



**Interreg IIIB Northern Periphery Programme
Update of the Mid-term Evaluation**

**Final Report to
The NPP Managing Authority**

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Preface

This paper is the Final Report of the Update of the Mid-Term Evaluation of the Interreg IIB Northern Periphery Programme. The analysis focuses on an assessment of the efficiency, effectiveness and impact of the Programme on the basis of experience up to mid-2005 and the implications for the future, in the light of changes in the financial, regulatory and strategic environment with special emphasis on the main conclusions from the current Programme and lessons for next period.

The report is based on a variety of information sources: desk research, fieldwork research, telephone interviews, and an on-line questionnaire. In addition, the informal PMC meeting in Nairn, Scotland on 14-15 October 2005 provided the opportunity to get initial feedback on the results of the research and perspectives on the future of the Northern Periphery Programme.

The Update of the Mid-Term Evaluation has been undertaken by the European Policies Research Centre at the University of Strathclyde in Glasgow. The research team comprised of Professor John Bachtler, Nina Celina C. Quiogue and Rona Michie. The authors would like to thank the staff of the Joint Programme Secretariat and the Paying Authority, in particular Niclas Forsling and Leif Forsling, for their valuable assistance in helping the study to run smoothly.

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EXECUTIVE SUMMARY

The Programme has responded to all of the recommendations in the MTE. The result of actions has been an increase in the number of projects especially in Priority 3, a change in outlook for the JPS, and a new learning process between new and old project partners. The Programme is now close to complete commitment.

Targets at Programme level have almost been achieved. The projects with SME partners have the highest levels of achievement. Progress has been less positive in the number of main projects in Priority 1, indigenous people projects and micro projects. The horizontal targets for equal opportunities and the environment have been met, whilst the targets for transnationality remain to be achieved.

With respect to implementation, the PMC steers the Programme effectively but there is scope for more pro-active strategic management. Both Managing and Paying Authority functions are working effectively within the limitations of the resources available. The JPS performance has improved considerably despite insufficient resources. The main issue for the RCPs is their delivery of the required services and whether their activities should be standardised. For the RAGs, the key issue concerns their composition, which influences their ability to assess applications.

The Programme corresponds to the core elements of the Lisbon and Gothenburg agendas. This is shown through the focus of the priorities and the types of projects that can be funded under each measure. The Triple Helix and complex partnerships are a crucial element in achieving the overall objectives of the Programme but there have been some practical challenges. Most projects have at least three partner countries represented.

Looking to the future, there is a need for a clearer, common understanding of what the Programme is for and what it should achieve. The additional member countries/regions, and the scope for greater partnership with external partners, in the new Programme will also require different thinking about the design and management of the strategy.

There are further challenges in continuing to develop more effective strategic direction and management, potentially through an increase in the resourcing of the JPS. A second implementation issue is the need to achieve more efficient Programme management and administration; a detailed 'business planning review' of administrative processes is recommended.

Lastly, the future of the Programme's delivery system needs to be reappraised. One option would be to retain the current structure but to ensure more standard performance of the RCPs and RAGs. A second option would be to consider changes to the structure with the RCPs becoming Regional Management Offices whose tasks are to act as contact points, actively market the Programme, help applicants develop projects and act as a first filter for applications.

INTERREG IIIB NORTHERN PERIPHERY PROGRAMME UP-DATE OF THE MID-TERM EVALUATION

1. INTRODUCTION

The Interreg IIIB Northern Periphery Programme (NPP) is geographically one of the largest Interreg Programmes in the current Programme period. The participant countries are Scotland, Finland, Sweden, Norway, Greenland, Iceland and the Faroe Islands. The total NPP budget (including Member and non-Member State contributions) is €55.627 million. The total ERDF budget is €22.631 million of which €21.642 million (95.6 percent) has been committed and €5.485 million (24.2 percent) had been paid out by 15 September 2005. Like any other Strand B Interreg Programme, the aim of the NPP is to support and encourage transnational co-operation between the regions of Europe. The vision is for “the people of the Northern Periphery working together to secure prosperous and sustainable development of their communities, and wise management of distinctive cultural and natural resources, in a manner that contributes to the attainment of joint European objectives”¹. The overall objective of the Programme is to create ways “to improve functionality and maximise the potential of the Northern Periphery, whilst seeking to overcome the permanent disadvantages represented by harsh climate, long distances, complicated topography and sparse population”².

1.1 Aims and objectives of the Up-date of the Mid-Term Evaluation

The Mid-Term Evaluation (MTE) of the NPP was conducted in mid-2003. Its main conclusion was that the Programme continue to adhere to its planned strategic orientation. There were a total of 16 recommendations that dealt with issues such as increasing the targeted marketing of the Programme, the pro-activeness of the Joint Programme Secretariat (JPS), private sector involvement, and the support and learning mechanisms for current and new project partners.

Under EU regulations and the guidance of the European Commission, the MTE has to be updated by the end of 2005. The main purposes of the Update of the Mid-Term Evaluation (UMTE) are to add value to the MTE, and to provide information which can help European regional policy to further increase its added value and to improve its method of working³. The UMTE should also provide one of the important sources of information for the *ex post* evaluation which has to be completed by the end of 2009. According to Working Paper No. 9, there should be five main components to the UMTE:

- a review of the implementation of the MTE recommendations;

¹ Community Initiative Programme Document, Interreg IIIB for the Northern Periphery, Revised Version: 8 October 2004, p.43

² *Ibid.*

³ European Commission, Working Paper No. 9 *The Update of the Mid-Term Evaluation of Structural Fund Interventions*, p.2

- an analysis of results and outputs achieved;
- an analysis of impacts achieved;
- any other evaluation questions of relevance to the Programme;
- and conclusions on efficiency, effectiveness and impacts and recommendations for the future.

The Managing Authority (MA) of the Interreg IIB Northern Periphery Programme assigned the task of the UMTE to the European Policies Research Centre (EPRC) at the University of Strathclyde in Glasgow. The UMTE of the NPP covers the above five elements but focuses particularly on issues relevant for the future of the Programme. This is perceived to be the area of maximum potential added value for the Programme management bodies. The analysis focuses on an assessment of the efficiency, effectiveness and impact of the Programme on the basis of experience up to mid-2005 and the implications for the future, in the light of changes in the financial, regulatory and strategic environment with special emphasis on the main conclusions from the current Programme and lessons for next period⁴.

1.2 Research method

The research methodology involved four main elements: a review of Programme progress and performance; an assessment of programming experience and future developments; the development of strategic options for changes in strategy and objectives; and reporting. The research for the UMTE was based on the following.

- Desk research: A complete review of the documents in the Programme was conducted in July 2005 to obtain an overall impression of Programme implementation since the start of the Programme period. Key issues were then identified that needed more detailed explanation. These were addressed in the subsequent interviews, online questionnaires and workshop discussion.
- Detailed fieldwork interviews: During September 2005, fieldwork interviews were carried out in the offices of the JPS in Copenhagen to obtain their in-depth perceptions and experiences with the Programme. Detailed interviews were also conducted with representatives of the MA and PA.
- Online questionnaire: An online survey was sent to all Regional Contact Points (RCP), Regional Advisory Group (RAG) Chairs, and members of the Programme Monitoring Committee (PMC).⁵ The questionnaire dealt with the main issues of Programme implementation covering the MTE recommendations, Programme management, operational issues, and Programme strategic themes. The

⁴ For more detailed information, see Annex 2 for the Research Proposal for the Update of the Mid-Term Evaluation.

⁵ Details of the online survey questions are contained in Annex 3.

questionnaire was sent to 24 persons but EPRC received only 12 responses, a 50 percent response rate.

- Telephone survey⁶: Telephone interviews were conducted with four out of seven Programme Management Group (PMG) members. The questions covered broadly the same issues posed in the online questionnaire.
- Nairn workshop discussion and presentation: EPRC organised a workshop at the informal PMC meeting in Nairn, Scotland on 14 October 2005 to present the current status and main findings of the research up to that point, and to pose a set of questions on the future of the Programme. The workshop discussions provided the further impetus to progress the research to the next stage with information about the current thinking surrounding the structure and strategic direction of a future Programme.
- PMC feedback: Comments were received on the draft final report from the evaluation steering group and the PMC. These have been integrated into this final version of the report.

1.3 Structure of report

The remainder of the report is structured as follows:

Section 2 details the MTE's recommendations and sets out the actions that were developed to implement the recommendations.

Section 3 presents progress under the current Programme up to September 2005, with a review of the effectiveness, efficiency and impact of the Programme. This section focuses on the targets set at the beginning of the Programme period and compares these against current achievements.

Section 4 then describes the implementation of the Programme focusing on two main aspects: organisational structure and operational issues.

Section 5 looks into how the current Programme relates to the Lisbon and Gothenburg agendas.

Section 6 draws together the main conclusions from the current Programme period

Finally, **Section 7** takes up the strategic options relating to the design of any future Programme.

⁶ See Annex 4 for the telephone interview questions.

2. REVIEW OF THE IMPLEMENTATION OF MTE RECOMMENDATIONS

2.1 MTE conclusions and recommendations

The MTE for the NPP was conducted by the Nordland Research Institute⁷ and stated that the Programme was well on the way towards achieving its main goals. The underlying objectives of the Programme had been kept in focus, and the MTE concluded that the three priorities were well-suited strategies for addressing the challenges facing the Northern Periphery area.

However, while the mid-term targets had been met, one of the main concerns of the MTE was the relatively low number of project applications; accordingly, the MTE called for a more targeted marketing strategy. The evaluation also stressed the importance of learning through process participation as this was believed to contribute to a strengthened project development competence.

