemaure;
- The construction of fish paths on dams;
- The reduction of the exposition of farms to floods.

The POP is dependent on smaller operations and the axes that is suffering more for the dispersion of projects is the first one on flooding preventions and on the development of a risk culture. The expected programming rate for the axe is

indeed 71%, the highest for the POP, and the actual programming is only 57%. This is due mainly to the difficulties encountered in the management of flooding expansion zones. On the contrary the second axe is exceeding the programming estimations for 2011 (85% instead of an expected 50%) thanks to the promotion of one big project supported by CNR, on low consumption hydroelectric central, in Rochemaure territory. As for the third axe, the programming rate is particularly low, 37%, but it presents the greater increasing rate (it was only 6,96 in February 2011), once again thanks to the promotions of big initiatives for the management of Rhone canals in Sète and Arles.



**Graphe 1 POP programming cycle**

Source: Our elaboration from RAE (Rapport annuel execution) 2010 and Comité directeur Plan Rhone 24<sup>th</sup> January 2012.

The CPIER programming has been more regular over time. After a normal hesitation during the first year the credits has been consumed regularly. However, the programming rate remains weak for the CPIER (54%) and a clear compensation effect exists among the different axes. The CPIER programming is financially well performing in the axes characterized by big and structural operations, such as the construction and promotion of ViaRhona for tourism (tourist itinerary) and other big operations promoted by national agencies for transport. The axe on cultural heritage, whose responsible is the Rhone-Alpes region, is particularly under expectations, with a programming rate of 34%. However, this data grows to 83% for the ERDF part of culture and heritage directly managed through the global grant by Rhone-Alpes region. This data clearly shows the non-coordination of regional and state services, since the difficulties encountered mainly regards the emergence of projects in the south of the basin, outside the scope of action of Rhone-Alpes region.

## 5. Actors involved

What is striking in the story of the POP Plan Rhône is the strong role played by the central State, its field services and its agencies. The renationalization of the EU

regional policies is not a total novelty in France. Already in 2000-06 period, it was decided to align the timing of the contracts with the region (CPER) with the timing of the ERDF in order to have a greater grip on regional policies and cut the direct link that regions were creating with the European Commission. The conquest of almost every regions by the Left in 2004 (a political hegemony that was confirmed by the 2010 regional elections), and the implementation of neo-managerial recipes since 2007, have increased the tension in the relations between the central State and the Regions. Among the origins and results of this tension, there are two phenomena: the symbolic reinforcement of the position of the regional prefect as the boss of the management of the European funds and the promotion of several agencies as main beneficiaries of these funds.

In the Rhône-Alpes and Plan Rhône case, the process has raised his higher point. The Rhône-Alpes prefect, who is also the Prefect of the Rhône-Mediterranean basin is the management authority. Among the 6 axes of the Plan Rhône, 5 are coordinated by State's agencies of field agencies. A Region, the Rhône-Alpes region, manages only one, counting for 2% of the Plan Rhone entire budget. It is noticeable that neither the PACA region nor the Languedoc Roussillon region has been designated as axe leaders.

As said before, at the centre of the device, there is the Rhône basin prefect and its general secretary for regional affairs, and in particular, its "*Mission Bassin*". But in actual fact, the low level of resources devoted to this mission leave each of the axes' leader with quite a large degree of autonomy. Some organizations prove more at ease to manage their axe than others. It is clearly the case for the *Agence de l'Eau Rhône-Méditerranée-Corse* who is in charge of the "Water quality-resources-biodiversity" axe. Indeed, this agency already operates at a basin level. Thus the approach of the Plan Rhône is not an entire novelty for the agency. The DREAL, the field service at regional level of the Ministry of Ecology in charge of the prevention of floods aspect, is managing this axe that represent more than a third of the total budget with its own networks.

But there are other actors that seem much more peripheral in the Plan. The Rhône-Alpes region service feel marginalized with a culture/heritage axe that represents 2% of the whole Plan Rhone budget. On the other side, the ADEME is theoretically in charge of managing the energy aspect but brings only 1 M€ in the whole project while of the bigger funds consumer, the *Compagnie nationale du Rhône*, is bringing 185M€ to the pot.

At the end of the day, the actual partnership is a reflection of the fact that the Plan Rhône has been clearly set up by and for the central State and its agencies. It might be for political reason: the Rhône-Alpes is the second richest and largest region and most of its local authorities (the region itself and the three main cities are hold by the Left). It might also be because the Rhône issue is closely linked to

civil security issue. That is the sense of the sayings of one the Prefecture representatives:

*« When there is a flood episode, to whom do you think that people revolve? Do you really think they revolve to Rousset [President of the Aquitaine Region and president of the Association of French Regions]? No, they revolve to the State. When it deals with public safety problems and so on... Those presidents of region, they always claim something, but when there is a major problem, they ask for the State to intervene».*

On the other side, the regions, in particular, the Rhône-Alpes region consider that the partnership is unbalanced and give too much weight to the State and its services and agencies. It is said for instance that the fact that only one axe, and the less funded, is coordinated by a region has led to a retreat of the local authorities from the partnerships. It is also said that the Rhône Alpes prefecture and the SGAR did not make sufficient efforts to organize coordination meeting outside of Lyons and of the Rhône-Alpes region.

#### **6. Analysing institutional capacity**

In the French case, the implementation of the EU regional policies, in particular after the 1989 reform, has been eased by the previous practice of contract negotiation and implementation between the State and its central and field services on one hand, and local governments, and regions in particular, on the other hand. The “tradition” of the *Contrats de plan Etat-Région* that was initiated in 1984 in order to adapt the French economic planning system to the decentralization occurred in 1982-83 created a habit of cooperation and partnership<sup>59</sup>. This habit was reinvested afterward in the negotiation and management of structural funds. Furthermore, even before the decentralization reforms and in spite of a reputation of a reputation of strongly centralized country, France had a fused system of relationship between the State and local authorities, ie there never were clear-cut borderlines between the functions of the one and the others, compelling both parts to negotiate, plan, fund and implement development policies together. This situation has created a capacity of the State to negotiate and a capacity of local governments to innovate and explore new functions.

Besides, one of the peculiarities of the French policymaking system is the strong legitimacy of public institutions and State interventions, in particular in matters such as planning, infrastructure, or economic development. To fulfil its vocation of planner and policymaker, the central State has always maintained a strong presence of its field services endowed with high level of technical competences. Since the decentralisation, local and regional governments have followed the same path as the State. They developed interventions in a wide variety of

---

<sup>59</sup> Duran, P. 1998. « Le partenariat dans la gestion des fonds structurels : la situation française », *Pôle Sud*, n°8, pp.114-40

domains, often overcoming the (blur) legal delimitation of their function. As a result, France is characterised by a system of State/society relationships that strongly legitimate public intervention. Moreover, to a large extent, the French civil servants are well trained and correctly paid and the overall level of corruption is quite low.

Nevertheless, the counterpart of this presence of the public sphere in social activities in France is a lack of capacity to mobilise civil society. It has always been noticed that the negotiation and implementation of structural funds tended to be the almost exclusive realms of the State and local governments who are both the instructors and applicants in the programming process. Public bodies have never shown great enthusiasm to mobilise civil society. With an overwhelming presence of the State and its agencies, The Plan Rhône is clearly an expression of this lack of mobilisation.

Was the Plan Rhône the occasion to enhance the institutional capacity of the system of actors that it mobilised? To use the terms of the INSTED project interim report, there is a compliance of the actors involved in the Plan Rhône to some of the key principles of the EU funds implementation, and therefore the third declination of IC is present, but some of these principles are said to overload policymaking process with useless controls and evaluations by some actors. Thus, the answer can only be contrasted.

Some actors consider that the EU methods for programming, for scheduling the expenses and, above all, for controlling have compelled the French administrations to perform great progresses and to come to terms with European standards. The rule of the automatic decommitment is considered by some as something that forced French policymakers to take care of the rhythm of credits engagement.

*« X : Upstream, with each axe coordinator, we identify at the beginning of each year what will be their major sources of credits consumption. Y do a monthly report with them ».*

*« Y : In administrative proceedings, where there is a delay, we report to the Prefect, drawing his attention to the fact that for example if the reed bed has not been moved, the project will be a year late. Our role is to resolve such difficulties. »*

*« X : Here again, we see the essential contribution of the EU rules, in particular the rule of automatic decommitment. Before the 2000-06 program, we were pushing ahead the European funds from one year to another. We had a consumption rate that was only accelerating in the last months. It was not a very healthy, dynamic way to do things. The decommitment rule has given a rhythm, has strengthened the requirements in this area. The criticism I have is that since loans are spread over a period of seven equal annual installments, is that it was*

*too constraining for the first years. They should let things speed up year after year. That's what they did for the 2007-13 period by freezing the first year 2007 and carrying forward the credits to other years. Otherwise, the principle is a very good rule".*

The threat of the automatic decommitment seems to have introduced a concern for a mid-term planning of expenses and a habit to identify projects where the programming rhythm is unsatisfactory. The use of the *Présage* software is of great help to implement this monitoring and to enhance the financial and administrative engineering of projects. The organization of "monitoring committees" (*comités de suivi*) helps to organize this collective vigilance. However, these two instruments were not conceived *ad hoc* for Plan Rhone implementation, as they are common monitoring instruments used in all European programs.

The culture of evaluation, audit and control that the implementation of EU structural funds has brought about is also considered by some of our interlocutors as a good thing. For some of its representatives, the French State has been hesitating for too long about the necessity to evaluate policies and implement control and audits on the policymaking processes and their outcomes. But nothing has been done for long, in particular in the frame of the State-regions contracts. The evaluation of the CPER was supposed to be performed by the *Commissariat Général au Plan* but this institution was in clear decline since de the early 1980's and was never put in a position to perform a serious evaluation. From this point of view, a drastic change occurred in 2007, when the new EFRD and the new CPER generations were approaching. The DATAR was endowed with the evaluation of the contracts implementation for the 2007-13 programs. At the regional and CPIER level, the SGAR is responsible for the design of an evaluation scheme funded on the technical assistance budget. A mid-term evaluation was realised, as well as specific evaluations on specific operations.

For other actors, the development of the evaluation apparatus is rather something that brings more bureaucracy, perverts the actual work of administrations, and brings distrust inside the partnership. In other words, if the use of EU funds helped to develop a culture of control, i.e. to develop the third type of IC, the excess of this culture of control and audit destroy another key aspect of IC: trust and the capacity of actors to get involved in partnerships. Many actors that we met consider that there is now an overload of control and that the time spent to anticipate, prepare and answer to control diverts people from their central work. In the case of France, the obsession of the European Commission for control and audit is aggravated by the recent conversion of the French top administration to the precepts of New Public Management and the multiplication of the internal controls. This trend had triggered the development of a brand new breed of bureaucracy specialised in control and audit, just like what happened in Great Britain.



A member of a State field administration was evoking the numerous layers of controls to which his service was submitted:

- Control by the European Commission (said to be highly traumatizing).
- Control of the French “*Commission Interministérielle de Coordination des Contrôles* » that was created to organize the audit of the management and control systems set up by management authorities in charge of the implementation of European structural funds.
- The control by the SGAR’s control unit.
- The control by the DR FIP, the regional directorate of public finances (field service of the Ministry of Finances).

A no-trust system is being set up through the multiplication of a context of increased political tensions between the State and regional and local authorities, this development of the “audit culture”, to which both EU and French central State participate, tends to destroy institutional capacity (in particular of the third type) rather than creating some. The so-called return of the State is seen as the comeback of a State that has no other project than imposing numerous controls. It can be noticed that some these controls are externalised and exerted by private companies, some of them being staffed with people coming from public administrations. The obsession for audit generates the impoverishment of administrative work and enrichment of private corporations.

If institutional capacity is also defined as the quality of relationships between public bodies involved in the coproduction of policies, and their ability to cooperate on common fields of competence and on inter-territorial issues, it has to be said that the Rhône-Alpes case is rather characterized by a degradation of this aspect of institutional capacity. The degradation of institutional capacity has a clear expression in the unbalanced distribution of coordination duties in the Plan Rhône and in the tense relations between the Regional prefecture and the Rhône-Alpes region, and a general climate of distrust.

This retrenchment of institutional capacity and the degradation of partnership can be explained by several factors, some of them have been already evoked.

Since mid-2000’s, with an acceleration with the 2007 elections, the French central State is engaged in a neo-managerial reform, named the General Revision of Public Policies (RGPP) that had several effects. One of its main effects is the reduction of human resources for State field services and the tendency to retrench on control rather than production activities. Thus, paradoxically, while the State wishes to reassert its authority through the promotion of the regional prefect, it also tends to reduce its administrative capacity to coordinate. The SGAR Rhône-Alpes is clearly in this position, trying to monopolise coordination while not having enough staff to do so. A lot of reproaches have been expressed by our interlocutors towards the SGAR and the Prefecture who do not do enough to help instruction services to match ERDF rules.

The conversion to NPM has also triggered a kind of renouncement to the partnership principles. Indeed, the obsession of evaluation, which can be identified as one of the main features of the third type of IC, has led to an obsession for the tracking of the funds of each partner and the evaluation of its own effects. The new enemy is the confusion of responsibilities that goes with partnership and co-funding. This has led to a progressive disengagement of the State from the contractual devices. Most of top central State officials are convinced that the contractualisation that was the main feature of State/local governments relationships in the 1980's and 1990's has led to a weakening of the State, the dilution of its action and legitimacy. This has also led to the Territorial Reform Act of the 2010 whose central objective it to eliminate the redundancy functions between the various levels of local authorities. Thus, partnership and evaluation that are supposed to be complementary inside the third type of IC seem to be in contradiction.

In the case of the CPIER Plan Rhône, this has led to a very strong presence of the State, its field services, agencies and companies in the global device and the marginalisation of local authorities. It looks like the Plan Rhône device, as other inter-regional plan implemented on other basin or on mountains, has been invented to restore the coordination and steering capacity of the State and the prefects rather than to empower regional partnerships. On this aspect, the sayings of one the top officials of the Rhône Alpes regional prefecture are quite clear:

*“Before the CPIER, the problems of river basins or mountains areas were taken care of in each individual CPER (contracts between one single region and the State). That was far from being the ideal tool for the prefect in charge of the coordination of the basin”.*

Moreover, it has to be reminded that the European Commission was very reluctant to fund POP for the 2007-13. Indeed, during the previous EFRD program, the French State already applied for European funds to finance inter-regional programs on mountains areas (Alps and Pyrénées). The coordination that was attributed to Commissioner was a failure and the consumption of funds remained at a low level. As a consequence, on one hand the Commission was very reluctant to another experience of inter-regional project and, on the other hand, the State reacted by endowing the coordination of those programs to an authoritative figure, namely the regional prefects.

In reaction, the Region was willing to have its own share of ERDF in its PO in order to have a grip on the Rhône issue. The difficulty of the Region to spend European funds on the Rhône axe of its OP opened an opportunity for the Prefect to contest the opportunity of this axe:

*“As we could expect, the Rhône axe of the regional OP in Rhône-Alpes is far less advanced in terms of funds consumption than the other axes. The programming rate is at 75% on the other axes while it is at 50% on*

*the Rhône axe. During the last monitoring committee we had to transfer 5M€ of the Rhône Axe one of the other axes. [...] It is clear that for the next program, there should not be any Rhône axe in the regional OP”.*

The regions, and in particular the more peripheral of the rivers basin (PACA, Languedoc-Roussillon), are associated to the implementation of the program in the programming committees. However, they do not have the sensation that an effective partnership actually exists with the State representatives. In parallel, the services of the regional councils have the impression to be reduced to a mere functional role of procedure management. Other level of local government, such as *départements* or large city regions is completely absent of the device.

A degradation of existing habits of collaboration clearly emerged. This is due to the complexity of articulating the vertical collaboration (actually limited to Central State, territorial state services and regional authorities) with the inter-regional dimension. Regions clearly manifest their willingness to review the overall governance structure for next programming. Evident tensions are emerging for the new programming cycle. Regions criticize the administrative and highly centralized administration of central state and claim for a more balanced and inclusive governance system. A possible path that is desirable for the regions would entail the constitution of a GIP (*Groupements d’Interets Public*), as it is already the case for “Massif Central”<sup>60</sup> allowing them to build up their own position conjointly with respect to the one of the central State in relation to the general strategies (European and national) for the basin.

Besides, what is striking in the case of the CPIER is the restoration of quite clear delimitations between each area of intervention –waterways transport, power production, water qualities, culture and heritage, tourism- that has been endowed to specific organisations that tend to manage their domain in a relative autonomy. In some ways, it looks like the CPIER Plan Rhône is a way for State administrations and agencies to fund sectoral interventions. Ironically though, it makes no doubt that through the Plan Rhône, French actors, in particular the central State shows a high level of the second declination of IC, ie the capacity to use EU procedures and funds to bring forth its own strategies and projects. But, this utilitaristic use of EU funds is at the expense of the partnership spirit that is supposed to be essential to the ERDF funds.

The degradation of the partnership goes with a strange obsession for the issue of fund consuming, whatever the merit of the operation. It looks like the big game for the actors dealing with ERDF is to be able to consume what has been attributed to

---

<sup>60</sup> The GIP Massif Central has been created in 2008 by the initiatives of six regions concerned with the inter-regional ERDF Plan. In the first years the activities of the GIP regarded mainly the promotion of studies, research and the organization of events where debating inter-regional issues regarding the massive. Since 2011 the GIP actively engaged in the preparation of its own contribution with respect to the next European programming. The GIP main activity is building up a formal legitimation *vis à vis* French central state and European Commission for future negotiations. In particular a direct relationship without the intermediation of the Central State with European Commission and Commissioner for regional policy Hahn is pursued.

them, notwithstanding the utility of projects. In the interviews, it was striking to see our interlocutors mentioning the necessity to focus on operations that were the most consuming:

*“X : When we rewrote the ERDF POP, we had in mind identified projects, we knew we could rely on sound projects. The Languedoc-Roussillon Region was very eager to obtain monies to fund a portion of waterway in Carnon. We knew that if we could get the approval from the Commission, we had projects ready that we were able to proceed. And afterwards, we mobilized the project holders and the services in charge of the projects instruction.*

*Y : We also had a small hydro power plant project in Rochemaure which was consuming € 6M of ERDF regional OP. When you know that the “Quality, Resources, Biodiversity” axe counts for € 9M of ERDF, you understand that if these operations are conducted, they explode the programming rate. The advancement of the consumption rate is mainly based on large infrastructure projects”.*

While, in the frame of the contractualisation, the relationships between State and regions were based on trust, the adoption by the French State of the Commission obsession for financial controls had led the actors to focus rather on procedures than on the content.

However, the POP brought some elements of innovation. The financing of small projects that otherwise would not be realized in the framework of the CPIER is one of them. These small projects engage often the cultural and the cognitive dimension around risk management and are proposed by single project leaders, associations or research centers. In comparison to the “hard” orientation of CPIER focused on flooding, infrastructures and energy, the POP put the emphasis on the cognitive and cultural aspects, partially contributing to a cognitive shift in civil servants and final users orientations.

Moreover, as far as the flooding axis (1<sup>st</sup>) of the POP is concerned, some interesting and advanced collective tools for decisions making and evaluation have been developed: a topographic database of Rhone Basin has been designed, the use of CEA (cost effectiveness analysis) scoreboards on risks money quantification. Also in the case of tourism and heritage an innovation capacity has been reported to us thanks to the European contributions. A good example is for tourism the development of ViaRhona project, allowing the articulation of different regional initiatives in the field of tourism, heritage valorization and local development. Since tourism is concerned ViaRhona sees the participation of local authorities (*Communautés urbaines, Conseil Généraux, syndicats mixtes*) to the project.

« The Plan Rhône allowed us to bring out things that without this partnership would never have emerged. That is very interesting. This is not just a way to display the label of each funding partner”

To this regard the POP potentially participates not only in the increasing of IC intended as the capacity to come to terms with European rules, but also partially to mainstreaming in other policy actions through the development of transferable policy tools for implementation and decision making. It should be noted that the real use of these tools and devices in day-to-day activities was not reported to us.

## **7. Capacity building policies**

The TA budget is split in three main interventions. The first is a funding line in the OP budget allowing the remuneration of the agent managing the OP Plan-Rhône inside the Rhône-Alpes prefectural services. The second is a funding line participation in the financing of the daily functioning of management authorities, for reimbursing the travel expenses related to planning committees, meetings at DATAR etc. It is also planned in this action to finance studies and evaluations that will help to improve the efficiency of the whole processes. And the third one is communication.

The budget allocated to technical assistance for the animation and management of POP is rather limited: 500.000 euros for the first two years of the program, which have been double to 1.000.000 euros after the 2010 global revision, corresponding to 3% of the credits. The limited amount of money dedicated to the technical assistance and the limited staff working full time on the program strongly affected the animation and general assistance that the managing authority and their technical services are able to provide to the partners of the program, in particular the leading partners, which are responsible of the instruction and implementation processes. TA is generally perceived as an “ornament”, and it is not used in a strategic manner as a way to improve the general management of the program. The result is a mundane use of it, with a strong emphasis put on events and communication targeting a larger public.

A generalized problem in mobilizing technical assistance credits has been reported to us. As for all European credits, a correspondent amount of money should be put by state services and by all the partners of the program, in this case it concerns also the regions. We were told that European Commission is eager to make its action on regions visible and to promote European actions. Regions and other POP partners are reluctant to put their money in technical assistance initiatives, and in particular communication, since the European contribution to Plan Rhone barely reach 5% of the whole project.

To this regard we should point out that a collective cause around Rhone River is far to be reached. Similar conflicts emerged for the construction of the logo, which obviously cannot report all the institutional abbreviations. Finally an agreement was reached, overcoming a lot of resistances.

### **Staffing**

The under dotation in terms of staff dedicated to the animation of the program is to us the main gap affecting all the other dimensions of capacity building and technical assistance.

### **Trainings and animation**

As for training activities by the moment the managing services of Mission Bassin use to attend trainings organized by Europe Office of SGAR in order to improve their capacity to manage European projects, which was a totally new fact for the Bassin service. Bassin service used indeed to manage CPIER and to carry out national public policies, without having any experience of European Management funds. The Mission Bassin team first needed to acquire the new knowledge. By consequence they do not have either the time, or the capacity to hold training sessions for instruction services. A procedure handbook for instruction services exists, but it is often subjected to changes, showing the ambiguity about correct internal processes. Instruction services, mainly composed by field experts, with little knowledge of financial and management procedures related to European rules, clearly manifest the need for training and support form SGAR services. A little effort in editing common procedures guides has been made, causing little harmonization between services practices.

*« On such a program, it is not only about technical expertise, it also requires additional administrative expertise, in programming, in common instruction guides, on common project guides, and it has not been done. Each partner, each axe has its own guide, its own criteria »*

A lack of coordination with European mission causes confusion and destabilization among partners. Mission Bassin tended to work in autonomy for the programming, evaluation and monitoring of the program, without asking for European Unit support. By consequence it happened often that a dossier presented for programming by instruction services and considered eligible by Bassin Mission, turn out not to be in compliance with European rules after an internal control of controlling unit of European Sgar Mission. An audit of CICC clearly pointed this out, and a progressive collaboration between European Mission and Bassin one was established.

As for animation to promote the inter-regional cooperation a poor engagement can be pointed out. Our interviewees told us that technical meetings and programming committees are organized too rarely and normally take place in Lyon, confirming the centralized governance asset. Once again the lack of time is the main cause of the poor engagement. However this judgment should be nuanced, since a time demanding and sometimes silent coordinating activity is carried out every day, through emails contacts and calls.

It should be added that the limited animation effort and the problem between regional authority (in particular Rhone-Alpes) and the Prefect, generated a vicious

trends, with a low engagement of regional staff and politicians in technical and programming committees in which no “pregnant dossiers” for them are discussed.

### **Communication**

A distinction should be made between the communication reaching partners and captive public and more general public communications actions. As for the first type a newsletter is regularly written and circulated. A website specifically dedicated to Plan Rhone strategy has also been created. However, an evident delay should be pointed out: the website, which is really reach in terms of information on projects, official documents, charts, and multi-media supports, has been launched just in fall 2011 (three years after the official starting of the program). Nowadays a large improvement in communication activities and transparency of the program could be assessed, thanks to the launch of the website and the printings of documents detailing the global strategy. More general public events to make the Plan Rhone strategy known and to develop a new awareness of the river are regularly organized using the TA credits. These social events often take the form of artistic and big events manifestations.

### **National technical assistance**

In addition to this the national possibilities offered by DATAR in the framework of Europ'Act program are rarely exploited. An interregional working group, assembling all project managers involved in inter-regional programs has been created by DATAR. This is a typical action carried out by DATAR, the same groups exists for communication, evaluation and so on. Through debates and also informal meetings it aims at sharing experiences, funding solutions and promoting best practices for specific and more general problems related to inter-regional program animation and management. To this regard it is interesting to cite the example of a bottom up activity of animation and practice sharing promoted at inter-regional level and involving Rhone-Alpes Region. Rhône-Alpes region participates to an original interregional initiative of technical assistance and animation, called PUI 20 (Projets Urbains Intégrés 20), concerning urban integrated projects. This initiative was selected in 2009 by DATAR through an open call for projects financed through Europ'Act. It is bottom-up networking and practice sharing initiative promoted by people managing European projects (like resource centers) and not by managing authorities<sup>61</sup>. PUI 20 found a positive echo among local authorities (*départements*) and local politicians. The weak use of

---

<sup>61</sup> Three regional resource centers, Pays et Quartiers d'Aquitaine (PQA), Centre de ressources pour le développement social urbain (CR DSU) Rhône-Alpes, Centre de ressources Provenances Cote-Azur for PACA and the SGAR of Languedoc-Roussillon Region are the promoters of the project. The network regards 20 integrated urban projects. The main objectives of the network are: sharing practices and knowledge, increasing projects manager qualification, stimulating a common reflection particularly on new and complex issues such as sustainable development, mobility, technologies, and finally developing a collective debate and reflection on urban thematic. To this regard regular thematic meetings are organized, associating the project managers of all the projects and a web platform has been created. In Rhône-Alpes and Aquitaine the resource centers accompanied also the implementation of the urban section of ERDF, through a strict collaboration with municipalities and agglomerations.

technical assistance is not just a fact regarding SGAR services. The PUI 20 initiative clearly shows that other possibilities for enhancing practice sharing and animation exist, and that they can be promoted also by instruction services. In general we could assess a poor knowledge of Europ'Act financing possibilities among services involved in Plan Rhone.

### **8. What works**

The global evaluation about Plan Rhone and the real contribution of the inter-regional programs, and of the POP is not clear-cut.

If the main assessment criterion is the capacities of the organisations involved to plan, to program and spend, and to come to terms with EU rules and procedures (ie the first declination of IC), in a way the Plan Rhône is a success. Indeed after a first period of hesitations and delay, the rhythm of investment and spending seems now regular and should allow the consumption of most of the credits. As we said, if the share of EU funds in the global budget of the Plan Rhône is quite meagre, the ERDF rules served as a discipline to improve the management of funds. The automatic decommitment, the mid term evaluation allowed local actors to improve their skills in project management and financial engineering (the third declination of IC).

The delay experienced in the programming that brought to the decommitment in 2009 should not be overestimated. The complexity of the program, the inter-regional dimension combined with the multilevel coordination in each region demands for time to adjust. The deployment of a multifaceted sustainable development strategy over 30 years is a complex process.

But there are more discrete elements that also participated in the capacity of actors to plan, program and spend. One of these elements is the culture of partnership and contract, the habit to elaborate and fund projects in an inter-institutional way that the actors of French regional policies have developed for long. This practice of partnership did exist before the decentralisation reform of the early 1980's but it was institutionalised and reinforced with the development of the "*contractualisation*", ie the negotiation of the development projects and their funding in the frame of a contract involving the State and the various level of local and regional government. This practice enabled a global discussion on development plans and constrained the different institution to coordinate their action on a daily basis. It also helped to overcome too tight sectoral delimitations.

But what we observed in the Rhône-Alpes and Plan Rhône case is that this culture of project and partnership is nowadays at risk. It is threatened by the concrete effects of a conversion of the EU and the French central State to the principles of New Public Management. At the EU level, those principles are implemented through the drastic development of evaluation and financial controls that tend to divert actors from the content of policies. At the French State level, they are implemented through the wish to track the effect of each single funding, to



establish a clearer distribution of responsibilities, to separate the domain of competence of each partner, to reinforce financial controls, all of this in a context where the central State has less and less resources to ensure those controls. As stated by Le Galès and Scott (2008)<sup>62</sup>, this obsession for clarity, fund tracking and control diverts the actors from a reflection of the content and create a general atmosphere of distrust. In the case of the Plan Rhône, it has generated a kind of dramatic reassertion of the region prefect authority but without sufficient means to ensure its new duties of coordination and control. It has created a mundane use of technical assistance in communication rather than on training. It has created clear-cut divisions between the different axes of the program. It has generated a marginalisation of local government and the installation of a global climate of distrust that tends to ruin a genuine heritage of cooperation.

The implication of European credits did not bring a profound reflection of how to adapt the current institutional and programming bodies to an interregional plan. A clear problem of POP and *Plan Rhone* is project animation. This animation is easier if the proximity to the territories is enhanced in a wider context of interregional cooperation. The low engagement of *départements* and agglomerations in the global strategy is striking. This is a consequence of a generalized low activation and “see and wait policy” attitude of local authorities and of a governance apparatus that does not involve them in strategic and decisional processes. The future territorial reform will probably force the partners to review the governance apparatus.

The Plan Rhone has brought an exacerbation of regional authorities / central state conflict around European regional funds management. For the future programming the regions clearly affirm their intentions of re-viewing the governance framework of Plan Rhone, in a way giving them more autonomy and scope of action. Therefore they wish to establish a scene of negotiation where they can build the “regional” view on Plan Rhone strategy. If the intention of re-considering the institutional arrangements accompanying Plan Rhone implementation is reasonable, the general attitude of opposing regional / national views reveals how much the culture of institutional cooperation and capacity to collaborate is being deteriorating, with European projects serving as adjustments elements.

---

<sup>62</sup> Le Galès, P. & Scott, A.J., 2008. Une révolution bureaucratique britannique? *Revue française de sociologie*, 49(2), pp.301–330.

## List of interviews

<b>Organisation</b>	<b>Name</b>	<b>Function</b>
SGAR	Anne-Marie Garcia	Project Manager Mission Bassin
DATAR	Geneviève Blanck	Regional correspondent Aquitaine
Conseil Régional	Aude Drouot	Department Territorial Policies Responsible Rhone River Unit
Conseil Régional	Aurélie Bougel	Direction Europe, cooperation and international relations, Responsible EU funds programming
DREAL	Olivier Norotte	Risk management service, Responsible Rhone Mission
Réseau PUI 20	Isabelle Chenevez	Co-Director
CR DSU	Marion Pollier	Project Manager
SGAR	Marc Challeat	Regional Director
SGAR	Anne-Cecile Cotillon	Project Manager, Environnement, Sustainable Development and Rhone Méditerranée Bassin
AERMEC	Laurence Clotte	Director “Grand milieu Rhone”, Departement Bassin interventions and action
ADEME	Céline Labracherie	Project Manager CPIER Plan Rhone

# Toscana Case Study: the Integrated Sustainable Urban Development Plans (ISUDP)

Samantha Belotti, Claudio Calvaresi, Elena Donaggio<sup>63</sup>

## 1. Context related features



Tuscany is an Italian region located in the Central-Northern part of Italy. On the west it borders with the Tyrrhenian Sea, on the north with Liguria and Emilia Romagna, on the south with Umbria and Lazio. It has an area of about 23,000 square kilometres.

The regional administrative structure consists of 10 provinces and 287 municipalities. The regional capital is Firenze.

### 1.1 Socio-economic development

#### *Demography*

Tuscany region has a population of almost 3,7 millions of inhabitants (6,2 % of the whole Italian population), more than 2 million people (64,1%) is in working age and the 23,2% is older than 65 years (Istat 2010). The ageing index is 183%, one of the higher of the country (Istat 2011), in line with the Italian trend that puts Italy as one of the country in Europe with the oldest population. The presence of immigrants is taking on very significant proportions: with 338.746 residents recorded in 2010, 9% of the total population and higher than the national average (7%) (Istat 2010).

The population growth (7% between 2000-2010) is due to net migration rate and not to the natural rate, that is negative since years (-2,4% in 2010).

#### *Economic structure and employment*

The GDP of Tuscany is around 106 millions of Euros. GDP per capita is 22,100 Euros, 110% of the Italian average (Istat 2009), and equivalent to 114% of the EU27 average.

The economic structure of the region is largely characterized by the presence of SMEs, often organized around specialized “industrial districts”. Tuscany has 12 industrial districts, territorial agglomerations of small and medium size businesses interacting in a single production sector with a long tradition such as: textiles-clothing, jewelry, footwear,

---

<sup>63</sup> IRS Istituto per la Ricerca Sociale, Milano

fashion-design, marble, wood, furniture, paper, boat building, automotive. More than the 50% of the regional firms have less than 10 employees, 13% have between 10 and 49 employees (Istat 2010).

The manufacturing sector is well represented: there are some traditional industrial sectors as well as several important smaller centres specialised in manufacturing and craft industries, while along the coast it is possible to observe the presence of some old heavy industries (shipbuilding, mining, chemicals).

In 2009, the ‘fashion segment’ (textiles, clothing, footwear and leather) covered the 5,2% of the regional firms (2% of the Italian fashion industry), while trade, hotels and public services represented the 55,9% (Infocamere).

*Variation of employment in three key economic sectors: Manufacturing, Retail, tourism and food service, and Other service compared to 2004*

	2005	2006	2007	2008	2009	2010
<b>Manufacturing</b>	-3,1%	-8,1%	-4,7%	-0,4%	-8,6%	-18,0%
<b>Retail, tourism &amp; food</b>	-0,8%	7,4%	5,2%	8,8%	3,0%	5,9%
<b>Other service</b>	4,6%	8,3%	7,3%	8,6%	14,6%	14,1%

source: our elaboration on Istat database

In the last 15 years employees have grown of 180.000 unities (8,6%, more than the Italian average of 7,6%), due to the increase of services and the third sector while the manufactories have lost almost 5% of its working force. Tuscany is the Italian region where this trend has been particularly dramatic, since the average is about 0,6% (Irpel 2007).

Thanks to the environmental amenities and the cultural heritage of Tuscany, tourism represents a great opportunity of investments and of development. Each year 11,5 million people arrive in the region and 41,5 millions people stay (almost 20 millions from outside the country) (Regione Toscana, 2009). Compared to Italy, Tuscany hosts 11% of total foreign tourists and it has the 10% of the touristic capacity of the Country (480,000 beds) (Irpel, 2009). Although in 2008-2009 the crisis did affect also the touristic sector, from 2010 the development trend re-started increasing.

The working population is almost 1,5 million and it is so distributed: 3,6% agriculture, 27,9% industry and 68,5% private and public services (Istat, 2010). Female participation is 59,3%, one of the highest in Italy where the average is 50,43% (Istat 2007), and comparable to the OECD countries average of 60,4 % (OECD 2005).

Unemployment in Tuscany has grown in the last years especially after the crisis of 2008. In 2010 unemployment in Tuscany was 6,1%, much lower than the national average of 8,4% and of the EU 27 average of 9,6 % (Eurostat).

### Unemployment rate in Tuscany and Italy between 2003- 2010

	2003	2004	2005	2006	2007	2008	2009	2010
<b>Tuscany</b>	4,9	5,2	5,3	4,8	4,3	5,0	5,8	6,1
<b>Italy</b>	8,4	8,0	7,7	6,8	6,1	6,7	7,8	8,4

source: our elaboration on Istat database

### Employment rate in Tuscany and Italy between 2003- 2010

	2003	2004	2005	2006	2007	2008	2009	2010
<b>Tuscany</b>	67,2	66,8	67,6	68,7	68,7	69,4	68,9	67,8
<b>Italy</b>	61,4	61,3	61,5	62,5	62,8	63,0	61,7	61,1

source: our elaboration on Istat database

### Infrastructures and energy

In 2009 the regional social and infrastructural stock of the region, in terms of both social infrastructures (such as schools, health structures, cultural and leisure centres) and economical infrastructures (harbour, airports, roads, banks, logistic networks) was high in line with the national average (Source: Istituto Guglielmo Tagliacarne).

Regarding accessibility and transports, the Tuscan economy benefits from a good infrastructure system: the density of the railways and roads is similar to the national average; maritime transport of goods and persons covers over 11% of the total sea traffic in Italy as a whole.

Anyway, from the point of view of the economical infrastructures, Tuscany shows some differences in terms of equal distribution among the different provinces. For example Prato, hearth of the textile industrial district has an index of 41,3 for road accessibility and 44,6 for railway accessibility, while Lucca has respectively an index of 187,1 and 91,6<sup>64</sup>.

Tuscany has a rich and organic system of Universities, research centres, development agencies and so on, which represent important infrastructures that help the evolution of local economic systems.

<b>Universities</b>	3 university, 5 Higher Education Institutes, many foreign universities. Tuscany is the 6th in Italy for what it concerns the presence of univesrity research centres (they are 896). (Source: Osservatorio regionale della Ricerca – IRPET/Regione Toscana e MIUR)
<b>Scientific and technological Poles</b>	- Tuscany Life Sciences Park of Siena: started in 2006 deals with biotechnology. There are almost 60 researchers and 23 firms; - Navacchio Scientific and Technological Centre: started in 1999 deals with different sectors: electronic, biomedical science, computer science and today hosts 42 high-tech firms;

<sup>64</sup> Istituto Guglielmo Tagliacarne, *La dotazione Infrastrutturale nelle provincie italiane*, 2009

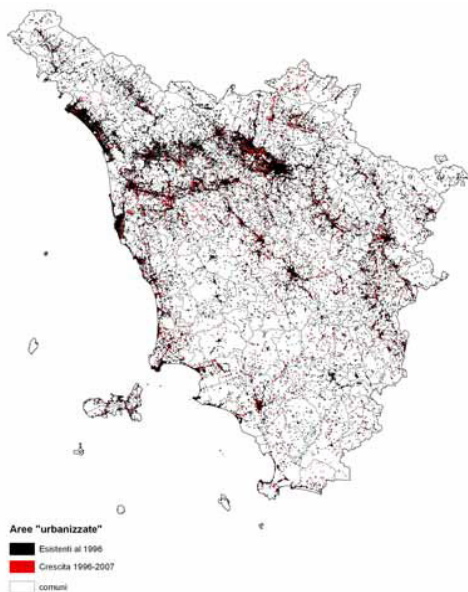
	<ul style="list-style-type: none"> <li>- the Sant'Anna Valdera Center, that together with the biomedical Pontedera Centre and the one of Peccioli host all the spin off of the school (20 firms);</li> <li>- Florence Incubator of the new technological firms of Florence, where 9 firms are hosted.</li> </ul>
--	--

The percentage of energy produced from alternative sources amounts to over 22% for Tuscany, an extremely high rate compared to the other regions in Italy (the average in Italy is 3%). Anyway, compared to other Italian regions, Tuscany's autonomy on energy production is very limited: the total energy consumption did grow of 14% in the period 1995-2003 and the rate between production and consumption of energy is negative.

### *Urban settlements and territorial systems*

Population is concentrated in the urban areas (especially the metropolitan area of Florence-Prato- Pistoia) that occupy less than the 10% of the region but where the density is 361 ab/sq km. More than half of the regional territory has a density index lower than 152 ab/sq km. It is the area dominated by hilly and mountainous land with limited but very fertile flat agricultural plan, characterized by a network of small and medium sized cities. Most of them (236 out of 287) have less than 15,000 inhabitants, and 140 have less than 5,000 inhabitants. In general 51% of residents live in municipalities of less than 30,000 inhabitants. The trends over the last decade have shown a migratory flow from the large urban areas to the smaller surrounding municipalities, in some cases with evidences of sprawling and peri-urbanization processes.

*Urban areas in Tuscany in 2007 (in dark the most urbanized areas)*



source Irpet, *Urbanizzazione e reti di città in Toscana: Rapporto sul territorio 2010, 2011*

The population distribution, together with the phenomena of industrial districts and peri-urbanization, creates specific territorial systems. In Tuscany these structures have been described by the concept of Local Economic Systems (LES)<sup>65</sup>. Their configuration depends on the different dimensions of the economic development of a specific territory: the open-urban systems of Firenze and Siena, the urban regional systems of Pisa, Livorno and Grosseto, the open industrial systems of Prato, Empoli, Lucca, Arezzo e Pistoia, the touristic-manufacturing systems of Massa Carrara, Valdelsa, Casentino, the rural-touristic systems of Chianti Senese, mountains around Pistoia..., and the open touristic systems of Garfagnana, Lunigiana.

From the point of view of land use, Tuscany in 2000 had anyway the lowest index of urbanized territory (4,1%, compared with the 10,4% in Lombardy)<sup>66</sup>.

## **1.2 Institutional and political characteristics**

### *Institutional thickness*

Tuscany is characterized by the presence of institutions with a very strong tradition and identity. The political representation of Tuscany has a deep stability and the Regional Authority has been guided by left-wing coalitions since the birth of the regional administrative level (1970), as well as the majority of the Municipalities and Provincial Councils.

The strong civic tradition of the region is linked back to the medieval municipalities, an heritage that still is part of the local identity. In terms of social capital, some key indicators can give a synthetic image of the region. Tuscany is ranked 3rd among the Italian regions for population engaged in voluntary activities (Lombardy 4161, Tuscany 2684)<sup>67</sup>. According to a recent survey developed at Nuts III level to measure the social capital in Italy, Tuscany provinces are always largely above the average<sup>68</sup>. The third sector is strongly part of the development of this region and the role of these social actors grew in importance.

The economic actors together with the civil society and the institutions determined the appearance of a virtuous 'social construction of the market'<sup>69</sup>, characterized by strong communitarian bonds, and by the presence of a shared political, social, and cultural

---

<sup>65</sup> The first document that mentioned the Local Economic Systems was the Regional Territorial Plan of 1998.

<sup>66</sup> IRPET, (2010), *Urbanizzazione e reti di città in Toscana, rapporto sul territorio 2010*, Firenze.

<sup>67</sup> Ministero del lavoro e delle Politiche Sociali, DG Volontariato, Associazionismo e Formazioni sociali, (2011), IV Rapporto- Intermedio. Biennale sul volontariato, data are referred to 2010 and have been elaborated by Isfol.

<sup>68</sup> Cartocci R., (2007), *Mappe del tesoro. Atlante del capitale sociale in Italia*, Il Mulino, Bologna. The index of social capital has been constructed measuring three indicators: voters turnout, blood supply, participation to sporting activities.

<sup>69</sup> Bagnasco A. (1986), *La costruzione sociale del mercato*, Il Mulino, Bologna.

identity, that contributed to the generation of the necessary ties of cooperative and competitive behaviour among economic actors and to the promotion of stable networks of inter-firm relations. The success of the Italian industrial districts has therefore been linked to the high level of territorialisation of socio-economic interaction within industrial districts.

According to a recent index proposed by an Italian ONG, Tuscany is the third Italian region in terms of quality of regional development<sup>70</sup>. Quality of life in Tuscany is higher than the national average: a low presence of criminality, contained unemployment, a better economic performance compared to the national average.

### *Planning and programming system*

From 1980 the Regional Authority introduced a four year plan that identifies strategies for the socio-economic development (the Regional Development Plan - RDP). The Regional Development Programme is consistent with the programme of the regional government, and gives the main guideline for regional strategies. Regional Law 48/1999 ("Regulations regarding regional programming") and further legislative acts promoted the development of policies concerning either growth, social cohesion and empowerment of the civil society. The law requires the regional programmes and plans to be multi-annual documents containing analysis of the structural context, defined strategies with clear aims and goals, types of intervention and financial framework. Furthermore procedures for consultation and dialogue with institutions must be included with regards to the concept of participation and partnership.

The last RDP 2006-2010, that gave the major guideline for investments in the period when the policy we are analyzing took place, focused on 4 strategic programs related to Competitiveness of the integrated regional system, citizenship (work and cohesion, culture and quality of life), sustainable development and governance (knowledge, participation). The programs reflect the aim of a better integration between different sectoral plans and programs, in order to create projects able to produce deep positive impacts on regional economy.

From the point of view of the policy style, the Region is characterised by a model of social partnership and policy concertation. The culture of planning and programming is deeply rooted in Tuscany.

The programme of regional expenditure is done together with decentralized institutions, as the Provinces that have grown in importance, especially after the experience of the 2000-2006 Objective 2 SPD (ERDF programme). There are 10 provinces, that in the frame of

---

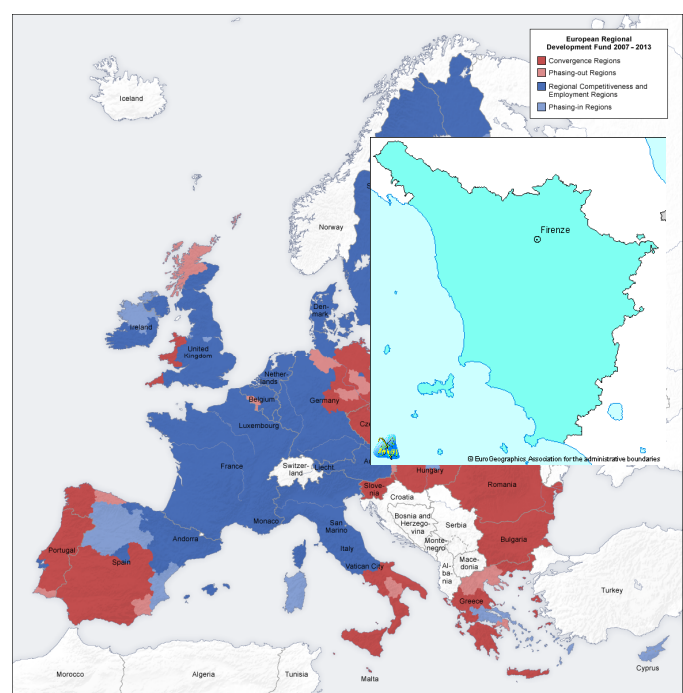
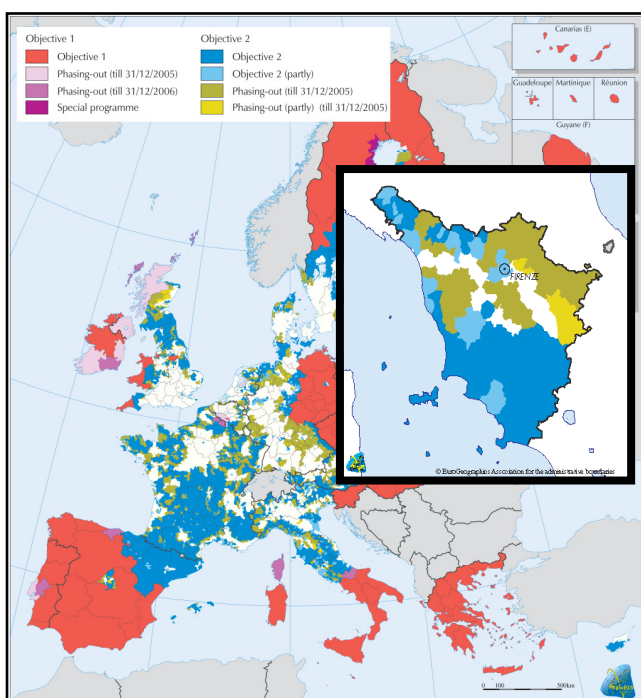
<sup>70</sup> The index, called QUARS, measures the quality of regional development considers 41 indicators articulated in 7 dimensions: environment, economy and labour market, rights and citizenship, health, culture and instruction, equal opportunities, public participation



the devolution tries to manage some environmental and economical resources and that have their own planning structure. At the provincial level the Local Development Pact (LDP), that lays out the priorities for development that are the result of a concertation between Regional and local Authorities, stakeholders and local associations, has been introduced.

During 2000-2006 half of its territory was classified as an objective 2 area, while in the 2007-2013 it figures among the ‘Competitiveness and Employment’ regions of EU Cohesion Policy.

*Structural Funds: Eligible areas in Europe and in Tuscany during ERDF 2000 -2006 (left) and ERDF 2007-2013 (right)*



source: DG Regio website

## 2. Telling the story of the intervention

### 2.1 Background. The ROP and the programming framework of Regional Government: strategies and approaches

On August 2007 the European Commission approved the Operational Programme for Tuscany under the “Regional Competitiveness and Employment” objective for the period 2007-2013. The OP had a total budget of about 1.1 billions Euros, with an EU contribution

of 338.4 Millions Euros<sup>71</sup>.

The Priority 5 of ROP ('Improving the endogenous resources for the sustainable territorial development') considered cities as 'engines of growth', 'strategic knots of fundamental webs for promoting processes of sustainable economic growth'. Moreover, it gave an image of "Urban Tuscany" that represents different typologies of cities: big cultural attractors, cities which are capitals of industrial districts, cities that are experimenting a post-industrial transition. Here, an interesting point can be raised: the ROP tried to use structural funds to deploy a territorial strategy, to support a certain vision for the future "Urban Tuscany". In such a strategy, ROP shared common approaches with the two programming tools that the Regional Government issued in the same period.

ROP was prepared right after the Regional Development Plan 2006-2010 (RDP), approved in May 2006<sup>72</sup>. The elaboration of the ROP, therefore, became part of the implementation strategy of the RDP and it was designed consistently with it, regarding at least three different aspects: the interpretation, according to a vision that defines the Tuscany of the cities as an urban polycentric system; the substantive objectives (urban regeneration, local development, environmental sustainability, concentration of investments); the process objectives (integration, public-private partnerships, community involvement).

In October 2007, the Regional Territorial Plan (RTP) was approved. It provided a clear interpretation of the territorial development of the region, based on an urban polycentric system of towns and middle sized cities<sup>73</sup>. This interpretation was explicitly in line with the goal of the 'European Spatial Development Perspective' in order to support territorial cohesion, horizontal governance and integration. Urban agglomerations, cities and towns were seen as nodes of the world economy that needed to be supported and stimulated in order to produce innovation.

A final point concerns the Integrated Local Development Plans (ILDPs), that constitute a legacy from the past programming period 2000-2006. ILDP was a tool for promoting economic development strategies according to principles of integration (ILDPs were a set of operations belonging to different sectoral policies), negotiation (identified through the involvement of public and private partners), spatial concentration (referred to a specific territory)<sup>74</sup>. The interesting point here is not only that ILDPs represented the "cultural forerunner" of the ISUDPs, but above all that their preparation stage incorporated a significant process of capacity building for the local authorities. Since 2003, the Regional

---

<sup>71</sup> Giunta regionale Toscana, *Programma Operativo Regionale "Competitività regionale e occupazione" FESR 2007-2013*, luglio 2007.

<sup>72</sup> Giunta regionale toscana, *Piano regionale di sviluppo 2006-2010*, maggio 2006.

<sup>73</sup> Regione Toscana, *Piano di indirizzo territoriale della Toscana*, febbraio 2008

<sup>74</sup> ILDPs have represented an important initiative for the territorial development policies. A total of 544 infrastructure projects was submitted for an amount of 352 million Euros. Ten ILDPs have been granted and out of a request of 123.8 MEuros, there has been a regional contribution of approximately 60 MEuros.

Evaluation Unit (NURV) managed, together with Formez<sup>75</sup>, information and training actions for local authorities officers. In the same year, the NURV issued a guidebook for the elaboration of ILDPs and organized a help desk to assist the local authorities in the preparation of ILDP proposals<sup>76</sup>.

## **2.2 The decision-making stage: designing the ISUDPs**

The Integrated Sustainable Urban Development Plan (ISUDP)<sup>77</sup>, “) is the delivery mechanism of the policies drawn in the Priority 5 of the ROP, in particular for the Measure 5.1 (“Interventions for the requalification of the urban environment and of the industrial areas to create and improve community infrastructures, services for the enterprises and space and services for collective exploitation”) and the Measure 5.2 (“Interventions for the protection, improvement and promotion of the natural and cultural heritage in the urban environment aimed at the development of sustainable tourism”).

The focus of ISUDP is on the urban dimension as a fundamental part of the economic development strategy, stated in the programming and strategic documents of Tuscany Regional Government and strongly affirmed by the European Commission in the Council Regulation N. 1083/2006 at the point 13 of its Consideranda. ISUDP is a coordinated and systematic set of public and private actions aimed at enhancing sustainability and combining a better urban and environmental quality with a higher economic competitiveness. Its goals are the following: to increment the attractiveness and the competitiveness of Tuscany cities, to put sustainability as fundamental factor of development policies, to cope with the new challenges of economic competitiveness according to an integrated approach, to involve and mobilize a plurality of private and public actors, etc.

The total investment of the Tuscany OP 2007-2013 is about 1.1 billions Euros and for the Priority 5, 277 MEuros<sup>78</sup>. The resources that had been allocated to the ISUDPs at the starting point of the programming period were about 134 MEuros, co-financed by ERDF with 42 MEuros and for the rest by national funds.

The process started with the Regional Decree n. 785 of 2007, that identified the eligible territories for Priority 5<sup>79</sup>. It stated that, in order to be eligible, the Municipality should

---

<sup>75</sup> Formez is an association of Italian local authorities that provides studies, technical assistance and training services for public administrations.

<sup>76</sup> Nucleo Unificato Regionale di Valutazione, *Vademecum per la predisposizione dei PISL*, Regione Toscana.

<sup>77</sup> In Italian, Piano Integrato di Sviluppo Urbano Sostenibile (PIUSS).

<sup>78</sup> The other Priorities are: Priority 1 R&D, innovation, entrepreneurship 399 MEuros, Priority 2 Environmental sustainability 93 MEuros, Priority 3 Competitiveness and sustainability of energy production 53 MEuros, Priority 4 Transport service and accessibility 319 MEuros.

<sup>79</sup> R.D. n.785/2007 “Orientamenti per l’individuazione dei territori eleggibili (...) dall’asse V ‘Valorizzazione

exceed 20.000 inhabitants and that each ISUDP should amount investments for 20 MEuros at least.

In December 2007, the Regional Decree n. 986 defined the perspectives for the implementation of Priority 5<sup>80</sup>. It underlined that the basic approach for the delivery mechanisms of such Priority Axis were the following: integrated nature of the interventions; previous assessment of the expected impacts, selecting strategic interventions in order to concentrate and to not disperse resources; environmental sustainability; public-private partnerships. Moreover, it determined that ISUDPs should have regarded a well defined part of the city and guaranteed a spatial propinquity of the interventions.

In March 2008, a document containing the terms of reference for ISUDPs was issued by the Regional Government<sup>81</sup>.

The ISUDP must regard Measure 5.1 and 5.2 of ROP. In particular, for Measure 5.1, it must correspond with the following Lines of activity:

- 5.1a: interventions for the recovery and regeneration of the urban fabric and of the brown fields, to create new community services and advanced services;
- 5.1b: interventions for the creation of spaces for leisure, tourism and shopping;
- 5.1c: social infrastructures and services to support 'social citizenship';
- 5.1d: nurseries.

The ISUDP must comply with a certain number of requirements, among them: the interventions should have reached the level of preliminary design stage<sup>82</sup>; the total amount of the investments should stay between 20 and 50 MEuros; one single intervention must not exceed the 30% of the total amount of the investments.

The Managing Authority of ERDF will be responsible for preparing the Expression of Interest for the Municipalities, for checking the eligibility of the ISUDP proposals, and for assessing them. A Coordination Unit, composed by the Responsible Officers of each of Priority Measures and Lines of activity, the representatives of the Regional DGs Territorial and Environmental Policy, and Programming policies.

---

delle risorse endogene per lo sviluppo territoriale sostenibile' del POR FESR 2007/13"

<sup>80</sup> R.D. 986/2007 "La dimensione urbana nel POR cReO FESR 2007-2013: i Piani integrati urbani di sviluppo sostenibile. Orientamenti per l'attuazione dell'asse V".

<sup>81</sup> RD 205/2008 "Disciplinare di attuazione PIUSS –POR CreO/Fesr 2007/2013- Asse V"

<sup>82</sup> The Governmental Decree 163/2007 identifies three levels for the designing process of the public works: preliminary, definitive, executable.

The document set also the process of preparation of ISUDPs. After the Expression of Interest, the Municipalities will have 30 days to prepare a Strategic Policy Statement (SPS) and to present it in a Concertation Conference.

The SPS must identify the medium and long range objectives for sustainable development, the level of cohesion and competitiveness of the area selected for ISUDP with respect to the city as a whole, and the coherence of the ISUDP with the urban and territorial plans.

The Concertation Conference will discuss the SPS and its components could present their own projects and initiatives to be inserted into the ISUDP'. The Conference is formed by: local authorities, public institutions, universities, Chamber of Commerce, representatives of business community and trade unions, associations of civil society, NGOs, etc.

At the end of the ISUDP preparation, the Municipality will organize a second session of the Concertation Conference in order to approve it, to sign a Memorandum of Understanding and to send to the Managing Authority.

The assessment procedure will be developed by an Evaluation Committee, formed by the Managing Authority and the before mentioned Coordination Unit.

A document of March 2008 specified, besides the eligibility criteria, a set of criteria that the Evaluation Committee will follow for the assessment of ISUDPs<sup>83</sup>. A first set was referred to the content assessment: coherence of ISUDP with the regional and provincial programming framework, relevance of the interventions with reference to the objectives of urban competitiveness and local welfare, level of integration and sustainability of the interventions, quality of the management tools, quality and inclusiveness of the participation process, etc. A second set of criteria regarded the rewarding criteria, such as technical feasibility of the interventions, the level of public and private co-financing.

In May 2008, the Managing Authority issued the Expression of Interest for the Municipalities<sup>84</sup>. The EoI was addressed to all the Municipalities above the 20,000 inhabitants and specified that they have 220 days to send the ISUDP to the M.A. for the eligibility check and the subsequent assessment<sup>85</sup>. An interesting point might be raised here: one of the annexes to the EoI tried to facilitate the Municipalities in designing and implementing the participation processes, and gave them suggestions with reference to

---

<sup>83</sup> R.D. 239/2008, "Priorità e criteri di valutazione approvati dal Comitato di Sorveglianza del POR FESR del 26.03.2008"

<sup>84</sup> Decreto Dirigenziale n. 2326, "POR 'Competitività regionale e occupazione' FESR 2007-2013. Asse V: Avviso per la manifestazione di interesse al cofinanziamento di Piani integrati di sviluppo urbano sostenibile (PIUSS)", 26.05.2008.

<sup>85</sup> The Region Government subsidized those Municipalities that presented the EoI with 120.000 Euros in order to support the preparation of ISUDP.

which methods and participation techniques might be used.

In the following months, the M.A. issued various documents in order to clarify some aspects of the ISUDP process of preparation, and to define the scores for the assessment procedure. The deadline for submitting the proposal was definitely fixed on 9<sup>th</sup> March 2009. Each selected ISUDP would had to present the final version of its own projects by March 2010, and to finalize them by the end of December 2014.

Summarizing, the main characteristics of ISUDPs are the following:

- a. **a competitive mechanism:** municipalities can bid for the European co-financing with a proposal, a masterplan and presenting a set of interventions able to deeply influence development;
- b. **the concept of concentration**, that is declined in the territorial dimension (the eligible cities are those with more than 20,000 inhabitants or combinations of cities), the financial dimension (a minimum of 20 Meuros and maximum of 50 Meuros threshold for the total investment of a ISUDP);
- c. **an integrated and area-based approach**, since the ISUDP must have physical and functional combination of measures in selected areas;
- d. **a concertative and participatory process**, that has been used both for the construction of the ISUDP model at the regional level (that is the outcome of a long process of interaction between different actors) and at the municipalities level (regard
- e. ing the construction of the strategy and the investments). Indeed the ISUDP respond both to horizontal and vertical partnership and manages the relationship between the public, the private and the third sector;
- f. **selectivity**, the procedures for the assessment of the plans is linked to three different kinds of criteria: eligibility criteria, selection criteria (quality of the project) and rewarding criteria (technical and financial feasibility);
- g. **transparency and technical support**, the Region played an important role giving clear and detailed procedures in order to organize the process of elaboration of the ISUDP (i.e. convocation of a conference at the Municipality level to concert plan among the local stakeholders aimed at drawing up an agreement of cooperation, elaboration of a Strategic Plan).

*Chronology of ISUDP decision-making process, since its background*

<i>Date</i>	<i>Activities</i>
2006 May	Approval of the Regional Development Plan 2006-2010
2007 August	Approval of the ROP
2007 October	Approval of the Regional Territorial Plan

2007 November	R.D. 785/2007: "Criteria for identifying the eligible territories for Priority 5"
2007 December	R.D. 986/2007: "The Urban dimension in ROP FESR 2007-2013: the ISUDPs. Piani integrati urbani di sviluppo sostenibile. Criteria for the implementation of Priority 5"
2008 March	R.D. 205/2008: "Terms of reference for the ISUDPs"
2008 March	R.D. 239/2008: "Priorities and Assessment Criteria for ISUDPs"
2008 May	Expression of Interest for the Municipalities
2008 June- 2009 March	Preparation of ISUDPs by the Municipalities
2009 March	Submission of ISUDPs to the regional Evaluation Committee
2009 March	Evaluation of the ISUDPs
2009 October	
2009 October on going	Implementation of ISUDPs
2014 December	Expected closure of the interventions

**2.3  
The  
prepa  
ration  
stage:  
How  
ISUDP  
s  
have  
been**

### ***elaborated at local level***

During more than eight months of work, the Municipalities worked hard to prepare the ISUDPs. Many informal meetings between the different municipal departments involved in the process, with the M.A. and with local stakeholders took place. Municipalities organized two or more sessions of Concertation Conference, discussing and negotiating the content and the strategy of ISUDP.

At the end, the final document that municipalities sent to Regional Authority contained:

- the Strategic Policy Statement containing the general vision and the proposed projects in a target area;
- the description of the Concertative process and related documents;
- a partnership agreement of all the stakeholders involved;
- the projects description, their cost and the state of implementation, and management plans<sup>86</sup>.

The following part presents a brief description of four ISUDP cases, which have been selected in order to have a certain variety of situations: an ISUDP for a city searching for a new identity, the ISUDP that scored first according to the final assessment, an inter-municipal ISUDP, an ISUDP that has worked according to a clear strategy of urban regeneration.

### **The ISUDP of the Alta Valdelsa 'City of Cities'**

The ISUDP is the result of a strong collaboration between two municipalities (Colle Val

<sup>86</sup> An exhaustive analysis of the content of ISUDPs is in: Pingitore, Rignanese, "Toscana: I Piani integrati di sviluppo urbano sostenibile (Piuss)", *Urbanistica Dossier*, n. 113, 2009.

d'Elsa and Poggibonsi) that worked together in order to reach the threshold of 20.000 inhabitants required by the call. It is an important experience that put the two administrations working together with a very strong attention to feasibility. The Provincial Authority played a crucial role in the ISUDP, supporting the process and promoting the partnership between the two municipalities.

The project concerns the conversion of a former railway line into a cycling path and the refurbishment of some public building along the way. The project aims at promoting economic regeneration of those parts of the territory which are losing their manufacturing basis and are converting into a commercial and touristy identity.

### **The ISUDP of Follonica 'The central park'**

Follonica is the smallest municipalities that had access to the regional co-financing. The success must be found both in the quality of the project and in the role that the administration, and especially the mayor of the city, played in order to sustain and manage the whole process.

Localized on the Tyrrhenian coast, Follonica was an important industrial pole for the transformation of iron. The ISUDP is related to the refurbishment of the old iron factory (Ilva) and the creation of a big park in the centre of the city instead of the former hippodrome.

The whole process is characterized by an intensive participative process that started in 2004 with the construction of the local strategic plan through a concertation process.

### **The ISUDP of Lucca 'Lucca inside'**

Lucca's ISUDP has been able to move a rich consensus among different actors both at a local and provincial level. It has produced projects that are going to transform an important part of the historical city, (inside the walls of the medieval city) preserving the heritage but at the same time promoting development. The projects are related to three main areas: the creation of new public spaces and tourism accommodation, the refurbishment of urban infrastructures, the creation of spaces for development of SMEs with an high innovative content.

The whole operation was carried out by a specific office set up inside the administration that had an experience in the field of European funds and integrated projects (for example with the participation to Life projects, Agenda 21) and that worked hardy in order to make this process as much transparent as possible. A strategic role has been played by the responsible of the all project and by the use of some external actors able to give legitimacy to the whole project.

As a result, Lucca is now transposing the experience of 'Lucca Dentro' to a project called 'Lucca fuori' for the part of the city outside the walls. The procedures that the administration is now following are the same of those suggested by the Region with the ISUDP.



### **The ISUDP of Arezzo ‘ The polyphonic city: Arezzo changes its rhythm’**

The ISUDP works on six major places which will develop infrastructures for the promotion of culture and the innovation of a traditional sector of local economy (that of jewellery). The leading idea of the plan is to promote innovation and work qualification. Piazza Grande, for example will host the spaces and labs for music production, while the barracks will host enterprises linked both to culture, new media production and design.

#### **2.4 The assessment stage. The results**

The Evaluation Committee, set up in March 2009, has been working for six months. Firstly, it checked if the proposals could be declared eligible. After that, it ranked the proposals and decided the distribution of the financial resources among them.

According to the assessment criteria, each ISUDP could gain up to 100 points:

- up to 15 points for the level of internal and for external consistency with the programming framework at local and regional level;
- up to 30 points for the integration with cross sectoral strategies of the OP (environmental sustainability, equal opportunities and non discrimination);
- up to 50 points for project quality, that were given according to 4 different sub criteria: functional integration of operation and their capacity to influence local development, relevance of functions and services generated with regard to competitiveness and local welfare, level of financial and economic sustainability, quality of the management tools of the plan and of its individual operations;
- up to 5 points were given taking into account the effectiveness of the participatory process.

A minimum of 70 points was necessary to pass the first part of the selection. Rewarding criteria (up to 30 points) were related to two macro-criteria:

- technical feasibility of each ISUDP and of its single operations: those projects presenting a more advanced planning level could be rewarded with additional score;
- public and private funding available at local level on the total cost of the project for the co-financing.

*The 21 ISUDPs presented to the assessment procedure*



source: *Urbanistica Dossier*, n. 113, 2009

The assessment was carried out by the Evaluation Committee and has been issued in October 2009, with the following results:

- 21 municipalities presented 17 ISUDPs, three of them having been prepared by more than one municipality.
- 16 ISUDPs have been declared eligible: 12 as the so-called 'ISUDPs of first level' (because they scored more than 70 points in the assessment procedure), 4 as 'ISUDPs of second level'. The former have been partially subsidized by ERDF funds, whilst the latter only by national funds.
- Currently just 14 ISUDPs remain: Prato resigned in October 2010 and Piombino in April 2011.
- There was an average of 18 projects for each ISUDP;
- 280 projects were eligible (out of 323 submitted projects) and were distributed as follows: 100 projects for infrastructure for tourism and trade, 82 projects for culture, 26 projects for infrastructures for economic development, 56 projects for social infrastructure, 16 projects for infrastructure for childhood. Of these 214 have been approved;
- The submitted projects were concentrated on the measures for tourism and trade (30%) and for the regeneration of cultural heritage (40%), but also some important projects in the social field (16%) have been activated and some (14%) the economic development;
- The Evaluation Committee made a distinction between 'key projects' (that are projects whose importance is crucial and strategic for carrying out the whole plans) and 'functional projects' (whose execution is subordinated to the first), in order to divide more equally the funds;
- The total amount of the investments was of almost 550 MEuros;

- The municipalities' request for co-financing of 304 MEuros was higher than the available resources.

*ISUDPs presented, total eligible costs, contribution\**

No.	Municipalities	Total eligible costs €	Contribution €
1	Arezzo	31.757.599,00	16.616.948,00
2	Viareggio	39.532.316,00	21.373.727,00
3	Lucca	48.543.300,00	28.968.907,00
4	Pisa	41.159.165,00	23.973.844,00
5	Firenze, Scandicci, Campi Bisenzio	46.430.534,83	25.719.282,10
6	Colle Val d'Elsa, Poggibonsi	40.187.354,00	21.826.347,00
7	Livorno	26.842.277,00	15.565.349,00
8	Pistoia	23.564.764,00	14.009.557,00
9	Carrara, Massa	50.668.026,00	15.540.034,00
10	Follonica	39.737.969,00	333.788,00
11	Grosseto	32.495.485,00	15.241.532,00*
12	Montevarchi	29.045.881,00	13.948.763,00*
13	Quarrata	26.184.972,00	4.504.549,00*
14	Cascina	24.592.610,00	10.088.328,00*
<b>Total</b>		<b>529.722.585,00</b>	<b>208.410.412,00</b>

source: our elaboration on data available on <http://www.regione.toscana.it/creo/piuss/>

\* From 1 to 10, contribution comes from ERDF funds. From 11 to 14 it comes from national funds.

### 3. Actors involved

In order to analyse the actors involved in the process that brought to the definition of ISUDP's it is important to look at two different scales of intervention: the regional and the local level. Each of them has its own specific action arena, with its specific network and scope.

The regional arena has, as central actor, the Managing Authority of OP. It is under the Directorate of Economic Development (DG Sviluppo economico) that manages the programme design, monitoring and evaluation<sup>87</sup>. The MA works together with several regional departments: DG Training and cultural policies, DG health and Solidarity policies, DG presidency, DG Environmental and territorial policies. All together they form the Coordination Group, that through a Concertation Table involves the Provincial Authorities and the representatives of local authorities.

<sup>87</sup> The Directorate Economic Development (DG Sviluppo economico) has a specific Sector for the management of the operative program and manages the European funds, CIPE funds, funds under INTERREG (replaced in 2007-2013 by funds under the new objective 3 of Cohesion Policy and ENPI for internal and external cross-border cooperation respectively), projects within the 6th (and now 7th) Framework Programme as well as other specific projects and networks targeting innovation and development of the knowledge society.

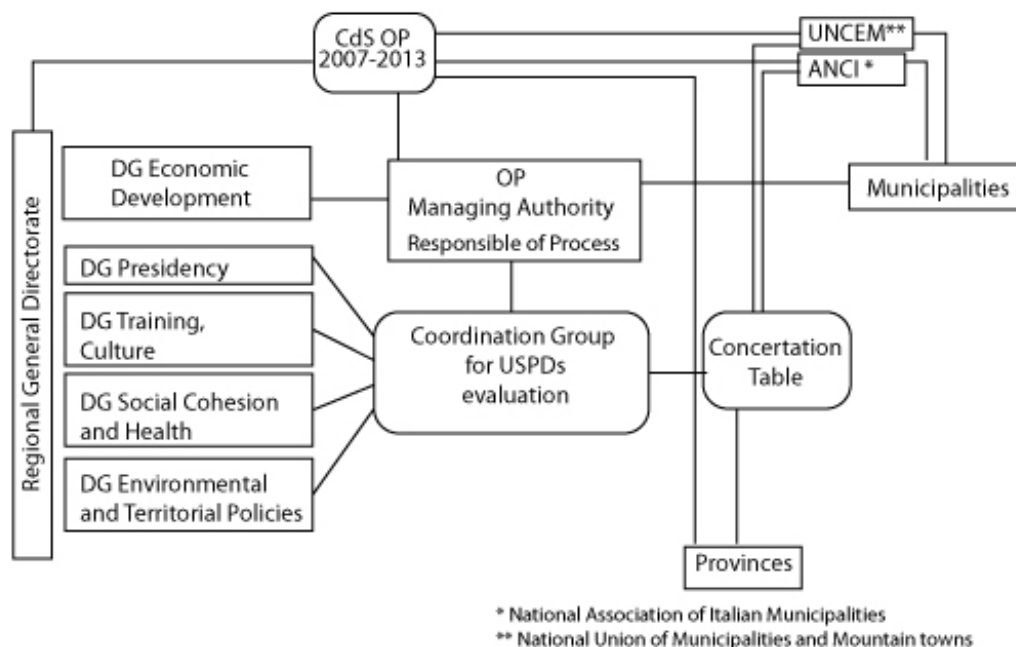
The Managing Authority is in charge of:

- preliminary studies and implementation of the Terms of reference of the ISUDP (Disciplinare di attuazione) and criteria for the call;
- co-ordination of the procedures for formal admissibility;
- co-ordination of the assessment procedures.

Finally, the “Comitato di Sorveglianza” supervises the implementation of ROP.

The 10 Provinces were involved in the process of selecting projects and they were asked to verify the consistency of the interventions proposed by the municipalities with the indication of PASL (Pacts for local development).

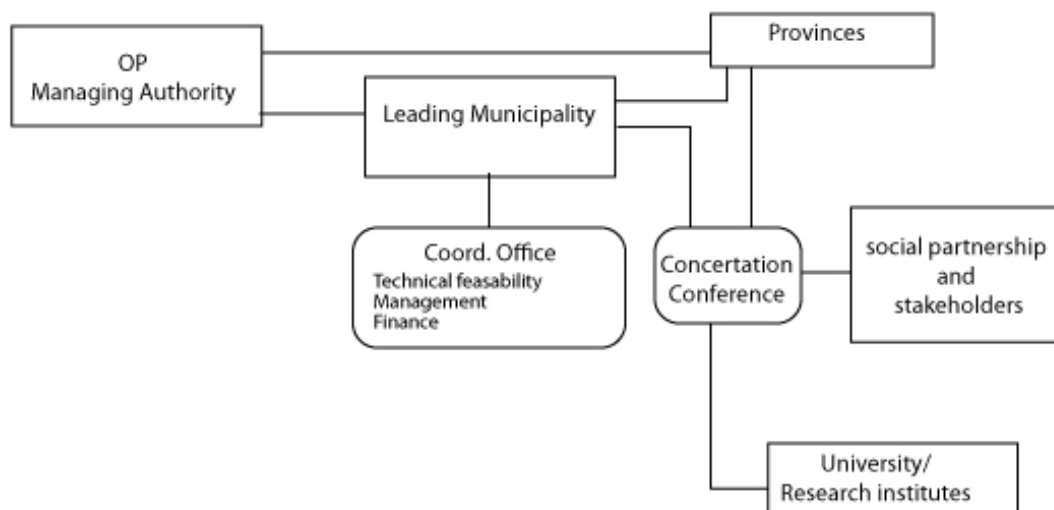
*Stakeholders in the ISUDP process: regional level*



In the local arena, municipalities were the main actors. Together with the provincial authority, they coordinated a process of concertation and organized the Concertation Conference, in order to involve social partnerships and stakeholders in the preparation of ISUDP proposal.

Universities and Research Institutes gave in most cases technical support for the concertation process.

#### *Stakeholders in the ISUDP process: local level*



#### **4. Institutional capacity**

The Integrated Sustainable Urban Development Plan (ISUDP) has been a tool to improve institutional capacity. ISUDP has worked, through several mechanisms, as a device to improve the quality of administrative action and, doing so, to mainstream principles of EU approach to development policy, such as partnership, stakeholder involvement, mobilization of local community, area-based and integrated approach, selection of flagship projects, etc.<sup>88</sup>.

The interviewed actors agree on this point and express common opinions about which mechanisms have increased institutional capacity. Some mechanisms have worked at regional level, others at local level. Some mechanisms have been introduced by the Managing Authority (MA) of ERDF OP since the design stage of ISUDP, others have been put in place by local authorities during the subsequent elaboration of the proposals and the current implementation phase of the interventions.

A first set of such mechanisms are referred to the process of preparation and evaluation

---

<sup>88</sup> The research has been conducted through the analysis of written documents (the regional programming and regulative documents, the Master Plans that the Municipalities have elaborated, a first Evaluation Report of the policy design phase provided by the Regional Government), and interviews to key actors (the Managing Authority for the 2007-2013 ERDF OP, political and technical representatives in charge for ISUDP in the Municipalities, experts).

of the ISUDPs.

**1.** A crucial component of institutional capacity is that of using ISUDPs to implement strategies and visions already expressed in policy documents. This is the case of the Regional Territorial Plan (RTP) that gave a specific interpretation of the cultural framework behind regional interventions, and of the Regional Development Programme, that *operationalised* that interpretation to support the regional programming framework. .

This interpretation of the regional territorial structure constituted both an important analytical innovation and a challenging operational perspective. From the analytical point of view, RTP gave for the first time an image of Tuscany as a region where the peri-urban model dominated, overcoming the traditional vision of the territory made of ancient cities surrounded by a picturesque countryside. From the operational point of view, it allows to support a new strategy, oriented toward the regeneration of an important part of the region (the system of towns and cities presenting peri-urbanization phenomena).

**2.** The involvement and mobilization of local actors is another important mechanism. The Regional Authority asked Municipalities to conduct a structured process of public participation, implying several tools and oriented toward different types of actors:

1. An Expression of Interest addressed to identify promoters and co-funders of the ISUDP interventions. This tool allowed to involve stakeholders and to mobilize them in the development of ISUDP. It was a way to organize a transparent process of aggregation of interests around the ISUDP.
2. The establishment of a “Concertation Conference” in order to set a “local forum”, with institutions, local organizations, NGOs, etc., aimed at discussing and verifying the elaboration process of ISUDP. Most Municipalities have used the Conference as a mean to build an effective participatory process for ISUDP, organizing various meetings and managing them according to specific methods of group processes.
3. The signature of a final Memorandum of Understanding among the partners involved, in order to formalize the partnership and to identify a “local coalition” to support the implementation of ISUDP.

It is worth noting that Tuscany Region has a certain tradition in concertation process. It is rooted in the style of the policy making that has marked this Region since its birth in 1970. But it has also strengthened by the introduction of specific mechanisms in the 2000-06 programming period, with the creation of “Concertation Tables”. “This suggests that the experience of implementing the ERDF programme enhanced existing practices and contributed to the generation of more structured procedures for the involvement of

partners in programme preparation and a more prominent role in implementation<sup>89</sup>. After having experimenting this “more structured” concertation approach, in the 2007-13 programming period the Regional Authority decided to disseminate this kind of procedures to the municipal level with the preparation of ISUDPs.

**3.** The evaluation process was conducted by the Region according to well defined assessing criteria and the reputation of the Evaluation Committee, chaired by the M.A. for ERDF, was high among the Municipalities. These elements increased the trust toward the process of evaluation and reduced the propensity of the Municipalities to push their proposals by means of political affiliation. The transparent and selective nature of the assessment procedure has been a factor of “learning” for local authorities. The Regional Government in fact would have distributed a significant amount of financial resources according to criteria of quality and relevance of the interventions. Each proponent had to comply with the same rules and would be evaluated according to the same set of criteria. Each proponent could count on its own capacities.

However the MA did not let alone the Municipalities, waiting for the submission of the proposals. It was keen to establish a fruitful relations with the proponents, in order to pursue the increase of the quality of the interventions. A very intensive work of interaction between MA and Municipalities took place during the preparation phase of the proposals. The Municipalities had the opportunity to meet the MA and receive comments and suggestions on their first hypothesis, so as to correct and to improve them.

