

The Northern Periphery Programme  
Ex ante evaluation Northern Periphery  
INTERREG III B

**Ex ante report**



## Content

<b>1.</b>	<b>Introduction</b>	<b>1</b>
<b>2.</b>	<b>Experiences from former co-operation in the Northern Periphery area</b>	<b>2</b>
2.1	Nordic-Scottish co-operation	2
2.2	Article 10	3
2.2.1	Management	3
2.2.2	Implementation	4
2.3	Other Interreg programmes and co-operation schemes in the region and the adjacent areas	6
<b>3.</b>	<b>SWOT-analysis</b>	<b>9</b>
<b>4.</b>	<b>Consistency with community policies</b>	<b>10</b>
4.1	ESDP	10
4.2	TEN	12
4.3	Northern Dimension	12
4.4	Sustainable development	12
4.5	Equal Opportunities	13
4.6	Conclusions	13
<b>5.</b>	<b>Structure and consistency of the IR III B programme</b>	<b>13</b>
5.1	Internal consistency, visions and objectives, priorities and measures:	13
5.1.1	A brief presentation	13
5.1.2	Internal consistency between the objectives, the priorities and measures	15
5.1.3	Comments	16
5.2	Management structure	17
<b>6.</b>	<b>Indicators and selection criterias</b>	<b>19</b>
<b>7.</b>	<b>Evaluation as a part of the programming process</b>	<b>22</b>
7.1	Organisation of the programming process	22
7.2	The Ex-ante work	23
7.3	Some recommendations	23
7.3.1	The programming process	24
7.3.2	Ambitions at programme level	25
7.3.3	Focus on insular and maritime regions	25
7.4	Concluding remarks	25

## 1. Introduction

The ex-ante evaluation is part of the programming procedure, as defined by Article 41 of the Council Regulation No 1260/1999 of 12 June 1999, Article 25 in the Communication from the Commission to the Member States of 18 February 2000 and the Commission's Methodological Working Paper on ex-ante evaluation, No. 6 (Part 2), dated 25 July 2000.

The intention of the evaluation has been to improve and strengthen the quality of the Northern Periphery IIIB Programme. The evaluation has been an interactive process, which means that evaluators from Barlindhaug and Nordregio have worked closely with the preparatory group, the writer of the programme, Jørn Rangnes, and the secretariat.

According to the Commission's working paper, referred to above, the key issues for ex-ante evaluation are:

- to learn from outcomes, results and experiences of the previous (Article 10) programme, including the projects, as well as soliciting experiences and informed opinions from partners and the Joint Secretariat;
- to reflect upon these experiences, keeping in mind Community guidelines for the 2000-2006 IIIB programme period, experiences from other IIC and IIIB programmes, and available knowledge of the situation in the region in question;
- to improve strategy, SWOT, objectives, monitoring and evaluation, and in particular:
- to consider whether the strategy of the new programme is appropriate for a programme consistent with the Guidelines of the Community Initiative Interreg for 2000 - 2006 IIIB, and for addressing the key issues confronting the area. In addition, emphasis has been put on appraisal of the Added Value of Intervention and appraisal of Implementation Procedures as defined in the Commission's guidelines on evaluation.

As defined in the terms of reference given by the preparatory group in the letter dated 15 March 2000, the ex-ante evaluation has several objectives:

- to assess whether the overall Programme is an appropriate means for addressing the issues confronting the area. In this context, the lessons of past experience are a key element of the ex-ante process;
- to assess whether the Programme has well defined strategic axes, priorities and objectives and if it reflects an informed opinion as to whether these are relevant and can actually be achieved;

- to contribute to the quantification of objectives and the establishment of a basis for both monitoring and future evaluation work;
- to analyse the adequacy of the implementation and monitoring arrangements and help design project selection procedures and criteria.

The Commission aims to carry out a thorough analysis, notably at the level of the plan, before the finalisation of the Programme. The ex-ante evaluation will provide important inputs to this overall analysis.

The assignment of the ex-ante evaluation is to produce a written report including the following issues:

- an analysis of the previous programme,
- a brief analysis of strengths, weaknesses and potential of the area,
- an assessment of the rationale and consistency of the programme,
- a quantification of the programme,
- an analysis of expected impacts and policy justification, and
- an analysis of the quality and appropriateness of the implementation and monitoring arrangements.

This set of tasks is followed in this written final report.

This report is based on the preparatory work and the draft programme document, dated September 2000. We are aware that an editorial committee is still working on the document, and that the final version may differ from the one referred to in this report

The evaluation team consisted of Johnny Didriksen and Marita Jakola Skansen from Barlindhaug AS, Norway, and Merja Kokkonen from Nordregio, Sweden. The evaluation began in April 2000 and was completed in October 2000.

## **2. Experiences from former co-operation in the Northern Periphery area**

### **2.1 Nordic-Scottish co-operation**

The Nordic-Scottish co-operation started formally 1994. It has focused on a number of selected sectoral themes, namely IT, forestry, university networking and SME development. This co-operation formed the basis for a Northern Periphery Programme (NPP) that was accepted by the European Commission under the pilot action Article 10 programme in 1997. The themes of the former co-operation initiative have influenced the projects financed during the Article 10 programme, as many of the project networks were based on earlier co-operation. However, the EU regulations for Article 10 and negotiations with Commission determined the aims and content of Northern Periphery

programme. Thus it has had a different scope and is focused on three sub-actions: service provision, business development and exchange of good practises and knowledge. The geographical area has also been more limited.

The overall result of the Scottish-Nordic co-operation has been to produce a series of pilot actions and exchange of experience. This was also the expected result, because it was an acknowledged fact that the geographical area of co-operation is vast and lacked traditional networks of long standing.

## **2.2 Article 10**

The Northern Periphery Programme, Article 10 is the predecessor of the proposed INTERREG III B programme. The programme covered regions in the northern parts of Finland, Scotland, Sweden and Norway and lasted from the end of 1997 to the end of 1999. Most of the projects are still running. Since this programme has not been evaluated before it was deemed advisable to carry out a brief analysis as part of the ex-ante evaluation. In accordance with an understanding reached with the Preparatory Group, the evaluation focuses mainly on the organisation and implementation of the programme. In the following section we will highlight the major conclusions in regard to those issues; the evaluation report itself is annexed.