The MTE also commented on the management and delivery of the Programme. In particular, the perception of the JPS as a controlling institution was criticised; it was proposed that the JPS should adopt a more pro-active approach. The role of the RCPs was also felt to have been insufficiently communicated. Although they had fulfilled their roles with respect to the dissemination of information, they had not actively promoted the creation of networks and resource allocation where needed.

Taking the above into account, the evaluators suggested that some changes could be implemented which would allow the Programme to achieve its objectives more effectively. The MTE contained 16 recommendations for the future implementation of the Programme (see Box 1 below). The Programme Monitoring Committee, which was responsible for the MTE, accepted the recommendations and concluded that they did not require any amendments to be made to the Community Initiative Programme and the Programme Complement. The recommendations were divided into three groups: strategic issues; Programme administration; and project-level issues. These recommendations, and how they were subsequently addressed by the Programme, are set out in the following sections.

⁷ *Mid-Term Evaluation of the Interreg IIIB Northern Periphery Programme*, Nordland Research Institute (2003)

Box 1: MTE Recommendations

1. The chosen strategies and priorities should be adhered to in the remaining Programme period.
2. Adhering to the chosen Programme profile requires an increased emphasis on marketing the Programme.
3. The community development priority should be given special attention in such an effort.
4. The apparent move towards more “ambitious” projects and partnerships as a Programme orientation should be pursued.
5. The evaluators are of the opinion that this should be part of a two-pronged approach to the future implementation of the Programme. Project quantity is still an issue that should be kept in mind. This is of special relevance to the community development priority.
6. The Programme has room for improvement when it comes to strengthening private sector participation in the Programme. An increased focus on private sector involvement would likely strengthen the Programme’s ability to foster a Triple Helix approach to partnership formation.
7. The roles of the Joint Programme Secretariat and the Regional Contact Points need to become more pro-active.
8. The Regional Contact Points need to become more pro-active towards institutions representing project developer and implementation competence.
9. The Joint Programme Secretariat should become more active in following up projects in progress, and to focus even more being a service apparatus rather than a controlling apparatus. We do, however, acknowledge that there recently has been a movement towards being a more active part-taker.
10. It is important to improve the co-ordination between the secretariat and the Regional Contact Points as well as the internal communication between the Regional Contact Points.
11. It is important that as many participants in a partnership as possible are involved in the initiation phase of a project. This is of special importance to secure ownership to goals concerning trans-national learning.
12. In partnerships the technical competence of implementing and organising projects vary. It is therefore of importance that those partners representing the experience of these skills transfer this knowledge to the “newcomers”. This is a method for securing development competence for the future.
13. Resources at the partnership/project level needs to be directed at this process of learning.
14. Methods for comparative learning processes at the trans-national level should be outlined early on in the project.
15. It is important to recruit partners with competence and experience in both networking and project methodology as well as project implementation. It will therefore be vital to involve and activate regional development and scientific institutions better in the Programme. (The latter was found to be not suitable for the Programme by the SG).
16. In addition to this, one might make use of institutions already involved in business development Programmes, which has as a goal to stimulate the R&D dimension.

2.2 Actions and results of the MTE recommendations

In response to the MTE recommendations, a set of actions were developed by various Programme bodies. These are reviewed in the following sections.

2.2.1 Information Action Plan

The Information Action Plan (IAP) for 2004 was developed to address a series of recommendations made in the MTE. It could be considered as the cornerstone of the Programme's MTE response since it contains most of the actions developed to address the crucial issues in the MTE. The IAP 2004 covered all the information activities undertaken by the RCPs, RAGs, JPS, Paying Authority (PA), MA and other bodies. The IAP is a fluid document that is continuously up-dated. For example, it was updated three times in 2004, and a new version has been developed for 2005.

Initially, the IAP was developed to show how the financial resources in Priority 4: *Technical Assistance* were being spent. However, in the IAP 2005, it is stated that "the main purpose of developing the 'Information Action Plan' is to obtain an instrument, which allows the JPS to know what information activities are taking place in the Northern Periphery Programme area." Both IAPs have been evaluated to show what has been done with regards to the stated information activities in the plan. The feedback regarding these IAPs has been quite positive. They have clarified the information activities of the Programme and have thus enhanced these types of activities in the implementation of the Programme.

2.2.2 Pro-active approach of the JPS

The perceived lack of pro-activeness from the JPS and the RCPs was a core issue identified in the MTE. This has been addressed by several actions initiated by the JPS. The PMC envisaged that the IAP 2004 would be a central tool in addressing the three recommendations relating to pro-activeness (ie Recommendations 7-9). It is worth noting that the change in approach by the JPS was initiated during summer 2003 when the MTE was being conducted. The main reason for this was a change in JPS staff; the JPS itself took the initiative to be more pro-active in Programme implementation.

The most obvious example of a pro-active approach by the JPS is its considerable involvement in project development and in application facilitation. This began in the latter part of 2003 and continues to the present day. The change in JPS approach comes through clearly in the responses from various Programme stakeholders. The JPS now informs applicants and potential applicants exactly what is expected of them and how the JPS evaluates applications using the selection criteria. The aim has been to transmit a clear message of what constitutes a good qualitative project; from this, guidance notes were subsequently developed.

2.2.3 Marketing strategy and tool kit

Given the low level of applications for Priority 3: *Community Development* (Recommendations 2 and 3), the Programme initiated a targeted and focused marketing strategy based on the IAP. The JPS has organised thematic partenariats (partner seminars)

since Autumn 2003, with only key actors invited that can actually form a partnership and produce a preparatory project application. The focus of these partner seminars has been on the so-called 'Levi themes' developed by the RCPs and RAG Chairs in Spring 2003 (see Box 2). The eight Levi themes were identified as the key topics to be promoted in the development of projects.

The facilitation of partnerships and applications has been assisted by a tool kit developed by the JPS to facilitate discussions in partner seminars (partnariats). The main objective of this tool kit, which sets out the main questions that need to be discussed, is for the participants to be able to agree on a project idea and form the necessary partnerships for the project. The overall aim is then for a project application to be submitted within the identified topic of the seminar. The core element of the toolkit is a set of ten questions that correspond to the requirements in a preparatory application. Further, an example of a 'best practice' preparatory project application is also presented to the participants. There is either a JPS or RCP representative in the workshops in which the tool kit is used and discussions usually last for two days. Experience suggests that the necessary elements for successful discussions are when there has been agreement on a common starting point, a clear goal, and ways of achieving this goal. Partnership creation, deciding on a budget, and co-financing make up the remaining criteria of developing a preparatory project that is eligible.

Box 2: The Levi Process and Strategic Themes

In April 2003, the RAG Chairs had a meeting in Levi, Finland to discuss possible strategic themes for project development. The result of the meeting was eight key themes that were agreed to be priorities for action across the Programme area. Each participating country was assigned specific themes to be developed. The themes and their respective countries are:

- Youth issues (Iceland)
- SME - networking / involvement (Scotland)
- Natural parks / Natura 2000 sites (Iceland and Finland)
- ICT - infrastructure, best practices, and transfer of knowledge and information (Finland)
- Delivery of rural services (Scotland)
- Spatial planning (Sweden)
- Political networking (Norway)

These themes for project development were presented at the June 2003 PMC meeting and became the basis for the Nairn partenariat on November 2003. The remaining themes were dealt with at partenariats in Norway and Sweden in the course of 2004.

Source: Interreg IIB Northern Periphery Programme Annual Report 2003

Another key action developed to address Recommendation 3 was the Strategic Overview, a document that is up-dated after each round of applications. Its purpose is to set out whether the targets for each measure have been met, whether projects meeting the overall objectives of each measure can be found and whether any particular types of project need to be facilitated by the JPS. Along with the other actions developed and an increase in the

intervention rate to 75 percent implemented from the sixth round of applications (Spring 2004), this has resulted in a fully committed Priority 3 by September 2005.

2.2.4 Guidance notes

To ensure that the quality of the applications did not suffer as a consequence of the focus on increasing their number (Recommendation 5), the JPS developed guidance notes on trans-nationality and the private sector/SMEs in order to secure better partnerships and added value in projects. In addition, the selection criteria increased in importance and initiated a more in-depth assessment of applications. As a result, the total number of applications increased significantly for both preparatory and main projects. The overall view is that the quality of the projects has improved.

2.2.5 Measures for new project partners

With regard to the transfer of skills and knowledge to new project partners (Recommendations 12 to 14) meetings are now arranged for new projects partners to receive information on a range of relevant issues: how to start up a project; explanation of the Lead Partner concept; carrying out projects; administrative routines; information and communication strategies; and claims procedures. Two meetings were planned in 2005, open to old and new project partners, and a focusing on the development of the final report. The first one (in the form of a Lead Partner Seminar) was held in Rovaniemi, Finland at which information was provided on how to organise a final conference and how to run a project with a complex and large partnership. There was also a partner seminar in Tromsø, which focused on new project partners, final reporting package, and a media training for all projects. In October 2005, the Programme also produced a portfolio of case studies to highlight the types of projects funded by the Programme. The projects are divided into the following categories: developing transport and infrastructure solutions; improving access to information society; making better use of natural resources; promoting business innovation and networking; strengthening rural communities; and community planning for peripheral areas.

2.2.6 The establishment of partnership co-operation through JPS activities

The PMC gave the JPS the task of assisting lead partners and encouraging the early establishment of partner co-operation in the initiation phase of projects through face-to-face meetings and preparatory projects (Recommendation 13). As at September 2005, this had been achieved by introducing conditions within the preparatory project decisions, in particular to have at least one meeting with the JPS and close contact with the JPS and RCPs during the development of the project application. In addition, it is a condition for a preparatory project that it includes specific regions or partners from regions that are interested in the specific project idea, partner contact details for the RCPs and, if possible, identified partners already outlined in the decision.