The same assessment procedure was conducted by the MA as an exercise of mutual learning between the components of evaluation committee. Sviluppo Toscana (the in-house agency of Tuscany Region that cares the design and the implementation of EU programs and projects of regional interest) led the first appraisal of the proposals, verifying their eligibility and preparing the work of the evaluation committee. Two meetings with Sviluppo Toscana was held during the first stage of the assessment procedure. Then, there were three meetings of evaluation. These meetings were organized outside in venues located outside the Regional buildings. The idea of the MA was to convert these meetings into “events” of mutual learning, where the evaluation committee members could carry out their work without any other task, having the opportunity to exchange comments and to form their opinions.

The case of ISUDPs has been also analysed through the reconstruction of some processes of ISUDP implementation at municipal level. We have considered the experience of five cities: Arezzo, Lucca, Massa-Carrara, Follonica e Colle Val D’Elsa.

---

<sup>89</sup> European Policy Research Centre, *Ex post evaluation of cohesion policy programmes 2000-2006 cofinanced by ERDF (Objective 1 and 2). Task 3 – Case study Report: Italy Tuscany*, 7 July 2009, p. 4.

This kind of analysis has allowed to detect the presence of a second set of important mechanisms that increased institutional capacity at municipal level during both the preparation of the proposals and the implementation stage.

1. Combination of different sources of knowledge. Many ISUDP proposals have been developed thanks to the mobilization of local knowledge (by means of the participation process), steering and technical knowledge (through the involvement of political local leaders and the different departments of the Municipality), professional and scientific knowledge (via the contribution of external expertise). It is worth noting that the high reputation of external experts played a crucial role to legitimate ISUDP proposal. E.g., the Municipality of Lucca searched for an “archistar” like Hans Kollhoof to design ISUDP’s flagship project.
2. Re-organization of the municipal departments. For the preparation of the ISUDP proposal, some Municipalities have set a designing group, made by officers coming from the different departments involved (City Planning, Public Works, Local Development, etc.) and chaired by apical representatives (the City Manager, or a Director appointed by the Mayor). In most cases, this group has remained as a stable structure for the implementation stage of ISUDP.
3. Motivation and individual challenges. Despite ISUDP was not the first initiative of integrated development experimented in many Municipalities, it has been largely perceived by the internal officers as the most challenging. This factor has promoted in most cases a strong personal motivation and commitment.
4. Formal participation and informal networking. The designing process of ISUDP has been conducted by the Municipalities through a combination of formal mechanisms of public involvement (Eol, Concertation Conferences, Memorandum of Understanding) but also informal meetings with stakeholders at different levels (local and regional).

## **5. Capacity building policies**

Differently from the Convergence Regions, Tuscany has not benefitted from specific capacity building programmes. As a consequence, an analysis of this dimension needs to be conducted in a more indirect way. We have tried to detect other devices which have worked as factors of capacity buildings, searching for “endowments of capacities” at regional level.

An important resource for regional policies is IRPET, the institute for economic research that was created in 1968 as a scientific and technical organization aimed at giving the guide line for the institution of the regional government. IRPET still works as an important support, providing knowledge, research and consultancy for the policy making in Tuscany.



Since 1990, the initiative “Incontri di Artimino” is an important annual meeting focussed on local development. Sponsored by the Regional Authority, it gathers scholars, researchers and policy makers involved in local development issues, discussing topics of regional economy in a comparative perspective. It works as a “club”, as a tool to foster networking, as a mean of disseminating knowledge in order to foster innovation and learning on territorial policies.

A structure that plays an important role in empowering institutional capacity of the Regional administration: is the the Regional Evaluation Unit (Nucleo Unificato di valutazione della Regione NURV), introduced in 2001 in order to support Regional Authority in programming, evaluate and assess public expenditure. Their role has been a decisive one during the implementation of an specific tool designed under the 2000-2006 Objective 2 SPD: the Integrated Local Development Projects. In that occasion the NURV had an important role in promoting capacity building programmes (such as formative and informative seminars in 2003 together with the Formez) directed to give technical assistance at a Regional and Provincial level to the authorities.

The implementation of 2000-2006 ERDF programme had an influence both at a regional level on regional programmes and plans and at a the local level, with regards to the domestic forms of provincially-led programming and local governance. The experience of 2000-2006 SPD has been important in order to assess the strength and weakness of regional programming and helped to focus on some key indicators of high institutional performance such as:

- availability of a shared framework for institutional actions;
- deep and correct analysis of the context regarding its socio-economic main variables and indicators shared both at different institutional levels and with local actors and civic society;
- a good and effective management and organization.

A sign of the quality of the regional government regards the steps made in e-government and the information society. Regional law L.R. 1/2004 (Promotion of e-administration and the information and knowledge society within the regional system. Regulation of the Tuscan regional data transmission network) is an important example of the support offered by the region to the information society, in an attempt to adapt the Tuscan public administration to the latter. Tuscany is very strong in the area of ICT as applied to the public administration for governance of the territory and this field rightfully comes within the sectors of excellence of the region for cooperation purposes.

In the same year another important regional law can describe the level of institutional capacity of the region, the L.R. 61/2004, that introduced a system whereby all domestic plans and programmes would be subjected to an assessment of policy outcomes.

An important step in institutional innovation is represented by the law on participation

issued in 2007. Tuscany is the first region in Italy that has promoted legislation on participation. The regional law L.R. 69/2007 requires all the administrative levels to guarantee the participation of citizens in every phase of the procedures. For this purpose, the "Participation Authority", was also created with the task of guaranteeing the transparency of government acts and the right to initiate participative processes about specific local issues on the request of formal or informal groups of citizens.

But what about the same ISUDP as a capacity building programme in itself?

**1.** ISUDPs have been elaborated through a competitive process. All the Municipalities above 20,000 inhabitants (36 in Tuscany region) could bid for the tender, presenting their Master Plans. After an assessment procedure, the Regional Government approved the ISUDP proposals and allocated the financial resources, according to a list of prior and complementary interventions.

The competitive nature of process has been a tool to motivate the local authorities, both from the technical and political sides. The Offices of the Municipality which were involved in the preparation of ISUDPs found in this initiative an occasion to escape from the day-to-day work. The officers that mainly came from the departments of City Planning or Public Works had the opportunity to channel their technical expertise around a project that was much more challenging than those usually occupy them. For the politicians, the ISUDP's tender was an opportunity to raise financial resources in a very critical phase for the municipal budgets and to use them for strategic projects of urban regeneration.

**2.** An important issue concerns the criteria that set the characteristics of interventions. The Region asked that ISUDP proposals were viable (the projects must be at least at the preliminary stage of elaboration), feasible (the implementation of the projects must not imply a variation of the Local Development Plan), relevant in terms of economic impact (the whole proposal should entail investments between 20 and 50 millions Euros), sustainable (each intervention must have a management plan), area-based (the proposal had to identify a specific and well defined part of the city where the proposed interventions must be concentrated).

For most of the municipalities this was a challenging request, because it solicited an innovative attitude in programming and planning. Such criteria represented a deliberate push forward, in order to introduce an "European style" of policy design. It is worth noting that the most similar experiences in the field of urban regeneration and development were those of PIC Urban II in Carrara and of "Urban Italia" programme in Livorno. When the idea to formulate an integrated urban plan as delivery mechanism of the Priority 5 of the ROP arose, the MA was obliged to reflect on the effectiveness of that programme and to design a new instrument that took into account its strengths and weaknesses. The MA decided to maintain some characteristics of PIC Urban (the integrated nature, the involvement of local actors, the area-based approach) but also to change its critical

aspects, which were mainly a limited amount of financial resources distributed among several measures.

According to the results of an Evaluation Report of the design and elaboration process of ISUDP<sup>90</sup>, most of the Municipalities (80%) that have bidden for the ISUDP competition, as well as most of the local stakeholders involved (54%) had past experiences in integrated development policies. In the opinions of the respondents of the questionnaires elaborated for the Evaluation Report, the legacy of these policies has been important to improve institutional capacity and has represented an important capital to manage the elaboration of ISUDP.

ISUDPs were designed for tackling a relevant policy problem: how to design an effective tool for the recovery of urban economies. Probably ISUDP is the first serious attempt to deal with such a problem in Italy, after the controversial outcomes of the urban regeneration policies and the unsatisfactory results of the instruments for the promotion of economic development at territorial level (i.e. Territorial Pacts, Integrated Territorial Projects, etc.).

One point seems to us crucial: ISUDP had to regard a well defined area in the city where the interventions of the ISUDP must fall. The Municipalities prepared, as a first stage of the elaboration process of ISUDP, a strategic document that expressed the future vision for the city (as a framework to identify the projects) and the reasons to select a specific area of intervention<sup>91</sup>. For most of the municipalities this kind of request represented a troubled task: they were obliged to select a target area, excluding others; they had to justify this selection, presenting data and evidence to support this choice; the selected area and the foreseen interventions had to be coherent with the strategy. In some cases, the Regional Authority helped Municipalities in the process of identification of the target area, rejecting their first choice and suggesting a different hypothesis.

## **6. What works (and what has not worked)**

In the final part of the Report, we would try to answer two crucial questions:

- To what extent has ISUDP been a tool to create or strengthen institutional capacity? Has the ISUDP been a capacity building program in itself?
- How and to what extent have the Municipalities of Tuscany used the elaboration and implementation process of ISUDP to produce better development policies?

Regarding the latter question, the answer is not univocal. If we define “better development policies” in terms of the positive outcomes that have been produced, it is too early to

---

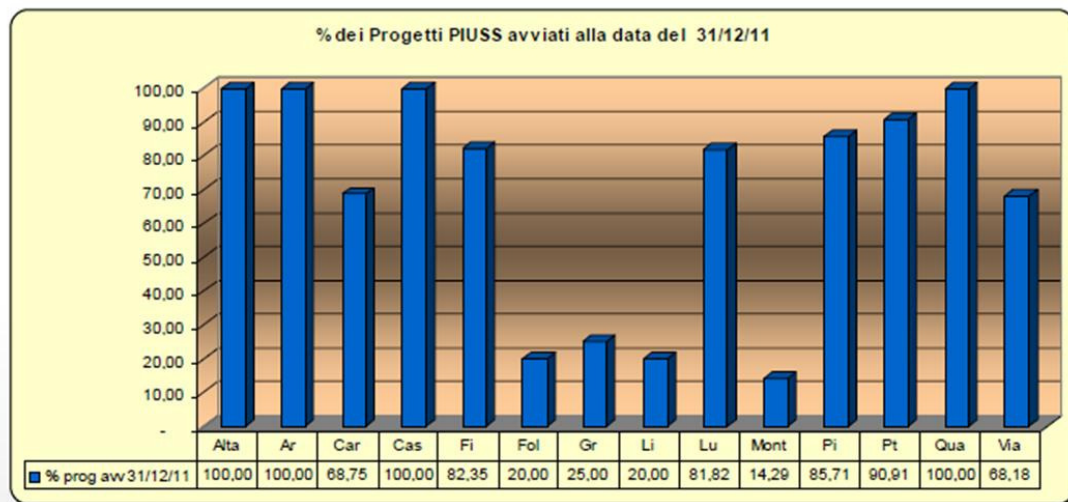
<sup>90</sup> Resco, *Rapporto finale della valutazione del processo di formazione e progettazione del ISUDP*, dicembre 2009.

<sup>91</sup> The so-called Strategic Policy Statement.

detect any kind of impacts or even results. Any judgment concerning the capacity of ISUDPs to increase the effectiveness of the development policies must be postponed. Good questions might be the following: Are the interventions contained in the ISUDPs really tailored to the local needs? Do they actually provide strategic support to the perspectives of economic and territorial development? Have they been generative, have they produced other and synergic interventions? We need to wait for some years to detect such results, and most probably more in-depth analysis to evaluate such impacts.

The only evidence that we currently have concerns the level of implementation of ISUDPS, that represents a good clue of their efficiency, in terms of capacity to comply with requested procedures, to fulfil the deadlines, to invest the resources and to spend money, etc.

The following figure can give the image of such a level of success:



At the end of last year, 4 out of the 14 ISUDPS currently in implementation have started all their interventions. 6 have started more than two/third of their interventions, while just 4 have started less of 25% of their interventions.

The evidence that we currently have concerns the “success” of ISUDPS as tools to create or strengthen institutional capacity. In fact, regarding the former question, the answer is affirmative. The implementation of ISUDPS has gained from a context (like that of Tuscany region) in which there are endowments of institutional thickness, but at the same time it has worked as an instrument to increment institutional capacity. On this point, the position of the interviewed actors is univocal. The ISUDP has been an opportunity to experiment, for most of the Municipalities for the first time, the local development approach and cope with the challenges that it implies, i.e.: building partnerships and networks with different actors, overcoming sectoral approaches in favour of an integrated style of policy making, selecting just few “flagship” projects and concentrating on them

resources, etc.

In this sense, ISUDP has been a capacity building program in itself, has represented an occasion to learn a different way of designing and implementing policies. The interesting point here is that ISUDP has regarded various parts of the local authorities: the Planning and Public Works Departments, but also the Cabinet of the Mayor as well as the Welfare or the Culture Departments. It has represented a challenge for the Municipalities because it has forced the different sub-organizations to work together. As Patsy Healey argues for strategic plans, the effectiveness of ISUDPs should be measured in terms of their capacity to be politically relevant, if, representing specific episodes of institutional innovation, they will be transformed into more stable governance practices, eventually will *travel* into different contexts to re-shape the dominant governance culture<sup>92</sup>.

---

<sup>92</sup> Healey, P. (2007) *Urban Complexity and Spatial Strategies*. Routledge: London and New York.

## List of interviews

<b>Interviews</b>	<b>Date</b>
<b>Albino Caporale</b> Managing Authority OP 2007-2013 ERDF	20 July 2011 25 January 2012
<b>Massimo Bressan</b> researcher and president of IRIS	15 November 2011
<b>Anna Natali</b> , expert of local development, Eco&Eco	6 October 2011
<b>Riccardo Conti</b> , former Regional Councillor for Economic Development	18 January 2012
<b>Maria Clelia Mele</b> , Tuscany Regional Authority, DG Spatial Planning, Environment, Infrastructures	18 January 2012
<b>Claudio Saragosa</b> former Major of the Municipality of Follonica	21 September 2011
<b>Di Bugno</b> referent of the ISUDP, Municipality of Lucca	20 September 2011
<b>Pierluigi Bessi</b> referent of ISUDP, Municipality of Carrara	22 September 2011
<b>Laura Pucciarelli</b> technical assistance, Municipality of Carrara	
<b>Giuseppe Cesari</b> , European Policy Office, Municipality of Arezzo	10 January 2012
<b>Iuri Bruni</b> , Municipality of Colle Val d'Elsa <b>Annalisa Carapelli</b> , Municipality of Poggibonsi <b>Fabio Carrozzino</b> , APSLO Province of Siena	21 September 2011
<b>Iuri Bruni</b> , Municipality of Colle Val d'Elsa	13 March 2012
<b>Luigi Madeo</b> , Municipality of Follonica	14 March 2012

## **ANNEX 1 – FOUR ISUDPS: THE PROCESS AT LOCAL LEVEL**

### **1. The ISUDP of Lucca: ‘Lucca Inside’**

#### ***Problems and opportunities***

The city of Lucca has always been strongly influenced by its urban history and its particular urban structure.

The city did not have to face major crises and the municipalities has always paid attention to the cultural and architectural heritage (such as the walls of the city), participating at European programs (such as the 2005 Life program aimed at reducing ecological distribution of traffic in the historical city).

Currently, the main problems are related to a general decay of the historical part of the city surrounded by the walls, that have been studied and analyzed in the world, with historical and critical contributions of great value. Academics and experts agree on the necessity to give the city inside the walls a physical and functional reorganization able to express the richness of all the territory where Lucca appears as a solitary urban episode.

From the Seventies the attention of public administration was addressed to find solution for this general state of decay. The general plan on one hand avoided speculative pressures but had also made it impractical-on paper - any type of programmed adjustment of spaces and environments in order to meet the evolving needs of citizens both on the housing and on the productive needs. As a result the situation for decay remained not treated, altering at the end the physical structure but of the city and the societal morphologies as well.

#### ***Aims and objectives of ISUDP***

From the point of view of urban development, the main theme addressed by the program are:

- accessibility, environmental control, equal opportunities for young people, technology;
- new uses for refurbished building able to meet the wants of local population regarding social and cultural needs;
- technological innovation in the perspective of energy self-sufficiency.

The ISUDP ‘Lucca Inside’ wants to be the bearer of a new methodology based on:

- a new approach, which is about sharing and consultation during the drafting of the ISUDP;
- implementation, that consist in continuous comparison between the proposals of the market and environmental requirements during both the final and the executive project;
- communication of the projects during the execution of the works.

Specifically, the expected outcomes have been identified as follows:

- Redevelopment of the area;

- Promotion of economic development and strengthening competitiveness to induce new employment;
- Job creation in general and especially female employment in order to promote gender equality and non discrimination;
- Wider access to services directly and indirectly aimed at the advancement of women and equal opportunities, with regards to women with children aged 0-2, for obtaining or maintaining the workplace and the reconciliation of family and professional;
- Improving the accessibility to basic services;
- Effectiveness in terms of socioeconomic impact;
- Ability to activate tourist spending related to the use of cultural heritage;
- Quality of the project-level environmental impact in synergy with the policy of environmental rehabilitation and landscaping;
- Reduction of pollution;
- Energy savings and adherence to environmental certification systems;
- Adoption of sustainable building criteria;
- Achieving high standards of financial and organizational sustainability.

### ***ISUDP strategy***

The ISUDP "Lucca Inside" puts particular emphasis on:

- accessibility;
- environmental improvement and energy conservation;
- tourist accommodation;
- leisure, cultural and social spaces.

ISUDP focuses in particular on the area south-west of the town in which actions are planned for the refurbishment of the former tobacco factory, which will become a container for higher education, business incubators, music and entertainment.

This project responds to the wider redevelopment of the local economy to a knowledge economy by strengthening the relationship between processes of innovation in the manufacturing, research and higher education.

Another important intervention concerns the construction of a friendly city where tourists are considered citizens with specific needs and resources. According to this vision, the plan realizes a tourist bus terminal and an underground parking, a tourist reception center at the former Riding School and a conference center.

Inside the ISUDP there are numerous interventions also aimed to improve the quality of life of citizens: a kindergarten, and squares equipped market areas, a center of activities to combat social problems and the rehabilitation of cultural spaces (museum of comics, ducal palace, theatre, amphitheatre).



## **2. The ISUDP of Arezzo: 'The polyphonic city: Arezzo changes its rhythm'**

### ***Problems and opportunities***

Arezzo has developed a 'corporate identity' based on a rapid economic growth mainly due to manufacturing and has been for decades a centre of excellence for jewelry production. The production system is now facing the challenge of process and product innovation, the upgrading of knowledge and skills, the ability to attract investment and exogenous resources. The ISUDP of Arezzo is not a large and impressive project but an organic whole of interventions aimed at improving the overall image of the city on the one hand, and connecting the development strategy to current and potential resources of the city, on the other hand. The project is the result of the intense work of involvement of the whole city, with many inputs from the Province, the Chamber of Commerce, the economic categories, the citizens. The program is focused on tourism, culture, the historic centre redevelopment and the production system support.

The ISUDP of Arezzo invests primarily on the old town included into the city walls and two urban areas immediately outside the walls: Saione, beyond the railway station, and Pesciola, which expands the supply of spaces for the new urban production district and the city of knowledge. The residential settlements are fragmented and distributed along the main roads, in a territory signed by industrialization and urban sprawl. At the same time, the historic center is characterized by a high allocation of public properties, subjected to cultural heritage and landscape protection and not adequately enhanced.

This strategy is aimed to reverse the current trend of decentralization and functional dispersion, giving back a strategic role to the historic center.

The involvement of the all city has shown the need of change. Local governors, organizations, private subjects and individual citizens have shared a representation of a city which was brilliant in the past but, as a result of gradual relocation of production processes, is now struggling to find a new role and identity.

The desired change is thus closely linked to the image of the city that, despite decades of economic growth, is still withdrawn and has invested too limited resources in monuments enhancement, tourism development and cultural initiatives.

### ***Aims and objectives of ISUDP***

The ISUDP contributes to the strategy of transforming the city into an 'urban district of knowledge' through the re-use of existing un-used public buildings and the overall rehabilitation of the urban environment as a system of acceptance and social cohesion. This vision for the future is based on the dialogue among services, education and production system.

The city of Arezzo has defined four strategic directions:

- Culture, as a set of local knowledge which are accessible in terms of consumption and production;
- Competitiveness, to support enterprises and the territory in facing economic

changes;

- Social cohesion, which is essential to support the citizens in a time of change;
- Urban environment, which consists in promoting the city and is the functional link among all proposed works.

The contribution of people interested in participation and development of individual projects came through targeted interviews and focus groups around four different topics. In addition to the focus groups, five thematic working tables have been useful to link local administration offices and public and private subjects, who gave positive planning energies to the process. The consultation work of the tables was aimed to support the construction of the most complex operations provided which needed to be more mature, supported by coalitions, designed and managed. The working tables have been relevant opportunities to open dialogue around specific topics, as well as spaces in which actors worked on concrete projects.

Actually, involved people established mutual relationships among them and with the administration, characterized by more open negotiation processes.

### ***ISUDP strategy***

The Masterplan identifies six urban areas: Piazza Grande, Fortezza Medicea, ex Cadorna barracks, the extension of the commercial mall in Saione, the neighborhood Pescaiola, and residential suburban areas adjacent to now disused areas which can be, in future, interested by major investments.

The intervention locations have been chosen according to a survey in which areas and buildings with a reuse need represent an opportunity of relationships between mature projects and new challenges.

The result is a complex system of integrated operations, with a strong territorial dimension that helps to reinforce the strategy, with the ultimate goal of recovering the old town and some specific areas, bringing back high culture initiatives, enterprise promotion, support for tourism and improvement in quality of life to the city centre.

### **3. The ISUDP of Altavaldelsa: 'City of Cities'**

#### ***Problems and opportunities***

Alta Val d'Elsa is a territory extremely complex and diversified that during the last years has experienced population growth thanks to important migration flows. The social changes of recent years required the definition of new policies and new strategies, not only with regard to social services, but also in relation to housing issues, mobility, cultural and leisure activities, and - more generally - the quality of life of all citizens in a development perspective.

From an economic point of view, the Alta Val d'Elsa entrepreneurship, and particularly those of the municipalities of Poggibonsi and Colle Val d'Elsa, is characterized by the specialization in craft industries, mostly middle size firms, which coexist with some major multinational companies.

The territory has some excellence as the furniture industry, the caravan and the crystal industry which, although in recent years have not been immune from the economic downturn, are still a driving factor for the local economy.

Furthermore, the two cities are localized in the middle of an important "tourist triangle" formed by the cities of Florence, Siena and San Gimignano. Although their position could capture an high amount of tourists, this opportunity has never been yet fully exploited.

With regard to this general framework, the promotion of local entrepreneurship could become a medium for sustainable and eco-friendly development, with regards to the landscape and the historical and cultural heritage.

In light of these considerations about strengths, opportunities and constraints, the two municipalities of Colle Val d'Elsa and Poggibonsi promoted through the ISUDP a new phase of programming, based on collaboration and cooperation between local authorities and on the involvement of local actors in public-private partnership.

The strategic framework of the Alta Val d'Elsa ISUDP "City of Cities" is part of a process of awareness and of community planning aimed at the promotion of the development of this area. Since 2003 the two administrations have started a process for the revitalization of the two cities and the territory: the municipality of Colle val d'Elsa started a program called "Fabbrica Colle" aimed at improving the urban quality of the city, in particular focusing on the theme of retail, local production and reuse of open spaces, and in 2005 it was realized a Masterplan that defined guidelines of action for the revitalization of the city. On the same time the municipality of Poggibonsi did start some similar, although less structured, activities.

#### ***Aims and goals of ISUDP***

The idea of development, which refers to the proposal of ISUDP 'City of Cities', is coherent with the Regional Territorial Plan (RTP), and with the Regional Operational Programme 2007-2013. The proposed actions meet the "vision" to enhance the polycentric system of cities with regard to the open rural areas.

The ISUDP is a plan that exceeds the administrative boundaries with a new geography of the economic system that tries to put into practice an integrated approach able to address similar problems in a supra-local perspective.

The opportunity is to strengthen institutional ability to address problem and to build up a more cohesive socio-economic community with regard to territorial competitiveness.

During this process both the Municipality of Poggibonsi and Colle gathered interventions and actions from public and private partners for the development of the territory according to a polycentric perspective.

The path of improving the whole territory in an integrated way reached a turning point with the call for ISUDP's, and the two municipalities found a way for putting together projects into the general framework 'City of Cities'.

The ISUDP identifies 4 fields of interventions:

1. culture and environment;
2. housing and services;
3. tourism and retail;
4. entrepreneurship.

For each of these areas, local actors have jointly identified priorities and needs and, at the same time, analysis have been carried out in order to highlight the current socio-economic trends, the provision of services and facilities and any deficiencies.

The process of defining the ISUDP was divided into two macro-phases: the promotion and the final design of the proposal.

As already mentioned, the Tuscany Region placed particular emphasis on the participatory phase, intended as communication and consultation with citizens and with all other local stakeholders representative of the area.

The two promoting municipalities, in line with the requirements of regional planning, have launched promotional activity through the convening of the Concertation Conference and the activation of 4 focus groups.

Participation in the focus group was open to everybody and was attended by leading representatives interested in the thematic focus group..

Communication meetings and presentation of the development strategies of municipalities of Colle Val d'Elsa and Poggibonsi have been organized. 23 meetings have been made involving the administrative staff of Poggibonsi and Colle (including a workshop with institutional representatives and officers of the two towns).

Overall, about 230 local stakeholders were involved, including local authorities, associations, companies, associations, citizens, etc..

The plan presented by the town of Colle di Val d'Elsa and the Municipality of Poggibonsi, was developed together with the Province of Siena and APSLO the provincial Local Development Agencies.

### ***ISUDP strategy***

The two municipalities defined five guidelines for building up the ideal city and selecting

the main interventions for participating at the call:

i) cultural diversity; ii) innovation networks; iii) quality of living and cohabitation; iv) market integration; v) chains of products and services

The municipalities selected 17 projects: for a part of them (12) they did request the regional financing, for 5 projects, instead, they did not require any contribution.

Development objectives that are pursued through the operations of ISUDP , located within the geographical scope are as follows:

- redevelopment of public spaces in order to encourage community appropriation and to meet social needs;
- regeneration of the environment to support the active protection of excellence and protect the environmental value;
- revitalization of the activities that focus on: culture, retail, crafts, services, entertainment and spectacle, in order to attract consumers and to expand the area of the gravitation improving economic performances;
- development of the infrastructural network to support the polycentric city, reinforcing the centrality of the two urban "hearts", and at the same time building up a new territorial dimension.

#### **4. The ISUDP of Follonica: 'The central park'**

##### ***Problems and opportunities***

The Municipality of Follonica replied to the call about ISUDP launched by Regione Toscana with a sustainable urban development project called Central Park. The project, developed on the areas ex-Ilva, the Petraia Park and the area of the old Hippodrome, was aimed at solving important urban development criticalities, but also at taking potential opportunities of development.

The recovery of this areas allows to rebuild a link with these portions of the city and the most significant public area of the city; a link which was already established in the past through smaller projects in the same areas, that now need a structural and – above all – functional homogeneous program of regeneration. This intervention is aimed to achieve not only physical recovery, becoming a pillar of social and economic development of Follonica, whose development is focused mainly on tourism and culture fields.

The city currently has a large disused area. The area ex-Ilva represents a great value monument of historical and industrial archeology. The origins date back to the sixteenth century; the most interesting buildings, from an architectural point of view, in early 1800. The area includes ancient parts of considerable interest, whose urban unity has not been changed by recent interventions, and where degradation is not heavy. The area corresponds to the central part of the town, which is the first active core of the city. Many years ago the Administration defined a specific recovery plan for this area, aimed at enhancing open spaces and buildings, even assuming new functions.

The history of this territory and administrative decisions, including the idea of creating a new racetrack, made available to the city about 48 hectares of public land: a Central Park on which design a unitary urban development. The project operates, as defined in the structural plan, in an area with historical, green and equipments special status.

It is actually a system of areas, back to back localized, formed as already said by the ex-Ilva, the racetrack, various sports courts, a pool and Petraia Park. They constitute a central strategic area for Follonica, with public spaces characterized by community historical values. The structural plan identifies the general guidelines for each area: the ex-Ilva is proposed as the heart of the city centre, by recovering existing buildings, providing new public functions, restoring green areas and a better functional link with the city; the area of the racetrack and pools is thought to complete the system of urban facilities and installations, in addition to city's green spaces; Petraia Park is identified as a green public space in conjunction with the monumental elements of the area.

##### **ISUDP objectives**

Thanks to the ISUDP interventions, Follonica can effectively materialize "the dream" of building a park in the core of the city. A park which not only allows to recover a very large disused and abandoned area, but also allows to establish the functions of recreation, leisure sports, services and educational facilities identified during the participatory process on Structural Plan.

The local Administration has commissioned an executive plan on this area, aimed at building a new and modern school campus, which may contain spaces for sports and leisure. The expectation towards the park is high, as the participatory process with citizens showed. The Central Park is now in the collective imagination.

Several ideas have emerged. The first one is the creation of a traditional public park, where walking, having a rest, recreating and recovering energy. This idea implies the preservation of a wide grassland to host summer shows, even with a strong appeal to the public. Another request is preserving the memory of the hippodrome, reusing the characteristic shape of the track which could be adapted for the weekly market. It is also crucial the confirmation of sports areas, where currently there are several recreational and sport activities, and facilities (swimming pool, sports hall, tennis club, locker rooms, various services, parking). Related to sports activities, it is possible to imagine spaces for festivals, fairs and similar.

The municipal urban plan has already highlighted the importance of each elements and the need of recovery them, even with different use from the past. It is not meant as an wide scale architectural project, but as a system of knowledge which is necessary to effectively recovery areas and buildings into a coherent framework.

The process fits within a framework of an already started Provincial consultation, which led to the inclusion of all these objectives in the Pact for Local Development (PASL). The PASL has shown the attention of the Provincial level to this portion of territory since 2005; an attention which is shared also by the Region and by the Superintendent, as the many public interventions realized can show.

The city of Follonica has a school buildings system that no longer meets current needs. Its restructuring and adjustment require big financial interventions, currently non-sustainable by the Town Council. In the Central Park area new spaces for the construction of new school facilities are provided. The main objective in the creation of Central Park is to implement the disuse of existing public school buildings no longer suitable, using the resources derived from the sale to build a new modern school campus in the park.

The expected results are to recover the true historical centre of Follonica, with activities primarily related to public interest. A historic centre directly connected to a green area, the Central Park, which will contain a modern school campus full of activities bound to sports and leisure. From the heart of the city, a system of pedestrian and bicycle paths connect every place in the city, up to the connection with the Montioni Park.

### ***ISUDP strategy***

The provided interventions affect the area of Central Park and the area of the ex-Ilva. As regards the intervention of the Central Park, it provides: the Grand Ducal Ferrerie recovery and their conversion into museum spaces and urban services; the arrangement of the ex-racetrack open space through the creation of spaces for commercial activities, events and shows; the creation of a school campus; finally, the arrangement of the creek and the Petraia Park through the establishment of a naturalistic museum.

Parallel to these interventions, the ISUDP promoted a program of regeneration of a large built area, the neighborhood Senzuno, near the Central Park area. This program includes the rehabilitation of public buildings, school and health buildings.



# **Puglia Case Study: Policy interventions aimed at improving the capacity of planning and selecting effective projects, such as the setting up of technical bodies (i.e. the Evaluation Units) able to support the administrative structures in the assessment and selection of programmes and projects**

Cristina Vasilescu<sup>93</sup>

## **1. Research problem**

The present study analyzes the experience of the creation of the Evaluation Unit of Puglia Region. The creation of the Puglia Evaluation Unit is part of a national wide capacity building policy consisting in the setting up of Evaluation Units at national, regional and local level with the aim to strengthen the decision-making capacity of regional governments and central administrations with regards to the use of project management tools, to the diffusion of the evaluation culture within the Italian public administration and to the involvement of stakeholders along the entire policy cycle.

The present study focuses, thus, on how the creation and evolution of the Puglia Evaluation Unit, a high skilled independent technical body, brought about an improvement in the institutional capacity of the whole administrative departments involved in the Puglia ROP implementation in the 200-2006 programming period and the 2007-2013 one. Besides looking at the creation of the Puglia Evaluation Unit as a capacity building intervention, the case focuses also on other capacity building interventions adopted in the setting up of the Puglia Evaluation Unit.

Therefore, the present study aims to answer to the following main questions:

- *whether and how the setting up of the Puglia Evaluation Unit brought about an improvement of the Puglia Region capacity to select effective territorial development projects, to mainstream principles such as partnership, sustainability and equal opportunities, to use monitoring and evaluation tools and to ensure horizontal and vertical coordination in the programming, implementation and evaluation of structural funds policies, as well as in its capacity to fully respect the complex norms and procedures regulating structural funds management, ensuring, thus, projects admissibility and legality of structural funds expenditure;*
- which were the main capacity building interventions adopted in the setting up of the Puglia Evaluation Unit.

---

<sup>93</sup> IRS Istituto per la Ricerca Sociale, Milano

The drafting of this case study builds on evidence and information collected through a series of research activities such as the analysis of a heterogeneous set of sources, from the desktop analysis of policy documents, analytical/evaluation reports and scientific literature to the information collected through semi-structured interviews with relevant stakeholders of the analysed intervention.

## 2. Context related features

Puglia Region is one of the Convergence Objective/ex Objective 1, situated in the Southern part of Italy in the so called Mezzogiorno area.

**Figure 11 - the location of the Puglia Region in Italy**

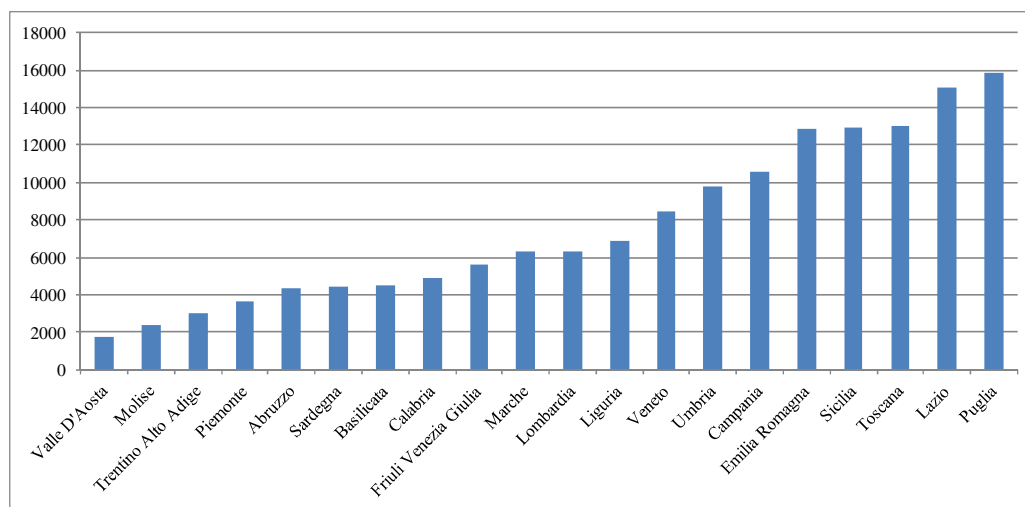


**Information source: Puglia region website**

The capital of the Region is Bari, which is also one of the nine metropolitan areas set at national level and a relevant harbour of Italy.

With an area of 19.362 square km, Puglia is divided into 6 Provinces (Bari, Brindisi, Foggia, Lecce, Taranto, and the newest Barletta-Andria-Trani), of which Bari is the largest one (about 300.000 inhabitants and 258 Municipalities). Puglia Municipalities are the largest in Italy in terms of average population.

**Figure 12 - the average dimension of municipalities in term of population: comparison among the Italian Regions**



Elaboration on ISTAT data, 2011

## 2.1 Socio- Economic development

The areas comprising Mezzogiorno<sup>94</sup> are all characterized by lagging behind the Northern regions in terms of socio-economic development, even though they have registered slower and faster catch up periods along the years. Nowadays, these differences continue to be relevant and almost unaltered. It is enough thinking that the metropolitan area of Milan is at present one of the nine strongest economic areas of the world<sup>95</sup>, while most of the Mezzogiorno regions (Sicilia, Sardegna, Campania, Puglia) have still, nowadays, a gross domestic product per capita that is less than the 75% of the European average.

The 2008 Annual Report of the Department for Development and Cohesion Policies (DPS) highlights that a negative development trend was registered in Puglia at the beginning of the new century after a positive trend in the 90's. Difficulties regarded both the social and economic development of the Region, characterized by a reduced growth in terms of production and employment level, increase in the population's age, migration towards other Italian regions, and diffusion of poverty.<sup>96</sup>

**Table 2 - Socio- economic features of the Region**

	Regional		National		EU	
	2006	2010	2006	2010	2006	2010

<sup>94</sup> Mezzogiorno includes the following Italian regions: Abruzzo, Puglia, Basilicata, Campania, Calabria, Molise, Sicily and Sardegna.

<sup>95</sup> Standard & Poor's, Report Card: World's Top 10 Economic Centers, November 2006.

<sup>96</sup> Dipartimento per le Politiche di Sviluppo e Coesione, L'Italia secondo i conti pubblici territoriali: i flussi finanziari nella Regione Puglia, 2008, pag 13, [http://www.dps.tesoro.it/documentazione/docs/cpt/MonoCPT\\_Puglia.pdf](http://www.dps.tesoro.it/documentazione/docs/cpt/MonoCPT_Puglia.pdf).

	Regional		National		EU	
	2006	2010	2006	2010	2006	2010
<b>Total Population (m)</b>	4.068.167	4.084.035	58.751.711	60.340.328	493,21	501,11
<i>Male</i>	1.975.655	1.980.902	28526888	29.287.403	-	-
<i>Female</i>	2.092.512	2103133	30.224.823	31.052.925	-	-
<b>Population over 65 (%)</b>	17,28	18,24	20	20	16.8	17.4
<i>Male</i>	15,15	16,14	17	18	-	-
<i>Female</i>	19,30	20,21	22	23	-	-
<b>Population Education level (people aged 30-34 having obtained an university degree) (%)</b>	11,5	13,8 <sup>97</sup>	17,7	19 <sup>98</sup>	-	32,2
<i>Male</i>	11,9	11,6	14,2	15	-	28,8
<i>Female</i>	16,3	16,0	21,2	23	-	35,6
<b>GDP per capita</b>	16.400	13.233 <sup>99</sup>	25.200	25.600	23.600	24.400
<b>Activity rate (%)</b>	42,11	40,84	49,16	48,43	61,31	57,57
<i>Male</i>	58,42	55,63	61,02	59,41	70,0	65,02
<i>Female</i>	27,03	27,17	38,15	38,23	53,15	50,58
<b>Employment rate (%)</b>	45,7	44,4	58,4	56,9	69,6	64,1
<i>Male</i>	63,3	59,6	70,5	67,7	77,4	70
<i>Female</i>	28,5	29,5	46,3	46,1	61,9	58,2
<b>Unemployment rate(%)</b>	12,8	13,5	6,8	8,4	8.4	9.6
<i>Male</i>	10,3	12,1	5,4	7,6	7,7	9,6
<i>Female</i>	17,7	16,3	8,8	9,7	9,2	9,6
<b>Net migration</b>	-2132	4841	15130,9	15582,9	-	-

Sources: ISTAT and Eurostat

Despite some catch-up periods during 2000-2010, nowadays, Puglia is still characterized by lower GDP per capita values than both the Italian and EU one (see table 1), but close to the Mezzogiorno value (13.688 euro).

The employment rate remains below 50%, lower than both the Italian and the EU 15 average (see table 1), despite an increase between 2000 and 2010. Female occupation level is also lower than the Italian and EU average (see table 1), even though there has been a continuous increase since 2000 (+4,8%), accompanied by a relevant decrease in the unemployment level (-11%). Furthermore, youth unemployment also decreased in this period (-5,8%), even though, in 2010, it continues to be 7,1% higher than the Italian one. Puglia registers lower levels of NEET youth (33, 2% in 2010) compared to the Mezzogiorno areas (35% in 2010), but higher than the Italian ones (24,5%).

<sup>97</sup> 2009 value, ISTAT (2010 value is not available).

<sup>98</sup> 2009 value, ISTAT (2010 value is not available).

<sup>99</sup> 2009 value (ISTAT); the 2010 value is available only at National and international level.

The education level in Puglia region is lower than the Italian one both for secondary (71,5% in Puglia compared to 75,9 in Italy) and university education (13,8% in Puglia compared to 19% in Italy), despite continuous increase along the years. However, Puglia registers a better performance in terms of students' education compared to the Mezzogiorno average (17,6% of youth with difficulties in reading in 2010 compared to the 27,5% Mezzogiorno value and 22,4% with scarce mathematics competences in 2010 compared to the 33,5% Mezzogiorno value).

As to the incidence level of families at risk of poverty on the total number of families, it passed from 19,8% in 2006 to 21% in 2009, double compared to the Italian average (10,8%).<sup>100</sup>

Yet, from an economic point of view Puglia is considered the most dynamic region in Mezzogiorno area. In the last years there has been a transition from an economy based predominantly on the primary sector to an economy which includes (some) big industry, an important number of SMEs, and a lively tertiary sector which supports the local economy. Puglia is, in fact, the region most industrialized and with the highest presence of industrial districts in Mezzogiorno area (8 industrial districts employing 15% of the Puglia occupation as compared to 5% in the Mezzogiorno area)<sup>101</sup>. In the context of the economic crisis, both the industrial sector and the industrial districts registered a continuous decline: in 2007 the added value of the industrial sector compared to the previous year was - 3,1%, while in 2009 - 12,7% as compared to 2,2% in 2006<sup>102</sup>; - 9,2% in the profit share of industrial districts in the 2007- 2009 as compared to 0,5% in the 2001-2005 period<sup>103</sup>. However, in 2010, the Bank of Italy reported an increase in the nominal profit share of industrial enterprises in 2010 (+4%), mostly due to the increase in orders coming from foreign markets.<sup>104</sup> In fact, according to the Bank of Italy, after a strong decrease in the export level in 2009 (-28% in Puglia compared to -25% the Italian average) due to the economic crisis, in 2010 exports registered a rapid increase (28% in Puglia compared to 26% the Italian average). Furthermore, according to the Bank of Italy, in 2010, the agricultural sector registered an increase in the added value (+4% increase in the added value of the agricultural sector compared to the 2009 value), after the strong decrease registered in 2009 (- 7% in 2009 added value of the agricultural sector

---

<sup>100</sup> ISTAT data, 2011.

<sup>101</sup> 2005 ISTAT data.

<sup>102</sup> Data refers to variation in the valued added of the industrial sector % compared to the previous year (2000 is the reference year); Banca d'Italia, Economie regionali. L'economia della Puglia, [http://www.bancaditalia.it/pubblicazioni/econo/ecore/2011/analisi\\_s\\_r/1117\\_puglia/1117\\_puglia.pdf](http://www.bancaditalia.it/pubblicazioni/econo/ecore/2011/analisi_s_r/1117_puglia/1117_puglia.pdf), page 50.

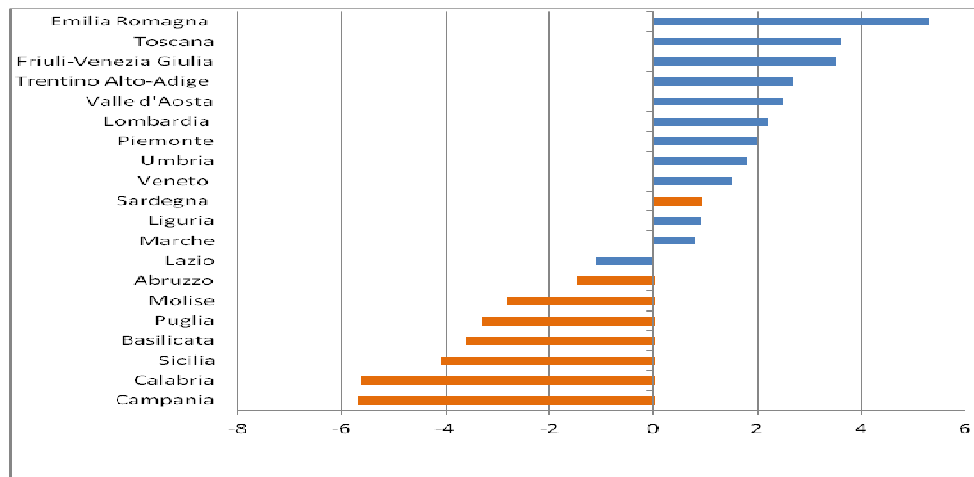
<sup>103</sup> Banca d'Italia, Economie regionali. L'economia della Puglia, [http://www.bancaditalia.it/pubblicazioni/econo/ecore/2011/analisi\\_s\\_r/1117\\_puglia/1117\\_puglia.pdf](http://www.bancaditalia.it/pubblicazioni/econo/ecore/2011/analisi_s_r/1117_puglia/1117_puglia.pdf), page 53.

<sup>104</sup> Banca d'Italia, Economie regionali. L'economia della Puglia, [http://www.bancaditalia.it/pubblicazioni/econo/ecore/2011/analisi\\_s\\_r/1117\\_puglia/1117\\_puglia.pdf](http://www.bancaditalia.it/pubblicazioni/econo/ecore/2011/analisi_s_r/1117_puglia/1117_puglia.pdf), page 8.

compared to the 2008 value). This is mainly due to the increase in the production of wine and oil, which registered higher values than in Mezzogiorno and Italy.<sup>105</sup>

Puglia Region is also a dynamic region from the point of view of social capital. According to the study *“Italian social capital atlas”*, Puglia Region is one of the Mezzogiorno regions most close to the Italian average in terms of social capital<sup>106</sup> level, after Sardegna and Abruzzo.

**Figure 13 – Social capital in Italian Regions**



Puglia region registers, in fact, higher levels of voluntary activity (7,6% in 2010) compared to the Mezzogiorno average (7,24%), even though lower than the Italian average (11,8%).

However, when it comes to criminality, and in particular to environmental, unauthorized building, waste management offences and tax evasion, Puglia region registers poor performances, in line with the other Mezzogiorno regions: Puglia, Campania, Calabria and Sicilia registered 45,4% of the national environmental offences in 2009. Furthermore, when it comes to offences against the public administration, and in particular to abuses of authority, Puglia is the fifth region by the number of abuses registered in 2010 (243 abuses), even though behind Campania (525 abuses), Sicilia (469 abuses), Calabria (449 abuses), and Lazio (287 abuses)<sup>107</sup>.

## **2.2 Institutional and political characteristics**

From an institutional point of view, the 90's were characterized by a process of continuous administrative decentralization from the central state to the regional and municipal levels. The Regional administrations, foreseen by the 1948 Italian Constitution, were instituted in 1971 and further reformed in 1993, 1997 and 2001, once with the revision of the Italian

<sup>105</sup> Banca d'Italia, Economie regionali. L'economia della Puglia, [http://www.bancaditalia.it/pubblicazioni/econo/ecore/2011/analisi\\_s\\_r/1117\\_puglia/1117\\_puglia.pdf](http://www.bancaditalia.it/pubblicazioni/econo/ecore/2011/analisi_s_r/1117_puglia/1117_puglia.pdf), page 12.

<sup>106</sup> Social capital index has been measured taking into consideration the number of blood donors, number of journals bought in the region, number of third sector organizations, number of sportive associations, number of volunteers, and in particular volunteers within sportive associations, electoral participation.

<sup>107</sup> <http://www.anticorruzione.it/Portals/altocommissario/Documents/Altro/Anticorruzione.pdf>, page 158-159

Constitution. These reforms brought about increased institutional and political powers for the regional administrations in different fields, including the programming of European funds, as well as for the Provincial and municipal administrations. Furthermore, they defined a multilevel governance system: central state-regions-provinces-municipalities. In addition, the 2001 Constitution reform introduced new principles regulating the institutional interactions between the national, regional and local level: subsidiarity, differentiation and adequacy. These reforms marked the passage from an institutional architecture based on uniformity and centrality in all fields, including the programming of structural funds, to a new one based on regional and local autonomy. Furthermore, it defined the transition from a period of special interventions for Mezzogiorno areas decided by the central government (“Intervento Straordinario”), to one of “ordinary” policy, foreseeing a strong involvement of the Mezzogiorno regions themselves. In fact, the 2000-2006 “New Programming Policy” (“Nuova Programmazione”), based on negotiated bargaining, defined a multi-level system of governance of territorial development policies financed by structural funds: the Regions assumed the central role in the programming and spending of funds (in this programming period they managed 70% of the total resources), while central institutions coordinated the strategy. Moreover, the passage from the 2000-2006 programming period to the 2007-2013 one was characterized by the transition from the CSF to the National Strategic Framework foreseeing the integration between regional and national development policies.

Following the changes in the institutional architecture at national level, Puglia Region underwent several administrations reforms to better adequate its administrative structure to the role assigned by the national reforms.

Since 2002, there has been an overall decrease of the regional staff (from 4324 in 2002 to 3215 in 2008) and in particular of the regional public managers (from 378 in 2002 to 171 in 2008). Moreover, in this period the management positions were reduced by 11,2%. Consequently, regional staff is 7,9 each 10.000 inhabitants, in line with the national average, but 30% below the Mezzogiorno regions level.

In addition, different regional structures were reorganized: in 2006 the Region started the reorganization process of the Agricultural department and of the Management and control system of FEOGA and LEADER+ funds and, furthermore, the organization model of the Evaluation Unit was revised and it became fully operative; in 2007 the management system of the second level controls was reorganized. Furthermore, in 2007 a reorganizational process of the overall regional administrative structure was put into place. The reorganizational process was completed in 2010 and marked the passage from a sectoral model to one based on areas that integrate different policy sectors.

Currently, the organizational structure is based on 8 Coordination Departments: policies for rural development; organization and administrative reform, policies for mobility and urban quality; policies for economic development, work and innovation (to which both the Managing Authority of structural funds and Evaluation Unit belong to); policies for

territorial promotion; policies for promotion of health, persons and equal opportunities; finance and controls; policies for urban requalification, for urban security and public works. The new organizational structure foresees the Management Conference, made of the 8 managers of the Coordination Departments, in charge of ensuring homogeneity in the overall action of Puglia Region and integration of its development policies, financed by both national/regional and European funds. Furthermore, for ensuring policy and funds integration the new model foresees also the Coordination Group, which holds together the managing authorities of the European funds and the Evaluation Unit.

As hinted at above, the reorganizational process brought about changes in the management system of structural funds. The table below confronts the management system of the 2000-2006 structural funds with the one adopted in the 2007-2013 programming period.

**Table 3 - Management of the ERDF in the two programming periods**

2000-2006 Programming period	2007-2013 Programming period
Managing Authority with a coordination role of the Operational Programme, directed by a temporary manager	Managing Authority with a coordination role of the Operational Programme, directed by a temporary manager
Payment authority in charge of the ROP financial control	Certification Authority with the role of certifying expenses and maintaining an electronic accounting system of ROP interventions
Monitoring Committee in charge of checking the effectiveness and quality of the Operational Programme and made of: President of Puglia Region, ministerial representatives, manager of the European Policies sector within Puglia Region, managers of the sectors interested by the ROP, representative of EC and EIB, representatives of the national managing authorities of National OPs, representatives of Puglia provinces, Puglia municipalities and Mountain Communities, representatives of the economic and social partnership, representative of the Environmental Authority and the Equal Opportunities Councilor within the Region	Monitoring Committee in charge of checking the effectiveness and quality of the actuation of the Operational Programme and made of representatives with a voting right (president of the Region, the managing authorities; regional functionaries in charge of ROP axis; central government representatives – DPS and other ministerial representatives; representatives of the other National Operational Programmes; representatives of Puglia Provinces and Puglia Municipalities; representatives of Broad Areas <sup>108</sup> ) and representatives with consultative functions (DG REGIO, representatives of the social and economic partnership; functionaries in charge of priority lines of the ROP); representatives of the Public Investments Evaluation Unit, Environmental Authority and Certification Authority can participate to the Monitoring Committee on request of the Puglia Region president.
Regional Planning Committee including local autonomies and representatives of the economic and social partnership involved in the planning and monitoring of the ROP	Audit Authority in charge of audit activities of the Operational Programme
Environmental Authority in charge of promoting the environmental sustainability within all fields of the Programme	Authorities in charge of mainstreaming transversal principles such as partnership, sustainability and equal opportunities:

<sup>108</sup> Broad Areas is the policy tool based on the local development approach implemented actuated in 2005. It will be further detailed in the next chapters of the case study.



	Environmental Authority, Equal Opportunities Unit and Partnership Unit representatives
Public Investments Evaluation Unit in charge of ex ante evaluation of structural funds projects/programmes and of providing technical and administrative support to the European Policies sector	Public Investments Evaluation Unit in charge of ex ante, on-going and ex post evaluation of structural funds projects/programmes and of providing technical and administrative support to the Programming and European Policies Sector
	Intermediary bodies: Puglia Sviluppo in charge of first level controls and Innova Puglia for first level controls regarding interventions in the research field

**Sources: 2000-2006 Puglia ROP, 2007-2013 Puglia ROP**

From a political point of view, between 2000 and 2010, Puglia Region is characterized by a passage from the centre right government, led by Raffaele Fitto, to the centre left government led by Nichi Vendola elected in March 2005 and re-confirmed to the last regional elections. This political passage brought about also a change in the governance of Puglia Region. Enhancement of the participated programming, transparency of the regional administration and mainstreaming of the bottom-up approach in all policies promoted by the Region are at the basis of the new governance system put into place by Nichi Vendola. In 2008, Puglia Region signed an Agreement with the social and economic partners, which was aimed at the introduction and regulation of a continuous involvement of social and economic actors in the programming and implementing of social, economic and territorial cohesion policies. The Agreement represents, in fact, a tool for improving the regional programming and implementation of structural funds and of programmes financed within the State-Region Agreements. Consequently a Partnership Unit was created to ensure the social and economic partners' continuous involvement.

### **3. Telling the story of the intervention**

The creation of Evaluation Units is an initiative launched in 1999 through the law 144/1999, in the context of a larger process of decentralization and renewal of public services, and in particular of institutions dealing with territorial development issues. As recalled by the Constitutional Court in its Sentence of 27<sup>th</sup>, July 2001, the introduction of control and evaluation functions within the Italian public administrations occurred in this more general process of institutional reform that required:

- the integration of specific competences of control and evaluation within public administrations;
- the existence of a coordinated and unitary national framework;
- maximum transparency of public actions.

The aim of this initiative was to strengthen the decision-making capacity of regional governments and central administrations, in particular with regards to:

- their evaluation capacity;
- the ordinary use of project management tools for the programming and implementation, in particular, of structural funds;
- the increased transparency of their actions through a continuous monitoring and evaluation of the policies/programmes implemented;
- involvement of stakeholders along the entire policy cycle.

The rationale behind the initiative was based on the assumption that building knowledge on the results and failures of previous policies/programmes/projects, on the continuous interaction with stakeholders in all the policy phases (programming, implementation, monitoring and evaluation) and on territorial needs and potentials is a crucial aspect in the elaboration and implementation of public policies. Furthermore, at that time, promoters of the initiative considered that the main weaknesses of the Italian public administrations in pursuing development policies regarded the large politicization of the decision making process, the insufficient knowledge of evaluation and project appraisal tools and a diffused attention to comply with legal and formal requests rather than to focus on process elements and resources to be used for improving the decision making process. As underlined by Laura Tagle (2004), proponents felt it was, therefore, necessary to engineer ways to improve the capacity of the public sector—at both national and regional level—to provide technical inputs to the decision-making and negotiation processes. The idea was that the Evaluation Units would provide the capacities that the public administrations lacked. It was considered, in fact, that Evaluation Units would contribute to improve the institutional capacity of administrations involved by putting at their disposal staff with specific competences in monitoring and evaluation of public policies and project management tools as well as in economic, social and territorial development, “correcting”, thus, the large scale employment of staff with legal competences and background (Laura Tagle, 2004). The main objective of setting up Evaluation Units at both central and regional level was, indeed, to “equip” administrations with professional staff, specialized in project management, monitoring and evaluation of structural funds, and more in general to all aspects related to structural funds, able to interact with central administrations in charge of development policies (DPS, UVAL, European Commission, etc). This, in turn, should have resulted into the increase of the administrations’ institutional capacity in the ordinary use of programming and implementing modalities based on evaluation (according to the model developed at European level in the framework of structural funds) through, for instance:

- improvement of policy/programme objectives definition with respect to the identified needs in the programming phase;
- increased capacity of analyzing the potential demand and increased use of project appraisal techniques in the identification of projects/interventions to be financed within the policy/programme;

- increased use of monitoring and evaluation in both policy/programme programming and implementation phases and strengthening the use of monitoring and evaluation results;
- increased stakeholders' involvement in the entire policy cycle to improve the contents of the policy and ensure continuous transparency of the public action;
- better mainstreaming of transversal principles such as sustainability and equal opportunities in all policies.

Therefore, the law 144/1999 mandated that all Regions and Ministries set up Evaluation Units in order to be supported in improving the quality and efficiency of the programming process of development policies and interventions promoted within such policies. The law 144 foresaw three objectives common to both central and regional Evaluation Units: technical assistance to the different phases of the development policies programming, management of the monitoring system and diffusion of the techniques proper to structural funds. Evaluation Units were charged to directly carry out evaluation tasks, by suggesting monitoring and evaluation methods, and by spreading evaluation practices. In detail the law 144 foresaw that the following activities be carried out by the Evaluation Units:

- technical assistance to the programming, elaboration and evaluation of programme documents;
- technical assistance to carrying out opportunity and risk assessments of the interventions foreseen;
- technical assistance to carry out ex ante evaluations;
- assistance to the mainstreaming of the environmental sustainability and quality of public investments;
- management of the monitoring system to be realized together with the statistical offices of the administrations;
- diffusion of structural funds techniques to the programmes and projects implemented at local level, with particular regards to their programming, monitoring, and evaluation.

Regional Evaluation Units were to be established as internal structures, under the administrative authority of departments in charge of development policies. Furthermore, in order to avoid reluctance of public administrations to the creation of an Evaluation Unit, it was decided that Evaluation Units should work side by side with the supported authority and tackle first their most urgent requests and perceived weaknesses.

After the law 144/1999 was passed in the mid 1999, its objectives were confirmed and, further, specified in the directive of the president of the Council of Ministries adopted in September 1999. According to the directive, the Evaluation Units had to support the regional administrations in the programming and implementation of development policies

foreseen by the Regions and in dealing with the rules and procedures foreseen by the negotiated programming policy. Furthermore, Evaluation Units had to constitute a network of methodological and informative tools, able to value and transfer best practices, to increase the quality and trustworthiness of public investments policy and to optimize the use of public funds. Moreover, the 2001 sentence of the Constitutional Court legitimized the normative framework introduced in 1999 and strengthened the strategic character of the initiative. According to the sentence, feasibility studies and ex ante evaluations to be carried out by Evaluation Units were to be considered a technical support to the regional administrations charged to take their own decisions on development policies financed by structural funds or national/regional funds.

The promoting public authority – the Department for Development (DPS) - in agreement with Regional authorities and Ministries set up, in 2000, a scientific committee and a technical committee in the framework of the NUVAL project. The newly committees had to lead the creation process of the Evaluation Units and to encourage and support Regions and Ministries in activating the necessary recruiting procedures. The technical committee provided guidelines on the Evaluation Units organizational form and on the experts' recruiting process. However, it was not possible to reach consensus on a general minimum format of the new units and proposed guidelines were made quite flexible and not mandatory. The DPS Evaluation Unit offered support on request on how to carry out recruiting in a transparent manner. Funding was provided by CIPE in order to ensure both some level of independence from the administrative structure and to avoid that tight budget would be used as an excuse to not to proceed with the initiative.<sup>109</sup>

The Puglia Evaluation Unit was created within this national framework. Moreover, in Puglia Region, the creation of the Evaluation Unit occurred under “pressures” from the national authorities (DPS). Moreover, the creation of the Evaluation Unit was dictated by the necessity to avoid the loss of the performance reserve foreseen at national level. Indeed, the setting up of the Evaluation Units was one of the mandatory objectives for obtaining the additional performance reserve.

The Evaluation Unit knew three different periods corresponding to three different Evaluation Units, with more or less different (informal) missions:

- *the first period* between 2002 and 2006;
- *the second period* between 2006 and 2010;
- *the current period* started once with the set up of the renewed Evaluation Unit in September 2011.

### **1. First period: creation of the Puglia Evaluation Unit (2002-2006)**

---

<sup>109</sup> Casavola Paola, Tagle Laura, the Network of Evaluation Units in Italy: public decision making, decentralization and independence, presented to EES Conference, Berlin, 2004

The regional law n.13/2000 specifying the procedures for the 2000-2006 ROP implementation foresaw the actuation of the national legal framework related to the constitution of Evaluation Units. The law foresaw the set up of the Evaluation Unit of Puglia Region within the responsibility of the Programming Sector. According to the law, the Evaluation Unit was to be made of both internal and external experts, specialized in: economic programming and analysis, monitoring, evaluation and feasibility analysis, multi-criteria analysis, administrative law, and environmental economy.

Until 2002, the creation of the Evaluation Unit was in a deadlock phase, mainly due to the reluctance of the political class. However, under “pressure” from national institutions in charge of development policies, in 2002, the set up of the Evaluation Unit came into effect. The regional decree 264 adopted on the 19<sup>th</sup> of March 2002 foresaw the set up of the Evaluation Unit, made of 8 external experts and 7 internal experts. The manager of the Programming Department (president of the Evaluation Unit), the director of the Managing Authority of the 2000-2006 Puglia ROP, the EAGGF manager, the Environmental Authority manager, the manager of the Industrial Department and the manager of the Financial Department composed the internal experts group.

Furthermore, the decree foresaw that the Evaluation Unit would be in charge of the following activities identified by the national legislation:

- technical assistance to the programming, elaboration and evaluation of ROP documents;
- feasibility studies of public investments;
- management of the monitoring system of public investments;
- diffusion of project management tools developed at European level within the framework of structural funds at local level;
- technical support to the realization of feasibility studies for projects over 3 milliards liras, financed by “Cassa Depositi e Prestiti”;
- expression of assessments on projects over 5 million euro to be financed by the ROP priority themes.

To these activities, the 2000-2006 ROP identified other activities to be carried out by the Evaluation Unit:

- integration between the European programming and the programming of national resources foreseen by the Fund for Underused Areas;
- economic and financial evaluation of public investments over 5.164.569 Euro;
- evaluation of Integrated Territorial Projects and Integrated Sectoral Projects;
- evaluation of urban development programmes financed by the 2000-2006 priority theme 5.1

- evaluation of the management plans of the preservation and valorization of historical and cultural goods;
- evaluation of the management plans of the infrastructural interventions to be financed within Integrated Territorial Projects;
- support to the priority themes managers in the application of the article 29 of the 1999 Structural Funds Regulation, according to which integration between the different structural funds had to be ensured.

In this period, Puglia Region took part to the activities of the NUVAL project, benefiting of assistance in the selection of the Evaluation Unit external experts through public tenders. Consequently to the public selections, 10 external experts were selected. The selected external experts were specialized in economics, public law, transport and environment. In selecting the external experts, particular emphasis was given to their experience on the one side in the setting up of local development projects and on the other in the evaluation of such programmes.

However, until 2003 the Evaluation Unit was not operational, as contracts with external experts were not signed.

Starting from 2003, the activities of the Evaluation Unit regarded mainly ex ante evaluations of programmes to be financed within Puglia ROP or by national funds. Between 2003 and 2004, the main activity of the Evaluation Unit consisted in the evaluation of Integrated Territorial Projects (PIT) programmes drafted by local administrations within the framework provided by Puglia Region. The ex ante evaluation of PITs carried out by the Evaluation Unit was aimed at ensuring the quality of the programmes, the coherence between the proposed programme and the guiding idea previously identified by the Region for each PIT and the integration between the proposed interventions and the regional Innovation and Research and Information society strategies and the respect of transversal projects such as equal opportunities and environmental sustainability. The evaluation activity was carried out through a continuous interaction with the proponents (local authorities). The Evaluation Unit also participated to the working group on the PITs monitoring created by UVAL at national level.

Besides PITs evaluation, the Evaluation Unit carried out also the evaluation of 5 Integrated Sectoral Projects, which were all approved. Furthermore, in this field the Evaluation Unit elaborated also a methodology for classifying the cultural and historical goods to be financed within PIS.

The Evaluation Unit elaborated also a methodological note on the drafting of projects to be financed within the 1.3 priority theme of the 2000-2006 ROP programme in order to ensure homogeneity and coherence in the programming of interventions and evaluated two projects financed within this priority theme.

Moreover, in 2004, the Evaluation Unit supported the Managing Authority in drafting the evaluation demands of the 2000-2006 ROP intermediary evaluation and interacted with the independent evaluator.

In 2005, the main activities of the Evaluation Unit consisted in:

- ex ante evaluation of two ROP projects over 5 million euro;
- evaluation of the revised programmes financed by the 2000-2006 ROP priority theme 5.1 Requalification of urban systems. The activity of the Evaluation Unit in this field went beyond the mere approval or rejection of the programmes and consisted also in supporting local authorities to draft qualitative programmes coherent with the new regional strategy and the territorial needs through ex ante evaluations and to select interventions. All five programmes were consequently approved;
- evaluation of three Intergrated Sectoral Projects, including as well an evaluation of the environmental and financial sustainability of interventions to be financed within the PIS;
- evaluation of the coherence of 43 PIT interventions with the PIT programme and regional development strategy;
- revision and approval of the modalities and indicators for the allocation of financial resources to PITs and programmes financed within the priority theme 5.1 after the ROP midterm evaluation;
- participation to the following projects: Monitoring of PITs, Monitoring of Public Investments and Monitoring of Strategic Agreements between the regions and the central administrations;
- participation to the activities of the Network of Evaluation Units set up at national level with the aim to encourage exchanges of experience and best practices between the Evaluation Units.

2005 marked also the passage from the central right party leading the Region in the previous years to the centre left party led by Nichi Vendola, the new president of the Region. Political change was followed by a reorganization of the regional administration, including the Evaluation Unit.

Under the new Regional presidency, the Evaluation Unit was strengthened through the creation of an Evaluation Unit Office. Besides the Evaluation Unit external experts, the new Office included also support staff (three junior and intermediary experts) for sustaining the Evaluation Unit both in its activities foreseen by the national and regional legislation and in ensuring the respect of procedural aspects and administrative issues. Furthermore, in this period the new Regional Political Committee (“Giunta Regionale”) redefined the functions and competences of the Evaluation Unit. According to the 2005 regional directives, the new mission of the Evaluation Unit consisted in supporting the

regional administration in improving its performance and in informing citizens on the results of regional policies. This mission had to be achieved through the following actions:

- ✓ technical support to the policy programming, in particular of economic and territorial development policies, environmental policies and social policies

This activity line included: promotion of territorial analyses aimed to define needs, potentialities and risks; ex ante evaluations of ROP documents; intermediary evaluations of policies in the above mentioned fields; impact analyses.

- ✓ Programmes and projects evaluation

This activity line included: economic and financial feasibility analyses of projects to be financed by the Region, analyses of their coherence with other regional and national programmes; verifying the respect of the national and regional laws in the intervention fields; intermediary evaluations of programmes and projects; ex post evaluations aimed at assessing the effectiveness of programmes and projects implemented. This latter activity had to be carried out by using social research methodologies so as to overcome the previous model based on the evaluation of the beneficiaries' reporting.

- ✓ Improvement of the effectiveness of Puglia Region actions

This activity line included: diffusion of knowledge and use of monitoring, evaluation and project management tools and promotion of evaluation studies of the regional administration in order to seize weaknesses and improve its effectiveness.

- ✓ Diffusion of the evaluation culture within the public administration

The Evaluation Unit had to support the regional and local administrations in adopting new working modalities aimed at overcoming the bureaucracy model. The Evaluation Unit was charged to diffuse innovative programming methodologies and spread evaluation and monitoring culture and techniques to both regional and local level, to organize training for regional and local functionaries on the above issues and promote the involvement of citizens in the programming and evaluation of policies implemented by the Region.

Furthermore, according to the 2005 regional directive the Evaluation Unit to be selected and nominated in 2006 had to be made of 10 external experts and 7 internal experts. Different from the previous period, it was also foreseen that the future president of the Evaluation Unit should had been selected among the external experts. As to the competences of the external experts to be selected, three had to be specialized in economic analysis and evaluation, five had to be specialized in the monitoring, evaluation and management of complex programmes and feasibility studies, while two had to be specialized in administrative law, and in particular in the governance of public administration.

## ***2. Second period: strengthening of the Evaluation Unit role (2006-2010)***



As already hinted at in the previous paragraphs, this phase is characterized by deep changes in the mission, the role and the composition of the Evaluation Unit. In October 2006, the new Evaluation Unit, made of 10 external experts, was formalized and became operational. Different from the previous period, in this phase no internal experts were included in the Evaluation Unit and the president was selected among the external experts.

Taking advantage of the political support to the strengthening of the Evaluation Unit's role within the regional administration, the Evaluation Unit pushed for the adoption of a regional law formally regulating its role and composition. The 2007 regional law integrated the previous national and regional norms regulating the activity of the Evaluation Unit. The new law redefined the mission of the Evaluation Unit. According to the 2007 law, the Evaluation Unit contributes to the development and improvement of the effectiveness of the regional administration through continuous technical support to the programming and evaluation of programmes and projects and the diffusion of the evaluation culture within the public administration. According to the 2007 law, the Evaluation Unit:

- *carries out technical assistance to the programming, monitoring and evaluation of the development policies.* In this field, the Evaluation Unit has to provide technical assistance to the programming, elaboration and evaluation of programme documents, to carry out feasibility studies and ex ante evaluation, to analyse the environmental quality and sustainability of development interventions, to manage the monitoring system, to promote the use of structural funds management tools, and to certificate the feasibility studies drafted by beneficiaries of "Cassa per depositi e prestiti" funds.
- *carries out assessments on the admissibility of projects financed by structural funds or funds for Underused areas (over 5 million Euro) and by national/regional funds (over 10 million Euro);*
- *supports the regional administration in the programming, monitoring and evaluation of structural funds.* In this field the Evaluation Unit takes part to the elaboration of the strategic socio-economic and financial programming documents; carries out the monitoring and evaluation of programmes and projects with a particular focus on both the socio-economic impact of the policies/programmes put into place and horizontal cooperation;
- *takes part on behalf of the regional administration to the consultations and negotiations with local institutions, central institutions and social and economic partners.*
- *supports the regional administration in actuating the Framework Agreements between the Central State and Regions (APQ) through monitoring, evaluation and support to the projects selection;*
- *carries out evaluations within the 2007-2013 Strategic National Framework.*

According to the Evaluation Unit mission, its role was enlarged in order to improve the overall effectiveness of the regional administration. In fact, while in the first period its role was mostly reduced to ex ante evaluations, in this phase the Evaluation Unit became the reference interlocutor for the Programming sector in the elaboration of the 2007-2013 programming documents and the set up of the regional strategy. Furthermore, the Evaluation Unit focused on the ex post evaluation of the 2000-2006 programming period.

The selection and formalization of the new Evaluation Unit occurred in the context of a deep administrative reform of Puglia Region. This period was characterized by a deep reduction in staff, and in particular in the management staff. This stressed the difficulties of the regional administration in ensuring adequate skills for the efficient and effective management of structural funds and other complex programmes. Interviewed actors underline that in the context of the political change and reduction of the management staff, the Evaluation Unit received a direct mandate from Puglia Region president to actively support the drafting of the 2007—2013 programming policy:

*“one of the members of the Evaluation Unit collaborated very close with the Managing Authority to the definition of the new regional development strategy to be promoted within the 2007-2013 programming period. In fact, the strategic architecture of the programme was drafted by the Managing Authority together with the Evaluation Unit following political strategic direction, territorial analysis carried out by the Evaluation Unit and results of the intermediary evaluation of the 2000-2006 ROP”* (interviewed actors).

*“between 2006 and 2007 the Evaluation Unit was mostly absorbed in supporting the regional administration in the elaboration of the 2007-2013 programming policy. This support went further than the formal role assigned to the Evaluation Unit.”* (interviewed actor)

The support offered by the Evaluation Unit consisted in the elaboration of the methodology for the ROP elaboration, in carrying out different territorial and economic analyses, in the creation of an intersectorial working group for the ROP elaboration opened to all departments of the regional administration. The participated programming process put into place within the regional administration was extended to the active citizenship and relevant stakeholders once the drafts of the OPs were elaborated. The Evaluation Unit promoted numerous meetings with citizens and relevant stakeholders and, furthermore, worked together with the Transparency Department for the implementation of the project “Tell your ideas”, foreseeing the creation of a website where citizens commented on the OP drafts and proposed ideas to be included in the strategy. Furthermore, the Evaluation Unit carried out the ex ante evaluation of the 2007-2013 ERDF and ESF OPs and of the Unitary Programming Document, integrating European, national and regional programming.

Furthermore, in the definition of the development strategy a particular activity of the Evaluation Unit regarded the definition of Broad Areas strategy. Broad Areas are a policy tool similar to the 2000-2006 PIT, but characterized by a higher emphasis on the

autonomy of the local level in deciding the geographical boundaries, the management architecture and the focus of the local development strategy. Different from the previous programming period, the Evaluation Unit “limited” itself to the definition of (non-mandatory) guidelines for the definition and management of Broad Areas Strategic Plans and of the Urban Mobility Plans. After a first elaboration, the Evaluation Unit discussed them with national and local stakeholders. The Evaluation Unit was further involved in the evaluation of the first documents elaborated by local authorities within the strategic planning process. Evaluation activities were also conducted through a continuous interaction with local authorities.

Besides actively contributing to the programming of the new 2007-2013 regional strategy, in this period the Evaluation Unit carried out other activities:

- evaluation of 29 projects financed by structural funds (over 5 million euro) and national/regional funds (over 10 million euro);
- evaluation of management plans of two Integrated Sectoral Projects (in 2006) and analysis of the economic and financial coherence and environmental sustainability of interventions included within PIS;
- evaluation of the coherence between the PIT interventions and the PIT programme and moreover the regional development strategy. Furthermore, the Evaluation Unit was called to assess the integration and change requests to the original PIT programme received from local authorities. Between 2006 and 2008 the Evaluation Unit expressed 20 assessments.
- evaluation of 7 projects to be financed by the 2000—2006 3.13 priority theme;
- evaluation of Urban Development Plans to be financed within the 2000-2006 5.1 priority themes. In this field the Evaluation Unit integrated the activities of strategic planning financed by the funds for underused areas (FAS) with the ones to be financed by this priority theme.
- monitoring of Agreements between the regional administration and the central government. Since 2007, the Evaluation Unit activated a specific activity line consisting in the monitoring of the Agreements (APQs) and pushed for the definition of a technical group for studying new forms of administrative simplification of procedures related to the management and implementation of APQs.

One of the main activities of the Evaluation Unit in this period regarded the elaboration of the 2007-2013 Evaluation Plan of Puglia Region identifying all the evaluations to be implemented by Puglia Region. The Plan was elaborated through a deep involvement of the regional departments and social and economic stakeholders reunited within the Evaluation Plan Coordination Group. The Plan includes the following evaluations to be carried out in this period: ex post evaluation of the 2000-2006 ROP Puglia, with a

particular focus on the evaluation of Integrated Territorial Projects and Integrated Sectoral Projects; evaluations to be carried out within the 2007-2013 programming period, with a particular focus on the evaluation of indicators and the performance reserve mechanism foreseen at national level, evaluations aimed to sustain the elaboration process of territorial cooperation and internationalization strategy of Puglia Region and territorial self-assessments aimed at strengthening the evaluation capacities of the 10 Broad Areas.

Furthermore in this period the Evaluation Unit carried out directly or supervised different ex post evaluations. Thus, in 2007 on request of the Programming Department the Evaluation Unit carried out itself the Evaluation of the implementation process of the Unitary Network of the Public Administration with the aim to assess the results of the previous regional strategy in the information society field and provide guidelines for the design of the 2007-2013 regional strategy in this field. In 2008, the Evaluation Unit carried out itself the Evaluation of the Intermediary Body foreseen for the management of the 2000-2006 priority theme 5.1 Requalification of Urban systems. Furthermore, the Evaluation Plan updated in 2010 foresaw also that the Evaluation Unit would directly carry out other two evaluations: Ex post evaluation of the 2000-2006 transport policy and the Ex post evaluation of Integrated Sectoral Projects.

Other evaluations conducted by independent evaluators were foreseen in this period: PIT ex post evaluation; Ex post evaluation of 2000-2006 research and innovation policies; Ex post evaluation of the 2000-2006 Contract Programmes (financial subsidies to enterprises), Ex post evaluation of the 2000-2006 waste integrated management cycle; Ex post evaluation (using the counterfactual methodology) of “Bollenti spiriti” programme.

### **3. The current period: diffusing the use of evaluation at regional and local level (2010-)**

The current period started once with the set up of the renewed Evaluation unit in September 2011. The new Evaluation Unit is made of 8 external experts. Internal experts are still lacking. According to the interviewed actors, the new Evaluation Unit will focus more on the diffusion of the ex post evaluation within the regional administration.

### **4. Actors involved**

The table below presents the main actors involved in the intervention analyzed.

<b>Levels</b>	<b>Bureaucrats</b>	<b>Politicians</b>	<b>Experts</b>	<b>Special interest</b>	<b>Diffused interest</b>
International	European Commission				
National	<b>Department for</b>		Network of		

	<b>Development Policies</b>		Evaluation Units		
	FORMEZ		Consultants		
Regional	<b>Puglia Region</b> Other regional administrations	<b>Regional politicians</b>	<b>Puglia Region Evaluation Unit</b> Consultants Universities	Employers' associations Trade Unions	
Local	Municipalities	Local politicians	Consultants		

As shown in the table, among the main actors involved in the analyzed intervention the most important are: the Department for Development Policies, Puglia Region, Regional politicians and in particular the past and the present president of Puglia region and not least the Evaluation Unit itself.

*The Department for Development and Cohesion Policies* (currently the Department for Economic Development and Cohesion), including the UVAL department, was created in 1998 under the Ministry of Economy and Finance and in 2007 passed under the responsibility of the Ministry for Economic Development. DPS coordinated the 2000-2006 programming period and currently is in charge of the 2007-2013 programming period, promotes the programming of public investments and financial incentives financed with funds for under used areas and coordinates their implementation through Agreements between the central state and regional administrations, carries out territorial analyses, designs and supports interventions for the modernization of the Italian public administrations.