The Article 10 programme has had a running time of approximately two years and a total budget of 13.33 mill. Euro. It is divided into three different sub-actions and has large ambitions on the programme level to produce new and general knowledge about the special features of the northern periphery. The Article 10 programme established a new co-operative area with few existing networks and relatively little attention was paid to co-operation throughout the entire area. The programme has managed to cover all sub-actions with individual projects and most of them involve partners from regions in all four countries. The overall conclusion of the evaluation is that the Article 10 programme has effectively paved the way for a larger INTERREG III programme.

### **2.2.1 Management**

The Article 10 programme had a structure characterised by low complexity and a small number of permanent bodies:

- the Programme Monitoring Committee (PMC), combining monitoring, decision-making and steering functions;
- the joint programme secretariat, which handled all administrative functions at programme level;
- National, Regional Advisory Groups (NRAG), giving recommendations on project applications and acting as a resource base for the programme within each country;
- an NRAG secretary, preparing the work in the NRAGs.

In addition, a Management group was set up midway through the programme to assist the programme secretariat.

The structure includes few permanent bodies, it is easy to gain an overview of and in that sense it is not complex. However, keeping the number of bodies low has been achieved by assigning several function to each body. This is most evident in the case of the PMC. As the report points, it can be difficult to combine different roles and perform different functions effectively; as a result some may be handled less effectively. This is not necessarily a consequence of explicit priorities but can come as a result of the fact that some functions and needs are more compelling than others. Monitoring, reporting to the Commission and decisions on funding will, by their nature, get priority. Actions which could be characterised as proactive, however are not nearly as demanding. On the other hand, there are a number of positive effect resulting from keeping the number of bodies low.

Another aspect of the Article 10 programme organisation was the involvement of 55 different people in each decision on project funding. An application was “scanned” by the programme secretariat, then handled in each NRAG (comprised of from 6 to 18 people). Following this, it was prepared by the programme secretariat and finally decided upon by the PMC. All applications had to pass the PMC, even though recommended by all NRAGs.

The evaluation report pointed at the administrative resources as the main point for improvement. The joint programme secretariat had a permanent staff of two persons in the first half of the programme period and only one full-time employee in the second half. It was pointed out that these resources seemed a bit too meagre for handling the day-to-day administration of a trans-national programme. The importance of effective administration will be even greater in the INTERREG programme, with two new partner countries and an enlarged programme area with large internal distances.

### **2.2.2 Implementation**

The Northern Periphery Programme, Article 10 is, from the evaluators’ point of view, a very ambitious programme. The programme is divided into three sub-actions and the goal is to launch projects related to the special features of the Northern Periphery in all three of them. However, there are also considerable ambitions at programme level:

*“A substantial share of the total programme budget is earmarked for evaluation and documentation. This fact relates to the main theme of the programme: the participating countries believe that shared conditions have not in any systematic way resulted in shared experiences. To be able to compensate this, one will have to provide comprehensive documentation of both already established well working solutions and results from the testing of new ideas and less well known solutions.”*  
(Northern Periphery Programme, Article 10)

The evaluation shows that the available funds have been “invested” and that all three sub-actions are covered by projects. However the goals at programme level have not been accomplished to the same degree. The evaluation report points out two possible explanations for this. One is that time has limited the programme’s chances to start projects or take initiatives in this field. All projects except one are still running, consequently it is difficult to relate and compare the results of each project with those of other projects, carry out evaluation, collect documentation, etc. The other explanation is that the Article 10 programme has emphasised incoming applications and has to a lesser degree defined projects. While the goals under each sub-action can be achieved by processing incoming applications and implementing their projects, the goals and the issues defined on programme level are less likely to be achieved in such a manner. These require programme initiatives - in the form of conferences, ordered evaluations, tenders on defined topics, etc. The report recommends continuing the ambitions on programme level into the next programme period because this is a more appropriate framework for their accomplishment. It also recommends increasing the use of ad hoc committees for this purpose, so that the PMC can maintain a clearer decision-making and monitoring function.

On the implementing side the Article 10 programme introduced a new mechanism, namely the concept of micro projects. This means that people or institutions who have a project idea and a potential partner in another country can receive limited financial support for seeking partners, developing the project idea, covering travel expenses, etc. These applications were processed quickly, with the aim of producing standard project applications of a higher quality. This concept was introduced midway through the programme period as a response to some of the characteristics of the Northern Periphery programme area. Trans-national co-operation did not have a long history in the programme area and the number of existing networks were limited. The number of inhabitants are relatively low, the commercial structure dominated by SMEs, the internal distances are large and travel expenses are substantial.

Key figures for micro projects (MPs) are shown in the table below.

Number of MP applications	34
Number of approved MP applications	27
Main project applications after MPs	17
Approved main project applications	10
Rejected main project applications	7

27 micro project applications were approved, which led to 17 applications for a main project. 10 out of the 17 main project applications were approved. Nearly 30% of the approved projects in the Northern Periphery Programme started as a micro project.

The most frequent explanation from those who did not succeed in applying for a main project refers to time limitations. Preparation, seeking partners, arranging matching funding, etc. took more time than expected. This indicates that the instrument would have been even more successful if it had been introduced earlier or if the programme period had lasted longer. One should bear in mind that the Article 10 programme only had approximately two years of effective running time.

The evaluation regards the concept of micro projects as an adaptation of general regulations to regional conditions and an adequate response to the special features of the Northern Periphery. It is recommended that the concept be incorporated in the succeeding programme.

### **2.3 Other Interreg programmes and co-operation schemes in the region and the adjacent areas**

There have been several other Interreg programmes in the region and its adjacent areas. These are presented in the table below.