2.2.7 Study on SME involvement in the NPP

In response to recommendation 6, the PMC saw the Levi themes as a way of strengthening private sector participation and as an important aspect in developing Triple Helix partnerships. It was also noted that a majority of end-users involved in the projects at that time (2003) were SMEs. A subsequent study was undertaken by the JPS, which concluded that there was a high level of SME involvement, although there are several aspects to this participation (see Box 3). Furthermore, and as mentioned earlier, the JPS developed a guidance note on how to involve the private sector in the Programme, detailing, amongst other things, the advantages of co-operation. The private sector has been particularly involved recently in tourism and mechanical wood industry projects; in 2004, 50 percent of the projects approved received co-financing from the private sector.

Box 3: Private Sector Participation in the Northern Periphery Programme

The JPS conducted in 2004 a research on SME participation in the Programme and the main conclusions are as follows:

- High involvement of SMEs in Programme despite low rates of private partnership.
- Participation does not appear to be primarily based on eligibility for match funding.
- Some prospective private partners that are not eligible for match funding are not listed as partners, in order to ease administrative burden for the lead partner.
- Type of project is more important in determining SME involvement, with practical projects and clear outputs more favoured than educational or policy driven projects.
- It is often more attractive for an SME to participate through a public-sector partner rather than full partnership due to time and resource restraints, and difficulty in securing funding in advance.
- SME networks can contribute to the partner search process and help promote the Programme, as shown by recent project applications (particularly in the forestry sector).
- SMEs often prefer to be associated with the project at various stages rather than being full partners; local meetings can help in this process.
- Diverse project teams can be more difficult to manage but add extra benefits to the project (as outlined in the separate guidance note).

Source: JPS study "Private Sector Participation in the Northern Periphery Programme"

2.2.8 Improved 'On-the-Spot Checks'

Although much of the focus in response to the MTE has been on Programme marketing and project generation, efforts have also been made to keep better track of projects under way (Recommendation 9). There has been an improvement in the number of 'on-the-spot checks' in line with a checklist developed by the JPS. The PA is always invited to these visits and, while it cannot always take part, it sends comments and questions to the JPS. As a result of this action, almost all projects have been visited, with the number of visits doubling in 2005 compared to 2004 (11 visits).

2.2.9 Best practice presentations in partner seminars

The IAP has again been highlighted as a means of developing the required actions for knowledge transfer (Recommendation 12). It includes partner seminars arranged by the JPS and PA where information and illustrations of best practices of skills transfer and knowledge are given to newcomers. This was, for example, done in the Lead Partner seminar in Rovaniemi in which representatives from the SMART project gave a presentation on how to run a project with complex and large partnerships. The general rule is that, when the JPS, through its assessments of projects, comes across work routines that are perceived to be best practice, it will invite the relevant project to speak at a Lead Partner seminar or partenariat.

2.2.10 Increased RCP involvement

With regard to improving RCP communication (Recommendation 10), it is of note that the RCPs strongly criticised this point made by the MTE evaluators. Nevertheless, several actions were developed. For instance, the PMC pointed out that the Levi meeting was the start of a formal knowledge exchange process between different regions in the NPP area. The Levi process was then followed up by a meeting between the JPS, RAG Chairs and RCPs in Copenhagen on February 2005. The JPS noted that all RCPs are invited to all partenariats and that these also function as meetings between the JPS and RCPs. Although it is difficult to assess the concrete results of these actions, feedback obtained as part of this study noted that the RCPs have been more pro-active in Lead Partner seminars.

2.3 Overall assessment

Overall, the Programme has made a determined effort to respond to all of the recommendations in the MTE. Although some MTE conclusions were disputed (notably Recommendations 10, 15 and 16), each of them has been addressed in some way. This applies in particular to the recommendations requiring a more pro-active approach by the JPS, the need for more active Programme marketing, engagement with potential partners and project generation.

The result of the actions developed to address the MTE recommendations are clear, indicated by the increasing the number of projects (especially in Priority 3), a change in outlook for the JPS, and the learning process between new and old project partners. It can therefore be concluded that the Programme has taken on board the MTE recommendations and implemented them in an efficient way.

3. ANALYSIS OF EFFICIENCY, EFFECTIVENESS IN RELATION TO TARGETS AND IMPACTS

In this section, the analysis focuses on the progress of the Programme with regard to financial and physical progress. First, the financial progress of the Programme is compared to the MTE analysis. Programme and priority-level indicators are then discussed, followed by the progress made towards reaching the Programme impact indicators. In the final section, the horizontal themes and their indicators are considered.

3.1 Financial progress

With a total of seven countries participating, the financial budget of the Programme comprises eligible ERDF funds, Member State and non-Member State contributions. The total NPP budget is €55.627 million, with an ERDF element of €22.631 million. In subsequent sections, the ERDF component of the budget is the analytical focus of the UMTE.

As of September 2005, the Programme has good commitment rates, although with relatively low payment rates. The high level of commitments was apparent at an early stage; for instance, the MTE noted that the Programme had reached 110 percent of its mid-term ERDF financial target. However, this reflects the fact that, in agreement with the SC, it had been decided that a third of the total targets for the Programme would constitute the appropriate mid-term measurement point instead of one half.

The Programme is now close to complete commitment, with an overall ERDF commitment of 95.6 percent. The highest commitment rate can be found in Priority 3: *Community Development* (101.3 percent), whilst the lowest commitment rate is in Priority 1: *Communications* with 78.4 percent. Comparing the current data to the MTE data, it is worth noting that, within the MTE, Priority 3 was the only one identified as not achieving its mid-term target allocation with only 79 percent of its ERDF target⁸. This situation has clearly improved in the interim; this priority is now over-committed and is closed for any further applications. It is interesting, though, that Priority 1, which had the highest mid-term commitment percentage (130 percent of its target), now has the lowest commitment rate in the Programme. Actions to address this issue are already underway, with increased and focused marketing within this priority for the rest of the Programme period. According to the Strategic Overview, produced after the 10th application round, the total funds applied for in Priority 1 was €1.14 million. Therefore the difference between remaining and applied funds is €-98.54 thousand.

⁸ *Mid-Term Evaluation of the Interreg IIB Northern Periphery Programme*, Nordland Research Institute (2003), p.26

Table 1: Programme Financial Status - ERDF Allocation - 15 September 2005

	ERDF budget million €	Committed € million	Committed %	Payments € million	Payments %
Programme	22 631 650	21 642 649	95.63	5 485 138	24.23
Priority 1 Communications	4 893 000	3 835 638	78.40	1 293 546	26.44
Priority 2 Strengthen Sustainable Economic Development	9 583 111	9 563 393	99.80	1 902 593	19.85
Priority 3 Community Development	6 586 497	6 674 576	101.30	1 254 856	19.05
Priority 4 Technical Assistance	1 569 042	1 569 042	100.00	1 034 143	65.91