In this case, DPS acted as a promoter of the interventions. Furthermore, through its UVAL department it also promoted actions for the strengthening of the Evaluation Units' competences such as the NUVAL project.

The main objectives of DPS were to improve efficiency and effectiveness of structural funds policies in Italy. The main resources used consisted in knowledge and legal resources.

#### *Regional politicians*

Among regional politicians, the presidents of Puglia Region seemed to have played a relevant role in both phases (creation and consolidation) of the Evaluation Unit. After an initial phase in which the past president of the Region acted as an "opposer" to the creation of the Unit by not signing the external experts' contracts, on pressure of the national institutions (DPS), he finally approved the formal creation of the Evaluation Unit.

On the contrary, the current president of Puglia Region (since 2005) supported the consolidation of the Evaluation Unit within the regional administration. The main objectives

of the new President consisted in improving the effectiveness and efficiency of the regional action in the structural funds policies so as to avoid decommitment and improve policies/programmes quality. Moreover, changes in the electoral coalition were accompanied by a reorganization of Puglia regional administration and reduction in staff, and in particular management staff. In this context, the president of Puglia region directly charged the Evaluation Unit to support the regional administration in the design of the 2007-2013 structural funds strategy and programme documents. The main resources used consisted in political resources.

As to the other regional politicians, some of them sustain the action of the Evaluation Unit, while others still do not fully understand the role of the Evaluation Unit and somehow try to “block” its decisions, in particular with regards to the projects approval.

*Puglia Region Evaluation Unit itself* is the main actor of the intervention. The mission of the Evaluation Unit consists in the improvement of the regional administration institutional capacity in the design and implementation of structural funds policies.

Among the members of the Evaluation Unit a particular role is played by the Evaluation Unit president (since 2007), which coordinates the activities of the Unit and ensures connection between the Evaluation Unit members, the regional sectors and regional politicians.

## **5. Analysing institutional capacity**

The implementation of policies oriented to improve territorial competitiveness is influenced by public sector capability to perform essential functions like: public security, justice, education, legal protection for contracts, worker insurance and social security, regulations concerning natural, cultural and human environment, urban and land planning, quality in processing and delivering administrative services, etc. In other words, public administration is conceived as a factor of development and competitiveness of a region.

The institutional capacity gap between the Northern and the Mezzogiorno regions is not a new story in Italy and is reflected in the weak performances of the Mezzogiorno regions in ensuring qualitative services and improving life quality. If looking at the indicators foreseen by the “Obiettivi di servizio” system, it can be noticed that the performance of Puglia administrations (both regional and local) in ensuring qualitative services and increasing life quality is generally in line with the other Mezzogiorno regions, but usually below the set targets and Northern regions level:

- the percentage of youth aged 18-24 years with secondary studies, which did not complete any vocational training course within the last 2 years and that do not attend other training courses passed from 27% in 2006 to 23,5% in 2009 compared to the 10% target by 2013 and the 16,5% current Northern regions level;

- the percentage of students with weak competences in literature passed from 36% in 2006 to 17,6% in 2009, while the percentage of students with weak competences in mathematics passed from 43% in 2006 to 22,4% in 2009. Puglia Region not only reached the 2013 targets, but registers values close to the Northern region ones (16,6% students with weak competences in literature in 2010 and 19,5% of students with weak competences in mathematics) and far beyond the Mezzogiorno values;
- while the percentage of municipalities that implement services for childhood on the overall municipalities in the region (36% in 2009 compared to 24% in 2004) is above the set target (35%), the percentage of babies aged 0-3 years old that use these services (5% in 2009) is far below the set 2013 target (12%). Both values are far below the Northern region levels;
- percentage of elderly aged 65 and over that receive integrated domiciliary assistance is 2% in 2009 in line with the 2005 value compared to the 3,5% 2013 target and the 3,9% Northern region value in 2008. From this point of view, Puglia Region is the one of the worst performing Mezzogiorno regions alongside Campania and Sicilia;
- percentage of urban waste that is disposed of in a garbage dump is 418 kg in 2008, the second highest value in Mezzogiorno and far below the set targets (230 kg) and Northern values (246, 4 kg), even though in diminution compared to the 2005 value (453 kg);
- percentage of differentiated waste management is 10,6% in 2008 far below the 40% set target and the 35,2% Northern region values.
- percentage of water distributed on the total water dipped into the water distribution networks is 53,4% in 2008, the lowest value in Italy, even though it increased by 0,7% between 2005 and 2008.
- percentage of inhabitants that have access to water purification plants on the overall inhabitants is 59% in Puglia in 2008, close to the Northern regions values (60% in 2008), but below the 2013 target (70%).

If sticking to structural funds policies, institutional capacity can be shortly defined as the capacity to programme, implement, monitor and evaluate structural funds policies through a continuous involvement of local stakeholders and, moreover, active citizenship along the entire policy cycle and by integrating policy funds and policy interventions. Furthermore, in this case institutional capacity refers also to the capacity to ensure legality, transparency and quality of structural funds expenditure and on the other to ensure the fully respect of the procedures foreseen at national and European level. Otherwise said, two seem the institutional capacity dimensions relevant for the success of structural funds policies:

- *the capacity to mainstream principles such as partnership, sustainability and equal opportunities, to use monitoring and evaluation tools and to ensure horizontal and vertical coordination;*
- *the capacity to fully respect the complex norms and procedures regulating structural funds management, ensuring, thus, projects admissibility and legality of structural funds expenditure.*

The European Court in its 2007 special relation on the 2000-2006 structural funds underlined that Italy is one of the countries that registers major difficulties and backwardness in spending structural funds resources and in both programming and implementing such policies, mainly due to weak programming and management capacity, and furthermore to high levels of irregularities and frauds in the spending of structural funds resources. While underlying the importance of audits, the European Court underlines also the importance of the structural funds expenditure quality, emphasizing the necessity to increase the use of ex ante, ongoing and ex post evaluation. These difficulties are major in Mezzogiorno regions and in particular in regions lagging behind such as Campania, Calabria, Puglia and Sicilia than in the rest of the country<sup>110</sup>.

The capacity of Puglia Region in dealing with complex programmes such as the structural funds ones from both a procedural and multi-level governance point of view were, indeed, quite scarce during the past programming period, even though some progress was achieved between the past and the current programming period. One of the major difficulties to which Puglia region was confronted with during the past programming period regarded the instability of the administrative structure, reduction in staff and in particular in directive positions and moreover scarce competences in the design and management of structural funds policies.

Even though in a first moment the set up of an Evaluation Unit was due to national pressure, during time it began to be considered as a resource and in some cases as a substitute of the capacities in management and design of structural funds policies lacking in the administration. The Evaluation Unit was, thus, called to affront a series of institutional capacity critical aspects which were characterizing the action of the regional administration: weak vertical and horizontal coordination of structural funds policies, weak policy and funds integration, more focus on procedural and bureaucratic aspects rather than on the policies results and consequently limited use of evaluation tools, and in particular of ex post evaluations, limited transparency and communication of the public regional action. Furthermore the regional administration had a peremptory need of improving the level of compliance to the EU rules and procedures and in increasing the legality and transparency of the structural funds expenditure. However, it has to be underlined that the Evaluation Unit action in terms of introducing innovative ways of

---

<sup>110</sup> Maria Stella Righettini, *Qualità della governance e regolazione dei flussi finanziari. Il caso dei fondi strutturali in Italia*, 2011, page 15.



designing and managing structural funds policies was mostly concentrated in the 2007-2013 programming period, namely since 2006. On the contrary, during the first years (2004-2006) the action of the Evaluation Unit was exclusively focused on the improvement of the projects quality with no other or in some cases extremely limited effects on the institutional capacity aspects mentioned above, as it will be detailed further on. Thus, the effects of the institution of the Evaluation Unit of Puglia Region have not yet been fully deployed.

### ***Capacity to ensure multi – level governance of structural funds policies***

From the point of view of the capacity to ensure multi-level governance of structural funds the major weaknesses characterizing the region in both the 1994-1999 and 2000-2006 programming periods regarded: the weak involvement of the socio-economic partnership in the entire policy cycle; involvement of local authorities mainly in the programming phase, when interventions were managed directly by the region; and fragmented regional decision-making process due to the segmentation of the regional administration. In the 2000-2006 programming period, the involvement of the socio-economic partnership occurred occasionally and mostly during the programming phase. Involvement in the implementation of interventions was quite scarce, as shown also by the Evaluation of PITs<sup>111</sup>. Weak involvement of socio economic actors in all the policy phases resulted also in weak private investments, with particular reference to development policies. Furthermore, involvement of local authorities was also restrained to the programming phase, when ROP priority themes were directly managed by the Regional administration. Moreover, from the point of view of ensuring multi-level governance another problem regards the high organizational fragmentation of the Puglia regional administration. As confirmed by the interviewed actors, at the beginning of the past programming period Puglia Region was an organization by sectors and not by projects which triggered along the years the “co-existence” of totally independent sectors that decided independently of each other and that were not accustomed to interacting with each other in the programming and implementation of public policies, such as the development ones.

As to ensuring partnership involvement (made of both local authorities and socio-economic actors), the action of the Evaluation Unit resulted into the opening of the ROP programming process to both socio-economic stakeholders and local authorities and consequently into increased transparency of the regional action and better quality of the ROP programme from the point of view of adapting the programme to territorial needs, as confirmed by interviews. In fact, after the elaboration of the first drafts of the 2007-2013 ROP documents, the Evaluation Unit together with the Managing Authority and the other sectors organized a series of consultations with both social and economic partners and local authorities adopting traditional participated programming tools. Moreover, it experienced new e-participation tools such as the programme “Tell your idea”, organized

---

<sup>111</sup> Integrated Territorial Projects represented the flagship programme of the 2000-2006 local development strategy of Puglia Region.

together with the Transparency department, which consisted in the creation of a website containing the 2007-2013 ROP drafts and where interested citizens could comment on. Consultations were organized in uncommon participation places such as universities, with professors and students, and, furthermore, were extended to all Puglia provinces.

Moreover, in the new programming period the involvement of the socio-economic representatives was extended from the programming and implementation phases to the evaluation one as well. In carrying out ex post evaluations of the cohesion policy, the Evaluation Unit creates Steering Committees which are opened to the socio-economic partnership.

In addition, in the 2007-2013 programming period, the Evaluation Unit pushed for the adoption of a new local development strategy (Broad Area) which put local authorities at its centre from both the management and strategy design point of view, while the Regional administration (in particular MA and Evaluation Unit) maintained only a guiding role. In fact, the objective was to allow to Broad Areas to define their own development strategy and flagship projects through a bottom-up process based on the broad involvement of local institutions, citizens and socio-economic partners. Moreover, in order to strengthen the involvement of local authorities along the entire policy cycle the Evaluation Unit pushed for opening the ROP Monitoring Committee to representatives of the Broad Areas.

However, the approach promoted by the Evaluation Unit did not turn into a better governance of structural funds at local level, as the lack of a binding regional framework indicating the role of the partners and geographical borders together with the weak capacity of political actors in seeing in this an occasion of giving continuity to the past territorial governance arrangements put into discussion the governance of the past local development strategy (PIT). Local politicians foresaw in this decisional autonomy the possibility to change the power equilibrium between the territories involved in Broad Areas, which turned out into a long lasting programming period of Broad Areas.

In order to overcome the tendency of the regional administration to sectoriality and fragmentation of the structural funds decision making process, the Evaluation Unit introduced a new way of programming and implementing structural funds policies, based on a continuous interaction between the regional sectors and creation of transversal working groups, which, according to the interviews to regional actors, became an ordinary practice for most of the regional sectors and helped creating a unitary vision of the structural funds policies and more in general of regional policies and programmes. For instance, in the programming of the 2007-2013 ROP programme, the Evaluation Unit created transversal working groups. For the ROP preparation all sectors were asked to prepare a draft which was afterwards discussed together with the Evaluation Unit and the other sectors. Interviewed actors underline that the Evaluation Unit has acted as a “technical roundtable” where all sectors sit and confront each other both in the programming and implementation of the 2007-2013 ROP programme: “the Evaluation Unit acts as a technical roundtable favouring a greater cohesion of the regional administration”;

“the Evaluation Unit promotes integration between the various regional sectors through ensuring a continuous interaction between the regional sectors, in particular on structural funds policies, and furthermore promotes integrated policies, somehow forcing sectors to work together. Moreover, when critical aspects have to be affronted, the Evaluation Unit deals with them in a transversal way, involving all sectors directly or indirectly interested.” (interviewed actor). Some other actors even confirm that “the fact of having a unit which acts as a meeting and melting point contributed to lay the basis for adopting a teamwork philosophy in designing and implementing structural funds policies and more in general regional policies” (interviewed actor).

Moreover the Evaluation Unit sustains the managing authority in its relations with the Commission and national ministers.

### ***Capacity to promote policy and funds integration***

Fragmentation of the regional administration and weak interaction in the programming and implementation of structural funds policies among the various regional sectors in charge turned into weak integration of policies and funds in the past programming period. These difficulties were more stressed in some policy fields and more reduced in some others. For instance, PITs, which saw the Evaluation Unit directly involved, were characterized by both policy and funds integration, at least in the original design. However, according to the PITs evaluation, ex post integration seems to be weaker, in particular in some PITs, mostly due to the weak local capacity in creating policy and funds integration.

In some other cases, difficulties in ensuring policy and funds integration referred both to the initial design and results. For instance, evaluations of the 2000-2006 transport policies underline that the regional transport policy was characterized by a weak integration of both regional and national priorities in this field and of the transport policy priorities and other related policies priorities (i.e. environmental policy).

Social policies were also characterized by high sectoriality and mainstreaming of social inclusion objectives in the 2000-2006 ROP was extremely reduced. Furthermore, mainstreaming of sustainability and equal opportunities principles were also quite reduced in the 2000-2006 programming period both in the design and implementation phases.

In addition, another critical aspect regarded integration between the structural funds policies and policies financed by national funds, and in particular funds for underused areas.

According to the interviews carried out, the efforts of the Evaluation Unit in creating a higher integration between the various regional sectors in the programming and implementation of the 2007-2013 ROP programme results also into a higher integration on the one side between structural funds policies and on the other between structural funds and other regional and national funded policies. Interviews underline for instance that the new programming period is characterized by a better mainstreaming of environmental and more in general sustainability principles. Furthermore, evaluations carried out on transport

policy show that differently from the past programming period, the 2007-2013 programming period is characterized by an active consideration of the wider, integrated transport picture rather than each sector in isolation.

A better integration of the different social policies is also confirmed by the interviews.

Besides intervening on integration between sectors also for increasing policy and funds integration, the Evaluation Unit promoted integrated strategies. In the new programming period, the Evaluation Unit pushed for the adoption of an integrated and strategic vision of designing local development strategies, namely Broad Areas. Broad Areas are meant to integrate different policy interventions and funds within a strategic local development strategy. However, despite guidance on how to elaborate the Strategic Plan and interactions with the local authorities, the lack of a binding regional framework together with the still weak local capacity of adopting a strategic vision in designing policies resulted into an explosion of interventions included in the Strategic Plans characterized generally by weak strategic vision. Ultimately, in order to avoid decommitment the Evaluation Unit had to approve some Operational Plans that included only infrastructural interventions financed by ERDF, putting at risk the original aims of the strategy.

Interviews to external experts underline, however, that Broad Areas criticalities are not entirely due to the weak capacity of local actors in promoting integrated and strategic development policies, but also due to the weak strategic vision of the regional administration itself. Interviewed actors stress that despite the efforts of the Evaluation Unit to introducing a new way of carrying out policies in Puglia Region based on adopting a strategic vision in designing policies, this idea was not totally absorbed by all regional sectors and most of all by political actors. Interviewed experts sustain that sometimes the Evaluation Unit is somehow crippled by political forces, which usually tend to care more about short term results and therefore for the promotion of policies that can deploy their effects soon after the implementation.

As to the integration between national funds and structural funds, different are the actions put into place by the Evaluation Unit after 2006. For instance, in promoting the 2007-2013 local development strategy, the Evaluation Unit has redirected a part of the funds for the underused areas for the design of Broad Areas Strategic Plans. Moreover, for promoting a better integration between structural funds and national funds in particular within Programme Agreements financed by funds for underused areas, the Evaluation Unit promoted in 2007 the creation of an intersectoral working group made of ROP priority themes managers and public managers in charge of Programme Agreements signed between the Puglia regional administration and the central state. This working group was also aimed at overcoming the difficulties in implementing the Agreement Programmes. However, in the new programming period this integration was lessened by financial problems of Puglia Regional administration. Based on an agreement with the central state, funds for under used areas are used to cover the serious budget deficit of Puglia Regional administration in the health field.

### ***Capacity to improve programme and project design and implementation by using evaluation and monitoring***

The promotion of ex ante, ongoing and ex post evaluations is one of the core actions of the Evaluation Unit and at the same time represents one of the main critical aspect to which the Evaluation Unit was called to answer since its institution. In fact, as underlined by interviews scarce use of evaluation and monitoring in the planning and implementation of interventions is one of the shortcomings of both the regional administration and local authorities. Puglia Region is more focused on the efficiency of the expenditure rather than on their effectiveness and despite the efforts of the Evaluation Unit it generally tends to continue to be a problem. This aspect is underlined also by Puglia Region 2007-2013 Strategic Document which states that management of Structural Funds has focused too heavily on the efficiency of activities at the expense of any proper assessment of the effectiveness of the interventions financed. Furthermore, the Strategic Document underlines that this resulted also into poor quality of the projects designed.

Moreover, according to interviewed actors Puglia Region pays more attention to the respect of procedural aspects rather than to the results of structural funds policies and more in general to the results of the regional action.

Since its very beginning the Evaluation Unit has been involved in carrying out ex ante evaluations of programmes and projects to be financed by both structural and national funds. From this point of view the Evaluation Unit was called to answer to a problem of weak technical competences of the regional administration. The Evaluation Unit carried numerous ex ante evaluations, as detailed in the chapter "Telling the story of the intervention". According to the interviewed actors, the Evaluation Unit strengthened the use of ex ante evaluation also within the planning process of the 2007-2013 ROP, which resulted into an anticipation of the weak points of the strategy and better adapt it to the real needs.

When dealing with ex ante evaluations of programmes and projects, the activity of the Evaluation Unit goes beyond the mere programme/project evaluation and consists in a continuous interaction with the proponents and their accompaniment aimed at improving programme/project quality. Interviews to interviewed actors underline the relevant contribution of the Evaluation Unit in improving the projects/programmes quality. This is, for instance, confirmed by interviews to local actors in charge of PITs implementation. Most often the improvement in project and programmes quality is the result of a fruitful dialogue with local or regional actors in charge of designing the project/programme.

However, the quality improvement of projects and programmes is not absolute. Two are the obstacles, which the Evaluation Unit is facing: on the one side, the weak project design competences of regional and local actors and on the other political "pressure". As to the former, interviews underline that despite the continuous interaction between the Evaluation Unit and local and regional actors and Evaluation Unit's accompaniment to the project design, this has not resulted into an overall improvement of the project design

competences of the local actors involved. Interviewed actors sustain that one of the causes consists in the tendency of the consultancy to replicate models and in some cases even analysis and entire projects. As to the latter aspect, interviewed actors stress that in some (rare) cases projects cannot be either improved or blocked due to political decisions and “pressure”. However, even in such cases interviews to both regional actors and external experts emphasize that the presence of the Evaluation Unit resulted into a diminishing of the poor quality projects approved on the basis of political decisions. This is on the one side due to the justified (based on the analysis carried out by the Evaluation Unit) opposition of the Evaluation Unit and on the other to the fact that even when not able to correct or block the project the Evaluation Unit approves only parts of the project and conditions the approval of the entire project on the good implementation and results of the already implemented parts.

One of the main contributions of the Evaluation Unit to the improvement of the regional administration institutional capacity consists in the diffusion of ex post evaluation culture and methodology. Interviewed actors emphasize that if in the past the regional structure was rather hostile to ongoing or ex post evaluations of its policies and more in general action, the actions of the Evaluation Unit and its focus and “insistence” in promoting the use of the ex post evaluations brought to an increase sensibility within the regional administration towards the use of ex post evaluations. Nowadays sectors understand better the objectives and the role of ex post evaluations in the decision making process and are more disposed in carrying out evaluations of the policies implemented. However, this is not a characteristic of the entire regional structure, but is limited to some of the regional sectors which are more disposed to learn from the ex post evaluations. This is for instance showed by the hostility of some sectors in collaborating to the ex post evaluations. On the contrary, there are sectors that have specifically asked the Evaluation Unit to carry out an evaluation of the policies they are in charged with. This is for instance the case of research and innovation policies sector, which specifically asked the Evaluation Unit to carry out an evaluation on the network for research and innovation in Puglia Region (RUPAR). Moreover, the new innovation and research strategy integrated learning from the evaluation and changes have been brought as suggested by the Evaluation Unit.

Moreover, the Evaluation Unit faces still great difficulties in diffusing the ex post evaluation culture to the political class. In fact, interviewed actors underline that not all political actors understand that the role of the Evaluation Unit does not consist only in ex ante assessments of projects, feasibility studies, etc, but most of all in carrying out ex post evaluations of the regional administration action both with reference to the structural funds policies and other regional policies. Nevertheless, the 2007-2013 Evaluation Plan was approved by the regional administration, differently from other regions, as confirmed by interviews. As underlined in the Telling the story chapter, the Evaluation Plan includes both evaluations to be conducted directly the evaluation unit and evaluations to be conducted by external experts. Currently the Evaluation Unit has already carried directly

two evaluations, another is ongoing, and the external experts conducted numerous other evaluations. In this latter case, the Evaluation Unit formulates the evaluation question, creates the Evaluation Steering Committee made of both regional actors, external experts and representatives of the socio and economic partnership and interacts with the external evaluators.

If the Evaluation Unit contributed to improve the regional administration evaluation capacity, this has not occurred in the monitoring system case. The monitoring system of structural funds policies continues to be a critical aspect, as it focuses more on the procedural and financial aspects with a little, if any, focus on output and result indicators. Moreover, the monitoring system did not constitute a focus of the Evaluation Unit action and formally, the Evaluation Unit is not in charge of the monitoring system.

### ***Capacity to respect the norms and procedures regulating structural funds management***

As literature on structural funds stresses (Bruzzo, 2009) in the last years the complexity of the European rules for structural funds management has continuously increased and moreover the new rules have been aimed not only at ensuring a not only a participated and decentralized planning and implementation process, but also a correct financial and procedural management. Thus, besides rules referred to the planning process (to be based on an integrated and strategic vision, on the socio and economic stakeholders' involvement and on ensuring multilevel governance), the Commission has introduced a series of rules concerning the financial management of structural funds aimed at guaranteeing legality of structural funds expenditure, surveillance of ROPs and increased transparency of both structural funds expenditure and management process.

From the point of view of ensuring legality of the structural funds expenditure, Mezzogiorno regions have had major problems than the Northern regions ones. Puglia is not an exception from this point of view. As reported in 2004, funds not paid by the European Commission due to irregularities and frauds on the total funds received from the EU reached 6,01% in Puglia, the second region in Italy after Campania, which registered a 27,30% of the assigned funds not paid by the EC. Situation has improved over the years, but not in radical way as data reported in 2010 shows. According to 2010 data that considers the 2000-2006 programming period, overall structural funds not paid by the EC reach almost 28 million Euro which puts Puglia region at the fourth place in Italy after Sardegna, Sicilia and Calabria.<sup>112</sup>

Moreover, another problem of Puglia region regards decommitment. This reached 33 million euro in the 2000-2006 ESF case (almost 90% of the entire ESF funds decommitted in all Italy) and 3 million euro in the Fishery fund case (second region in Italy after Sardegna).<sup>113</sup>

---

<sup>112</sup> I rapporti finanziari con l'Unione europea e l'utilizzazione dei Fondi comunitari, 2011

<sup>113</sup> I rapporti finanziari con l'Unione europea e l'utilizzazione dei Fondi comunitari, 2011

From this point of view the action of the Evaluation Unit did not focus on ex post controls, as it is not formally under its charge, but rather on ex ante evaluations aimed to improve the quality of the projects also from an admissibility point of view. As confirmed by interviews, this effort had a greater impact on the ERDF projects level of admissibility, while serious problems have been registered in the ESF case. However, interviews to regional actors stress that in the 2007-2013 programming period the increased role of the Evaluation Unit together with the increased capacity of the audit structure (though better organization and employment of highly specialized staff) should bring about lower levels of decommitments and irregularities in the structural funds management and expenditure.

## **6. Capacity building policies**

As already recalled in “Telling the story intervention” chapter, the creation of the Evaluation Units is part of a larger process of modernization of the Italian public administration and was aimed to contribute to the implementation of the “evaluation capacity” strategy within the Italian public administrations. In fact, as recalled at the beginning of the case study the law 144/99 aimed at introducing and/or strengthen the use of programming modalities based on evaluation within the Italian public administration through the creation of specific Units made of specialized staff that was to support the public administrations in the structural funds programming and implementation. In this sense, the creation of the Evaluation Unit is a capacity building intervention. While the story of the intervention is largely described in the chapter Telling the story intervention, we will focus here on the specific approaches/tools employed by this capacity building strategy.

As literature (see Dente B. 2001, Florio M. 2001, 2004, IRS 2003, Class 2007, etc) on the Evaluation Unit underlines, when analyzing Evaluation Units as a capacity building intervention, particular attention should be paid to the following aspects: composition and competences of the Evaluation Units, position within the public administration and political legitimacy, procedures used for the selection of the Evaluation Unit, transparency of the Evaluation Unit action and participation to national initiatives aimed to support and/or strengthen the competences of the Evaluation Units.

As to the composition of the Evaluation Unit, it is currently made of 8 external experts. However, as underlined in the previous chapters the Evaluation Unit has passed from a mixed composition in the first phase of activity (2004-2006) to an entirely external composition since the second activity phase (since 2006). Change in the composition of the Evaluation Unit was on the side due to more general changes within the regional administration (reorganization, staff reduction, etc) and on the other due to the changes within the mission of the Evaluation Unit itself (more focused on technical support to adopting a new way of programming structural funds policies and on evaluation activities, particularly in the current activity period). On the one side, the external composition ensures a higher independence of the Evaluation Unit activity, strengthening legitimacy of



the evaluation activities it carried out. Interviewed actors underline, in fact, that the total externality of the Evaluation Unit ensures a higher discretionality towards the regional administration.

On the other interviewed actors underline that internal components would have higher impacts on the improvement of the capacities of more numerous regional staff to use structural funds management tools developed by the Evaluation Unit, which consequently would result into a higher consolidation of such tools and methodologies within the overall action of the regional administration. Other actors underline that at the beginning the fact of being made of external experts made the regional administration more hostile towards the Evaluation Unit at the beginning. This implied that the Evaluation Unit had to put into action bargaining and mediation strategies and problem-solving relations were constructed in time. Moreover, interviewed actors stress that the lack of an internal component reduces the role of the Evaluation Unit as “internal” actor of the decision-making processes. Some interviewed actors consider that some parts of the regional administration continue to look at the Evaluation Unit as a provider of assessments on projects to be financed and as an external evaluator of regional structural funds policies, and not as an Unit at the support of the regional administration.

Another aspect, which proves to be relevant for ensuring success of the Evaluation Unit, consists in the technical and professional competences of the members of the Evaluation Unit. All interviewed actors agree on the fact that the high professionalism and specific competences of the Evaluation Unit staff are the main strengths of the Evaluation Unit, which have ensured success of its action in terms of contributing to the increase of regional administration institutional capacity:

*“high competences of the Evaluation Unit legitimize its activity and contribute to the improvement of quality of the regional administration action in particular with regards to the use of structural funds programming and management tools”* (interviewed actor);

*“the main strength of the Evaluation Unit consist in its professionalism and specific competences both sectoral and in the field of monitoring and evaluation. Presence of highly qualified staff within the Evaluation Unit have contributed to the creation of a good reputation of the Evaluation Unit legitimizing its actions and laying the basis of a constructive dialogue with both local and regional actors.”* (interviewed actor);

*“due to the high qualifications the Evaluation Unit becomes less and lesser an external Unit and is considered more and more as a support actor to the structural funds decision-making processes. However, this perception is not absolute, as there are still some regional sectors, which consider the Unit an external actor.”* (interviewed actor);

*“most of the regional staff is quite weak in terms of structural funds design and implementation competences. Therefore, having selected highly qualified experts*

*from both a sectoral and evaluation methodology point of view has helped improve capacity of the regional administration in the design and implementation of structural funds policies and represents the main tool adopted by this capacity building intervention” (actor interviewed)*

Another aspect that seems relevant for improvement of the regional administration institutional capacity regards Evaluation Unit experts' knowledge of the Puglia territory, strengths and weaknesses, as confirmed by different interviewed actors.

While competences and territorial knowledge represent one of the strengths of the Evaluation Unit, one of the weak points regards the fact that almost all Evaluation Unit staff is made of part time senior experts. For instance, as confirmed by interviews, this makes it difficult for the Evaluation Unit to carry out directly complex evaluations. Moreover, during the programming phase of the 2007-2013 structural funds policies, the Evaluation Unit was entirely absorbed in sustaining and in some cases substituting the regional administration. Other interviewed actors sustain that this also limits the role of the Evaluation Unit in diffusing evaluation and also other structural funds design and management tools to the wider actors of development policies also through training activities.

As to the position and political legitimacy, actors underline that the Evaluation Unit has recently changed position within the regional administration. The Evaluation Unit is under the direct responsibility of the Programming Sector, which made part of the Budget department of regional government. This has eased the direct interaction between the Evaluation Unit and the political actors in charge of programming structural policies. After the recent reorganization of the Puglia regional administration, the Evaluation Unit passed under the responsibility of the Economic Development regional government office. Relations between the Evaluation Unit and political class are somehow contradictory. On the one side, since 2005, after change in the regional presidency, the Evaluation Unit has enjoyed a the direct political support of the Puglia regional administration president. This strengthened legitimacy of the Evaluation Unit action. However, in some cases (not all) both regional and local political actors have still difficulties in perceiving the Evaluation Unit as a decision support Unit. Interviewed actors also sustain that politicians tend to “use” the Evaluation Unit for covering up for projects based on their convenience. In these cases, the Evaluation Unit adopts bargaining strategies.

As to the interaction with the other sectors, interviewed actors underline that one of the strengths of the Evaluation Unit consisted in the fact that it has never assumed a “vertical” approach, but rather a “parallel” one and it has always based its action on a problem-solving interaction.

The transparency of both selection procedures and general Evaluation Unit action has also contributed to its successful action, as confirmed by interviewed actors. Staff selection occurs through a tender, which is widely publicized. Moreover, all the decisions

of the Evaluation Unit are published on the website of the Evaluation Unit, as well as some of the Evaluation Units activity reports.

The Evaluation Unit of Puglia Region participated to the following capacity building initiatives put in place at national level for strengthening the competences of the Evaluation Units and the creation of a community of practice:

➤ *Network of the Evaluation Units;*

The Network of Evaluation Units was created with the 144 law of 1999, the same that instituted the Evaluation Units themselves. In fact, the possibility that the Evaluation Units can collaborate became one of the conditions for their existence as underlined within the 1999 Directive of the Presidency of the Council of Ministers. The Network of the Evaluation Units became operational in 2003 and was envisaged as a provider of a system of services, of products and of a technologic apparatus to the Evaluation Units and most of all as the evolved structure of a community of practice. The main activities carried out by the Network of the Evaluation Units regarded: training activities; diffusion of best practices; facilitation of exchanges of information and interactions between the Evaluation Units and promotion of a community of practice. The Network of the Evaluation Units lasted until 2006.

➤ *NUVAL project;*

In 2001, DPS and the Italian Public Administration department decided to entrust Formez with: offering support upon request for the set up of the Evaluation Units; elaborate a feasibility study for the creation of the Network of Evaluation Units and the design of a training offer for the members of the Evaluation Units. The NUVAL project lasted until 2009.

➤ *National System of Evaluation.*

The National Evaluation System is foreseen already by the 2000-2006 objective 1 QCS as a set of support and orientation activities for the improvement and valorization of evaluation activities. UVAL (structure within DPS) was charged with the coordination of the activities foreseen within the National Evaluation System that had to be implemented in collaboration with the national structures in charge with ESF and EAGGF evaluation and the Network of Evaluation Units.

Although the Evaluation Unit staff participated to all national initiatives aimed at improving the competences of the Evaluation Units, interviewed actors underline that their effectiveness in terms of strengthening the competences of the Evaluation Unit, organizational growth, and creation of a community of practice is extremely limited. One of the factors that hindered the effectiveness of such initiatives regarded their generality, the traditional ways of supply (one/two days seminars usually held at Rome) and sometimes their basic level. This had even a stronger negative impact in the context of an Evaluation Unit made up of senior researchers (professors, consultants, etc) with a long time

experience in evaluation, costs and benefits analysis, strategic planning, etc. Furthermore, the failure of the Network of Evaluation Units also prevented the creation of a community of practice. Moreover, exchanges between the Evaluation Units occurred rather in an informal way. However, interviewed actors underline that different from Nuval and Network of Evaluation Units initiatives, the UVAL initiatives (within the National Evaluation System) were better tailored to the necessities of the Evaluation Unit and, in particular, contributed to legitimize its role as an “evaluator” of structural funds policies.

## **7. What works**

The creation of the Evaluation Units within the Italian public administrations represents a national capacity building intervention aimed at overcoming the shortfalls of the Italian national, regional and local public administrations in the programming and implementation of development policies. At national level the Evaluation Unit assumed different organizational forms (internal body, mixed body – internal and external experts- or totally external) and obtained very different results from one administration to another.

In Puglia Region, the Evaluation Unit passed from an in initial mixed body to a totally external body made of part-time high level experts in the projecting and evaluation of development policies from an economic, social and environmental point of view.

Even though the fully effects of the Evaluation Unit have not been fully deployed due to the initial delays in its creation, it is still possible to detect an improvement in the institutional capacity of the regional units involved in the programming and implementation of development policies. As argued in the previous chapters, improvement in the institutional capacity is mainly related to higher integration within the regional administration, higher integration between policies and funds, diffusion of new methodologies for the programming and implementation of development policies (ex ante evaluation, project cycle management, involvement of local authorities and regional stakeholders in all the policy phases, etc) and most of all with the spread of the ex post evaluation culture within the regional administration. The Evaluation Unit of Puglia Region is also the only evaluation unit in Italy to have an evaluator as a president.

Looking at what works, in terms of mechanisms explaining the success of the intervention, the main refer to:

- Reputation;
- Actors' certification;
- Rules of coordination.

### *Reputation*

In the Evaluation Unit case, all interviewed actors at both regional and local level underline that one of the main factors easing knowledge transfer and interaction between

the Evaluation Unit and the regional/local actors involved in the programming and implementation of development policies resides in the reputation of the Evaluation Unit staff. Knowledge is also the main resources used by the Evaluation Unit.

Both institutional actors at regional and local level and social and economic stakeholders perceive the Evaluation Unit as a technical unit made of high level experts in the programming and evaluation of development policies, whose assessments are based on scientific experience and knowledge. Within the regional administration, the Evaluation Units staff's knowledge and experience in development policies make the other departments trust them and adopt easier the methodologies proposed by the Unit. Moreover, the high level experience of the Evaluation Unit staff reduces also perception of the Evaluation Unit as a body that defends specific political interests. According to interviewed actors, this has increased trust of the regional units and local actors in the work of the Evaluation Unit and ultimately has reduced costs of information exchange.

#### *Actors' certification*

In this case actors' certification refers to the certification of the Evaluation Unit, but most of all to the fact that the Evaluation Unit acts as a certifying actors for the other regional units or local authorities.

In the former case, the position of totally external experts belonging to a community of practice "certifies" the assessments and evaluations of the Evaluation Unit. According to interviews, this increases the value of the Evaluation Unit work within the regional structure.

In the latter case, the Evaluation Unit acts as an actor certifying the work of the other regional structures. Interaction and knowledge transfer is also eased by the fact that regional structures consider the certification of their work by the Evaluation Unit as an opportunity. Interviewed actors underline that the approval of projects by the Evaluation Unit adds them value and increases positive perception of the performance of the respective proponent.

#### *Rules of coordination*

The last mechanism explaining the success of the intervention refers somehow to the creation of rules of coordination. The Evaluation Unit creates inter-sectorial groups with the clear objective of easing interaction between the various regional sectors in the programming of development policies and ultimately favour integration of development policies. Interviews underline that participation of regional structures to such groups is also favoured by the fact that the Evaluation Unit does not adopt a hierarchical position, but rather behaves as an integrator agent within the regional administration.

## 8. List of interviews

<b>Interviewed actors</b>	<b>Date</b>
Giuseppe Moro – Evaluation Unit president	13 October 2011 6 February 2012
Luca Celi – ex president of the Managing Authority of Puglia Region	14 October 2011
Sara Gaudino – ex member of the Evaluation Unit	17 October 2011
Giuseppe Ferro – ex director of the Agricultural Unit of Puglia Region	18 October 2011
Matteo Antonicelli – ex EAGGF Managing Authority	20 October 2011
Marra Antonio – director of the Transport Unit of Puglia Region	21 October 2011
Antonio Loungo – member of the Evaluation Unit of Puglia Region	19 October 2011
Olga Buono – ex PIT 1 consultant, member of the Regional Task force of Broad Areas and consultant of SUAP office of Foggia Municipality	23 January 2012
Laura Tagle – member of the Evaluation Unit of Puglia Region	24 January 2012

# **Puglia Case Study: Technical assistance measures employed by the Central government to support regional governments in the implementation of reform processes and sectorial planning in the field of water, waste management and soil protection as well as the experience related to the use of an incentive mechanism (“performance reserve”) in the same fields**

Raffaele Colaizzo<sup>114</sup>

## **Research problem**

*This chapter includes a description of the main research problem to be explored within the case study. A departure point in describing the research problem to be explored within each analyzed case, consists in the following questions: Have technical assistance measures related to utilities contributed to the improvement of the quality and accessibility of such services? How has this occurred? How is it possible to assess the effectiveness of technical assistance in terms of improving capacity at the regional and local level?*

Starting from the second half of '90s, a wide reform process was launched in Italy in order to modernize the sectors of environment, sustainable development and natural resources; and to increase water and waste services both in quality and quantity. The reform took place within the framework of a deep delegation of powers from the Italian Central Government to Regional Administrations, in many important policy areas. In this way, Central Administration role was limited to enact general laws and rules, to determine standards and framework directives, to promote surveys and monitoring, to verify the laws and standard implementation, etc. On the other hand, Regions took the burden of regulating, coordinating and implementing policies in crucial areas for public health, development and quality of life.

The link between the environmental and utilities reform, on one side, and cohesion policies on the other side has always been kept close.

### *Community Support Framework 2000-2006*

The Community Support Framework (CSF) 2000-2006 for the Italian Objective 1 Regions considers that the accomplishment of the reforms undertaken during the 90s in some key service sectors (environment, water, waste, soil) is strictly interrelated to the purposes of regional policy for cohesion and development. The CSF and its National and Regional Operational Programmes earmark a large share of financial resources to the strengthening of infrastructure and services in these areas; but they recognize that, together with infrastructures, **institutional and administrative advancements are needed in order to increase services both in quantity and quality.**

---

<sup>114</sup> Politecnico di Torino

Within the CSF, the objective of increasing the administrative capacity in the service sectors, as well as in other strategic areas, is pursued through two instruments, which are partially interrelated:

- the **National Operational Program “Technical Assistance and System Actions”** (PON ATAS, *Programma Operativo Nazionale “Assistenza Tecnica e Azioni di Sistema”*) which aimed at improving the institutional capacity of public administration and to streamline the implementation of Operational Programs co-financed by Structural Funds through multiple actions of technical assistance;
- and the so-called **“National Performance Reserve”** (NPR), a performance-based mechanism that assigned a financial reserve (equal to 6% of funds programmed by the CSF) to Regions and Central administrations (managing operational programmes) in case they reached given targets of administrative advancement.

#### *National Strategic Reference Framework (2007-2013)*

In 2007, the National Strategic Reference Framework (2007-2013) for Italy launched a new initiative aimed at improving quality and availability of public services in Southern Italy, as part of the regional cohesion policy. **Measurable Objectives for Public Services Provision** (MOPS) were therefore identified, with reference to the provision of key public services in four basic sectors: education, child and elderly care, water and waste. Eleven measurable indicators were associated to the Objectives. Out of them, six indicators were referred to waste and water services.

The MOPS policy (2007-2013) is associated to a **Performance Based Mechanism** (PBM): the achievement of quantified targets (set for the eleven indicators) at 2013 will allow the eight Regions of the Italian Mezzogiorno (Abruzzo, Molise, Campania, Apulia, Basilicata, Calabria, Sardinia and Sicily) to obtain a financial award from national government. At a local level, institutions and operators may receive part of the financial awards, in case they reach the performance targets that have been set. So they are stimulated to operate for rapidly carrying out local investments and actions to improve the service sector performances.

The case study refers to the national policy of Performance Based Mechanism, related to water service and urban waste management in Apulia Region. The main research problem that we assume here is the understanding of the way and mechanisms such policies have stimulated advancements in the utility sectors efficiency and performance. Moreover, the study focus on a capacity building experience in the field of sustainable water use promotion.

In short, PBM policy firstly aims at stimulating an appropriate actors' answer, i.e. at reaching the *intermediate* objectives of speeding up investment, and increasing efficiency and capacity of institutions and operators involved in service sectors. This should generate in turn measurable results in terms of better services and quality of life. In this sense, PBM seems to work in a similar way than traditional technical assistance measures do: they induce a capacity empowerment of an organisation as a whole and/on of single workers, in order to make them operate and achieve the policy targets they have been assigned to. As a matter of fact, not



necessarily this logical chain actually works and PBM produces its effects: external factors may impede or interrupt the causal channel (from PBM to Policy Results), as we will discuss later.

### *The research questions*

In brief, the research questions are:

- did the PON ATAS assistance and the NPR, within the CSF 2000-2006, contribute to institutional building and to reform processes success in environmental and utilities sector? Did they work in Apulia?
- may the PBM 2007-2013 policies (as a Central intervention) give a boost to the construction of new regional and local capacities to design and implement reform processes and sectorial planning? Are they working in Apulia?

## **2. Context related features**

*This chapter focuses on structural variables and institutional thickness. The purpose is to analyze the departure point and changes in the main contextual factors – social, economical, and political – that shape institutional capacity in the analyzed regions over time (before, during and after the implementation of the interventions). Furthermore, this chapter has also to analyze the main challenges to social and economic territorial development in the region.*

### **2.1 Socio- Economic development**

*This paragraph provides information on the socio – economic structure in its socio-economic national and international context.*

Apulia is one of the four Italian regions of the **Convergence Objective** of the European Union cohesion policies (together with Campania, Calabria, and Sicily. Basilicata Region stays in a *phasing out* condition). It is located in the South-East part of the country, on the Adriatic Sea. Its area amounts to 19 358 sq km, well above the Italian region average (14 349 sq km including the Autonomous Provinces of Bolzano-Bozen and Trento) but far from the largest Italian regions (Sicily, 25 711 sq km; Piedmont, 25 403 sq km; Lombardy, 23 863 sq km). The Apulia Regions is subdivided into six NUTS III areas (Provinces): Bari, Barletta-Andria-Trani, Brindisi, Foggia, Lecce, and Taranto. Apulian population amounts to 4 091 thousands of inhabitants (ISTAT data), equal to the 6.7% of the Italian population.

Apulia is still suffering of a **severe gap from national and European development levels**. The regional GDP per inhabitant (16 711 euro in 2009) is equal to 66% of the national average (25 237 euro) and to 57% of Italian Centre North (29 399 euro), the more developed area of the country. Apulia is the second last region in the ranking of Italian regions according to the GDP per inhabitant. For year 2009, the National Statistical Institute (ISTAT) points out that 49.3% of households in Apulia consider their economic conditions as critical or very difficult (37.8% in Italy). Families who live in a poverty condition amount to 21.1% of total (11% in Italy, 5.3% in Centre North).

In the year 2010, unemployment rate is at 13.5%, well above the national average (8.4%). Inactivity rate is at 48.6% (37.8% in Italy). Of course, Apulia GDP is well below the ESPON average and unemployment rate is above it.

With reference to the composite Lisbon performance indicator (based on Gross Domestic Product per capita; Gross Domestic Product per employed person; Employment rate; Employment rate of older workers; Gross domestic expenditure on research and development; Dispersion of regional (un)employment rates and Long-term unemployment rate) the Region lies in the low performance group, with most indicators in the worst quartile.

Moreover, the regional economic system is in a strong decline: within the general turndown the Italian economy is getting trough, in the 2005-2009 period the Apulian GDP has decreased in real terms of about 6.4% against the 3% of the national average. The fall of the industrial product has come close to 17%. Between 2007 and 2010, the Bank of Italy reports a dramatic fall of the exports and production of the Apulian Industrial Districts, that previously were the very backbone of regional economy. The preliminary data from SVIMEZ point out a further worsening of the region's economic conditions in 2010.

Besides economic data, Apulia gaps stand out even considering some selected indicators identified by Italian NSRF as referring to common policy areas (**table 1**). The comparison between regional and Centre North values clearly reveals the huge distance from Apulia and the more developed part of the country.

**Table 1 – Selected policy indicators in Apulia and Italian Centre North**

Indicators	Puglia		Centro Nord	
	2004	Last year	2004	Last year
1. No bathing water coasts on total coasts length (%)	5.68	6.48	4.27	4.66
2. Touristic presences per inhabitant in other than summer months	0.55	0.69	3.04	3.12
3. Percentage of adults participating to permanent learning activities	5.23	5.09	6.47	6.35
4. R&D expenditure carried out by public and private enterprises in percentage of GDP	0.15	0.20	0.62	0.80
5. Irregular jobs on total jobs (%)	15.50	18.85	8.90	9.69
6. Electric energy consumptions satisfied with renewable sources (%)	3.93	17.79	3.87	4.96

*“Last year” data refer to 2008 for Indicator 1; to 2009 for Indicators 3, 4, 5 and 6; to 2010 for Indicator 2*

Distances between Apulia and the more developed Centre North regions are still high, and growing in some cases, except than in the case of renewable energy.

*Development levels and service availability*

The need for the region to **accelerate development and structural change appears to be clear even in the service sector**. A clear correlation exists between the regional development levels and the quality and accessibility of services. In **table 2**, some selected indicators are shown to highlight the Apulian gap with regards to crucial basic services. These indicators have been selected by national programming authorities to determine targets within the MOPS policy (see paragraph 4).

**Table 2 – Selected performance indicators for basic services**

	Puglia		Centro Nord	
1. Percentage of the population aged 18-24 with at most a middle school diploma that has not completed a professional training course of more than 2 years	30.3	23.4	19.3	16.2
2. Percentage of 15-year-olds students who at most have achieved the first level of reading skills according to the ranking for the PISA test conducted by the OECD	36.3	17.6	18.2	16.6
3. Percentage of 15 years old students who at most have achieved the first level of math skills according to the ranking for the PISA test conducted by the OECD	43.0	22.4	22.9	19.5
4. Percentage of municipalities that provide child-care services - day-care centres, mini day-care facilities or supplementary and innovative services - out of total municipalities in the region	24.0	36.4	47.6	66.5
5. Percentage of children up to age 3 using child-care services - day-care centres, mini day-care facilities or supplementary and innovative services - of which 70% in day-care centres, out of total population aged up to 3 years	4.8	4.6	15.5	17.9
6. Percentage of elderly receiving home assistance out of the total elderly population - 65 and over	1.2	1.8	3.4	4.9
7. Kilograms of urban waste landfilled per capita per year	449.6	387.2	274.7	216.6
8. Percentage of urban waste handled through separate waste collection facilities out of total urban waste collected	7.3	14.0	29.8	40.4
9. Percentage of wet waste - organic and green material - treated in composting facilities for the production of compost out of total wet urban waste	1.0	16.1	27.7	47.0
10. Percentage of water delivered out of total water entering municipal water distribution systems	52.7	53.4	71.5	71.9
11. Equivalent inhabitants served by waste water treatment plants with secondary or tertiary treatment, as a percentage of total urban	58.5	60.9	77.6	81.0

	<b>Puglia</b>	<b>Centro Nord</b>
inhabitant equivalents per region		

Data highlight the need for the region to accelerate the provision of public services in crucial sectors: in particular, indicators for children and elderly people services (Indicators from 4 to 6) are far from the standards that can be observed in more developed regions. Also with reference to water and waste systems (Indicators from 7 to 10), it is evident the necessity to better protecting and increasing the quality of the environment and water resources. On the other hand, progresses have been made in the field of improving students competence, reducing drop-outs rates and broadening population's learning opportunities (Indicators from 1 to 3).

It has to be underlined that issues relating to water and waste have a great relevance with respect to environment and climate change problems. According to ESPON observations, the aggregate potential impact of climate change is *medium negative* in most of Apulia territory (except than in the southern part of the region, where the potential impact is *low negative*). At the same time, the Region's potential vulnerability to climate change is high. As ESPON climate project points out, the potential impacts of climate change vary considerably across Europe: particularly negatively affected regions are primarily found in the South of Europe – e.g. the big agglomerations and the summer tourist resorts along the coasts.

## 2.2 Institutional and political characteristics

*This paragraph provides information on the institutional and political features of the analyzed region and related changes over time.*

### 2.2.1 A glimpse of institutional conditions in Apulia Region

In general terms, it would be hard to associate the serious structural moving back of the Apulian economy to a condition of “institutional rarefaction”. Through the years, it has been established — mostly as a consequence of past territorial development policies (Leader Programmes, Territorial Pacts, Integrated Territorial Projects) — a quite **strong and widespread presence of institutions and partners**, highly active over the territory, often organized in a multilevel governance structure and able to implement and manage local capacities. It does exist in principle “a plethora of actors some of which can be seen to provide collective representation and/or material services”<sup>115</sup>. This is partly reflected by regional indicators on social capital and community participation.

Among the different possible examples of this “plethora of actors” vitality: a recent Regional call for proposals of projects for integrated development of Environmental and Cultural territorial Systems (SAC) has stimulated about twenty local partnerships to candidate projects, organized upon a wide territorial local base, involving over 1.000 local partners, among which 200 municipalities, 17 Local Actions Groups and other territorial development agencies, 600 non-for-profit

<sup>115</sup> ESPON (2011), *INSTED. Institutional Capacity for Territorial Development (2011), Inception Report, Version 8 September 2011*, Brussels.

associations, 60 organizations specifically involved in environmental and cultural enhancement activities, 60 Park Agencies, Chambers of Commerce, ecclesiastic institutions. Also Universities have been widely represented in the partnerships. In spite of a so large mobilization, it must be said that the projects submitted has been judged not completely satisfying with respect to quality and originality.

Similarly, the Strategic Plans of “Wide Areas”, promoted by Regional Administration in Apulia, have mobilized a very large number of actors and partnerships in order to plan, within a participation process, the development and structural transformation of ten super-local territories which the Region has been divided into. However, the fragmentation of the local interests and the absence of a common agenda have clearly emerged, leading the process to a halt.

Apulia Region is ruled since 2005 by a centre-leftist political coalition, led by Mr Nichi Vendola, a prominent politician of national wide relevance. President Vendola is deeply rooted into the Italian left culture and practice. Social equity and solidarity, social and gender inclusion, sustainable development and environment protection, bottom up policies and participation are therefore the key principle and values Mr Vendola has been referring to in the course of his mandate.

The Regional governments led in turn by Mr Vendola and by his predecessor, Mr. Raffaele Fitto, a political leader from centre-right side, had to face the wide reform in environmental and utilities laws which was designed and started in the late '90s and in the early years of the following decade. At the regional level, important changes in governance, laws, organisation and practice were then faced, in order to comply with EU Directives and national reform.

## 2.2.2 The reform of environmental and utilities sector: the change in normative and programming context

The main steps and fields of the reforms processes in environmental and utilities sectors are briefly described below.

- The **Integrated Water Urban Management**. In 1994, the National Law n. 36 (Legge Galli) set up the Integrated Water Urban Management (Servizio Idrico Integrato, SII). The SII is formed by the whole mass of public services relative to the collection, bearing and distribution of water for civil use as well as to sewage treatment. It has to be managed at an **Optimal Territorial Ambit** (*Ambito Territoriale Ottimale*, ATO) level; ambits are defined by Regions as parts of their territory and are managed by **ATO Authorities**.

The ATO Authority plans and controls the SII at a basin level. It is in charge of organising, contracting and controlling the service delivery. It has to ensure the optimization of drinking water supply, the preservation of water resources, and the protection of households as consumers.

Municipalities are ATO partners and participate to the Ambit Assembly, which is made up by the delegates of all the local public bodies involved in the ATO's jurisdiction. The Ambit Assembly addresses and controls the politic and administrative activities of the Ambit Authority; it approves the Integrated Water System organization, the agreement which rules the relations between the Ambit Authority and the Water Service Companies,

the entrusting of the Integrated Water System's management, the approval of the Water Master Plan, the approval of the water tariff, the approval of the Authority's anticipatory and final balance.

The governance and organization of the water service in Italy is now defined by the National Legislative Decree 152/2006 "Environmental Law", which set up the Integrated Water Urban Management (SII).

- The **Waste Management organization**. Territoriality and service integration are as well constitutive elements of the waste management system, firstly regulated by the Legislative Decree n. 22/1997 (which enacted the EU Directives on this issue) and newly defined by the Legislative Decree 152/2006. Even in this case, the different activities of collecting, transporting and recycling garbage have to be executed in an integrated way in **Optimal Territorial Areas for Waste Management** organised and managed by Municipalities with a cooperative approach. **Regional Waste Plans** have to be drafted by the Regions in order to promote efficiency and sustainability of waste management and the achievement of targets referring to separate collection and waste quantity reduction.
- The **Water Basin Planning**. The Law n. 183/1989 (Rules for a new organisation and functions of soil conservation system) introduced in Italy the Water Basin Planning (or Drainage Basin Planning), which is aimed at ensuring the protection of soil, water and coasts assuming water basins as territorial ambits. The Law established the Basin Authorities for the Water Basins of national and interregional importance; delegated Regions to establish Water Basin Authorities for basins of regional relevance; and assigned to the Regions the administrative functions regarding the water basins of regional and interregional relevance.

**Basin Authorities** have to develop planning and programming for a unified management of Drainage Areas. They working out **Water Basin Plans**, which are spatial plans for the water sector, where geographical and territorial data and information, regulations, technical and operational guidelines are collected and presented, in order to promote the conservation, protection and enhancement of soil and the correct use of water, on the basis of the physical and environmental characteristics of the concerned areas. The Basin Plan can be drafted and approved for sub-basins or excerpts related to functional areas, provided that they constitute sequential and correlated stages with respect to the content of the Basin Plans.

Following the Legislative Decree n. 152/2006, Law 183/89 has been repealed and Basin Authorities have been suppressed; eight Water Districts have been established in place of them. All activities relating to Basin Plans are still being carried out, under an extension period, by the Basin Authority.

- The **Regional Environmental Agencies**. In 1993, the powers of the National Health Service (NHS) and Local Health Units (USL) in the field of

environmental control and prevention were repealed. With the National Law n. 61/1994, these powers were entrusted to the Regional Agencies for Environmental Protection (ARPA), responsible for the environment surveillance and control at the local level. Furthermore, the National Law n. 61/94 set up the National Agency for Environmental Protection (ANPA), which then became Agency for Environmental Protection and Technical Services (APAT) and finally Institute for the Environmental Protection and Research (ISPRA), with the task of directing and coordinating the regional agencies.

- The **Regional Environmental Authorities**. The Italian CSF 2000-2006 stated that Environmental Authorities had to be instituted in order to ensure the integration of the environmental dimension in the design, implementation, monitoring and evaluation of cohesion and development policies, plans and programs. The Environmental Authority also had to ensure the correct application of the Strategic Environmental Assessment (SEA), in accordance with Directive 2001/42/EC concerning the assessment of the effects of plans and programs on environment. They had also to ensure the compliance with policy and Community legislation on environmental matters.

CIPE Deliberation n. 83/2000 decided that each Region had to identify the Regional Environmental Authority in charge of cooperating to include environmental issues in Operational Programmes co-financed by Structural Funds.

Regional Environmental Authorities also participate in the National Environmental Network (*Rete Ambientale Nazionale*) and collaborates to in-depth study of specific problems and the development of technical and methodological guidelines related to environmental issues.

### 3. Outcomes of the analyzed intervention

*This paragraph is aimed at analyzing the success of the intervention or its failure. The chapter collects the judgements of the main stakeholders on the main outcomes of the analyzed interventions, i.e. on improvement of the quality and accessibility of public services (water and waste) in Apulia.*

Outcomes of the intervention may be summarised as follows.

In 2000-2006 period, **the PON ATAS Operational Projects (Environment, Soil Protection and Water Resources) have positively contributed to the implementation of reform processes in environmental and utilities sectors**, promoting the adoption of new planning tools and the setting up of a better governance and organisation. This outcome has been achieved through a close cooperation among Central Administrations (mainly the Ministry of Environment, the Ministry of Infrastructure and the Ministry of Economic Development) and the six Objective 1 Regions.

Cooperative tools adopted consisted of training, employment and internalization of specialized professional staff (both by Regional Departments, Agencies and local operators), setting up of Geographical Information Systems and other knowledge and information instruments, supply of technologies, know how and technical

equipments, Networking. The PON ATAS assistance in Apulia contributed to the achievement of institutional building targets determined by the National Reserve policy.

With reference to 2007-2013, the Performance Based Mechanisms within Services Objectives policy mainly induced administrative changes.

- The implementation of PMB 2007-2013 policies has stimulated an advancement in the **coordination of regional programming** for better services and quality of life. Financial funds of different sources (European and national, additional and ordinaries, from public and private sources) have been programmed within a common framework and concentrated to sectoral priorities regarding waste and water.
- The development of **Regional Action Plans** as programming tools (see paragraph 4) has been an opportunity to critically review and analyze the structural, socio-economic, programming and regulatory context; to define and promote integrated actions; to organize and strengthen functional relations among operators. It has to be underlined that Regional Plans are *framework* documents: they are not provided with specific funds but just coordinate the use of different financial sources. The NRSF had determined that MOPS policies in 2007-2013 should have been financed by *additional* development resources (structural funds and regional national funds for regional development), as well as by ordinary resources (national, regional and local in some cases).
- Apulia Region has interpreted the achievement of PBM targets as a challenging objective and has shown a **strong commitment** to make this policy succeed. The possibility to assign part of the financial award to performing local institutions and agencies has extended this commitment and stimulated territorial partnership to do their part.
- PMB based policies have created a favourable premise to **promote investment programmes and services delivery improvements**. Due to the time needed to carry out works and projects, results in terms of sector performance are not fully visible yet. Nevertheless, as the Regional MOPS Execution Report states, Apulia Region is set to complete infrastructure and facilities for bettering services in waste and water sectors.
- PMB has proved it may induce **governance advancement**, producing effects on the entire chain of institutions, agencies, organisations and stakeholders involved into water and waste management. The Region has played a leadership role in this.
- The water and waste sector **organisation and governance has been better defined**. PBM policies have probably had a marginal role in it but they have gone together with this process. It may be noted that, within the 2000-2006 programming period of cohesion policy, a PBM policy was especially assigned to institutional advancements. Eleven indicators were established, regarding *inter alia* the elaboration of regional landscape planning (for the implementation of the National Law n. 46/2004 on landscape and cultural heritage); the implementation of the Integrated Water Service, with the institution of ATO Authorities and the approval of



Ambit Plans; the implementation of waste management in Optimal Territorial Ambits; the institution of Regional Agencies for the Environment. **Apulia Region fulfilled these targets.**

- **Specific monitoring tools** has been activated. A Regional MOPS Executions Report makes annually available information on the execution state of basic services improvement interventions. The Execution Report points out the current strategy validity or the need to update it.

It has to be pointed out that PBM 2007-2013 based policies, within Italian NRSF, have been implemented in a rather poor way. The financial amount initially dedicated to PBM award (entirely consisting of national resources) has been strongly reduced, both for the severe crisis of Italian public budget and somehow for the change of central development strategies. National authorities claim this reduction is partly justified by the weak capacity shown by Regional Administrations to utilise development funds.

Nevertheless, PBM policy have mobilized a large number of actors and they seem to be a good methodological footprint for the future. To some extent, they have contributed to improve the quality and accessibility of utilities — or to create conditions for improvement and change.

#### **4. Telling the story of the intervention**

*This purpose of this paragraph is to retrace the story of the analyzed intervention with respect to the research problem. Therefore, the chapter is dedicated to the analysis of the 'story' defining the decision making process, that is the identification of all the events which conditioned in some way the development of the process, from policy formulation until policy evaluation.*

As we said before, the CSF 2000-2006 promoted the objective of increasing the administrative capacity of the Objective 1 Italian Regions — needed to perform the reform processes in environmental and utilities sectors — mainly through two instruments: a programme of technical assistance (the PON ATAS), which implied a close cooperation among Central Government and Regions; and a performance based mechanism, which rewarded Regions in case they reached given targets of administrative advancement.

#### **4.1 Technical Assistance and Performance Based Mechanism in 2000-2006 CSF**

##### **4.1.1 The PON ATAS**

The National Operational Programme “Technical Assistance and System Actions” (*Programma Operativo Nazionale “Assistenza Tecnica e Azioni di Sistema”*, PON ATAS) 2000-2006 aimed at increasing the institutional capacity of public administrations, enhancing the implementation process of Operational Programmes and actions co-financed by Structural Funds. This implied carrying out technical assistance and system actions to tutor and support many Governments, both local and regional, in implementing their activities with the support of new professional resources, technologies, standard models and guidelines, analysis and surveys, indicators and databases, geographical information systems, exchange of best practices among administrations, assistance to the OP partnerships, etc.

The Managing Authority was the same as for the Objective 1 Community Support Framework: the Department for Development and Cohesion Policies (Directorate General for Policies of Community Structural Funds) of the Ministry of Economy and Finance.

The PON ATAS has been implemented through **Operational Projects** managed by Central Administrations (such as the Ministry for Environment, the Ministry of Infrastructure, etc.), aiming at reinforcing institutional capacity regarding sectoral specific themes. This implied a strict cooperation with Regional Administration and in most cases the implementation of territorial actions, aiming at supporting local administration and territorial agencies to perform their tasks in the reference sector.

In the field of environment and natural resources, the PON ATAS funded three important projects, which were implemented through a strong partnership between Central Government and Regions:

- the **Operating Project “Environment”** (*Progetto Operativo Ambiente, POA*) of the Ministry of the Environment and Territorial Protection - General Directorate for Environmental Research and Development, with a budget of 51 million euro;
- the **Operational “Soil Protection”** (*Progetto Operativo Difesa del Suolo, PODIS*) of the Ministry of the Environment and Territorial Protection - General Directorate for Land Protection, with a budget of 24 million euro;
- the **Operational Project “Water Resources” II phase** (*Progetto Operativo Risorse Idriche*), of the Ministry Infrastructure and Transport - General Directorate of Networks, with a budget of 12 million euro.

The three projects of the PON ATAS operated in a rather similar way, although their implementation was adapted in the different regional contexts. They supplied financial assistance in order to:

- provide the various regions and, in some cases, local agencies and authorities with: (a) human resources, mostly selected at the local level and employed at Central and Regional departments and offices in charge of reform processes; (b) in some cases, complex technology and facilities, (c) advice and assistance on relevant issues in the various regions;
- define and create tools (information systems, computerized archives and databases, technologies, standards, manuals), and make them available to national, regional, and territorial operators.

The assistance had the purpose of driving local and regional actors to complete and implement major reform processes in the fields of environment, water, waste, soil protection through capacity building actions and the reorganization of administrations.

The activities were mostly centred on the **development of new plans** (such as Basin Plans), the **creation and start up of new agencies** (such as the Regional Agencies for Environmental Protection) or the **implementation of the more complex parts of reform processes** (such as the Integrated Water Service

introduced by the Galli Law). In several cases, the assistance focused on the implementation of the Operational Programs Measures dedicated to environment, water, waste, and soil protection action. A summary of the activities which were developed by the three projects is presented in Table 3.

An important issue pertains to the **project organization**. In fact, all the assistance activities were carried out through both a central structure and different units located in the regional contexts. These entities differently interacted in each Operational Project.

- In the OP “Environment”, Local Task Forces (TF) were established to give support to the Regional Environmental Authorities and ARPA, and a Central Task Force that gave assistance to the National Environment Authority. The Central TF was in charge of planning, coordinating and addressing the whole Operational Project. It was in turn split into several groups, working on specific themes and giving an in-depth focus on environmental issues. In both bodies, central and local, technical specialized competences were present; the management was ensured by the Central TF. The group of experts was built, in the first phase of the Project implementation, as a professional community made up of human resources which together took part in a training program, acquiring as a working method the information exchange and the technical cooperation.
- The OP “Soil Protection” adopted an organization somehow similar to that of the OP Environment. Local Support Unit were established at the Regions and coordinated by regional managers, and a Central Unit was in charge of the coordination and management of the whole project. Other resources were activated in order to solve problems of major complexity, as part of specific projects agreed by Central Administration and single Regions. Finally, Information Territorial Units were established and networked, in order to allow the exchange of geographical data and information between Regions and the Ministry for the Environment and Territory. In general, except for the latter case, the territorial unit were endowed with a strong technical expertise, while the central unit mainly had a role of managing the Operational Project.
- In the OP “Water Resources (II phase)”, the specialized human resources were located at the Regional Departments and at ATO. They were coordinated, mainly with regard to management and administration, by the officials of the Ministry, supported by consultants and other human resources. The Central Unit coordinated the development of a General Geographic Information System on Integrated Water Schemes in the South of Italy, where the local task forces contributed to create the central database.

Differences in the organization of the three projects are important to explain the way capacity building actions were carried out. The OP Water Resources was configured as a **star-shaped model**, where the connections between the central and territorial units were largely hierarchical and the local nodes of the system interacted rather weakly, generally through the participation in training activities and seminars. The model of the OP “Environment” and “Soil Protection” was more **reticular**: central units played a minor technical role in coordinating and territorial

units carried out their activities in a relatively autonomous way, with a very strong influence of Regional departments.

From a capacity building point of view, the optimal structure probably consists of a network configuration, with decentralized units working at territorial nodes and a central TF which ensures the coordination and management of the project, the flow of knowledge and the spread of methods to the territorial operators. On this issue we will return later.

**Table 3 - Operational Projects *Environment, Soil and Water Resources* (II phase) of the PON ATAS**

OP "Environment"			OP "Soil Protection"		OP "Water Resources"	
<i>Activities for Environmental Authorities and Programming</i>	<i>Activities for ARPA</i>	<i>Central Activities</i>	<i>Regional Activities</i>	<i>Central Activities</i>	<i>Regional Activities</i>	<i>Central Activities</i>
<ul style="list-style-type: none"> <li>• Contribution to prepare Monitoring Committees, modify Programme Complements, draw Annual Execution Reports</li> <li>• Assistance to Managing Authorities and Officers in charge of implementing the ROP Measures (integration of environmental aspects in tenders and evaluations)</li> <li>• Support to regions and local institutions for incorporating environment in the Integrated Territorial Projects, through environmental analysis, development and application of</li> </ul>	<ul style="list-style-type: none"> <li>• Support to ARPA activities in the start up and operational phase</li> </ul>	<ul style="list-style-type: none"> <li>• Support to groups working on national and regional OPs, to improve the programs monitoring, enhance the Environmental Authorities activities and promote integration of environmental aspects</li> <li>• Support to groups working in depth on specific environmental themes</li> <li>• Support to the Working Groups of the Network of Environmental and Programming Authorities, activated on issues of particular relevance for the implementation of the CSF.</li> </ul>	<ul style="list-style-type: none"> <li>• Assistance to planning activities and to the implementation of measures of ROP devoted to soil protection.</li> <li>• Support to activities linked to the start up and implementation of Territorial Units for Geographical Cartography.</li> <li>• Preparation of Forest Plans and Hydrogeological Plans</li> <li>• Support to the monitoring of landslides and land uses, and to the implementation of an Information System</li> </ul>	<ul style="list-style-type: none"> <li>• Support to dissemination and sharing of cartographical data available at different levels of Public Administration</li> <li>• Setting up of a reticular network between Information Territorial Units.</li> <li>• Drafting of manuals and guidelines in four areas: geotechnical, hydraulic, coasts, technical and administrative issues</li> <li>• Training of executives and officials of regional administrations</li> </ul>	<ul style="list-style-type: none"> <li>• Strengthening of regional Departments and of ATO, with the aim of promoting the implementation of the Legge Galli and the entrust of the Integrated Water Service to water companies.</li> <li>• Supply of computer equipment hardware and software needed for the administrative and technical reorganization processes</li> <li>• Realization of the interactive on Information System on Water Resources (SIRSI portal) managed by Ministry of Infrastructure and Transport.</li> </ul>	<ul style="list-style-type: none"> <li>• Delivery to Regions and ATO of information tools and applications to support management and control of water schemes operation</li> <li>• Construction of an information archive of concessions for the water extraction in Objective 1 Regions.</li> <li>• Construction of general Geographical Information System on water schemes in Objective 1 regions.</li> </ul>

<p>methods and environmental assessment tools, etc.</p> <ul style="list-style-type: none"> <li>• Drafting of guidelines and assistance in the preparation of the Provincial Waste Plans and Management Plans for the Natura 2000 areas</li> <li>• Support to the introduction of Strategic Environmental Assessment</li> <li>• Update of content and methods of Environment Information Systems</li> <li>• In-depth analysis of 2007-2013 programming</li> </ul>						
--	--	--	--	--	--	--

#### **4.1.2 The National Performance Reserve**

In addition to the performance reserve provided for in the Community Regulations on Structural Funds (4% of the planned financial resources), the Italian CSF 2000-2006 determined that an additional reserve of 6% (the national performance reserve) had to be awarded to the Regions and Central Governments (holders of operational programs) that achieve given targets of institutional advancement.

These objectives related to the modernization of Public Administration, the diffusion of innovations and the implementation of institutional reforms (started during the 90s) in some sectors of major relevance for the aims of cohesion policy in the South of Italy.

For the Regions, objectives were: (1) the assignment of managerial positions in public administration, based on the implementation of the Legislative Decree n. 29/93, which promoted the transition from a hierarchical and formal approach to a result oriented one in the Public Administration; (2) the activation of the Units of internal management control, provided by Legislative Decree n. 286/99; (3) the creation and start up of Regional Evaluation Units; (4) the Information Society in public administration; (5) the One Stop Office for Enterprises procedures; (6) the Employment Services; (7) the implementation of spatial and landscape planning; (8) the Integrated Water Service; (9) the implementation of waste management in urban Optimal Territorial Areas, (10) the establishment and start up of the Regional Agencies for Environmental Protection (ARPA).

Some of these indicators are linked to the implementation of reform processes in the very important fields of labour market, water and waste, information society. Targets have been shaped as to give support to the implementation of these processes, identified as crucial one for the development of regions lagging behind, and then to be fully considered within the CSF policies.

#### **4.1.3 The Operational Projects**

The implementation of the three Operational Projects of PON ATAS in Apulia seems to have been a good opportunity for the Region in order to boost the reform processes in the fields of environment, water, waste and soil protection.

##### *The Operational Project "Environment"*

As in the other Objective 1 regions, the Operational Project "Environment" in Apulia was firstly aimed at strengthening the Environmental Authority and the Regional Agency for Environment Protection, mainly through the employment of junior and senior experts, and at assisting the Regional Administration in order to incorporate the environmental dimension into development plans, programmes and projects.

The Task Force directly supporting the Regional Offices carried out its technical assistance activities at the headquarters of Environment Department, Ecology Sector of the Apulia Region. It was engaged in helping Regional staff to carry out the activities defined under the CSF and ROP, to assist in planning and programming, to give support to the implementation of the Community, national

and regional legislation, to make environmental assessments, to enable connections between ANPA, ARPA and the system of Environmental Authorities.

In particular, specific tasks may be classified as follows.

- **Environmental Assessment.** The TF gave support to the update of the ex ante Environmental Evaluation of the Apulia ROP (2000-2006), in coordination with the central Task Force; developed technical guidelines on ex ante environmental assessments of Urban Regeneration Programmes; developed a methodology for the environmental assessment of Integrated Territorial Projects; supported to Regional Office of Environment Impact Assessment for verifying EIA submission needs. Tools aimed to apply these methods were furthermore prepared and made available. The Regional Task Force also participated in the definition of 2007-2013 Regional Programmes for Cohesion Policies with regard to environmental issues.
- **Incorporating the environmental dimension into cohesion policies programming and implementation.** The TF supported the drawing of programming documents and tenders in order to take in account the environment issues. It helped to develop indicators for monitoring and on going programme evaluation. Moreover, the calls for the implementation of the Rural Development Plan were defined and drafted. The TF also addressed the integration of the environment issues in the industrial sector operations co-financed by Structural Funds and gave support to EAGGF and FIFG programming.
- **Environmental Planning.** The Regional Task Force supported the definition of the Regional Hydrogeological Plan. It assisted the Environment Authority in order to apply Community directives on environment in agriculture and the EU Directive Nitrates. It contributed to the revision of the Guidelines for the implementation of the Three Year Plan 2004-2006 for the maximum potential of carbon removal. Moreover, support was given to the implementation of a Geographical Information System and to the building and management of a legal database, updated in real time, providing support to the Environment Department with regard to environmental legislation and for further study on specific issues.
- **Networking.** The Regional Task Force participated into the Targeted Working Groups operating at a central level: “Environmental Monitoring” and “Strategic Environmental Assessment”. It supported the assistance to the Ecological Network.

The Task Force supporting the ARPA Apulia carried out its technical assistance activities at the headquarters of the Scientific Directorate of ARPA. The Task Force worked in particular on the subjects identified below.

- **Data, indicators, analyses, information system.** Most of the assistance to Apulian ARPA delivered by the Regional POA had to do with environmental data collection, working out of indicators, building of information systems, studies and analyses on relevant issues. As examples, the TF supported the collection and analysis of data on air quality, water uses and sources, production, management and disposal of



waste. Data were also collected for implementing initiatives of environmental epidemiology and updating the set of indicators used for epidemiological studies. It was organized, computerized and managed an inventory of PCBs (polychlorinated biphenyls), a toxic substance classified as a persistent organic pollutant. Data were collected in order to build the map of Nature Network, to monitoring pollen and fungal spores. The TF assisted the building and implementation of the ARPA Information System. Other database and indicators were built on biodiversity, toxicology, industrial risks on environment, etc.

- **Planning and protection measures.** In this field, the TF participated in establishing standard and procedures for controlling the environmental state of natural resources, assisted the sector planning in water, waste and soil protection, supported the management of the Regional Network of Air Quality in Apulia, promoted the adoption of the EMAS standards, participated in designing, implementing and monitoring measures of control and prevention of pollution.
- **Networking.** The Task Force participated in carrying out several projects of networking and cooperation with ANPA, other Regional Agencies, other national and European environment agencies. Common projects and activities were developed in the fields of the Nature Chart, the Information System on desertification in some Italian areas, the Ozone Chain Measurement.

The OP “Environment” gave also support to the Regional Ecological Network building and management. Regional Task Forces participated in identifying conservation measures for natural sites that had to adopt management plans; establishing regional procedures for impact assessment; building management tools and plans for Natura 2000 Sites; spreading awareness and performing training on the Natura 2000 network; assisting final beneficiaries of local actions directed to create and strengthen Regional Ecological Networks; drafting the Charter of Nature, promoting local activities and local promotion, etc.

#### *The Operational Project “Soil Protection”*

The Apulia Region implemented the Operational Project “Soil Protection”, in cooperation with the Ministry of Environment and Land Protection, with the primary aim to make up for the delay in the **implementation of Water Basin planning** introduced by the National Law 183/89 (Regulations for the organizational and functional soil conservation). The Basin Authority was established in Puglia by the Regional Law n. 19/2002. It is an interregional agency, since its authority is both on regional water Basins and on the interregional Basin of the Ofanto River, part of which falls in Campania and Basilicata regions.

At the moment it started on, the Basin Authority faced some very important tasks. In order to implement the projects for soil protection funded by the Regional OP 2000-2006, it had first to define a planning tool, i.e. a **Hydrogeological Plan** (to be developed as an excerpt of the more general Basin Plan) which identified areas at hydro-geological risk and defined their boundaries, as regards in particular the risk of landslides and the hydraulic risk.

The activities to be performed were divided into three phases: the identification of the risk areas and the identification of area boundaries; the assessment of the risk levels; the risk mitigation planning. Based on the huge quantity of knowledge collected and interpreted, the PAI had to allow a correct and consistent identification of actions to mitigate risks. These actions can be both structural (maintenance of river beds, river protection works, interventions on landslides, re-naturalization of river systems and slopes) and not structural (limits to building expansion and other constraints).

The assistance of the OP "Soil Protection" had firstly to cover the technical support for the preparation of the Hydrogeological Plan, with reference to the steps identified above. A group of experts with different skills was therefore selected in order to support the Water Basin Interregional Authority of Apulia in drafting the Plan. The group was made up of about 15 units (hydraulic and computer engineers, geologists, architects). The OP ensured the training both of selected resources and operators involved in the implementation of policy on soil protection at the regional level.

The activity was held at the Basin Authority of Apulia, localized by the Department for Public Works of the Regional Administration.

In addition to the preparation of the PAI, the technical assistance was directed to the implementation the Measure 1.3 of ROP Puglia 2000-2006, concerning the soil protection projects, that had to be selected in accordance with the Hydrogeological Plan framework.

The OP "Soil Protection" also gave support to the creation and management of the Apulian Cartography Point, which operated within a network of points among the Objective 1 regions. The network was established by the Ministry of Environment as part of the National Cartographic Portal, which was founded with the purpose of monitoring in detail the landslide risks at a territorial level. The Web Geographic Information System which was made available shows on the map the observed landslides as well as natural and artificial geological cavities. Regional task forces were assisted by the central Task Force of Central Ministry through guidelines and technical manuals.

Regional experts employed were also internalized as a result of dispositions of the Finance Act 2008, article 3, paragraph 113, which expressly authorized Objective 1 Regions to stabilize the staff selected by the Ministry of Environment as part of PODIS.

At the end of 2004, the Institutional Committee of the Interregional Apulian Basin Authority adopted the Hydrogeological Plan (PAI), as required by the Law 183/1989 on soil protection.