**Table 1. INTERREG and Article 10 programmes in the programme area 1994-99**

2.3.1.1.1 Programme region	Programme time	States involved	Location of secretariat	Priorities of action	EU total	Programme total, mill Euro*
Northern Periphery Article 10	1997-1999	Scotland, Finland, Sweden, Norway	Oulu, Finland	Find new solutions to provision of services and business development	5.0	13.3
Barents INTERREG IIA	1995-1999	Finland, Sweden, Norway, Russia	Rovaniemi, Finland	Improve co-operation in the area by enhancing social and economic development and internal integration	10.5	36.0
North Calotte INTERREG IIA	1995-1999	Finland, Sweden, Norway	Rovaniemi, Finland	Development of local economy, logistics, infrastructure, competitiveness and improvement of economic and cultural conditions of Sami people	12.2	41.5
North Sea Region INTERREG IIC	1997-1999	Denmark, Sweden, Norway, UK, Germany, Netherlands	Viborg, Denmark	Urban and regional systems, transport and communications, natural resources and cultural heritage	14.5	34.5
Karelia INTERREG IIA	1995-1999	Finland, Russia	Rotating between regional councils in Finland	Development of business, knowledge and competence, regional co-operation, connections and border activities, and improvement of environment	13.9	31.8
Kvarken-MittSkandia INTERREG IIA	1995-1999	Finland, Sweden, Norway	Vasa, Finland	Development of communications (esp. retaining ferry connection), tourism, cultural activities, improvement of competitiveness, employment, economic co-operations, environment and rural areas	6.6	16.9
Nordic Green Belt INTERREG IIA	1995-1999	Sweden, Norway	Östersund, Sweden	development of employment opportunities, knowledge and competence; enhancing cultural and economic co-operation in Sami regions	5.5	26.1
Baltic Sea Region INTERREG IIC	1997-1999	Denmark, Finland, Sweden, Germany, Norway, Estonia, Latvia, Lithuania, Belarus, Poland, Russia	Rostock, Germany	Continuing and intensifying VASAB co-operation; economic and social cohesion, sustainable development and a balanced spatial structure	25.0	49.6
Total costs					93.2	249.7

- \* Total Programme Costs are costs for EU Member States and Norway. Source: Kokkonen 2000

Several of the Interreg programmes are based on co-operation between the Nordic countries. The Nordic countries have a long tradition of cross-border co-operation, the oldest efforts dating back more than thirty years. The initial year of formal Nordic cross-border co-operation was 1972. After that, in 1979, an agreement on co-operation between local communities across the Nordic national frontiers came into force. This has been an important basis for regional cross-border actions. Traditional fields of co-operation have included agriculture, environmental protection, medical care, transport and tourism. Co-operation has been partly financed by the Nordic Council of Ministers, partly through the contributions of local and regional actors. After Finland and Sweden joined the European Union, many of these same cross-border regions were designated as Interreg programme areas. At the same time there has been some restructuring of the regional divisions as compared to the former co-operation. By becoming Interreg programmes the regions involved have been able to increase the budget for co-operation by as much as 200 to 500 percent.

Co-operation with northwestern Russia within Interreg II A Barents also has roots in a former initiative, the Barents Euro-Arctic Co-operation, BEAR. The geographical area of BEAR, and the content of this co-operation differ from that of the Interreg programme. In the Northern Potential project area there is also another Interreg programme targeting Russia, the Interreg II A Karelia. Although there have not been any former corporation programmes as such, informal cross border co-operation started very soon after the borders were opened at the beginning of 1990s.

Co-operation with northwestern Russia has its special problems. One main obstacle for practical co-operation is the difficulty of obtaining matching funding, but there are also a great number of other problems caused by different political and administrative cultures, languages, and socio-economic circumstances. The Interreg programmes have opened up totally new possibilities of co-operation with Russia. They have restructured co-operation in terms of resources and in territorial focus. But, it must be admitted that in Interreg programmes the focus is on western side, as the EU financing can be used only in the Member State or States involved. In BEAR co-operation, for instance, the emphasis was the opposite. Thus there is a serious co-financing problem which has not been solved by the TACIS CBC programme because the co-ordination of these programmes does not work well enough. In general, the Interreg programme does not function as well on the EU external borders like that shared with Russia.

There are also a number of large trans-national initiatives in the Northern Potential project area. These initiatives are based on intergovernmental agreements such as the BEAR programme already mentioned. Co-operation in the Baltic Sea region has developed gradually since the 1970s with a focus on environmental issues in the Baltic Sea area. This co-operation intensified at the beginning of the 1990s. The ministerial forum for co-operation, the Council of Baltic Sea States (CBSS), was established and finally a part of the region was designated as an Interreg II C Baltic programme area and will now continue as Interreg IIIB programme area. The CBSS has enlarged the area of co-operation to several fields of common interest, while the Interreg programme has focused on spatial planning.

The Arctic Council is, on the contrary, clearly focused on the sustainable development of the region. It is geographically very large, with eight arctic states as its members. The CBSS and Arctic Council differ the most widely from the other co-operation initiatives described here, as they are mainly intergovernmental policy forums that aim at defining common strategies and actions in fields of common interests.

The Northern Forum also operates in a wide area including Northern areas of Europe, Asia and America. In contrast to the CBSS or Arctic Council it is an interregional organisation. Its main fields of activity are related to projects on resource management.

### **3. SWOT-analysis**

The evaluators carried out, as part of the ex-ante assessment, a draft version of SWOT analysis. It was partly based on the vision report that was produced in the project “The Common Potential in Northernmost Europe”.

The function of the analysis is to provide a clearer picture of structural aspects of the programme area. The analysis should serve as background and provide guidelines for the Programming Group. The main issues that the evaluation team pointed out were:

- The focus of the SWOT analysis is the programme area as a whole. In characterising it, emphasis is placed on identifying dimensions where the entire area has common denominators, but it is also important to describe characteristics that are common to or shared by some parts of the area. In this particular case the analysis must be carried out at a relatively high level of generality, which means that there will be plenty of underlying variation that it is unable to adequately illustrate. The SWOT analysis of the Northern Periphery area as a whole will probably not serve as a good description of the single regions included, and each region will be able to identify a larger number of strengths and opportunities of its own than what is shown in this report. SWOT will thus focus, as much as possible, on characteristics that are relevant for NP IIIB programme strategies and priorities.