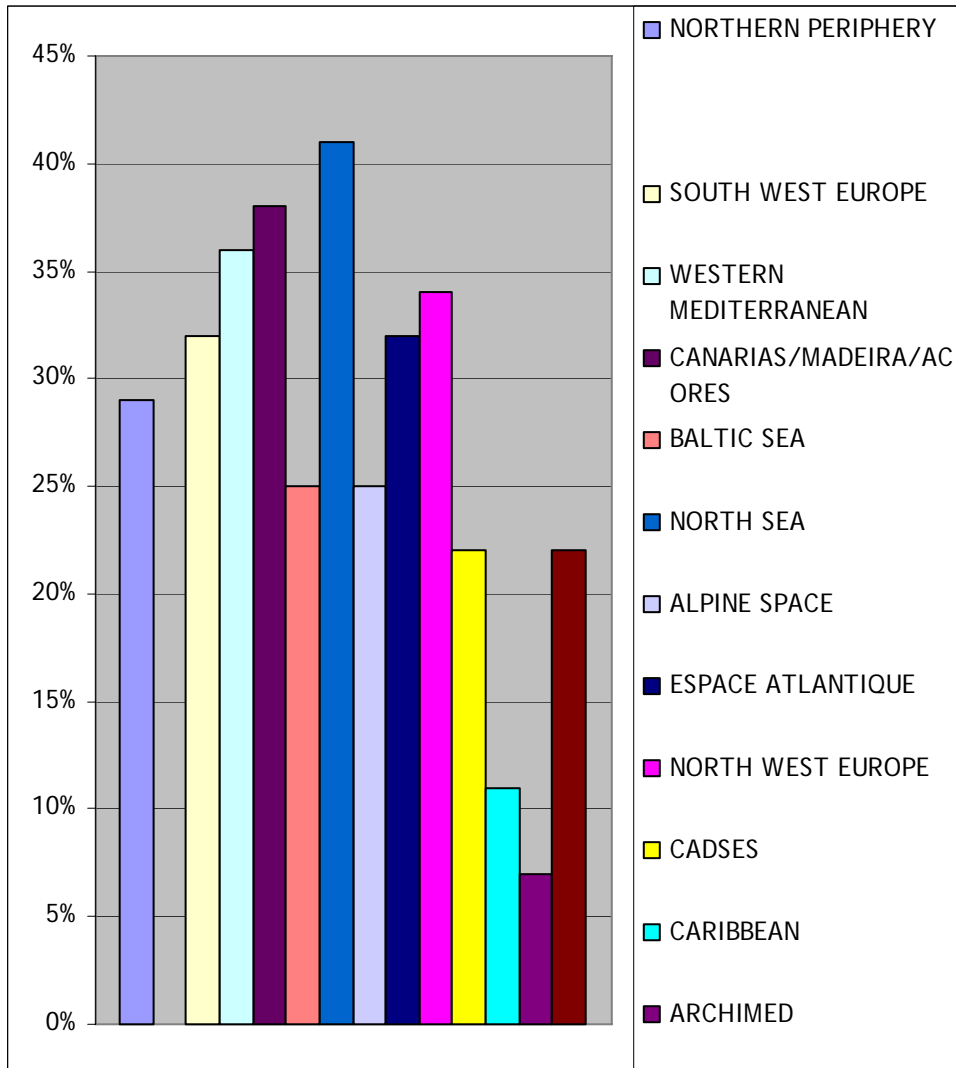
Source: Data provided by the JPS

Another aspect of the financial progress is the participation of Non-Member partners in the Programme. The commitment rates of the financial contributions of Non-Member States are also high. As of June 2005, the commitment rates for the Non-Member States are: Norway 100.4 percent, Iceland 99.4 percent, Greenland 89 percent and the Faroe Islands 93.3 percent⁹. Comparing these rates to the ERDF component of the Programme, the high commitment rates substantiate the good financial progress of the Programme. The high commitment rates in the Non-Member States also signify that there is demand for projects in these countries as referred to in the previous paragraph and shows that the Programme is well adapted to the situation of the Northern Periphery as a whole. This has thus had a positive effect on Programme financial implementation. On the other hand, the financial contributions of the Non-Member States vary in size and the financial constraints have sometimes been an issue when selecting which projects to fund. Some respondents consider that this has resulted in a delay for some projects but this has not affected the financial progress of the Programme as a whole.

⁹ Information from the Northern Periphery website.

The payment rates are lower at this point of the Programme period compared to some other Interreg IIIB Programmes, as can be seen in Figure 1. The Programme with the highest payment rate is the North Sea Programme (41 percent), while the Archimed Programme (7 percent) has the lowest payment rate. In this context, the NPP payment rate is at the lower end of the more strongly performing programmes.

Figure 1: Payment rates Interreg IIIB Programmes



Source: Data provided by the European Commission DG Regional Policy

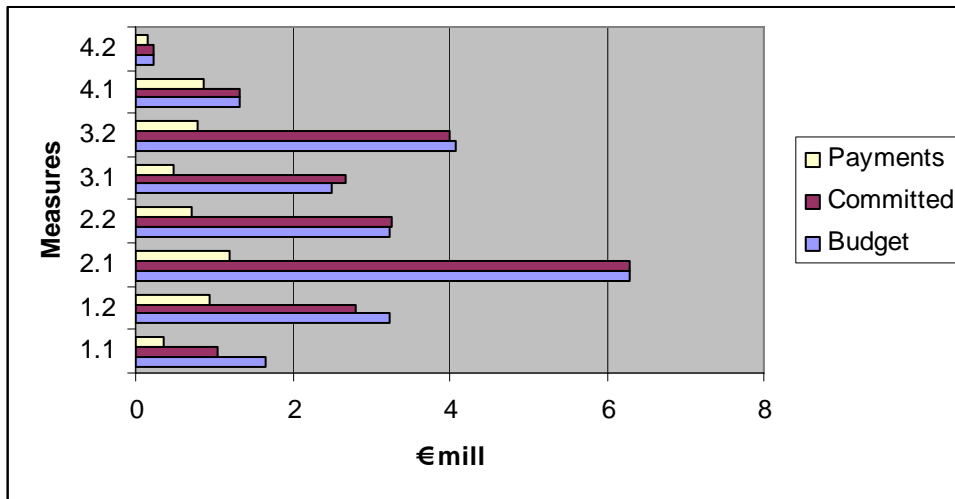
A more detailed insight into Programme progress is provided in Table 2 and Figure 2, which show the individual measures within each priority. The Programme has a total of eight measures within the four priorities. Most measures have healthy commitment rates, while payment rates lie in the range 18-29 percent with the exception of measures in Priority 4: *Technical Assistance*.

Table 2: Programme Financial Status - ERDF Allocation - 15 September 2005

	Priority 1 Communications	Measure 1.1 Transportation, logistics and transport infrastructure	Measure 1.2 Access to information society	
Budget € million	4 893 000	1 646 500	3 246 500	
Committed €	3 835 638	1 041 044	2 794 594	
% of budget	78.40%	63.2%	86.1%	
Funds remaining €	1 057 362	605 456	451 906	
Payments	1 293 546	350 906	942 640	
% of budget	26.44%	21.31%	29.04%	
	Priority 2 Strengthen Sustainable Economic Development	Measure 2.1 Sustainable use of nature and natural resources	Measure 2.2 Business innovation and development of human resources	
Budget € million	9 583 111	6 294 799	3 228 312	
Committed €	9 563 393	6 305 081	3 258 312	
% of budget	99.80%	100.2%	99.1%	
Funds remaining €	19 718	-10 282	30 000	
Payments	1 902 593	1 199 903	702 690	
% of budget	19.85%	19.06%	21.37%	
	Priority 3 Community Development	Measure 3.1 Household related service provision	Measure 3.2 Public management And spatial planning	
Budget € million	6 586 497	2 500 000	4 086 497	
Committed €	6 674 576	2 664 102,50	4 010 473	
% of budget	101.30%	106.6%	98.1%	
Funds remaining €	- 88 079	-164 103	76 024	
Payments	1 254 856	472 896	781 960	
% of budget	19.05%	18.91%	19.14%	
	Priority 4 Technical Assistance	Measure 4.1 Programme management	Measure 4.2 Other costs	
Budget € million	1 569 042	1 333 578	235 464	
Committed €	1 569 042	1 333 578	235 464	
% of budget	100.00%	100.00%	100.00%	
Funds remaining €	0	0	0	
Payments	1 034 143	869 692	164 451	
% of budget	65.91%	65.21%	69.84%	
N+2	2002	2003	2004	2005
Target € million	0.2	1.6	3.6	3.6
Comments	Actual	Actual	Actual	Forecast

Source: Data provided by the JPS

Figure 2: Financial progress at measure level



The measures with the highest commitment rates are Measure 2.1: *Sustainable use of nature and natural resources* (100.2 percent) and Measure 3.1: *Household related service provision* (106.6 percent). These two measures have been documented to be in heavy demand in the Programme area, especially Measure 2.1 which has attracted most applicants. The increase in the intervention rate under Priority 3 has helped to increase the commitment rate for Measure 3.1. Of the six measures, it is Measure 1.1: *Transport* that has the lowest commitment rate with 63.2 percent. The research for this study has shown that this measure has had the most difficulties in promoting projects. Consequently, the PMC has decided that the Programme should focus its efforts in developing projects under this measure for the rest of the period. The Strategic Overview after the 10th application round on 12 September 2005, showed that the proposed main project called 'Attracting Commuting' (to be submitted in Spring 2006) is expected to fulfil the strategic gap and hence increase the commitment rate in Measure 1.1.

3.1.1 N+2

Special note should be taken of the n+2 targets, which have always been achieved in past years. The low payments and difficulty in achieving n+2 targets are a consequence of the low level of applications approved in the initial years of the Programme. The JPS and PA have done a considerable amount of work to fulfil the n+2 targets, including an extra interim payment claim. This has put a lot of pressure on the PA and the PA must therefore prepare itself appropriately for this (in terms of staff resources), and proper preparations will have to be in place by the end of 2005.

3.2 Programme-level indicators

Programme-level indicators have been developed for the NPP that reflect the core issues the Programme is addressing in its strategies. The current status of the Programme (as at 15 September 2005) shows that targets at Programme level have almost been achieved (see Table 3), signalling that the NPP has a good chance of reaching a majority of its targets. There are, however, some targets where progress has been less positive: the number of

main projects in Priority 1 (and, less so, Priority 3), indigenous people projects and micro projects.

Table 3: Quantified activity goals at Programme level

	Target	Achieved by 15 September 2005
Main projects	48	45
Priority 1 main projects	12	9
Priority 2 main projects	22	23
Priority 3 main projects	14	13
Main projects with more than three countries	24	31
Main projects with complex partnerships	9	17
Main projects with adjacent region partners	5	17
Indigenous people projects	5	0
Young people projects	10	12
SME partner projects	10	65
Other projects		
Micro projects	24	3
Preparatory projects	24	46
Micro/preparatory into main projects	24	28

Source: Data provided by the JPS

Taking into account the analysis in Section 3.1 concerning the financial progress of the Programme, Table 3 confirms the good progress which has been made towards achieving Programme-level activity targets. In terms of performance, the current numbers for preparatory projects, SME partner projects, and main projects with adjacent region partners are already well above their target levels.

The projects with SME partners have the highest levels of achievement, as the study by the JPS on private sector involvement showed. The original target was 10 but the current figure is 65. It is worth mentioning, however, that, although this number reflects the high level of involvement of SMEs in the Programme, their participation as full project partners is still considered to be insufficient.

With the NPP being a trans-national Programme, the benefits of co-operation between different partners from different countries are emphasised. Therefore, the indicators for preparatory projects and main projects with adjacent region partners are good measures that the Programme is implementing trans-nationality in practice. However, the research has revealed that, although there are a high number of partners involved from different countries in projects (work method), there remain concerns that some projects may have room for improving their trans-national nature, i.e. ensuring that effects are truly trans-national.