#### *The Operational Project "Water Resources"*

The Operational Project "Water Resources" (second phase) was managed by the Ministry of Infrastructures, within the PON ATAS Measure 1.2 (Technical Assistance and Operational Support to perform Central Administration's coordination and guideline activities). Its main objective has been supporting and accelerating the implementation of the "Legge Galli" in Objective 1 Regions and therefore to contribute to the organisation and performance of the **newly**

**constituted ATO Authorities** and to the correct entrustment of integrated water services.

The Operational Programme has been centred on a strong concentration of available financial resources on territorial intervention. In the first programming period, assistance services have been mainly aimed at supporting the start up of ATO Authorities activities, supplementing their staff with specialized human resources and providing offices with advanced information equipment. To overcome local mistrust of an alleged Central Administrations intrusiveness, local administrations have been allowed to directly buy equipments, according to budgets assigned to each Ambit. Moreover, Ministry experts and ATO managers have jointly identified ten professional areas (engineers, computer experts, accountants, economists, etc.) where new human resources were hired to overcome competences shortage.

In Apulia, 9 experts (out of 94 for the whole project) were selected through a public announcement (held in 2004) and were assigned to ATO Authorities and Regional Departments, as one-year term employees. In 2005, additional resources were allotted to the Operational Project, in order to renew the job contracts with experts and allow administrations to benefit from a full two-years assistance period in order to internalize the needed competences in a permanent way.

Once the first stage was finalized, the Operational Project focused, on the one hand, on increasing and spreading technical and managerial knowledge on water resources sustainable use, prevailingly through textbooks written by Ministry experts; and on the other hand, on applying information technology to administrative procedures and data collection. In particular, an interactive web portal has been carried out, the “Water Systems of Southern Regions and Islands” (SIRSI, Sistemi Idrici delle Regioni del Sud e delle Isole), accessible from the Ministry of Infrastructure web site. The SIRSI is composed of three main sections:

- an **electronic archive** where technical, legal, administrative and programming texts and documents are collected;
- a **Geographical Information System on water infrastructures** (SIT Idroweb), where technical data on existing facilities and on projects in the pipeline are stored. SIT Idroweb provides an updated and systematic information of water infrastructure situation and efficiency; it allows the monitoring of projects implementation and the control of work execution times. The Information System is fed up with data entered by local administrations and beneficiaries;
- an **Information System on Water Derivations Concessions** (*Sistema di Acquisizione Concessioni di Derivazione*, SACOD), which allows Local Administrations to computerize procedures regarding new concessions of water drawings for agriculture, productive, and urban purposes, and management of existing ones.

The OP activities in Apulia were defined through a Protocol Agreement signed by the Ministry of Infrastructures - General Directorate of Networks and the Management Authority of Apulia Region. In brief, the Protocol Agreement states that the Ministry of Infrastructures supplies the OP financial resources in order to promote the setting up of a professional network supporting the Regional Offices in

charge of water use management, of the ATO Authority and other agencies. Moreover, financial assistance is granted to implement the activities identified by the agreement and in particular the operations of the Ministry's Information System on Water Resources. In addition to financial resources, the Ministry of Infrastructures supplies the Region with technical assistance to perform activities. On the regional side, it is assured the setting up of all the conditions needed to run the activities agreed and to manage human resources in a correct and efficient way. The staff selection was up to the Region.

In addition to the assistance to Regional Departments and ATO Authority, the main activities identified within the Protocol are:

- updating regional data in the SIT Idroweb (the Geographical Information System we have mentioned before), on existing and newly created water infrastructures in Apulia;
- monitoring the water infrastructures currently underway and loading execution data on SIT Idroweb;
- upgrading the technical assistance to Regional Departments and ATO through an extensive use of data drawn from new information systems and databases;
- support to the building and use at a regional level of SACOD, the Information System on water derivations concessions mentioned before;
- set up of an electronic archive of the existing information on regional water resource (documents, technical papers, manuals, programming documents, etc.);
- support to the Regional Committee for the Optimal Use of Water Resources and to the Office for Water Resources Utilization;
- technical and administrative support to the ATO Authority.

#### **4.1.4 The assignment of the National Performance Reserve**

At a first glance, looking at the final results of the National Performance Reserve mechanism, it may be considered that the PON ATAS Operational Projects had a positive effect on the reform processes occurred in Apulia in the sectors of environment, water, waste and soil protection (see Table 4).

In all the three sectors (Integrated Water Services, Implementation of urban waste management at the optimal ambit level, constitution and entry into force of ARPA) all conditions have been met, except for the preparation and approval of the action plan for the waste management at an ambit level, with its financial plan and the organizational model. Actually, the waste service organisation in Apulia was implemented quite slowly in subsequent years.

**Table 4 - Achievement of the targets of the National Performance Reserve in Apulia**

<b>INTEGRATED WATER SERVICE (Indicator A.8)</b>
---

Institution of ATO Authority and approval of the Ambit Plan, with a population coverage at least equal to 60%	Satisfied. The Area Plan was adopted through the Decree n. 294/2002 of the Commissioner in charge
Approval of ATO convention and technical regulations with population coverage at least equal to 60%	Satisfied. The schemes of the Convention and the Technical Regulations were adopted through the Decree n. 295/2002 of the Commissioner in charge. In the same day, the Convention with the Project Manager was signed
Decision of trust management of the service population coverage of at least 60%	Satisfied. The integrated water cycle management was entrusted to Apulian Aqueduct Ltd through the Regional Law 141/99
<b>URBAN WASTE MANAGEMENT IN OPTIMAL TERRITORIAL AMBITS (Indicator A.9)</b>	
Delimitation of the ATO and discipline of the cooperation between local authorities for the organization of urban waste service	Satisfied. The new Waste Management Regional Plan was adopted through the Decree n. 41/2001, and subsequently supplemented and amended through the Decree n. 296/2002 of the Deputy Commissioner in charge for the environmental emergency. The boundaries of the ATO were updated. The agreement and form of cooperation between municipalities were defined. The form of cooperation was identified in a territorial consortium.
Constitution of Authorities coherent with the selected form of cooperation	Satisfied. The Region proved the establishment of the Waste Management Authorities of the fifteen Optimal Territorial Areas.
Determination of tariffs at the Ambit level and for different categories of customers	Satisfied. Through the Decree n. 296/2002, criteria were determined for fixing the single tariff of waste management for the ambit area. Later, 9 authorities out of 15 (equal to 60%) approved the criteria and the single tariff of waste management.
Preparation and approval of the remedial plan, the related financial plan and the management model and organizational	Not Satisfied. There was no evidence that ATO Authorities approved a financial plan area consistent with the tariffs approved and the investment plan. In addition, there are no defined models for organizing and managing the integrated service.
<b>ESTABLISHMENT AND OPERATION OF ARPA (Indicator A.10)</b>	
Approval of the Law instituting ARPA	Satisfied. Regional Law n. 6/99.
Appointment of Director and governing bodies	Satisfied. The Director of ARPA was appointed by Regional Decree n. 2121/01.
Internal rules of	Satisfied: the Managing Authority proved the approval

organization	of the ARPA Regulation with Regional Decree n. 1441/03.
Assignment of personnel, financial resources, instrumental equipment and staff for ARPA operation	Satisfied. The transfer of personnel to ARPA was provided by the Resolution of the General Director of ARPA Puglia n. 188/03. Financial resources were allocated to the regional budget 2003. With reference to equipment and technologies, five provincial laboratories were transferred to ARPA.

*Source: Ministry of Economic Development, Department for Economic Development and Cohesion*

## 4.2 An other story: the Measurable Objectives for Public Services (2007-2013)

### 4.2.1 General aspects

As we said before, the Italian NSRF has identified Measurable Objectives for Public Services Provision with reference to key services in four basic sectors: education, child and elderly care, water and waste (see Box 1). Eleven measurable indicators have been associated to the Objectives (see Box 2). Out of them, six targets are referred to waste and water services.

#### **Box 1 - Measurable Objectives for Public Services Provision**

- (1) Improve students competence, reduce drop-outs rates and broaden population's learning opportunities
- (2) Increase the availability of child and elderly care to favour women's participation in the labour market
- (3) Protect and improve the quality of the environment, in relation to urban waste management
- (4) Protect and improve the quality of the environment, in relation to integrated water service

The MOPS policy is associated to a Performance Based Mechanism (PBM): the achievement of quantified targets (set at a central level for the eleven indicators) at 2013 will allow the eight Regions of the Italian Mezzogiorno (Abruzzo, Molise, Campania, Apulia, Basilicata, Calabria, Sardinia and Sicily) to obtain a financial award. Three billion of euro from the Fund for Under-utilized Areas 2007-2013 (FAS) have been assigned to this scope. A mid-term assessment, assigning a share of the incentive funds, has taken place in 2010 on the basis of the progress made in closing the gap between baseline level and targets.

The rules for measuring indicators and allowing awards are quite complex<sup>116</sup>. A detailed description of these rules may be skipped here, as we are interested to explore the way PBM works more than giving details on rules and procedures it is applied.

<sup>116</sup> For details, see the Italian Ministry for Economic Development website: [http://www.dps.tesoro.it/obiettivi\\_servizio/eng/ml.asp](http://www.dps.tesoro.it/obiettivi_servizio/eng/ml.asp)

### Box 2 - MOPS targets

- Reducing the early school leavers from 26% to 10% (**S.01** - Percentage of the population aged 18-24 with at most a middle school diploma that has not completed a professional training course of more than 2 years)
- Reducing the percentage of students with poor competency in reading from 35% to 20% (**S.02** - Percentage of 15-year-olds students who at most have achieved the first level of reading skills according to the ranking for the PISA test conducted by the OECD)
- Reducing the percentage of students with poor competency in mathematics from 48% to 21% (**S.03** - Percentage of 15 years old students who at most have achieved the first level of math skills according to the ranking for the PISA test conducted by the OECD)
- Increasing the percentage of municipalities with child-care facilities from 21% to 35% (**S.04** - Percentage of municipalities that provide child-care services - day-care centres, mini day-care facilities or supplementary and innovative services - out of total municipalities in the region)
- Increasing the percentage of children in child care from 4% to 12% (**S.05** - Percentage of children up to age 3 using child-care services - day-care centres, mini day-care facilities or supplementary and innovative services - of which 70% in day-care centres, out of total population aged up to 3 years)
- Increasing the share of elderly beneficiaries of home assistance from 1,6% to 3,5% (**S.06** - Percentage of elderly receiving home assistance out of the total elderly population - 65 and over)
- Reducing the amount of urban waste landfilled from 395 kg to 230 kg per head (**S.07** - Kilograms of urban waste landfilled per capita per year)
- Increasing the percentage of recycled urban waste from 9% to 40% (**S.08** - Percentage of urban waste handled through separate waste collection arrangements out of total urban waste collected)
- Increasing the percentage of composted waste from 3% to 20% (**S.09** - Percentage of wet waste - organic and green material - treated in composting facilities for the production of compost out of total wet urban waste)
- Increasing the percentage of water distribution from 63% to 75% (**S.10** - Percentage of water delivered out of total water entering municipal water distribution systems)
- Increasing the population served by waste water treatment plants from 57% to 70% (**S.11** - Inhabitant equivalents served by waste water treatment plants with secondary or tertiary treatment, as a percentage of total urban inhabitant equivalents per region)

#### 4.2.2 The MOPS policy governance

PBM policy implementation requires the **involvement of a wide range of administrations** (national, regional and local) with diversified responsibilities and duties:

- (a) the eight Regions of the South Italy directly participate in achieving the service targets. As we will see later, they have to develop a common regional programming framework in order to plan MOPS priorities and interventions; to coordinate and/or directly carry out the execution of projects; to innovate the sector organisation; to predispose the monitoring and reporting tools on MOPS policy implementation;

- (b) sectoral Central administrations (Ministry for the Environment, Ministry of Health, Ministry for Social Solidarity, Ministry for the Public Administration, and Department for Family's Policy) participate through systemic actions and technical assistance initiatives;
- (c) a Central Technical Support Group is established to coordinate the mechanism. It is composed by the Department for Development and Economic Cohesion, the National Statistical Institute (ISTAT) and representatives of the participating administrations;
- (d) local institutions and operators contribute to Regional MOPS plan implementation. They may receive part of financial award if they achieve the targets determined at a territorial level;
- (e) economic and social partnerships contribute at the territorial level.

#### 4.2.3 Achieving PBM targets as a challenge

As we said before, Apulia Region has interpreted the achievement of PBM targets as a challenging objective.

Receiving the financial award [200 millions euro in the waste sector] would represent a great opportunity for Apulia Regions development. It will be possible to support innovation processes that are ongoing in the waste urban management sector, with particular reference to service standards [...] But the new management will be in a condition to start only at the moment ATO will elaborate Ambit Plans: this planning document represents the basic tool to overcome the existing fragmentation (due to municipal management) and start an implementation based on an industrial organisation [from the Regional Action Plan]

Baseline values of relevant Indicators were generally low respect to targets to be achieved. The effort to be done for increasing investments, capacity and organisation appeared therefore to be huge. The following table shows the baseline values, current values and targets for the waste and water indicators.

**Table 5 – MOPS indicators for waste and water sectors**

Indicators	Years								
		2002	2003	2004	2005	2006	2007	2008	2009
<b>S.07</b> Kilograms of urban waste landfilled per capita per year	<b>Puglia</b>	416.0	420.8	449.6	453.1	464.9	480.5	417.8	387.2
	<b>Italia</b>	338.3	327.1	320.3	310.3	313.3	301.8	287.4	262.1
<b>S.08</b> Percentage of urban waste handled through separate waste collection facilities out of total urban waste collected	<b>Puglia</b>	7.6	7.2	7.3	8.2	8.7	8.9	10.6	14.0
	<b>Italia</b>	19.2	21.1	22.7	24.2	25.8	27.5	30.6	33.6
<b>S.09</b> Percentage of wet	<b>Puglia</b>	13.9	12.3	1.0	1.8	6.0	4.8	10.8	16.1



Indicators	Years								
	2002	2003	2004	2005	2006	2007	2008	2009	
waste - organic and green material - treated in composting facilities for the production of compost out of total wet urban waste	<b>Italia</b>	17.6	18.6	19.5	20.5	21.6	25.2	30.7	35.2
<b>S.10</b> Percentage of water delivered out of total water entering municipal water distribution systems	<b>Puglia</b>	-	-	-	52.7	-	-	53.4	-
	<b>Italia</b>	-	-	-	67.4	-	-	67.9	-
<b>S.11</b> Equivalents inhabitant served by waste water treatment plants with secondary or tertiary treatment, as a percentage of total urban inhabitant equivalents per region	<b>Puglia</b>	-	-	-	58.5	-	-	60.9	-
	<b>Italia</b>	-	-	-	72.3	-	-	75.9	-

MOPS Annual Execution Reports show that a considerable effort has been made, in order to carry forward the increase and upgrading of structural endowments, as well as to complete the reforming processes of governance and organisation of water and waste sectors. Several plants have been put at work; centres and points for the separate collection of urban waste have been carried out. With the regional support, ATO have increased separate collection, even if results seem not to be entirely satisfactory. Door to door collection and wet waste collection has been giving good results. A stronger cooperation with recycling companies consortia has started. With reference to water leakages, AQP has implemented a recuperation project, based on structural investments, technologies, monitoring.

The investment process, which is far from be completed, started producing **advancements for many indicators**. Nevertheless, **targets are far from being achieved**:

- the per capita quantity of urban waste landfilled (Indicator S.08) has declined over the years, but it remains high with respect to the Italian average and the target to be achieved (230 kg per inhabitant);
- the separate collection of urban waste (Indicator S.09) has been increased over the 2002-2009 period; but even in this case the PBM target (40%) is still far;
- the percentage of composted waste (Indicator S.10) is approximating the target. A further effort has to be made in order to fill the gap from the national average;

- Indicators S.10 and S.11, for which available data are still incomplete, show a little progress. At this time, they are not far from targets.

As a matter of fact, structural funds (within the ERDF Regional Operational Programme) have constituted the only source for financing investments. Financial resources deriving from national funds for regional development (FAS) have been heavily reduced and distracted from 2007-2013 programming by Central Government. For this reason, funds available for Regional investment expenditure have been much lower than programmed.

On the other hand, it must be recognized that Convergence Regions' capacity to use structural funds in a well-timed and efficient way, within the Operational Programmes deadlines, has been clearly insufficient. This is mostly due to the excessive length of infrastructure project cycle.

Obviously, progresses in programme implementation **cannot be entirely considered as effects of PBM policies**; nevertheless, the target fulfilment has been considered somehow as a flagship both by political and technical leadership of Region Apulia.

At the moment, it must be pointed out that the implementation of performance based policies within NSRF has slowed down because of the reduction of MOPS financial award decided by Central Government. This has been perceived as somehow frustrating by political and administrative leaderships of the Region. Nevertheless, some institutional effects may already be identified and analyzed, that MOPS policies are producing. Among the effects, it may be enumerated a **greater emphasis given to results achievement more than to expenditure and intervention output**.

#### 4.2.4 The separate collection of urban waste: local proactivity matters

As we said before, the Apulia Region is still lagging behind with respect to the Separate Collection of Urban Waste (SCUW), although fast advancements in recent years have been done, due to the creation of new infrastructures and facilities financed by the Regional Administration.

The MOPS Indicator S.08, measured as the percentage of urban waste collected separately on the total urban waste, is equal to 14% in 2009. The Indicator is very far from the Italian average (33.6%) and is lower than the average value of the South of Italy (19.1%). These data are drawn from the latest ISTAT survey (year 2009) and are used here for consistency to national data. Other data from direct regional sources (which are displayed in a dedicated Apulia Region's portal) are updated at 2011 and show a very significant progress of this Indicator over the past two years. Nevertheless, SCUW performance remains far behind the targets set by the Regional Waste Management Plan (2005): 56% in December 2011 and 57% in December 2012.

In this context, a common diagnosis of regional stakeholders is as follows: in recent years, significant advances in waste management have been done. There was an halt to the previous emergency state and the special commissioner phase come to an end. It became possible to delegate waste collection powers to Provinces and ATO; the needed infrastructures were built in order to overcome the "everything in landfill" practice; the eco-tax was reformulated on the basis of the

Regional Law n. 25/2007, and steps were taken to its application. Eco-tax on landfilled waste have been levied on municipalities, tuning on their capacity to perform the separate waste collection processes; eco-tax is inversely proportional to the incidence of separate collection of urban waste.

It remains to be completed the “closure” of the waste cycle, especially with regard to the final destination of the Refuse Derived Fuel, and actions have to be taken in order to achieve the targets of waste separated collection — which have been missed up to now.

According to political leaders opinion, the progress made cannot be considered as systematic.

These are small advances that hide a “here and there” situation in the region: we have areas and municipalities that have already reached the *infamous* target of 55% of separate collection rate; and other (unfortunately a considerable number) that remain anchored to one-digit percentages. In particular, even this year we must observe a delay in the start of the wet fraction collection, despite public and private composting plants are now ready to treat the waste and to turn it into an asset, a valuable agricultural fertilizer for our land which is increasingly at risk of desertification [Legambiente, Report on “Recycling Municipalities 2010: Puglia”. See the premise of the President of the Apulia Region, Nichi Vendola].

Drawbacks at the local level are considered as a major critical point.

In these years, after the approval of the Regional Management Plan and the return to the ordinary management of waste sector, it has become more and more clear that the missing link is a leading role of local authorities, primarily Municipalities and ATO, which have shown little capacity to react to the Region’s stimulus and to put in action the resources invested by the Regional Administration in the field of waste collection [Legambiente, as before. See the premise of the President of Legambiente, Francesco Tarantini].

Let us look more closely at this “here and there” area. We use here, on the first hand, official data (ISTAT 2009) for the Indicator S.08. The classification of municipalities in groups on the basis of the Indicator values is purely conventional. ISTAT data give a clear representation of the uneven spatial distribution of S.08 at the municipal level.

- Out of 258 Apulian municipalities, 26 (about 10%) with 5.6% of the regional population have a very low ratio (“one-digit”) of separate waste collection. Into this group, some medium-sized towns are included (Martina Franca, Massafra, Gallipoli).
- A second group is composed of municipalities that have implemented the service of separated collection of waste, but have still insufficient percentages of SCUW (between 5% and 20%). This group is the most significant in terms of population and represents over 60% of the total. It is characterized by a larger average population size. Here are included the cities of larger size of Puglia, including the provincial capitals of Bari, Foggia, Lecce and Taranto.

- We have also identified, on a conventional base, a third group of municipalities with an intermediate performance, i.e. with a percentage value placed between 20% and 30%. In this group falls the town of Brindisi.
- Finally, into a high-end group of “virtuous” towns, above a threshold value of S.08 that we have conventionally set equal to the national average (30%), falls a handful of 13 municipalities (12% of the total). The average population of these municipalities is far below the regional average and therefore the weight of this group in terms of population is minimal.

Table 6 summarizes the essential data of the groups of municipalities that have been identified. It has to be emphasized again that the aggregation key we have used is purely conventional and is intended only for the purpose of this study.

**Table 6 - Groups of municipalities by value of Indicator S.08**

<b>Municipalities by S.08 value</b>	<b>Number of Municipalities</b>	<b>Inhabitants</b>	<b>Average population</b>	<b>Inhabitants (%)</b>
High Performance (over 30% of S.08)	13	88 156	6 781	2.2
Medium Performance (between 20% and 30%)	55	548 638	9 975	13.4
Low performance (between 5% and 20%)	164	3 218 540	19 625	78.8
Less than 5%	26	228 701	8 796	5.6
<b>TOTAL</b>	<b>258</b>	<b>4 084 035</b>	<b>15 830</b>	<b>100.0</b>

In short, the local performances certainly depend on the availability of facilities that create the conditions needed to carry out separate waste collection; but are also **sensitive to “individual” behaviours** of local government, ATO in some cases and citizens, whose pro-activity determines the start-up and the effective implementation of RD processes; and **to the incentive tied to the eco-tax**, which penalizes Municipalities that do not perform waste collection.

This seems to be clear from a brief analysis of the cases of some performing Municipalities. We can put a specific focus on the town data collected in 2011 by Legambiente.

- The collection service at Melpignano (a Municipality laying in the Province of Lecce, with about 2,200 inhabitants), which shows a S.08 indicator equal to 63%, is based on a door to door service (as well as on the availability of a local eco-centre). The service is also delivered with the support of some senior citizens giving civil service. A direct survey conducted by the Local Administration, whose results are published on the Municipality site, has given some relevant information: it shows the good satisfaction for the SCUW service and the awareness of the small local community; among the

other things, it identifies households “mothers” as the main actors of the separate waste collection.

- The town of Monteparano, in the Province of Taranto, with about 2,400 inhabitants, has adopted a full system of door to door collection of all waste fractions, including glass. The result has been obtained within a very short period of time; the collection of wet fraction was also started, since a new local collection facility was completed and opened.
- Small municipalities appear to be the places where virtuous policies for a sustainable waste management are better performed. The centres with over 45,000 inhabitants occupy marginal positions in S.08 Indicator ranking. Only the towns of Molfetta, Monopoli and Corato enter the top ten ranking with percentages around 20%; nevertheless, they remain far from the objectives set by National and Regional laws. For the provincial capitals, low rates of SCUW may be observed. Regional data indicate that, among them, Brindisi is at the first place, followed by Barletta, Bari, Bari, Lecce, Trani, Foggia and Taranto. The Legambiente Report also mentions “start-up experiences”, i.e. municipalities that achieve major advances in a short time. These cases are obviously related also to the opening of new facilities.

In the field of SCUW processes, capacity building actions are also related to the implementation of national awareness campaigns such as those of Legambiente. These campaigns positively stimulate the propensity of municipalities and cities to put into action more sustainable behaviours.

#### 4.2.5 Water saving and capacity building

The issue of water saving and protection is somehow alarming in Italy. According to the latest ISTAT data (2008), water withdrawals in Italy (152 cubic meters per capita) are much higher than in Spain (127 cubic metres per capita), in the United Kingdom (113 cm) and in Germany (62 cm). Per capita water consumption in our country (92 cubic meters per capita per year) is above the European average (85 cm), even if a trend towards a reduction may be observed over the past years. In Germany, annual per capita water consumption amounts to just 57 cubic meters per capita.

In addition, the high incidence of water losses in distribution networks leads to a huge gap between water withdrawal and consumption: in Apulia, for 100 litres of water consumed, more than 180 have to be entered into the distribution system. Taking, making potable, distributing, collecting and purifying these

#### Box 4 - Europe and Water

The sustainability of water consumption and the optimization of water withdrawals from rivers and groundwater are recognized as natural resources policy priorities on a global scale. At an European level, the **EU Water Framework Directive** (WFD, 2000/60/EC) has defined a roadmap to reach the goals of a healthy ecological state of Europe’s water bodies by 2015, within a substantial reform of the Community’s water policy. In 2007, an EC Communication [COM (2007) 414 final] has addressed the challenge of water scarcity and droughts in the European Union, by identifying seven priority actions at the EU level: (1) Putting the right price tag on water, (2) Allocating water and water related funding more efficiently, (3) Improving drought risk management, (4) Considering additional water supply infrastructures, (5) Fostering water-efficient technologies and practices, (6) Fostering the emergence of a water saving culture in Europe, (7) Improve data collection and knowledge. The **2009 “White Paper on adapting to climate change”** contains a number of actions to be pursued in the field of water management. The **“Blueprint to Safeguard European Waters”**, whose release is scheduled for 2012, will review and synthesise the ongoing policies and recommendations; it is expected, among other things, to foster the development of targets for water efficiency (and quality improvement) in the Member States at sectoral and river basin level. In addition, it will look at ways to improve the water efficiency both in buildings and in distribution

large volumes of water is very expensive both in monetary and energy terms: the water industry accounts for around 2% of total energy consumption<sup>117</sup>.

The project WATACLIC (Water Against Climate Change) aims at spreading the culture and technology of sustainable water management. The project is co-funded by EU Life+ Programme, with the financial participation of the Emilia Romagna Region. The project's method of intervention is based on the capacity building of institutions, partners and operators involved in the water resources protection, and on the search for a higher awareness of local communities about the relevance of water saving virtuous behaviours. WATACLIC was implemented in Apulia and in other Italian Regions, primarily through workshops with a highly operational focus on tools and solutions to be implemented for water use optimization<sup>118</sup>.

The availability and use of appropriate technologies and the adoption of virtuous behaviour make it possible to cut by half the water consumption. In the diagram below, the WATACLIC project impact mechanism is represented.

As mentioned above, the project aims at increasing information, knowledge and skills of a number of key actors involved in the protection of water resources: local authorities, institutions in charge of water Optimal Territorial Ambits, water services management companies, installation firms. Information activities and awareness campaigns focus on techniques, solutions and behaviours aiming at reducing water consumption.

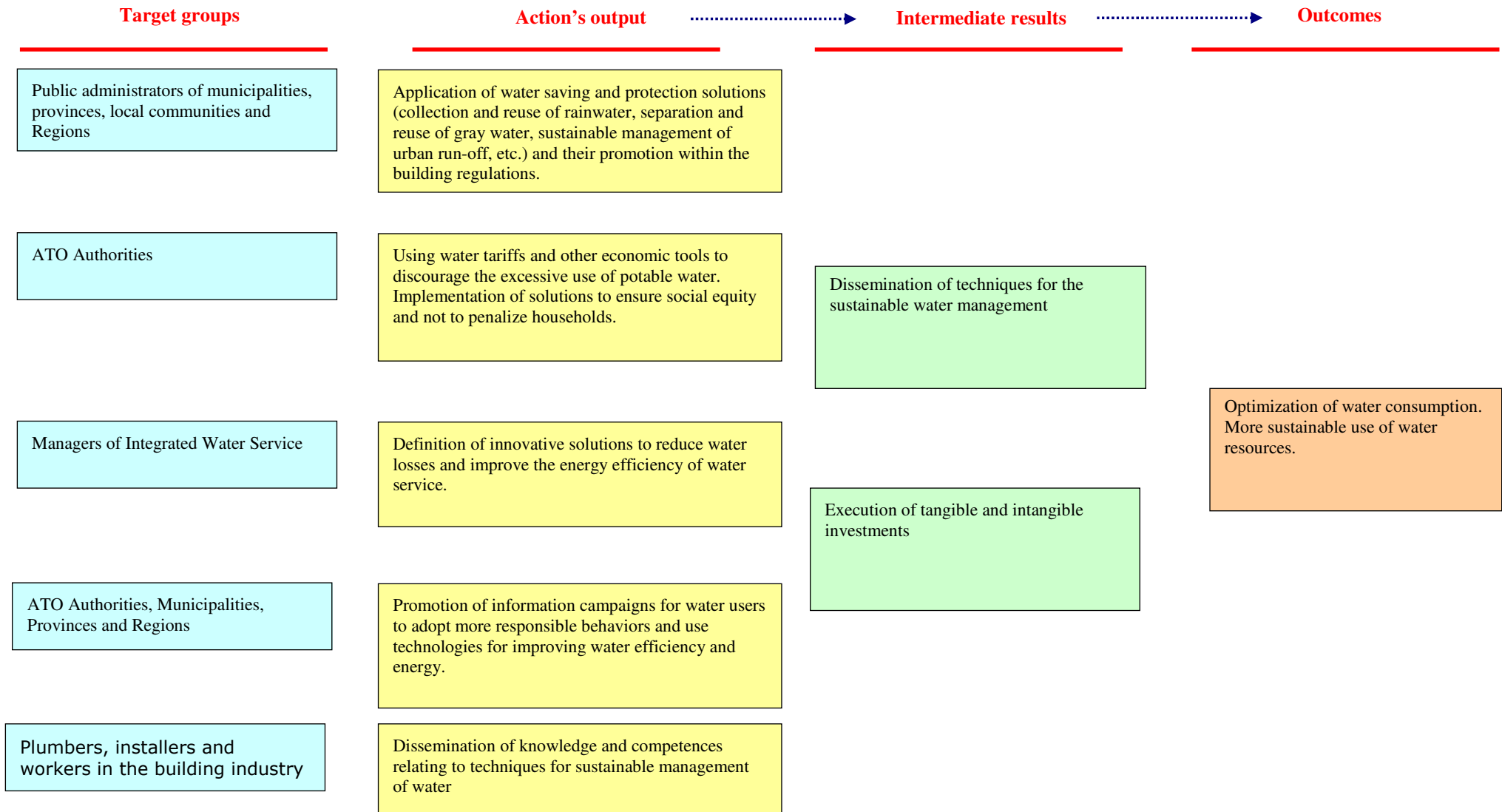
The water saving tools promoted by WATACLIC are very different in kind. Some are simple domestic solutions for water saving (water flow reducers for taps, dual flush toilets, and other water saving appliances). Other solutions are more complex and structural in nature, such as the construction of new "environmentally friendly" buildings, allowing the collection of rain and the reuse of gray water (those coming from sinks and showers) for less demanding uses. Solutions also refer to specific structural interventions directed to aimed at making water supply and sewage disposal systems more effective and efficient, as well as to reduce losses of water distribution networks (also saving energy), etc.

---

<sup>117</sup> The objective of reducing and optimizing water consumption is well rooted in Italian legislation. Legislative Decree 152/2006 states, in application of WFD 2000/60/EC, that Italian Regional Administration should adopt specific rules designed to help reducing water consumption (Article 146 "Water Conservation", paragraph 1). Such rules should be directed, among other things: (i) to realize, particularly in new housing, commercial and production settlements of major dimension, dual networks of water supply in order to promote the use of lower quality water for compatible uses; (ii) to promote information and dissemination of methods and techniques of water saving for domestic, industrial, commercial and agricultural uses, and (iii) to build different collection and reuse systems for rainwater and wastewater in new settlements.

<sup>118</sup> We are grateful to Mr. Giulio Conte, project co-ordinator in Italy, for information given and the opinions expressed. Views and evaluations reported here about the project and its results are expressed under the sole responsibility of the author.

**Figure 4 - How WATACLIC worked**



The expected result of these information and awareness programs is the promotion of investments directed to construct or adapt buildings, installations and facilities, as well as the implementation of a broad spectrum of technical solutions aiming at reducing water consumption. Investments should lead, as shown in the diagram, to the reduction of water consumption per capita, determined in turn by the optimization of water use.

Obviously, the actual implementation of water protection investments cannot be based solely on information and awareness activities, or on the encouragement of ethical consumption. It must also be based on the perception of a **clear-cut convenience in terms of costs and benefits**. Technical solutions for domestic uses are definitely easier to be implemented, and much has already been done in this field. As for investment, advances are much more demanding in financial and technical terms: in particular, incentives to invest may be perceived as low, due to a relatively reduced market price of water resources, much lower than its shadow price (even considering the need to ensure equitable access to water).

The strengthening of a water saving culture — as part of a comprehensive approach also including an efficient pricing system and more investment in water infrastructure — is considered a key action for protecting water resources. The prominent role of capacity building actions in the field of water resources management (as well as education, training and institutional development) is also widely recognized.

## 5. Actors involved

*This chapter is aimed at identifying the main actors involved in the analyzed intervention and their role in its programming, implementation, monitoring and evaluation. This part focuses, therefore, on analysing the type (bureaucrats, politicians, social, economical) and level (local, regional, national, international) of the main actors involved as well as their role.*

In the following tables, the main actors are identified that has been involved in the analyzed intervention. In particular, for each actor are specified: the type (bureaucrats, politicians, social, economical<sup>119</sup>) and level (local, regional, national, international), the objectives that determined the actor's involvement, the resources (economic, political, legal) that have been mobilised, the actor's role in the process and the other actors with whom each actor interacted most in the process.

---

<sup>119</sup>

According to the Case Studies Guidelines: (a) *Bureaucratic actors* base the legitimacy of their intervention in the policy process on the claim that formal rules and procedures confer them a specific responsibility in the process; (b) *political actors* base the legitimacy of their intervention on the fact of representing citizens as they enjoy citizens' consensus; (c) *experts* are those actors that base the legitimacy of their intervention in the policy process on the claim of having the knowledge needed in order to solve the problem; (d) *special interest actors* base the legitimacy of their intervention on the fact that they are directly affected by the policy decision; (e) *general interests actors* base the legitimacy of their intervention in the policy process on the fact that the interests they represent are general (e.g. environmentalist, NGOs, etc) and on the fact that they represent groups that cannot defend their interests by themselves.



**Figure 1 - Actors involved (PON ATAS and National Performance Reserve 2000-2006)**

<b>Actors</b>	<b>Objectives</b>	<b>Resources</b>	<b>Role</b>	<b>Interactions</b>
Ministry for Economic Development - Department for Development and Economic Cohesion [BA]	Implementing the National Performance Reserve (NPR) within the Italian CSF 2000-2006 Promoting capacity building as the Managing Authority of PON ATAS 2000-2006	Financial resources to be assigned to Regions as awards for National Performance Reserve	Giving formal rules and procedures for NPR 2000-2006 implementation Assigning awards to performing Regions	Other Central Administrations, Regions
Central Administrations - Ministry of the Environment and Ministry of Infrastructures [BA]	Promoting the delegation of powers to Regions in the sectors of environment, water, waste, soil protection Boosting the reform processes in the sectors of environment, water, waste and soil protections Determining the framework laws, rules and standards in these sectors	Financial and human resources available through the Operational Projects of PON ATAS 2000-2006	Coordinating the technical assistance (Operational Projects) and the training of OP task forces Setting up central Information Systems Promoting networks among Regions Giving standard, rules, technical cooperation, guidelines, operating manuals	Regions, Local Agencies
Regional Administration [PA, BA]	Implementing the reform processes in the sectors of environment, water, waste and soil protections Decentralizing the service production and delivery to Agencies (e.g. Water Basin Authorities) or Local Operators (ATO) Reaching the NPR targets and receiving the correspondent financial award	Financial funds of Regional Operational Programmes (ROP) Human resources, knowledge and equipments made available by the PON ATAS Operational Projects	Creating the new governance of the environment and utilities sector Empowering decentralised operators to implement the reform processes Implementing ROP Measures devoted to the environmental and utilities sector	Central Administration, Municipalities, Agencies
Agencies and Local	Designing, implementing and	Human resources,	Performing the sector	Regional

Operators (e.g. ARPA, Water Basin Authority, ATO Authorities for Water and Waste Sectors, Apulian Aqueduct) [BA, E]	managing plans at a sector level	knowledge and equipments made available by the PON ATAS Operational Projects	(environment, utilities) management according to national directives, regional strategies and local planning	Administration, Municipalities, Citizens
Municipalities [BA]	Cooperating in order to constitute and manage Ambit Authorities or other forms of consortia at a local level Implementing the infrastructure and service improvement policies	Skills and competences to carry out and manage infrastructures and facilities	Implementing infrastructures programmes of their competences and organising services	Citizens

**Figure 2 - Actors involved (PBM 2007-2013)**

<b>Actors</b>	<b>Objectives</b>	<b>Resources</b>	<b>Role</b>	<b>Interactions</b>
Ministry for Economic Development - Department for Development and Economic Cohesion [BA]	Implementing the “Measurable objectives for public services provision” policy within the Italian NRSF Promoting efficiency and effectiveness of development funds allocation and use	Financial resources to be assigned as awards for MOPS targets Ownership of programming processes	Giving formal rules and procedures for PBM implementation Assigning awards to performing Regions Performing limited technical assistance actions	Regions and Municipalities
Central Administration - Ministry for the Environment [BA]	Determining the framework laws, rules and standards for water and waste management Monitoring the implementation of national standards and rules at a regional and local level	Ownership of the process of defining standard and rules at a sector level	Promoting the adoption of national standard and rules (e.g. CONVIRI) Inform on reform processes (e.g. SIVIRI)	State, Regions and Municipalities
Regional Administration [PA, BA]	Reaching the MOPS targets and receiving the correspondent financial award Completing the reform and modernisation of water and waste regional sector, aiming at sustainable management and use	Regional Programming and implementation processes ownership	Implementing regional policies Coordinating the achievement of MOPS targets	Municipalities, technical organisations
Regional Water Authority [BA]	Coordinating the water policies and promoting the achievements of regional MOPS targets Implementing the Waste Ambient Plans	Institutional responsibility for implementing regional political strategies for water use sustainability	Ensuring the water management co-ordination according to national directives and regional political strategies	Regional Administration, Municipalities
AQP [E]	Implement the Regional Water Plan	Skills and competences to carry out and manage infrastructure and facilities in the water sector	Operating the water services delivery	Regional Water Authority, Citizens

Optimal Territorial Ambits Authorities for Waste Management [SIA]	Coordinating the waste policies and promoting the achievements of sub-regional MOPS targets Implementing the Waste Ambit Plans	Institutional responsibility for implementing regional political strategies for waste management	Ensuring the waste management according to national directives and regional political strategies	Municipalities
Municipalities [BA]	Implementing the infrastructure and service improvement actions Achieving the sub-regional MOPS targets	Skills and competences to carry out and manage infrastructure and facilities in the waste sector	Implementing infrastructures programmes of their competences and organising waste services	Citizens
Environmental Organisations [GIA]	Promoting the diffusion of techniques and solutions for the sustainable use of water and the separate collection of urban waste	Knowledge and competences on eco- friendly techniques and solutions diffusion and adoption	Promoting sustainability	Municipalities, Citizens
Citizens [SIA]	Mobilizing for water saving consumptions and increasing separate collection urban waste	Civic resources	Adopting eco-friendly behaviours and responsible consumption	Municipalities

## 6. Analyzing institutional capacity

*This chapter focuses on characterizing institutional capacity and its (eventual) evolution over time.*

### 6.1 Taking the national reform processes in regional governance and planning

Starting from the end of '90s, Apulian Regional Government gradually incorporated the national reform processes (in the environmental and utilities sectors) into the regional legislation. Wide changes were also made in the governance and organisation of the concerned sectors.

- In Apulia, the **Regional Agency for Environment Protection (ARPA)** was established under the Regional Law n. 6/1999 “Regional prevention system. Institution of the Regional Agency for Environment Protection (ARPA)”. The Law n. 6/1999 was subsequently amended by Law n. 27/2006. As in the other Italian regions, ARPA Puglia has the tasks of protecting and safeguarding regional environment, with special reference to the protection of public health.
- The Regional Law n. 17/2000 “Delegation of functions and administrative duties in the field of environmental protection” established the **new regional governance of the environment sector** and identified the functions to be assigned to the Apulian Regional Administration, Provinces, Municipalities, Parks. The Law provided for the institution of the **Regional Programme for Environment Protection**.
- The Regional Law n. 28/1999 “Delimitation of Optimal Territorial Ambits and discipline of the cooperation of Local Administration”, in observance of the Legge Galli”, constituted the **Apulian ATO for Water Management** as composed by the whole regional territory and started the Integrated Water Service (*Servizio Idrico Integrato*, SII). Subsequently, the Regional Legislative Decree n. 141/99 instituted the Apulian Aqueduct as a public Ltd and assigned to it the SII management.
- The Decrees n. 41/2001 and n. 296/2002 of the Commissioner in charge for the environmental emergency in Apulia established the **delimitations of the ATO for Waste Management** and adopted the **Waste Management Regional Plan**.
- The **Basin Authority** in Apulia was established by the Regional Law n. 19/2002 “Institution of the Basin Authority in Apulia”. The Apulian BA rules both on the regional water systems and on interregional Ofanto water basin, on the basis of the agreements signed with the Regions of Basilicata and Campania. The Authority had the responsibility of drawing the boundaries of the interregional water basin of the Ofanto river, and of the Apulian regional water basins. The BA draws the **Water Basin Plan** and develops the whole planning and programming activity, prepares the annual report on soil and water use, etc.

As we said before, it can be considered that the PON ATAS assistance firmly supported the regional institutional reaction to take on board change processes in environmental and utilities sector.

In the field of territorial quality and sustainable development, the key political principles of the Apulian government after 2005 have been progressively translated into a coherent legislation. Apulia Region's legislation has now a particular focus on environment, natural resources and territorial transformations.

- The new **Regional Territorial Landscape Plan (PPTR)** aims both at preserving and protecting landscape heritage; and better mapping and enhancing it in order to stimulate sustainable development. The PPTR develops a strategic scenario and integrated projects, as well as technical rules and guidelines about the use of environmental resources, settlements and cultural assets which constitute landscape.
- The Regional Law n. 13/2008 "**Standards for sustainable living**" promotes environmental sustainability in the territorial planning regulations. It involves the regional responsibilities as well as the territorial government level and the building project planning. The Law devotes a particular attention to water and energy saving, permeability of soils, use of recyclable building materials and adoption of sustainable building techniques. The underlying philosophy is the thorough respect of the well-being, health, identity and culture of local communities. The law is based on the national regulatory framework "Innovation and Transparency of Procurement and Environmental Compatibility" (ITACA). According to this Law, Regional responsibilities are not confined to the approval of the evaluation and certification system. It is recognized that Regional Administration must develop a capillary action of communication, information, awareness increase of local players, technical and economic operators, and citizens so as to make them conscious of the social benefits of sustainable actions, set them ready to abandon negative habits and become agents of change.
- The Regional Law n. 14/2008 "**Quality of architectural works and territorial transformation interventions**" states the principles of quality and sustainability of architecture and building, in order to safeguard spatial resources and territorial cohesion.
- According to the Regional Law March n. 9/2009 "**Regulations relating to building regulations**", the approval and evaluation of building regulations is entirely under the responsibility of City Councils, without the need of a Region approval. The specific tasks of Municipalities consist of making building regulations compliant to environmental rules, defining and deliberating incentives to eco-friendly construction, providing effective systems for monitoring, evaluation and control. The Law also introduces the certification of environmental sustainability of buildings on a voluntary base, encourages its implementation, makes it mandatory in the case of public funding, provides an assessment both of the project and the execution, provides a system of control over interventions, and establishes an accreditation system of certification operators.

- The new **Regional Plan for Water Protection** has been approved in 2009, as a tool for increasing and systemizing the knowledge about the state, the use and the vulnerability of regional water resources; as well as defining intervention priorities and programming investments. The Regional Administration has also started in 2010 the elaboration of the new **Regional Plan for Urban Waste Management**, in order to update the current legislation and programming to the 2008 European Directive on Urban Waste, as well as to increase the waste management sustainability.
- The Regional Law n. 36/2009 “**Rules for waste management**” has reorganized and clarified the institutional competences and roles in the sector.

The modernization reforms in water and waste sectors have been based on **investments in new infrastructure and facilities**, mainly financed by Structural Funds and regional national development funds, aimed at filling the severe gap in regional fixed capital; as well as on a **deep reorganization** of the water and waste sector governance, of Regional Administration departments, of institutions and agencies.

It has to be noted that the wide process of decentralization of responsibilities from Central Government to Regions has not been accompanied by a collateral assignment of the power of directly levying taxes. This explains somehow the difficulty of Regional Administrations to devote enough money to investments and ordinary maintenance for modernizing and keep the infrastructural system efficient. Of course, the burden of lacking efficiency, programming vision, and administrative capacity has also to be considered.

As we will see later in detail, the water and waste sector is (inter)operated by a large number of institutions and agencies, strictly linked and constituting a governance system. The existing levels of capacity are differentiated: together with agencies and institution with skilled staffs and high technical and managerial competences (as for example the Regional Water Company), coexist organizations (as for example municipalities) where available competences are often insufficient with respect to an efficient service management and delivery.

## 6.2 Organisation and governance of water and waste sectors

The organizational structure and the governance of the water and waste sectors is rather complex, in Apulia as in the other Italian regions. We can just limit here to give brief indications in order to frame our case study.

In Apulia, the **Integrated Water Service** is managed at a sole Optimal Territorial Ambit level, that includes the whole regional Apulian territory. This differentiates Apulia from the other Italian Regions. Specially in the South part of the country, implementation of the SII has been hindered by the failed constitution of ATO and/or the incomplete transfer of infrastructures management from municipalities to ATO.

The Regional Law n. 9/2011 has instituted the Apulian Water Authority (AWA), which acts as a legal autonomous body representing Apulian Municipalities. AWA carries out the typical ATO functions: it organizes the service in a coordinated way

on the regional territory applying efficiency criteria; defines the integrated tariff system; acts for the sustainable and optimal use of water resources.

The SII management is carried out by the Apulian Aqueduct (AQP), one of the main water agency in Europe. AQP organizes and carries out interventions on the system efficiency and the service quality and quantity, manages the waste water treatment processes, implements the measures of protection of the waters. AQP is now a Public Regional Company (Regional Law n. 11/2011) with a statutory no profit scope. They pursue a financial budget balance: net inflows are assigned to the service quality and improvement. According to a widespread opinion, water tariffs remain too high due to the high incidence of capital remuneration quota. Regional Administration is trying to overcome the problem establishing more affordable tariffs for low income families.

AQP reorganisation and renewal has been a key passage in recent years, after a long phase of financial crisis and real decline. Investments have been largely increased and productivity has raised; profits have tripled, making AQP a virtuous example of water public management.

With regard to the water service system, the concentration of the management activities by a single operator, strongly experienced and specialized, made strategies and operative interventions more easily implementable. Nevertheless, sector performance indicators are still unsatisfactory, as shown before.

It has to be considered that National Law 42/2010 has provided for the ATO suppression, starting from 2012, and for the transfer of their competences to Provinces. Without regard to the efficiency and the validity of such a choice, this imposes to Regions and Local Administrations a new and huge effort to consequently reform their sector organisation. Apulia Region is planning to entrust the waste cycle management to six territorial organisms managed by Municipalities.

With regard to the **waste management organization**, the Apulian Region is subdivided in 15 ATO, based on consortiums of municipalities that have adopted the Area Plans. The single municipalities play an outstanding role with regard to the separate collection of urban waste.

In the waste sector, full efficiency levels and organizational standards are far to be fulfilled. As an example: a recent Regional Government Deliberation [DGR n. 1894/2011] underlines that

“actually the achievement of the [garbage separate collection] objectives is yet very far; some of the local authorities are still inactive in setting the needed actions to align at the above-mentioned objectives, as evidence the fact that not all the municipalities have made application for the plants financing procedure”.

The institutional capacities gap must essentially be identified in the lack of connections between the actors who are involved at different levels in the design and implementation of essential services policies. On this matter, as an example, the Apulian “Regional Action Plan” recognizes that:



A significant problem is the complexity of the coordination between the different institutional figures, internal and external to the regional Administration, involved in different ways into the management of the water services. The administrative and management competences are in fact strongly fragmented amongst the different sectors and departments of Regional Environment Agencies, Regions, Provinces, Municipalities, Optimal Territorial Area institutions, SII Manager, etc.

[Regarding the Indicator S.11] The main obstacle is represented by a lack of planning in that water sector, which in turn is due to the incomplete availability of data regarding the water waste system and processes.

The wide fragmentation of interests and actors, the weakness of coordination role, the costs of coordination itself and the (internal and external) governance drawbacks explain as general constraints the poor institutional development in the sector. Moreover, scarcity of qualified human resources endowments and insufficient reliability of data systems are often mentioned as major obstacles to efficiency in the water and waste services.

With reference to the **role of investment processes**, we also have to note that performance indicators in water and waste sectors are strongly influenced by the setting up and working of new infrastructures. In our country, as the Italian Development and Cohesion Policies Department (DPS) recently pointed out, medium-sized (more than 10 million of euro) infrastructural projects generally take not less than 6/7 years to be completed. This may be in turn be considered as a symptom of the scarce institutional and administrative sustainability of huge investments programmes.

This is a critical point, in the light of the enormous size of investment needed to ensure a better quality and sustainability of water and waste management. With reference to the only water sector:

Surveys indicate that financial resources needed for carrying out the needed investments in the water sector amount in the medium and long run to 50 billions of euro. This is a crucial point, which is of interest of users and local communities, administrators and economic operators (including banks) [ National Commission of Surveillance of Water Resources (CONVIRI), Report 2010 to the Italian Parliament on water services situation ]

Within Regional Administration, the **main administrative bodies** involved in water and waste management are:

- the **Managing Authority and Programming Direction**, which is in charge of co-ordination of regional programming and Structural Funds. MA plays a central role in coordinating the programming and implementation of interventions directed to increase the structural endowments of the Region.

- at a general level, the **Area of Policies for enhancement, protection, and security of environment, and for public works execution**<sup>120</sup> which coordinates planning and implementation of intervention in the environment sector. Under the Area level, the Ecology Service and the Waste and Clearance operate.
- the **Office for Waste Management** which is in charge of the implementation of the Waste Regional Plan. It is a reference point for the 15 Optimal Territorial Ambits where the waste management process is decentralized.
- the **Office for Water Protection** which carries out analysis, programming and implementation of interventions, aimed at the sustainable management of water resources and environment.

## 7. Capacity building policies

*This chapter focuses on the capacities building policies put into place and their effectiveness in increasing institutional capacity.*

We briefly discuss below the effectiveness of capacity building policies in four areas we have dealt with in this study: the technical assistance supplied by three Operational Projects of PON ATAS 2000-2006M, in the fields of environment and utilities; the Performance Based Mechanism associated to the Measurable Objectives of Public Services within the NSRF 2007-2013; the promotion of separate collection of urban waste through local proactivity; and the diffusion of methods aimed at a more sustainable use of water.

### *Technical Assistance 2000-2006*

As we mentioned before, the assistance supplied to Objective 1 Regions through the Operational Projects “Environment”, “Soil protection” and “Water Resources” presumably gave a fair contribution to implement the sector reform and establish a new governance and organisation of environment and utilities sector. The start up and work capability (i.e. the capacity of carrying out their institutional duties) of ARPA, Regional Environmental Authority, Water Basin Authority were strengthened by the Operational Projects, mainly because of the professional contribution they received and the opportunity of internalizing trained and specialized staff. Judgments on the quality of the internalized experts and their capacity to increase the administration efficiency are generally very positive.

Some important activities could be performed by these institutions, e.g. in the field of planning and the environmental assessment. Figure 3 gives a synthetic representation of stimulated capacities.

It may be claimed that, within the CSF 2000-2006, the technical assistance was a primary condition of sustainability of the reform processes based on the decentralization and change in the environment and utilities sector. The projects

<sup>120</sup>

The Apulian Regional Administration is subdivided in a limited number of functional Areas, which coordinate the regional policies and programmes in the fields of Mobility and Cities; Territorial Planning; Culture, Education and Knowledge, Economic Development and Employment; Rural Development; Health; Organisation and Reform of Regional Administration; Finance and Control.

contributed to support generally weak administrations, that could have hardly faced the need of technical and administrative change.

### *PBM policies 2007-2013*

In principle, PBM policies 2007-2013 (led at a national level) aim at stimulating a chain of integrated virtuous behaviours of decentralised institutions and operators, granting them a financial award (to be used for new investments and quality service increase). In this sense, PBM policy represents a powerful tool, applied by central programming authorities, to make the sector and/or territorial governance stronger and more efficient. In particular, Regional Administrations (whom the PBM policy is mainly directed to) are compelled:

- to integrate and coordinate their programming, laws and funding (from regional, national and EU sources) in the water and waste sectors;
- to accelerate investments and project implementation in these sectors;
- to promote the efficiency and better organisation of agencies and local institutions, such as Municipalities, which are strongly involved in this policies implementations; and to monitor and evaluate the policy results.

Figure 4 gives a synthetic representation of stimulated capacities. Central government directed the capacity building initiative, both managing the award assignment process (to performing institutions) and giving standards, rules and a limited amount of technical assistance at a sector level.

Until now, the implementation of performance based policies has stimulated some advancements in sectoral planning and intervention monitoring. As we said before, the development of Regional Action Plans has been an opportunity to critically analyze the structural, programming and regulatory context; to define integrated actions; to organize and strengthen functional relations among operators. The Region has played a leadership role. Specific monitoring tools were also activated.

The reform processes of water and waste service sectors policies have also received support, in Apulia as in other regions, from Central Government and their agencies. As an example, the Italian Ministry for Environment has given support to the elaboration of water protection planning and to the implementation of environmental measures within the ERDF Operational Programme. The Department of Public Administration has carried out in Apulia support activities to the implementation of performance based policies. At a first glance, assistance services delivered by central agencies have pursued a limited scope, more than aiming at a systematic advancement in institutional and administrative capacity in water and waste service sectors.

### *Local proactivity and SCUW*

As we said before, the separate collection of urban waste (SCUW) efficiency is strongly influenced by the existing levels of administrative capacity and the proactivity of local governments, specialized agencies and citizens. Of course, the availability of adequate infrastructures and facilities is a basic condition to enable local performances; but not necessarily material investments produce the desired achievements in efficiency and effectiveness of SCUW processes, if they are not

accompanied by intangible investments aimed at developing the operators skills and the awareness of citizens.

The territorial disparities of SCUW performance indicators probably reflect the different spatial distribution of the enabling factors of an efficient process of separate collection. Among these, pro-active behaviours of local administrations explain in part the different performances that can be observed.

#### *Water saving*

In the opinion of the experts and technicians who have been driving the WATACLIC project, the involvement of key actors has not been significant. This happened not only in Apulia but also in the other regions where the project has been implemented. In particular, the participation of local authorities has been generally low. This has represented a serious drawback for the project, since Municipalities are key players in the governance of water resources. WATACLIC assumed as a project objective the elaboration of local building regulations considering specific requirements and prescriptions related to the sustainable use of water. The low participation to the project's initiatives seems to be caused by the difficulty Municipality perceives to carry out adequate local investment, in a phase of severe financial resources scarcity. Moreover, as mentioned before, the relatively low water price makes investments in water infrastructures not financially sustainable, especially at a local level.

It must be said, however, that some advances in this field have actually been achieved. According to the Legambiente's Report "National Observatory of Building Regulations for Energy Saving" (ONRE Report), 530 Italian Municipalities have included in their building regulations some prescriptions on sustainable use of water. Out of them, 461 municipalities have established the obligation to provide new buildings with rainwater collection and reuse facilities. The number of these performing local administrations is still extremely low but their experience shows that innovation is close at hand. Unfortunately, 97% of the municipalities which have introduced building regulations on water conservation and recovery of rainwater is located in Italy's North Centre. Only five municipalities are localized in Apulia.

**Figure 3 - Capacity building effects (PON ATAS 2000-2006)**

	<b>Region</b>	<b>Municipalities</b>	<b>ATO Authorities Water Basin Authority</b>	<b>Technical bodies</b>
Planning capacity	Region drafted the relevant planning at their level (e.g. Regional Waste Plan) and managed ROP operational measures within the planning framework		ATO Authorities in water and waste sector, as well as Basin Authority, received a crucial support to develop their local planning	
Relational capacity	Regions coordinated the new sector governance based on the action of multiple institutions and agencies	Municipalities cooperate at a territorial level for governing and organizing associative institutions (e.g. ATO)	ATO Authorities increase their relations with Regional Administration	AQP, waste management companies and single operators and consortia interact with regional and local institutions to determine operational objectives to be fulfilled
Financial capacity	Regional awards from National Performance Reserve increase funds available for investments and service improvement			In the water and waste sector, the reform potentially increases the financial sustainability of sector management
Human resources and knowledge capacity	The Operational Projects strongly		Authorities were supplied with trained	

	stimulated the use and internalization of professional staff at Regional Departments		staff through the Operational Projects	
Evaluation capacity	The OP Environment promoted the application of Strategic Environmental Assessment and the Environmental Impact Assessment			

**Figure 4 - Capacity building effects (PBM 2007-2013)**

	<b>Region</b>	<b>Municipalities</b>	<b>ATO Authorities</b>	<b>Technical bodies</b>
Planning capacity	Regions are compelled to draw Action Plans where strategies for the water and waste sector are framed and coordinated.		ATO Authorities (Regional Water Authority and ATO in charge of Waste management) tune up their territorial planning according to Regional strategies for utilities	
Relational capacity	Regions coordinate the ATO and municipalities efforts to reach target at a territorial level.	Municipalities cooperate at a territorial level, due to the supra-local character of water and waste management system	ATO Authorities potentially increase their relations with Regional Administration	AQP, waste management companies and single operators and consortia interact with regional and local institutions to determine operational objectives to be fulfilled
Financial capacity	Regional awards increase funds available for investments and service improvement	In some cases, municipalities may directly awards for having reached fixed targets.	Sub-regional awards increase funds locally available for investments and service improvement	
Human resources and knowledge capacity	PBM based policies stimulate to employ specialized resources (in programming and sectoral departments)			Investments and new standards stimulate the increase and innovations of skills, technology and

	at a regional level			knowledge capacity of technical bodies (AQP and waste operators)
Evaluation capacity	Annual Reports implementation and supply observations to update strategies	Execution monitor data and to		



## 8. What works

*This chapter focuses on what works, namely on which are the main mechanisms (the causal chains) through which institutional capacity brought about better interventions.*

In Figure 5, the **main impact mechanisms of Technical Assistance 2000-2006** are shown:

- the reform process sparked off by EU Directives, National Laws and power decentralization in the environment and utilities sector imposed a wide process of change to Regions, that had to set up a new governance and adopt new planning tools;
- CSF 2000-2006 supported this change by providing for a Technical Assistance Program (PON ATAS), which included three Operational Projects in the concerned sectors, and a National Performance Reserve, set to award institutional advancements achieved by Objective 1 Regions;
- the OP interventions mainly regarded the supply of professional staff (gradually internalized by Regional Administration and some Agencies), the set up of Geographical Information System and other information tools, the supply of technologies and equipments, the construction of networks to exchange data, knowledge and experience;
- the capacity building process activated by these factors should drive the implementation of reform processes at a regional and local level;
- the final impact should be an increase in services for sustainable development, water use, waste treatment, soil protection

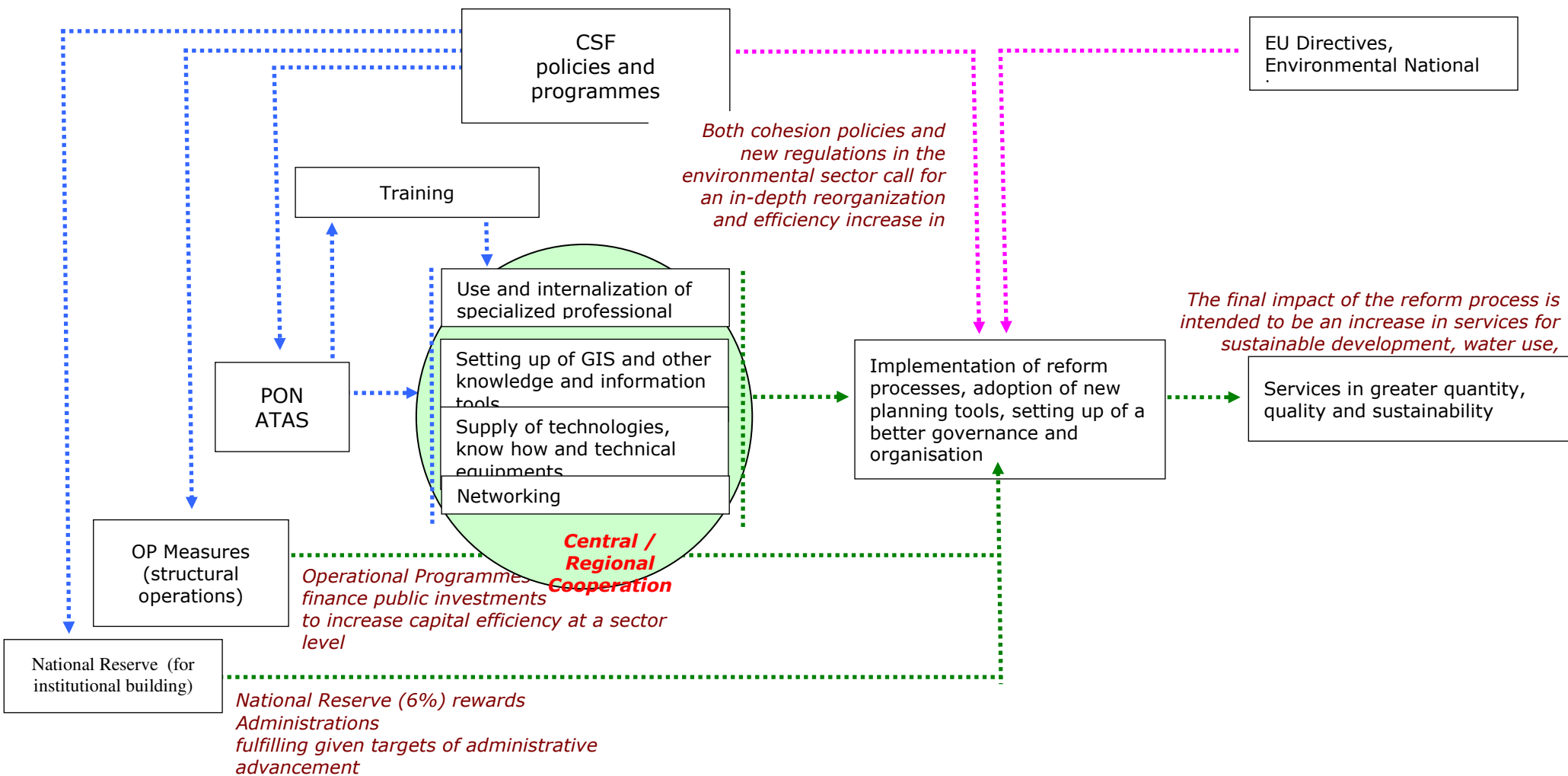
In Figure 6, the **main impact mechanisms of PBM policies 2007-2013** are presented. Items may be described as follows.

- The incentive policy managed by the Ministry for Economic Development had as a result the establishment of a more ordered framework of programming in the waste and water sector at a regional level, as well as the definition of regional PBM. A monitoring system was constituted and regular information on Regional Action Plan was given. The PBM mechanism has probably strengthened, if not determined, the Region's commitment to accelerate the reform processes in waste and water sector.
- The PBM implementation increased the propensity to increase investments, even if the excessive length of project execution cycle, on the one hand, and the reduction of financial resources due to the cancelation of national funds for development, on the other hand, partly compromised a full and well-timed implementation of needed investments. Moreover, the mid-term award has been attributed but non delivered. This has further weakened the process.
- The need for speeding up reform processes presumably took advantage of the PBM mechanism, even though it has to be recognized that Region

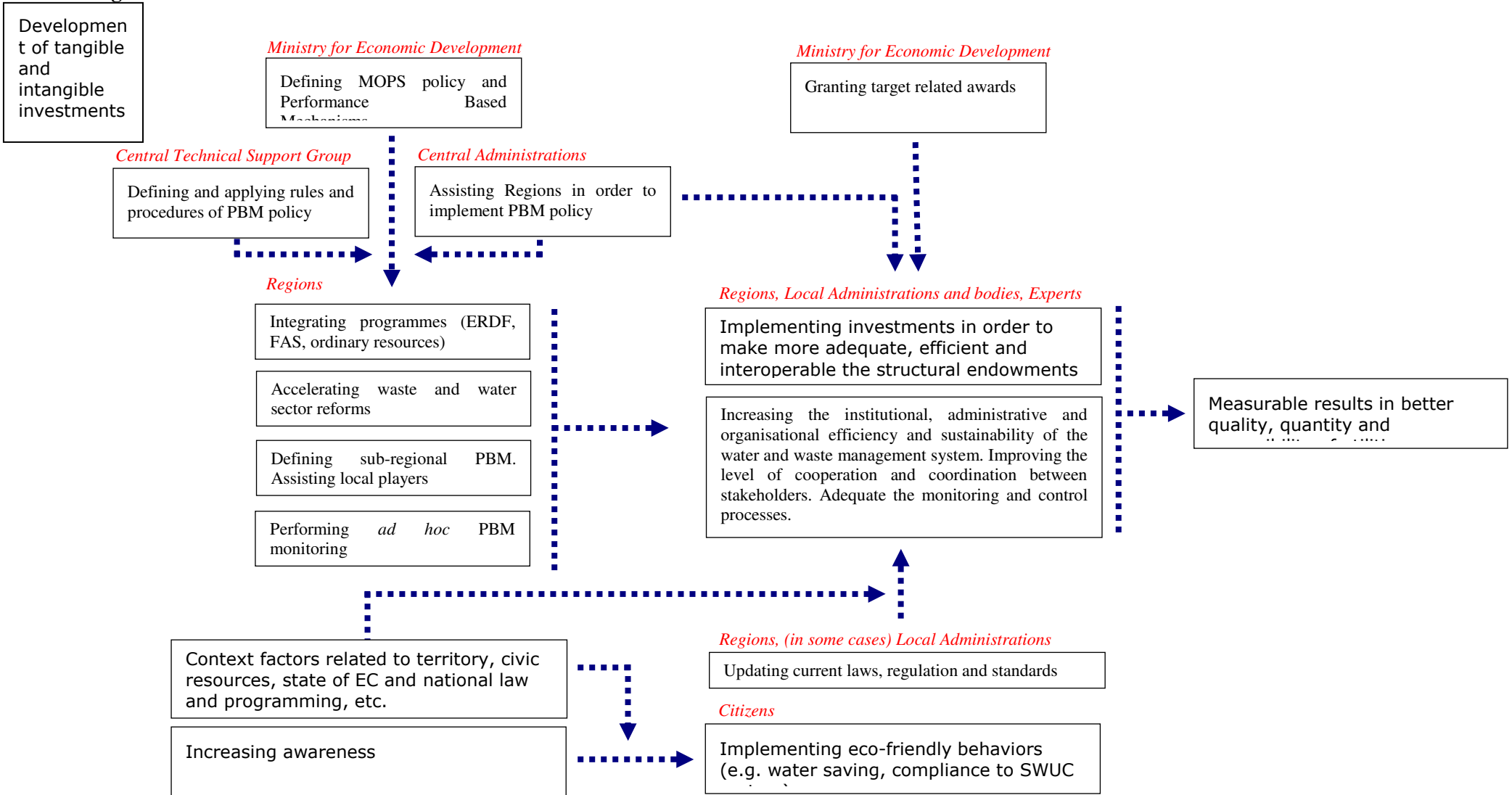
Apulia has started since time a coherent and thorough updating of programming, rules and standard in the water and waste sector, towards a better sustainability and resources protection. The insufficient path of completing investment process may explain the partial achievement of targets.

- A central negative role has been played by the reduction of resources devoted to finance the award by the central government. This has a devastating impact in terms of loss of trust by decentralised actors, and partly compromise future investments by reducing available finance from 2013 ahead.
- Central government assistance has generally consisted of systemic actions performed by specialized technical units of Ministry.

**Figure 5 - PON ATAS 2000-2006 impact on Environmental Reform**  
**PROCESSES**



**Figure 6 - How PBM 2007-2013 worked**



# Sicilia Case Study: The Integrated Territorial Projects in the programming cycle 2000-2006

*Ignazio Vinci*<sup>121</sup>

## Research problem, methodology and sources

This paper is the result of a research aimed at detecting the relations between a selected number of capacity building programmes and the improvement of institutional capacity in the process of implementation of the Integrated Territorial Projects during the programming cycle 2000-2006 in Sicily. The implementation process of the ITPs have involved a huge number of governmental authorities and socio-economic actors, so that it can be defined as the most complex local development policy ever developed in the Region.

The aims of the research were:

- to provide a general overview of the regional context, with particular reference to those indicators more directly related to institutional capacity;
- to reconstruct the implementation process of the ITPs in its legal, planning and governance issues;
- to describe the capacity building programmes aimed at supporting the public authorities in the different phases of the implementation process;
- to find out to which extent these programmes have changed the way to work of the involved actors in the process and, consequently, have increased the level of capacity at different institutional levels.

In order to consider all the political, institutional and technical variables that have influenced the projects implementation, the research has been carried out trying to mix different sources, like policy documents, analytical reports, independent evaluations, interviews with relevant stakeholders.

Regarding the policy documents, particular attention has been paid to those provided by the main actor of the process – the regional Planning Department (Dipartimento Programmazione della Regione Siciliana) –, which has managed all the implementations steps of the ITPs. Particular attention is given to the Planning Complement (Complemento di Programmazione) published in 2001, which has defined all the requisites for the projects evaluation and the governance tools for the relations between the involved institutional and socio-economic actors. Other sources regarding the implementation process are given by the informal reports published after the Supervisory Committees (Collegi di Vigilanza) and some reports provided by the different technical assistances.

---

<sup>121</sup> University of Palermo

Regarding the analytical reports, the main contribution is given by the official report *L'attuazione dei PIT in Sicilia. Una valutazione finale dell'esperienza*, published in 2011 by the Evaluation Unit (Nucleo di Valutazione e Verifica degli Investimenti Pubblici) of the Planning Department. Furthermore, the direct experience as a consultant for the Forze at the Planning Department between 2001 and 2005 and the role of project manager in the implementation of the monitoring system *PuntoPIT* may be considered relevant “on the field” sources for the results of the research.

A selection of interviews has also paid a relevant role to collect evidences and point of views on the planning and implementation process and their outcomes. In order to take a wider definition of institutional capacity, and its role in the local development process, the interviewed stakeholders have included regional representatives, responsables of the capacity building programmes and professionals from the local authorities proposing the projects. The five dimensions of institutional capacity outlined in the sixth paragraph, looking at the strenghts and weaknesses of the planning process but also to gather some lessons for the future policies, may be considered the result of this shared vision of the problem of “capacity”.

## The Regional Context

Sicily is the fourth most populated region in Italy and the second in Southern Italy after region Campania. According to the last census (2010), the regional population amounts to 5.042.992 inhabitants, while the population density is 195 inhabitants per square kilometre, slightly below the national average. About half of the population resides in the three metropolitan area of Palermo, Catania and Messina, while an other million of inhabitants reside in the medium sized cities along the western, southern and south-eastern coastal areas. The region has a very polycentric pattern of development, including 15 cities with more then 50.000 inhabitants and more then 30 cities whose population exceed 30.000 inhabitants. This feature will be of great importance to understand the fragmentation in the regional governance, whose influence in the local development policy will be pointed out in the following paragraphs<sup>122</sup>.

In the period focused by the research – 2000-2006 – the regional population has increased of 0,6%, generally in line with Southern Italy (0,7%) but significantly below the national average (+3,5%). The reasons for such a discrepancy are, on the one hand, the effect of the migration process – the annual net migration development in the period 2001-2005 is around 0%, after series of negative values (-0,22% in the period 1996-1999) – on the other, the small contribution to population growth given by foreign immigration compared to the northern regions of the country.

---

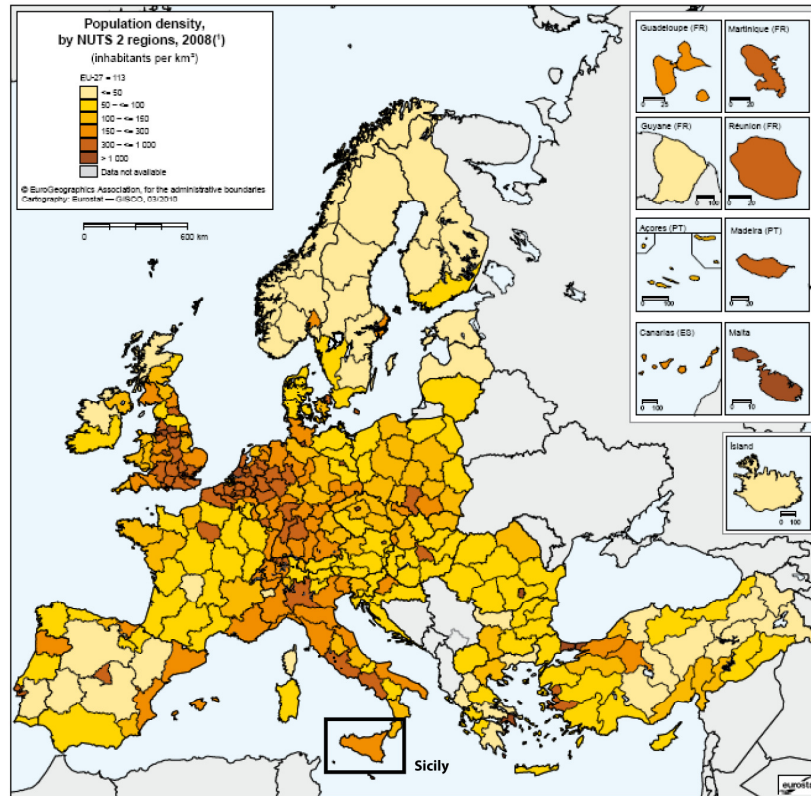
<sup>122</sup> For the relation between local development policy and governance in Sicily see Vinci I., “Politiche di sviluppo locale in transizione: elementi di riflessione dal caso Sicilia”, in De Leo D., Fini V. (a cura di), *Ripensare lo sviluppo locale*, (2012, forthcoming).

	2000	2001	2002	2003	2004	2005	2006
Italy	56.980	57.157	57.604	58.175	58.607	58.941	56.980
Convergence Regions	18.946	18.943	19.009	19.091	19.129	19.129	18.946
<b>Sicily</b>	<b>4.972</b>	<b>4.968</b>	<b>4.987</b>	<b>5.008</b>	<b>5.015</b>	<b>5.017</b>	<b>4.972</b>

*Tab. 1 – Population growth in the period 2000-2006 (in thousands) (source: ESPON 2013 Database)*

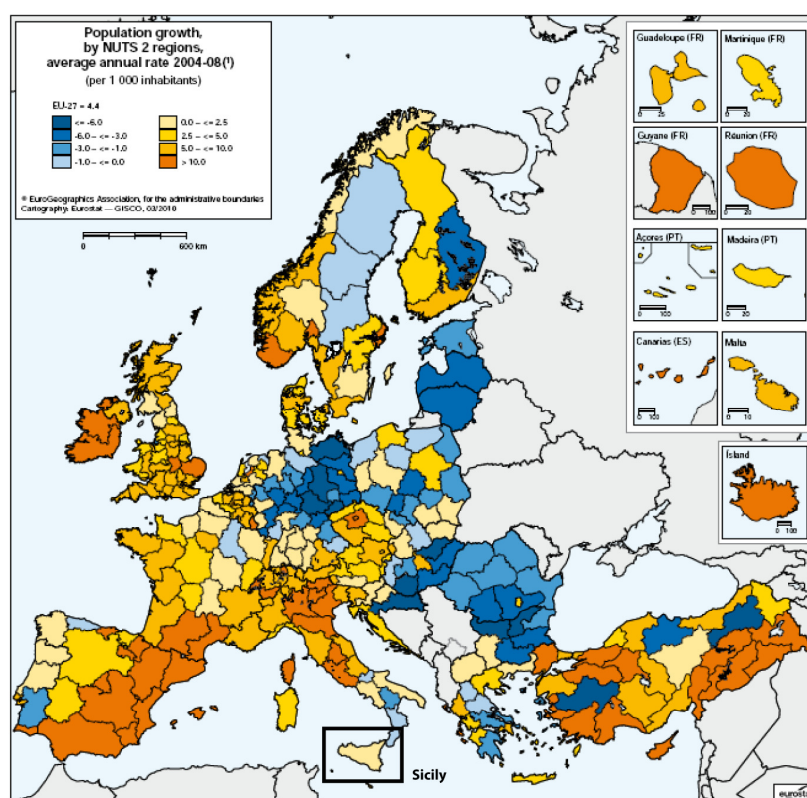
From the point of view of spatial trends, in recent years population has continued to move from the most internal rural areas to the coastal areas and the medium sized cities. As well as other Italian and European regions, the core cities of the metropolitan areas continue to lose inhabitants towards the first metropolitan belt and the surrounding towns<sup>123</sup>. Nevertheless, in the two major cities of Palermo and Catania the share of young people (respectively 17,2% and 16,8%) remains higher than the other Southern regions (16,1%) and the Italian regions as a whole (14,1%). However, as a consequence of the concentration of main economic activities and services in the major cities, around the 70% of foreign people lives in the cities with more than 30,000 inhabitants.

<sup>123</sup> See CEC, Commission of the European Community, *State of European Cities Report*, Brussels, 2007.