- Differences between the regions involved are more of a limitation for the SWOT-analysis than for a new INTERREG programme. Differences can be just as good a basis for co-operation as similarities, as long as the programme recognises and addresses this.

- Technically, a SWOT analysis can easily bring forth strengths, weaknesses, opportunities and threats in sub-areas, all of which can be beneficial. The main use of SWOT analyses in general is to be used directly, as bases for development strategies. In such case, its value is to lead us directly to the priorities of the program, i.e. the priorities are deduced from the results of the SWOT analysis. The SWOT must then highlight all relevant features that call for co-operation. As the area is highly heterogeneous, the strengths, weaknesses, opportunities and threats of sub-areas may lead to priorities, even if these characteristics are not shared by the whole area. There is room for many diverse

projects within the programme, and they may well be on a sub-area basis, or at least more relevant for some sub-areas than others. As a conclusion, some attention should be given to special characteristics of sub-areas, even if the main focus is on the area as a whole.

The preparatory group of the Northern Periphery Interreg IIIB programme has taken these comments into account and the SWOT analysis of the programme is based extensively on the draft that was formulated by the evaluators. The SWOT analysis delivered by the evaluators was discussed in several meetings of the preparatory group and in the sub-groups. As such, the document served as a basis for fruitful discussions about characteristics of the programme area and contributed to a higher degree of shared understanding of the area that is expressed in the programme's SWOT analysis.

The SWOT analysis report is annexed.

## 4. Consistency with community policies

As stated in the Commission guidelines (2000/C 143/08) the trans-national co-operation proposal should build on the experience of the previous programme period and take into account Community policy priorities, such as TENs and development of ESDP. Furthermore, the Guidelines emphasise certain horizontal objectives, especially sustainable development and equal opportunities.

### 4.1 ESDP

The Ministers responsible for Spatial Planning in the Member States of the European Union and the European Commissioner responsible for Regional Policy adopted in May 1999 the European Spatial Development Perspective (ESDP). This was not only an important step in the progress toward European integration, but it also manifested the aim of spatial development policies, to work toward a balanced and sustainable development of the territory of the European Union.

This aim is further specified by three spatial development guidelines:

- Development of a *polycentric and balanced urban system* and strengthening of the *partnership between urban and rural areas*. This involves overcoming the outdated dualism between city and countryside.
- Promotion of *integrated transport and communication* concepts which support the polycentric development of the EU territory and are an important precondition for enabling European cities and regions to pursue their integration into EMU. Parity of *access to infrastructure and knowledge* should be realised gradually. Regionally adapted solutions must be found for this.
- Development and conservation of the *natural and the cultural heritage* through wise management. This contributes both to the preservation and deepening of regional identities and the maintenance of the natural and

cultural heritage diversity of the regions and cities of the EU in the age of globalisation.

Trans-national co-operation is an important element in the application of the ESDP. The innovative approach of INTERREG IIC, to integrate spatial development policy at a trans-national level, has been especially highlighted in the ESDP discussion. For INTERREG III, seven key tasks are proposed in the ESDP document:

- retention of suitable co-operation areas and the further development of *common trans-national administrative, financing and management structures* for programmes and projects;
- more intensive *co-operation of regional and local authorities* in decision-making processes and programme implementation;
- further promotion of *spatially integrated projects*, taking into account sectoral policy issues, in order to ensure synergy;
- *removal of legal obstacles* in the Member States which hamper cross-border and trans-national co-ordination for spatially significant plans and measures;
- use of the projects for the *preparation of investment measures* and for the further development of *instruments of spatial development*, in particular cross-border territorial impact assessment;
- support of co-operation with *neighbouring non-Member States*, in particular with Central and Eastern European states as with Cyprus, to prepare them for accession to the EU, and with countries bordering the Mediterranean;
- *evaluation of the results* of trans-national co-operation, within the framework of INTERREG and ERDF Article 10, *against the background of the ESDP*, by the responsible bodies of the EU and the Member States.

All these tasks have been taken into account in the new Northern Periphery programme document, as far as they are considered relevant. Although the region does not have common borders with accession countries, the enlargement of the area to cover new neighbouring areas (the Faroe Islands, and Greenland) brings new elements to the co-operation. The spatial development policy of the EU must as a rule extend beyond the territory of the Member States, considering the perspectives of the neighbouring countries and including these countries through co-operation.

The contribution of INTERREG IIIB to the development of ESDP is in general to advance and operationalise the spatial guidelines of the ESDP.

The priorities and measures of the CIP reflect the guidelines of the Interreg IIIB and thus also support ESDP. The aspect of urban-rural partnership, however, is not as strongly emphasised in the programme as it is in the ESDP, presumably due to the settlement structure of the Northern Periphery region. Priority 3, Community Development is thus focused mainly on rural development.

## **4.2 TEN**

The Trans-European Network has been a leading project of the European Commission to further integration by improving networks in the fields of transport, communication and energy. For instance, the trans-European transport network TETN has been aimed at linking peripheral areas with central areas of the Community.

In the future, the EU will continue to prioritise development of the TEN network. However, this does not solve the problems of the vast and geographically unintegrated Northern Periphery region. In the ESDP document linkages between TEN and secondary networks have been recommended. INTERREG IIIB can support the development and improvement of such intermodal secondary networks.

Transport and communication have been given priority in the programme as they are seen as a key issue in the region due to the difficult geography. Communication and transport are connected to each other, as the former can to some extent compensate for the latter. In general transportation and communication are of great importance for increasing integration inside the region as well as improving connections to adjacent regions. A special focus should be put on connecting the maritime and insular parts of the programme area to transport corridors and secondary networks.

## **4.3 Northern Dimension**

The Northern Dimension is an EU initiative that has earned specific consideration in the IIIB document. The Northern Dimension covers almost the entire IR IIIB region – with the exception of Scotland and its islands and Greenland. The aim is to provide added value through reinforced co-ordination and complementarity in EU and Member States' programmes and enhance collaboration between the countries of Northern Europe. As the Northern Dimension is not a financing programme, the Action plan of Northern Dimension will have to be implemented by other financing instruments, such as INTERREG III programmes. The perspectives of Northern Dimension have influenced the programming procedure and the programme will keep its door open for co-operation at the project level.