As already mentioned, the areas of underachievement relate to the targets for the number of main projects in Priorities 1 and 3, indigenous people projects and micro projects. Although Priority 1 has not yet reached its target, there are signs that this will not be a challenge. The JPS points out that the application round in September 2005 and the subsequent PMC meeting in December 2005 are expected to increase the number of projects in this priority to the target level of 12.

The number of projects in Priority 3 has nearly been achieved (13 projects compared to the target of 14). There are no more planned projects under this priority because of over-commitment. The MTE pointed out that there was a marked under-achievement particularly for Priority 3 and increasing the number of projects “seems to be a challenge for the Programme”¹⁰. As described in previous sections, the Programme has taken on this challenge and addressed it effectively, resulting in Priority 3 being fully committed (see Table 2).

The projects involving indigenous people have been challenging, as there has been no interest or demand shown for these types of projects. The JPS has been in discussions with Greenlandic and Saami people to present a preparatory project. However, this has not resulted in a project application. In a PMC meeting on April 2004, a representative of the Saami people gave a presentation on entrepreneurship, product development, marketing and the Saami people in Sweden. The JPS has noted that the extent of indigenous people’s (entrepreneurial) involvement in projects such as ‘Nature-Based Tourism’ is not recorded. In the light of this, for the rest of the Programme period, the extent of the likelihood of getting more indigenous people project should be carefully considered.

The under-achievement of micro projects is significant, although it has to be seen in a wider context, not least given the over-achievement in terms of preparatory projects. The JPS argues that the main reason of the under-achievement in micro projects is that project partners have preferred to achieve the same results by developing preparatory projects. Furthermore, the premise of a micro project is basically to pay for travel costs between potential project partners. This can now be achieved through direct communication, as for example using e-mails. Thus, the low performance of micro projects must be set against the massive take-up of preparatory projects.

3.3 Priority-level indicators

It has previously been acknowledged that a majority of the quantified activity goals at Programme-level are well on the way to being fulfilled (see Tables 2 and 3). Other than the number of main projects under each priority, which should be achieved by the end of the Programme period, there are indicators at priority level that deal with the specific characteristics of the projects under their respective priorities (see Table 4). These indicators do not have any specific targets attached to them as opposed to activity goals at Programme-level. It is, though, worth taking note of them as they reflect features of Programme implementation - including trans-national aspects and which types of projects are most popular.

¹⁰ Mid-Term Evaluation, p.23

Table 4: Priority level indicators

	Target	Achieved by 15 September 2005
Priority 1	12	9
Number of inter-modal transport projects	-	1
Number of co-operation projects concerning Information Society issues	-	8
Priority 2	22	23
Number of co-operation projects concerning natural resources	-	7
Number of co-operation projects concerning management of cultural heritage	-	1
Number of co-operation projects in the field of tourism	-	5
Number of co-operation projects concerning research, development and innovation	-	10
Number of studies concerning specific common problems	-	23
Priority 3	14	13
Number of projects with studies/documents of common planning/territorial development	-	9
Number of projects with networks	-	10
Projects concerning maintained and improved services	-	5

Source: Data provided by the JPS

With the Programme being founded on the characteristics and challenges of the Northern Periphery, it is to be expected that the number of studies concerning specific common problems under Priority 2 would be quite high (23 studies). In Priority 3, the numbers for projects with studies/documents of common planning/territorial development (9) and projects with networks (10) are also high.

During the implementation of the Programme, there has been an obvious interest in the entrepreneurship aspects of Priority 2, in particular with respect to projects concerning research, development and innovation (10), natural resources (7), and tourism (5). This has been substantiated by the fieldwork research, replies from the on-line questionnaires and telephone interviews. The clear demand for these types of activities in the NPP area suggests that there should be a continued emphasis on these types of project in the next Programme period.

It also became apparent during the research that there were some difficulties with respect to projects concerning transport, cultural heritage and the delivery of local services. Of these three categories, only the delivery of local services can be viewed as successful. This suggests that more thought may need to be given as to how, and to what extent, transport and cultural heritage projects should be integrated into a future Programme. The transport

aspect is clearly of potentially great importance to the Programme, not least since the features of the NPP area suggest such an emphasis, especially with the possible incorporation of new Programme areas that include additional coastal regions in future.

3.4 Impact indicators

As part of the trans-national co-operation strand of the Interreg initiative, the NPP deals with the spatial aspects of co-operation and its overall impact. A number of impact indicators have been identified, as shown in Table 5. These focus on trans-national co-operation, spatial development studies, improved functionality, and interaction between partners. These indicators make it possible to follow up and measure how well the Programme is achieving its overall objectives, which are¹¹:

- prosperous and sustainable development of the communities
- wise management of distinctive cultural and natural resources
- improved functionality and utilising the potential of the Northern Periphery
- compensate for permanent disadvantages of harsh climate, long distances, complicated topography, and sparse population.

¹¹ Programme Complement, Interreg IIB Northern Periphery Programme, Revised Version: January 2005, p.19

Table 5: Programme objectives - Impact

Expected impact		Target	Achieved by 15 September 2005
Increased trans-national co-operation		24 main projects with more than 3 countries involved	31
Increased interaction between different actors		12 main projects based on complex partnerships	17
Increased spatial development interaction/exchange		At least 3 studies/documents	70
		At least 3 spatial development networks	40
Improved functionality	Improved communications	At least 3 communication channels	8
	Improved service	At least 3 new or improved services	8

The current data for impact indicators and their respective targets show that all targets had been achieved by September 2005. This is probably the most appropriate reflection of the effectiveness and efficiency of Programme implementation, as these indicators reflect what has been done at the measure and project level. It is still early to assess properly the concrete impacts of the Programme but, considering the over-achievement of all impact indicators, the Programme has good foundations to realise its desired impacts.

Out of the four expected impacts of the Programme, it is increased spatial development interaction or exchange that shows the highest achievements. The significant number of studies and networks established can be explained by the fact that all project applicants are asked to state in their applications how their project relates to European policies and objectives (spatial planning and the European Spatial Development Perspective) and how their project will contribute to spatial development. In this context, spatial planning/development is understood in its wider meaning, including not just land use and physical planning, but also social and economic aspects¹². Furthermore by breaking down the number of studies and networks into projects, a more tangible picture of the current situation is presented (refer to the data on Priority 3 projects in Table 4). The 9 individual projects involve 70 studies or documents relating to common planning or territorial development, while 40 development networks have stemmed from 10 projects. Even viewing impact in terms of project numbers (rather than the number of networks or studies), all of the Programme's impact targets have been achieved.

3.5 Horizontal themes

The Programme has three horizontal themes: equal opportunities; environment; and trans-nationality. Target indicators have been established for these themes as shown in Table 6. The targets for equal opportunities and the environment have been met, whilst the targets for trans-nationality remain to be achieved.

¹² Information provided by the JPS.

Table 6: Horizontal indicators

	Target	Achieved by 15 September 2005
Equal opportunities - 3 categories		
1 - Directly and mainly contributing to equal opportunities	12 main projects of category 1	19
2 - Indirectly contributing to equal opportunities		18
3 - Neutral to equal opportunities		8
Environment - 3 categories		
1 - Directly and mainly improving the environment	12 main projects of category 1	17
2 - Indirectly contributing to improving the environment		23
3 - Environment neutral		5
Transnationality - 3 categories		
1 - Three countries involved		14
2 - Four countries involved	24 main projects of categories 2	20
3 - Five to eight countries involved	24 main projects of categories 3	11

Source: Data provided by the JPS

Despite the fact that the trans-nationality targets have not yet been achieved, this theme has been the focus of the Programme throughout its implementation. Concrete measures taken include the JPS developing a guidance note on how to implement trans-nationality in practice. This is readily available from the NPP website. Furthermore, it is a selection criterion that each project must have at least three partners from different countries. This has not proven to be a hindrance to co-operation and the number of project applications, either main or preparatory, has not suffered as a result. The outcome is that the trans-nationality horizontal indicators are progressing well towards achieving the targets set (see Table 6).

However, a distinction has to be made between trans-nationality in partnerships and trans-nationality with respect to project ideas. In terms of partnership (i.e. the way projects are organised), the trans-nationality element has been more than sufficiently addressed. This is clearly shown in Table 7, which sets out the number and types of partner from all the participating countries. It can be seen that Finland, Sweden, Scotland, Iceland and Norway have the most partners involved in NPP projects. Trans-nationality is also evident through the participation of non-NPP countries like Russia, the USA and Canada. While Russia has the most participating partners, there have been challenging administrative issues related to this co-operation. However, in general, the participation of non-NPP countries has been deemed to be satisfactory, and there is interest in continuing with such co-operation. On the other hand, in terms of project ideas, there are some concerns that project owners may not have fully understood the concept of trans-nationality and how to apply it through

their projects. Of course, this does not mean that all project ideas are not trans-national in nature, and there are some very good projects based on this concept.

Turning to equal opportunities and the environment, the common perception is that these aspects have not been addressed adequately. The indicators, however, point in the opposite direction (see Table 6). Both themes had reached their specified targets by September 2005, although there are some issues arising from the actual implementation of such themes in projects. The perception is that a 'tick box' approach is applied in applications, with no concrete description on how projects will actually address these two themes at the implementation stage. A common argument is that more work needs to be done with respect to these two horizontal themes (through, for instance, specific guidance notes), and the JPS is already planning to address these horizontal themes in more depth.