Map. 1 – Sicily and Europe: Population density in 2008 (elaboration on Eurostat source, 2010)





Map. 2 – Sicily and Europe: Population growth 2004-2008 (elaboration on Eurostat source, 2010)

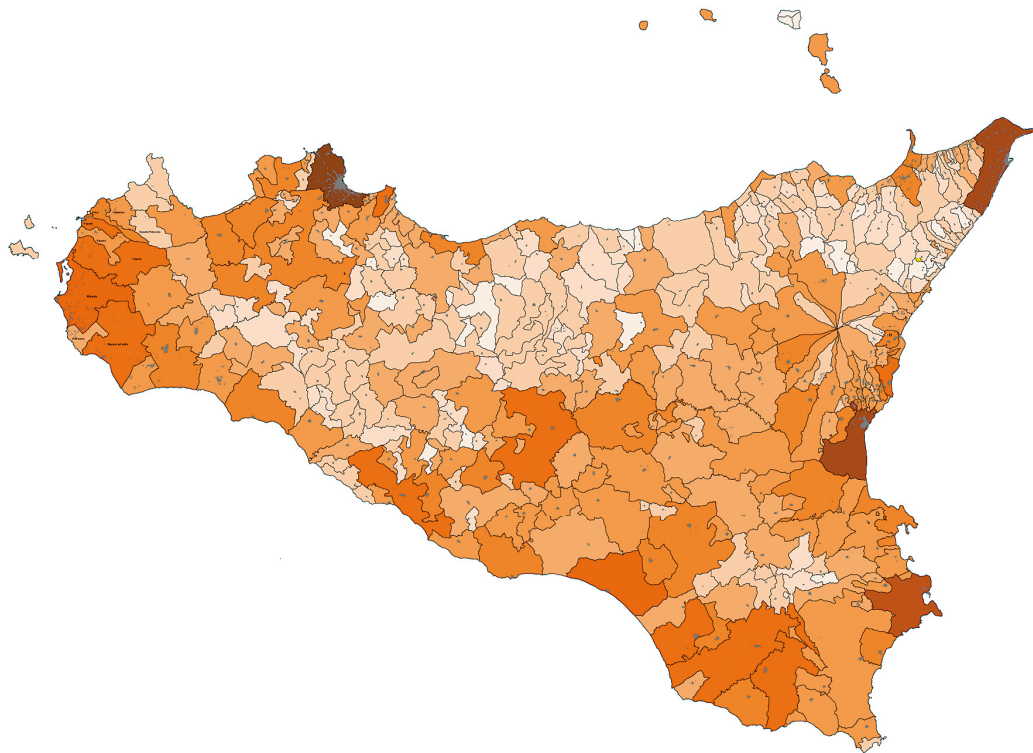
Despite the rate of young people in the major cities remain high, in general terms the regional population tends to age significantly, weakening the productive capacity of the region especially in the most innovative sectors<sup>124</sup>.

The dynamic of the labour market in the last decade continue to provide controversial figures. In the decade 1995-2005, the employment rate has grown of 5 points, going from 39,5% to 44%, pushing the region closer to other Italian Southern regions and the European Convergence regions<sup>125</sup>. Nevertheless, in the same period Sicily still maintain the lower employment rate in the country, with more than 20 points below the UE25's average. Despite the unemployment rate has shifted from 22,6% in 1995 to 16,2% in 2005, it remains about twice as higher as the other Italian regions and 1% higher than the Convergence regions. Youngs and women present the most critical situation in the labour market, with unemployment rates in 2005 of 44,8% and 21% respectively<sup>126</sup>.

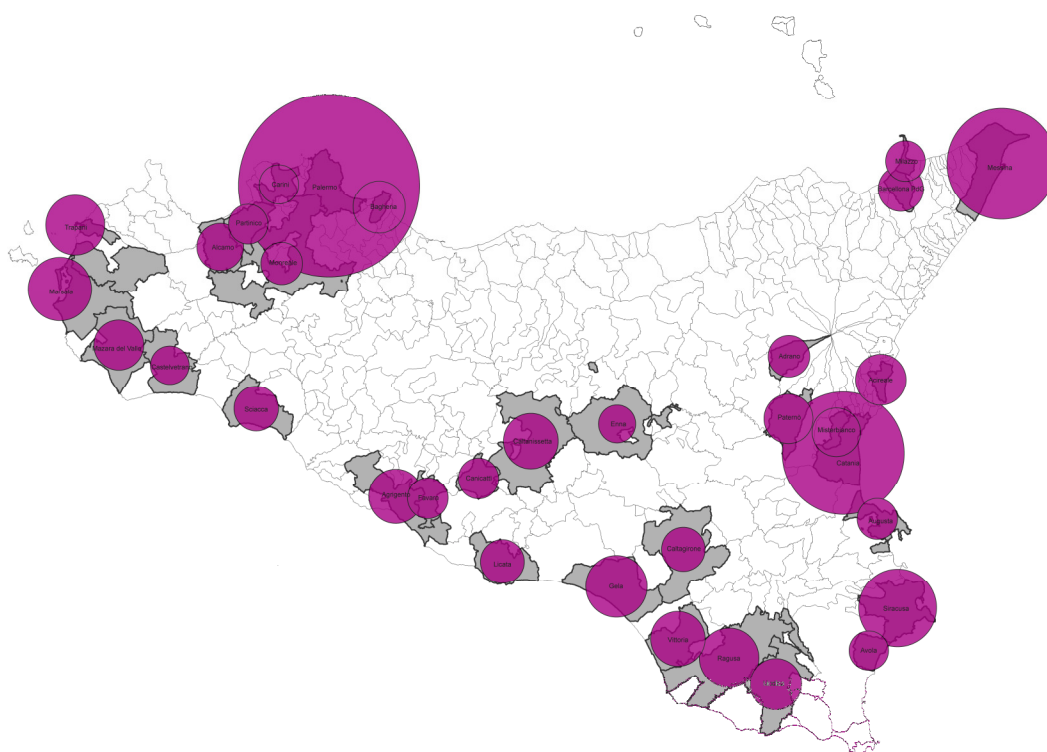
<sup>124</sup> See Svimez, *Rapporto 2010 Sull'economia del Mezzogiorno*, Roma, 2010.

<sup>125</sup> See CEC, Commission of the European Community, *Growing Regions, growing Europe. Fourth report on economic and social cohesion*, Brussels, 2007.

<sup>126</sup> CEC, Commission of the European Community, *Eurostat regional yearbook 2007*, Brussels, 2007.



Map. 3 – Sicily: Population density in 2000 (elaboration on Istat source)



Map. 4 – Sicily: Population of major cities in 2007 (elaboration on Istat source)

An other key question in the labour market is the level of irregular work, which in 2003 was the higher in Italy (26%) after region Calabria. Unlike other key indicators, the rate of irregular employees has not improved strongly in the decade between 1995-2005, with significant presence in agriculture (42,4%), construction (33,1%) and industry (24,7%).

According to the Regional Operational Programme 2000-2006<sup>127</sup>, the Sicily's GDP in the period 1999-2004 has grown at a faster rate (1,9%) than the Italian Southern regions (1,5%), the six Convergence regions (1,6%) and Italy as a whole (1,3%). In 2009, after the completion of the Programme, the GDP is still 68% of the national average but it remains around one point higher than the average of the Convergence area (*source: Istat*).

Until the crisis of 2008, the rise of the GDP in Sicily has depended on the relative growth of some sectors – especially agriculture, tourism, trade – and the increased dynamism of some regional areas, such as those in the south-eastern provinces of Ragusa and Siracusa. The productive pattern of the region is mainly based on small and medium enterprises, with some clusters tending to function as potential industrial districts<sup>128</sup>. In 2005, the birth rate of enterprises in Sicily (8,31) was still significantly higher than the Convergence regions (7,84) and Italy as a whole (7,72). Despite that, the low level of specialization and innovation capacity did not allow these clusters to strengthen their productivity and open their business to foreign markets<sup>129</sup>.

It is largely recognized that one of the main reason of the lack of competitiveness of the SMEs (but more generally of the whole regional industry) depends on the state of material and immaterial infrastructures. The historical gap with other Italian regions in terms of physical infrastructure not only remains high but it has increased in the last decade. This is particularly relevant in the state of road and rail networks, while the density of ports and airports is sufficient but require an increasing in the management capacity in order to connect them to the Mediterranean, European and global networks. Even more worrying is the regional divide in terms of immaterial infrastructures, whose gap with the most developed regions of the country is mainly given by the weak relations between the research and the industrial sector, the lack of cooperation between the public and the private research facilities, the low expenditure on ICT from firms and families.

According to a recent report from RES<sup>130</sup>, a foundation providing analysis on the structural change of the regional economy, after the economic shock of 2008 the regional economy has lost about 10.000 firms (from 394.116 in 2008 to 383.098 in 2010) and the tendency for the 2011 is towards a further decrease. From 2007 and

---

<sup>127</sup> Regione Siciliana, *Programma Operativo Regionale Sicilia 2000-2006*, febbraio 2000.

<sup>128</sup> On the dynamic of specialisation at sub-regional level see Istat, *Rapporto annuale. La situazione del Paese nel 2005*, Roma, 2005.

<sup>129</sup> See Regione Siciliana, *ibidem*.

<sup>130</sup> Fondazione RES, "La crisi e la geografia della imprese", *Congiuntura RES*, Palermo, 2011.

2011 (first quarter), the sectors mostly affected by the economic crisis are manufacturing (-19%), agriculture and fisheries (-14%) and services (-10%). The only sector that seems to effectively react to the crisis is tourism, since the numbers of hotels and restaurant has grown by over 44% from 2007 and the first quarter of 2011.

The politics of the region and the shifts in the balance between regional and local government is a crucial question to understand the analyzed intervention and, more generally, the effectiveness of local development policy. In general terms, the political system of Sicily may be described as a presidential representative democracy, whereby the President of the Region is the head of government. So, the governing and legislative powers are shared between the Regional Government, headed by the President, and the Regional Assembly, an elective chamber composed of 90 deputies. As a consequence of the Special Statute granted by the Italian Constitution, by 1946 the Region has a wide political, legislative, administrative and financial autonomy<sup>131</sup>. The Region is also divided into nine Provinces, whose powers have been defined by a special regional law in 1986 (Regional Law n.9/86). Traditionally, the Provinces have not assumed a great importance in the local development policies, while the municipalities (390 in total) have taken growing powers since the beginning of the 90s, when a huge number of national and European programmes have prompted them to research territorial alliances at sub-regional level. The following table shows the relevant number of local coalition formed just before the launch of the ITPs in 2001<sup>132</sup>.

Programs	Starting year	Number of coalitions	Number of municipalities
Territorial Pacts	1996	27	279
Leader II	1998	25	164
Prusst	1999	8	207
Sectoral Territorial Pact	2000	21	272
<b>Territorial Integrated Projects</b>	<b>2002</b>	<b>35</b>	<b>388</b>

Tab. 2 – The “numbers” of Local development policy until the ITPs (source: Vinci, 2008)

In the EU’s regional policy, Sicily has been part of the Objective 1 since its adoption in 1988. Its status has not changed until the last programming cycle (2007-2013), in which Sicily has been included among the “Convergence Regions”. The preliminary documents for the preparation of the programming cycle 2000-2006 have highlighted some interesting issues explaining the low effectiveness of the previous programming cycle (1994-1999):

<sup>131</sup> Lauricella G., Guadalupi G., *Lo Statuto speciale della Regione Siciliana*, Giuffrè, Milano, 2010.

<sup>132</sup> See Vinci I., “I territori dello sviluppo locale”, in Colaizzo R., Verro A. (a cura di), *Nuovi approcci alle politiche di sviluppo locale. Programmazione 2007-2013*, Quaderni Formez, Formez, Roma, 2008.

- the lack of a Regional Development Plan, that have not been drawn up for the absence of reliable data on the social and economic environment;
- the complexity of the administrative procedures;
- the lack of laws and addresses in some crucial sectors of public intervention, such as public budget, public works, waste and water cycle.

In addition to these factors, it has been recognised that the Managing Authority for the Structural funds has suffered from the lack of an affordable monitoring system and of a qualified technical assistance to support implementation through the whole the life cycle of the programme. Due to these problems, the Regional Operational Programme 1994-1999 has experienced serious delays in implementation, so that the Region decided in the late phase of the programme to concentrate the financial resources towards a more limited number of planning objectives.

If we move our attention to the following planning cycle 2000-2006 there is a progress in the implementation capacity of the Region, while other nodes remain problematic. At the beginning of the programming cycle 2007-2013, in the Regional Operational Programme of the ERDF one paragraph is dedicated to the “lessons” learned from the previous programming cycle 2000-2006<sup>133</sup>.

From a financial point of view, the document recognises the good performance of the misures aimed at improving infrastructures, in contrast to the low performance of the measures dedicated to promoting research and the quality of life in the urban areas. Furthermore, the results of the programme highlights a low capacity of the private sector to catalyze public investments on some strategic fields for the regional development such as manufacturing and cultural tourism. In general, the strategy of the programme has been successfully implemented for the physical intervention (road, airports, water system, restoration of cultural heritage), while the most innovative actions – such as advanced services or technological innovation – has been implemented largely below expectations.

A very controversial result of the programming cycle 2000-2006 regards the interventions on urban regeneration and the functional improvement of city and metropolitan areas. In spite of the ambitious goals declared in the planning phase, the outcomes of the programme can be defined very disappointing both from a qualitative and a financial point of view. Municipalities were unable to plan innovative interventions in all the strategic sector for the quality of life of residents, such as water and waste management, public utilities, transport networks, technological innovation. Moreover, the programme has failed to stimulate the private contribution to urban regeneration, probably due to the structural weakness in the cities’ governance and the lack of a solid tradition in the public-private partnership.

---

<sup>133</sup> Regione Siciliana, *Programma Operativo Regionale FESR 2007-2013*, marzo 2007.

## Telling the story of the intervention

As discussed by a huge number of authors<sup>134</sup>, experimentalism in the local development policy was not new in Italy, since in the second half of the 90s several National and European programmes were launched to support urban and territorial integrated plans. What is new in the period 2000-2006 is the cultural, organizational and financial investment made by the National authorities on local development tools when committed to design the strategy for the Southern regions<sup>135</sup>.

Italy's Community Support Framework 2000-2006 for the Objective 1 regions defines the Territorial Integrated Projects (ITPs) as a «pool of actions covering different sectors and sharing the same objective of territorial development, therefore requiring an implementation approach based on complementarity and coherence»<sup>136</sup>. The basic concepts of this approach should have been:

- *project integration*, to be understood as a “place-based”<sup>137</sup> peculiarity of the whole activity cofinanced by the Structural Funds;
- the *territory*, intended both as beneficiary of the project actions and as the privileged context for the development of the latent potentials of southern regions.

According to this general outlines, the ITPs should not be considered as an additional tool with respect to the strategies and operational measures included in the Regional Operational Programmes, but rather as an “excellence tool” for addressing the structural funds policy towards the local development needs. Accordingly, it should be used only in those context where a well identified potential may be enhanced through an integrated approach to planning. In respect of their programming autonomy, Regions were particularly required:

- to outline the general features of the ITPs in terms of typology, projects themes, coordination with regional strategies and policy fields;

---

<sup>134</sup> See, among others: Bagnasco A., Trigilia C. (a cura di), *Tendenze e politiche dello sviluppo locale in Italia*, Consiglio italiano per le Scienze Sociali, Marsilio, Venezia, 2005; Cersosimo D., Wolleb G., *Economie dal basso. Un'itinerario nell'Italia locale*, Donzelli, Roma, 2006; Cremaschi M., *Progetti di sviluppo del territorio. Le azioni integrate in Italia e in Europa*, Il Sole 24 Ore, Milano, 2003; Dematteis G., Governa F. (a cura di), *Territorialità, sviluppo locale, sostenibilità: il modello Slot*, Franco Angeli, Milano, 2005; Donolo C., *Il distretto sostenibile. Governare i beni comuni per lo sviluppo*, Franco Angeli, Milano, 2003; La Spina A., *La politica per il Mezzogiorno*, Il Mulino, Bologna, 2003; Palermo P.C., *Trasformazioni e governo del territorio. Introduzione critica*, Franco Angeli, Milano, 2005; Pasqui G., *Territori: progettare lo sviluppo*, Carocci Editore, Roma, 2005; Trigilia C., *Sviluppo locale. Un progetto per l'Italia*, Laterza, Roma-Bari, 2005.

<sup>135</sup> See particularly Colaizzo R. (2000), *La progettazione integrata territoriale. Il quadro economico e programmatico*, Formez, Roma.

<sup>136</sup> See Ministero dello Sviluppo Economico, Dipartimento per le Politiche di Sviluppo e Coesione, *Quadro Strategico Nazionale per la politica regionale di sviluppo 2007-2013*, giugno 2007, p. 156 (translation of the writer).

<sup>137</sup> The concept is taken from Barca F., *An agenda for a reformed Cohesion policy A place-based approach to meeting European Union challenges and expectations*, Independent Report, april 2009.

- to detail procedures and amount of resources, time-schedule for design, implementation and management of the programmes, selection criteria for projects and beneficiaries, co-ordination of responsibilities.

The Regional Operational Programme of Sicily has dedicated a specific section to the “integrated approach” to practiced, stating that the ITPs would have represented the main tool to «anchor the sectoral policies to the specificities of territories and local systems in the region»<sup>138</sup>. The programme also states that the integrated approach would be practiced making reference to two specific dimensions of territorial development: (a) in a geographical concentrated form, where some places would be able to attract significant mobile resources and investments; (b) in a thematic form, on regional or sub-regional basis, where different localities are, or would be, joined together in terms of urban functions, production chains, cultural or thematic itineraries, etc.<sup>139</sup>. All Integrated Projects should have pursued the goal of sustainable development, of local employment growth and to increase the capacity to attract private and other public investments<sup>140</sup>.

The Programme Complement approved on august 2001 defines all the procedures to start the implementation of the ITPs in the Region<sup>141</sup>. Every ITP should have been promoted by at least two municipality – bordering each other and belonging to the same province – with the exception of Palermo, Catania and Messina, that would have had the opportunity to present an ITP independently<sup>142</sup>. The promoting authority of the ITP was asked to promote a wide partnership among all the institutional, social and economic actors in the area, and invite them to sign an formal agreement in which all the related responsibilities would be defined. An additional eligibility requirement for the ITPs was to be promoted by a coalition of more then 50.000 inhabitants or, in the case of lower population, by more then 10 municipalities. Each ITP could apply for funding up to 50 Meuros if its population was under 100.000 inhabitants or up to 100 Meuros for a population over 100.000 inhabitants.

Besides these general requirements, the Region defined a list of specific criteria to be considered in the evaluation of the ITPs, including:

- the quality and coherence of the project, in terms of innovation of the strategy and synergy of actions;

---

<sup>138</sup> Regione Siciliana, *Programma Operativo Regionale Sicilia 2000-2006*, febbraio 2000, p. 39 (translation of the writer).

<sup>139</sup> Regione Siciliana, *Programma Operativo Regionale Sicilia 2000-2006*, febbraio 2000, p. 131 (translation of the writer).

<sup>140</sup> It must be said, however, that the second typology of Integrated Projects (Progetti Integrati Regionali in its original definition) were not developed as planned in the Regional Operational Programme. One of the exceptions was the Regional Integrated Project “Networks for Local Development” (“Reti per lo Sviluppo Locale”), which had, among its lines of action, a specific measure aimed at coordinating the different capacity building programmes working at the ITPs in Sicily.

<sup>141</sup> Regione Siciliana, *Programma Operativo Regionale Sicilia 2000-2006 – Complemento di Programmazione*, agosto 2001.

<sup>142</sup> This option has been taken only by the city of Palermo, the regional capital.

- the contribution to regional priorities;
- the technical feasibility, also in reference to land use planning;
- the environmental sustainability, both in terms of attention to natural capital and to environmental assessment in the planning phase;
- the financial feasibility, in terms of funding contribution from other sources (public or private);
- the impact on social, economic and institutional environment;
- the use of innovative management models, particularly in terms of coordination and monitoring of the projects.

The evaluation procedure defined by the Region have been carried out through two different steps: (a) a *preliminary phase*, open with the call of may 2001 and closed with the list of eligible ITPs published in october 2001; (b) a *selection phase*, formally closed in may 2002 with list of funded ITPs. After the preliminary phase, the Region approved 27 of the 35 candidate projects, while four of the excluded projects were readmitted after an appeal to the Regional Administrative Court. The remaining four projects on total were after considered for other financial sources according to a significant reduction of their action plan.

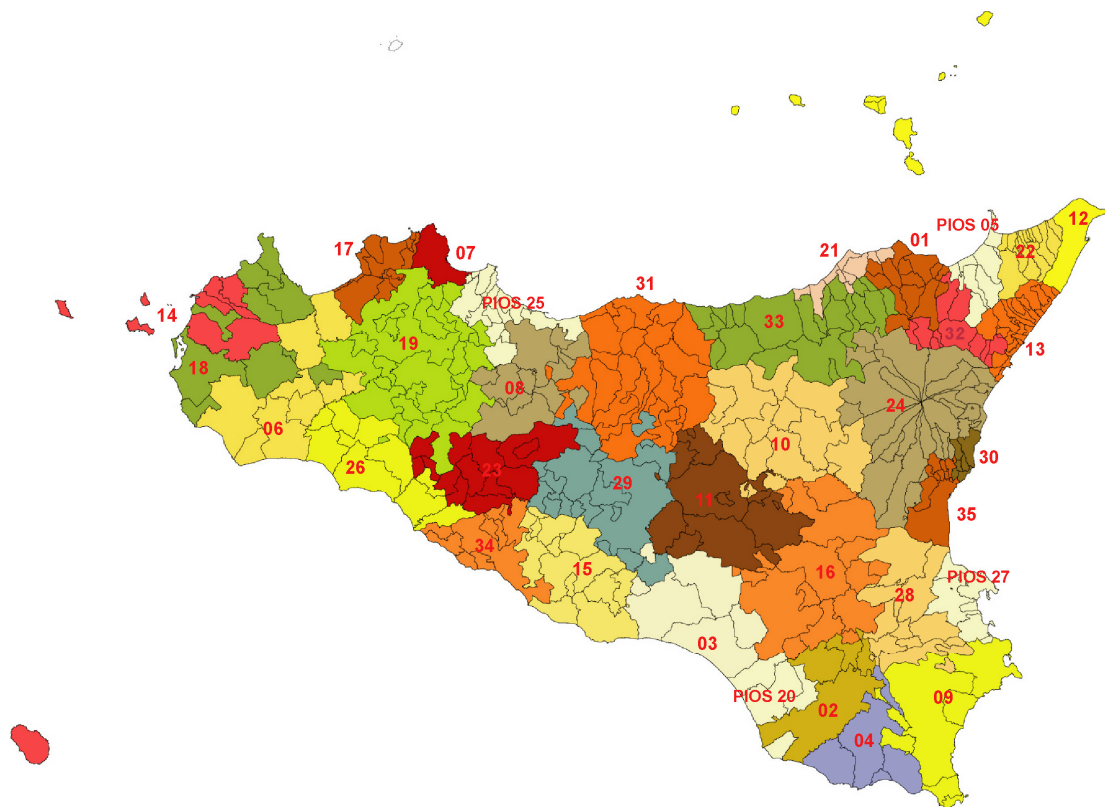
Globally, the ITPs have involved 359 municipalities corresponding to a population of 4.568.292 inhabitants (91% of the Region). The medium number of municipalities for each ITP was 11,6, while the medium population was 147.364 inhabitants. The coalitions had a number of municipalities ranging from one city, in the case of the ITP of Palermo, to 28 communes in the case of the ITP “Etna”, involving the area of the regional park around the volcano. In general, the ITPs with greater number of municipalities were located in the most internal areas of the region, while the coalitions including the ten most populated cities of the region had an average of only seven municipalites.

In order to coordinate these local partnerships and carry out the programmes, the Region has suggested to create a Unique Office for each ITP with two different management models: in the first model, the Unique Office would have only powers of coordination between the municipalities; in a second model, the Unique Office would be also the contractor for the procurements of infrastructure projects. This second option has been chosen only in eight cases, while in the others the procurements have been managed by each municipality where the infrastructural projects were located. In most of the cases, the Unique Office was an operational body of the leader municipality, while only in a few cases the management of the ITP has not be played by a municipal government, such as in the ITPs Nebrodi (Park Authority), Madonie, Alto Belice Corleonese, Calatino Sud Simeto (Local development agency).



Territorial Integrated Projects	Number of municipalities	Population (2004)
01. Tindari-Nebrodi	14	45.385
02. 4 Città e un parco per vivere gli Iblei	4	86.492
03. Il comprensorio di Gela	4	121.731
04. Le Vie del Barocco	4	112.347
06. Alcesti	9	161.633
07. Palermo capitale dell'Euromediterraneo	1	675.277
08. Valle del Torto e dei Feudi	12	46.797
09. Ecomuseo del Mediterraneo	6	224.380
10. Sinergie per competere	13	89.196
11. Enna: turismo tra archeologia e natura	7	85.230
12. Eolo, Scilla e Cariddi	5	261.243
13. Dal turismo tradizionale ad un sistema turistico locale integrato	22	65.282
14. Sistema turistico integrato della costa centro-settentrionale	5	123.424
15. Demetra	12	158.773
16. Calatino Sud Simeto	15	146.183
17. Pit delle Torri e dei Castelli	12	126.313
18. Alcinoo	10	133.245
19. Alto Belice Corleonese	22	135.255
21. Polo turistico Tirreno Centrale	10	48.129
22. La via dell'argilla	15	67.788
23. Magazzolo Platani Sicani dell'agrigentino	12	60.348
24. Etna	28	322.284
26. Aquae Labodes	9	106.431
28. Hyblon-Tukles	12	139.852
29. Bio-Valley	18	152.354
30. Aci: Formazione, Impresa, Turismo	6	133.163
31. Madonie	21	79.163
32. Valle Alcantara	12	16.422
33. Nebrodi	21	69.026
34. Valle dei Templi	9	117.846
35. Catania città metropolitana	9	457.300
Total	359	4.568.292
Medium	11,6	147.364

Tab. 3 – The Integrated Territorial Projects in Sicily (source: Planning Department of Sicilian Region)



Map. 5 – The geographical location of the ITPs in Sicily

In the management model provided by the Region, once the ITP has been funded, the municipalities of the promoting coalition should subscribe a “planning contract” with the Region in which all the financial and operational commitments would be settled. It must be said, however, that no “Planning contract” was subscribed before the implementation of the ITPs because the Region has opted for a more soft, and less binding, “Organizational agreement”.

From the strategic point of view, most of the ITPs focus on tourism development, with a huge amount of investments towards restoration of cultural heritage and improvement of the environment. Despite this imbalance towards the physical capital, actions on human capital and cultural enterprises are generally weak or underdeveloped. Furthermore, the size of territorial coalition has resulted in a strong spatial fragmentation of the Integrated Projects, so it is often difficult to perceive a strong and clear thematic strategy<sup>143</sup>. Apart from these general considerations on local strategies, however, the ITPs may be classified into the following groups<sup>144</sup>:

<sup>143</sup> See Vinci I., “I territori dello sviluppo locale”, in Colaizzo R., Verro A. (a cura di), Nuovi approcci alle politiche di sviluppo locale. Programmazione 2007-2013, Quaderni Formez, Formez, Roma, 2008; Nucleo di Valutazione degli Investimenti Pubblici della Regione Siciliana, 2012, forthcoming). At national level, the same considerations are developed by Bianchi T., Casavola P., *Integrated Territorial Projects in the 2000-2006 CSF - Objective 1. Theories, evidence and views on local development policy*, Materiali UVAL, Dipartimento Politiche di Sviluppo e Coesione del Ministero dell’Economia e delle Finanze, Roma, 2008.

<sup>144</sup> Vinci I., “Patrimonio territoriale e nuovi scenari strategici: evidenze dalla progettazione integrata territoriale”, in Lanzani A., Fedeli V., *Il progetto di territorio e paesaggio. Cronache e appunti su paesaggi/territori in trasformazione. Atti della VII conferenza SIU*, Franco Angeli, Milano, 2004.

- Integrated projects focused on *natural resources*, such as those promoted by the 4 regional parks (Madonie, Nebrodi, Etna, Alcantara);
- Integrated projects focused on a more innovative concept of *agriculture*, such as those promoted by some rural areas in the province of Palermo (Valle del Torto), Agrigento (Magazzolo Platani), Caltanissetta (Bio-Valley);
- Integrated projects focused on a more innovative and holistic concept of *cultural resources*, trying to integrate cultural heritage with traditional manufacturing, such as those promoted by the coalition Calatino Sud Simeto in the province of Catania or the ITP “Vie dell’argilla” in the province of Messina;
- Integrated projects with a stronger focus on *urban regeneration*, such as those promoted by the municipalities of Palermo, Catania and Trapani.

In the most of these cases, the design and implementation of the ITPs has been generated in contexts where significant experiences of local development were carried out in the previous decade. As described by Dematteis (2003)<sup>145</sup> and Vinci (2008)<sup>146</sup>, for example, the national and European programmes in the field of local development have led to a strong diversification in the regional territory. In some areas, the institutional coalitions for the ITPs may be seen as the result of a “cumulative process” able to generate trust among the actors, clearer strategies for local development, more effective cooperation between public and private actors.

According to the evaluation criteria defined by the Planning Department at the starting of the planning process, it was clear the intention to reward the continuity with other planning initiatives but, it must be said, the distributive approach adopted for the selection of the ITPs has undone that goal.

## Outcomes of the analyzed intervention

The report published in 2011 by the Evaluation Unit of the Planning Department is the most complete account on the implementation process of the ITPs<sup>147</sup>. According to this source, the projects carried out through the ITPs were 812, corresponding to an investment of 1.277 Meuros of which 749 from regional funding. Of these projects, more than half (443 for an investment of 430 Meuros) were infrastructures, while 191 actions were on education-training and 178 incentives to the private sector. The level of implementation of the projects is very different from one ITP to another. The medium

---

<sup>145</sup> See Dematteis G., Governa F., Vinci I. (2003), “La territorializzazione delle politiche di sviluppo. Un’applicazione del modello Slot alla Sicilia”, *Archivio di Studi Urbani e Regionali*, n. 77, 2003.

<sup>146</sup> See Vinci I., “I territori dello sviluppo locale”, in Colaizzo R., Verro A. (a cura di), *Nuovi approcci alle politiche di sviluppo locale. Programmazione 2007-2013*, Quaderni Formez, Formez, Roma, 2008.

<sup>147</sup> Nucleo di Valutazione e Verifica degli Investimenti Pubblici (NVVIP) (2011), *L’attuazione dei PIT in Sicilia. Una valutazione finale dell’esperienza*, Regione Siciliana, Dipartimento Programmazione, Palermo.

level of spending is 58,6% of the funded budget, ranging from 36,9% for the ITP of the coalition Messina to 90,1% for the ITP of the coalition of Trapani.

Territorial Integrated Projects	Funded budget	Expenditure	Spending capacity
01. Tindari-Nebrodi	36.373.621	24.685.254	67,9
02. 4 Città e un parco per vivere gli Iblei	28.349.422	17.114.202	60,4
03. Il comprensorio di Gela	33.348.626	20.027.413	60,1
04. Le Vie del Barocco	25.717.954	11.911.802	46,3
06. Alcesti	32.990.268	24.285.820	73,6
07. Palermo capitale dell'Euromediterraneo	86.373.958	47.246.115	54,7
08. Valle del Torto e dei Feudi	48.500.653	18.113.424	37,3
09. Ecomuseo del Mediterraneo	61.804.439	39.209.427	63,4
10. Sinergie per competere	34.328.940	15.340.853	44,7
11. Enna: turismo tra archeologia e natura	41.500.051	24.391.624	58,8
12. Eolo, Scilla e Cariddi	33.784.402	12.483.099	36,9
13. Dal turismo tradizionale ad un sistema turistico locale integrato	28.367.109	20.767.931	73,2
14. Sistema turistico integrato della costa centro-settentrionale	22.389.062	20.181.134	90,1
15. Demetra	38.688.575	17.639.623	45,6
16. Calatino Sud Simeto	47.039.963	35.091.251	74,6
17. Pit delle Torri e dei Castelli	41.235.515	23.996.722	58,2
18. Alcinoo	29.988.558	11.541.752	38,5
19. Alto Belice Corleonese	84.310.599	52.729.823	62,5
21. Polo turistico Tirreno Centrale	29.439.000	13.940.493	47,4
22. La via dell'argilla	45.451.772	27.598.709	60,7
23. Magazzolo Platani Sicani dell'agrigentino	22.781.817	14.154.653	62,1
24. Etna	64.139.530	39.282.234	61,2
26. Aquae Labodes	30.833.386	21.445.731	69,6
28. Hyblon-Tukles	27.944.803	17.104.405	61,2
29. Bio-Valley	39.425.720	24.971.057	63,1
30. Aci: Formazione, Impresa, Turismo	35.795.754	14.724.473	41,1
31. Madonie	42.426.836	26.960.672	63,5
32. Valle Alcantara	24.521.158	12.895.243	52,6
33. Nebrodi	47.059.319	30.298.734	64,4
34. Valle dei Templi	21.795.654	13.529.971	62,1
35. Catania città metropolitana	91.161.956	55.608.216	61,0
Total	1.277.868.420	749.271.860	58,6

Tab. 4 – The Financial performance of the ITPs (source: Nucleo di Valutazione degli Investimenti Pubblici della Regione Siciliana, 2012, forthcoming).

Among all, 8 ITPs have recorded a level of expenditure below 50% of the funded budget, while only 4 ITPs have reported a spending over 70% of the available financial resources.

A first conclusion regarding the financial performance of the ITPs is that the selection procedure has provided a considerable “screening” of the interventions previously estimated, with the consequence to significantly downsize the action plans provided by the ITPs. It is argued that the lack of funding for over than 25% of the planned interventions could have weakened the strategy of the territorial projects, restricting their capacity to achieve the objective of local development previously taken (NVVIP, p. 24).

An other consequence of this downsizing is on the lack of the added value given by integration. While in the planning phase the balance between the different typologies of interventions included the action plans of the ITPs (51,3% of infrastructures, 10% of formative actions, 38,7% of incentives to enterprises) was quite coherent with the mix expected by the Region, the final results of the implementation process returned a very different picture (NVVIP, p. 27-28). The aids to the private sector, for example, have been developed only for the 41,9% of the financial resources provided by the action plans. Similar remarks can be made for the actions on the human capital, while only infrastructural projects have recorded a sufficient state of implementation. 13 of the ITPs with a well equalised distribution among different actions have not been able to carry out the action plan as expected, achieving satisfactory results only in the infrastructural projects.

The reason for such a disappointing results are various, depending partly from the complexity of the implementation procedure provided by the regional authority, partly from the lack of dynamism in the business community in many economic sectors and geographical areas. According to the opinion of several ITP managers, the incentives to the private sectors have suffered from the choice to leave in the hands of the regional departments all the responsibilities concerning the evaluation and implementation steps of the private projects.

As a consequence, differently from what has happened with the Territorial pacts, the management of the Integrated Projects had no chance to address the private projects towards the objectives of local development defined in the strategy and, consequently, to ensure the best synergy with the infrastructural interventions (NVVIP, p. 40). According to the data provided by the regional report, only 5 ITPs were able to fund more than 50 enterprises, while for 13 ITPs the number of private projects being financed is less than 20<sup>148</sup>.

---

<sup>148</sup> At the same time, several ITPs managers admitted that the bad performance for the incentives was also a consequence of the limited activity of local promotion allowed by the centralised procedure provided by the Region.

## Actors involved

The pivotal players in the process of implementation of the Territorial Integrated Projects were the Regional authorities. If it is true that the Department of Development Policy of the Ministry of Economy has played a fundamental role in the design and steering of the policy at national level, it is at regional level that all the operational details, evaluation procedures, implementation steps, funding and monitoring responsibilities were defined and controlled.

In Sicily this role has been covered by the Planning Department, a unit under the political control of the regional Presidency. In the Sicilian system, in fact, the Planning Department is the Managing Authority of all national and European programmes under the structural funds. In the programming cycle 2000-2006, the need for a unified Regional Operational Programme between the different structural funds (ERDF, ESF, EAGGF, FIFG) led to concentrating in the hands of the Planning Department a huge power of coordination between the different regional departments responsible for the sectoral measures of the ROP.

Being the ITP at the same time a local programme, with its own strategy and operational coherence, but also a set of projects to be funded by several regional departments, the Planning Department has undertaken various functions, including:

- the institutional reference for the promoting coalitions and the managing authority for all the implementation and monitoring activities of the ITPs;
- a coordination role among the regional departments responsible for funding of the individual projects included in the ITPs.

In this sense, the role of the Planning Department may be described as a kind of “hub” of a multi-level governance system where several political and technical decisions were taken by a multiplicity of regional and local actors.

To a far lower level of importance, also the 9 Provinces were designated for a role in the implementation processes of the ITPs. At a first stage, the Provinces were asked to coordinate the candidate Integrated Projects in order to avoid conflicting strategies from the territorial coalitions. They also could apply as leader institution of a ITP, although this option has been practiced only by the Province of Caltanissetta for two ITPs and by the Province of Siracusa for an other. Furthermore, they have hosted representatives of the capacity building programmes in the starting phase of the implementation process, such as in the Rap 100 Programme of the Formez.

As well as the Region, the municipalities were the other key actor of the whole implementation process. Some difference, however, must be done between the leader municipalities and the other communes taking part of the local coalitions. While the partner municipalities had a political role in the partnership, but an operational one only if an infrastructural project was located within its boundaries, the leader municipality was the real contractor of the ITP against the regional authority. It has been charged with significant tasks throughout the design and implementation process having to:

coordinate the partnership, drive the consultation process, prepare the Integrated Project documentation, represent the coalition with the regional Planning Department, monitoring the programme, etc. If we look at the mechanism outlined in our Inception Report (p.11), the leader municipalities may be considered the places where we could find a greater increasing of the rules of coordination and a shift in the administrative behaviour in terms of definition of deadlines and commitments towards the other actors of the local coalition.

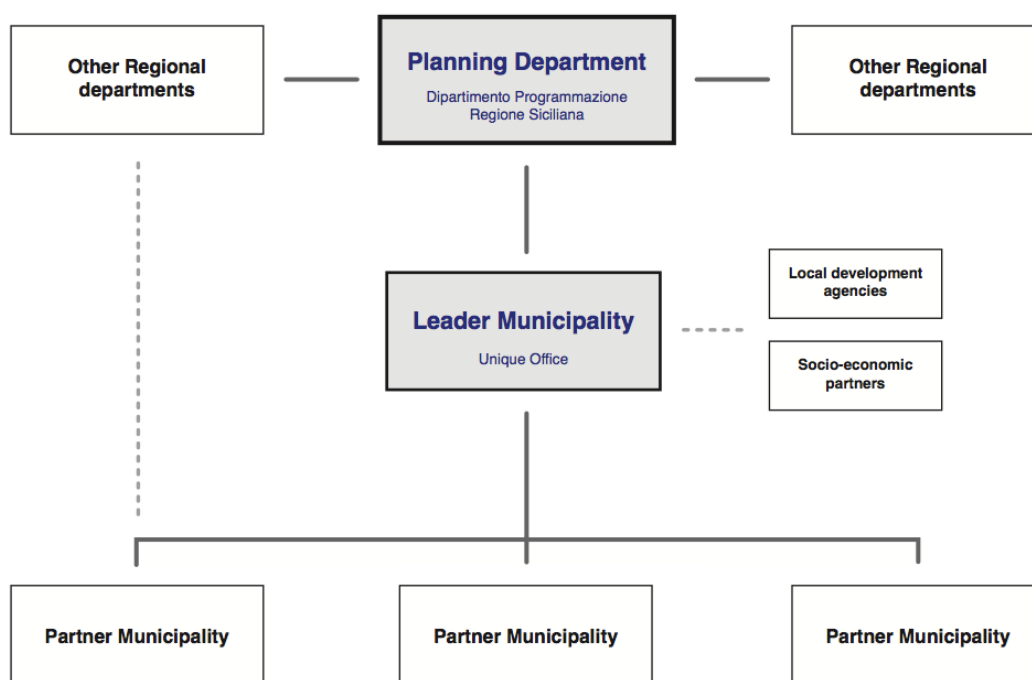


Chart 1 – Stakeholders in the ITPs process

Other actors in the process were the social and economic partners who have taken part in the consultation process and, as required by the Region, have formally agreed the Project. The contribution from these partners can vary greatly in time and from a local context to another. In general terms, the participation to the design phase of the ITPs may be considered intensive all over the territories. Some non-institutional partners (unions, business representatives, institution representatives, etc.) have been of great support in the activities of “territorial animation”, particularly towards the sectors mostly concerned by the project strategy. In the late phase of the project implementation, on the contrary, the actors’ commitment has generally decreased, partly for physiological reasons, partly for the complex procedure adopted by the Region for the financial incentives to the private sector.

The model of governance provided for the planning process has been designed around some specific tools of governance and cooperation:



- Horizontally, in order to coordinate the actors at local level, the “Organisational Agreement” and the already mentioned “Unique Office”;
- Vertically, in order to ensure the coordination among the local actors and the regional institutions involved in the implementation process, the “Negotiating and discussion table” and the “Supervisory Committee”.

The Organisational Agreement is the first step towards the implementation of the ITPs. It defines all the management responsibilities between the public institutions involved in the ITPs, including: (a) the units responsible for the projects implementation within each municipality, (b) all the procedures required in order to define, within the institutional partnership of the ITPs, all the coordination and monitoring tasks. In fact, in the Planning Complement it was required that the Leader Municipality of the ITP should take all the legal responsibility of the integrated project implementation towards the Region. Afterwards, the Region specified that all the operational tasks related to the project implementation could be covered by the Unique Office operating within the Leader Municipality (but with the possible contribution of human resources coming from other municipal structures).

It is interesting to highlight some considerations on the Unique Office as reported by the evaluation published by the Region (NVVIP, p. 61-62) and as expressed by the personnel interviewed in the present research. There is a large agreement on the fact that the Unique Office has been an opportunity to increase the quality of governance in the project area. These units, particularly in the cases of larger institutional partnerships, have significantly reduced the fragmentation in the local decision-making process and have contributed to promote a more comprehensive approach to local development. On the other hand, it is recognised that the impact on local development process has been strongly weakened by the limited implementation responsibilities given by the Region to the local level, particularly those regarding the incentives to the private sector and the interventions on the human capital. If we look again at the mechanism listed at p. 11 of our Interim Report, the decision-making process adopted by the Region has concentrated in the hands of the regional Planning Department all the control on the incentives and penalties to make the process more effective at local level<sup>149</sup>.

The “Negotiating and discussion table” has been conceived as a periodically meeting organised to discuss and give solutions to particular issues emerging from the implementation process. The attendances of this table, chaired by the Planning Department, were the representatives of the ITPs and the responsables of the different measures of the Regional Operational Programme. It must be said that, after the first preliminary meetings, the “Negotiating and discussion table” were no longer called as expected.

---

<sup>149</sup> The most explicit incentive for the ITPs adopted by the region was the performance reserve (Premialità) for the projects demonstrating the best performance in terms of procedural advance and financial expenditure.

The most important tool for the vertical governance of the ITPs was the “Supervisory Committee”. For each ITP, it was periodically convened by the Planning Department and made by the representatives of the integrated project and the responsables of the measures of the Regional Operational Programme touched by the ITP. The task of the Supervisory Committee was to survey all the implementation steps of the ITP, including the replacement of those interventions with severe problems of implementation and the resolution of the possible conflicts born between the partners of the integrated projects.

Moreover, some other considerations may be advanced on the effective involvement of other public institutions in the planning and implementation process. In the The Planning Complement it was declared that «each ITP may be promoted, to be admissible, by at least two municipalities located in the same Province». Apart from the municipalities, also, other public authorities could have played the role of ITP promoter, such as for example the Province or the Regional Park Authority. In the reality, only a limited number of them have been effectively involved in the planning process, so that only three ITPs have been promoted by provincial authorities (ITPs n. 3 and 11 by the Province of Caltanissetta and ITP n. 9 by the Province of Siracusa) and one (ITP n. 33) by the Park Authority of Nebrodi. Other sectoral institutions, such as the Soprintendenze per i Beni Culturali e Ambientali (the authorities designated for the protection of cultural heritage and landscape) had no proactive role in the process, limiting their tasks to an ex-ante evaluation of the physical interventions included in the action plans of the ITPs.

## Analyzing institutional capacity

As mentioned in the opening paragraphs, Sicily is characterized by a strong legal and political autonomy, initially granted by the Italian Constitution and reinforced by the process of devolution implemented between the 70s and the 90s. As a result, it has an hypertrophic administrative machine, with more than 20.000 employees and a very complex organizational apparatus. If we look at some key indicators, this does not seem to have secured an increased efficiency of the regional system as a provider of public policies. An analysis carried out by the Supervisory Authority on Public Works says that the average time between the delivering of a project and its approval by the contracting authority requires more than twice the national average. An other key indicator in this direction is the number of appeals submitted to the Regional Administrative Court (12.500 in 2003), which is the third in Italy (after Campania and Lazio) and has increased of more than 53,8% between 1997-2004 as regards the activity of public administration<sup>150</sup>. The evidence from these data is a clear unbalance between the carrying capacity of the regional administrative system and an highly fragmented local government.

---

<sup>150</sup> Istat, Istituto Nazionale di Statistica, *Statistiche delle amministrazioni pubbliche – Anno 2003*, Roma, 2006.

An answer for the low efficiency of public administration can be given making reference to the low propensity to innovation. Though the investment on R&D in the public administration has increased in the first period focused by the research (from 63 meuros in 2000 to 83 meuros in 2002), in 2002 Sicily was the tenth Italian region in terms of employees (1.057), with a number of workers much lower than other southern regions such as Apulia (1.388) and Campania (1.761)<sup>151</sup>. In terms of sectoral composition of the expenditure, in 2000 the public administration of the region was the beneficiary of only 11,1% of investments in R&D, while the national average was 18,9%. If we put together the data on human capital and the relative financial investments, Sicily had one of the worst performance in R&D among the Italian regions. Not surprising if the region is not performing well in the process to achieve the Lisbon benchmarks. According to the Espon data (*Lisbon strategy performance*, 2009), in 2000 Sicily had along with Calabria the worst result in Italy, with an aggregate indicator of 3,57, almost 30% above the national average.

If we limit our discussion at the Cohesion policy, the capacity building may be described as the capacity of regional and local authorities to manage a complete programming cycle (from design to evaluation) and to promote an increasing in the quality of the collective services.

The Regional Operational Programme 2007-2013 of the ERDF has dedicated a specific section to the analysis of institutional capacity in the regional context<sup>152</sup>. The document says that the major weaknesses of the region in this field lie: (a) in the inadequate technical and administrative skills in the public sector, (b) in the distance between the public administration and citizens, (c) in a not homogeneous response from the regional bureaucracy, (d) in the low propensity to monitoring and evaluating the public policies and their interventions. On the other side, the large experience in the local development programmes and the good relation with the social and economic partners (both at regional and local level) were mentioned as positive factors. Looking at the challenges of the forthcoming programming cycle, however, the document stated that a structural increasing in the efficiency of the public administration would have been the key requirement to achieve the expected targets for the regional development policy.

Also in the Interim Evaluation of the programming cycle 2000-2006<sup>153</sup>, are also recognized some political mistakes that have affected the increasing of institutional capacity in the cohesion policy. The first is the complexity of the strategy to be achieved if compared to the institutional capacity at various level. In several cases, the large number of measures in the regional programmes (often with small budget), has required a too onerous administrative effort if compared to the results that the

---

<sup>151</sup> Istat, Istituto Nazionale di Statistica, *La ricerca e sviluppo in Italia – Consuntivo 2002*, Roma, 2006.

<sup>152</sup> Regione Siciliana, *Programma Operativo Regionale FESR 2007-2013*, Marzo 2007.

<sup>153</sup> Ministero dell'Economia e delle Finanze, *QCS Ob. 1 2000-2006 – Aggiornamento della Valutazione Intermedia*, Agosto 2006 (a cura di Vision & Value and London School of Economics).

region should have expected from the policy. Furthermore, the complexity of the regional procedures in order to access funding has often created disorientation and distrust at the local level, reducing the demand for funding from the business community.

The great attention paid by all governments in the last decade to local development policy have certainly increased the complexity of regional governance. On the one hand, the strong interest for the local development initiatives throughout the region has produced a large number of local coalitions claiming a growing autonomy and political attention. On the other, the huge amount of local development programmes and their related projects (respectively 31 and 812, only if we refer to the ITPs) has overloaded the regional bureaucracy from the administrative point of view and has increased the level of conflict between the “centre” and the peripheral level of government. Furthermore, the complexity of the regional programmes and the fragmentation of their action lines has not made easier to achieve the objective of integration both at regional and local level. As a consequence, there is wide consensus that a solution to overcome the “relational gap” which weakens the local development policy is to improve selectivity and reduce the distributive attitudes by shown by the regional government in the recent past<sup>154</sup>.

Looking at ITPs implementation process in Sicily, it has been argued that the Planning Department at regional level and the Leader municipality at local level were the places where institutional capacity has grown more intensively. It is a fact, witnessed by all the respondents, that can be related to two obvious circumstances: the first, is that the increasing of responsibilities has challenged the (technical, organisational and management) capacities of all the staff involved in the implementation procedures; the second is that these places were the government levels where the Capacity Building Programmes have focused the most of their resources both in financial and organisational terms.

In a different way, the regional Planning Department and several Leader municipalities are the places where the process of Europeanization of the policy-making is more tangible. The DPRS (Dipartimento Programmazione della Regione Siciliana), established in the early 90s under the control of the regional Presidency, is the structure committed to design, implement and control all the programmes related to the structural funds. In several municipalities (for example Trapani, Messina, Sciacca, Siracusa), this process has taken shape with the establishment of special office within which all the competencies regarding the European programmes have been concentrated. For these reasons, it would be interesting to plan future investigations on these places to discover the way in which the europeanisation of policy-making has happened and the changing in the administrative behaviours has spread to other level and sectors of government.

---

<sup>154</sup> See Vinci, forthcoming, *ibidem*.

So discussing the increasing (or decreasing) of institutional capacity within the complex process built up for the implementation of the ITPs in Sicily is therefore a very difficult task. This process, in fact, can be seen as an intricate web of procedures and institutional relations in which the capacity of each actor involved may change over time in relation to various political and organizational conditions. The lack of measurable indicators – or the presence of them only for a few segments of the planning process (for example the financial performance of the programmes) – makes this task very difficult in quantitative terms. Anyhow, an appropriate mix of quantitative and qualitative approaches and, more importantly, a wise segmentation of the planning process may provide some interesting evidences. For this purpose, I suggest to set the “problem of capacity” by referring to five different dimensions regarding the role of different actors at different stage of the planning process.

A first group of three dimensions, mainly concerning the local level, refers to the following questions:

- Capacity to design long-term strategies;
- Capacity to promote project integration;
- Project management capacity;

A second group of two dimensions, mainly concerning the regional level, can be referred to the following issues:

- Capacity to ensure horizontal coordination (at regional level);
- Capacity to manage vertical coordination (from regional level).

### *Capacity to design long-term strategies*

The concept behind the Territorial Integrated Projects considers them as an operational tool to put in practice a long-term strategy for the local development<sup>155</sup>. In this sense the ITPs, like other local development tools, are highly dependent on the presence of strong political leadership in the municipalities involved in the planning process. In the second mid of the 90s, the spreading of urban regeneration and local development programmes have been highly driven by the presence of charismatic mayors with strong relations with the civil society and the local economic environment<sup>156</sup>. This factor has helped cities and intermunicipal coalitions to construct long-term strategies for local development and a huge number of ITPs may be

---

<sup>155</sup> In all the official documents this has been called “Idea forza”.

<sup>156</sup> See, among others: Cammelli M. (a cura di) (2007), *Territorialità e delocalizzazione del governo locale*, Il Mulino, Bologna; Cersosimo D., Wolleb G. (2006), *Economie dal basso. Un'itinerario nell'Italia locale*, Donzelli, Roma; La Spina A. (2003), *La politica per il Mezzogiorno*, Il Mulino, Bologna; Morello M. (2007), *Governare la quotidianità. Sindaci di Sicilia*, Franco Angeli, Milano; Trigilia C. (2005), *Sviluppo locale. Un progetto per l'Italia*, Laterza, Roma-Bari; Vandelli L. (1997), *Sindaci e miti. Sisifo, Tantalo e Damocle nell'amministrazione locale*, Il Mulino, Bologna; Vandelli L. (2007), *Il sistema delle autonomie locali*, Il Mulino, Bologna.

described as an implementation of strategies developed in the previous years. But what happens when a local leadership ends or, more generally, when urban and local development exit the political agenda like in Italy in the last few years<sup>157</sup>?

To continue strategy implementation require to find another leadership with the same steering capacity towards the local political system or to create the institutional conditions that we can find at an higher level than the municipality. The ITPs experience in Sicily clearly shows how difficult can be both perspectives. In the ITP “Etna” for example, the largest in Sicily in terms of number of municipalities (28), after a cohesive starting point of the planning process the ITP has failed part of its objectives for the changing of the political “landscape” within the partnership. According to the words of the ITP’s Manager<sup>158</sup>, the reason of this failure is the limited financial capacity of the programme if compared to the width of the area, but also the missed investment on a coordination infrastructure like an inter-municipal development agency which may have limited the impact of the changing strategies in the single municipalities. If we look at the regional context, for example, this is the condition for success of other coalitions promoting local development projects in the last decade, like those in the regional parks Madonie or Nebrodi. From another point of view, a wise and limited selection of priorities may be a fundamental condition to make a strategy more strong and recognizable, as witnessed by the manager of the ITP of Trapani, the best financial performer in Sicily.

#### *Capacity to promote project integration*

Implementation is a key requirement for the success of complex and multipurpose programme like the Territorial Integrated Projects. An effective implementation of a local development strategy requires not only that planned interventions would be realized, but also that the added value given by the interaction between material and immaterial projects would be ensured. This achievement must not be taken for granted, because it depends on a large number of technical and political variables. In the ITP process these variables were: (a) the capacity of the promoting municipalities to well design the programme in order to increase the mutual functionality of the interventions; (b) a good timing and effectiveness in the implementation process in order to avoid the lack of crucial action for a positive impact of the programme; (c) consequently, the efficiency of all the actors involved in the implementation process, many of which were outside the control of the ITP management.

On this last point, for example, the difference in efficiency of the regional departments in the funding procedures of the projects (coming from the municipalities or the private sector) has affected the “integration effect” in a huge number of ITPs.

---

<sup>157</sup> I have tried to discuss this argument in Vinci I., “The Reshaping of the Urban Question in Italy”, Proceedings of the XI Conference of the European Urban Research Association (EURA) *Learning Cities in a Knowledge Based Society*, Milano, 9-11 October, 2008.

<sup>158</sup> From the interview n. 5 to Andrea Brogna.

The regional procedure, in fact, has given municipalities the control for the implementation of infrastructural projects, while the control on implementation for other type of actions (such as training, communication, incentives to enterprises) was very limited. Many observers agreed that an alternative model of implementation, like for example the “global grant” model experimented in the case of the Territorial Pacts or the Urban Programme, would have enabled municipalities to take a larger control on project integration.

These considerations, however, do not want to shift the problem of integration only to the regional level and on procedural issues. In fact, the construction of a strong and well defined strategy at the local level is a fundamental prerequisite to ensure that the “integration effect” would be released by the programmes. To do this, the discussion returns on political and technical leadership, the only resources to keep together and focus the planning partnership towards a limited number of local development objectives.

### *Project management capacity*

Bianchi and Casavola, discussing on the role competencies in the local development policy, asserted that «the launch of the ITPs marked an effective break, or departure, from the policies of the previous decade by bringing individuals with different backgrounds into the system in positions of responsibility»<sup>159</sup>. More than in other previous local development policies, the ITPs has created the demand for professional figures committed to cover different political and technical roles, such as “promoters”, project specialists, institutional representatives, implementation managers. In most cases, these professional profiles have been encompassed by the ITP Managers, the pivotal figure in the implementation of the projects in almost all the regions. In Sicily, the selection of well qualified professionals to cover the role of ITP Manager has been facilitated by a special funding initiative by the Region, which has provided the coalitions of around 100.000 euros to start up the Unique Office of the ITP<sup>160</sup>.

As declared by the interviewed with an higher position in the process, the spreading of competencies between the ITP management and all the technical personnel involved in the projects implementation can be considered poor. If the staff in closer contact with the management or within the Unique Office has increased their competencies, the technical figures with lower responsibilities in the process has not changed their attitude to planning and management.

---

<sup>159</sup> Bianchi T., Casavola P., *Integrated Territorial Projects in the 2000-2006 CSF - Objective 1. Theories, evidence and views on local development policy*, Materiali UVAl, Dipartimento Politiche di Sviluppo e Coesione del Ministero dell'Economia e delle Finanze, Roma, 2008, p. 64.

<sup>160</sup> The reference is to the measure n. 4.0.4c of the Regional Operational Programme.

The regional responsible of the SPRINT project<sup>161</sup> on this point says that any public investment on institutional capacity may be frustrated by the low qualification of the technical personnel also in the most basic functions such as following a contract. From a wider perspective, the national coordinator of the same project<sup>162</sup> highlights that there is still a great lack of competencies in the design of the more complex interventions, such as those in the field of environment, energy, landscape planning, etc. Consequently, if the problem of top management is crucial but it can be overcome more easily, the question of widespread expertise (particularly in the smallest municipalities) remain a topical point for the future of local development policy.

#### *Capacity to ensure horizontal integration (at regional level)*

There is a large consensus on the fact that the effectiveness of the ITPs implementation has been affected by the problematic relationship between the different regional departments involved in the process. Being the ITP a cluster of projects to be funded through the sectoral measures of the Regional Operational Programme, each regional department responsible for these measures had an indirect, but key, role in the implementation of the local programmes. In fact, the difference in efficiency between the departments in their task to evaluate and fund the applicant projects had the effect of making more difficult the “integration effect” of the plans at the local level.

In theory, being the Planning Department under the control of the Presidency of the Region, it should have the power to ensure coordination among all the sectoral policies in the framework of the structural funds. But in practice the lack of capacity to horizontally coordinate policies is a well recognized weakness of the whole development policy of the Region. The reason for such a critical point are also related to some cultural and political question:

- from a cultural point of view, while a big step towards an integration approach to planning has been made at local level, at regional level a sectoral conception of policy continues to prevail;
- politically, to reserve about one third of the structural funds budget to the Integrated Projects has been seen in negative terms by the most of the regional bureaucracy.

It is for these interdependent factors that the investment on capacity building on this issue was less effective than in other. For example, while the different technical assistances has provided a big effort in the organization of the periodical Supervisory Committees to bring together all the institutional actors involved in the

---

<sup>161</sup> From the interview n. 4 to Tino Cutugno.

<sup>162</sup> From the interview n. 7 to Raffaele Colaizzo.



implementation process, these meetings were frequently deserted by the regional representatives, making more complex to define and solve the most intricate implementation problems at local level.

For that reason, the effectiveness of an integrated approach to planning in the next future will require a greater investment on coordination among the regional authorities. In these field, in contrast to the results achieved so far, the capacity building programmes seem to remain the best approach to qualify the human capital and increase the positive relations among the public authorities.

#### *Capacity to manage vertical coordination (from regional level)*

The relation between the regional authorities and the municipalities involved in the ITPs is the field where the capacity building policies has had probably its greater impact. For the reasons highlighted in the previous paragraph, however, a great difference must be done between the managing authorities of the ITPs at different levels – like the Planning Department for the regional level and the Unique Office for the local – and the place with less management responsibilities.

The link between the Planning Department and the Leader municipality of the ITP, in fact, was the point at which it was concentrated the greater organizational and informative effort. The Supervisory Committee was the place where all the matters related to the implementation of the projects were discussed in the presence of all the actors involved in the implementation process. For that reason, it may considered the environment where the institutional capacity has grown more in the implementation process in terms of multi-level governance.

Looking at the capacity building programmes, the responsible of the ITPs process for the Planning Department says that without the help of the technical assistance her office would not be able to manage all the activities needed to keep together the different actors involved<sup>163</sup>. To manage the relations with the local authorities, the help of the capacity building programmes was significant both from an organizational and a technical point of view. However, she recognizes that the human resources belonging to the her Unit have increased their competencies to the point that now they would be able to replicate the experience with significant autonomy.

From the point of view of other interviewed in the research<sup>164</sup>, at the local level the increase in the cooperation capacity with the higher level of governments is much more difficult to evaluate. There are evidence that it has depended mostly by the organizational pattern adopted in the Leader municipality and within the Unique Office particularly. Where the managerial skills were weak, and the relational tasks with the Region highly concentrated in the hand of an external ITP manager, it is

---

<sup>163</sup> From the interview n. 3 to Milena Ribaudò.

<sup>164</sup> From the interviews n. 1 to Giovanni Catania, n. 2 to Carlo Pisciotta, n. 8 to Alessandro Alongi.

difficult to observe a real increasing in the capacity of the personnel employed in public administration. Once again, the most interesting results may be observed in the places where a structured unit for the local development policies has been implemented before, or independently, by the ITP experience, like special offices at municipal level or local development agencies at an inter-municipal level.

If we try to understand which of these five dimensions were more decisive for the effectiveness of local development process started with the ITPs, the judgment may vary significantly if we look at the question from the regional or the local level. For some regional representatives, for example, the capacity of municipalities to provide effective programmes and mature projects to quickly being implemented is a solid argument to explain the delay in the implementation of the structural funds in Sicily. This argument is also agreed by some of the experts involved in the external supporting activities, which still recognise a lack of shared competencies especially in the smaller municipalities. On the contrary, at local level it is emphasized the complexity of the regional bureaucracy and the asymmetry of rules and procedures if we look from a regional department to another.

However, there is a wide consensus on the fact that, differently from previous local development programmes, in the ITPs a huge amount of steering and control powers have been concentrated in the hands of the Region and that the multilevel governance was the most decisive variable for the quality of the whole implementation process. While the capacity to design and promote effective long-term strategies may be considered as a mainly endogenous resource (often generated by the quality of previous local development initiatives), the other four dimensions are all strictly related to the governance model chosen for the ITPs implementation.

The increasing in the capacity to promote project integration at local level and to increase an effective management of the programmes, for example, were among the strongest arguments (both at national and regional level) when it was decided to start the ITPs experience. There are evidences that the strategic role of these factors in the designing phase of the ITPs was very well recognised by all the local actors, also thanks to the contribution given by the capacity building programmes. But the effectiveness of this local capabilities when challenged in the implementation process have been strongly influenced by the model of relation between the different institutional actors involved in the process. For example, almost all the stakeholders agree that integration at local level have been strongly weakened by the implementation model adopted, with the only infrastructural projects retained under the direct control of municipalities.

We could conclude that multilevel governance – particularly the easyness of procedures and the intensity of communication flows – remains the key factor for the effectiveness of local development policy such those promoted through the ITPs.

## Capacity building policies

The cultural and financial investment on capacity building policies in the period 2000-2006 has been as significant as that on local development policies as a whole. Just to get an idea, the amount of financial resources towards policies for technical assistance and institutional capacity managed by the Development Policy Department (DPS) was more than 500 Meuros (about twice those provided in the period 2007-2013)<sup>165</sup>.

The main framework of this policy was the National Operational Programme “ATAS - Assistenza Tecnica ed Azioni di Sistema”, whose general objective was to increase the institutional capacity of public administration in the implementation of the operative programmes and the interventions financed by the Structural Funds. To achieve these objectives, the Programme ATAS had planned a large number of activities, including support to central and regional managing authorities, monitoring activities, exchange of experience among institutions, support to regional and local partnership, training and communication policies.

In the Programme ATAS the space dedicated to the ITPs may be summed up into four lines of action:

- interventions towards the regional managing authorities, regarding support to planning, implementation and monitoring activities of the ITPs;
- reinforcement of strategic and managerial competencies of the local authorities involved in local development initiatives and the ITPs in particular;
- spreading of good practices or innovative management models between the regions of the Objective 1 areas;
- training and educational activities in order to optimize the integration between the local development initiatives and the labour market.

The Programme ATAS also has been the leading financial resources for some capacity building programmes specifically dedicated to the the implementation of the ITPs.

The SPRINT Programme<sup>166</sup> was a multiregional programme based on a common methodological approach and a strong coordination activity from the unit “Local Development” of the Formez, a public agency for the innovation of public administration supported by the national government. Following up on a previous programme aimed at preparing the regions to the challenge of integrated planning in the period 2000-2006 (RAP 100), the SPRINT Programme has worked as a network community with two level of coordination:

---

<sup>165</sup> Data from the website of the Dipartimento per lo Sviluppo e la Coesione del Ministero dello Sviluppo Economico: [www.dps.tesoro.it](http://www.dps.tesoro.it).

<sup>166</sup> The acronym SPRINT stands for Supporto alla Progettazione Integrata Territoriale.

- a national Coordination unit, committed to promote and carry out all the cross-cutting activities, consisting of a Steering committee and a pool of experts in all relevant topics for the support to regions and municipalities;
- six regional “task forces” (one for each Ob.1 regions), including experts of different topics with a more extensive experience on the different regional contexts.

The focus of the Programme was to support the regional authorities and the local partnerships in the coordination and implementation issues regarding an integrated approach to planning. After a preliminary survey on the training and professionals needs of the different players involved, this task has been performed through a coordinated set of activities including:

- dissemination of innovative management model at local level through seminars and focus groups;
- support to local partnership in terms of governance and administrative issues;
- support to regional and local authorities related to the monitoring tasks for the ITPs implementation.

In Sicily, the SPRINT outputs should be observed in the light of the activities just carried out through the RAP 100 Programme in the years 2000-2002. In fact, at the beginning of the ITPs implementation process, the Formez has played a relevant role in supporting the regional authority to establish the procedures for the selection of the ITPs and to complete the preliminary evaluation of the candidate projects. Furthermore, the regional group of the Formez has supported municipalities in order to better focus the project strategies and to help the Provinces to carry out the coordination tasks provided by the procedure.

On these basis, the SPRINT Programme (2003-2006) has worked mainly to build up and maintain the governance system around the implementation process of the ITPs. At a first stage, the role of the regional task force was to support the Planning Department to implement the ITPs evaluation system. In fact, being the Evaluation Unit of the Region appointed only after the preliminary evaluation of the ITPs, the local group of the Formez has supported the Planning Department to define all the guidelines and procedures to be followed in order to approve and fund the projects by the regional authorities.

Along with evaluation, a great effort has been made to overcome the lack of an efficient monitoring and communication system between the Region and the other players involved in implementation. This task was carried out through the support to some governance tools specifically developed with the help of the Formez group:

- the establishment of the “Negotiating and discussion table”<sup>167</sup> and the Supervisory Committee<sup>168</sup> for each ITP, periodically organized to bring together all the representatives (regional and local) involved in the ITPs implementation;
- the web platform *PuntoPIT*, created in order to monitor the implementation process and share all the relevant informations between the regional authorities and the local management of the ITPs.

The Project PIT-AGORA has been proposed by a consulting group<sup>169</sup> in response to a call published in the framework of the national Programme ATAS. The Project has been planned as a multiregional system action aimed at strengthening the strategic and managerial skills of those that, in the public administration, were committed to design and implement the local development policies. As a result, it was addressed at two different typology of beneficiaries: the managing authority of the Objective 1 regions and the municipalities involved in the implementation of the ITPs. The project provided knowledge and networking activities for the all 132 ITPs of the Southern regions, while for 35 selected ITPs the programme provided activities in close contact with the local management within the municipalities. In line with this target, the working group had some “territorial units” of experts in the fields of planning, management, monitoring, evaluation in order to cover all the issues that could arise from implementation.

In Sicily, where the start-up of the ITPs took place earlier than in other regions, the PIT-AGORA Programme (whose timeframe was 2004-2006) has acted in the heart of the implementation of the projects. The ITPs selected to receive specific assistance were seven: ITP n. 3 Comprensorio di Gela (Province of Caltanissetta), ITP 6 Alcesti (Trapani), ITP 8 Valle del Torto (Palermo), ITP 9 Ecomuseo del Mediterraneo (Siracusa), ITP 12 Eolo, Scilla e Cariddi (Messina), ITP 23 Magazzolo Platani (Agrigento), ITP 24 Etna (Catania).

The list of the chosen ITPs was the result of an agreement with the Planning Department in order to respond to some technical and political demands: first of all, they were ITPs with particular complexity in terms of management and implementation; secondly, there was an attempt to deal with ITPs focused on various strategies of local development (from rural development to urban regeneration); last, the project tried to cover different geographical areas in the regions.

The task to support the ITPs was charged to two groups of expert who has agreed a specific action plan with the local management of the ITP. In methodological terms, the chosen typology of assistance may be called “cooperative learning”, a kind of “on the job” support to local groups committed in the implementation of the ITPs, planned

---

<sup>167</sup> The original term was Tavolo permanente di confronto e proposta outlined in the paragraph.

<sup>168</sup> The original term was Collegio di Vigilanza.

<sup>169</sup> Consisting of Cresme Ricerche, Deloitte Consulting, Eures Group and SDA Bocconi.

to reinforce their competencies in the long term looking forward to the following planning and management challenges. For this reason, apart from exceptional cases, it has been avoided to give help to solve specific administrative problems, but rather it has been tried to transfer common problems of implementation to the Planning Department and share the solutions through the network of the Integrated projects.

In line with the mission of the ANCI, which is the representative of the Italian communes, the POSTIT Programme had its focus on the needs of the municipalities involved in the 2000-2006 programming cycle. As the previously described programmes, POSTIT was a multiregional initiative supported by the ATAS Programme with two specific targets:

- to support municipal administrations involved in the ITPs to enhance their skills and competencies in order to better plan and implement the planned interventions;
- to assist municipalities in the negotiation tables at different institutional level in order to increase the attention towards local planning problems in the cohesion policy, particularly in the transition between the 2000-2006 and the 2007-2013 programming cycles.

In the POSTIT Programme, the assistance activity had a strong juridical profile. The local units of the multi-regional expert groups, mainly constituted of professionals with legal and administrative skills, were expected to advise municipalities to achieve the most effective organizational models to manage the ITPs in their implementation steps. As a consequence, the issues on which the assistance has been focused were: (a) the different types of associations among local authorities in line with the different national and regional legal systems; (b) the impact of the reforms carried out in several policy sectors such as public administration or public works; (c) the public-private partnership opportunity in the management of the public services at local level; (d) in Sicily particularly, all the legal and organisational issues related to the start up and functioning of the Unique Offices designated to manage the ITPs implementation.

The style of assistance was less generalist than the “system action” provided in the SPRINT and PIT-AGORA projects, rather more comparable to an “on demand” consulting activity. In this direction, the tools provided by the programme was a Internet-based system of answering to the questions submitted by the municipalities and an advisory activity towards those Unique Offices facing specific legal or administrative problems in the implementation of the projects. For some Sicilian ITPs those activities were more systematic, pursuing the goal of strengthening the internal skills of the Unique Office. In addition, where those issues were of general interest, the programme has provided thematic studies or workshops organised in cooperation with the regional managing authorities.

Also inside the financial framework of the ATAS, but with a more limited impact on the planning process of the ITPs, there was the PIT Lavoro Programme promoted by

the Ministry of Labour and Social Policy<sup>170</sup>. The Programme aimed at stimulating a greater attention towards the issue of labour market in the Objective 1 regions and, particularly, in the process of implementation of the ITPs. The specific targets of the programme were: (a) to ensure the inclusion of the labour market perspective in the territorial analysis carried out in preparation of the ITPs; (b) to promote local networks and partnerships in the field of social economy in order to strengthen employment opportunities through the public and private interventions planned in the ITPs; (c) to create better links between the intervention planned at local level with the related sectoral policies at regional and national level.

In accordance with the regions, the project has provided a selection of ITPs where to carry out participatory action researchs in order to stimulate territorial animation, gather information of common interest and share best practices around the question of the labour market. In Sicily, this activity has involved three ITPs characterised by different strategic orientations, but united by being promoted by coalitions of small communes in the most internal areas of the region: the two ITPs promoted by the Province of Enna (ITP n. 10 and 11) and the ITP Hyblon Tukles in the inner area of the province of Siracusa. The research has touched over then 60 local actors – including the ITPs management, some employment centers, the economic and labour representatives, trade unions, local leaders – with the aim of representing all the critical points with respect to the financial opportunities provided by the ITPs. Other lines of activity of the programme aimed at supporting the regional departments in the evaluation of the projects with a specific target on services, training and employment and to monitor the changes in the labour market in the ITPs with a specific focus on manufacturing.

In the last period of the programming cycle 2000-2006, while the process of implementation of the ITPs was largely ongoing, the attention of the Planning Department was shifted towards the Regional Integrated Project “Networks for Local Development”. This planning process, aimed at defining networks and opportunity for strategic cooperation between the 31 ITPs, was also the occasion for a more effective cooperation among the different technical assistance programmes. If the result of the regional project may be considered small from a financial point of view<sup>171</sup>, the activities organised during its preparation (laboratory, meetings, focus groups) have stimulated the coalitions towards a more effective cooperation at an higher level then that of the local partnership. An added contribution in terms of capacity building during this process was that provided by the Technical Unit for Internationalization, a local group operating in the framework of a project supported by the ATAS aimed at increasing the economic and cultural internationalization of Southern regions. A specific line of this programme was to identify and strengthen

---

<sup>170</sup> See Ministero del Lavoro e della Previdenza Sociale, *L'esperienza dei PIT per un nuovo sviluppo locale nel Meridione*, Roma, 2006.

<sup>171</sup> The investment was 18,7 meuro for 13 Pilot Projects.

the potential of the ITP areas in terms of internationalization and contribute to the creation of international partnerships in the economic fields focused by the ITPs.

## What works

The provisional findings proposed in the previous paragraphs show how difficult may be to find the causal mechanisms between the capacity building policies, the effectiveness of the local development policies carried out at regional and local level and the process of local development as a whole. In the analyzed case, the complexity of the research problem is further increased by the particular implementation procedure adopted by the Region, which has brought a huge number of institutional actors to meet each other in a complex multilevel governance environment. In fact, in relation to the role played in the process, each actor may have a very different perception of the critical issues affecting the projects implementation and the knowledge needed to face these problems in the future. For these reasons, and the lack of reliable quantitative indicators except for the financial performance of the projects, some arguments from the interviews are a considerable resource to draw conclusions from the research and to take addresses to improve future policies in the field of institutional capacity.

Starting from the most common considerations raised, and following the conceptual framework adopted in the sixth paragraph, I propose to identify a limited number of questions in relation to which the evidences of the research and the opinions of the stakeholders tend to converge.

1. Capacity building programmes have been more effective where they were able to build stable and efficient communicative flows among the actors involved in the implementation process. In fact, despite the adopted procedures have initially promoted a traditional top-down approach, a more relational approach (such those helped by the web-based platform PuntoPit) have been recognized as useful tools to give the regional authority and local actors a more detailed vision on the implementation process. Even more important was, in the opinion of the most, the face-to-face meeting periodically organized in order to solve the most controversial nodes in the implementation process. These meeting, like the formal Supervisory Committies or the more informal focus groups and thematic seminars, were appreciated tools to share a common knowledge on the implementation process and to face the most relevant procedural problems. In all these activities, the role of the external technical assistance was not replaceable because of the (cultural and organizational) limits of the public administration in this field.
2. A second positive point regards the role of the assistance programmes to vehiculate the “cultural message” towards integrated planning as promoted in the programming cycle 2000-2006 at national level. Integrated approach to



planning was not completely new to the local authorities involved in the ITPs implementation. In recent years, in fact, also in Sicily the majority of the municipalities have experienced planning initiatives (such as Urban, Leader or Territorial Pacts) with the aim to promote a various degree of integration among local actors and different kind of projects. Anyhow, the extent of the meaning of integration in the period 2000-2006 was so wide (in geographical, institutional and technical terms) that all the capacity building programmes were asked to contribute to achieve this target. There are evidences that all the programmes were quite effective to this task. Some programmes, such as SPRINT project, has provided a huge amount of scientific and technical contributions from the beginning of the process, while others (like the PIT-AGORA or POST-IT projects) has worked better at local level, addressing tools such as surveys or thematic analysis towards the different implementation problems given by the territories.

3. The third question, regarding the impact of the capacity building programmes on some structural weaknesses of the public administrations, is much more controversial. The programming cycle 2000-2006 have prompted municipalities to deal with innovative procedures and legal issues not sufficiently experienced until the starting of the ITPs. These commitments for the municipalities arose by the complex procedures provided by the Region, but also to face some new challenges in the implementation of the projects, such those regarding the public-private partnerships in the public utilities or the experimentation of new model of management. In the cases where the technical assistance has worked more closely with the staff of the municipalities, there are evidences that this support has played a relevant role in the increasing of the quality in the implementation process. But the spreading of this process of innovation towards the other actors in the partnership has been much less intensive. Moreover, all the interviewed argued that the innovation process has almost always slowed at the end of the supporting activities. For this problem, a solution given by some interviewed<sup>172</sup> is to not consider the different areas and their relative requirements as homogeneous. In fact, while there are cities and local partnerships in the region with an already sufficient capacity to face the challenges of an integrated approach to the local development policy, there are municipalities with persisting weaknesses from cultural, administrative and technical point of views. While towards the first situations the future policy should provide a more delegation of responsibilities to the local level, towards the latter it should be required a stronger and more systematic investment on capacity building.

---

<sup>172</sup> Se, for example, the interview n. 6 to Osvaldo La Rosa.

4. The question highlighted in the previous point is related to a crucial matter for all the capacity building programmes, that of human capital. Before to start their activities in the programming cycle 2000-2006, almost all the assistance programmes have carried out detailed surveys on the needs of the regional and local authorities. While an ex-ante survey remain relevant tool to address the supporting activities towards the real requirements of the beneficiaries, it could be not sufficient for the changing of these needs over time under the stress of the implementation process. In some ways, as witnessed by some interviewed, this is the reason why the supporting activities towards the human capital in Sicily have been perceived as not fully exploited during the implementaion of the ITPs. It is a largely agreed conclusion that training is still a fundamental resource to increase institutional capacity in the near future. As a result, there are some adjustments to make in order to deal with the new committments given by future local development policy. The first is to continue to address training on specific targets (avoiding to be too general or too specific) giving a specific attention to the changing in the local development policy implementation. For example, at municipal level the reason why the effect of the technical assistance has ended after its conclusion is because it has not supported by systematic training activities towards the personnel involved in the implementation of the projects, particularly on legal and managerial issues. The second is to cover some professional profiles that have been underestimated in the previous programming cycle, namely some specialist competencies dealing with energy, environment, landscape, and the managerial competencies dealing with a more effective involvment of the private sector in the projects. Both in the first and the second cases training should be provided gradually, taking into account the increasing complexity of the planning process, from the design to the implementation steps.

#### A. List of interviewed persons

<i>Name</i>	<i>Position during the implementation process of the ITPs</i>
Giovanni Catania	Manager of the ITP 14 - Sistema Turistico Integrato della costa Centro-settentrionale (Trapani)
Carlo Pisciotta	Member of the national unit and contact for Sicily in the POSTIT Programme
Milena Ribaudo	Head of the Office responsible for ITPs implementation at the Planning Department of Sicily
Tino Cutugno	Contact for Sicily in the SPRINT Programme
Andrea Brogna	Manager of the ITP 24 - Etna (Giarre)
Oswaldo La Rosa	Member of the Evaluation Unit of Public Investments at the Planning Department of Sicily
Raffaele Colaizzo	National coordinator in the SPRINT Programme
Alessandro Alongi	Member of the regional unit in the PIT-AGORA Programme

# Lubelskie Case Study: Impact of the decentralisation of the EU cohesion policy framework (ERDF) in Poland in the programming period 2007-2013

Giancarlo Cotella<sup>173</sup>

## 1. Research problem

The present report is the result of a research focussing on the various impacts that the decentralization of the EU cohesion policy framework introduced by the Polish government in the programming period 2007-2013 had in the context of the Lubelskie<sup>174</sup> voivodship<sup>175,176</sup>. More in particular, the research activity explores the challenges that the devolution of competences connected with the management and implementation framework of the European Regional Development Fund (ERDF) had generated in the region. At the same time, it appraises the evolution of institutional capacity in the Lubelskie context as a consequence of the new responsibilities that were devolved from the central level to the Marshall Office departments and analyses the strengths and weaknesses of the new approach to regional development and its added value in relation to the effectiveness of structural funds' management.