## **4.4 Sustainable development**

The question of sustainability has to be an underlying and integrated aspect of the programme and not be reduced to certain measures. Each priority and measure should contribute to achieving the aims of sustainable development mentioned in the Community guidelines. As the measures are designed at the moment, they give various opportunities for projects focusing on environmental issues. However, sustainability is taken as a horizontal objective in the programme and each project will be valued on basis of criteria securing compliance with the intentions expressed by the concept of sustainable development. It is also pointed out that sustainability includes not only environmental aspect but also economic and social ones.

## 4.5 Equal Opportunities

Ensuring equal opportunities for men and women has been taken as another horizontal (or third, one being Documentation and exchange of experience) objective in the programme document. Equal opportunities as a concept is also widened to include different geographical groups, as well as the cultural and ethnic groups which characterize the Northern Periphery region, bringing new opportunities for co-operation.

It is also stated that the gender imbalance in the region underlines the need for a particular focus on this subject. The experience of certain projects from the Article 10 programme period can be use in selecting new projects. Enhancing equal opportunities will be one of the project selection criteria.

There has also been discussion on having gender balance at the programme management. Thus far, in the preparatory group gender equality has been implemented relatively well in the programme preparatory group.

## 4.6 Conclusions

Consistency with Community policies, as defined in the Commission Interreg III guidelines, is well taken into account in the programme document. Key issues of the ESDP process have been included in its priorities and measures, and transport networks are set as a priority to improve integration of the area. Sustainable development and equal opportunities – defined very broadly – are taken as horizontal goals in the programme and will be used as key selection criteria for project approval. The perspectives of the Northern Dimension initiative have been taken into consideration in preparing the programme and IR IIIB is considered as a possible tool for implementation of this initiative.

# 5. Structure and consistency of the IR III B programme

## 5.1 Internal consistency, visions and objectives, priorities and measures:

### 5.1.1 A brief presentation

The vision of the Northern Periphery Programme Area of *prosperous, inclusive and self sustaining communities – with distinctive cultures, traditions and environments – is*

*enhanced, and their contribution to the attainment of European objectives reinforced by trans-national partnerships and co-operation.*

Based on this vision, the overall objective of this programme is through co-operation to seek *creative ways of improving the functionality and maximising the potential of the Northern periphery for the well-being of local communities and the attainment of international objectives, whilst seeking to overcome the permanent disadvantages presented by harsh climate, long distances, difficult topography and sparse population.*

The following are the horizontal measures and aims of the programme:

*1. Documentation and exchange of experience at programme level*

The overall intention is to develop and exchange knowledge about solutions that have been demonstrated to work well for sustainable business activities, service provision and spatial and environmental planning, especially adjusted to and suited for the conditions of the Northern Periphery.

*2. Sustainable development*

Each project will be valued on the basis of criteria securing compliance with the intentions expressed by the concept of sustainable development.

*3. Equal opportunities*

Each project will be assessed in relation to the further enhancement of equal opportunities related to gender, age and cultural/ethnic participation.

On a more operational level, the programme operates with the concepts strategic themes, priorities of action and co-operative strategies. The strategic themes have emerged from the SWOT analysis; they are shared by all regions due to commonalities. Based on the common strategic themes, three priorities for action are proposed. The three co-operative strategies are developed to carry on the positive experience of working together in the Article 10 programme and the well-established tradition for co-operation between the Nordic regions. The following table gives an illustrative picture of how the strategic themes, priorities for action and the co-operative strategies are related to each other:

<b>Strategic themes:</b>	The need to improve the competitiveness of regions, particularly through the introduction of measures which will offset the disadvantage of peripherality and population sparsity		To fully recognise and exploit the human and natural resources available, particularly those which are unique to the area, such as the cultural and natural heritage and cold climate expertise and knowledge		To sustain our communities, many of which are experiencing difficulty in retaining people and services	
<i>Priorities for action:</i>	<b>1</b> Transport and access to the information society		<b>2</b> Sustainable exploitation of resources and business development		<b>3</b> Community development	
<i>Measures:</i>	<b>1.1</b> Transportation, logistics and transport infrastructure	<b>1.2</b> Access to information society	<b>2.1</b> Sustainable use of nature and natural resources	<b>2.2</b> Business innovation and development of human resources	<b>3.1</b> Household-related service provision	<b>3.2</b> Public management and spatial planning
<b>Co-operative strategies:</b>						
<b>A</b> To solve common problems or utilise opportunities						
<b>B</b> To carry out joint innovative activities and linked research						
<b>C</b> For interactive learning and exchange of experience and good practice						

According to the program document it is important to emphasise that all of the three co-operative strategies apply to each priority and measure. A single project may combine foci from more than one of the priorities, and combine two or three strategies, thus covering more than one cell in the table.

### 5.1.2 Internal consistency between the objectives, the priorities and measures

As stated in the programme document, *a wide range of actions stretching over many years will be required to attain this vision*. With regard to previous experience from trans-national co-operation, especially between the Nordic countries, the INTERREG III B program will further this experience in a positive manner, and through co-operation seek to approach the vision.

The overall objective of the programme is of an all-including character, within which many different strategies could be developed. Based on the SWOT analysis the

programme has, however, focused on three strategic themes which are general and common to the actual regions. The strategic themes are concentrated on the need to improve competitiveness, the need to recognise and exploit available resources, and the need to sustain the communities. To meet these main challenges of the northern periphery area three priorities of action have been developed. The focus is put on infrastructure, sustainable exploitation and community development. On the operational level each of these are connected to relevant measures.

Based on these elements the programme has a logical structure where the measures on the lower level are linked to the priorities, and thus closely connected to the overall objective expressed in the programme document. We find that the overall structure of the Northern Periphery programme is consistent with the Commission's guidelines for INTERREG III.