	Category	Finland	Sweden	UK Scotland	Faroe Islands	Greenland	Iceland	Norway	North- West Russia	USA	Canada
Number of partners per country		98	65	83	10	16	48	54	8	4	5
Number of partners per region	1	25	12	83	10	16	48	9	8	4	5
	2	10	26					14			
	3	26	9					21			
	4	8	13					4			
	5	10	2					5			
	6	15	3	0							
	7	4									
Number of partners per category	Public/Central	8	5	14	7	10	13	12	2		
	Public/Regional	47	37	37	3	4	20	24	6	4	5
	Public/Local	9	8	9			4	1			
	Public-like	8	11	8			3	4			
	Private Eligible	0	0	15		2	5	13			
	Private Ineligible	26	4								
Total number of partners		98	65	83	10	16	48	54	8	4	5
Key to Column 2:	Finland:		Sweden:		Norway:		Scotland:				
	1 Lapland		1 Norrbotten		1 Nord-Trøndelag		1 Highlands & Islands only				
	2 Northern Ostrobothnia		2 Västerbotten		2 Nordland						
	3 Central Finland		3 Jämtland		3 Troms						
	4 North Carelia		4 Västernorrland		4 Finnmark						
	5 Kainuu		5 Gävle		5 Rest Norway						
	6 North- South Savo		6 Rest Sweden								
	7 Other										

Source: Interreg IIIB Northern Periphery Programme, Annual Report 2004

3.6 Overall assessment of effectiveness, efficiency, and impacts

The above analysis shows the main features of Programme implementation in terms of financial progress and achievement of target indicators. The general conclusion is that the Programme is going very well. As part of the UMTE, the Commission has emphasised the need to calculate 'Programme efficiency' defined as the ratio between inputs and outputs, results or impacts achieved, specifically the number of jobs or SMEs created. However as the NPP is a trans-national Programme, there are no specific targets for SMEs or jobs, but a high level of SME involvement has been reported. Instead the Programme focuses on the certain aspects of trans-nationality like for example increased functionality and increased spatial development interaction. This section therefore examines the ratio between the financial inputs, first in terms of the number of projects achieved by 15 September 2005, and then the relationship between the inputs and impacts of the Programme.

As indicated the Programme has not focused on the number of jobs or SMEs created during the Programme period. This is a clear consequence of the trans-national nature of the Programme, which focuses on partner co-operation across national borders and is, amongst other indicators, measured by the amount of projects that have a certain amount of partners in each project. Therefore, the analysis of efficiency must be seen in this context as shown in Tables 8 and 9.

The total ERDF budget of the Programme is €22.631 million, which is divided into four main priorities with the fourth being Technical Assistance. In this section, the three first priorities are analysed against the financial inputs (see Table 8). Of all three priorities, it is Priority 2 that has the lowest cost calculated with about €415,000 per project, whilst Priority 3 has the highest cost with approximately €513,000 per project. This is to be expected as the research has shown that Priority 2 has been in high demand. Further, main projects with complex partnerships and adjacent partner regions both have the same average between input and output with about € 1.18 million per project. Main projects with more than three countries has the average of about €647,500 per project and it could be argued that, since the NPP is a trans-national Programme, this average indicates good efficiency as the input finances projects that will have effects on a wide scale.

Table 8: Outputs and inputs efficiency

Output	ERDF Committed	Number of projects as per 15 September 2005	Efficiency
Priority 1 main projects	€ 3 835 638	9 projects	€ 426 182 per project
Priority 2 main projects	€ 9 563 393	23 projects	€ 415 799 per project
Priority 3 main projects	€ 6 674 576	13 projects	€ 513 428 per project
Main projects with more than three countries	€ 20 073 607 (total budget of all main projects)	31 projects	€ 647 535 per project
Main projects with complex partnerships	€ 20 073 607 (total budget of all main projects)	17 projects	€ 1 180 800 per project
Main projects with adjacent region partners	€ 20 073 607 (total budget of all main projects)	17 projects	€ 1 180 800 per project

The Programme further sets out a set of indicators for its impacts, and these are respectively compared to the financial inputs (see Table 9). The impact identified as increased spatial development (interaction or exchange) has two indicator targets (see Table 5); the lowest average between inputs and impact can be found in the indicator for the number of studies or documents regarding spatial development with about €286,700 per study/document (Table 9). The numbers (70 studies and 40 networks) achieved by September 2005 may seem high, but as explained earlier this corresponds to 9 and 10 projects respectively. Again when considering these averages, it is important to take account of the trans-national nature of the Programme and its impacts on a wide scale. With the spatial development impacts in terms of studies initiated on the subject having the lowest average, this indicates that inputs have been used efficiently as financial resources finance studies that have a wide range of impact. On the other hand, the highest average is in the increased functionality impact, which is also divided into two indicators (see Table 5). Both types of indicators show an average of €2.5 million per communication channel and new or improved service.

Table 9: Impacts and input efficiency

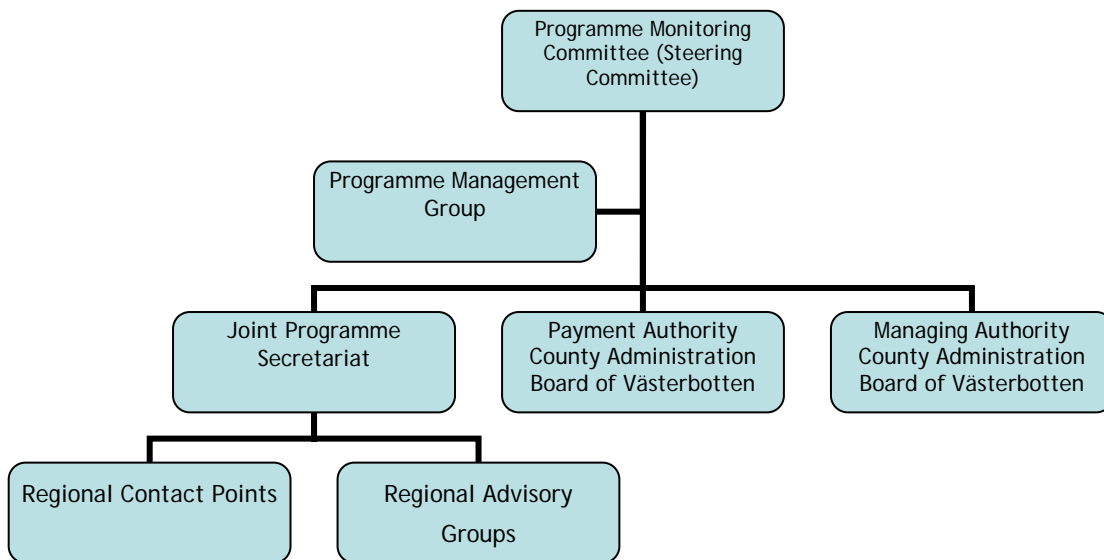
Impact	ERDF Committed	Indicator as per 15 September 2005	Efficiency
Increased trans-national co-operation	€ 20 073 607 (total budget of all main projects)	31 projects	€ 647 535 per project
Increased interaction between different actors	€ 20 073 607 (total budget of all main projects)	17 projects	€1 180 800 per project
Increased spatial development interaction/exchange	€ 20 073 607 (total budget of all main projects)	70 studies/documents in 9 projects	€ 286 765 per study/document
		40 spatial development networks in 10 projects	€ 2 230 400 per project
Improved functionality	€ 20 073 607 (total budget of all main projects)	8 communication channels	€ 501 840 per network
		8 new or improved services	€ 2 007 360 per project
			€ 2 509 200 per communication channel
			€ 2 509 200 per new or improved service

4. PROGRAMME IMPLEMENTATION

The following sections describe different aspects of Programme implementation: organisational structure, operational issues, and strategic Programme issues. They analyse in detail the experiences and best practices of the NPP in the current Programme period.

4.1 Organisational structure

The organisational structure of the Programme is distinctive. This is mainly attributable to the nature of the Programme. The logic behind the organisational structure is the aim of giving all NPP countries the opportunity to participate in the promotion and implementation of the Programme. The structure of management organisation of the NPP can be seen in the organisational chart below.



The *Programme Monitoring Committee (PMC)*, with 20 members, is the overarching body in the organisational structure and also acts as the *Steering Committee (SC)*. The PMC monitors the overall performance of the Programme and decides on the Programme's strategic direction. When acting as the SC, it appraises different project applications and decides on the allocation of funds. The *Programme Management Group (PMG)* is drawn from the PMC and comprises the seven national representatives of the NPP countries. The PMG's main task is to assist the JPS, MA, and PA in the administration of the Programme and effectively acts as a Board of Managers to the JPS. It also facilitates contact and contributes to the flow of information between partners at the Programme level¹³.

The *Joint Programme Secretariat (JPS)* is located outside the Programme area, in Copenhagen, for logistical reasons. The tasks of the JPS are: to manage the project application process; to provide information and advice to potential applicants and partners

¹³ Mid-Term Evaluation, p.20

at the project level; to draw up proposals for the PMC; to implement PMC decisions; and to liaise with the RCPs, the European Commission and other relevant parties¹⁴.

The *Managing Authority (MA)* and *Paying Authority (PA)* are both located in the County Administration Board of Västerbotten (CAB Västerbotten) in Sweden. The MA function is located within the Industry and Commerce Department in the CAB Västerbotten and is responsible for the efficiency and correctness of the Programme management and implementation. The PA function is within the Administration Department of the CAB. The PA draws up and submits payment applications, receives payments from the European Commission and pays out subsidies to projects¹⁵.