Despite the administrative reform that, since 1999, provides Poland with a regional layer of self-elected government units, the Polish Ministry of Economy and Labour<sup>177</sup> firmly kept the EU pre-accession and structural funds among its own competences until 2006, excluding the regional governments of the sixteen voivodships from any management activity. The cycle 2007-2013 is indeed the first programming period in which the Polish voivodships are entrusted of the autonomous preparation, implementation and monitoring of the respective Regional Operative Programmes (ROPs) in the framework of the EU Cohesion Policy. Due to the novelty represented

---

<sup>173</sup> GC EUROCONSULTING – Corso Indipendenza 48, 10086 Rivarolo Canavese (Torino), Italy. E-mail: quancarlos@libero.it; Tel: +39 3384673025.

<sup>174</sup> In the translation of some documents and reports referred to as 'Lublin voivodship'.

<sup>175</sup> Voivodship is the English word commonly adopted to refer to the unit of regional administration in which Poland is divided. It originates as the direct translation of the Polish word województwo (plural: województwa). Poland is presently subdivided into 16 voivodships, classified as NUTS2 regions according to the Nomenclature of Territorial Units for Statistics ([http://epp.eurostat.ec.europa.eu/portal/page/portal/nuts\\_nomenclature/introduction](http://epp.eurostat.ec.europa.eu/portal/page/portal/nuts_nomenclature/introduction)). Despite this subdivision presents similar characteristics in terms of the population and territorial area of its units if compared to the regional subdivision of several other EU countries, in the English translation of some official Polish documents as well as in other contributions the Polish województwa are referred to as 'provinces' instead of 'regions'. This is a heritage of the more numerous (49), smaller units in which Poland was divided until their aggregation in 1999, that were also referred to as 'województwa' or, in the English translation 'voivodships' or 'provinces'.

<sup>176</sup> The two case studies concerning the Lubelskie and the Dolnoslaskie Voivodships present many overlapping elements. As the research underlying both cases has been conducted under the responsibility of the same researcher, it was possible to operate a series of comparative considerations between the two regional experiences. These considerations concern several elements of the analysis and are integrated in various sections of the text.

<sup>177</sup> The Ministry of Economy and Labour has been responsible for regional development of the country until the institution of the Ministry of Regional Development on October the 31<sup>st</sup>, 2005.

by regional programming tasks and the lack of any consolidated experience on the matter at the regional level, the performed analysis constitutes a useful instrument to appraise the adopted approach and to provide recommendations for its fine-tuning.

The main aims of the research can be identified as follows:

- to present a general overview of the Lubelskie regional context, with particular reference, on the one hand, to its socio-economic development and, on the other hand, to the institutional and political characteristics of the region;
- to provide a detailed outline of the analysed intervention, exploring the main phases that characterised the devolution of EU support management in Poland till the present days, with particular attention for its outcomes and for the impact this process had on key actors/institutions in the Lubelskie voivodhsip;
- to analyse the changes implemented in order to adapt the existing administrative structure and institutions to the new framework and to appraise whether and to what extent the setting up of specific new bodies influenced the successful implementation of the Lubelskie ERDF ROP 2007-2013<sup>178</sup>;
- to explore whether the institutional capacity of the actors of the Lubelskie voivodship was sufficient for carrying out the new tasks and to identify the requisites that may make it more effective;
- to present the main capacity building policies put in place at different territorial levels, and the ways through which they contributed to strengthen institutional capacity in the Lubelskie region;
- to highlight the main strengths and weaknesses of the approach to regional development adopted by the region, and its added value for the effective management of ERDF.

The drafting of this case study report builds on evidence and information collected by the authors through a series of research activities undertaken in the period May 2011 – January 2012. The research has been carried out through the analysis of a heterogeneous set of sources, from the desktop analysis of policy documents, analytical/evaluation reports and scientific literature to the information collected through semi-structured interviews and more informal colloquia with relevant stakeholders that have been active in the analysed process in the context of different institutions at different points of time (see §9 for the detailed list).

## **2. Context related features**

The Lubelskie voivodship is situated in the eastern part of Poland, at the very eastern border of the European Union (with Ukraine and Belarus), far from major European

---

<sup>178</sup> Lubelskie Voivodship Council (2007), *Regionalny Program Operacyjny Województwa Lubelskiego na lata 2007-2013*, Lublin.

development centres (see figure 1). It is a fairly large region with an area of over 25,000 sq.km, though relatively sparsely populated (2,161,832 inhabitants, with a density equal to 71.3 per cent of the national average and 76.3 per cent of the EU average. EUROSTAT, 2009) and characterised by one of the lowest urbanization indicators among Polish regions (46 per cent) as compared with the national average of 61 per cent.

The region is administratively divided into 20 powiats (districts – LAU1) and 4 cities with powiat rights (Lublin, Chełm, Biała Podlaska and Zamość). It is characterized by a sparse network of medium-sized towns with one main dominant urban centre, i.e. the city of Lublin (some 355.000 inhabitants). The settlement system is articulated into 209 municipalities (gmina): 16 urban municipalities, 21 urban-rural communes (gmina miejsko-wiejska) and 172 rural communes (gmina wiejska). For statistical reasons the voivodship belongs to the NUTS1 Eastern Poland macro-regions (together with the Podkarpackie, Podlaskie and Swietokrzyskie voivodhsips) and is also divided into four NUTS3 sub-regions: Białski, Pulawski, Chełm-Zamość and Lublin (see figure 3).

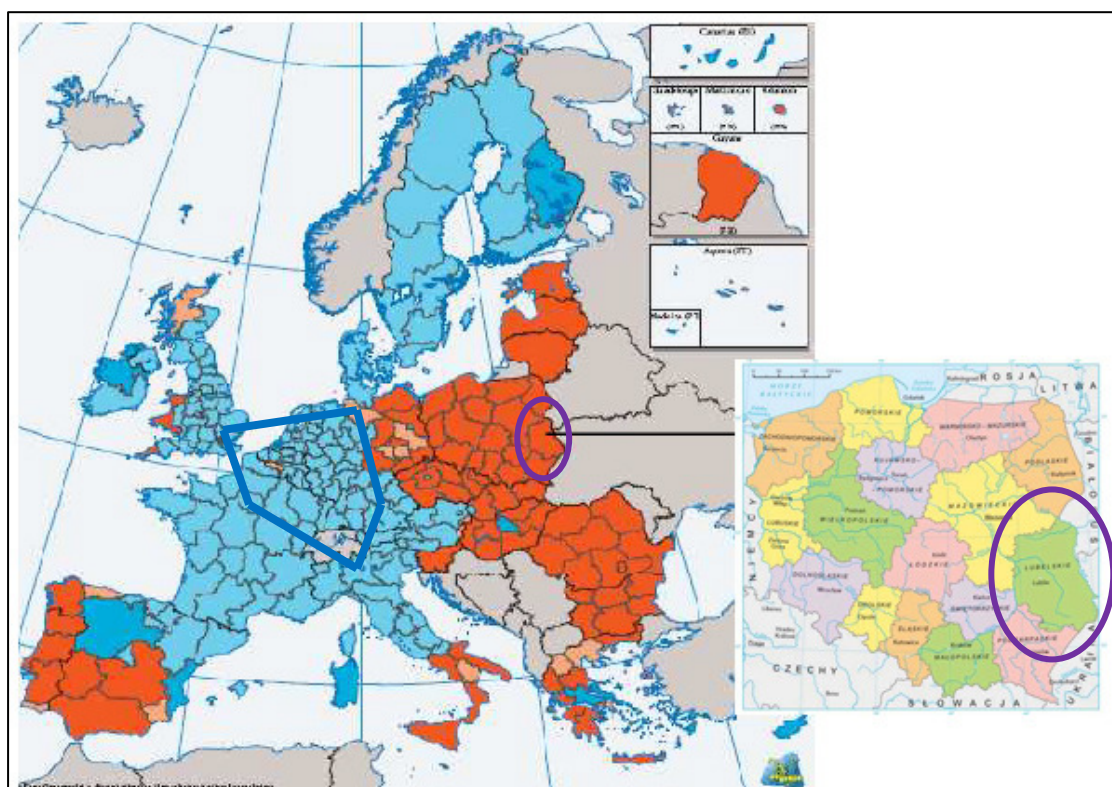


Figure 1: Location of the Lubelskie Voivodship in the European and Polish Space (Source: Own elaboration on ERDF ROP 2007-2013, Lubelskie Voivodship Council, 2007).

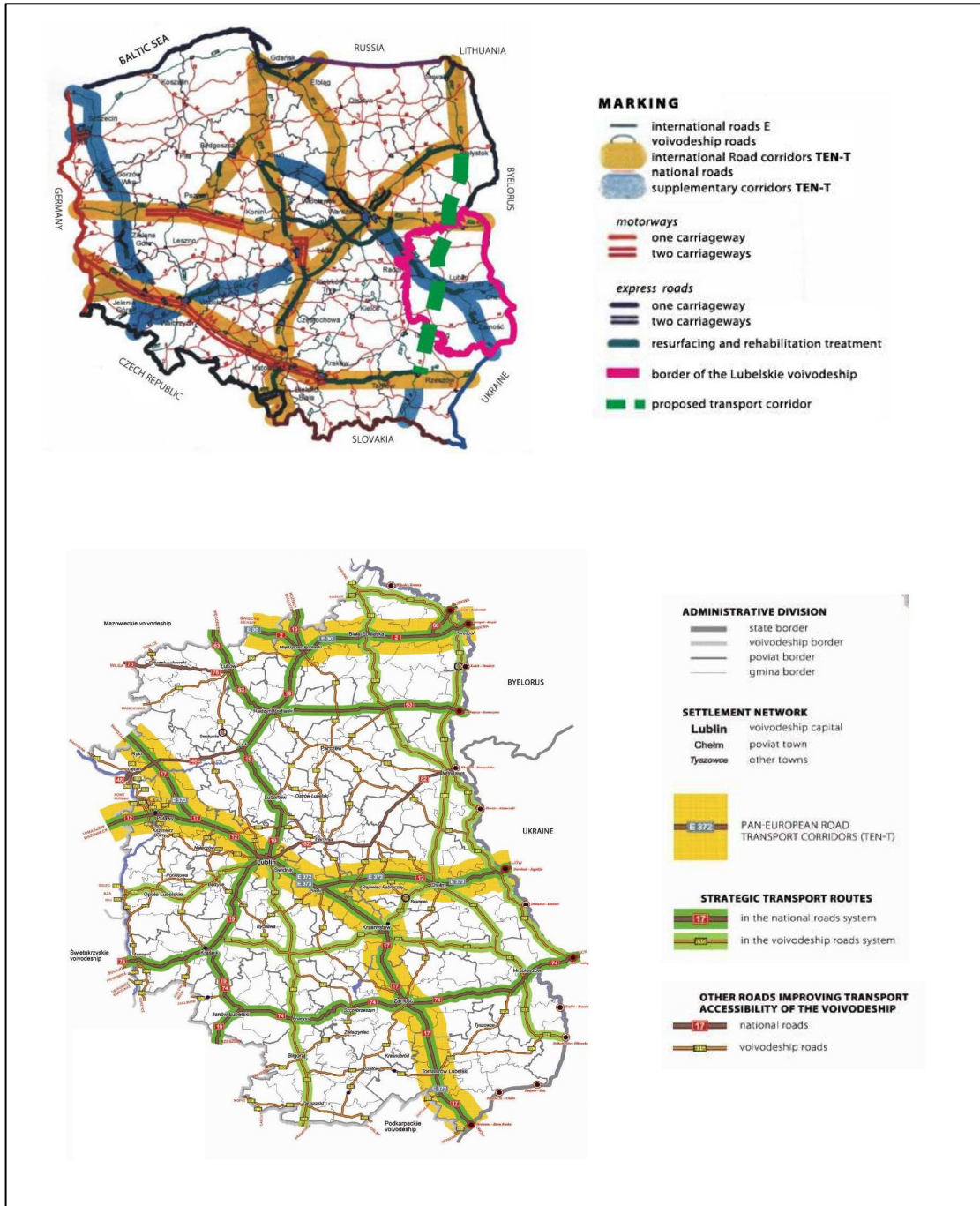


Figure 2: The Lubelskie voivodship transport networks – National and regional views (Source: Own elaboration on: General Directorate of National Roads and Motorways, Warsaw 2006).







The voivodeship, like the whole Eastern Poland, is relatively weakly developed. The reason for this is the fact that the 'wave of modernization' that came from Western Europe since the beginning of the pre-accession period did not reach the regions eastwards from the Vistula River. The location at the eastern external border of the EU has indeed significant implications in terms of both development and accessibility. Whereas a border region is by definition less accessible than a central region, the situation is here exacerbated by the border in question being an external border of the EU. The accession of Poland to the EU and in particular the introduction of Schengen Agreements has isolated Lubelskie from its eastern neighbours in Ukraine and Belarus and has dramatically reduced socio-economic and other linkages. Since their accession into the EU in 2004, the western regions of the new Eastern European member states have experienced higher rates of development due primarily to their closer proximity to the development centres of Western Europe. This situation has reinforced the traditional division between Eastern and Western Poland. Limited accessibility is exacerbated by the limited quantity and quality of physical infrastructure, particularly transport infrastructure. The regional road system focuses primarily on Lublin and there are limited north-south road links between other sub-regional centres. The improvement of state and international roads' accessibility are seen as the main means to overcome the problems related to the peripheral location of the Voivodeship, especially through the prioritisation of the development of main transport corridors including the Trans-European Transport Network (TEN-T) that should connect Berlin to Moscow, the auxiliary TEN-T corridor that should connect the North of Europe and Ukraine, as well as the national road connecting the Baltic States with Central Europe (see fig. 3).

## **2.1 Socio- Economic development**

In spite of the impressive GDP growth rate that interested Poland over the past 20 years and was accelerated by the EU accession, there are still significant disparities in the level of development and economic performance between the Polish voivodships. First and foremost, there continues to be a wide development gap between Eastern and Western Poland. The greatest part of the gross domestic product (GDP) of the country is produced in the Central and Western regions. Five out of sixteen regions (Mazowieckie, Slaskie, Wielkopolskie, Dolnoslaskie and Malopolskie) accounted for nearly 60 per cent of the total GDP in 2007, while the five Eastern Polish voivodships (beside Lubelskie: Podkarpackie, Podlaskie, Świętokrzyskie, and Warmińsko-Mazurskie) accounted for only 15.4 per cent of national GDP and stably remains among the 20 poorest regions of the EU, even after the accession of Romania and Bulgaria. Furthermore, since the beginning of the 1990s intra-regional disparities raised constantly, largely manifesting in an increasing gap between urban and rural areas<sup>179</sup>. Within this framework, the Lubelskie

---

<sup>179</sup> OECD (2008), *OECD Territorial Reviews. Poland*.

voivodship is performing poorly in relation to both EU and national averages, as highlighted by several socio-economic indicators. For instance, while both GDP and labour productivity have improved significantly over the last decade in both Lubelskie and Poland<sup>180</sup>, the rate of improvement in Lubelskie for both values is lower than the average country rate<sup>181</sup> and the region continues to figure among the poorest Polish voivodships<sup>182</sup>. More in detail, the region GDP per capita, about €9,200 in 2007, was much below the average in the EU27 (€24,900) and the lowest in Poland<sup>183</sup>.

The slower economic development of the Lubelskie Voivodeship when compared to the national average results largely from the unfavourable structure of regional economy and from the low level of capital investments<sup>184</sup>. The analysis of the economic structure of the region shows that the proportion of traditionally low-productivity sectors is greater in the Lubelskie region than on average in Poland. As far as sectors are concerned, compared to Poland's average, the economy of the Lubelskie region is more concentrated on agriculture and non-market services (see figure 4). Although the share of agriculture in production and employment has been systematically decreasing, it still accounts for 8 per cent and 30 per cent, respectively. In addition, the agriculture activities located in the Lubelskie voivodship are characterized by a very low productivity, when compared to EU standards. At the same time, the industrial sector produces a smaller share of Gross Value Added (GVA): about 25 per cent against 30 per cent in Poland on average. The most important branches of industrial production are characterised by low technological advancement, and include food production (27 per cent of the production), furniture production (10 per cent), machinery and tools (7 per cent). It is estimated that only 5 per cent of industrial production concerns high-technology branches. Similarly, the most important export goods in Lubelskie region are agricultural and food products, i.e. labour- and material-intensive goods<sup>185</sup>.

An additional critical element is constituted by the low values of capital investments in the Lubelskie voivodeship. In absolute numbers, the latter accounts for merely the

---

<sup>180</sup> Similar trends are observable in many Central and Eastern European (CEE) new Member States. Interestingly however, unlike other CEE countries (and particularly the Baltic States), Poland and Lubelskie have not suffered dramatically from the global economic crisis and Poland was the only EU member state that did not experience recession in 2009 with GDP per capita growing by 1.5 per cent in Poland and 1.7 per cent in Lubelskie during that year.

<sup>181</sup> Between 2004 and 2007, GDP per capita on average increased in Lubelskie only by about 2 per cent, below the average growth in Poland (4 per cent).

<sup>182</sup> Until the accession of Romania and Bulgaria in 2007, Lubelskie shared with Podkarpackie the black flag of EU's poorest region.

<sup>183</sup> In 2007 Lubelskie accounted for 67.7 per cent of average GDP per capita in Poland and for 39 per cent of the EU average.

<sup>184</sup> The shortage of own resources forces development to be based on the constant search for external sources, including direct foreign investments and EU structural funds. Taking into consideration the small potential of the region to attract foreign investments, the EU structural support seems to be the most important resources for financing the modernizing processes and stimulating the economy.

<sup>185</sup> The Regional Operational Programme for the Lubelskie Voivodship 2007-2013 estimates that technologically advanced products constitute less than 3 per cent of the region export

3.4 per cent of the total investment in the country, ranking the region at the 11th place. However, the per capita spending on investments ranks Lubelskie at the last place in Poland falling below average EU figures of more than one fourth. Limited involvement of Foreign Direct Investments in the region makes foreign capital a less significant source of development, if compared to the western and central voivodships of the country (foreign investments in the region make less than 10 per cent of the total).

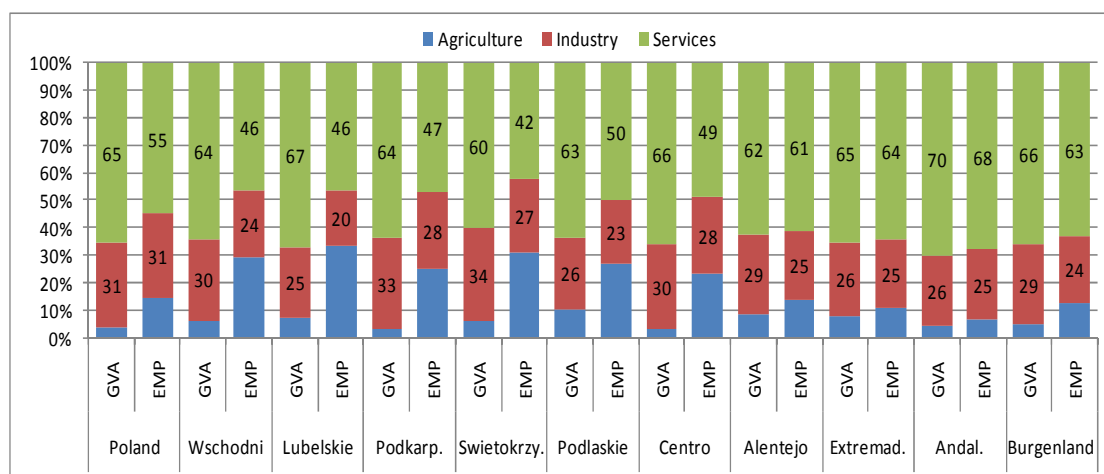


Figure 4: GVA and employment structure in the poorest regions of the EU. (Source: World Bank, 2011. Support note for the preparation of the new Lubelskie Voivodship Development Strategy 2020).

When it comes to the asset of human resources, it is important to highlight that the region suffers from a constant decrease of population since many years. According to demographic forecasts the falling tendency will persist at least until 2020: by then it is estimated that the number of people in Lubelskie Voivodeship will have fallen by 85,000 units (i.e. by 4 per cent). The fastest decrease is experienced in rural areas, where the pace is twice as big as in cities, and it is not only determined by negative birth rate, but especially by negative migration flows.

As far as the level of education is concerned, Lubelskie figures are close to the national average in the share of people with higher and secondary education. Since 1992 there has been a large growth in the population share possessing higher education, higher than in other parts of the country. This process was favoured by a rapid growth of higher education facilities, both public and private. In 2005 there were 495 students per 10,000 people. In the age group 19-24, student accounted for 47 per cent of the total population. The result ranked Lubelskie at the 7<sup>th</sup> place in the country. In general terms, the Lubelskie voivodship appears to have significant potential in terms of the number of students in higher education, though this primarily relates to the city of Lublin. The number of students attending universities however is not in itself a guarantee of economic competitiveness. First, it is necessary to retain these human resources in the region once they have graduated and, second, it is

necessary to transform their knowledge and research capacities into products and added value. Evidence suggests that neither of these things are happening to a sufficient degree at the present time. In spite of radical increase in the level of education in Lubelskie voivodeship and favourable school availability, the quality of human capital is however not well assessed<sup>186</sup>. The most important factors that negatively influence the quality of human capital are (i) unsuitable offer of higher education institutions to the needs of the job market, that is reflected in the unemployment rate among graduates in total population (over 6 per cent); (ii) structural unsuitability of the qualifications and skills to the needs of the job market (connected with low level of activeness in updating qualifications in schools for adults) and (iii) low level of complementary competences (e.g. computer and foreign language skills).

Employment figures lies behind national and EU average. At the end of 2005, 951,000 people resulted regularly employed, i.e. almost 50 per cent of the voivodeship population in working age (63.8 per cent in the EU). Both activeness in labour market indicator and employment indicator are higher than in the rest of the country, as a result of the high number of people employed in agriculture which, due to its overall ineffectiveness, constitutes a source of unemployment absorption. As it was already mentioned, the sectoral employment structure of the Lubelskie Voivodeship is particularly unfavourable. Although the employment in agriculture fell by almost 18% in the last five years, it is still one of the highest in Poland. Further decrease in employment in agriculture will depend on the restructuring of farms and creating alternative job opportunities outside the sector. Considering the years 1999-2005, it is noticeable that total employment fell by 50,000. The most significant decrease was observed in industry (18,300), healthcare (14,500) and construction industry (11,600). The absolute number of employees increased in real estate and company services (9,500), public administration (5,400), other services (2,300) and education (1,600 thousand). These changes reflects trends in the national labour market, and results from the intensification of economy modernization processes as well as relocation of economic activities<sup>187</sup>. As far as unemployment is concerned, the estimated rate in October 2006 was 15.2 per cent, a slightly higher value than the one of the whole country (14.9 per cent), ranking the region at the 11<sup>th</sup> place among Polish voivodships. However, when considering the relation between the number of the unemployed persons and the number of people who work outside individual

---

<sup>186</sup> The preliminary analyses for the Lubelskie ERDF ROP 2007-2013 argue that Lubelskie Voivodeship presents a low quality of social capital, mainly due to the following factors: (i) low level of social trust for the authorities and public institutions; (ii) scarcely developed NGO sector (12 organizations per 10,000 people. 11<sup>th</sup> position in Poland); (iii) low level of philanthropy and voluntary jobs; (iv) lack of outstanding political and social elites, capable of standing as 'leaders of changes'; (v) low institutional efficiency of local authorities, measure by the quality of service, fairness, innovativeness, planning and financial management quality, law quality, political stability (14<sup>th</sup> position in Poland).

<sup>187</sup> For instance, the headquarters of three banks were moved out of the voivodeship or liquidated.

agriculture, the share for Lubelskie exceeds the national average by 8.4 per cent<sup>188</sup>. A significant number of the unemployed persons consists of persistent unemployment (68 per cent). It is especially unfavourable that almost 32 per cent of the unemployed are young people aged 25-34 and 7.5 per cent are people with higher education. Another problem, which is very difficult to diagnose, is hidden unemployment in rural areas<sup>189</sup>.

When it comes to the analysis of its settlement system, it emerges that the region is characterised by a favourable, polycentric settlement structure, composed of 41 towns and 4,164 villages. The dominant role in the functional structure of the region is played by the city of Lublin, which, together with Świdnik, constitutes the core of the Lublin Metropolitan Area. The Polish National Concept of Spatial Development<sup>190</sup> includes Lublin among the countries eight potential Euro-poles<sup>191</sup>. The former capitals of the smaller, pre-1999 voivodeships – Biała Podlaska, Chełm, Zamość, and Puławy – have a supporting and supplementary function in the voivodeship economic, social, and cultural development. However, the population of none of these cities reaches 100,000 inhabitants. The majority of the remaining urban areas are of low importance, which considerably limits the possibility of the development of entrepreneurship and the labour market. There are conditions to create attractive brand products of Polish tourism in the cities and towns of Lubelskie Voivodeship, on the basis of the rich local heritage (the Old Towns in Zamość, Lublin, and Kazimierz Dolny, the fortresses of Zamość and Dęblin, the constructions created by the three cultures in Włodawa, and many others). Such possibility is also given by the natural qualities of Roztocze, Polesie, the valleys of the Bug and Vistula River, and other areas with important tourist potential (Biała Podlaska and Stoczek Łukowski). Some of them have already had a well-developed and differentiated tourist infrastructure<sup>192</sup>.

An additional essential barrier to the development of the Lublin voivodship is the poor quality of transport infrastructure. In term of the roads density of the national and provincial roads categories, Lubelskie values falls much below the national average (respectively, 4.20 km and 8.94 km per 100 sq.km, when average for Poland is 5.80 km and 9.01 km per 100 sq.km). In addition, the quality of roads is insufficient. Public

---

<sup>188</sup> Forecasts predict that by 2020 the registered unemployment rate will have significantly fallen to about 10%. The decrease of unemployment will result from the improvement of economic situation in Poland and in the region and from gradual opening of labour markets of other EU countries.

<sup>189</sup> Estimations carried during the preparation of the Lubelskie ERDF ROP 2007-2013 show that average hidden unemployment rate is approx. 20 per cent, i.e. higher than the registered unemployment rate.

<sup>190</sup> GCSS - Government Centre for Strategic Studies (2001), *Koncepcja polityki przestrzennego zagospodarowania kraju*, Monitor Polski, 26, 503-595.

<sup>191</sup> Lublin is the largest city in Eastern Poland and plays a leading role in the area bordering with Belarus and Ukraine. Lublin is eligible for the position of a metropolitan centre due to its location, historic heritage, as well as scientific research potential.

<sup>192</sup> In Nałęczów, besides the traditional function of the town as a health resort, a cluster is formed focused on health protection and beauty care. The situation of other towns is much worse. They are badly advertised, or under-equipped with infrastructure; it is also difficult to get there, so they cannot properly use their potential.

road networks in the voivodship – including roads of all levels – consists of nearly 29.000 thousand km, only 7.7 per cent of all roads in Poland and with only the 62 per cent being constituted by paved roads. The weak communication links linking the regional centres with Warsaw and with the other neighbouring regional centres (e.g. Kielce, Rzeszów and Białystok) contribute to worsen the picture<sup>193</sup>. Significantly, the insufficient transport accessibility of the region and the underdeveloped economic and social infrastructure place the Lubelskie Voivodeship in the last category (Category E) of the final assessment of the regions' attractiveness for investment purposes<sup>194</sup>.

	Share of population	Urbanization ratio	Nr. businesses per 10,000 inhabitants	Average monthly gross wage (PLN)	Share of sub regions in GDP
<b>LUBELSKIE</b>	100	47	724	2,891	100
Bialski	14	39	622	2,649	12
Chełmsko-zamojski	30	38	662	2,672	26
Lubelski	33	64	864	3,136	41
Puławski	23	38	666	2,691	20

*Table 1. Interregional differences within the Lubelskie voivodship (Source: own elaboration on Polish Central statistical Office, 2009).*

Additional insights derives from an examination of the typologies developed by some projects in the present ESPON Programme . Here evidence confirms what discussed above, i.e. the predominant rural character of the region, an over reliance on agriculture, a sparse population, geographic isolation and decline in terms of population and economic activities. More interestingly, data aggregated at the NUTS3 level allows for apprising the internal differentiation between the voivodship's sub-regions (see table 1). The best- economically developed area is the Lublin sub-region, hosting the Voivodeship capital and accounting for over 60 per cent of the population and over 40 per cent of the regional GDP. On its hand, the Bialski subregion is one of the worst developed areas of the whole country, due to a scarce population and urbanization rate . Furthermore, while overall differences in the quality and access to public services between the Lubelskie voivodship and the rest of the country are not significant, the difference between the quality of public services in rural and urban areas remain a critical issue, with rural areas lagging behind especially in terms of access to basic infrastructure such as transport, water, gas and sewage systems, as well as to public services as education and health care.

<sup>193</sup> Also the railway network appears to be rather weak, with a density well below the Poland average (Lubelskie's railway network consists of over 1,400 km of lines – 8 per cent of all railway lines in Poland). It is characterized by relatively poor conditions (poor technical condition of tracks, obsolete traffic control systems, outdated and retarded communications systems) and considerable backlog in rehabilitation caused by the neglect of maintenance.

<sup>194</sup> IBnGR (2009), *Investment Attractiveness of voivodships and sub-regions in Poland*.

## **2.2 Institutional and political characteristics**

The institutional and political features of the Polish voivodships are clearly path-dependent. More in particular, they bear the legacy of the previous historical period and of the transition started in 1989, and are strongly affected by the novelty that self-governed regional units represent in the country context<sup>195</sup>. Despite voivodships exists in Poland since the beginning of the previous century, they mainly constituted administrative divisions deprived of any self-government function and only representing an additional emanation of the central control over the country territory. This situation, already in place before the Second World War, was accentuated by the alignment of the Polish government to the Soviet-inspired, centrally planned economic model, that left no room for regional and/or local autonomy. Furthermore, whether until the first half of the 1970s the regional administrative subdivision of the country featured sixteen units that presented similar characteristics to the present one in terms of area and population (despite slightly different borders), the administrative reform enforced under the Gierek's government in 1975 introduced an alternative subdivision on the country accounting for as many as 49 units, much smaller in terms of territorial extension and number of inhabitants if compared to the previous and the present ones.

In 1989, central economic planning was abandoned in favour of a series of macro-economic reforms aimed at guiding the country into the free market. In parallel, as early as 1990 the Polish government implemented a reform that provided municipalities with self-elected government authorities, without however encompassing the voivodships. The latter remained essentially governed by agents of the central state apparatus, appointed by the premier in Warsaw. These Voivod Offices (*Urząd Wojewódzki*), inherited from the previous period, remained the only regional institutions until 1999 and continued to operate in almost unchanged form<sup>196</sup>. They possessed no policy-making prerogatives, fulfilling instead the role of monitor of central governmental policies. All financial resources were allocated from the central budget, giving the Voivod Offices little flexibility in meeting specific regional needs.

An autonomous regional level was instituted in Poland only with the approval of the Voivodships Self-government Act on July 1998, as the final outcome of a complex process of regionalization that had started at the half of the 1990s and gained momentum under the more or less direct pressure of the EU. Since the enforcement

---

<sup>195</sup> For a detailed overview of the context for regional development and spatial planning in Poland see, among others: COTELLA G. (2012 – forthcoming) 'Spatial Planning in Poland between European Influences and Dominant Market Forces', in BLOTEVOGEL H., GETIMIS P. and REIMER M. (eds.) *Spatial Planning systems in Europe: Towards Multiple Trajectories of Continuity and Change*, London: Routledge; COTELLA G. (2009), *Governance Territoriale Comunitaria e Sistemi di Pianificazione. Riflessioni sull'Allargamento ad Est dell'Unione Europea*, Ph.D. Thesis, XX Cycle. Supervisor: Prof. Umberto Janin Rivoli (Politecnico di Torino), Defended on 29th May 2009 at Politecnico di Torino.; GORZELAK G. (2001), "The regional dimension of Polish transformation: seven years later", in: GORZELAK G., EHRlich E., FALTAN L., ILLNER M. (a cura di) (2001), *Central Europe in transition. Towards EU membership*. Warsaw: Regional Studies Association – Polish section, 310-329.

<sup>196</sup> The only changes made were the transfer of some competencies previously belonging to Voivodships to local self-governments as part of the local government reforms of 1989.

of the reform in 1999, Poland is divided into 16 voivodships, the same number of units existing before 1975. The reform produced far-reaching changes in the institutional representation of regions. The institutional character of Voivod Offices has been fundamentally transformed and, while the Voivods are still appointed by the government, the previous competencies they possessed in the areas of health, law and order, education, services, and regional planning have been eliminated or diminished. Instead, their primary area of activity is now in the monitoring of other regional institutions and agencies. They also have acquired a function in the area of regional policy and strategy, namely (i) the development of an internal regional development department for the generation of policy positions and (ii) the role of evaluator of the regional strategies developed by the Voivodship Council (*Sejmik*).

The Voivodship Council is a democratically elected body composed by a set of typically 25-30 representatives from different districts (*powiats*). The Council is recognized *de jure* as the organ responsible for fulfilling the regional strategy/policy-making function, and it's provided with its own budget. The head of the Council is the Marshall and its executive body, the so called Voivodship Board (*Zarząd*), constituted of five members elected by the full Council. The Council is also provided with an apparatus of experts and support staff, the so-called Marshall Office.

While aiming at allowing for a smooth transition of competences and tasks, as well as at favouring in the long run a fruitful cooperation between the regional administration and the central government, the co-existence of both a representation of the central government (the Voivod and its Office) and a self-government unit (the Voivodship Council) in the early stages generated confusion when competences and responsibilities were not well specified. In particular, as it is described more in details later in the text, while the Voivodships Councils gained the responsibility to promote the development of their respective territories through the preparation of their own Voivodship Development Strategies (VDSs), the central government decided for maintaining the management of the pre-accession funds under its control, transferring this task under the responsibility of the Voivod's Office, in so doing depriving the new-born regional administration with a precious chance of learning-by-doing in the field of EU programming. Even after the accession of the country into the EU, the structural support awarded through the programming period 2004-2006 was kept under relative central control, and managed through a specific Inter-regional Operative Programme (IROP) whose implementation involved both the Voivod Offices as well as the Voivodship Councils. The described situation seems to have improved since the beginning of the programming period 2007-2013, for which the central government eventually decentralised the full management and implementation responsibility to the hands of the sixteen Voivodships' Councils.

Whereas the creation of self-elected government units constituted a fundamental shift in the Polish regions' operational profiles, away from the execution of specific administrative tasks to the introduction of a more defined strategic role, a number of serious shortcomings and ambiguities have emerged in the fulfillment of this role,



especially in the first years. First and foremost, the question of competencies attribution and intergovernmental relations have become salient. While the Voivodship Councils hold regional policy-making function, its autonomy in pursuing this was unclear, as Voivod Offices were also entrusted of strategic functions within their apparatuses. Second, while councils were to be financially self-supporting, receiving their income directly from a set of new region-level taxes, during the first years this had not happened, with the State that continued to redistribute tax income it receives to regions based on its perceptions of their need. Furthermore, even after the financial decentralization was completed, regional budgets remained extremely scarce, especially those of the less-developed voivodships – and this is the case of Lubelskie – whose activities remained highly dependent on central and EU subsidies.

Moreover, a serious problem of politicization of the regional institutions has become salient since the start of 1999. A general perception has arisen that the central government's appointment of Voivods and their deputies has been driven solely by political concerns, with little attention to the competency of these individuals in economic policy and development. On the other hand, the Councils came to be viewed as a battleground for political influence by representatives of the varying political parties. Severe political conflicts going beyond the functional tensions between Voivods and Councils emerged, leaving several regions in a political deadlock due to the prevalence of opposing political options in the one versus the other.

The described challenges are reflected also in the situation of the Lubelskie voivodship, however somehow mitigated by the political stability that characterized the Voivodship Council since 1999 – at least in comparison to the situation in other voivodships as for instance Dolnoslaskie. As a matter of fact, the Lubelskie Council changed only four times since its institution in 1999, mostly in concomitance with regular elections terms and not due to the fall of a coalition. The first government elected in 1999 was composed by a coalition of the former Socialist Party (SLD) and of the so-called People's Party (PSL), with the Marshal belonging to the latter. This situation remained almost unchanged until 2006 – despite some internal changes in the majority coalition. Then, the new elections saw the prevalence of a Council coalition formed by Law and Justice (PiS) and Civic Platform (PO), that alternates two different marshals (2006-2008 and 2008-2010). Since 2010, the Marshal belongs again to PSL, ruling a coalition joined by PO. According to the opinion of some of the interviewees, the relative political stability allowed for a smoother activity of the Lubelskie Marshal Office, as well as of its progressive expansion and restructuring in relation to the new tasks that were devolved to the self-government unit. Furthermore, it allowed for the establishment of relatively stable political links between the Voivodship Council and the Marshal Office's Department responsible for producing regional development documents for the regions – The Department for Regional Policy, re-labelled Department for Strategy and Regional Development in

2007. This situation results further consolidated by the recent appointment (2010) as new Marshall of the former director of the mentioned Department.

### **3. Telling the story of the intervention**

As already mentioned, this case study focuses on the analysis of the process of decentralisation of the EU cohesion policy framework (in particular of the ERDF-related programming instruments) that characterised the Polish context in the programming period 2007-2013, with particular reference to the Lubelskie voivodship context and to the capacity of the regional actors to deal with the challenges implicit in the process. In this light, this section explores the chronology of the devolution process. After a brief mention of the way regional development policies were managed in the pre-accession period right after the introduction of regional self-governments, it explores the differences between the way EU structural funds were/are managed in the interim programming period 2004-2006 and in the present one. The information provided in the text constitute a sounding background on the basis of which the major outcomes of the process will be pointed out in the following section, as well as a preliminary introduction to the various actors that were/are involved in the EU structural funds management that will be analysed more in detail in section 5.

#### ***3.1 Regional development policy in the pre-accession period (2001-2004)***

Right after the institution of the new regional self-government layer in 1999, the various voivodships started the preparation of their first regional development documents, the Voivodship Development Strategies (VDSs). In the Lubelskie Marshall Office, a specific unit was entrusted of the task – the Department for Promotion of Development, International Cooperation and Spatial Policy – at that time provided with a staff of around 20 employees. Beside drafting the VDS, the unit was responsible for international cooperation activities, as well as for the pre-accession support awarded to the region through Phare and Sapard programmes.

However, the central government continued to constitute the main reference for regional policy. On December 2000, the Ministry of Economy and Labour approved the 'Law on the Principles of Support to Regional Development', establishing the future framework for regional policy by defining the configuration of actors that had to be involved in the policy process and their related responsibilities. The new law clearly positioned the state government in the centre of the regional policy process<sup>197</sup>. A National Strategy of Regional Development 2001-2006 (NSRD) was produced for

---

<sup>197</sup> It is worth noting the terminology used by the Law, defining the 'support to regional development' as 'territorially oriented and comprehensive actions carried out by the Council of Ministers and the government administration for lasting socio-economic development and the protection of natural environment, undertaken in cooperation with the units of territorial self-government and social and economic partners' (Art 2, p. 1. Own translation).

the whole state territory. In addition, a second document – so-called Support Programme – defined the scope and conditions of state support in the implementation of the NSRD. Both the regions and the state were equipped with their own strategic documents, in which they spelt out their expectations concerning regional development, this offering the ground for a negotiation procedure in which the two sides were to agree on the actions to be taken in the regions. The negotiations led to the signature of so-called ‘regional contracts’ between the central and the regional governments, specifying projects to be carried out and financed jointly by EU, regional and national budgets<sup>198</sup>.

The first edition of regional contracts was signed in 2001, following a complicated preparation procedure. In the Lublin voivodship the Department for Promotion of Development, International Cooperation and Spatial Policy – relabelled Department for Regional Policy – was responsible for the task, and its staff expanded to 30 units in order to cope with the rather burdensome and outwardly bureaucratic requirements set by the government<sup>199</sup>. In the period 2001-2002 the regional contracts disposed of a budget of some PLN13 billion, 60 per cent of which originated from the state budget and only 17 per cent from the regional budgets (17 per cent)<sup>200</sup>. A third of the state contribution focused on so-called multi-annual investments, i.e. government projects carried out in regions, whose origins could be frequently dated in the 1980s. Furthermore, after the elections of 2001, the new government announced the cancellation of the regional contracts altogether, as a consequence the bad financial situation of the state budget. The contractual financial allocations for the year 2002 were reduced and spread over two years, resulting in confusion, permanent delays disappointment of the regional authorities<sup>201</sup>.

### **3.2 Managing EU structural support after the accession (2004-2006)**

With the EU accession, the programmatic framework established thus far turned out to be of scarce use. For the reception of the structural funds in the interim period 2004-2006 a new programming path was opened. The fundamental document

---

<sup>198</sup> This financial arrangement was controversial, as the administrative reform hadn't provided yet the voivodships with enough financial means to realise the new regional development task, creating a strong dependence of the regions from the state budget. Cf. Szomburg J. (ed.) *Polityka regionalna państwa pośród uwikłań instytucjonalneregulacyjnych*, Instytut Badań nad Gospodarką Rynkową, Gdansk.

<sup>199</sup> The regional authorities were obliged to apply for financial contribution to the central government through an extensive set of documents and attachments, with multiple and detailed justifications of the projects proposed, and references to the state planning framework. This was only the starting point for the negotiation towards the signature of a regional contract between the state and the regional authorities, negotiations in which the government occupied a dominant position. Grosse, T. G. (2003) *Zmierzch decentralizacji w Polsce?* Instytut Spraw Publicznych, Warszawa.

<sup>200</sup> Grosse, T.G.(2003) *Zmierzch decentralizacji w Polsce?* Instytut Spraw Publicznych, Warszawa, p. 38.

<sup>201</sup> Sepiol, J. (2001) *Refleksje i wnioski polityka regionalnego*, in: Szomburg J. (ed.) *Polityka regionalna państwa pośród uwikłań instytucjonalneregulacyjnych*, Instytut Badań nad Gospodarką Rynkową, Gdansk.

formulated by the Polish government with the purpose of receiving EU structural support was the National Development Plan 2004-2006 (NDP). Adopted in January 2003, it formed the basis of negotiation with the European Commission and led to the establishment of the Community Support Framework<sup>202</sup>. Regarding its implementation, the NDP counted on seven specific Sectoral Operational Programmes (SOP - see figure 5). All of them were formulated at the state level and each ministry assumed the management of the SOP focusing on its respective sector of competence. Of particular interest to this analysis is the fact that, when the Polish government was about to define the operational criteria that would have underpinned its first programming period under EU cohesion policy, it opted for ruling out the Voivodship self-governments in favour of a mechanism of coordination pivoted around a single Integrated Regional Operational Programme (IROP).

Under the pressure of the EU towards a more decentralised management system, in 2002 the Polish central government had indeed set up an informative and training process aiming at providing the Voivodships' authorities with the necessary institutional capacity to autonomously managing the upcoming programming period through as many ROPs. On the wave of this initiative, the Department for Regional Policy of the Lubelskie Marshal Office – analogously as other voivodships' units responsible for regional development – had embarked on the process of formulation of its ROP, in the line initiated by the formulation of its VDS. Some members of its staff, by then grew to 40 employees, took part to a series of training meeting organized by the Ministry of Economy and Labour and only when the ROP was almost ready they were informed about the change of plans – i.e. that the Ministry was going to draft the IROP. Initially, the IROP was supposed to include distinct regional components contributed by the regional administrations and, to support this process, the Lubelskie authorities submitted the draft version of its ROP. However, this idea was eventually dropped and the final version of the IROP includes only a short descriptive sections concerning all the sixteen regions as an Annex to the document.

The IROP was formulated as an extensive document (some 250 pages), laying down the regional development strategy for the period 2004-2006. It should be observed that it did not contain any regionally specific development strategy. The Priority set (see table 2) was constructed rather as a catalogue of admissible activities that might be financed through the EU structural funds . In this way, even though it was nominally an operational programme, the IROP did not specify in operational terms the regional development strategy of any individual region, constituting rather a framework to be filled in with specific projects and activities selected and carried out in the regions.

---

<sup>202</sup> The NDP was built upon a number of existing sectoral strategies. It overall aimed 'to assist the development of a competitive knowledge based economy with entrepreneurship capable of sustainable and harmonious development, assuring the increase of employment as well as the social, economic and territorial cohesion at the regional and state level, as well as within the EU' (NDP 2003: 63).

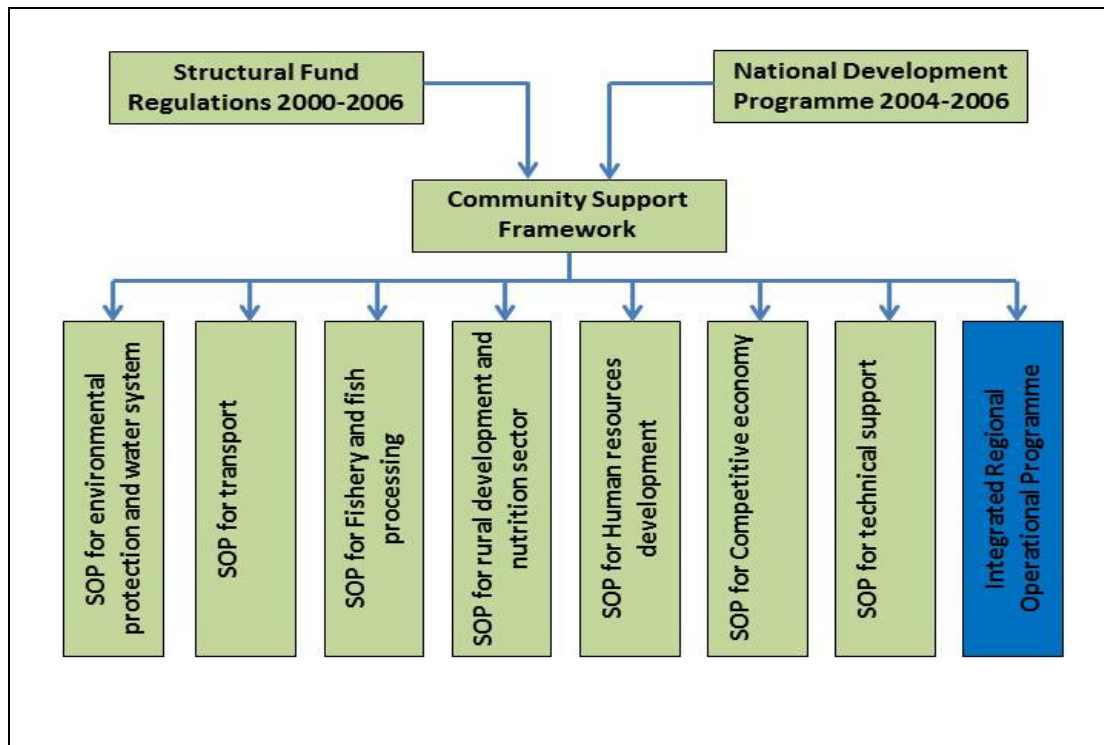


Figure 5: The system of strategic and operational documents for the implementation of structural funds in Poland in the programming period 2004-2006 (Source: Own elaboration on: Opracowanie własne podstawie 'Uzupełnienie ZPORR 2004-2006', 2009).

---

**Priority 1: Extension and modernisation of infrastructure to increase of regional competitiveness**

- Action 1: Modernisation and extension of the regional transport system
- Action 2: Environment protection infrastructure
- Action 3: Regional social infrastructure
- Action 4: Development of tourism and culture
- Action 5: Information society infrastructure
- Action 6: Public transport infrastructure in agglomerations

---

**Priority 1: Strengthening of human resources in regions**

- Action 1: Skills development for the regional labour market and education opportunities:
- Action 2: Funding for equal educational opportunities
- Action 3: Retraining for persons leaving agriculture
- Action 4: Guidance of persons endangered by industrial restructuring
- Action 5: Entrepreneurship promotion
- Action 6: Regional innovation strategies and knowledge transfer

---

**Priority 3: Local development**

- Action 1: Rural areas;
- Action 2: Areas undergoing restructuring
- Action 3: Degraded urban areas, post-industrial areas and post-military areas
- Action 4: Micro-enterprises
- Action 5: Local social infrastructure

---

Table 2. IROP Priorities and Actions (Source: Own elaboration on the basis of IROP 2003, Integrated Regional Operational Programme, Official Journal Nr 166, pos. 1745)

As far as the management structure is concerned, the Ministry of Economy and Labour was entrusted with the Managing Authority, while the responsibility for the selection and implementation of the projects was delegated to a variety of regional institutions, and differed from one priority to another. The regional governments were responsible for the implementation of Priorities 1 and 3, while the implementation of Priority 2, concerning human resource development (financed through ESF) was to be implemented by the Regional Employment Offices<sup>203</sup> (REO). Lastly, the IROP Action 3.4, dealing with entrepreneurship support, was implemented by specific Regional Development Agencies (RDAs) expert on the matter<sup>204</sup>.

Different project selection paths were also designed. For projects in the fields of human resources and entrepreneurship, the respective implementing institutions established Project Evaluation Commissions, responsible for the assessment and selection. A more complex procedure was put in place for the ERDF financed projects within the Priorities 1 and 3 (see figure 6). Here, the Marshal Office – in the case of Lubelskie the Department for Regional Policy – was responsible for launching the calls and collecting the project proposals, assuring formal assessment. Then, two bodies were involved in the selection. A Panel of Experts – still under the coordination of the Department - was responsible for the technical evaluation. The resulting ranking list of projects was then transmitted to a Regional Steering Committee (RSC) bringing together public authorities at different territorial levels as well as a variety of social and economic actors. The RSC was entitled to modify the ranking of projects on the basis of broader socioeconomic and political criteria. Most importantly, the Voivod Office, as a direct emanation of the central Managing Authority, played a crucial role in the process, as it received the list of approved projects from the Voivodship Board and was responsible for actually signing the contracts and entrusted of monitoring and payments.

In order to cope with the new IROP tasks, the Department for regional Policy of the Lubelskie Marshall Office saw a further increase of its staff, from 40 units in 2003 to 65 units in 2006. By then several competences had piled up within the Department hands, contributing to a further complexification of its activities and to a preliminary, despite informal clustering around specific tasks. More in details, one of the interviewees reported that, while ca. 5 persons were busy with the development of the new VDS (by that time already required by the Ministry), other 2 employees dealt in their daily work with issues related to the new 'regional contracts' and 3 persons were involved in cross-border cooperation activities. The rest of the staff –

---

<sup>203</sup> REOs report to the regional governments, but are to a large extent independent from them.

<sup>204</sup> RDAs were created in several Polish regions by the half of the 1990s by the Governmental Agency for Industrial Development, in cooperation with regional administration, local authorities, chambers of commerce and various associations of enterprises, banks, etc. They provided consulting services to local enterprises and public administrations and were often involved in the management and realization of Phare projects. Even after the administrative reform, RDAs continued to play a role in the promotion of local economic initiatives.

accounting for a considerably higher amount of people – was busy with the IROP promotion, project selections and assistance.

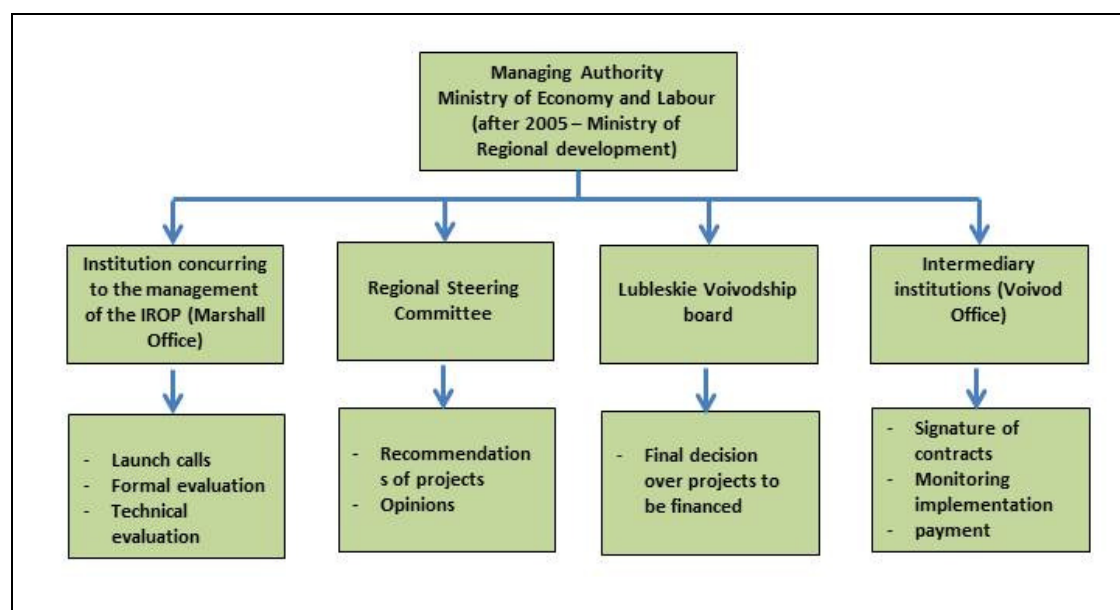


Figure 6: The system of management and implementation of the IROP – Priority 1 and 3 (Source: Own elaboration on: *Opracowanie własne podstawie 'Uzupełnienie ZPORR 2004-2006', 2009*).

### 3.3 EU structural support in the programming period 2007-2013

In early 2004, preparatory works started in view of the formulation of the new National Development Plan for the programming period 2007-2013. A draft version was completed in June 2005 and soon taken under the responsibility of the new-born Ministry of Regional Development, that had acquired competence for regional policy and the managing of EU structural support. In its introductory section, the draft NDP stated the following: 'A matter that needs to be tackled while reformulating the NDP is the establishment of an institutional system of government and self-government power, which will assure the effective achievement of the objectives of regional development policy. So far, in spite of reformatory efforts, there has been limited success in the establishment of such an institutional system, and for this reason, the capability of effective development activities is reduced. We zigzag chaotically between centralisation and decentralisation, between the sectoral and horizontal approaches, between accenting the ministries or the self-governments' (NDP 2005: 4, own translation). With the EU pressing towards a higher devolution of competences concerning the management of cohesion policy towards the regional level, the Polish government seemed to be finally ready for the big step.

As mentioned above, at that time, within the Marshal's Office Department for Regional Policy of the Lubelskie Voivodship the majority of the people were involved in the complex operations related to the Interregional Operative Programme. As soon

as the new wave of decentralisation started to produce its effects, a small group of people began to take part to a series of Ministerial meetings finalised to inform regional actors about the future EU cohesion policy organizational framework. Back from Warsaw, such group of persons focussed their energy on the drafting of the future 2007-2013 ERDF Lubelskie ROP, that was to become the main regional development tool for the next six years. Part of the new staff employed for the IROP was soon moved to the new task. The ROP was prepared in several draft versions, and finally approved by the European Commission on October 2007. According to its main objective, it aims at 'Increasing the competitiveness of the region leading to faster economic growth, and an increase in employment taking into consideration natural and cultural qualities of the Region' (ERDF ROP Lubelskie 2007-2013, p.3). The total budget of the programme is around €1.36 million (of which €1.16 million ERDF, equaling 1.66 per cent of the total EU money invested in Poland under Cohesion policy 2007-2013). The Lubelskie ROP is the region's first ever large-scale, coordinated, multi-annual development programme.

The main goal of the project is articulated in three specific objectives: (i) increase of the region's competitiveness by supporting development of modern economy sectors and stimulating innovativeness, (ii) improvement of investment conditions in the Voivodeship respecting the principle of sustainable development, (iii) increase attractiveness of the Lublin region as a place to live, work and rest. Moreover, the programme – and its budget (see table 3) – is structured according to nine priorities: (i) Entrepreneurship and innovation; (ii) Economic infrastructure; (iii) Attractiveness of urban areas and investment areas; (iv) Information Society; (v) Transport; (vi) Environment and clean energy; (vii) Culture, tourism, and inter-regional co-operation; (viii) Social Infrastructure; (ix) Technical assistance.

Priority Axis	EU Contribution	National Public Contribution	Total Public Contribution
Entrepreneurship and innovation	242.729.455	42.834.610	285.564.065
Economic infrastructure	75.130.546	13.258.331	88.388.877
Attractiveness of urban areas and investment areas	69.351.273	12.238.460	81.589.733
Information society	57.792.728	10.198.717	67.991.445
Transport infrastructure	260.067.274	45.894.225	305.961.499
Environment and clean energy	156.040.364	27.536.535	183.576.899
Culture, tourism, and inter-regional co-operation	109.806.182	19.377.561	129.183.743
Social infrastructure	152.572.800	26.924.612	179.497.412
Technical assistance	32.363.927	5.711.281	38.075.208
<b>Total</b>	<b>1.155.854.549</b>	<b>203.974.332</b>	<b>1.359.828.881</b>

Table 3 Financial dotation of the ERDF Lubelskie ROP 2007-2013, divided by Priorities. (Source: ERDF ROP Lubelskie 2007-2013)



The Lubelskie Voivodship was designated as the Managing Institution and, more in particular, the Department for Regional Policy of the Marshal Office was entrusted with this duty, that piled up with the others. By the end of 2006, the Department activities had already become hard to manage without any formal subdivision of its staff, and this promptly occurred. The relevance of IROP was becoming increasingly marginal, as the last calls for proposals had closed, and the new units were already focused in the new financial perspective: (i) Unit for Management of Regional Operational Programme; (ii) Unit for Information and Promotion; (iii) Unit for Project Selection; (iv) Unit for Technical Assistance; (v) Unit for Strategy and Planning; (vi) Unit for Voivodeship Contract; (vii) Unit for European Territorial Cooperation.

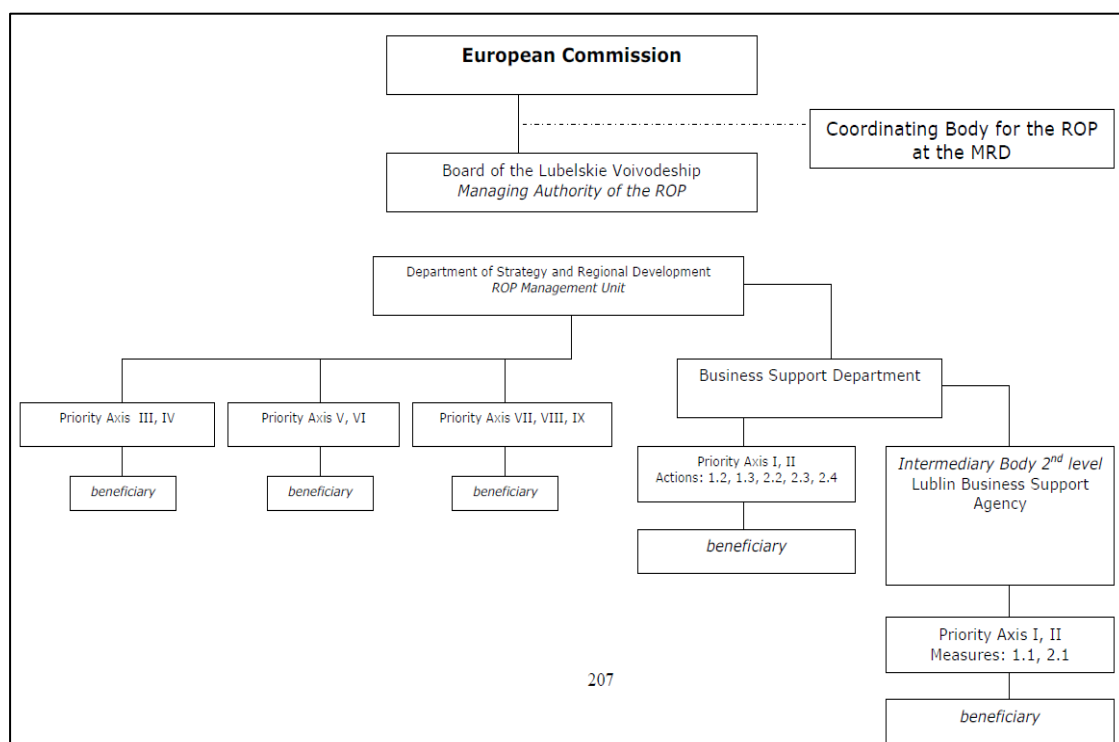


Figure 8: The system of management and implementation of the ERDF ROP Lubelskie 2007-2013 (Source: ERDF ROP Lubelskie 2007-2013).

According to the EC Regulation No 1083/2006 the Department (at that time relabelled Department for Regional Development) became responsible for managing and implementing the ROP, and in particular, among others, for ensuring that the operations to be financed were selected according to the ROP criteria, verifying the delivery of the co-financed projects and that the expenditure declared by the beneficiaries complies with Community and national rules; guiding the work of the Monitoring Committee and providing it with the documentation required to enable it to monitor the quality of implementation of the ROP in the light of the specific aims. Furthermore, on the basis of the art. 59 of the same EC regulation, a specific Business Support Department was instituted in cooperation between the Marshall

Office Department for Regional Development and the Lublin Business Support Agency, within which the latter acted as 2nd Degree Intermediary Institution and was delegated part of the management duties connected with the implementation of Priority I Entrepreneurship and innovation and Priority II Economic Infrastructure (see figure 8). In particular, the main delegated tasks included accepting applications, conducting formal, substantive, and technical and financial evaluation of applications for payment, settling agreements with the beneficiaries, verifying applications for payment submitted by the beneficiaries and drawing up collective applications for payment, monitoring and reporting including drafting periodical, annual and final reports on the implementation of Priority 1 and 2 and other documents necessary for monitoring delegated tasks, carrying out the tasks related to promotion and publicity within the scope of implementation of the Programme and in accordance with the ROP Communication Plan.

The new management tasks proved to be burdensome for the Department, that by 2007 had been relabelled Department for Strategy and Regional development to take account of the activities it had undertaken in relation to the newly adopted VDS. To face the challenge, the staff started to increase progressively: 85 employees in 2007, almost 100 in 2008, 110 in 2009, up to 120 in 2010. Moreover, additional units were instituted: a unit responsible for the Project Implementation of the ROP in 2008, a unit for Project Control of Regional Operational Programme in 2009 and a Unit for Monitoring and Evaluation in 2011. As a consequence of this process, due to the increasing organizational problem connected with the management of the growing number of units under a single department, in July 2011 the ROP related sub-units were united into a new Department for the Regional Operative Programme. Despite still acting in close coordination with the Department for Regional Policy, this new Department is now responsible for ROP management, and will play the pivotal role in the drafting of the ROP 2014-2020.

#### **4. Outcomes of the analysed intervention**

The described process of devolution of competences for the management of EU support from the central level to the voivodship self-elected institutions presents both elements of success and failure. In general terms, one should notice that the process had proceeded quite slowly, the pressure of the EU for a faster pace notwithstanding. The central government has kept EU support under its control as long as possible, first delaying the regional reform until the end of the 1990s and then, after a layer of self-elected regional government was introduced, through the institution of a regional support framework pivoted around central will and decisions at least until 2006.

This is not necessarily a negative element though. The devolution occurred, although slowly. Through the preliminary phases described above – the pre-accession phase and the interim 2004-2006 programming period – the new-born regional administrations had the chance to interface with the EU philosophy, principles and

rules in an incremental way. This allowed, on the one hand, for a progressive empowerment of regional institutions, and in particular of the staff of those units that were involved in the new tasks, as well as for the progressive growth and fine-tuning of the structure of these units. On the other hand, it allowed for the delivery of EU structural funds on the territory of the Polish voivodships in a relatively efficient way, despite centrally organized and led. In this concern, it is important to highlight that all post-socialist new member states followed similar delayed path in the decentralisation of the management and implementation of EU structural support and, in some of them, neither the devolution of management competences to regional self-elected authorities nor any effective institution of the latter has yet occurred to a relevant extent<sup>205</sup>.

Despite this generally positive evaluation of the devolution process, one shall not forget its various negative sides. In the first stage of regional policy after the administrative reform, for instance, by mean of delaying the fiscal decentralization, the central government ensured itself a dominant position in the negotiations upon the regional contracts, at the same time creating a strong dependence of the regions upon central budget and decisions, contributing to the consolidation of what Gilowska describes as an attitude of 'begging by the regional self-government for the financial resources remaining in the discretion of the government administration'<sup>206</sup>, whose legacy continues to affect the poorest regions of the country. It must however be appreciated that in this period a programmatic framework for regional development was established for the first time. Both the regions and the state formulated a set of documents orienting regional policy, and therefore started to acquire relevant skills that were to be needed in the future. In the Lubelskie Voivodship this resulted on a first empowerment of the Marshall Office Department that was entrusted of regional policy tasks, as well as on the recognition that the staff of these bodies had to be increased if the challenges were to be met.

While the perspective of reaching full EU membership in 2004 and entering the frame of EU structural support constituted an important watershed of the analysed process, also the process of implementation of the IROP 2004-2006 was characterized by several shortcomings. First of all, despite the RSC heterogeneous composition allowed, in principle, for the participation of different actors to the project selection procedures (socio-economic actors, experts, NGOs, actors from the various districts and gminas, etc.), a number of interviewees highlights that the actual role of the RSC was rather weak and the modification of the project ranking lists were very infrequent, for reasons such as great complexity of the technical documentation of projects and

---

<sup>205</sup> For an analysis of the evolving situation in Hungary, Czech Republic and Slovakia cf. COTELLA G. (2009), *Governance Territoriale Comunitaria e Sistemi di Pianificazione. Riflessioni sull'Allargamento ad Est dell'Unione Europea*, Ph.D. Thesis, XX Cycle. Supervisor: Prof. Umberto Janin Rivoli (Politecnico di Torino), Defended on 29th May 2009 at Politecnico di Torino

<sup>206</sup> Gilowska Z. (2001), *Mosliwości i bariery prowadzenia polityki regionalnej*, In Szomburg J. (ed.) *Polityka regionalna państwa pośród uwikłań instytucjonalneregulacyjnych*, Instytut Badań nad Gospodarką Rynkową, Gdansk, p 149.

the weak engagement of its members. Furthermore, due to its mixed composition, the RSC frequently fell into political dynamics of self-interest and particularism. Members representing the regional and local government were inclined to promote projects originating from their own place of origin, or the political colour. Also, the role played by the Voivod Office as decentralized Payment Authority created several complications due to the time-lag between the actual project selection, implementation and actual payments towards the beneficiaries<sup>207</sup>. Most importantly, the introduction of a single IROP meant a decoupling of strategic planning and operational programming. Designed by the central government the IROP did not specify any precise regional development path, neither did it include any coherent project sets to be implemented in any region. This generated an uncontrolled supply of projects that were not designed to work in complementarity with each other, virtually eliminating any possibility of maintaining a coherent and regionally specific development path.

Various interviewees speculated on the central government reasons for the adoption of a single IROP instead of sixteen independent, regionally managed ROPs, generally sharing the opinion that, as this was an interim solution for three years only, the management of sixteen ROPs would have been too costly and not worthwhile developing. A second argument voiced was that the regional administrations, freshly established, were not mature enough and sufficiently prepared for the management of large scale financial programmes. In that view the state, possessing a well-developed apparatus was found in a better position to assume management tasks of the entire EU structural funds operational framework, at least in the initial period<sup>208</sup>. Despite the missed opportunity of a full decentralization, the devolution of implementation competences concerning some IROP priorities to the Marshall Office Department for Regional Policy contributed to introduce its staff to EU programming implementation (delivery of information to the beneficiaries, launch of the calls, selection of the projects, etc.), as well as set the basis for the further articulation of the Department itself into units in late 2006. Finally, whereas it is plausible to argue that the concept and institutional system established by the IROP seriously reduced the strategic value of the regional development process, one has to point out that the intervention promoted through it had an important impact on the development of the Lubelskie voivodship, as €201 million (3<sup>rd</sup> place in the country) were channelled on the regional territory, financing as many as 1,022 projects.

Moving to the present programming period one could say that, in general terms, the decentralization of ERDF management proved to be successful. With the introduction of the ROP, the regional authority admittedly received a much greater scope of

---

<sup>207</sup> This occurred especially as a consequence of the high fluctuation of exchange rate between the Euro – the official value of the Programme – and the Zloty – the value through which the beneficiaries actually contributed to the realization of the interventions.

<sup>208</sup> Notably, this last argument turned out convincing for the European Commission, which eventually joined the Polish government on the issue of adoption of the IROP.

freedom in devising the operational frameworks for its development strategy, and this is appraised extremely positively by all the interviewees. Moreover, as this freedom concerned both the adoption of the content of the ROP and the establishment of its institutional systems it provided the opportunity, on the one hand, for increasing operationalization of the strategic vision for regional development produced by the voivodship through the financial support provided by the EU through the ROP<sup>209</sup>. On the other hand, it also allowed for the establishment of a management and implementation system for the ROP tailored on the specific regional situation, for instance resulting on the appointment of the Lublin Business Support Agency as 2<sup>nd</sup> level intermediary institution.

To conclude, in general terms the organisational and institutional structure of the ROP management and implementation seems to be optimal for the task it is entrusted with, as it answered the programme requirements and needs as well as secured realization of all required tasks. As highlighted in the final report of the study 'Identification and analysis of barriers and organizational problems related to functioning of management and implementation system for 2007-2013 ERDF ROP for the Lubelskie Voivodship', commissioned by the Marshall Office (as well as mentioned by several interviewees) it guaranteed a rather efficient and effective performance of the assigned duties, also thanks to the progressive evolution and articulation of the structure of the Department for Regional Policy/Regional Development.

## **5. Actors involved**

Several actors were involved, at different moments of time, in the described process. They belong to different categories and are mainly active at the national and regional level. This section briefly introduces these actors, highlighting their main characteristics and the role they played in - and the influence they exerted upon - the framework of the analysed intervention.

First and foremost, the crucial role was played by the Polish central government, that can be seen as the architect of the decentralisation process. More in detail, the results of the analysed experience, i.e. a rather slow, incremental decentralisation of competences from the central to the regional level, can be seen as the result of two distinct phenomena, although interrelated. On the one hand, the various attempt, put in place by the government - intended as a political actor - to somehow maintain a control over regional development by constraining the actual process of devolution of finances to the new-born voivodships administrations. On the other hand the cautious approach adopted by the Ministry of Economy and Labour until 2005, that delayed the full decentralisation of EU support management to the regions opting for the drafting of the IROP instead of sixteen autonomous ROPs for the period 2004-2006.

---

<sup>209</sup> However, the means through, and the extent to which this really happened is not explored here in detail. This issue lies at the very heart of the case study focusing on the Dolnoslaskie voivodship.

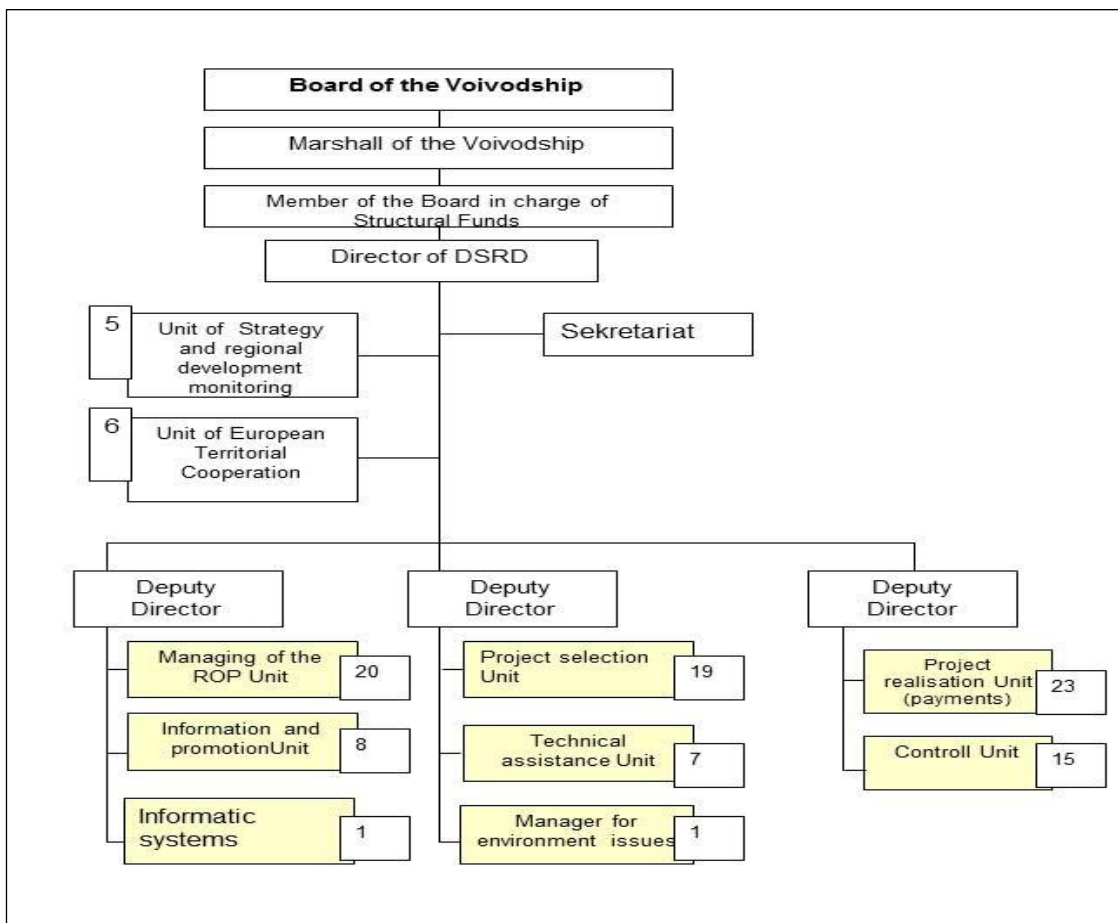


Figure 9: Lubelskie Marshall Office – Structure of the department of Strategy and Regional Development, 2008 (number of employees in squares) (Source: Own elaboration).

During the process the Ministry of Economy and Labour and, after its institution in 2005, the Ministry of Regional Development played also a very important reference role in relation to the new-born self-government authorities – and in particular the staff of the Marshall Office units that were progressively entrusted with more and more regional development responsibilities. The Ministry provided a constant support aimed at the progressive distribution of information about the evolving EU Cohesion Policy framework through the organization of various meetings in 2002 and in 2005. During this meetings the staff of the Lubelskie Marshall Office’s Department for Regional Policy acquired the necessary information to start the draft of its first ROP (that was supposed to form the basis for managing EU support in the programming period 2004-2006 and that was then left on the shelves) and, in 2005, to eventually start the preparatory work for the Lubleskie ERDF ROP 2007-2013. Similarly, as it will be further analysed in section 7, under the framework of the 2004-2006 SOP Technical Assistance and, in the new programming period, of the 2007-2013 Technical Assistance Operational Programme and Human Capital Operational

Programme, the Ministry provided a continuous set of training activities focussed on increasing the institutional capacity of the Marshall Office staff.

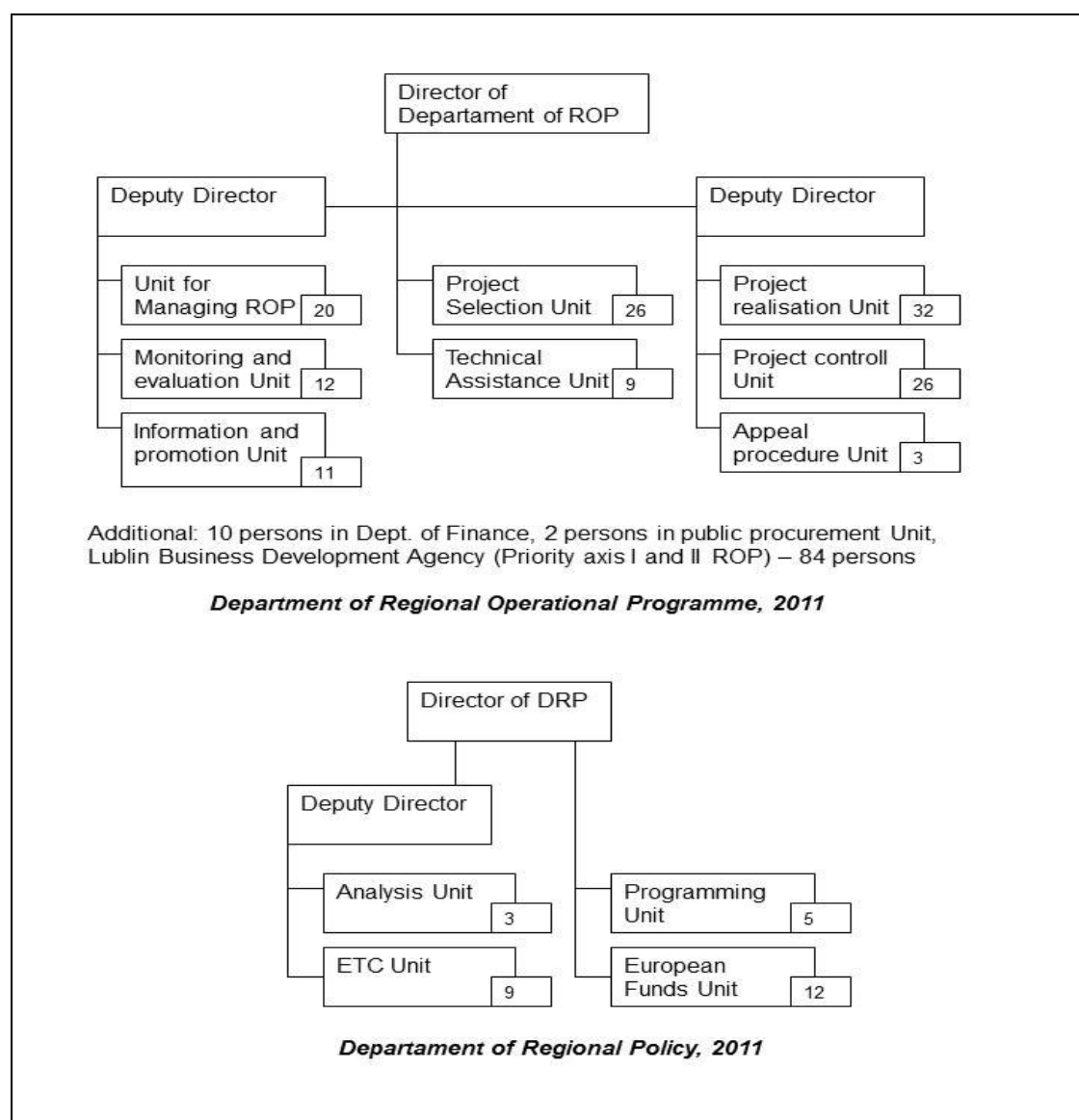


Figure 10: Lubelskie Marshall Office – Structure of the Department for ROP and of the Department for Regional Policy after the division in 2011 (number of employees in squares) (Source: Own elaboration).