When reading the programme document it is important to be aware of the function of the examples of possible project themes listed under each measure. As we see them, these examples are more than just merely illustrations. As illustrative project themes they are expressed more specifically than the rest of the text and are thus of more help in understanding the general parts of the programme document. The examples are interpretations of the programme document and, as such, of importance for understanding it. Furthermore, it is through these examples that the programme document is most closely and most clearly linked to the INTERREG guidelines and Community policies such as ESDP and TEN.

### **5.1.3 Comments**

The three priorities for action are said to be given equal weighting, i.e. there is no internal priority difference between P1 (Transport and access to the information society), P2 (Sustainable exploitation of resources and business development) and P3 (Community development). We have, however, in this programming process experienced a distribution of funds, that in practice constitutes a ranking between priorities in the following order:

1. Priority 2: 40%
2. Priority 3: 30%
3. Priority 1: 23%
4. Priority 4: 7% (Technical Assistance)

The combination of the chosen priorities and the distribution of funds gives the Northern Periphery programme a clear focus, and it thus meets the requirements set out in the INTERREG guidelines, Article 14. However, it is important to bear in mind that this programme document shall be valid for the next six years, which limits how specific it can be. Consequently, this strengthens the role and function of the Programme Complement.

To allocate 7% of the funds to Technical Assistance is a sizeable deviation from the norm, which is 5%. However, we do recognise the arguments that the size and structure of the programme area makes the running of a programme more costly than what one can expect from a programme in other parts of Europe.

Based on previous experience, the special focus on resources and business innovation demands a kind of pro-active approach where the initiative and facilitation is taken by the programme bodies.

**The ethnic dimension** was discussed earlier in Chapter 3 where the indigenous groups are described as an “*important advantage of the area*”. This is mainly because they represent important cultural heritage. But in the presentation of objectives and priorities they are more or less invisible. It should be a point for general discussion whether the ethnic dimension is to be integrated or segregated in the program document. In this actual document none of these views are expressed explicitly, which may cause a degree of uncertainty among both the indigenous groups and the potential project actors. Consequently we recommend that these issues be treated explicitly in the Programme Complement and in relevant supplementary documents.

## 5.2 Management structure

This report is based on the draft programme document version 05, dated September 2000. We are aware of that the work on the management structure is still going on and that some further changes may be made.

The draft proposes a joint programme management structure performing the functions of the Management Authority, Paying Authority and Joint Programme Secretariat. The following bodies are proposed:

**Programme Monitoring Committee (PMC)**, performing both the tasks of steering and monitoring. PMC will have a limited number of representatives from national and regional level in the participating countries. NORA (North Atlantic Regional Association) will have an observer in the PMC. The Commission is also invited to participate in an advisory capacity.

**Joint programme secretariat**, that will assist the PMC in all relevant matters related to implementation and running of the programme.

**National Regional Advisory Groups (NRAGs)** will be set up in each of the participating countries. NRAGs will be comprised of different actors at regional and local level and they can vary in composition and size. The NRAGs will assess all project applications and make recommendations on funding. They will also promote and facilitate new projects.

**NRAG secretary** will support each NRAG in performing their duties.

Relevant articles in General regulations and Guidelines for INTERREG III are listed in the programme document. Our overall judgement is that the proposed management structure is in line with and acceptable according to present regulations. Although the

NRAGs cannot be deduced directly from the guidelines, we find this structure of regional involvement fully in line with the spirit of the guidelines.

The Nordic Council of Ministers' Secretariat in Copenhagen will act as host for the Joint Programme Secretariat. The location for the programme secretariat has been disputed during the programming process. The ex-ante evaluators are aware of the practical, principal and symbolic arguments that can be raised for locating the secretariat inside or outside the programme area. We have not made any recommendations on this point, since we have not been able to determine that the regulations and guidelines actually preclude a location outside the programme area. A large majority of the participating countries and regions, after considering all arguments, has concluded that Copenhagen is the best location in this particular case. The ex-ante evaluators have no further comments to make on that.

The management structure which is proposed for the INTERREG programme is basically the same as the one which was used in the Article 10 programme and is based on the experiences from that programme. The general conclusion from the evaluation of the Article 10 programme confirms that the structure works satisfactory. The report pointed out two elements for possible improvement. One was to make more use of ad hoc committees to increase the capacity and prevent overloading of the PMC. The other was to increase the administrative resources in the Joint programme secretariat. Both elements will be of increased importance when the programme area is enlarged. The attempt to respond to both of these recommendations is visible in the draft programme document.

If the partners from the Article 10 programme maintain the size of their NRAGs the introduction of two new partners will bring the number of people involved in each decision on project funding to between 70 and 100. This has been made clear during the programming process and the proposal is based on full information. The argument for such presented by the Preparatory Group was that involving a substantial number of people was a way of getting the programme rooted in the regions, as well as being a method for regional mobilisation. The ex-ante evaluators support this approach and feel that involving a large number of people is not a problem but rather an asset to the programme. However, it should be pointed out that there needs to be a balance between the usefulness of broad involvement, on the one hand, and the extra time it takes to produce a decision, on the other. The INTERREG programme has to respond to the applicants within a reasonable time, consequently we would like to encourage the new PMC to seek possibilities for delegation and other ways for shortening the time for processing of applications without a reduction in involvement.

The proposed management structure is based on experience and the overall conclusion, from the ex-ante evaluators' side, is that it is appropriate and is likely to perform well also in a new programme with an expanded programme area. The critical point is not the management structure in itself but its capacity. How well the structure performs will, to a large degree, depend on the financial and human resources of the Joint programme secretariat and the NRAGs secretariats. To make this management structure perform well sufficient resources are needed to meet external factors, such as long distances within the programme area causing high travel expenses (both time and money) and heavy demands

for information and assistance. Internal demands from the PMC and the NRAGs also have to be met. The first major challenge the Northern Periphery Programme INTERREG III B will face will be to make the secretariats functioning well trans-national organisations.

## 6. Indicators and selection criterias

Indicators have been left to the programme complement and thus cannot be evaluated in the ex-ante report in detail. Some general remarks can be made on the basis of evaluation methodology and experience from former Interreg programmes and the Article 10 period.