The *Regional Contact Points (RCP)* and *Regional Advisory Groups (RAG)* are the regional representatives within the organisational structure. Through them, regional perspectives are channelled to the other overarching bodies in the organisational structure. There are six RCPs, and they are initially information sources for potential project applicants. They are also designed to assist the JPS in marketing the Programme in their respective regions¹⁶. The RAGs, on the other hand, assist in making assessments of applications and thus make recommendations concerning funding for each project application on the basis of a set of agreed selection criteria. The RAGs should also promote and facilitate the creation of new trans-national projects¹⁷.

4.2 Assessment of Programme organisation

The overall impression of Programme implementation is of a well-organised and efficient Programme. Despite the vast Programme area, feedback from the research suggests that Programme management performance is functioning relatively well. The following sub-sections provide specific observations arising from the research with respect to each of the organisations in the management structure.

4.2.1 Programme Monitoring Committee

The UMTE reiterates the generally positive view of the MTE concerning the functioning of the PMC. Partners broadly consider that it takes a strategic approach and steers the Programme effectively. PMC members appear to have a coherent strategic perspective on the direction and implementation of the Programme. The participation of NPP countries on the PMC serves to ensure good transnational cooperation; although discussions and decision-making may take time, the PMC is generally able to achieve consensus.

There is, however, some concern that the PMC is not exploiting the strategic potential of the body sufficiently; several partners take the view that there is scope for stronger and more pro-active strategic management of the Programme, especially in addressing future

¹⁴ Mid-Term Evaluation, p. 18

¹⁵ Community Initiative Programme Document, pp.74-75

¹⁶ *Ibid.*, p.77

¹⁷ *Ibid.*, p.80

challenges and areas where the role of the Programme is perceived to be in need of strengthening (e.g. R&D and innovation).

A second issue of concern to partners is the way that the PMC can require the transnational configuration of projects to be changed, for example by requesting that an additional country is involved in projects. While this serves to improve the trans-nationality of the Programme, it also may cause a delay to a project being launched until a partner in another country is found. Arguably, this is an issue that should be addressed at an earlier stage in the project application process before the project reaches the PMC.

4.2.2 Managing / Paying Authority

Both Managing and Paying Authority functions are considered to be working effectively and fulfilling their mandate satisfactorily, within the limitations of the resources available. On this latter point, the staffing of both authorities is under pressure from administrative demands. In particular, the challenges related to fulfilling the n+2 targets in recent years have put significant pressure on the PA to deliver. As a result, an interim payment procedure was implemented, and this practice is being used again in 2005. There are some concerns about the delays in payments in the PA partly due to the need to distinguish between the implementation practices of EU regulations in the Member States and Non-Member States.

4.2.3 Joint Programme Secretariat

The MTE recommended a more pro-active approach on the part of the JPS. As described in previous sections, the JPS has undergone a major shift in its attitude towards Programme implementation. Since late 2003, fundamental changes have taken place and have resulted in a more active and competent JPS. In June 2003, a Task Force was created to evaluate the administrative tasks of the JPS. The results with respect to JPS activities were¹⁸:

- concentration on pre-assessment, evaluation/assessment of projects, monitoring of implementation and information;
- creation of a flatter organisation, with three people with equal responsibility;
- focus on monitoring Programme implementation and activities;
- closer contact with projects on the reporting of activity.

Subsequent to this review, there is a widespread view that the JPS performance has improved considerably; common descriptions of the JPS include terms such as helpful, pro-active, well functioning, effective, accessible, and dynamic. Projects are now more inclined to contact the JPS if they have any questions. The JPS is also active in the Lead Partner seminars and partenariats, and it gives more time to conducting 'on the spot' checks. In fact, almost all projects have been visited. The most prominent role of the JPS

¹⁸ Information provided by the JPS

is, however, its involvement in facilitating project applications in the thematic partner seminars through its strategic focus. This approach has contributed to the likelihood of achieving the Programme and priority targets.

Despite the long distances between the JPS and MA/PA, their working relationship has been good and is identified as one of the key ingredients to the effective implementation of the Programme.

However, it has become clear from the research that there is insufficient administrative capacity due to the Technical Assistance budget limitations set by the European Commission. The current level of service now being provided leaves little room to cope with unexpected demands. The flat structure has also created some uncertainty about the appropriate contact person for enquiries and (sometimes) perceived discontinuity in the liaison with partner organisations.

4.2.4 Regional Contact Points

The main issue arising with respect to the RCPs relates to their delivery of the required services. There are currently six RCPs in the Programme area so that dissemination activities can be broadened to the widest extent across the Programme area. The MTE recommended that there should be better communication between the JPS and RCPs. This is being achieved through the partenariats to which all RCPs are always invited and at which they have meetings with the JPS. The Levi process has also been followed up by a meeting between the RCPs (except for Sweden), RAG Chairs and the JPS.

One issue for the future is the formal relationship between the JPS and the RCPs and whether their activities should and could be standardised to a greater extent. Currently, the RCPs do not have any formal list of tasks, and they are in effect free to decide what kind of promotional activities they should organise in their regions. This flexibility allows their activities to be tailored to meet local and regional circumstances, but there is a need to explore whether more oversight of their activities - and consistency in their service provision - is warranted.

4.2.5 Regional Advisory Groups

The key issue arising with respect to the RAGs concerns their composition, as this has a bearing on the quality of their assessments of applications. The composition of the RAGs varies from country to country. The Scottish RAG, with access to professional experts, has frequently been referred to as a 'best practice' example in the Programme. However, in Sweden, the RAG is comprised of civil servants and local politicians. It has been pointed out that, if a RAG is only made up of local politicians, then expert knowledge will be lacking in the appraisals. On the other hand, if a RAG is only made up of experts, then the application will lose its 'appeal' to the local community. There are varying perspectives as to how a RAG should be created but the main point is that they need to provide the JPS and the PMC with high-quality assessments of applications from a regional and local point of view. RAG composition is an issue that needs to be reviewed in the context of preparations for the next Programme.

4.3 Operational issues

4.3.1 Administrative processes

The different administrative processes of the Programme can be divided into application, selection and payment/claim procedures. The overall assessment is that these processes are functioning satisfactorily. However, there are still some concerns relating to the perceived cumbersome application submission procedure, the need for improvements to the RAG assessment procedure, and delays in payments from the PA.

The administrative process starts with the submission of a project application by the Lead Partner to the JPS. The application is then registered and checked for admissibility and eligibility. The application is distributed to the relevant RAGs which assess the suitability and priority of an eligible project application. The RAGs then make recommendations on whether the application should be supported or not. On the basis of these recommendations, the JPS prepares proposals for decision by the PMC (acting as SC), and funding decisions are then made at these meetings. The JPS relays information about decisions to the Lead Partner who then, in turn, informs the other project partners¹⁹.

With regard to payments and claims, the Lead Partner sends in the claims to the JPS together with a progress or final activity report. The JPS makes an initial check and, if necessary, asks for more information. When the claim is found to be admissible, it is sent to the PA for final checking and payment. The payment is then registered in the database system for managing and monitoring the Programme²⁰. According to Swedish legislation regarding the Structural Funds, payment has to be made within a month after receiving an admissible claim. However, it is often the case that claims have to be supplemented with information, so in reality the processing of claims takes more than one month. In addition, final claims are more thoroughly examined than other claims and require more contact with the project.

During the course of the UMTE research, some issues were noted regarding the submission of applications. The application process itself is considered to be bureaucratic for some applicants and the forms are sometimes considered to be too long and complex. The submission of applications requires provision of two hard copies and one electronic copy. There are arguments that this should be simplified to only require an electronic copy. Some of the questions in the applications are also viewed as unnecessary in the initial stages. However, there is a fast track procedure in submitting applications, which was created because the Programme “recognises that time criticality may result in exceptional circumstances that prevent an application form from being submitted within the normal time frame for application end-dates”²¹. The procedure is only to be applied to “projects

¹⁹ Mid-Term Evaluation, p.20

²⁰ Community Initiative Programme Document, p. 83

²¹ Fast Track Procedure Guidelines, p.1

that the Programme Monitoring Committee believes are of great importance to the development of the area"²².

The selection process has been discussed in previous sections regarding the RAGs. To improve the selection process, there have been calls to streamline the set of questions the RAGs use to assess applications as they are perceived to be too complicated. In a meeting between the RAG Chairs, RCPs, and the JPS in February 2005, it was decided that the RAGs no longer need to use the scoring system. The main reasons behind this initiative were the conception of the current template being insufficient and the scoring system is not relevant as there are no instructions on how to allocate the points. A new template was to be developed for the tenth round of applications (September 2005), and the RAGs will feed back on this new practice. Due to time constraints, the new template has not yet been finalised, but in principle may include the four following sections²³:

1. Programme indicators
2. Regionally related questions/indicators
3. Horizontal indicators
4. Verbal evaluation: the project's importance to the region; the project's importance to the Programme area; and the innovativeness of the project.

There have been some challenges related to submitting claims on time which can be attributed to different accounting practices in the countries involved. The problem of meeting the n+2 targets has already been mentioned. The PA has managed to effectively address this issue in the past years with an extra interim payment round. With respect to the increase in the number of application being approved after the MTE, it is important to bear in mind the capacity of the PA to make payments given its limited staff resources. It could be a possibility that the procedure of an extra interim payment might be a permanent feature in the Programme.

4.3.2 Partnership

The characteristics of the Northern Periphery area make it both a challenge and a benefit to establish sustainable partnerships across national borders. The Programme has therefore concentrated on the creation of Triple Helix/complex and trans-national partnerships. The Triple Helix partnership is a co-operation between three partners: public sector; private sector; and academia. This type of partnership is seen to be mutually beneficial to all three parties as they complement each other in different aspects. Thus the overall impact will be positive to the whole of society. The overall judgement is that these types of partnerships are a crucial element in achieving the overall objectives of the Programme. In fact, as has been shown in previous sections, the number of partners from each country involved in a project is very high. It could also be argued that a continued emphasis on the Triple Helix

²² Ibid.