At the regional level, several actors were involved. In the early stage a crucial role was played by the Lubelskie Voivod Office. While Polish analysts are anonymous in evaluating these institutions as ineffective in stimulating and supporting the development of regional economy and society during the 1990s, within the pre-accession period and the interim programming period 2004-2006, the Voivod Offices constituted a key elements of the complex architecture put in place by the central government to manage EU structural support. Their presence in the various regions allowed the Ministry of Economy and Labour to delay the full decentralization and to

keep an indirect control on the activities performed by the Marshall Office in the IROP framework. In turn, this allowed the Voivodship self-government unit to progressively gain familiarity with the implementation of EU structural support, without having to bear the management of a full programme. After the sudden change in the national framework related to the EU Cohesion Policy 2007-2013, that located the programming function under the competences of the Lubelskie Marshall Office, the Voivod's Office tasks resulted very much downsized, and limited to those of Intermediary Authority of Certification in the framework of the new ROP and of general monitoring of the strategic functions promoted by the Marshall Office.

The main regional actor involved in the analysed intervention is however the Lubelskie Marshall Office and, more in particular, its unit entrusted for regional development. Originally labelled Department for Promotion Development, International Cooperation and Spatial Policy and counting around 20 employees, this institution was soon relabelled Department for Regional Policy and then Department for Regional Development, and grew incrementally (up to ca. 140 employees in 2011!) together with the new tasks that were piling up among its responsibilities as a consequence of the progressive steps of decentralization of the Management of EU support. This body has been the fulcrum of all regional development activities undertaken within the framework of the Lubelskie voivodship during the whole 10-years duration of the described process (from the preparation and management of the successive version of the VDS, to the management of cross-border cooperation activities, the regional contracts signed with the Ministry of Economy and Labour, up to the increasing number of tasks related to EU the management and implementation of EU structural support. See table 4 in section 7 for a detailed overview). During this time, it acted in close coordination with the political body of the region, the Voivodship Council. The growing number of responsibilities required a progressive 'structuring' of the Department, managed through the grouping of the staff around specific tasks, at first informally and, after 2006, with the institution of specifically devoted units (see figure 9 for a detailed overview of the Department structure in 2008). Eventually in 2011, when the amount of tasks and units became too complex to be managed within one single department, the institution was split into two separate sections: the Department of Regional Operational Programme and a smaller Department for Regional Policies, the latter maintaining the original competences of the department before 2004 (see figure 10).

## **6. Analysing institutional capacity**

The transitional flavour that characterises the institutional context for regional development in Poland and, more in detail, in the Lubelskie voivodship, makes any exploration of the level of institutional capacity characterising the region and its eventual evolution over time a complex task. Self-government regional units didn't exist in Poland prior to the 1999 reform. In this light, the interviewees highlighted how the institutional capacity of the various actors, and especially of the Marshal's Office



departments, had to be created from scratch, and developed incrementally through learning by doing processes triggered by their progressive involvement with the European dimension. This happened at first through the Phare programme and the International Cooperation Initiatives and, since 2004, within the EU cohesion policy framework.

In this light, the described 'delayed decentralisation' of the competences concerning the management of EU structural support appears characterised by two major dimensions, somehow in contradiction with each other. On the one hand, the framework set up by the Polish government in relation to the interim programming period 2004-2006, that foresaw the decentralisation to the Marshall Office of implementation-related functions, while keeping the management under central control, allowed the Department for Regional Policy of the Lubelskie Marshall Office to take the needed time to accustom with the new activities, without being overwhelmed by a burden too heavy to bear. Indeed, both beneficiaries and institutions involved in the management and implementation of the IROP highlighted several problems and shortcomings related to the implementation of the latter<sup>210</sup> showing, on the one hand, that the framework put in place by the document was overcomplicated but, on the other hand, that the involved institution would have rather been unequipped with the necessary institutional capacity to deal with a fully decentralised framework.

On the other hand, as argued by the report produced by the Ernst & Young Business Consulting on request of the newborn Polish Ministry of Regional Development during the preparation activity for the EU Cohesion Policy Programming Period 2007-2013<sup>211</sup>, while the implementation of the IROP represented a good lesson for all institutions and actors involved, when fuelled into the preparation, management and implementation of the new ROP 2007-2013 the experience gained provided to be insufficient, mainly due to the enormous challenge that the exponentially increased scale of EU financial support and the restructuring of the framework for the management of the latter constituted for the various regional managing and implementing authorities. The capacity built during the pre-accession initiatives and the implementation of the 2004-2006 support framework would have required to be further enhanced and integrated by the implementation of prompt capacity building actions targeting the full set of stakeholders involved.

Be that as it may, the presented analysis shows that, despite the overall structural socio-economic conditions, the level of institutional capacity of the Lubelskie voivodship has been constantly growing throughout the temporal schedule of the

---

<sup>210</sup> These include the complexity of the procedures, frequent changes in the documents and regulations for the implementation of key infrastructure projects, problems associated with the provision of liquidity and adequate staff, a strong centralization of decision, the high cost of development, the weakness of the monitoring system, the dispersion of a large number of objectives and projects.

<sup>211</sup> DORADZTWO BIZNESOWE ERNST&YOUNG (2007), *Raport koncowy z analizy projektow kluczowych ktore beda realizowane w nowej perspektywie finansowej 2007-2013*, Independent Report prepared upon request of the Polish Ministry of Regional development.

observed phenomena. This is mainly imputable to the coincidence of various factors – among which a variegated set of capacity building initiatives promoted at the national level – that contributed to strengthen institutional capacity mainly in relation to the departments and units involved in the analysed process. The interviews with key informants within the institutions involved in the process, such as the Lubelskie Marshal Office Department for Regional Policy and the Lublin Business Support Agency, as well as with other relevant experts (employees of the Ministry of Regional Development as well as in relevant academic institutions), and the secondary data from strategic documents, evaluation reports, etc. allows for a more detailed appraisal of the impact that the process of implementation of the IROP in the 2004-2006 programming period and early stages of preparation, management and implementation of 2007-2013 ROP had on the institutional capacity of various actors involved. The study revealed that the progressive decentralization of the management and implementation of the EU structural support framework in the Lubelskie context since the beginning of the new millennium contribute to significantly enhance several aspects of institutional capacity, that may be grouped into three main areas (i) organizational and procedural changes; (ii) promoting regional development strategies (iii) governance and inter-institutional cooperation. The following sections will describe the evolution of these different dimensions more in details.

### **6.1 Organizational and procedural changes**

Despite the numerous difficulties attached to its implementation<sup>212</sup>, the growing EU structural support triggered major organizational and procedural changes within the institutions administering the funds at the regional level and within the local authorities benefiting from European funding, which resulted in an improvement of their institutional capacity, and this appears clear from the research performed in the context of the Lubelskie voivodship. To begin with, the new tasks related with the progressive decentralization of Structural funds management and implementation framework required the incremental restructuring of the Department of the Lubelskie Marshall Office that was responsible for these tasks, in turn favouring the recruiting of new – mostly young and well-educated – staff, and the provision of numerous training sessions for these new employees (see table 6 presented in section 7, as well as figures 9 and 10 already discussed in section 5).

Additionally, participation in the EU programming activities involved a number of positive spin-offs, such as improvement of project management skills and increased coordination between previously isolated units, becoming drawn into the high-profile ROP related tasks. Other changes included improvement of transparency,

---

<sup>212</sup> Cf. amongst others: Dąbrowski, M. (2011) 'Institutional Change, Partnership and Regional Networks: Civic Engagement and the Implementation of the Structural Funds in Poland', in: N. Adams, G. Cotella and R. Nunes (eds) *Territorial Development, Cohesion and Spatial Planning Knowledge and policy development in an enlarged EU*, London: Routledge.

clarification of the tasks of different units within the institution in concern and standardization of procedures. Implementation of the ROP also brought about a greater emphasis on the effectiveness and performance of officials involved and contributed to a change in relationships with the beneficiaries of public services being increasingly considered as customers, which echoes the New Public Management paradigm<sup>213</sup>.

Due to the lack of previous experience in administration of EU funds, creation of procedures for project appraisal and distribution of grants required 'learning by doing.' Unsurprisingly, the 'trial and error' process that characterised the activities of the Marshall Office Department for Regional Policy resulted in many shortcomings and frequently changing regulations that slowed down the pace of absorption of the funds. Nevertheless, such experience taught the officials to become more flexible and adjust their practices according to the changing situation, which was at odds with the pre-existing bureaucratic rigidity and unresponsiveness of the administrators. In some cases, the introduction of new standards within the units involved in the tasks lead to some limited degree of spill-over of new practices across other units and prompted the introduction of further changes concerning the entire institution<sup>214</sup>.

Interestingly, while in some voivodship, as for instance in the Dolnoslaskie, this beneficial influence was limited by a high turnover of staff, the relative stability of the staff of the Lubelskie Department for Regional Policy – due, among others, to the higher appeal of public administration employment in a region that offered less opportunities of employment in the market sector – allowed for the accumulation of skills and institutional memory. Indeed, the majority of the interviewees work in the Department since the beginning of the 2000s, this guaranteeing an element of continuity<sup>215</sup> as well as playing an important guidance role for the newly employed staff once the Department started to expand exponentially. Such a tendency was further favoured by the political stability of the voivodship, whereas other regions experienced a significant turnover in managerial positions resulting from 'purges' following regional elections, which remain one of the pervasive features of the Polish political culture. The Lubelskie voivodship seems indeed to present a relatively more stable framework if compared to its national counterparts, as for instance the Donloslaskie voivodship analysed in the other Polish case study. The described

---

<sup>213</sup> Cf. Cf. EPRC (2009) *Ex-post Evaluation of EU Cohesion Policy Programmes 2000-2006 Co-financed by the ERDF (Objective 1 and 2). Work Package 11: Management and Implementation Systems for Cohesion Policy (No 2007 CE 16 0 AT 034). Final report to the European Commission (DG Regio). Task 2 – National Assessment Report. Poland.* Glasgow, European Policies Research Centre, University of Strathclyde; Bachtler, J. and McMaster, I. (2008) 'EU Cohesion policy and the role of the regions: investigating the influence of Structural Funds in the new member states', *Environment and Planning C-Government and Policy* 26, 2: 398-427.

<sup>214</sup> such as the introduction of the ISO system, which was introduced as part of the rationalization trend initiated by the SF, even though it was not required by Brussels.

<sup>215</sup> The same persons that were involved as early as 2003 in the Ministerial consultation on the opportunity to establish a regional programming level took part, two years later, to the debate that led to the effective establishment of the latter in the following programming period and still involved nowadays in the process that will lead to the new ROP 2014-2020.

political stability had a positive impact on the evolution of the Marshal Office administrative structure, providing continuity in the political steering of the changes and well as to the political support of the pursued strategies<sup>216</sup>.

Furthermore, the impact of the SF also affected the officials' attitudes, their self-perception as well as the outside perception of their reputation and leading role in regional development, and they started to be considered as the vanguard of modernized administration.

## **6.2 Promoting regional development strategies**

EU cohesion policy's programming principle requiring the funds allocations to be based on multi-annual operating programs contrasted starkly with the ad-hoc planning based on yearly budgets which predominated in Poland after 1989. Thus, the first experience with the EU programming framework during the 2004-2006 period contributed to the introduction of a broader, more integrated and project-based approach to the administration's tasks. In the Lubelskie voivodship, the introduction of strategic planning in the wake of the administrative reform of 1999 was since its inception catalysed by the prospect of benefiting from EU support, which was to become the main source of funding for regional development policy in Poland. While in the 2004-2006 period, due to the choice of a centralized approach and a single IROP, the regional authority was not itself responsible for the actual programming, in the wake of the programming period for 2007-2013, it was eventually entrusted of the preparation of its own ROPs, meaning a revision of the its strategic approach to regional development to fit the new programming priorities.

The regional authority started to confront this new practice pragmatically: as to have a clear regional development strategy was considered a formal conditions for obtaining European funding, the priorities of the latter were kept as broad as possible in order to make sure that they could cover a wide variety of projects for which funding would be available. This proves a preliminary 'thin' adjustment to the EU strategic planning approach, which is driven by the desire to acquire as much European funding as possible<sup>217</sup>. In this light, one could say that, until recently, regional authorities didn't prove capable to use EU funds and procedures to bring forth and implement projects and strategies they already had in mind or develop on purpose. However, this approach seems to be about to change, as the Department for Regional Development and Strategy appears now conscious of the need for a new, thorough Voivodship Development Strategy to be used as a main reference in

---

<sup>216</sup> As already mentioned in section 2.2, this situation has been further reinforced by the election of the former Director of the Department for Regional Policy as Marshall of the Voivodship in 2010.

<sup>217</sup> The approach reveals the regional authorities' inability to articulate strategic aims and put them into coherent multi-annual strategies. Swianiewicz P., Krukowska J., Lackowska M., Mielczarek A., (2010), *Nie-strategiczne zarządzanie rozwojem? Mechanizmy zarządzania środkami ZPORR na poziomie regionalnym a skuteczność realizacji celów rozwojowych*. Warszawa: Wyd. Ministerstwa Rozwoju Regionalnego., pp. 65-66.

the preparation of the ROP 2014-2020. In this light, while the ability to come to terms with EU funds' rules and procedures has been acquired, the next aim of the Lubelskie regional authority seems now to efficiently address the usage of the EU structural support to bring forth and implement actions and projects bearing an added value in the framework of a regionally defined, coherent development strategy.

### **6.3 Governance and inter-institutional cooperation**

EU cohesion policy contributed to restructure the exchanges between governance actors in Poland by imposing cross-level and cross-sectoral cooperation in implementation of the Structural funds. The imposition of the partnership principle favoured a shift from a centralized mode of governance with very limited sub-national involvement in regional development policies and centrally controlled programs, towards a polycentric one with increased interaction and cooperation between the policy actors at different levels of administration<sup>218</sup>. As highlighted by an interviewee, a network of institutions was incrementally consolidated, together with a certain sense of partnership between these different institutions. One can therefore talk about a change of mind-set towards common efforts to solve common issues. In other words, part of the competences built through the use of EU funding resulted in an improvement of the overall quality of administrative action, i.e. the increase in quality of intervention due to the diffusion of the partnership principle, the use of monitoring and evaluation, the emphasis on multilevel governance, etc.

Thanks to this process, the Marshall Office of the Lubelskie voivodship gained new powers and resources and became the major player in the regional system of governance. While in the 2004-2006 period, this role was still limited because the management of the IROP was carried out by governmental institutions, in the 2007-2013 period, with the regionalization of managing the SF and the transfer of drafting and managing competences for the ROPs to the Department for Regional Policy/Regional Development, the latter became the one pivotal actors in the regional political arena, holding the responsibility for planning how the European funding is to be used within their region and deciding which stakeholders are to benefit from it. This favoured, on the one hand, the consolidation of a solid network of institutions located at different territorial levels (the Ministry for Regional Development, the Marshall Office Department for regional Policy and several local governments) and, on the other hand, the consolidation of public-private links that were extraneous to the regional cultural context.

An interesting source of information that helps to appraise the institutional capacity of the Lubelskie Marshall Office during the period of implementation of the ERDF ROP 2007-2013 is constituted by the various reports produced by independent

---

<sup>218</sup> Cf. Bachtler, J. and McMaster, I. (2008) 'EU Cohesion policy and the role of the regions: investigating the influence of Structural Funds in the new member states', *Environment and Planning C-Government and Policy* 26, 2: 398-427.

consultancy agencies in this respect, on explicit request of the Lubelskie Marshall Office. In particular, the final report that summarise the research 'Identification and analysis of barriers and organizational problems related to functioning of management and implementation system for 2007-2013 ERDF ROP for the Lubelskie Voivodship'<sup>219</sup> provides with relevant insights in relation to the level of institutional capacity reached by the programme institutions towards the end of the programming period. Interestingly, when assessing the functioning of the institutions involved in the management and implementation system of the ROP, the report highlights that the organisational and institutional structures of the management and implementation appear to be optimal, as it answers the programme requirements and needs as well as it secures realization of all tasks. The division of competencies and tasks between the institutions involved in the Programme management and implementation is properly distributed, clearly elaborated, it does not duplicate in terms of the scope and it deserves being treated as a model solution. It ensures effective and efficient realization of all tasks<sup>220</sup>.

Finally, some interesting considerations emerges considering the evolution of the institutional capacity of local authorities, most often engaged as beneficiaries of the EU structural support. They also benefited positively from the start of the structural programming in Poland and in several cases put in place specific recruitment policy in order to hire new staff and create new specialized units within the municipal administration to maximize their chances of acquiring the EU money. Due to the immense media hype and political pressures, the local authorities' track record in acquiring EU grants became an important criterion against which the Mayors were judged by the inhabitants and (re)elected. The consequences of this situation are however ambiguous. On one hand, they can be seen in a positive light because the pressure to acquire the SF by the local authorities clearly stimulates their activeness, while the compliance with the eligibility criteria and the project implementation procedures promotes the adoption of new standards and practices in terms of strategic planning or effective project management. On the other hand, such developments encouraged the Majors to submit applications for funding that are bound to fail just for the sake of satisfying the demands of inhabitants eager to see the European money flowing into their Communes.

The introduction of the EU programming approach also favoured the development of strategic planning at the local level. Unlike the regional authorities, the local authorities are not legally bound to prepare development strategies. However, the vast majority of them adopted this practice because they were prompted by the

---

<sup>219</sup> EPRD Biuro Polityki Gospodarczej i Rozwoju Regionalnego (2010), 'Identyfikacja oraz analiza barier i problemów organizacyjnych związanych z funkcjonowaniem systemu zarządzania i wdrażania Regionalnego Programu Operacyjnego Województwa Lubelskiego na lata 2007-2013' – Final Report, Kielce.

<sup>220</sup> There are some disputes regarding competences that sometimes arise between particular units, but they usually emerged in relation to new circumstances and tasks that appear in the process of the Programme implementation, and not as a result of negligence in the organizational system.

prospect of acquiring EU funding. Thus, in order to benefit from the ROP funds, the local authorities' projects need to correspond both to the criteria outlined in the relevant operating programs and to their multi-annual local development strategies. Furthermore, to be eligible, a potential beneficiary also needs to prepare a study of feasibility for the project and include other documents, testifying that it is part of a wider and coherent development strategy. However, in many cases the local officials paid only 'lip service' to strategic planning requirements. This resulted in the local officials designing poor quality planning documents that listed the basic investment needs of a Commune instead of presenting a coherent and well-planned strategy of local development. In such cases, local development strategies were akin to 'wish lists' or inventories of planned investment projects corresponding to the basic infrastructural needs, which precluded deliberation and reflection on the strategic use of European grants.

Several studies point to a set of factors which inhibited the institutionalization of multi-annual planning among the local authorities and the concern for well thought-out local development strategies<sup>221</sup>. First, there is an overall emphasis on quick absorption of the EU support, which are considered a 'godsend' from Brussels, combined with strong pressure from the media and the local communities demanding that the Mayors acquire as much funds as possible. This pressure often precludes reflection on purposeful and efficient use of this money. Second, many local authorities adopt a 'claimant' attitude, i.e. a perception of the support as something to which they are 'entitled.' Such attitudes imply negligence in the preparation of projects and a lack of concern for the strategic use of funding. Third, the emphasis on 'red tape' and formal aspects of bidding for funding – underpinned by fear of potential misuse of the European money – could overshadow the concern for selecting quality projects with a strategic importance for the region's development. The combination of these factors resulted in a predominance of small scale projects with limited impact on development. Nevertheless, drafting local development strategies is now considered an appropriate practice among Lubelskie local authorities, and has become increasingly common exercise. The use of strategic planning as a criterion for assessment of projects to receive structural funding at the very least prompted some local authorities to reflect on Communes' development in a multi-annual perspective and include the local communities in this process, which is a departure from the predominant ad-hoc approach.

## **7. Capacity building policies**

The aim of this section is to individuate and explore the capacity building policies put in place to target various categories of actors in the Lubelskie voivodship, with the

---

<sup>221</sup> Cf., amongst others, Dąbrowski, M. (2010) 'Institutional Change, Partnership and Regional Networks: Civic Engagement and the Implementation of the Structural Funds in Poland', in: N. Adams, G. Cotella and R. Nunes (eds) *Territorial Development, Cohesion and Spatial Planning Knowledge and policy development in an enlarged EU*, London: Routledge.

more or less explicit goal to enhance their institutional capacity and favour their effective activity in the frame of the management and implementation of EU structural support in the region. In general, one could argue that the development of the institutional capacity of the Lubelskie Voivodship benefited through time from a broad set of policies and actions, aiming at strengthening the capability of Marshal's Office officials – in particular those active within the framework of the Department for Regional Policy/Regional Development – to manage their over-all jurisdictional or inter-jurisdictional responsibilities, with particular concerns to the management of their programmes. In addition several capacity building initiatives were put in place by the mentioned Department in order to favour the involvement of potential beneficiaries of the Lubelskie ERDF ROP 2007-2013.

<b>Year</b>	<b>Organizational Unit</b>	<b>Staff</b>	<b>Statutory Tasks</b>
1999	Dept for Promotion Development, Int.nal Cooperation and Spatial Policy	20	<ul style="list-style-type: none"> <li>• Development VDS</li> <li>• Phare, Sapard,</li> <li>• International Cooperation,</li> <li>• Promotion of the region</li> </ul>
2001	Department for Regional Policy	30	<ul style="list-style-type: none"> <li>• Implementation VDS</li> <li>• Phare, Sapard</li> <li>• International Cooperation,</li> <li>• Promotion of the region,</li> <li>• Regional contract</li> </ul>
2003	Department for Regional Policy	40	<ul style="list-style-type: none"> <li>• Implementation VDS</li> <li>• Phare (monitoring), Sapard,</li> <li>• Regional contract</li> <li>• ROP (drafting)</li> </ul>
2005	Department for Regional Policy	50	<ul style="list-style-type: none"> <li>• Development new VDS</li> <li>• Phare (monitoring),</li> <li>• Regional contract</li> <li>• IROP (implementation),</li> <li>• ROP 2007-2013 (preparation)</li> <li>• European Territorial Cooperation (preparation)</li> </ul>
2006	Department for Regional Development	65	<ul style="list-style-type: none"> <li>• Development new VDS</li> <li>• Regional contract</li> <li>• IROP (monitoring, technical assistance),</li> <li>• ROP 2007-2013 (preparation)</li> <li>• European Territorial Cooperation (preparation),</li> </ul>
2007	Department for Strategy and Regional Development	85	<ul style="list-style-type: none"> <li>• Development new VDS+implementation</li> <li>• Regional contract</li> <li>• ROP 2007-2013 (management +implementation)</li> <li>• European Territorial Cooperation,</li> </ul>
2008	Department for Strategy and Regional Development	98	<ul style="list-style-type: none"> <li>• Implementation VDS</li> <li>• Regional contract</li> <li>• ROP 2007-2013 (management +implementation)</li> <li>• European Territorial Cooperation,</li> </ul>
2009	Department for Strategy and Regional Development	110	<ul style="list-style-type: none"> <li>• Implementation VDS</li> <li>• ROP 2007-2013 (management +implementation)</li> <li>• European Territorial Cooperation,</li> </ul>
2010	Department for Strategy and Regional Development	120	<ul style="list-style-type: none"> <li>• Implementation VDS – Development new VDS</li> <li>• ROP 2007-2013 (management +implementation)</li> <li>• European Territorial Cooperation,</li> </ul>
2011	Department for ROP	173	<ul style="list-style-type: none"> <li>• ROP (management+implementation)</li> </ul>
	Department for Regional Policy	(142+ 31)	<ul style="list-style-type: none"> <li>• Development new VDS</li> <li>• European Territorial Cooperation,</li> </ul>

*Table 4: Evolution of the Lubelskie Marshall Office's Department responsible for regional development – competences and nr of employees (Source: own elaboration).*



First and foremost, despite not strictly a capacity building policy in itself, a crucial role in increasing the institutional capacity of the regional administrative structure – and in particular of the Lubelskie Marshall Office Department for Regional Policy/Regional Development – has been played by the adopted staffing approach. Starting from the beginning of the 2000s, in parallel with the devolution of an increasing number of tasks related with the EU pre-accession and structural funds management and implementation, the Department started to pursue a policy aimed at the constant increase of its staff in order to deal with the incremental piling up of responsibilities. This process led to the continuous recruitment of new – mostly young and well-educated – employees that contribute to enhance the institutional capacity of the Department as a whole. As described in table 4, the staff rapidly grew from its original 20 members to a total of more than 170 people, when the institution was split into two separate departments in July 2011.

But the mentioned approach to staff recruitment didn't only focus on the increase of the number of employees. The requirements at the basis of the selection of the new employees – i.e. higher education titles, foreign language skills, ICT skills etc. – favoured the composition and consolidation of a highly capable and motivated group of people. As the new tasks and responsibilities related with the EU Structural Support implementation were seen as the one major chance for regional development, the employees of the department benefited from relatively good working conditions and salaries, as well as from a particular 'prestige'. Through this particular approach – and also as a consequence of the lower opportunities of employment in consultancy offered by the regional context, if compared to other voivodship – it was possible to prevent high turnover levels of the staff composition and to guarantee, on the one hand, a strong continuity between the various phases of the devolution process and, on the other hand, the presence of a 'core' of employees playing a guidance role *vis-a-vis* the newcomers. The 'cross-fertilisation' role of long-term employees in relation to the new staff played – together with the constant provision of numerous training sessions – a crucial role in the development of the institutional capacity of the department, and contributed to smother the negative impact that the exponential growth of the latter could have had on its efficiency.

Moreover, an additional relevant issue that several interviewees mentioned as crucial for the cooperation between the different units of the Department for Regional Policy/Regional Development is the physical proximity allowing for continuous face to face relations. While in the Dolnoslaskie case the Department for Regional Development and the Department for the ROP are, since 2007, autonomous and located in two different buildings, in the case of the Lubelskie Voivodship all units are located in a single place favouring human interaction, in so doing contributing to consolidate cooperation relations. Such a situation is also imputable to the relative delay experienced in the institution of a Department specifically devoted to the ROP,

that favoured the development of a culture of cooperation among the different units based on consolidated mechanisms and practices<sup>222</sup>.

Another important role in favouring the enhancement of institutional capacity in the frame of the analysed case study has been played by the initiatives put in place by the Ministry of the Economy and Labour and then by the Ministry of Regional Development in order to discuss with regional officers the shape that the future framework for EU cohesion policy would have assumed. Such 'training' started in 2002, in the perspective of the institution of a fully decentralised EU cohesion policy management system based on ROPs already in the 2004-2006 period and, as this didn't occurred, it was refocused on the new role foreseen for the Marshal's Offices as implementing institutions. Then, with the new programming period rapidly approaching, the focus of the training shifted again on the autonomous management of EU structural support through ROPs. Various interviewees active within the Department for Regional Policy of the Lubelskie Marshall Office mentioned that the temporal localisation of this initiatives right before the start of the programming period or, in case of the 2005 trainings, immediately before the process of redaction of the new ROP, contributed to help them to adapt their mind-set to the new framework and to operate more efficiently within the latter. All this contributed to establish and consolidate an attitude towards vertical coordination between institution located at different territorial levels (i.e. the Ministry and the Voviodships' Marshall Offices).

Beside the described activities, one should not forget to mention that the highest share of capacity building investments during the programming period 2007-2013 were managed, in the Polish context, through the Technical Assistance Operational Programme (TAOP)<sup>223</sup>, managed by the Department of Aid Programmes and Technical Assistance in Ministry of Regional Development<sup>224</sup>. Several civil servants employed in the Department for Regional Policy/ Regional Development of the Lubelskie Marshall Office took part, since 2007, to an extremely heterogeneous set of capacity building initiatives put in place within the framework of the TAOP. According to Ministerial data, almost 400 actors from the Department took part to a high number of training programmes (cf. table 5). In the majority of the cases, these initiatives concerns the explanation of technical issues – as the application of specific laws, the payment and accounting procedures – or very general topics – as the principles of sustainable development, the policy of equal opportunities etc.

---

<sup>222</sup> According to the interviewees, the structural reorganization won't hamper achieved internal cohesion.

<sup>223</sup> POLISH MINISTRY OF REGIONAL DEVELOPMENT (2007), *Program Operacyjny Pomoc Techniczna 2007-2013*, Warsaw.

<sup>224</sup> The TAOP accounts for around €607 million and plays an important role toward strengthening institutional capacity of public administration at various territorial levels, thus paving the way for the successful implementation of Structural Funds in Poland. To achieve these aims, the programme is structured according to four main priorities: (i) *Support of human resources*, (ii) *IT support in the National Strategic Reference Framework (NSRF) implementation*, (iii) *Support of the structural funds operations implementation* and (iv) *Communication and promotion*.

<b>Form of training</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>	<b>2010</b>	<b>6/2011</b>	<b>Total</b>
<b>EU FUNDS 2007-2013</b>						
1. Certification of expenditures			2	1	2	5
2. Eligibility		62	3	8		73
3. Information and promotion				1	3	4
3. VAT tax					45	45
4. Controls, audit, irregularities	20	4	3	12	4	43
5. Monitoring and reporting		3	15	11		29
6. Technical assistance				5		5
7. Evaluation				2	2	4
8. Settlement of projects co-financed from EU funds		4		27	4	35
9. Preparation and evaluation of applications for co-financing		51	57	3	3	114
10. General issues		10	3		3	16
11. Others						
<b>HORIZONTAL ISSUES</b>						
1. Sustainable development						
2. State aid	6	42	2	7	7	64
3. Equality of chances						
4. Environmental protection (including EIA)		3	3	6	1	13
5. Public procurement		25	36	18	10	89
6. Public and private partnership:						
7. Regional policy			2			2
8. Others	4	1			2	7
<b>FINANCE AND ACCOUNTING</b>						
1. Public finances				4		4
2. Accounting	9	7	34	31	4	85
3. Others						
<b>ORGANIZATION AND MANAGEMENT (including soft skills training)</b>						
1. Project management	1			0		1
2. Risk management				3		3
3. Interpersonal trainings (team management, time management, art of self-presentation and public speeches, assertiveness training)	43			12	2	57
4. Others:	2	1		5		8
<b>IT TRAININGS</b>						
1. KSI (SIMIK 07-13)						
2. Microsoft Office				8	2	10
3. Oracle administration			2			2
4. Others:				1	8	9
<b>FOREIGN LANGUAGES</b>						
1. English	17	15	14	21	6	73
2. French	1	1	1	1		4
3. German	1					1
4. Spanish		1				1
<b>POST-GRADUATE STUDIES</b>						
	2	17	5	12	1	37
<b>CASE STUDY VISITS</b>						
		5				5

Table 5: Training initiatives attended by employees of the Lubelskie Marshall Office Department for Regional Policy and number of persons attending each training | 2006-2011 (Source: own elaboration).

Name of training (training programme)	Year
• Public procurement after amendments in legislation	2007
• Preparation of environmental impact assessment for projects executed under structural funds	2007
• Implementation of projects co-financed from EU funds – preparation of the investment process using FIDIC procedures (the 1st edition)	2007
• Implementation of projects co-financed from EU funds – preparation of the investment process using FIDIC procedures (the 2nd edition)	2007
• A cycle of trainings dedicated to issues connected with projects co-financing from structural funds under the Regional Operational Programme of the Lubelskie Voivodship for years 2007-2013	2008
• Amendment of the Public Procurement Act	2008
• Preparation of feasibility studies for projects planned for co-financing from structural funds under ROP 2007-2013	2008
• Practical application of socio-economic researches in preparation, execution and evaluation of projects finance from EU funds	2008
• Preparation of environmental impact assessment for projects executed under structural funds (the 1st edition)	2009
• Execution of projects under Priority Axes III-VIII of ROP 2007-2013	2009
• Preparation of feasibility studies for projects planned for co-financing from structural funds under ROP 2007-2013	2009
• Structural funds versus the Public Procurement Act	2009
• Preparation of environmental impact assessment for projects executed under structural funds (the 2 <sup>nd</sup> edition)	2009
• Preparation of the investment process using FIDIC procedures (the 3rd edition)	2010
• Preparation of the investment process using FIDIC procedures (the 4th edition)	2010
• Execution of projects under Priority Axes III-VIII of ROP 2007-2013	2010
• State aid in ROP LV 2007-2013	2010
• Environmental impact assessment for projects executed under structural funds	2010
• „Design and build” procedure (the 1st edition)	2010
• „Design and build” procedure (the 2nd edition)	2010
• Public procurement in practice for beneficiaries of ROP LV after amendment of the Public Procurement Act	2010
• Building process in the light of the Building Law	2011
• Feasibility study – financial and economic analysis – workshops	2011
• State aid in execution of projects – Priority Axes no. III-VIII of ROP LV 2007-2013	2011
• Public procurement connected with execution of projects co-financed from EU funds	2011
• A cycle of trainings in the scope of implementation of projects for ROP LV 2007-2013	2011
• A course of investment process in a formula „design and build” – workshops	2011
• Practical aspects of EIA procedure – good and bad practice examples – workshops	2011

*Table 6: Trainings for beneficiaries organized under Priority 9 Technical Assistance of Lubelskie ERDF ROP 2007-2013 (Source: Own Elaboration)*

Among the different training topics, Lubelskie Marshal's Office employees showed particular interest for the preparation and evaluation of applications for co-financing (with related events attended by as many as 114 participants), public procurement (89), accounting (85), Eligibility (73). Specific training initiatives were also required and attended in the field of foreign languages – mainly English, with related targeting as many as 73 participants from the voivodship – and computer skills. It may be interesting to point out that the majority of the training took place either in Lublin or in

Warsaw, underlying the role of distance of the training location as an important variable in selecting the initiatives to take part to. Furthermore, under it Priority 2, the TAOP contributed to enhance the institutional capacity of the Lubelskie institutions involved in SF programs also by providing them with necessary IT and office equipment – the lack of which had considerably reduced the administration's effectiveness in the past.

Additional capacity building initiatives aimed at the overall improvement of structural funds management in the region were implemented through the financial support devoted to the Priority 9 of the Lubelskie ERDF ROP 2007-2013, focussing on Technical Assistance and, more in detail, aiming at ensuring the effectiveness of conformity with law and community policies implementation of the ROP programme of Lubelskie Voivodeship by assisting the institutions responsible for its management and implementation. The implementation of Priority Axis 9 was, among others, mainly targeted to potential beneficiaries of the ROP, providing the opportunity to implement projects in the sphere of promotion and publicity, to ensure the accessibility to information on Regional Operational Programme: the possibilities of applying for the funds, the application forms preparation, implementation period, trainings on public procurement, public aid etc. (see table 6 for a complete overview).

Furthermore, through priority 9 actions it was possible for the Marshall Office to finance various evaluation researches on different aspects of ROP management and implementation, that provided interesting insights that proved useful for the regional administration to correct on-going shortcomings and fine-tune its activity. Of particular relevance are the already mentioned report on the 'identification and analysis of barriers and organizational problems related to functioning of management and implementation system for 2007-2013 ERDF ROP for the Lubelskie Voivodeship'<sup>225</sup>, that provided relevant information in relation to the level of institutional capacity that characterised the institution towards the end of the programming period, as well as the study 'Assessment of the Knowledge about the Lubelskie Regional Operational Programme for the years 2007 - 2013 among the inhabitants of the province'<sup>226</sup>.

In particular, the latter aimed at verifying the inhabitants knowledge of the ROP and at formulating recommendations related to future information and publicity activities. The results of the research shows that respondents knowledge about EU is broader than expected. Some 55 per cent of the population showed at least an intuitive awareness of the existence and purpose of the ROP. Analysis of reports of similar studies conducted in other voivodships ranks this share among the highest,

---

<sup>225</sup> EPRD Biuro Polityki Gospodarczej i Rozwoju Regionalnego (2010), 'Identyfikacja oraz analiza barier i problemów organizacyjnych związanych z funkcjonowaniem systemu zarządzania i wdrażania Regionalnego Programu Operacyjnego Województwa Lubelskiego na lata 2007-2013' – Final Report, Kielce.

<sup>226</sup> Zachodniopomorska Grupa Doradcza (2010), 'Ocena znajomości Regionalnego Programu Operacyjnego Województwa Lubelskiego na lata 2007 – 2013 wśród mieszkańców Lubelszczyzny'.

suggesting that implemented information and promotion activities achieved the desired results. As a result of the recommendations that were formulated by the study in relation to future promotion activities concerning EU structural funds, an additional promotional campaign in the Lubelskie voivodship was organised by the Marshall Office Department for Regional Policy. The primary goal of the campaign, that was launched on November the 10th, 2010, was to provide potential beneficiaries in the Lubelskie voivodship with an increase awareness about the available funding instruments and the possibilities and mechanisms of participation, as well as about the projects already undertaken and completed in the region and the general foundations of the voivodship strategy for regional development for the years to come.

Finally, specific initiatives devoted to the improvement of administration's institutional capacity were also organized in the framework of the Priority V of the National Operation Programme Human Capital (HCOP)<sup>227</sup>, focussing on 'enhancing the potential of public administration as regards development of law and policies and providing high quality services, and strengthening partnership mechanisms'. These actions mostly aimed at strengthening the ability to create long-term development programs and strategies, implementing the system for long-term budget planning, increasing the quality of public services and strengthening partnership mechanisms. The objective has been achieved, above all, through the provision of a constant support to modernization of management processes that the Department for Regional Development has been undergoing since 2006.

It is interesting to mention that, through the support obtained in the framework of the HCOP Priority V, the Department for Regional Policy of the Lubelskie Marshall Office is currently taking advantage of a consultancy support finalised to the revision of its VDS as the main regional strategic document for future regional development. A group of experts from the World Bank are entrusted of the task and, in response to the specific request of the Marshal of the Lubelskie voivodship, provide their expertise in the preparation of a new VDS 2014-2020. At the time of writing the preparation of the document has not been concluded yet, but the working documents that were produced reflects the will of the regional authorities to channel the financial support that will be provided by the EU through the future programming period 2014-2020 into a coherent regional development strategy based on the actual regional needs.

## **8. What works**

The final section of the report builds on the presented evidences to highlight the main mechanisms through which, in the context of the progressive decentralisation of the EU structural support framework in Poland, an increase of the institutional capacity of

---

<sup>227</sup> POLISH MINISTRY OF REGIONAL DEVELOPMENT (2007), *Kapitał Ludzki 2007-2013*, Warsaw.

the involved actors of the Lubelskie voivodship have occurred. In general, it is possible to argue that the devolution of the framework for EU cohesion policy implementation acted as a positive external shock for the establishment and the further fine-tuning of the Lubelskie institutional structures, triggering modernization of administration and institution-building<sup>228</sup>. EU cohesion policy contributed to the improvement of effectiveness and capacity of the Lubelskie public administration, as well as triggered changes in policy practice and provided the Lubelskie actors with the necessary funding resources to effectively pursue the changes.

The diffusion of norms and practices that accompanied the implementation of the increasingly decentralised framework for EU cohesion policy favoured the improvement of the institutional capacity of all the actors involved. The regional institutions proved to be able to metabolise changes and to quickly adapt to the new tasks they were progressively entrusted of by the process of decentralisation. The institutional capacity of the Marshall Office Department for Regional Policy/Regional Development, formally entrusted, at first, of the implementation of the IROP and, later on, of the management and implementation of the ROP 2007-2013 has grown much over time, and the same is true for the ability of the local authorities of the Lubelskie Voivodship to benefit from the EU structural programming.

The collected evidences show that the progressive adjustment to the new requirements was driven by different logics and mechanisms at different moments of time. At first, the regional-level institutions that were becoming increasingly responsible for EU programming had to comply with ministerial guidelines imposed from above. The Ministry for Economy and Labour and then the Ministry for Regional Development translated the European Commission's requirements regarding the institutional architecture and procedures for implementation of the EU support framework into specific guidelines that, in turn, required thorough adoption at the voivodship level. These top-down changes within the regional institutions administering the EU structural support can be categorized as *Europeanization by compliance*<sup>229</sup>, favoured by mechanisms of *authority/reputation*, in the sense that the active role played by the Ministry as a 'credible and trustworthy source' reporting the will of the European Commission<sup>230</sup> contributed to favour the transfer of rules, norms and knowledge towards the Marshall Office.

Since the implementation of the IROP was launched, the internal changes within the regional institutions administering the EU funds started to be increasingly driven by 'horizontal' pressures for further improvement of efficiency, somehow independently

---

<sup>228</sup> On this issue cf. Paraskevopoulos, C. and Leonardi, R. (2004) 'Introduction: adaptational pressures and social learning in European regional policy - cohesion (Greece, Ireland and Portugal) vs. CEE (Hungary, Poland) countries', *Regional and Federal Studies* 14, 3: 315 – 354.

<sup>229</sup> Knill C., Lehmkuhl D. (2002) 'The National Impact of European Union Regulatory Policy: Three Europeanization Mechanisms', *European Journal of Political Research* 41, 2:255-280.

<sup>230</sup> In turn, this can be seen as a result of a mechanism of *certification*, through which the European Commission consolidated the reputation of the Ministry.

from the governmental guidance. These organizational and procedural changes gained their own momentum over time regardless of top-down pressures, supporting the view that external adaptation pressure is not a necessary condition for promoting institutional capacity. The desire to improve performance in managing EU support was further stimulated by the competition with other regions in terms of the pace at which funding was absorbed<sup>231</sup>. Here the two main mechanisms favoured the increase of institutional capacity, namely economic *conditionality*<sup>232</sup> and *learning by doing*. On the one hand, during the first stages of the described process (i.e. during the pre-accession period and, partly, during the interim programming period 2004-2006), domestic actors were driven by conditionality and the desire to acquire EU funds (rational-choice mechanisms of Europeanization), which left scarce room for a 'deep' internalization of these rules and processes of social learning (sociological mechanism of Europeanization)<sup>233</sup>. On the other hand, due to the lack of any similar experience, the officials active in the process at the regional and local level started to draw lessons from their own mistakes and unforeseen problems arising from practice as soon as they started to get involved with the new activities. This triggered fruitful processes of learning by doing, which prompted further changes within their institutions that gradually improved the efficiency in distribution of EU funds. Eventually, the participation of Lubelskie regional actors in implementation of EU policies and their socialization within the EU cohesion policy framework had led to a gradual internalization of EU norms, standards and 'ways of doing things' that, in turn, contributed to improve the effectiveness of implementation of EU policies in the region.

Furthermore, in relation to the internal activities of the Marshall Office Department for Regional Policy/Regional Development, an important mechanisms favouring the increase of institutional capacity has been the *creation of rules of coordination*. As the department started to grow exponentially at the beginning of the 2000s, the subdivision of its employees into units devoted to specific tasks and the correct coordination and cooperation of these units was an essential issue. The establishment, in the department, of a series of clear rules of coordination and subdivision of tasks, at first informally and then, at the end of 2006, formalised in the sub-division into seven units (soon increased up to eleven), enhanced auto-coordination of the activities by the actors involved in the agreed direction. The performance of the Department has been also enhanced by mechanisms of so-called *social exchange* (suggesting that employee satisfaction and morale are important drivers for performance of public institutions). As already mentioned in the above section several interviewees positively evaluated the physical proximity allowing for

---

<sup>231</sup> One of the interviewees highlighted how regional authorities could be stigmatized as ineffective for lagging in spending of the EU money, while good performance in absorbing them is source of prestige.

<sup>232</sup> To use the language of the INSTEAD project, attribution of (financial) opportunities.

<sup>233</sup> For a detailed analysis of the various mechanisms of Europeanisation, cf., among others: N. Adams, G. Cotella and R. Nunes (eds) *Territorial Development, Cohesion and Spatial Planning Knowledge and policy development in an enlarged EU*, London: Routledge.



continuous face to face relations and pleasant human interaction as a crucial component for the fruitful cooperation between the different unites of the Department.

Moreover, the elaboration of various *performance feedback* by independent consultancy firms upon the request of the Department for Regional Policy/Regional Development (as for instance the two reports mentioned in section 7) contributed to a constant monitoring and evaluation of the performance of the activities of the latter, in turn allowing for a continuous fine-tune that goes beyond traditional learning by doing through trial and error. All these mechanisms contributed to the *certification* of the Department that, thanks to the progressive decentralisation of competences for the management and implementation of the EU structural support, now occupies the one key position in the regional policy framework.

When it comes to local authorities, their participation in the EU programming was voluntary, i.e. non influenced by top-down pressure for adjustment. Here the main stimulus for introducing changes was clearly the fact that municipalities wanted to benefit from the conspicuous resources made available by the EU. Thus, internal reorganization within the local authorities stemmed from the Mayors' desire to win bids for funding. In fact, the prospect of having access to the SF was a powerful incentive, as several local authorities calculated that it paid off to recruit new staff, create a separate unit for external funds and provide adequate training to employees if it ensured acquiring substantial grants. Additionally, organizational changes were further stimulated by the competition between the local authorities, as well as the aforementioned pressure from the inhabitants, the media and the political opponents, to acquire as much funding as possible. Nonetheless, further adjustments were introduced as a result of processes of learning-by-doing. For example, the challenges arising from project management prompted the local authorities to introduce further organizational changes and recruit new employees to cope with the duties. Moreover, given the lack of knowledge on the projects and the absence of organizational guidelines, the local authorities were learning from their own and their peers' mistakes, and the more entrepreneurial ones experimented new organizational solutions for improving management of EU-funded projects<sup>234</sup>.

---

<sup>234</sup> Solutions that were then copied by other Communes through the diffusion of good practice among local officials meeting at training sessions or networks.

## 9. List of interviews

<b>Date</b>	<b>Interviewee</b>
24 August 2011	<b>Tomasz Komornicki</b> Deputy-Director of the Institute for Geography and Spatial Organization Polish Academy of Science
24 August 2011	<b>Konrad Czapiewski</b> Institute for Geography and Spatial Organization Polish Academy of Science
25 August 2011	<b>Anna Sulińska-Wójcik</b> Department for the Coordination of Structural Policy Ministry of Regional Development
25 August 2011	<b>Maciej Aulak</b> Technical Assistance Coordination Unit Ministry of Regional Development
2 September 2011	<b>Dorota Skwarek</b> Deputy Director of the Department for Regional Policy Lubelskie Marshal Office
2 September 2011	<b>Marek Kowalski</b> Deputy Director of the Department of Regional Operational Programme Lubelskie Marshal's Office
2 September 2011	<b>Izabela Byzdra</b> Director of Lublin Agency for Entrepreneurship Support
2 September 2011	<b>Anna Krzyzanowska</b> Department of the Regional Operative Programme Lubelskie Marshal's Office
25 August 2011 (phone + emails)	<b>Ryszard Jagiełło</b> Department for European Social Fund Management Ministry of Regional Development

(Source: Author's elaboration)

# Dolnoslaskie Case Study: Relation between long-term strategic planning and mid-term programming in the period 2007-2013

Giancarlo Cotella<sup>235</sup>

## 9. Research problem

This case study report is the result of a research work focussing on the on-going relations between regional strategic planning and mid-term programming activities in the Dolnoslaskie<sup>236</sup> voivodship<sup>237</sup> during the programming period 2007-2013<sup>238</sup>. More in details, the analysis explores the extent and nature of the synergies that occurred between the *2020 Development Strategy for the Lower Silesia Voivodship*<sup>239</sup> and the European Regional Development Fund (ERDF) *Regional Operative Programme for the Lower Silesian Voivodship for 2007-2013*<sup>240</sup>. The cycle 2007-2013 is the first programming period in which the Polish voivodships are entrusted of the autonomous preparation, implementation and monitoring of the respective Regional Operative Programmes (ROPs) in the framework of the EU Cohesion Policy. Among the peculiar elements introduced in the Polish context, the preparation of long-term Voivodship Development Strategies (VDSs), drafted and adopted by each voivodship in the period 2005-2006 in response to the formal request of the Polish Ministry for Economy and Labour<sup>241</sup>, as a reference for the preparation of the first set of ERDF mid-term regional programming documents, represents a particularly interesting

---

<sup>235</sup> GC EUROCONSULTING – Corso Indipendenza 48, 10086 Rivarolo Canavese (Torino), Italy. Email: quancarlos@libero.it; Tel: +39 3384673025.

<sup>236</sup> Also referred to as Lower Silesia voivodship.

<sup>237</sup> Voivodship is the English word commonly adopted to refer to the unit of regional administration in which Poland is divided. It originates as the direct translation of the Polish word województwo (plural: województwa). Poland is presently subdivided into 16 voivodships, classified as NUTS2 regions according to the Nomenclature of Territorial Units for Statistics ([http://epp.eurostat.ec.europa.eu/portal/page/portal/nuts\\_nomenclature/introduction](http://epp.eurostat.ec.europa.eu/portal/page/portal/nuts_nomenclature/introduction)). Despite this subdivision presents similar characteristics in terms of the population and territorial area of its units if compared to the regional subdivision of several other EU countries, in the English translation of some official Polish documents as well as in other contributions the Polish województwa are referred to as 'provinces' instead of 'regions'. This is a heritage of the more numerous (49), smaller units in which Poland was divided until their aggregation in 1999, that were as well referred to as 'województwa' or, in the English translation 'voivodships' or 'provinces'.

<sup>238</sup> The two case studies concerning the Dolnoslaskie and the Lubelskie Voivodships presents many overlapping elements. As the research underlying both cases has been conducted under the responsibility of the same researcher, it was possible to operate a series of comparative considerations between the two regional experiences. These considerations concern several elements of the analysis and are integrated in various sections of the text.

<sup>239</sup> Dolnoslaskie Voivodship Council (2005), *Strategia Rozwoju Województwa Dolnośląskiego do 2020 roku*, Wrocław.

<sup>240</sup> Dolnoslaskie Voivodship Council (2007), *Regionalny Programu Operacyjnego dla Województwa Dolnośląskiego na lata 2007-2013*, Wrocław

<sup>241</sup> The Ministry of Economy and Labour has been responsible for regional development of the country until the institution of the Ministry of Regional Development on October the 31<sup>st</sup>, 2005.

object of analysis. Due to the novelty of regional development and programming tasks for the relatively young Polish regional administrations, as well as to the lack of consolidated experiences in the pursuance of these tasks in the domestic context, the analysis aims at providing valuable insights in relation to the pros and cons of the adopted approach, as well as at pointing out possible innovative practices.

The main aims of the research can be identified as follows:

- to present a general overview of the main features of the Donoslaskie regional context, with particular reference, on the one hand, to its level of socio-economic development and, on the other hand, to the institutional and political characteristics of the region;
- to provide a detailed outline of the analysed intervention, that explores the main phases that characterised the latter from its inception until the present days, with particular attention for role played by the actors/institutions involved in the process and for its outcomes.
- to highlight the main strengths and weaknesses of the approach to regional development adopted by the region, and its added value for the management of structural funds in the region (with particular reference to ERDF);
- to identify and describe the level of institutional capacity that characterised the region at the outset of the analysed intervention and to explore its evolution over time;
- to present and describe the main activities that, in the context of the analysed intervention, contribute to increase the institutional capacity of the actors involved, with particular reference to the territorial level these activities were promoted at and to their more or less explicit focus on capacity building;
- to individuate the main gaps in the institutional capacity as highlighted by the analysis of the intervention, and to identify the main institutional prerequisites that may be essential in order to make it more effective.

The information included in the report are the result of the research activity undertaken by the author in the period May 2011 – January 2012. The research has been carried out through the analysis of a heterogeneous set of sources, from the desktop analysis of policy documents, analytical/evaluation reports and scientific literature to the elaboration of the information collected through semi-structured interviews and more informal colloquia with relevant stakeholders that have been active in the analysed process in the context of different institutions at different points of time (see section 9 for the detailed list).

## **10. Context related features**

The Dolnoslaskie voivodship is located in the south-west part of Poland. It borders Germany (Saxony Lander) in the west, the Czech Republic (the region of

Severovýchod) in the south, the Opolskie voivodship in the east, the Greater Poland voivodship in the north east, and the Lubuskie voivodship in the north-west. Traditionally part of the territory of Germany, the region passed under the control of the Polish nation after the Second World War, as a consequence of the Yalta Agreements that, in 1945, shifted the borders of Poland westwards of some 300km. The German population that inhabited the regions of Western Poland was forced to emigrate within the new German borders, to be replaced almost entirely by those Polish citizens that, after the signature of the agreements, found themselves living on Lithuanian and Ukrainian territories all of a sudden.

The region can be geographically divided into two major areas: the lowlands in the north and the highlands (the Sudety mountains and foothills) in the south. It covers an area of 19,948 sq.km, of which the 29 per cent is covered by forests and woodland and the 53 per cent by farmland (proportions similar to those in other parts of the country). The regional population counts almost 2.9 million inhabitants, the 71 per cent of which lives in 91 towns and cities. The capital of the region is Wrocław, that counts 635.000 inhabitants distributed over an area of 292.82 sq.km and constitutes the main economic centre. The city and its region are conveniently located in the European economic space – just some hundreds kilometres from the east edge of the EU Pentagon. They present close connection to the Polish capital city of Warsaw and to the German capital Berlin, both located at some 350 km distance, as well as to other important national and European economic centres as Berlin, Dresden, Cracow, Prague, Bratislava, Szczecin and Vienna. Furthermore, the Track Nr.3 of the Trans-European Transport Networks, linking Berlin to Kiev, cross the whole region from west to east (see figure 1 and figure 2).

The regional administrative structure consists of 26 poviats (districts, LAU 1), 3 towns with the rights of poviats (Wrocław, Legnica and Jelenia Góra) and 169 municipalities. For statistical reasons, it belongs to the south-west statistical region (NUTS 1) together with the Opole voivodship, and it is divided into 4 territorial NUTS 3 units (the sub-regions jeleniogórsko-wałbrzyski, legnicki, wrocławski and the city of Wrocław) (see figure 3).



Figure 1: Location of the Dolnoslaskie Voivodship in the European Space (Source: Own elaboration on *Wojewódzkie Biuro Urbanistyczne, Wrocław*).



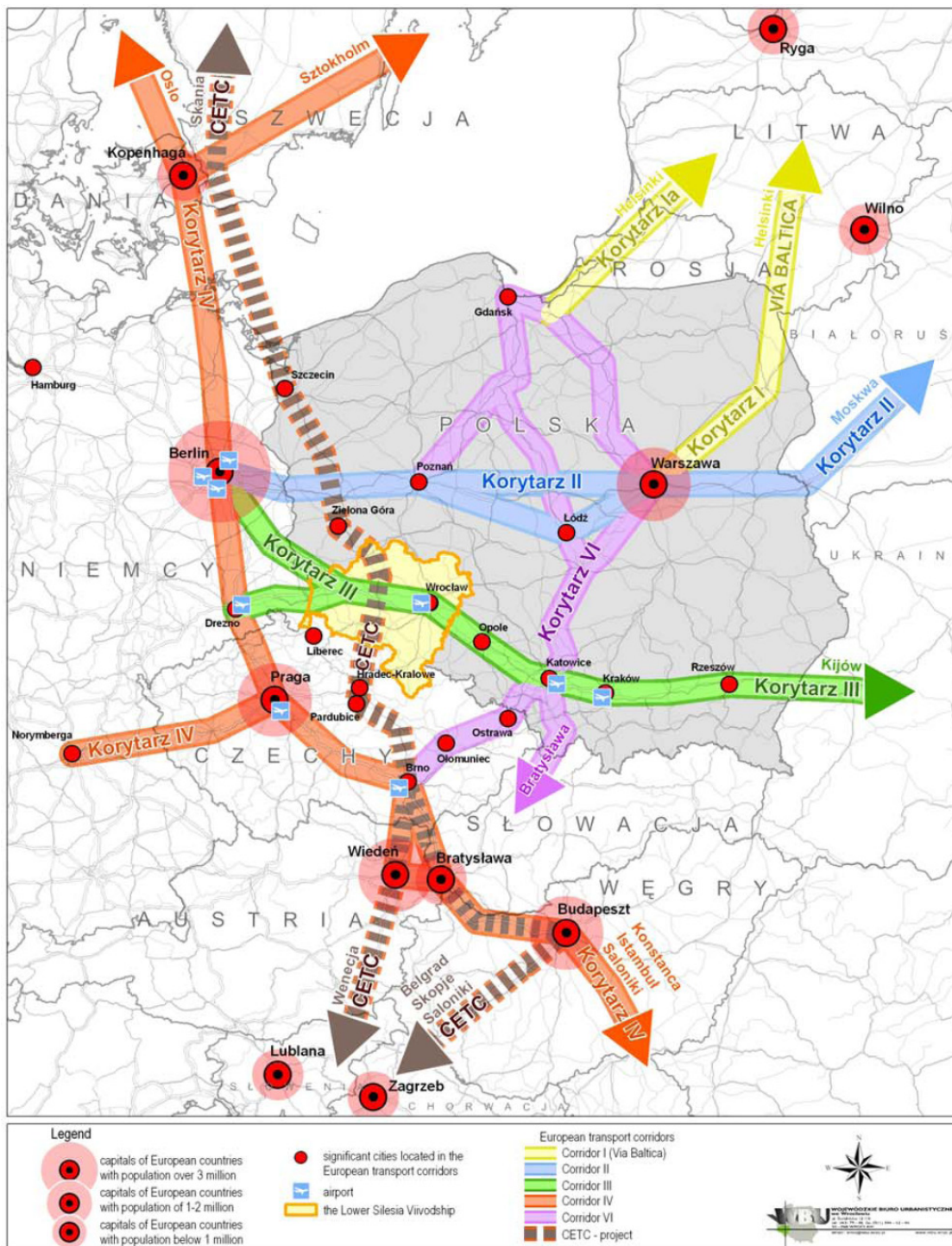


Figure 2: The Dolnoslaskie voivodship in the framework of the EU Trans-European Networks (Source: *Wojewódzkie Biuro Urbanistyczne, Wrocław*).

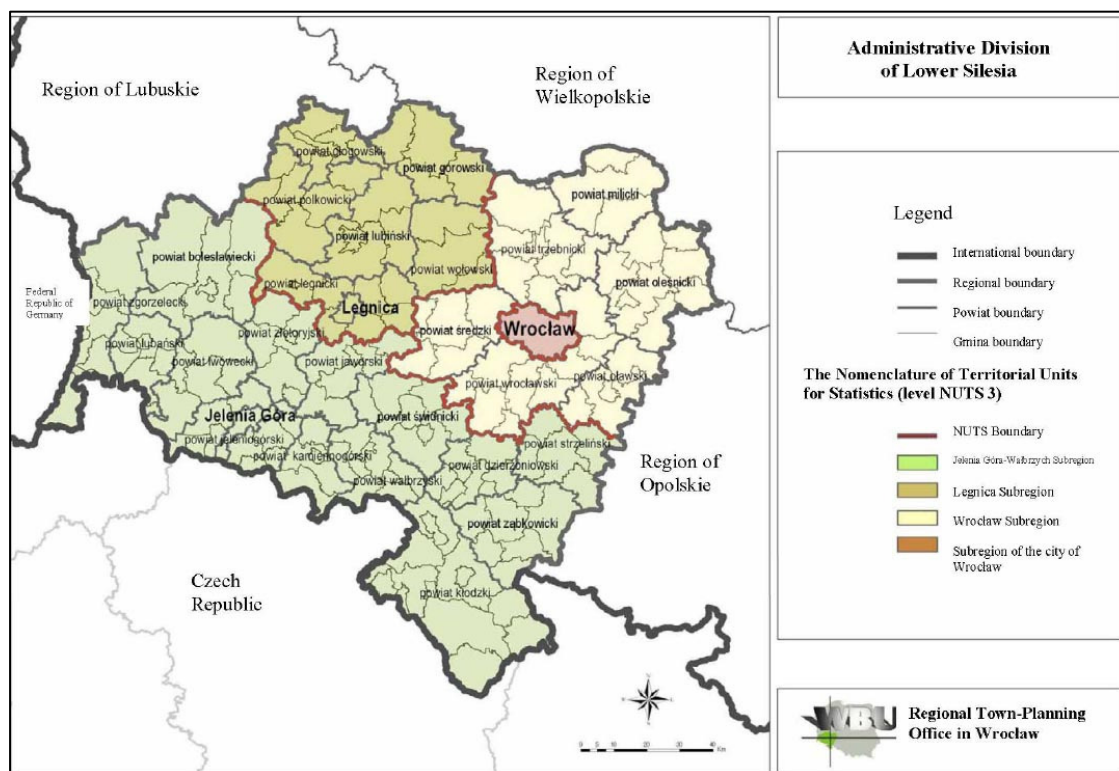


Figure 3: Administrative subdivision of the Dolnoslaskie voivodship (Source: *Wojewódzkie Biuro Urbanistyczne, Wrocław*).

### 10.1 Socio- Economic development

The economic structure of the Dolnoslaskie voivodship is described by the ERDF 2007-2013 ROP analysis as slightly different from the one typical of the other Polish regions. The region's share in the national GDP counts for around 8 per cent, ranking the region at the 4<sup>th</sup> position in Poland (after the Masovian, Silesian and Greater Poland voivodships), but still amounts to less than 65 per cent of the average GDP per capita of the EU27. Due to this reason, despite the relatively good position within the country context, since Poland's EU accession in 2004, the Dolnoslaskie voivodship figures among the 'Convergence' regions of EU Cohesion Policy, and will likely maintain a similar collocation during the future programming period.

The share of regional GDP produce through the agriculture sector is higher than the EU average (3 per cent), but lower than the Polish average (5 per cent). The role of industry in the generation of the regional GDP is higher in relation to both the EU and the Polish average. In turn, the share of GDP produced through services activities located in the region accounts for the 65.13 per cent, a slightly higher value if compared to the country average, but lower than the average role played by this sector in the EU as a whole. The sectoral structure of business entities clearly underlines the service function of the region, with almost 80 per cent of them active in market and non-market service sectors (72 per cent and 8 per cent respectively). The



inflow of foreign capital into the region has been growing for years and the region ranks at the 2<sup>nd</sup> place in the country for number of business entities with foreign capitals (after the Masovian voivodship)<sup>242</sup>.

The Dolnoslaskie voivodship is also one of the most industrialised regions in Poland, raking at the 4<sup>th</sup> place in the country after the Masovian, Silesian and Greater Poland regions. The highlight of the regional industrial economy is the extraction of copper and silver ores in the Legnica-Głogów copper mining district<sup>243</sup>, the extraction of lignite in the gmina of Bogatynia, paving and building stone, fire-resistant clay and natural gas. Other Business entities involved in industrial production operate in a wide variety of sectors: the manufacture of transport and electro-technical equipment, ceramics, pharmaceuticals, chemical products, electrical power and water supply, as well as the manufacture of foods and drinks, and the manufacture of fabrics and clothing. In addition, the region's geographical and environmental conditions, medicinal waters and its rich cultural heritage place tourism and spa healthcare among leading businesses. However, in general terms, the number of jobs in the industrial sector has been declining for several years as a result of a slump in many industry branches as well as obsolete production facilities – a common trend in Polish regions.

Organisations that support the development of regional economy are, most importantly, regional and local development agencies, business incubators (in Wrocław, Nowa Ruda and Wałbrzych), industrial parks (in Wrocław, Nowa Ruda and Bukowice), business information centres, economic publicity centres, capital funds and other non-governmental organizations. There exists four Special Economic Zones in the voivodship: the Wałbrzych Special Economic Zone (composed by 14 sub-zones, of which 12 are located in the voivodship), the Kamienna Góra Special Economic Zone for Small Businesses (8 sub-zones), the Legnica Special Economic Zone (7 sub-zones), and the Tarnobrzaska Special Economic Zone with a sub-zone in Kobierzyce. The Special Economic Zones stimulate business development of municipalities (gminas) and their immediate and wider environs. Whereas at present the cooperation in the region between enterprises within local and regional networks is not significant, an increase of this trend can be observed.

Human resources for science and technology in the Lower Silesian region amount to over 400 thousand people (some 8 per cent of Polish resources). This figures are markedly lower than in the neighbouring regions of Germany and Czech Republic, but higher than in the neighbouring Polish regions. The importance of research and development in the region is continuously growing. In 2000, R&D was carried out in 61 units and at the end of 2005 in 82 units compared to 1097 units operating in

---

<sup>242</sup> The entities with foreign capital operate primarily in the sector of commerce (nearly 40% of all entities) and industrial processing (more than 25%).

<sup>243</sup> The copper ores extracted in three mines play a significant role in European and world markets.

Poland<sup>244</sup>. In this respect, the Lower Silesia region is ranked 5<sup>th</sup> in Poland (after the Masovia, Silesia and Lesser Poland and Greater Poland regions). An important role in R&D and innovation in the region and in Poland is played by the Wrocław Technology Transfer Centre at the Wrocław University of Technology. The University also hosts an Advanced Technologies Centre and a Nanotechnology Centre. In addition, in the Lower Silesian voivodship host one Technology Park in Wrocław and two technology parks in Wałbrzych and Szczawno Zdrój. The main weaknesses of R&D in the region include a comparatively low level of internal expenditure and a low proportion of employees in the sector in relation to the total professionally active population members in the region.

The regional population has been slowly declining in the last decade not only as a result of the negative growth balance, but also as a consequence of the increasing emigration flows<sup>245</sup> (towards other voivodships and abroad). The high level of demographic urbanization (counting, as mentioned, for over the 71 per cent of the population) ranks the Dolnoslaskie voivodship at the 2<sup>nd</sup> place in Poland (after the Silesian Voivodship – 78.5 per cent), with the average rate for Poland being slightly over 62 per cent. The age structure of the region shows that the region's population is slightly older than the country's average. Increasing is not only the number of people at working age but also the number of people beyond working age<sup>246</sup>.

Coming to the education level of the population, the situation has been markedly changing since 1989. Occurred trends show a constant increase of post-primary school graduates as well as secondary school, post-secondary school and university graduates. In this concern, the Dolnoslaskie voivodship stands out with a relatively high proportion of university graduates, namely 10.3 per cent of the population at the age of 15 and over (results of National Census 2002), ranking the region at the 5<sup>th</sup> place in the country (after the Masovian, Pomeranian, Lesser Poland and Western Pomeranian Voivodships). However, the distribution of the population with higher education is very diversified in the region, with rural areas being at a disadvantage. This follows the distribution of post-gymnasium schools, that is closely connected to the needs of the regional labour market, and see the majority of post-gymnasium schools are located in major towns and cities. The totality of higher education institutions are based in Wrocław, with the few detached units of these institutions located in other towns of the region representing an exception. In 1999/2000, the region featured 23 higher education schools accounting for 119.000 students, while in 2006/2007 this number raised to 34 schools, with as many as 169.100 students

---

<sup>244</sup> The most important R&D sector in the region is higher education, counting for more than 80 per cent of the employees, a proportion twice lower than the EU average.

<sup>245</sup> Over the past few years, the negative migration balance of those who decide not to come back has been ca. 2.500 units a year.

<sup>246</sup> Forecasting studies predict that, in 2020, the working age population will constitute 60.3 per cent of the total, with another 25 per cent beyond working age.

(8.5 per cent of the total number of students in Poland)<sup>247</sup>. The hallmark of higher education in the voivodship is the relatively higher importance of the following fields of study: economy and administration, engineering, law, medicine, veterinary science, welfare services, as well as architecture and construction.

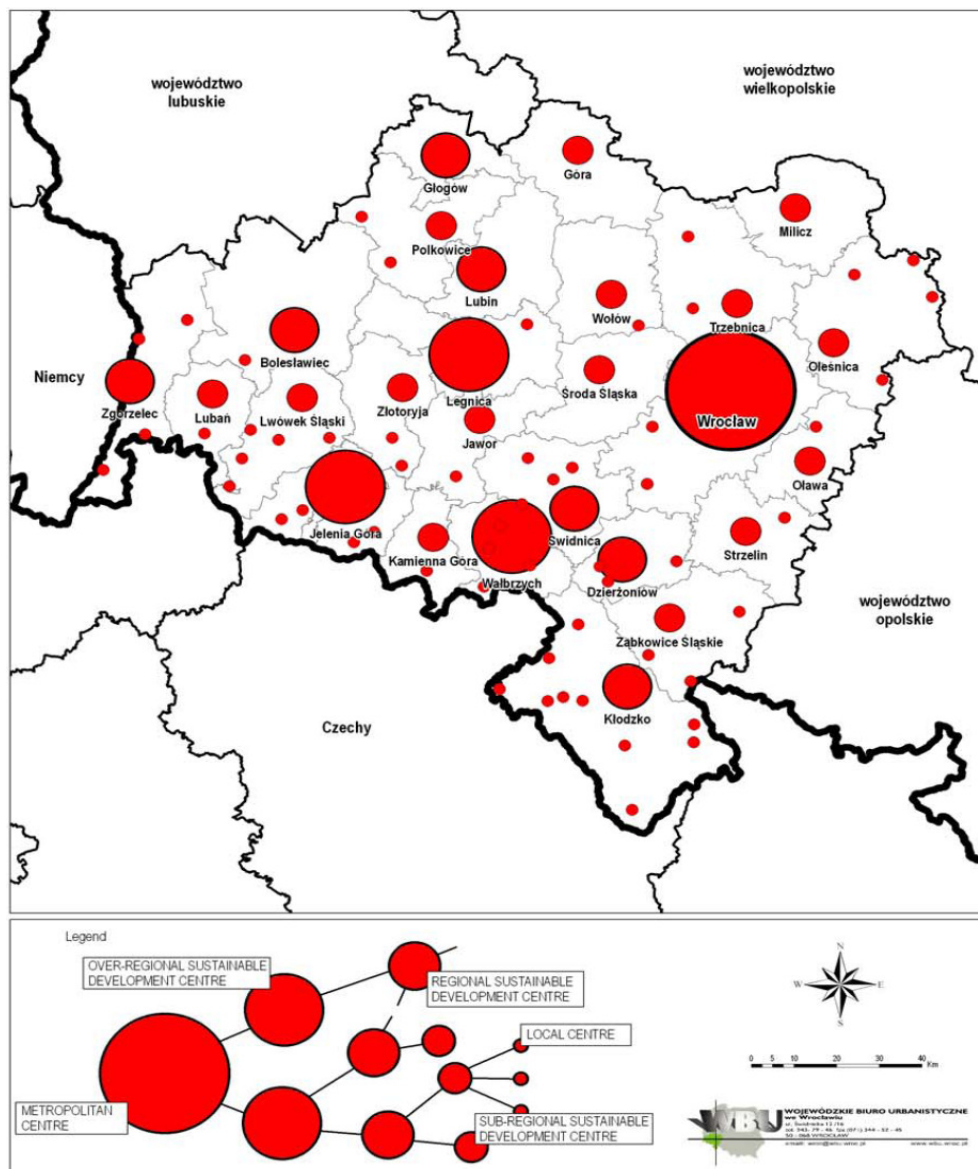


Figure 4: The Dolnoslaskie voivodship settlement network (Source: *Wojewódzkie Biuro Urbanistyczne, Wrocław*).

The scale of regional unemployment has been markedly changing since the beginning of the 2000s until the recent economic crisis, also thanks to the opportunities offered by the accession of the country into the EU. At the end of April

<sup>247</sup> In terms of higher education students, the Dolnoslaskie voivodship is ranked 3<sup>rd</sup> in Poland. The share of 574 students per 10.000 residents is much higher than in most EU countries (the EU average is ca. 320 students per 10.000 residents).

2007, there were 163.400 unemployed people, counting for some 15 per cent of the total population and ranking the region at the 7<sup>th</sup> place in the country. Since Poland's EU accession in 2004 until 2007, the number of registered unemployed persons fell by over 110.000, i.e. by over 40 per cent. Despite this figures, it is estimated that the number of unregistered unemployed persons in the region counts for over 25.000 units, of which a consistent share taking up jobs in the so-called 'grey economy'. A significant share of the unemployed persons is constituted by countryside inhabitants (in April 2007 this number accounted for more than one third of the total). The territorial units with the lowest rate of unemployed in April 2007 include Wrocław (7.1 per cent), Jelenia Góra (11.5 per cent), the Lubiński (9.1 per cent) and the Polkowicki poviats (9.4 per cent). The highest unemployment rates are observable in the poviats Lwówecki (28.0 per cent), Złotoryjski (27.7 per cent) and Dzierżoniowski (27.1 per cent).

The region has also seen changes in the unemployment structure by age. In 2000-2007, there was a decrease in the number of unemployed under 44y.o. and a significant increase in the number of unemployed aged 45-54, as well as 55 and over. The same trend is observed in the whole country. The situation of young people in the labour market is particularly difficult. In December 2006, there were 31.200 unemployed aged 18-24 (16.9 per cent of the total number of registered unemployed). One of the region's drawbacks is the growing proportion of unemployed people with university degrees (5.4 per cent in December 2006, against 1.7 per cent at the end of 1999). This situation triggers consistent out-migration fluxes, mainly the emigration of young people towards EU15 countries (especially the UK and Ireland). A cause for concern is the emigration of educated persons (e.g. IT experts, doctors and nurses), a trend that risk to constitute a serious obstacle to finding appropriate human resources necessary for the region's development<sup>248</sup>.

The regional settlement network is very diversified (figure 4), including cities, towns and villages of different status, functional structure, level of socio-economic development, development potential, etc. The region's largest cities ranked by population are: Wrocław (635.000 inhabitants), Wałbrzych (125.000), Legnica (105.000) and Jelenia Góra (86.500). There is a strong domination of Wrocław, which results not only from a high concentration of human potential and the city's role in the settlement system but also a from the high concentration of fixed assets and services as well as regional and trans-regional management, R&D and logistic functions. Due to the predominant off-centre location of the Wrocław agglomeration in the region's settlement structure, it is hard to achieve a spatially balanced development of the voivodship and an increasing distance between the capital city and other parts of the region is starting to be felt. This is evident, for instance, in the declining share of the

---

<sup>248</sup> This rise in unemployment among persons with university degrees results primarily from disparities between the degrees awarded and the demand for jobs. One example is a large number of persons training to become economy and administration professionals, with the market needs for such professionals being much lower.

Jelenia Góra-Wałbrzych and Legnica sub-regions in the regional GDP, which has been observed since 1998. This relatively low level of internal cohesion is also evident in the differential accessibility of poviats, cities, towns and gminas. The poor quality of transport networks results in higher trade costs, disqualifying many towns and villages as locations for development projects and contribute to the depression of several minor labour markets. This causes interregional differences, which manifest in the economic dominance of Wrocław and its sub-region and in relevant unbalances in relation to quality of life, unemployment levels, access to education, culture and healthcare as well as infrastructural living standards<sup>249</sup>.

## **10.2 Institutional and political characteristics**

As far as the institutional and political features of the region are concerned, one has to keep in mind the crucial role played by the relatively short history of Polish voivodships in terms of their present administrative subdivision, as well as the novelty that self-governed regional administrative units represent in the country context<sup>250</sup>. Despite voivodships exist in Poland since the beginning of the previous century, they have, until recently, mainly constituted administrative subdivisions, deprived of any self-government function and only representing an additional emanation of the central control over the country territory. This situation, already in place before the Second World War, was accentuated by the alignment of the Polish government to the Soviet-inspired, centrally planned economic model, that left no room for regional and/or local autonomy. Furthermore, whether until the first half of the 1970s the regional administrative subdivision of the country featured sixteen units that presented similar characteristics to the present one in terms of area and population (despite slightly different borders), the administrative reform enforced under the Gierek's government in 1975 introduced an alternative subdivision on the country accounting for as many as 49 units, still labelled voivodships but much smaller in terms of territorial extension and number of inhabitants if compared to the previous and the present ones.

---

<sup>249</sup> This differential pattern is observable not only between towns/cities and rural areas, but also across sub-regions, poviats and gminas.

<sup>250</sup> For a detailed overview of the context for regional development and spatial planning in Poland see, among others: COTELLA G. (2012 – forthcoming) 'Spatial Planning in Poland between European Influences and Dominant Market Forces', in BLOTEVOGEL H., GETIMIS P. and REIMER M. (eds.) *Spatial Planning systems in Europe: Towards Multiple Trajectories of Continuity and Change*, London: Routledge; COTELLA G. (2009), *Governance Territoriale Comunitaria e Sistemi di Pianificazione. Riflessioni sull'Allargamento ad Est dell'Unione Europea*, Ph.D. Thesis, XX Cycle. Supervisor: Prof. Umberto Janin Rivoli (Politecnico di Torino), Defended on 29th May 2009 at Politecnico di Torino.; GORZELAK G. (2001), "The regional dimension of Polish transformation: seven years later", in: GORZELAK G., EHRLICH E., FALTAN L., ILLNER M. (a cura di) (2001), *Central Europe in transition. Towards EU membership*. Warsaw: Regional Studies Association – Polish section, 310-329.; ESPON (2006a), *Application and Effects of the ESDP in Member States – National Overview: Poland*, ESPON Project 2.3.1, Luxembourg: ESPON.; ESPON (2006b), *Governance of Territorial and Urban Policies from EU to Local Level – National Overview: Poland*, ESPON Project 2.3.2, Luxembourg: ESPON.

After the breakdown of the socialist block at the end of the 1980s, the newly elected *Solidarnosc* government abandoned central economic planning in favour a series of macro-economic reforms that aimed at guiding the country's economy towards a free market model as quickly as possible. In parallel to the adopted 'shock therapy', the sudden unleash of that sake of democracy matured under over 40 years of central control led the polish government to proclaim the constitutional autonomy of municipalities as early as 1990. As a result of this step, and of the parallel attempts operated by the central government bodies in order to maintain as much control as possible over competences and resources, the regional level ended up constrained between two, very strong autonomous poles. As a matter of fact, the small dimension of the existing voivodship units and their actual subordination to the central level maintained them as mere outposts of the latter. More in details, despite the ongoing systemic changes, the central government continued to control the administration of the different voivodships through decentralized units – the Voivod' offices – that were responsible for the preparation of 'technical' spatial plans aimed at translating the various national sectoral priorities at the voivodships level.