In general, programme indicators form an essential part of the monitoring system to analyse the contribution of resources used as intervention inputs towards the effectiveness of the entire intervention. Moreover, indicators form the basic data for assessing a programme comprised of several interventions with regard to its expected outcomes as a true learning system. Thus, programme indicators have several functions. They can be used *externally*, to monitor the success and capacity of the programme itself. They can also be used *internally*, to analyse the advancements achieved through the interventions – and to adjust the interventions based on the indicators. To fulfil the requirements of both of the above-mentioned perspectives requires that the construction of indicators be included as part of programme design.

To be able to ensure optimal use of indicators, there is, first of all, a need to develop suitable indicator content and then apply the selected indicators actively and effectively in the monitoring and evaluation process.

The new period of INTERREG IIIB presents good preconditions for improving the indicators used for evaluation and monitoring for two reasons: 1) there is experience from the previous period, and 2) the new six-year period enables the definition of indicators that measure:

- a) concrete results (products, such as number of jobs),
- b) identifiable outputs (e.g. how many persons took part in educational initiatives),
- c) other impacts, such as changes in methods or knowledge, sustainable outcomes,
- d) benefits to the whole programme and the programme area (global impact).

Programme operators are responsible for measures a) to c), while external evaluation should cover all these issues. Even though, in ex-ante evaluation, proposed indicators are always in reality more-or-less speculation, that does not make them unusable in programme implementation.

For purposes of selecting monitoring and evaluation indicators a practical framework that can be used for defining could be indicators that measure

- a) resources,
- b) outputs,
- c) concrete results,
- d) impacts.

One problem with the previous period was that the indicators used measured primarily identifiable inputs, or concrete results, where and if such had emerged. INTERREG IIC and Article 10 were programmes from which few very concrete results (such as investments) could be expected. It has been, first and foremost, a learning process. But even the learning has been relatively poorly measured, although it was mentioned as an outcome. Hopefully, IIIB, with a longer time period and a slightly different emphasis in content, will be able to result in more concrete benefits to the programme area. Keeping this in mind, it would be useful to create a list of indicators that would describe and measure all these different aspects of project impacts. Orientation towards decision-making, such as political agreements resulting from projects, could be reflected in the indicator system.

The following table provides a few ideas of possible indicators for priorities 1-3. It should be emphasised that, although it is possible to find some quantitative indicators for almost all projects, qualitative evaluation is also needed. A longer programme should also give improved opportunity to put more weight on project evaluation.

Table 3. Examples of indicators by priorities

<b>Priority</b>	<b>Resources</b>	<b>Outputs</b>	<b>Results</b>	<b>Impacts</b>
1. Transport and access to information society	Cost of the project /human resources needed for implementation	Number of plans, seminars, networks, action initiatives and studies	Exchange of experience, establishment of new traffic or IT services	Number of countries and partners involved, projects leading to investments, reduction in travel time and improved convenience of travel, increase in IT know-how leading to business development
2. Sustainable exploitation of resources and business development	Cost of the project /human resources needed for implementation	Number of marketing initiatives, networks and studies	Number of entrepreneurs participating training, number of co-operation agreements and joint ventures	Number of enterprises having finally benefited from the project; increase in the value of export, increase in quality tourism, reduction in pollutants
3. Community development	Cost of the project /human resources needed for implementation	Number of studies, action initiatives, networks, joint events	New methods for community development, number of residents participating to events	Projects leading to investments; number of partners and countries involved, better mutual understanding and knowledge of each other

Indicators are also connected to project selection criteria, as they can be used as part of a checklist when projects are selected – and vice versa, several selection criteria topics can be directly used as indicators. For instance, for measuring the global impact of a project one can use a basic eligibility criteria of trans- nationality: how many countries and partners are included in the project.

## **7. Evaluation as a part of the programming process**

### **7.1 Organisation of the programming process**

The programme initiative was initially taken by the partners of the Article 10 Northern Periphery Programme, through their present members of the Programme Monitoring Committee. The PMC was established as a Preparatory Group of the succeeding programme initiative, and has eventually been supplemented by representatives of the new partners Greenland and the Faroe Islands.

A working group (WP1), comprised of members of the Preparatory Group and other regional representatives, was established to consider the content of the new programme and to report to the Preparatory Group.

Another working group (WP2), comprised of the members of the Preparatory group who represent the national level, was set up to consider organisational and financial aspects of the new programme. This group also reports to the Preparatory Group in plenary.

There has been one secretary for the entire process who has worked closely with both groups and has compiled their contributions to drafts for a programme document.

After the last meeting in the Preparatory Group (26 September 2000) an editorial group was set up to make the final adjustments of the programme document.

Iceland took part in the preparatory process, both in WP1 and in the Preparatory Group, except for the last meeting. At that time, it was made clear that Iceland would not participate as a partner at the programme level.

The programming process started in April 2000 and was finalised in October. During this period WP1 held four meetings, WP2 held one meeting and the Preparatory Group held four meetings. Between the meetings extensive communication and exchange has taken place using both telephone and e-mail. By the end of September five different versions of the programme document had been produced, and this report is based on the latest version.

Each country's representatives have chosen relevant ways to present and discuss draft programme documents with important regional actors. Regional mobilisation conferences will be held in each of the participating countries during the first half of 2001.

## 7.2 The Ex-ante work

The company Barlindhaug AS and the institute Nordregio were appointed as ex-ante evaluators by the Preparatory Group at the start of the programming process (April 2000). The terms of reference for the work are presented in Chapter 1 of this report.

At least one representative of the evaluators has participated in all meetings in the Preparatory Group and in WP 1. We have received all written material that has been produced during the preparatory process and all the information needed to carry out the analysis.

The main strategy of the ex-ante work has been to be actively present, both in and between meetings. We have emphasised the process through a kind of “distanced participation” and have seen ourselves as informed discussion-partners, with the possibility of presenting second opinions on various questions. In practice we have been available for the secretary and the PG members between meetings for discussions. The secretary, in particular, has used this option to solicit our views on different parts of the programme at an early stage. In the meeting we have participated in the discussions on topics of major importance for the programme document. Consequently, we have given our opinions and recommendations on a large number of issues and tracing them all to their conclusion can be difficult. However, we see this way of working as more constructive in relation to the programming process, rather than taking a more distant, on-looker approach and delivering a number of reports after the drafts have been delivered.