An autonomous regional level was instituted in Poland only with the approval of the Voivodships Self-Government Act on July 1998, as the final outcome of a complex process of regionalization that had started at the half of the 1990s and gained momentum in parallel to the process of pre-accession, under the more or less direct pressure of the EU. Since the enforcement of the reform on January the 1<sup>st</sup> 1999, Poland is once again divided into 16 voivodships, the same number of units in which the country was divided before 1975. Each voivodship is managed by an autonomous self-government unit – the Voivodship Council run by the Voivodship Marshall – elected every four years and provided with its own budget. Each Voivodship is also provided with a Marshal's Office, a body assisting the execution of the tasks designated by the Marshall and the Council. Among other competences, the Voivodships' Act provides voivodships with the responsibility to promote the development of their respective territories. As determined in the Spatial Management Act of 2003 (and before that date by the integration operated to the previous Act of 1994 just after the approval of the Voivodships' Act) this should happen through the preparation of two kind of spatial planning documents: the Voivodship Development Strategy (VDS) and the Voivodship Development Plan (VDP), whose first redaction started in each voivodship at the edge of the new millennium.

Despite the newly-instituted, self-elected regional governments had gained competence over the development of their respective territories, the decentralized outposts of the central government that managed the regional administration before the reform were maintained, and each of the new region was provided with a Voivod Office. While aiming at allowing for a smoother transition of competences and tasks, as well as at favouring in the long run a fruitful cooperation between the regional administration and the central government, the co-existence of both a representation of the central government (the Voivod and its office) and a self-government unit (the

Voivodship Council managed by the Voivodship Marshal) in several cases generates confusion when competences and responsibilities were not well specified. In particular, just after the 1998 administrative reform, when the transfer of competences and resources was to be implemented in practice, the central government decided for maintaining the management of the pre-accession funds under its indirect control, transferring this task under the responsibility of the Voivod's Office, in so doing depriving the new-born regional administration with a precious chance of learning-by-doing in the field of EU programming. Moreover, this didn't only apply to the case of the support provided to the regions of Central and Eastern European new member states through the pre-accession programmes Phare, ISPA and SAPARD until 2004. Even after the accession of the country into the EU, the structural support awarded in the framework of the programming period 2004-2006 was kept under a relatively strict central control, and managed through a specific Inter-regional Operative Programme (IROP), with the scarce involvement of the Marshal's Office limited to the implementation phase.

The described centralistic trends ended drastically together with the programming period 2004-2006. When the time came to deliberate in relation to the future management structure for the programming period 2007-2013, the central government decided to decentralise the responsibilities for EU Cohesion Policies to the hands of the sixteen voivodships. As a consequence, each Marshal Office was entrusted of the preparation, management and implementation of its respective ROP. This constituted an ulterior step towards the decentralization of regional development competences in Poland, representing a critical challenge for the relatively young administrative bodies at the same time. In this concern, it is interesting to highlight how the ERDF ROP 2007-2013 for the Lower Silesia Voivodship, when summarising and assessing the utilisation of EU assistance in 2004-2006 and, more in detail, the experience gained by the institutions taking part in the management and implementation of program and the role the latter could play in the coming period of programming, expresses doubtful considerations. While highlighting that the grouping of all the procedures connected with the ROP under one institution may represent an important element of innovation, providing the programme with a more effective system of implementation if compared to the case of the IROP, the document also stresses the challenges related to the inexperience of a self-government unit, which until then had been only taking part to the EU cohesion policy in a marginal way and in close contact with the Voivod Office and will now perform the function of the ROP Managing Authority, and therefore be fully responsible for the programme<sup>251</sup>.

---

<sup>251</sup> Detailed information regarding the implementation of national and foreign assistance related to the regional development of Lower Silesia in 2000-2006 is available at [www.rpo.dolnyslask.pl](http://www.rpo.dolnyslask.pl) (see the "Ex-ante evaluation" tab).

<b>Marshall</b>	<b>Years</b>	<b>Main undertakings in the field of regional development</b>
J. Waszkiewicz (AWS - Solidarity Electoral Action)	1999 - 2001	1999 - selection of the first Board of Lower Silesia. <b>2000 - enactment of the first Dolnoslaskie VDS</b> 2001 - The acquisition and integration of Wroclaw BZW-Bank from the Allied Irish bank Banks based in Dublin – the then largest investment in Lower Silesia in terms of capital.
E. Stańczyszyn (UW - Freedom Union)	2001 - 2003	2002 - opening of the Toyota factory in Walbrzych - the then largest investment in the automotive industry in the region.
H. Gołębiwski (SLD - Democratic Left Alliance)	2003 - 2004	<b>2004 – start of the calls for projects under the IROP 2004-2006</b>
P. Wróblewski (PiS - Law and Justice)	2004 - 2006	<b>2005 - adoption of the new Dolnoslaskie VDS 2020.</b> 2006 - establishment of a technology cluster in Biskupice Podgórne and creation of approximately 9.000 new jobs.
A. Łoś (PO - Civic Platform)	2006 - 2008	<b>2006/2007 – Redaction, approval and start of the Dolnoslaskie ROP 2007-2013</b> 2007 - setting up of Wroclaw Research Center EIT +
M. Łapiński (PO - Civic Platform)	2008 - 2010	<b>2010 - Start of preparatory work for the preparation of the “Polish Western Development Strategy”.</b>
R. Jurkowlaniec (PO - Civic Platform)	2010	<b>2011 – Start of the preparatory work for the new Dolnoslaskie VDS</b> 2011 - launch of a pioneering nationwide tender for the maintenance of provincial roads under public private partnership.

Table 1. Shifts in the Dolnoslaskie self-government in the period 1999-2011 and most relevant undertakings (Source: own elaboration on the basis of interviews).

An additional relevant contextual element in relation to the performed research is represented by the low level of political stability of the voivodship government. In this concern, it is interesting to point out how, since the Voivodship Council was first elected in 1999, the Voivodship Marshal has been changing as many as 7 times – the last one in 2010 – despite the 4-year duration of its mandate (see Table 1). According to the opinion of some of the interviewees, the continuous political shifts had important consequences on the institutional capacity of the voivodship, as the following administration hardly composed its agenda in continuity with the goals of the previous one, especially when the shift of government coincided with a sudden shift of the political colour of the voivodship (as in the case of the elections of 2003, 2004 and 2006). As it will be further stressed in the following paragraphs, the described situation had a negative effect in relation to the object of the present case study, as the continuous alternation of governments prevented any of them to feel responsible for the ownership of the strategic development documents produced by its predecessors. In addition, despite the scarce impact on the evolution of the administrative structure – subjected to a much slower, incremental pace – this alternation contributed to deprive the regional administration (i.e. the Marshal Office) of any long-term political point of reference, providing it with a constant feeling of instability.



## 11. Telling the story of the intervention

As already mentioned, this case study focuses on the analysis of the relations and synergies that occurred between 2020 Development Strategy for the Lower Silesia Voivodship, i.e. the main regional strategic planning document, and the ERDF ROP for the Lower Silesian Voivodship for 2007-2013, i.e. the mid-term programming instrument produced by the Dolnoslaskie self-government to manage the EU cohesion policy structural support in the respective period. This section explores the chronological evolution of the analysed intervention from the process of policy formulation until the recent evaluation of the Dolnoslaskie VDS 2020. Particular attention is devoted to the decision-making process and to the peculiar events and administrative reforms which conditioned the development of the process in specific moments of time. Moreover, the information provided in the text constitute a sounding background on which the major successes and failures of the adopted approach to regional development will be pointed out in the following section, as well as a preliminary introduction of the main actors involved in the decision-making process, that will be analysed more in detail in section 5.

The Dolnoslaskie voivodship came into being as an autonomous region managed by its respective self-government unit with the regionalization reform enforced in January 1999. The first VDS for the region was prepared by the Department of Regional Development of the Marshal Office right after the election of the first Dolnoslaskie regional self-government in 1999, on a request of the Voivodship Council that complied with the requirement of the 1998 Voivodships Self-government Act. The Strategy followed the provision of the Act, specifying the objectives and priorities of regional development that should have acted as a reference for all the operational documents produced in the voivodship.

Under the pressure of the EU for a 'normalisation' of the EU cohesion policy management structure, at the end of 2004 the Polish government deliberated in favour of the decentralisation of the preparation, management and implementation of the 2007-2013 EU Cohesion Policy to the voivodships self-government units. In parallel to this step, the Ministry of Economy and Labour formally addressed the various Voivodships' government with the request to update and integrate their respective strategies, in order to take account of the new, decentralised management structure as well as the rapid changes that had accompanied the EU accession process. In the perspective of the Ministry, the new VDSs were supposed to act as a key reference for the determination of the main goals to be pursued through EU financial support. More in details, they were supposed to constitute the main reference in the process that would soon have led to the preparation of the 16 ROPs for the programming period 2007-2013<sup>252</sup>.

---

<sup>252</sup> In the preliminary idea of the Programming Group, the document was supposed to set out regional directions of development for the time horizon of two successive EU programming periods.

Following the request of the Ministry, the Dolnoslaskie Voivodship government entrusted the Marshal Office of the revision of the VDS, operation that was undertaken by the Department for Regional Development. The process that led to the approval of the Dolnoslaskie VDS 2020 was divided in three stages. The first stage, that took place in the last months of 2004, started with a workshop organized by the Ministry in Konstancin-Jezorna, to point out at the presence of the representative of all the sixteen voivodship the main elements that should have been taken into account in the revision of the respective VDSs.

The results of the workshop, that were made available on the Ministry website as well as in a document specifically drafted by the Dolnoslaskie Marshall Office and uploaded on the main Marshal Office website ([www.umwd.pl](http://www.umwd.pl)). They suggested a wide range of inter-regional issues to be taken into account in the drafting of the preparatory documents for each region, containing the main assumptions towards the updating of the 2020 Development Strategies for all the voivodships. In relation to the issues requiring update, particular emphasis was placed upon:

- update of the strategies' diagnoses and SWOT analysis;
- analysis of the relation with existing regional documents;
- conclusions of nation-wide strategies and forecasts;
- international, cross-border and inter-regional cooperation potentials;
- update of goals, priorities and actions;
- proposals for monitoring and evaluation system;
- proposals for instruments for implementing the VDS.

On the basis of these elements and suggestions, the Department of Regional Development was responsible for the preparation of the document titled 'Assumptions for the updating of the 2020 Development Strategy for the Donloslaskie Voivodship'<sup>253</sup>, within a broader 'Programming Group' appointed by the Marshall and chaired by the Deputy Marshall.

The second stage of the preparation of the VDS, that took place in the beginning of 2005, focussed on the actual drafting of the document that, after public consultation, had to go through the approval of the Dolnoslaskie Voivodshp Council. Three working groups, respectively focussing on the social, economic and spatial spheres were instituted under the supervision of a Steering Committee led by professor S. Korenik (Wroclaw University of Economics), to provide precious inputs to the redaction of the VDS. The working groups collected the expertise of relevant actors belonging to various areas of the voivodship social-economic life. The engagement of

---

<sup>253</sup> Department for Regional Development of the Lower Silesia Marshall Office (2004), Assumptions for the updating of the 2020 Development Strategy for the Donloslaskie Voivodship, Wroclaw. Once approved, the document was submitted to the Ministry of Economy and Labour, that used them as a basis for the preparation of the so-called 'regional layer' in the framework of the draft of the National Development Plan for the programming period 2007-2013.

a more broader group of actors in the ongoing debate of the working groups was favoured by the dissemination of the activities of latter on a specific section of the Marshall Office website, composed by the following sub-sections:

- Materials concerning the update of the dolnoslaskie VDS 2020
- Consultation draft of the National Development Plan 2007-2013.
- Works on the National Strategy for Regional Development for the years 2007 - 2013.
- Preliminary works concerning the future Dolnoslaskie ROP.

Constantly updated by the Department for Regional Development of the Marshall Office with the most recent studies and the minutes of the working groups' meetings, this platform of information constituted a valuable tool favouring broader participation in the process at every stage of its construction and allowing several actors to provide inputs to the discussion via electronic communication, without taking part directly to the meetings. A crucial contribution was provided by the Lower Silesia Economic Council (DRG), which brought many valuable comments and suggestions in relation to the main problems concerning export development, knowledge-based economy and tourism. As a result of this process, a preliminary draft of the Dolnoslaskie VDS was drawn on the basis of a SWOT analysis and including the main elements deriving from the working group activities: (i) the main 'vision' of the Strategy, (ii) the objectives related to the economic, spatial and social spheres and (iii) the actions foreseen in relation to each of these spheres.

The third stage started right after the preparation of the abovementioned VDS draft, that was made available to public consultation. On the basis of the consultation results, the final draft of the Strategy was prepared and submitted to the opinion of the Dolnoslaskie Voivodship Council, that approved the document in November 2005<sup>254</sup>.

One of the most interesting elements included in the Dolnoslaskie VDS concerns the way the document foresees its implementation<sup>255</sup>. More in detail, the VDS envisages that the 'effective, timely and efficient implementation of the *Development Strategy for the Lower Silesia Voivodship* requires the presence of a body performing a number of various conceptual, organizational, coordination, control and informational tasks in the structure of the Marshall Office.' In order to respond to this need, the Marshall was required to appoint an *ad hoc* Strategy Implementation Team (SIT). The SIT was supposed to be composed by the following members: the Marshall himself (as chairman), the Chairman of the Regional Development Policy and Economy Commission of the Dolnoslaskie Voivodship Council (responsible for

---

<sup>254</sup> Furthermore, in accordance with Art.40-44 of the Environmental Protection Act, the draft Strategy for the Development of Lower Silesia was subjected to Strategic Environmental Assessment.

<sup>255</sup> <sup>255</sup> Dolnoslaskie Voivodship Council (2005), *Strategia Rozwoju Województwa Dolnośląskiego do 2020 roku*, Wrocław, pp.46-51.

monitoring the *Strategy* implementation process) the directors of selected divisions of the Marshall Office, a secretary and a strategic planning expert. Furthermore, the makeup of the Team was supposed to change depending on the tasks carried out, with the Marshall that was entrusted with the opportunity to appoint or invite (permanently or for a specified period of time) to participate in the work of the SIT directors of organizational units that operate in the region, representatives of strategic cooperation partners and experts in individual domains.

According to the VDS, the SIT was provided with the following implementation-related functions:

- 1) *Conceptual Function.* (i) Draw up projects for the implementation of strategic tasks; (ii) evaluate projects for the implementation of strategic task defined by other entities; modify on-going projects for the implementation of strategic tasks, (iii) entrusting or commissioning the implementation of a secondary project to external experts if the Team does not have the necessary competences to efficiently handle the implementation.
- 2) *Monitoring-Proposal Function.* The SIT was supposed to ensure proper monitoring of the VDS, finalised at initiating procedures for modifying some parts of the latter so as for it to always be an effective and efficient tool for reaching Dolnoslaskie strategic and operational objectives. To do so, the SIT should have (i) identified evolving factors important for the region's strategic position; (ii) monitored the level of new, unidentified factors important for the region's strategic position; (iii) periodically analysed whether the list of strategic tasks is adequate; (iv) inform the Voivodship Council on the need to modify the analytical and/or task section of the VDS as well as submit proposals of such changes; (v) inform the Voivodship Council on the necessity for a comprehensive update of the *Strategy*.
- 3) *Internal Information Distribution Function.* Assuming that the achievement of VDS objectives in the specified time horizon strongly depended on the efficient circulation of information on the *Strategy* itself between all the relevant decision-makers internal to the Dolnoslaskie Voivodhsip structure, the SIT should have act as a forum for exchanging information, views and concepts related to the implementation of the *Strategy*.
- 4) *Promotion Function.* The SIT also aimed at publicising the process, providing public access to the information on the implementation of the VDS in order to favour an increase of trust in regional authorities, the public approval for the actions undertaken by the latter, as well as in increased social commitment. To do so, the SIT was supposed to perform a number of actions related to public relations in the scope of the VDS: (i) drawing up short press releases (e.g. periodic reports) on the implementation of the VDS; (ii) drawing up a promotional folder and other publications of similar nature (leaflets, brochures,

ads, information brochures); (iii) planning and performing actions associated with promoting the VDS

- 5) *Cooperative Function.* Recognising that the cooperation of public and private entities as well as social organizations and associations, is indispensable for the implementation of the VDS, the SIT was expected to foster the cooperation of the latter to improve the effectiveness and efficiency of the implementation through the identification of potential partners and the mobilisation of financial resources. More in detail, the SIT was required to constantly monitor the group of potential partners in the scope of the VDS strategic tasks and identifying partners for the joint implementation of a given task, including neighbouring voivodships; regions belonging to neighbouring countries, self-governments of the region's poviats and gminas, economic entities and organizations active in the region, institutions that distribute financial support to self-governments, other social organizations operating in the area of culture, sport, recreation, education, healthcare and environment protection.
- 6) *Advisory Function.* Finally, the SIT was entrusted to provide opinions on the proposed resolutions to the attention of the Voivodship Council that are related to the Strategy. In addition, it was responsible for informing the Council on the need to submit proposals of resolutions that would enable or improve the Strategy implementation process, and essentially support the Regional Development Policy and Economy Commission of the Voivodship Council Regional Parliament.

As already mentioned, the VDS was also supposed to constitute the key reference during the process that would have led to the drafting of the Dolnoslaskie ERDF ROP 2007-2013, the main synergies between the two documents constituting the overall focus of the present case study analysis. As a matter of fact, during the drafting process of the ROP, the Strategy played a crucial role. In particular, it constituted the one pivotal document around which the works of the Interdepartmental ROP Working Group specifically instituted for the task during 20005 were centred. The influence exerted by the VDS objectives on the process that led to the approval of the ROP is clearly stated in the introductory text to the ROP itself, approved at the end of 2006. In particular, the document explicitly argues that the point of reference for its development has been the VDS, intended as the 'master plan for the development of the region'. The main objective of the ERDF Dolnoslaskie ROP 2007-2013 is identical to the underlying goal of the VDS, namely 'to improve the quality of life of Lower Silesia inhabitants and to increase the region's competitiveness while respecting principles of sustainable development'. Also the ten priorities detailed by the ROP to implement its objective are cohesive with the VDS. More in particular, the actions to be undertaken within the specified priorities were explicitly defined to contribute to the implementation of the VDS, and for each of them the ROP includes a paragraph focussing on the role such objective will play in the process (see table 2).

<b>ROP Priorities</b>	<b>ROP Detailed Objectives</b>	<b>VDS Objectives</b>
1. Growth of competitiveness of the Lower Silesian enterprises ("Enterprises and Innovation")	I. Increase in economic activity based on knowledge and innovation	Economic Objective: Creating a competitive and innovative economy in Lower Silesia
2. Development of information society in Lower Silesia ("Information Society")		
3. Development of transport infrastructure in Lower Silesia ("Transport")	II. Development of infrastructure facilitating the improvement in the quality of the environment, investment conditions and running business activity	Spatial Objective: Increasing spatial and infrastructural cohesion of the region and its integration with the EU growth areas
4. Improvement of the natural environment and improvement of ecological and flood safety in Lower Silesia ("Environment and Ecological Safety")		
5. Environmentally friendly energy infrastructure in the region ("Energy")		
6. Exploitation and promotion of the Lower Silesian tourism and culture potential ("Tourism and Culture")		
7. Development and modernisation of education infrastructure in Lower Silesia ("Education")	III. Improvement of living conditions of inhabitants and growth of competitiveness of the region through modernisation and development of social infrastructure	Social Objective: Developing social solidarity and creative and open citizen attitudes
8. Modernisation of health infrastructure in Lower Silesia ("Health")		
9. Rehabilitation of degraded urban areas in Lower Silesia ("Towns")		
10. Technical Assistance		

Table 2. Relations between ROP priorities and detailed objectives and the objectives of the VDS (Source: Own elaboration on the basis of: Dolnoslaskie Voivodship Council, 2005, 2007).

Despite the mentioned attention dedicated by the VDS to its implementation process and the described high level of coherence and expected synergies between the objectives of the VDS and the objectives and priorities of the ERDF ROP, all the interviewees share the opinion that the impact of the VDS did not go much further. As a matter of fact, since the adoption of the ROP in 2006 and the start of its operationalization in the following year, the new document started to increasingly overshadow the VDS, progressively relegating the latter to the dust of the Marshall Office's shelves.

More in detail, the ROP soon became the main tool for management and implementation of the regional development of the region, also thanks to the political priority devoted to the maximization of the impact of EU support that, here as in the majority of Central and Eastern European regions, resulted in the inflow of a volume of funds that had no match among existing local development resources.

Moreover, while the preliminary works finalized to the preparation of the ROP were performed by the mentioned Interdepartmental ROP Working Group under the direct coordination of the Marshall Office Department for Regional Development (the same

Department responsible for the coordination of the VDS process), the complexity and novelty of the tasks related to ROP preparation and its increasing importance in the field of the development of the voivodship favoured the devolution of the task to a specific Division of the latter, named Division of European Funds and Regional Policy that, after the approval of the ROP, was entrusted of its management. As a consequence of the high political relevance of the ROP, as well of as the growing challenges related to its management, the number of persons employed in the Division of European Funds and Regional Policy increased constantly, up to accounting for more than half of the total staff employed by the Department for Regional Development. This situation started to cause more and more internal management problems, related to the coordination of the various Divisions of the Department as well as to the constant troubles of the Division of European Funds and Regional Policy to deal with tasks extraneous to the ROP management. Eventually, in order to solve these problems, a new Department was instituted in mid-2007, as a consequence of the 'upgrading' of the Division of European Funds and Regional Policy into the new Department for the Regional Operative Programme. The institution of the new Department – and its articulation into two Divisions respectively responsible for the management and the implementation of the ROP – contributed to an ulterior enhancement of the role played by the ROP in the development of the Dolnoslaskie voivodship, at the same time introducing additional distance between the implementation processes of the ROP and of the VDS, preventing the future exploitation of any effective synergy.

Finally, and perhaps more importantly, such a situation has been exacerbated by the high instable political situation of the Dolnoslaskie Voivodship, already introduced in section 2 (see Table 1). In particular, while the process that led to the preparation and adoption of the Dolnoslaskie VDS was undertaken under the political guidance of Marshall P. Wróblewski, nominated in 2004 and belonging to the political party Prawo i Sprawiedliwość (PiS – Law and Justice), the ROP development and approval occurred under the supervision of A. Łoś elected in 2006 as representative of Platforma Obywatelska (PO - Civic Platform), the main political alternative to PiS. As often occurs in these cases, the new Voivodship government didn't feel any political ownership in relation to a VDS developed under the previous term, and concentrated its effort on the ROP process that, due to the high amount of resources involved, ensured higher political visibility and more guaranties in terms of implementation results. As a consequence, the activities of the SIT were frozen all of a sudden, before any concrete implementation action was undertaken.

Interestingly, not only the VDS implementation-related tasks were interrupted; also the various activities foreseen by the document in relation to the effective monitoring of its implementation were left aside. Only recently, within the framework of the National Operative Programme Human Capital, specific resources were devoted to the task. The availability of resources (together with the need to eventually evaluate the Strategy implementation as required by the law), led to a 'resurgence' of the SIT,

that meet for the first time after more than two years at the end of 2008, in order to set up the evaluation process. The Evaluation process was developed, launched and supervised by the VDS SIT through subsequent meeting throughout 2009 and 2010, until its final publication in mid-2011 (see table 3). The related analytical works were performed by a public independent consortium run by the Dolnoslaskie Agency for Economic Cooperation and including the University of Wroclaw, the Wroclaw University of Economics, the University of Life Sciences of Wroclaw and the Wroclaw University of Technology. These works resulted in the publication of as many as 14 volumes, focussing on several aspects of regional development and of the relation of its patterns with the objectives of the VDS<sup>256</sup>. In particular, among the issues the analysis focussed upon, of particular relevance are (i) the analysis of development trends and patterns of the region and their relation to the VDS, (ii) the analysis of social development in the light of the EU inspired programming activities, (iii) the monitoring reports of the VDS implementation for the years 2008 and 2009 and (iv) the analysis of existing regional development documents and the assessment of their relevance in shaping current and the social and economic future of the region.

---

<sup>256</sup> Dolnoslaska Agencja Wspolpracy Gospodarczej (2011), *Analizy, badania i prognozy na rzecz Strategii Rozwoju Wojewodztwa Dolnoslaskiego*, Wroclaw: Wroclaw Marshall Office. More in detail, the analysis is composed by the following volumes: VOLUME I - Analysis of investment attractiveness of the region in light of contemporary trends [Analiza atrakcyjności inwestycyjnej regionu w świetle współczesnych trendów. Opracowanie analiz zawierających rekomendacje dotyczące pożądanych działań dla zwiększenia atrakcyjności gospodarczej regionu]; VOLUME II - Analysis of development trends of the region in relation to compliance with the strategy [Analiza tendencji rozwojowych regionu w odniesieniu do zgodności ze strategią]; VOLUME III - Analysis of activity of economic entities in Lower Silesia. Determination of the major trends [Analiza aktywności dolnośląskich podmiotów gospodarczych. Wyznaczenie głównych trendów. Impulsy patentowe. Studia Przypadków]; VOLUME IV - Analysis of social development in the light of the economic development programming [Analiza rozwoju społecznego w świetle programowania rozwoju gospodarczego, na podstawie prognoz zmian demograficznych i społecznych na rozwój gospodarczy Dolnego Śląska]; VOLUME V - Analysis of the education system in light of demographic and social changes in the region [Analiza systemu edukacji w świetle zmian demograficznych i społecznych regionu. Określenie zapotrzebowania na edukację na różnych poziomach w regionie w świetle prognoz demograficznych i społecznych]; VOLUME VI - The analysis of social risks for the Lower Silesia [Analiza zagrożeń społecznych dla Dolnego Śląska. Wykorzystanie wyników sondaży społecznych w różnych obszarach życia do prognozowania zagrożeń społecznych w regionie]; VOLUME VII - Analysis of the processes of socioeconomic, institutional and spatial integration in the region [Analiza stanu i procesów integracji społecznej – gospodarczej, instytucjonalnej i przestrzennej regionu. Dokonanie analizy dotyczącej koegzystencji funkcji ochronnych oraz rozwoju systemów komunikacji i sieci infrastruktury w województwie dolnośląskim]; VOLUME VIII - Analysis of the use of natural resources of the region in the context of socioeconomic development [Analiza wykorzystania naturalnych bogactw regionu w kontekście rozwoju społeczno – gospodarczego z uwzględnieniem przekrojów przestrzennych, w związku z perspektywą wyczerpania złóż naturalnych bogactw. Opracowanie założeń do Strategii Zrównoważonego Rozwoju w tym zakresie]; VOLUME IX - The analysis of determining the impact of the integrated management of the metropolitan areas in the region [Analiza określająca wpływ zintegrowanego zarządzania obszarem metropolitalnym na region]; VOLUME X - Lower Silesia in the sphere of macro-regional and global networks [Dolny Śląsk w sferze (sieci) makroregionalnej i globalnej. Dokonanie analizy regionu w kontekście spójności zewnętrznej, przestrzennej i gospodarczej]; VOLUME XI - Models for land-use in multifunctional rural areas in the region [Modele rozwoju dla terenów urbanizujących się w obrębie wielofunkcyjnych terenów wiejskich w regionie]; VOLUME XII - Analysis of the relevance of regional documents in shaping current and future social and economic regional trends [Analizy dokumentów na poziomie regionalnym, ich uporządkowanie oraz ocena aktualności i przydatności w kształtowaniu bieżących i przyszłych procesów społecznych i gospodarczych regionu wraz z rekomendacjami co do dokumentów niezbędnych do opracowania]; VOLUME XIII – Dolnoslaskie VDS Monitoring reports for 2008 and 2009 [Raporty z monitoringu Strategii Rozwoju Wojewodztwa Dolnośląskiego za rok 2008 i 2009]; VOLUME XIV - Methodology of evaluation of the implementation of the Dolnoslaskie VDS [Metodologia oceny wdrażania Strategii Rozwoju Wojewodztwa Dolnośląskiego].



Date	Main issues at stake
19-6-2008	- Discuss preliminary information and issues concerning the VDS implementation progress; - Initial discussion on the establishment of a working group dealing with the evaluation of the VDS implementation and with the definition of future directions of change.
2-11-2009	- Preparatory activities for the evaluation of the VDS 2020 and its renovation
25-10-2010	- Presentation of the "Analysis of social development in the light of the economic development programming, based on projections of demographic change on social and economic development of Lower Silesia".
5-1-2011	- Presentation of the work on updating the concept of the VDS;
26-1-2011	- Presentation of the "Analysis of socio-economic, institutional and spatial integration of the region. An analysis of the coexistence of protective functions and the development of communication systems and network infrastructure in the province of Lower Silesia." - Presentation of the "Analysis of development trends of the region in relation to compliance with the Strategy"; - Presentation of the "Methodology of evaluation of the implementation VDS, including the aggregation of indicators to assess VDS strategic objectives".
11-2-2011	- Presentation of the "Analysis of the impact of the integrated management of the metropolitan areas in the region"; - Presentation of the "Analysis of Lower Silesia operators' activity. Designation of the main trends".
28-2-2011	- Presentation of the "Analysis of documents at the regional level. Organize and evaluate their relevance and usefulness in shaping current and future social and economic trend of the region".
4-4-2011	- Presentations of "models of development for land urbanisation within multifunctional rural areas in the region"; - Presentation of the "Methodology of evaluation of the implementation VDS, including the aggregation of indicators to assess VDS strategic objectives".
16-5-2011	- Presentation of the "Analysis of the use of natural resources of the region in the context of socio-economic development"; - Presentation of the "Analysis of the education system in light of demographic and social changes"; - Presentation of the "Analysis of social risks in Lower Silesia".
31-5-2011	- Presentation of the report "Lower Silesia in the sphere of macro-regional and global networks. Analysis of external spatial and economic coherence of the region"; - Presentation of the "Analysis of the investment attractiveness of the region in light of contemporary trends"; - Presentation of the "Monitoring reports for 2008 and 2009".

Table 3. Meetings of the VDS SIT since 2008 (Source: Own elaboration).

In parallel to – and on the basis of the results of – this experience, the Marshall Office Department for Regional Development has recently launched a process that should lead to the development of the new VDS for the Dolnoslaskie voivodship. This process could be perceived as an additional attempt to critically assess the old VDS also in the light on the one hand, of the impact on the region of Poland's integration with the EU and, on the other, of the global economic crisis. In the expectation of the Department, the new document should constitute the one pivotal reference for the redaction of the new ERDF ROP 2014-2020, in so doing attempting to use EU funds and procedures to bring forth and implement projects and strategies which local actors deem necessary for the development of the region. Whereas this experience seems to start from more solid basis than the previous one, at the time of writing no relevant appraisal may be provided.

## 12. Outcomes of the analysed intervention

The detailed description of the intervention presented above suggests how the analysis of the synergies and relations occurring between the two main documents devoted to guide regional development in the Dolnoslaskie voivodship in the period 2007-2013, i.e. the Dolnoslaskie VDS 2020 and the ERDF ROP 2007-2013, presents both elements of success and failure. On the one hand, the main successful features highlighted by the research are identifiable in the process that led to the designing of the Dolnoslaskie VDS 2020 and to the effective transposition of the strategic objectives of the latter into the ERDF ROP 2007-2013. On the contrary, the main negative aspects of the analysed intervention concerns the process of implementation of the VDS, or rather its non-occurrence, and the progressive demise of the Strategy.

More in details, the following episodes could be highlighted as elements of success more or less directly linked to the object of the present research:

- The general devolution trend that led to the progressive regionalisation of the Polish country and to the creation of self-elected regional government provided with autonomous regional development competence and, since the programming period, of autonomous programming competence.
- The capacity of the Dolnoslaskie voivodship, and in particular of the Marshall Office (mainly through the activities of the Department of Regional Development), to timely produce adequate responses to the requests of the Ministry of Economy and Labour, despite the high level of complexity implicit in the *in fieri* institutional configuration and devolution of competences and responsibilities.
- The ability to set-up a complex and inclusive process devoted to the preparation of the Dolnoslaskie VDS 2020 that, on the one hand, saw the piloted involvement of several categories of regional experts and stakeholders – through the institution of the economic, spatial and social working groups – and, on the one hand, aimed at the production of an overall shared consensus on the document's strategy – obtained through the overall diffusion of the ongoing results of the activities of VDS making process through the Marshall Office website, the printing and distribution of informative materials and the undertaking of a complex process of online involvement.
- The initial coordination between the VDS arena and the arena responsible for the preparation of the ERDF 2007-2013 ROP. Here the subordination of the Division of European Funds and Regional Policy (responsible for the ROP) to the Department for Regional Development (responsible for the VDS) led to the almost complete transposition of the VDS main goal and objectives in the strategy and priorities of the ROP.

On the contrary, the following elements accounts for as many shadows in the analysed process:

- Despite the overall process of regionalisation and devolution already listed among the positive elements of the experience, the late decentralization of programming competences from the central government (and the decentralised Voivod's Offices) to the Voivodships' self-governments accounts as a missed opportunity in terms of the potential learning from which the latter could have benefited in the programming framework 2004-2006. As several studies underlines, the novelty of the task and its related challenges contributed to provide the process with a high degree of instability, for instance due to the exponential growth of the Division of European Funds and Regional Policy within the Department for regional development and to its eventual separation from the latter.
- The institution of the new Department for the ROP, and the consequent relocation of ROP management and implementation responsibilities outside of the framework of the Department for Regional Development, deserve particular attention. Whereas the constant growing of the Division of European Funds and Regional Policy within the Department for regional Development had led to internal management and coordination problems, the eventual separation of VDS and ROP responsibilities under two different departments seems to have contributed to hamper the coordination and potential synergies between the implementation of the two documents, that suffered from the growing coordination problems between the two departments (see section 5 and 6 for further details).
- Whereas the institution of a specific Strategy Implementation Team deputed to the implementation of the VDS could be seen, at least on papers, as an interesting innovation, the high relevance of political actors within the composition of the SIT made it vulnerable to the political instability of the Voivodship government and, more in particular, to the (lack of) political will of the new Voivodship government to effectively engage with the implementation of a document prepared by their predecessors, this leading to the VDS's early demise.

As a partial explanation of the lack of actions undertaken as a direct emanation of the VDS, one should remind that, soon after its approval in the end of 2006, the ERDF Dolnoslaskie ROP 2007-2013 became the main reference document for regional development of the voivodship, catalysing the attention of the newly elected Voivodship Marshall and of its Council that didn't feel the ownership of a VDS drafted under the political steering of the previous, opposite government. As clearly stated in the text of the document itself, the ROP explicitly sets out as the main implementation document of the VDS for the period 2007-2013, somehow implying that no additional implementation actions outside the ROP framework were required.

Whereas the finding of the complex monitoring analysis of the implementation of the VDS – and in particular the Volume 12 and 13 of the latter<sup>257</sup> focussing respectively on the analysis of the relevance of regional development documents in shaping the current and future social and economic development of the region and on the VDS monitoring for the years 2008 and 2009 – argues that, due to the coherence of the strategic objectives underpinning both document, the activities undertaken under the ROP contributed to reach several objectives put forward by the VDS, several interviewees stressed the overwhelming role of the ROP and the lack of any further impact of the VDS in the implementation of the latter as a negative element.

### 13. Actors involved

As far as the identification of the main actors involved in the policy subjected to analysis is concerned, they belong to different categories and are active at two main territorial levels, i.e. national and regional. This section briefly introduces these actors, highlighting their main characteristics and the role they played in - and the influence they exerted upon – the framework of the analysed intervention.

The Central Government (here intended as collective *political actor*) played a crucial role in determining the evolution of the institutional and operational framework within which the analysed intervention developed. In particular, it constrained the process of regionalisation and devolution of competences to an autonomous regional level until 1998. Also when, as a consequence of the more or less direct pressures of the EU towards regionalisation, the Polish Government opted for the institution independent regional tier of administration provided with regional development competences, it continued to constrain the role of the latter until the present programming period, slowing down the devolution of financial resources to the regions and firmly maintaining in its own hands the management of EU pre-accession structural support.

The Dolnoslaskie Voivod's Office directly depending from the central level, until 2006 constitute the main *bureaucratic actor* responsible for the implementation of EU pre-accession and structural support (through the IROP 2004-2006), and its action was characterised by a strong horizontal integration towards the central government (and in particular the Ministry of Economy and Labour) and by a scarce horizontal integration with the self-government of the region (the Voivodship Marshall and its Office). After the sudden change in the national framework related to the EU Cohesion Policy 2007-2013, that reunited both the long-term regional strategic planning function and the mid-term programming function under the competences of the Voivodship self-government, the Voivod's Office tasks resulted very much downsized, and limited to those of Intermediary Authority of Certification in the framework of the new ROP and of the implementation of Programmes developed

---

<sup>257</sup> Cf. footnote 21.

under the European Territorial Cooperation Objective (namely the former INTERREG IIIa cooperation initiatives with the Saxony Lander and the Czech Republic)

As an additional consequence, the role played by other actors become particularly important in the effective implementation of the changes. In particular, the Ministry of Economy and Labour and, after its institution, the Ministry of Regional Development provided the necessary support and steering to the different Voivodships to ensure a smooth transition towards the new regional development framework. This happened, on the one hand, through the support provided during the preparation of the 2<sup>nd</sup> cycle of VDSs (prepared upon request of the Ministry itself) through an introductory collective workshop and a series of successive meetings and contacts. On the other hand, the Ministry supported the regional administration (in the case of Dolnoslaskie the Division of European Funds and Regional Policy under the Department for Regional Development of the Marshall Office and, after its institution in 2007, the Department for the Management of the ROP) with the necessary support to adapt to the new task related to the preparation, management and implementation of the ROP. This additional support occurred through a series of introductory meetings organized by the Ministry in 2005 and, subsequently, by the provision of a continuous set of training activities focussed on increasing the institutional capacity of the Department's staff.

At the regional level, the main role in relation to the analysed intervention has been played by the Marshall Office and some of its Departments. The Marshall Office is a bureaucratic body whose task is to run the activities necessary to the administration of the region and the implementation of regional specific tasks, as specified by the deliberation of the Voivodship Council. Within the Marshall Office, the Department for Regional Development, instituted together with the Office itself right after the election of first Voivodship elections in 1999, detains the main responsibilities in relation to the development of the region. The Staff of the Department for Regional Development was responsible for the coordination of the various stages of the process that led to the preparation of the Dolnoslaskie VDS 2020, acting as the main target of the Ministerial informative support as well as a catalysts of the results of the analyses developed by the three working group as a background for the strategy itself.

Once the VDS was approved by the Voivodship Council in 2005, the responsibility for its implementation and monitoring passed in the hands of the VDS SIT. The latter is an actor of complex characterisation, presenting both bureaucratic and political features due to its heterogeneous, variable composition. The political component resulted to be predominant in influencing the activities of the SIT, as the political turnover occurred in 2006 resulted in a change of the Marshall and the Council. In particular, as already mentioned, the new Marshall devoted its full political attention to the ROP process, in so doing setting aside the VDS, politically owned by the opposite coalition. This led to the sudden end of the activities of SIT. The SIT came together once again only in 2008, in order to supervise the monitoring of the implementation of

the VDS. The regained political stability that characterised the Dolnoslaskie Voivodship after 2006 (counting as many as three Marshall from the same political party), contributed to keep the process running, allowing for the smooth action of the representatives of the various Departments of the Marshall Office within the SIT.

In relation to the ROP 2007-2013, two actors deserve particular mention. On the one hand, the Interdepartmental ROP Working Group created *ad hoc* for the preparation of the document, allowed for the proactive confrontation of representatives of the various Departments of the Marhsall Offices. In Particular, within this arena, the Representative of the Department for regional Development contributed to the transposition of the VDS Objectives into the ROP strategy (whose preliminary draft was prepared before the regional government's shift).

On the other hand, since the approval of the ROP, the Division of European Funds and Regional Policy was entrusted on the management and implementation of the latter. Until then provided with responsibility of minor entity – both in terms of workload and involved financial support, the Division found itself overwhelmed by the new tasks. This lead to the exponential growth of the number of its staff and of the importance of this body. Soon problems of coordination emerged, due to this increasing dimension as well as to a drastic change in the power logics within the Department. As a consequence, the new Department for the ROP was created. As highlighted by some of the interviewees, the introduction of the new Department, while partially solving management related problems, fuelled the personal clashes between some of the key figures involved in the process, somehow constraining the cooperation between the two bodies now at the same level. Within this framework, the new Division for the Management of the ROP resulted to be better-off, due to the growing political importance of the programming document it was responsible for, while the Department for Regional Development partially set aside the activities related to the VDS (that had lost its political favour) to dedicate to other tasks.

Finally, it may be worth highlighting the role played by *experts* and *special interest actors* during the of the Dolnoslaskie VDS 2020. In particular, the social, economic and spatial working groups that were set up in order to provide the necessary support to the Department for Regional Development in the preparation of the VDS were composed by a variegated set of experts and stakeholders coming from the most influential institutions active in the Dolnoslaskie region (among which the Univeristy of Wroclaw, the Wroclaw University of Technology, the Wroclaw University of Economics, The University of Life Sciences etc.). A similar process, but on a wider scale and subjected to more articulated structure, is currently underlying the preparation of the new VDS.

## **14. Analysing institutional capacity**

As it may be deducted from the information provided in the previous paragraphs, and in particular from the description of the transitional flavour that characterises the

Polish institutional context for regional development, to explore the level of institutional capacity characterising the region and its eventual evolution over time is not an easy task. More in particular, the level of institutional capacity at the outset of the analysed policy intervention suffered very much from the characteristics of the general context for regional development in Poland and its evolution through time. The complex process of regionalization that characterised the country during the second half of the 1990s and the delayed full decentralisation of regional development competences to the voivodships' self-elected regional governments, constituted an important constrain to the effective maturing and consolidation of the necessary level of institutional capacity to deal with regional development activities. As argued by a report produced by the Ernst & Young Business Consulting on request of the newborn Polish Ministry of Regional Development during the preparation activity for the EU Cohesion Policy Programming Period 2007-2013<sup>258</sup>, the exponentially increased scale of EU financial support and the restructuring of the national framework for the management of the latter constituted an enormous challenge for both central level institutions as well as for the various regional managing and implementing authorities, for which the capacity built during the pre-accession initiatives and the implementation of the 2004-2006 support framework would have required to be further enhanced and integrated by the implementation of prompt capacity building actions targeting the full set of stakeholders involved.

Overall, despite its very recent institution, the Dolnoslaskie voivodship presented a good level of institutional capacity at the outset of the analysed intervention. Such institutional capacity manifested especially in terms of good quality, highly educated civil servants, organizational characteristics and good interdepartmental relations. This assessment is confirmed by the results of the report *Analysing the status, framework and quality of consultation and coordination mechanisms toward the implementation of EU and national policies in the Polish regions*<sup>259</sup>, carried out in the framework of the Technical Assistance contract 'Strengthening national evaluation unit administrative capacities for developing & improving methodology and public action standards' between the Polish Ministry of Regional Development and GIP 'France Coopération Internationale'. The report presents a preliminary assessment of the institutional capacity of the Marshall Offices of the sixteen Polish voivodships in relation to the management and coordination instruments linked to the different levels of EU Structural funds. In relation to the Dolnoslaskie Marshall Office, it highlights a good degree of coordination between the different Department and Units as well a positive trend towards the improvement of IT capacities obtained through the implementation of related capacity building actions set up by the Marshall Office

---

<sup>258</sup> DORADZTWO BIZNESOWE ERNST & YOUNG (2007), *Raport koncowy z analizy projektow kluczowych ktore beda realizowane w nowej perspektywie finansowej 2007-2013*, Independent Report prepared upon request of the Polish Ministry of Regional development.

<sup>259</sup> PAQUET M. (2008), *Analysing the status, framework and quality of consultation and coordination mechanisms toward the implementation of EU and national policies in the Polish regions*, Expert report produced on request of the Polish Ministry of Regional development.

itself. However, the author of the report also highlights a series of elements that negatively affect the consolidation of regional institutional capacity, that has been confirmed by many of the interviewees employed within the Marshal Office staff. Among them, of particular relevance is the relatively high turnover of the staff of the Marshal's Office Departments and Units. This situation interests both key directional figures as well as more technical staff and is partially explainable with the mentioned political instability of the voivodship and with the low attractiveness of public administrative employment conditions if compared to private ones respectively.

All in all, in general terms it is possible to affirm that different aspects of the institutional capacity related to the analysed intervention have been varying between 2004 – when the Voivodship was required by the Ministry to prepare a new version of the VDS – until the present day – when programming period 2007-2013 is close to its conclusion and the Marshall Office is dealing with the drafting of an ulterior VDS and will be soon busy setting up the preliminary activities related to the 2014-2020 programming cycle. More in detail, several episodes may be pointed out that, at specific moments of time, contributed to favour or hamper a strengthening of different aspects of the institutional capacity of the various actors involved. In turn, this exerted a relevant impact – both in positive and negative terms – in relation to the outcomes of the analysed interventions, contributing to enhance or constrain the development of potential synergies between the strategic and the programming documents at stake.

In this light, the remaining of the paragraph discuss the evolution of institutional capacity in the Dolnoslaskie Voivodship in the time-frame of the analysed intervention, paying particular attention to the diverse, potential declinations through which institutional capacity may manifests, as well as to the actors whose institutional capacity has been changing. In particular, the following dimensions are considered<sup>260</sup>:

- overall level of institutional capacity;
- capacity to timely respond to the inputs of the central government;
- capacity to design long-term strategies Vs. capacity to promote long-term strategy implementation;
- programme management capacity and capacity of combining and coordinating different levels of regional development instruments;
- capacity to evaluate and revise strategies.

### **6.1 Overall level of institutional capacity**

---

<sup>260</sup> For a detailed overview of the various dimensions of institutional capacity, see: ESPON (2011) , *Institution Capacity for Territorial Development (INSTED)*, Inception report – Draft Version, pp. 25-32.



A first aspect of institutional capacity that – according to all the interviewees – has increased conspicuously during the analysed intervention concern the overall capacity of the civil servants employed in the various Departments and Divisions of the Dolnoslaskie Marshall Office to progressively interface with the evolving framework for regional development activities. This increase of institutional capacity proceeded constantly from the institution of the Marshall Office in 1999, and has been exposed to the introduction of a series of new elements at specific moments of time – at first the preparation of the first VDS, then the 2004 request of the Ministry of Environment and Labour to prepare an actualised version of the strategy, followed by the devolution of EU programming competences in 2005, till the present preparation of the new VDS. Each of the new tasks, while representing a challenge for the various Marshall Office's actors, enhanced their institutional capacity through processes of *learning by doing* triggered by the progressive familiarisation of these actors with the new activities, as well as with the substantial feature of the programme and/or its procedural and organisational requirements. Moreover, competences built through the participation of EU programming activities seem to have contributed to improve the overall quality of administrative action, in other words to increase the quality of regional public interventions through the diffusion EU relevant approaches and principles – the partnership principle, the use of monitoring and evaluation, the emphasis on multilevel governance, etc.

## **6.2 Capacity to timely respond to the inputs of the central government**

One of the relevant aspects of institutional capacity matured through the abovementioned process concerns the capacity of the administrative structure of the Dolnoslaskie voivodship, and in particular of the various units of the Marshall Office, to react to the inputs of the central government in relation to the evolution of the regional development framework. In particular, this is reflected in the timely undertaking of the new tasks with which the Ministry of Environment and Labour and, after 2005, the Ministry of Regional Development entrusted the regional level. The consolidation of this peculiar dimension of institutional capacity is evident in the activities of the Department of Regional Development since its institution, through the redaction of the first and second version of the Dolnoslaskie VDS in 2000 and 2005.

Moreover, it is not only identifiable in the undertaking of tasks by the existing Departments, but also by the progressive adjustments of the Marshall Office institutions in a way to better perform under an ever-evolving institutional framework for regional development characterised by the progressive devolution of competences and responsibilities. Evidence underpinning this consideration is the mentioned progressive increase of the staff employed by the Division of European Funds and Regional Policy in order to face the new, cumbersome tasks connected with the development and management of the ROP and the related funds.

On the one hand, the described capacity of the regional administration to react to the requirements of the central government allowed for a good level of vertical coordination, that facilitated the activities undertaken at the Ministerial level – for instance through the timely provision of the draft version of the regional strategic and programming document that were in preparation and that, in turn, fuelled the preparation of Ministerial comprehensive documents and strategies. On the other hand, the instability of the overall framework resulted in a relatively high pace of change that the regional administrative structure had to metabolise, in turn generating growing internal confusion over competences and conflicts of authority, that ended up in the incremental consolidation of two parallel strands within the Department for Regional Development and in the development of internal constraints to the horizontal coordination between them even after the institution of a new Department for the ROP.

### ***6.3 Capacity to design long-term strategies Vs. capacity to promote long-term strategy implementation***

The performed analysis highlights an additional aspect of the institutional capacity of the regional administration, i.e. the ability to coordinate the process of preparation of long term strategies for regional development. Indeed, despite its relatively recent institution, the Department for Regional Development of the Marshall Office proved able to set-up a complex and inclusive process that, in less than two years led to the preparation of the Dolnoslaskie VDS 2020. Once more, it is worth underlining that the mentioned process didn't occur under the sole responsibility of the Department staff; on the contrary, it involved a rather heterogeneous set of actors whose inputs to the process contributed to the quality of its outcomes. More importantly in the context of the present research, this activity underlies the maturation, by the staff of the Department for Regional development that was responsible for its promotion and coordination, of additional peculiar dimensions referable to the sphere of institutional capacity, namely:

- the capacity to mobilise expert and tacit knowledge from a broad group of stakeholders (experts, private actors, civil society);
- the capacity to collect and manage different sources of knowledge and preferences on local economy, society and territory – from statistical information to relevant expert opinion, to the preferences of various stakeholders;

The involvement of various categories of actors was facilitated through several means of interactions, from the diffusion of the on-going results of the strategy-making activities through the Marshall Office official website and the printing and distribution of informative materials to the ideation of a complex system of online interaction and feedback, to the institution of a set of three working groups focussing respectively on the economic, spatial and social dimension of regional development

and involving the major regional experts and the most relevant stakeholders in the field.

Despite the mentioned capacity to produce coherent long term-strategies and its related sub-dimensions, the present report suggests how the regional administration has been characterised by a much lower capacity to implement these strategies. This is particularly evident in the fate into which the VDS 2020 run right after its approval. In this concern, one needs to highlight how the effective implementation of the strategy has not been hampered by a demonstrated lack of institutional capacity in the responsible institution – the VDS SIT and, inside the latter, the Department for Regional development – but rather by uncontrollable external variables (among which the political turnover and the growing importance of the ROP in the framework of regional development played the major role). In this light, the non-occurrence of virtually any actions explicitly put in place in relation to the implementation of the VDS prevent any meaningful evaluation of the level of this peculiar dimension of institutional capacity. However, the analysed elements allows for the appraisal of another dimension of the institutional capacity of the involved institutions, i.e. the capacity to get elected officials involved in policy implementation. In particular, the political reasons of the new Voivodship Marshall elected in 2006, that didn't feel any ownership for the VDS and dedicated since the inception of its mandate to the preparation of the ROP, proved to be stronger than any attempt put in place by the Marshall Office Department for regional Development to keep the SIT – and therefore the implementation process – alive.

#### ***6.4 Programme management capacity and capacity of combine and coordinate different levels of instruments***

An additional possible declination of the concept of institutional capacity is identifiable in the programming managing capacity possessed by the relative Division/Department of the Marshall Office. Despite constituting a more central topic to the other Polish case study that focuses more explicitly on the impact and effects of the decentralization of the management and implementation of EU structural support in the context of the Lubelskie Voivodship, a consolidating programme managing capacity is detectable also from the present case study analysis. In particular, the description of the main features of the explored intervention shows how the regional administration unit deputed for the preparation, management and implementation of the ERDF ROP 2007-2013 since 2005 – the Division of European Funds and Regional Policy of the Department for regional Development and, after the separation from the latter, the new Department for the ROP – developed an increasing ability to come to terms with EU rules and procedures, and to interface with the complexity of the management dimension of EU funds.

On the contrary, whereas the capacity of the regional administration to exploit the potential synergies that may emerge between different kind of instruments lies at the

very heart of the present case study analysis, it is not easy to come up with univocal conclusion in relation to the extent to which the various public administrative units involved in regional development proved to possess the ability to effectively coordinate and combine the EU structural support – under the framework of the ERDF ROP 2007-2013 - with the main domestic regional strategic planning tool – the VDS 2020. More in details, some controversial elements emerge from the study. On the one hand several channels of communication were opened between the two arenas where the VDS and the ROP were drafted – both running under the coordination of the Dolnoslaskie Marshall Office and, to a certain extent, of the Department for Regional Development of the latter. As a result of this permeability, and of the initial subordination of the Division of European Funds and Regional Policy (responsible for the actual drafting of the ROP) to the Department for Regional Development, an almost complete identity of objectives and priorities characterises the two documents. On the other hand, the coordination between the latter ended almost immediately after the approval of the ROP and the beginning of the programming cycle, with the VDS 2020 being set aside in favour of the more influential programming document. Whilst several synergies are identifiable between the impact of the activities pursued through the ROP and the expected development patterns foreseen by the VDS<sup>261</sup>, those mainly derive from the abovementioned coherence of scope and aims between the two documents. On the contrary, no explicit capacity to address and monitor the use of EU funds for implementing projects and strategies developed at the domestic level emerges, also as a consequence of the growing problems of coordination between the units that were responsible for the two documents<sup>262</sup>.

### **6.5 Capacity to evaluate and revise strategies**

Eventually, it may be worth to spend some final words in relation to another dimension characterising the concept of institutional capacity, i.e. the capacity to evaluate and revise strategies. As mentioned above, the monitoring of the VDS 2020 started only in the end of 2009, and has been concluded only recently. The complex framework used for the analysis and its results, collected in as many as fourteen reports insisting on various aspects of regional development<sup>263</sup>, is currently underlying the on-going process that will lead to the preparation of the new VDS. Interestingly, the Department for Regional Development is currently building on the network of competences mobilized through the evaluation work, trying to channel it into the activities of a complex system of working groups that should inform the works towards the strategy.

---

<sup>261</sup> Cf. footnote 21.

<sup>262</sup> As already mentioned, this situation has been worsened by the 2006 government shift.

<sup>263</sup> Cf. footnote 21

## 15. Capacity building policies

This section focusses on the organization of capacity building policies targeting the various categories of actors of the Dolnoslaskie voivodship, and the effect that these policies had in fostering their institutional capacity. In general terms, the main capacity building policies targeting the region focussed on strengthening the institutional capacity the officials and staff employed by the Dolnoslaskie Marshall Office, in so doing aiming at supporting them in managing their strategies and programmes (in particular those related to the EU cohesion Policy 2007-2013).

The highest share of capacity building investments during the programming period 2007-2013 were managed, in the Polish context, through the Technical Assistance Operational Programme (TAOP)<sup>264</sup>, approved by the European Commission in its final version in 2007 and managed by the Department of Aid Programmes and Technical Assistance of the Ministry of Regional Development. The TAOP is provided with a very large budget, accounting for as much as €607 million (of which €517 ERDF. See table 4) and plays an important role toward strengthening institutional capacity of public administration at various territorial levels, thus paving the way for the successful implementation of Structural Funds in Poland.

To achieve these aims, the TAOP is structured according to the following priorities:

- *Support of human resources*, focusing on ensuring the necessary human resources for efficient management and implementation of Structural fund assistance, the stable and lasting employment of the staff the latter and the on-going improvement of the qualifications of persons involved in the implementation of structural.
- *IT support in the National Strategic Reference Framework (NSRF) implementation*, aiming at enhancing the functioning of IT systems supporting the implementation of the NSRF through the provision of both hardware (purchase of modern IT, computer, telecommunications and audiovisual equipment) and software (the IT training of employees) actions.
- *Support of the structural funds operations implementation*, by guaranteeing an efficient system for the management, implementation, monitoring, evaluation and control of the NSRF and ensuring a smooth transition between successive programming periods; all through the provision of the necessary support also in relation to the coordination of Cohesion Policy with other national, sectoral and regional policies.

---

<sup>264</sup> POLISH MINISTRY OF REGIONAL DEVELOPMENT (2007), *Program Operacyjny Pomoc Techniczna 2007-2013*, Warsaw.

- *Communication and promotion*, aiming at to create the demand for resources from EU funds in Poland and to ensure effective exchange of information and experience between the actors involved in of the NSRF in Poland.

Priorities	Total	ERDF	National public contribution
<b>Priority 1. Support of human resources</b>	420 000 000	357 000 000	63 000 000
<b>Priority 2. IT support in the NSRF implementation</b>	22 000 000	18 700 000	3 300 000
<b>Priority 3. Support of the structural funds operations implementation</b>	88 000 000	74 800 000	13 200 000
<b>Priority 4. Communication and promotion</b>	77 882 353	66 200 000	11 682 353
<b>Total costs</b>	<b>607 882 353</b>	<b>516 700 000</b>	<b>91 182 353</b>

Table 3. Financial Commitments under TAOP 2007-2013 by priorities (EUR). (Source TAOP 2007-2013)

An important role in promoting capacity building in the country is also played by another Programme put in place at the national level under the programming period 2007-2013: the Human Capital Operation Programme (HCOP)<sup>265</sup>, financed through the European Social Fund. The HCOP concentrates on providing support in various areas: employment, education, social inclusion, development of the adaptability of workers and enterprises as well as issues connected with development of human resources in rural areas, health promotion etc. Particularly relevant in the contexts of the present research is the focus of the programme on creating an efficient and effective public administration at all levels, whose related initiatives and actions are undertaken under the Programme's Objective 5: Enhancing the potential of public administration as regards development of law and policies and providing high quality services, and strengthening partnership mechanisms. A Total amount of slightly more than €610 million has been allocated to the implementation of activities under this Priority, representing 5.3 per cent of the total resources devoted to the HCOP. Strengthening the potential of local and regional administration is implemented under Measure 5.2 (€252 million), which objective is the improvement of the quality of public services provided by local government offices and of regional and local policies and programmes<sup>266</sup>.

<sup>265</sup> POLISH MINISTRY OF REGIONAL DEVELOPMENT (2007), *Kapitał Ludzki 2007-2013*, Warsaw.

<sup>266</sup> According to the information provided by the Ministry of Interior and Administration – Department of Public Administration, to the end of the first half of the 2011 year over 11 thousand self-government officials completed training in projects covering strengthening of regulation and analytic abilities and the improvement of local government units abilities to establish local law and administrative acts. Furthermore, as many as 948 regional and local entities were covered by support in many aspects of modernization of management. The most popular implemented management improvements are: (i) monitoring of quality of citizen servicing, (ii) implementation of management improvements on the level of the whole organisation, (iii) public consultation procedures, (iv) ethics codes, (v) assessment of the

The activities developed under the Framework of HCOP Priority 5 proved to be particularly relevant in the context of the present case study. On the one hand, under this priority a crucial support has been provided to the modernisation and management of the regional administration, and in particular to the process of expansion of the Marshall Office's Department for Regional Development. This allowed for a constant guidance of, and support to the expansion of the Division of European Funds and Regional Policy and, eventually to the birth of the new Department for the Management of the ROP. On the other hand, and more importantly in relation to the topic of the present research, through the HCOP Priority 5 the necessary financial support has been provided, underpinning the process of evaluation of the Dolnoslaskie VDS 2020 that started in 2009. The availability of this support allowed for the institution of a complex system of monitoring and evaluation that, in turn, summoned once again the activities of the VDS SIT after some 3 years of inactivity. The revival of the inter-institutional (and political-bureaucratic) cooperation within the framework of the SIT, together with the result of the evaluation itself, has been among the factors inspiring the new Director of the Department of Regional Development in designing and setting up the on-going process that will generate the new VDS – intended to be the one pivotal reference for the development of the ERDF ROP 2014-2020. In this light, one could argue that the financing of the evaluation process of the VDS 2020, despite not strictly belonging to capacity building policies, played an important capacity building role in the evolution of the Dolnoslaskie regional development policy approach.

In relation to the exponential growth of the Department for Regional Development staff throughout the last 10 years, the staffing approach adopted by the Marshall Office played an important (although ambiguous) role in the development of the Department institutional capacity. On the one hand, the criteria used to selected the new employees – possession of higher education of Ph.D. qualification, foreign language skills, ICT skills etc. – proved able to guarantee a consolidation of the institutional capacity of the department through the constant addition of highly educated and capable persons. On the other hand, the high turnover rate of the departmental staff – both in relation to technical and directional figures – hints a scarce attention by the Office to develop efforts focussing on the increase of the appeal of working positions within the department *vis à vis* other potential employment opportunities.

Additional capacity building initiatives aimed at the overall improvement of structural funds management in the region were implemented through the financial support devoted to the Priority 10 of the Dolnoslaskie ROP 2007-2013, focussing on

---

functioning and development level of offices (e.g. Common Assessment Framework CAF), (vii) improving human resources management, (viii) establishing customer service standards, creation of customer service points, (ix) development of ICT solutions in order to support management (internal communication, documentation workflow), (x) procedures referring to cooperation with non-governmental organizations, (xi) strengthening units in offices responsible for monitoring and evaluation of policies and strategies of regional and local range, (xii) implementation of a long-term planning system in the area of financial management and management through objectives.

Technical Assistance and, more in detail, aiming at increase the possibilities of absorption of resources from the Structural Funds within the Dolnoslaskie ROP 2007-2013 through supporting its efficient and effective implementation.

During the interviews with the staff of the Dolnoslaskie Marshall Office, it emerged that, in the period 2007-2010 a high number of training initiatives and actions were put in place that targeted the employees involved in the implementation of the ROP 2007-2013, accounting for as many as 288 completed training programmes (respectively: 70 in 2007, 90 in 2008, 47 in 2009 and 81 in 2010). These programmes saw a high turnout of participation among the employees of the Department for the Management of ROP, with 151 persons taking part to those initiatives organised in 2007, 238 person in those set up through 2008, 272 in 2009 and 160 in 2010, for a total of 821 participations.

The topics this training initiatives focused upon are very diverse. Some of them were capacity building initiatives directly aimed to strengthening the capability of regional officials to manage their programmes, as for instance those insisting on public procurement, public finance, accounting, public assistance, irregularities in the use of Structural Funds in 2007-2013, the monitoring, implementation and evaluation of EU projects and programs etc. Some others, instead, were covering a more general broad of competences, focussed as they were on the improvement of learning and innovation in the public administration through an enhancement of more general skills: IT training at various levels, the ability to organize the work, environmental issues, training in soft skills, language course (mostly English, German and French), participation to post-graduate and doctoral programmes etc.

The majority of these training initiatives were promoted by the Ministry of Regional Development, through the above mentioned TAOP, while an additional share was developed internally upon demand of the Marshall Office Staff, through the financial support devoted to the ROP Priority 10 "Technical Assistance". In addition, specific intervention were organized by the Department Staff and Law, a special department of the Marshall Office responsible for enhancing the performance of the staff, through its Division for Human Resources and Training<sup>267</sup>. Part of the training took place at the headquarters of the Marshall Office in Wroclaw (the so-called closed training), while a higher share of initiatives were offered off-site by a number of training companies entrusted by the ministry<sup>268</sup> (so-called open training).

Moreover, beside the activities organized in the frameworks introduced above, particularly relevant for the analysed case study analysis has been the support

---

<sup>267</sup> While, the activities organized under the framework of the TAOP and of the ROP Priority 10 could target only officials, employees and other actors involved with the management of the ERDF structural support, the Division of Human resources and Training of the Department staff and Law of the Dolnoslaskie Marshall Office is responsible for the organization of initiatives for the full staff of the Marshall Office.

<sup>268</sup> In general terms, as also highlighted by the Lubelskie case study, when it comes to the participation to off-site training initiatives the Marshall Office staff prefers those set up in the neighbouring regions or in Warsaw, while the attendance of initiatives that take place in other, voivodships is less common.



provided by the Ministry of Economy and Labour to the voivodships' staff during 2004 in the context of the preparation of the renewed versions of the VDSs 2020. In particular, the organization of an introductory meeting with all the regional responsible bodies, and the continuous feedback provided allowed for a timely and smooth development of the VDS 2020 in the Dolnoslaskie voivodship. Similarly, the interviewees also highlighted the crucial role played by the support provided by the Ministry of Regional Development to the various Marshall Offices before the start of the 2007-2013, and in particular to these Units that would have been soon entrusted of the preparation, management and implementation of the 2007-2013 ROP.

Finally, an important role in improving the institutional capacity of the Marshall Office staff, and in particular of the employees of the Department for the Management of the ROP in managing the programme they are responsible for, is played by the various evaluation activities put in place by a the specific unit responsible for evaluation in the framework of the Dolnoslaskie ROP 2007-2013 within the Department for the Management of the ROP. At the time of the interviews were performed, the following evaluative studies had been commissioned by the unit:

- Evaluation of local government units' capacity to prepare and submit applications for funds under the Dolnoslaskie ROP 2007-2013<sup>269</sup>;
- Evaluation of existing information and promotion activities carried out by the Managing Authority of Dolnoslaskie ROP 2007-2013, to inform the preparations and the implementation of the ROP Communication Plan<sup>270</sup>;
- Evaluation of the list of indicators included in the ROP<sup>271</sup>;
- Evaluation of the implementation of selected priorities of the ROP in the context of the review of the program in 2011.

These evaluation initiatives were implemented through the Priority 10 of the ROP, devoted to Technical Assistance and, more in detail aiming at increase the possibilities of absorption of resources from the Structural Funds within the Dolnoslaskie ROP 2007-2013 through supporting its efficient and effective implementation.

In the framework of the same ROP Priority, the ROP Managing Authority conducted an internal evaluation of the analysis regarding the causes of problems preventing the timely submission of applications for payment by the beneficiaries of the ROP. The main purpose of evaluation was to diagnose problems in the process of

---

<sup>269</sup> FUNDEKO (2009) *The evaluation research on the status of preparation of local government units to apply for funding from the Regional Operational Program (ROP) for Lower Silesia Voivodship 2007 – 2013.*

<sup>270</sup> OPINIA AGENCJA BADAN RINKU (2008), *The evaluation study of information and promotion actions carried out by Managing Authority for ROP LSR for 2007-2013 serving to prepare the implementation of the Communication Plan of Regional Operational Programme for Lower Silesia Voivodship in 2007-2013*, Warsaw.

<sup>271</sup> GRUPA GOMULKA (2010), *Evaluation of a list of indicators for the Regional Operational Programme for the Lower Silesian Voivodship for 2007-2013.*

settlement of the projects financed under the ROP and the drafting of proposals and recommendations which contribute to its improvement. Specific objectives that have contributed to achieving this main goals were (i) the identification of the causes of errors and delays in the submission of payment claims by the beneficiaries and (ii) the analysis of the human potential of the ROP Managing Authority involved in processes related the evaluation of applications for payment.

The study was carried out in the framework of a comprehensive research project that combines a number of different research methods and techniques, such as:

- analysis of secondary data, survey of the beneficiaries of the ROP;
- in-depth individual interviews with employees ROP Managing Authority;
- "expert panel" of employees information and publicity department of the Faculty of Management Regional Operational Programme in the Department of ROP;
- questionnaire addressed to other ROP Managing Authorities;
- observations of the effects of training for the beneficiaries;

In conclusion, it is interesting to underline how, while contributing to enhance the individual capabilities of the different public servants participating to them, from the collected information one could argue that the capacity building policies produced controversial effects in relation to the main focus of the analysed case study. This is especially true if one considers the increasing number of initiatives put in place, since 2003, by the Ministry of the Economy, Labour and Social Policy and, since its institution in 2005, by the Ministry of Regional Development, in order to raise the awareness of voivodships' authorities in relation to the EU cohesion policy evolving framework. This initiatives contribute to focus the attention on the new programming instrument – the ERDF ROPs 2007-2013 – and its technical and operational aspects (finance and accounting, organization and management, etc.), providing a very important input in increasing the institutional capacity of the actors that were to be involved in day-to-day practices related to the ROP. However, no initiatives were put in place in order to promote the establishment of effective synergies between the latter and the Programming documents and the Voivodship Development Strategies, if one excludes the initial request to produce the latter as a main reference for the preparation of the ROPs.

In the peculiar case of the Dolnoslaskie voivodship, this lead to a differential impact of the capacity building interventions explicitly targeting the EU Cohesion Policy framework. More in detail, only the employees of the structures directly involved in the implementation of the ROP were eligible to take part to trainings and other initiatives organised under this framework, and therefore, after the removal of the ROP competence from the Department for Regional Development of the Marshall Office, only the persons that moved to the new Department for the Management of the RPO continued to effectively benefit from them. This contributed to reinforce the fracture existing between the two units and, in turn, to further hamper any effective

synergies between long-term strategic planning and mid-term programming in the region.

## 16. What works

The information provided in the present report contributes to unfold the main elements of success and failure that characterised the interaction of long-term strategic planning and mid-term strategic programming in the Polish region Dolnoslaskie. On the one hand, the regional institutions proved able to metabolise changes and to quickly adapt to the new tasks they were entrusted of by the process of decentralisation of the regional development framework. The institutional capacity of the regional officers dealing with long term strategic planning as well as with those involved in the management and implementation of the EU structural support seems to have grown over time, favouring appraisable results in the achievement of regional development objectives<sup>272</sup>. On the other hand some elements of mis-functioning emerges in relation to the main focus of the case study. As a matter of fact, the coordination of long-term strategic planning and mid-term programming occurred only to a very limited extent and only in the preliminary stage of the process. Afterwards, due to several external episodes, the regional authorities didn't prove capable to develop and exploit any actual synergy through a coordination of the implementation of the two documents.

The relative youth and inexperience of the Polish regional administrations in the autonomous management of the development of their respective territory, and the elevated transitional character of the institutional framework in which regional strategic planning and development programming activities have occurred, make any attempt to individuate the more or less causal relations linking capacity building policies, the strengthening of the institutional capacity of the actors involved and the quality of the pursued development interventions an extremely complex task. However, despite the mentioned difficulties, this conclusive section tries to point out the main mechanisms through which, in the context of the analysed case, an increase in the institutional capacity of the involved actors have occurred and, in turn, through which this increase brought about an improvement of the analysed interventions. Among the main mechanisms<sup>273</sup> – intended by the theoretical framework underlying the ESPON INSTED Project as 'causal link between policy design features, characteristics of the actors in the policy context and particular outcomes achieved' – that favoured the (at least partial) success of the capacity building policies put in place at the different levels in the attempt to create or

---

<sup>272</sup> Dolnoslaska Agencja Wspolpracy Gospodarczej (2011), *Analizy, badania i prognozy na rzecz Strategii Rozwoju Wojewodztwa Dolnoslaskiego*, Wroclaw: Wroclaw Marshall Office. In particular Volumes XII,XIII.

<sup>273</sup> For an overview of the Social Mechanisms Theory, see: ESPON (2011) , *Institution Capacity for Territorial Development (INSTED)*, Inception report – Draft Version, pp.33-38.

strengthen the institutional capacity in the Dolnoslaskie context, the main relevant appears to be (i) *authority/reputation*, (ii) *learning by doing* and (iii) *creation of communities of practice*.

In particular, the Ministry of Economy and Labour and, successively, the Ministry of Regional Development, proved to be a credible and trustworthy source in the promotion of knowledge transfer *vis-a-vis* the public authorities of the various voivodship responsible for the undertaking of regional development initiatives. The authority emanated by the central government institution allowed for a quick penetrations of the new conceptions and logics into the voivodship administration and, in turn, for the generation of a timely and effective performance of these administrations when interfacing with the central level.

But the main mechanisms favouring the increase of the institutional capacity of the Dolnoslaskie Marshall Office during the analysed time-frame seems to be connected to the constant exposure to new tasks and practices. This triggered constant learning by doing processes in which the staff of the various units of the Marshall Office that were subsequently involved with regional development initiatives – mainly the making process of the VDS and its evaluation, as well as the project of preparation, management and implementation of the ERDF ROP 2007-2013 – developed ever-increasing skills to interface with EU rules and procedures and, more in general, with the wider, multi-level, instable framework of Polish regional development.

The last mechanisms emerging from the Dolnoslaskie case study as relevant in the promotion of an increase of the institutional capacity of the involved actors concerns the creation of networks of specialists finalized to the creation of a shared strategy. In this particular case, various communities of actors were mobilised – not only communities of practices, but also epistemic communities and advocacy coalitions representing particular sets of interests – in the process that led to the developed of the VDS 2020. The Department of Regional Development of the Dolnoslaskie Marshall Office acted as the institutor and facilitator of an arena of interaction and confrontation among these different communities, whose results fuelled in the development of the storyline underlying the VDS.<sup>274</sup>

Moreover, it is possible to identify a series of mechanisms explaining how a change in the level of institutional capacity had produced better (or worse) policy outcomes in the context of the analysed experience: (i) *defining deadlines and commitments*; (ii) *actors' certification and de-certification* and (iii) *attribution of threats and opportunities*.

Closely linked to the its reputation and authoritative role described above, the central government – through its relevant Ministries – performed its action towards the

---

<sup>274</sup> Cf. the concepts of 'territorial knowledge communities' and 'territorial knowledge channels' introduced by ADAMS N., COTELLA G., NUNES R. (2011) *Territorial Development, Cohesion and Spatial Planning. Knowledge and Policy Making in an Enlarged European Union*, London: Routledge, pp.26-56

diffusion of the information upon, and the implementation of the evolving characteristics of the Polish regional development framework through a continuous definition of specific deadline and commitments to which the various regional institutions had to conform. This attitude favoured the rapid penetration of the new norms and rule at the subnational level and, in turn, a more efficient performance of the regional authorities in terms of their capacity to prepare strategies and programmes and to manage the latter within the new framework.

The case study highlight also the occurrence of processes of actors certification and de-certification. These processes mainly triggered as an indirect consequence of the regional development reforms put in place by the Polish government after the turn of the millennium. In particular, soon after the institution of the Dolnoslaskie Marshal Office, the Department for Regional Development of the latter has been the main regional beneficiary of a growing certification by the Ministry of Economy and Labour that, through the new, decentralised regional development framework, entrusted it of the preparation of the first and second VDS and then of the preparation and management of the ROP 2007-2013. On the contrary, the draw-back of ROP related responsibility in 2007, occurred in parallel to the described institution of an autonomous department, while triggering the certification of the latter and in turn enhancing its importance within the regional administration, also produced a partial de-certification of the Department for regional Development within the Marshall Office. This process led to a complex situation where the changing power relations within the regional administrative structure contributed to constrain the fruitful cooperation between the two mentioned department, in so doing hampering the development of potential synergies between the implementation of the documents these two departments were responsible for.

Moreover, this situation has been exacerbated by the attitude of the new Voivodship government elected in 2006, that operated in the attempt to seize the window of opportunity that opened with the devolution of the competences for structural funds management at the regional level. The new government, seeing in the unprecedented financial support provided by the EU as a potential way through which pursuing its electoral objectives, put in place intense efforts to maximise the performance and visibility of ROP-related activities, in turn contributing to the further certification of the involved Department and, on the other hand, to the down-size the role of the VDS (further de-certifying the Department for Regional Development).

## 17. List of interviews

Date	Interviewee
22 August 2011	<p><b>Maciej Zathey</b>            Director of the Department for Regional Development            Dolnoslaskie Marshal's Office</p>
22 August 2011	<p><b>Wojciech Kazanecki</b>            Director of the Regional Policy Division   Department for Regional Development            Dolnoslaskie Marshal's Office</p>
24 August 2011	<p><b>Tomasz Komornicki</b>            Deputy-Director of the Institute for Geography and Spatial Organization            Polish Academy of Science</p>
24 August 2011	<p><b>Konrad Czapiewski</b>            Institute for Geography and Spatial Organization            Polish Academy of Science</p>
25 August 2011	<p><b>Anna Sulińska-Wójcik</b>            Department for the Coordination of Structural Policy            Ministry of Regional Development</p>
25 August 2011	<p><b>Maciej Aulak</b>            Technical Assistance Coordination Unit            Ministry of Regional Development</p>
29 August 2011	<p><b>Wojciech Kazanecki</b>            Director of the Regional Policy Division   Department for Regional Development            Dolnoslaskie Marshal's Office</p>
30 August 2011	<p><b>Krzysztof Janc</b>            Department of Spatial Management   Institute of Geography and Regional            Development   University of Wroclaw</p>
31 August 2011	<p><b>P. Łukasz Urbanek</b>            Division of Programming and Evaluation   Department for Regional Operative            Programme Management            Dolnoslaskie Marshal's Office</p>
31 August 2011	<p><b>P. Maja Łukaszewska-Krawiec</b>            Division of Programming and Evaluation   Department for Regional Operative            Programme Management            Dolnoslaskie Marshal's Office</p>
2 September 2011	<p><b>Wojciech Kazanecki</b>            Director of the Regional Policy Division   Department for Regional Development            Dolnoslaskie Marshal's Office</p>
25 August 2011 (Phone+ Emails)	<p><b>Ryszard Jagiełło</b>            Department for European Social Fund Management            Ministry of Regional Development</p>

(Source: Author's elaboration)

## List of Abbreviations

ADEME	Agence de l'environnement et de la maîtrise de l'énergie
ARDIA	Association Régionale pour le Développement des Industries Alimentaires d'Aquitaine
ARF	Association des régions de France
CB	Capacity Building
CBP	Capacity Building Policy
CDDRA	Contrat de développement durable Rhône-Alpes
CNR	Compagnie nationale du Rhône
CPER	Contrat de projets Etat Région
CPIER	Contrat de projets interrégional Plan Rhône
CPNT	Chasse, pêche, nature et traditions
CR DSU	Centre de ressources et échanges pour le développement social et urbain
CUB	Communauté Urbaine Bordeaux
DATAR	Délégation interministérielle à l'aménagement du territoire et l'attractivité régionale
DATAR	Délégation interministérielle à l'aménagement du territoire et l'attractivité régionale
DIRRECTE	Direction régionale des entreprises, de la concurrence, de la consommation, du travail et de l'emploi
DIRRECTE	Direction régionale des entreprises, de la concurrence, de la consommation, du travail et de l'emploi
DREAL	Direction régionale de l'environnement, de l'aménagement et du logement
DRRT	Direction régionale à la recherche et à la technologie
ERDF	European Regional Development Fund
EU	European Union
IC	Institutional Capacity
ISUDP	Integrated Sustainable Urban Development Project
IT	Institutional Thickness
MA	Managing Authority
MS	Member State
PUI	Projet urbain intégré
RGPP	Révision générale des politiques publiques
ROP	Regional Operative Programme
SGAR	Secrétariat général aux affaires régionales
SGAR	Secrétariat général aux affaires régionales
SRI	Stratégie régionale de l'innovation
TIP	Territorial Integrated Project
VNF	Voies navigables de France

[www.espon.eu](http://www.espon.eu)

The ESPON 2013 Programme is part-financed by the European Regional Development Fund, the EU Member States and the Partner States Iceland, Liechtenstein, Norway and Switzerland. It shall support policy development in relation to the aim of territorial cohesion and a harmonious development of the European territory.

ISBN