In addition, the following interim reports have been produced:

- a SWOT analysis for the programme region;
- a brief evaluation of the Northern Periphery Programme, Article 10;
- comments to draft versions 02 and 05 of the programme document.

Both the SWOT analysis and the evaluation of the Article 10 programme were first presented as drafts for comments. They have been on the agenda at WP1 and PG meetings and as such have become integrated parts of the programming process.

## 7.3 Some recommendations

As already mentioned, due to the strategy of this work we have expressed a great number of views, opinions and recommendations. Some are of only minor interest and will not be listed in this context; others have been covered by the previous chapters in this report. In this section we limit the presentation to major and overall recommendations to the programme.

### 7.3.1 The programming process

When the first draft was produced we pointed out that Article 7 of Guidelines for IR III lays down the principles for developing programmes:

*“A wide partnership must be developed, including not only “institutional” partners from national, regional and local authorities, but also economic and social partners and other relevant competent bodies.....*

*Following a transparent policy phase, operations must allow the widest possible degree of participation by public and private actors.”*

Both the national and regional levels in all countries are well represented in the programming process, but it is less clear how “non-institutional partners” are to be involved. WP1 took notice of this and we were informed that the requirement of Article 7 will be fulfilled; however, the countries will choose different ways of doing this. A full presentation of 6 different national processes here would be too long, and our demand is reflected in the program document under the headline “The joint programming process”:

*“Each country's representatives have chosen relevant ways to present and discuss draft programme documents with important regional actors. Regional mobilisation conferences will be held in each of the participating countries during the first half of 2001.”*

Retrospectively, we would also like to reflect on the programming process and the way it has been organised and carried out. The draft for a new INTERREG programme is based on a joint trans-national process where both Member and non-Member States have participated actively. The work has been characterised by a large degree of common understanding of challenges and opportunities in the programme area. Discussions in the Preparatory Group and in the sub-groups have largely focused on different priorities and strategies, and there has been almost no conflict between the program partners.

As mentioned above, the work has been organised through two sub-groups with one common secretary and the PG as co-ordinators and decision-makers. The division of work between the two groups (WP1 and WP2) was not totally clear but this does not seem to have created a major problem. More difficulties have arisen from the fact that work in the two sub-groups follows a different progression. The parts of the programme document concerning organisation, implementation and financing could have been introduced earlier in the process, and more clearly examined in context with the strategic parts of the document. The programming process would have benefited from a parallel progression in the two working groups and consequently an earlier introduction of financial and implementing arrangements.

The only issue where the partners have clearly disagreed is on the location of the joint programme secretariat. It was clear already at the PG meeting in June that a majority of 5 countries preferred to have the secretariat located in Copenhagen. However it is not clear when the actual decision for the Copenhagen location was made. This vagueness, together with a rather lengthy process of investigating different practical options, kept the

disputed issue alive right up until the last meeting. We do recognise that questions like this are complicated and that it takes time to find practical solutions but still we believe that a firmer handling of the matter could have been possible.

### **7.3.2 Ambitions at programme level**

The evaluation of the Article 10 programme showed that this was a programme that wanted to accomplish a lot at the programme level. The programme had intentions of compiling knowledge of relevance for the entire region, highlighting the special features of the Northern Periphery. The evaluation indicated that these ambitions probably were too comprehensive in relation to the effective length of the programme period and available funds. The actions on programme level were considered important for the whole programme because they could integrate the results from individual projects and give a common direction to the different programme activities. The recommendation was not to desert those expressed ambitions but to integrate them into the INTERREG programme, which was considered as a more suitable framework than the Article 10 programme. This recommendation was given at a stage where the Preparatory Group had worked intensively on strategies and priorities and the programme document was dominated by a single project approach. As ex-ante evaluators we pointed out that the introduction of the programme-level ambitions expressed in the Article 10 programme, would add a integrative element to the new programme.

The recommendations were followed by the Preparatory Group and can be discerned both in the overall vision outlined for the project and in the horizontal measures.

### **7.3.3 Focus on insular and maritime regions**

In Annex IV to the guidelines for INTERREG III, Paragraph 4, special priority is given to promotion of integrated co-operation of maritime and insular regions. The ex-ante evaluators have, in their meetings with WP1, drawn attention to this paragraph and pointed out that this programme region to a large degree fits the special priority and that this should be reflected in the programme document. This has not been implemented for the general parts of the programme, but the recommendation has been taken into consideration in the project examples. As pointed out earlier in this report, we see these examples as interpretations of the programme, and not only as illustrations.

## **7.4 Concluding remarks**

As ex-ante evaluators we have followed the entire programming process closely. The draft programme document at hand has been produced through a series of meetings with participation from national and regional level in the involved countries. The entire process has been characterised by a very low level of disagreement and a high degree of common understanding and focus on shared opportunities and challenges. It is our view that the programme document addresses central dimensions of the Northern Periphery;

however, it should be borne in mind that some of these are permanent aspects of the area and cannot be changed through one programme period.

As ex-ante evaluators we have participated in the programming process, giving comments and views on the programme as it has evolved. The recommendations we have given have been followed and are reflected in the programme document.

Annex 1: SWOT analysis for the Northern Periphery area

Annex 2: A brief evaluation of the Northern Periphery Programme, Article 10

### **References**

Commission Européenne (2000). Ex Ante Evaluation of Interreg (Transnational Co-operation – Strand B). The New Programming Period 2000-2006: Methodological Working Papers, WP No 6 (part two) 25 July 2000.

Communication from the Commission to the Member States of 28 April 2000 (2000/C 143/08) laying down guidelines for a Community initiative concerning trans-European cooperation intended to encourage harmonious and balanced development of the European territory – Interreg III.

Kokkonen, Merja (eds) (2000). The Common Potential in Northernmost Europe. Nordregio Working Papers 2.