²³ Information provided by the JPS

partnership model will help to further align the Programme with the Lisbon and Gothenburg agendas.

However, there remain practical challenges related to the Triple Helix partnership model. Although a majority of the respondents thought that emphasising this type of partnership is beneficial for the Programme, it has in some cases proved to be difficult to achieve in practice. The concept is perceived to be “not generally understood” and “has turned into a bit of a jargon that is banded freely in applications even where there is no Triple Helix model being adopted”. Another issue has been the insufficient involvement of the private sector in the Triple Helix partnerships. In response, the study conducted by the JPS showed that there is a high involvement of private sector companies (SMEs) in the Programme, even if not as full project partners.

Each project must have at least three partners from three different countries. In practice, this has not proved to be a major obstacle to partnership creation or to the number of applications subsequently submitted. In fact, the number of partners sometimes surpasses the required three-partner rule. Moreover, non-NPP states outside the EU have been or are still active in the Programme and the participation of Non-Member States is also significant (see Table 7). The research suggests that the common history and cultural background has contributed to the relatively straightforward establishment of co-operation partnerships in the Programme area. Consequently, respondents have said that the differentiation between the Member and Non-Member States has not been a significant challenge to the operation of the Programme. Furthermore, the involvement of Non-Member States has added validity to the Programme as it necessitates the participation of a broader group of important partners in efforts to address the problems of the peripheral North. This has, in turn, resulted in a wider discussion as represented in the strategic discussions in the PMC of the challenges of the Northern Periphery and how best to address them. However, since the Non-Member States may not necessarily have the experience with all aspects of EU regulations, more support from the Member States may be warranted to increase the effectiveness of the Programme.

Since the NPP is a trans-national Programme, the high partner involvement across national borders indicates that the partnerships created do substantiate the Programme’s overall objectives and the likelihood of achieving them. This applies specifically to the vision of working together to secure prosperous and sustainable development of the Northern Periphery as a whole. For example out of the 41 main projects approved for the period 2002-2004, only three projects had no partners from the Non-Member States²⁴. This co-operation has added to the dynamics of the programme in terms of mutual beneficial trans-national partnerships and networks that are deemed to be sustainable in the long-term even after the Programme ends.

²⁴ Interreg IIB Northern Periphery Programme, Annual Report 2004, Annex 12

4.3.3 Strategic orientation of Programme spending

In terms of strategic direction, the Programme is focused on three strategic themes that are operationalised through the three identified priorities: communications; sustainable economic development; and community development. The analysis that underpins these strategic priorities has considered the specific characteristics of the Northern Periphery, not least its sparse population and harsh climate. The three priorities are seen to correspond well to the Programme reality and provide the appropriate strategic direction for the Programme.

In terms of how the current Programme strategic themes are operationalised at the project level, a Strategic Overview document is prepared by the JPS after each application round. This is an innovative way to address the strategic gaps in the Programme and is representative of the pro-active approach the NPP has adopted following the MTE with regards to project facilitation and development. By identifying the strategic gaps in each measure, the JPS is able to focus its project facilitating activities and gives more direction to the thematic purposes of partner seminar and other dissemination activities. The positive experiences with the Strategic Overview document suggest that the practice of developing such an overview contributes to achieving the Programme objectives.

This practice of focusing on the strategic priorities of the Programme instead of allocating funds to where there is a demand has generated a mix of responses. There is a notion that the Strategic Overview "...looks at the Programme very much from the view of the JPS, [...], but it focuses on number of projects etc. rather than achievement of hard credible outputs". This has prompted the argument that there is a gap between strategic ambitions and results. This argument has to be seen in a wider context of achieving a suitable balance between strategy and demand. The Strategic Overview was developed to assist the RAGs and the PMC in their assessment of the applications and to compare what has been done according to what was planned²⁵. Therefore, there is a trade-off between focusing on strategy or demand. The latter makes it easier to spend the allocated budget on time whilst the former progresses the Programme towards achieving its objectives. Although it is an innovative way to address effective Programme implementation, it is worth noting that this has implied more work for the Programme as a whole. On the other hand, it has resulted in an increase in projects that are appropriate to the strategy.

²⁵ Information provided by the JPS.

5. DELIVERING LISBON AND GOTHENBURG AGENDAS

The European Commission has recently relaunched its Lisbon agenda (February 2005), with a focus on “delivering stronger, lasting growth and creating more and better jobs”²⁶. The renewed Lisbon agenda concentrates on three main areas of action: making Europe a more attractive place to invest and work; knowledge and innovation for growth; and creating more and better jobs.

This increased emphasis on the Lisbon agenda is also reflected in the implementation of the Structural and Cohesion Funds. In the next Programme period, “the Commission proposes a more strategic approach in an effort to ensure that their content is targeted on growth and jobs”. Further, “the future regional Programmes and the national employment Programmes will seek to target resources notably in the less prosperous regions where Community resources will be concentrated: on developing more and better jobs through investments in training and in the creation of new activities; by encouraging innovation and the growth of the knowledge economy by reinforcing research capacities and innovation networks, including the exploitation of the new information and communication technologies; and on improving the attractiveness of the regions through infrastructure provision”²⁷.

In addition to the renewed Lisbon agenda, the Gothenburg agenda from the European Council in June 2001 has also received renewed impetus. The agenda recognises “that in the long term, economic growth, social cohesion and environmental protection must go hand in hand”²⁸. Six issues were identified that pose the biggest challenges to sustainable development in Europe: combating poverty and social exclusion; dealing with the economic and social implications of an ageing society; limiting climate change and increasing the use of clean energy; addressing threats to public health; managing natural resources more responsibly; improving the transport system and land-use management.

Comparing the current NPP CIP and Programme Complement to the Lisbon and Gothenburg agendas, it can be said that the NPP strategic priorities correspond quite well to the two EU agendas.

Encouraging more effective use of communications which address the disadvantages of peripherality and insularity is the key objective of Priority 1: *Communications*. The priority and its two measures, have some characteristics that can be attributed to the Lisbon and Gothenburg agendas. This is evident in the relevant project themes which include:

- to meet the needs of communities for local travel to jobs and services and for businesses to access resources and markets;

²⁶ Communication to the Spring European Council, “Working Together for Growth and Jobs, A New Start for the Lisbon Strategy”, COM (2005) 24, 02.02.2005

²⁷ Ibid., p.29

²⁸ Communication from the Commission, “A Sustainable Europe for a Better World: A European Union Strategy for Sustainable Development”, COM (2001) 264 final, 15.05.2001

- to identify better ways of maintaining transport infrastructure, particularly given the problems to climate, ground conditions etc.;
- projects focusing on ICT as a means to give actors in remote areas access to distant educational and health services, cultural events etc.; and
- ICT as a means of locating jobs and establishing virtual work organisations.

The types of projects within this priority show key characteristics that can be attributed to the Lisbon and Gothenburg agendas. The project 'Northern Maritime Corridor' which is funded under Measure 1.1 has as its aim to "develop efficient, safe and sustainable transportation" to connect coastal regions, thus enhancing regional development in the Programme area. Another example is the project 'Community Learning Networks in Northern Periphery Areas' (Measure 1.2), which is a continuation of an Article 10 project and addresses issues of accessibility to learning and rural depopulation. The project is to set up a support network for learning centres and institutions supporting long-distance learning. A 'Virtual Learning Community' is to be established and the "most modern means of technical support will be used during the project."²⁹

However, the most Lisbon- and Gothenburg-related priority in the Programme is Priority 2: *Strengthen sustainable economic development*, which has been documented to be a popular priority. According to the Community Initiative Programme Document, this priority will "strongly involve the questions related to sustainable use of natural resources". Further, it is argued that, under Priority 2, a "special focus must be put on the connection between environmental protection and commercial exploitation of natural resources"³⁰. In this regard, potential projects could be about:

- opportunities to be used within the resource-based industries in general connected to the extraction of natural resources or sustainable exploitation of nature;
- new employment opportunities deriving from the cultural heritage of the Northern area;
- initiatives to develop new markets for local resource-based produce/service;
- initiatives to promote entrepreneurial skills especially amongst young people;
- innovative distance and e-learning systems relevant for local businesses;
- setting up business networks both at local and trans-national level to share experience, innovate, develop partnerships for buying, selling, marketing or conducting R&D.

²⁹ Annual Report 2004, p.92

³⁰ Community Initiative Programme Document, p.54

The focus on developing entrepreneurial skills is evident in the project called 'Young Entrepreneur Factory' (Measure 2.2) that aims to design and pilot a Programme of activities to develop entrepreneurial thinking within groups of young people from 16 to 25 years. In the light of the out-migration of young people in the Northern Periphery, the project would like to encourage young people to develop a vision of their future in the Northern Periphery and provide an environment for them to realise their ambitions. Another project 'Integrate to Innovate in the Northern Periphery - i2i' (Measure 2.2) focuses on connecting networks of people through an Internet-based platform to develop an integrated process to facilitate and support innovation within complex partnerships (SME, academia, and public sector) across the five project partner countries.

The focus on sustainable communities is the key issue in Priority 3: *Community Development*. Measure 3.1: *Household related service provision* deals with social exclusion and delivering private and public services, for example health care. Household waste is also included in this measure. Measure 3.2: *Public management and spatial planning* emphasises initiatives to explore better ways of managing natural resources, developing new planning tools for local and regional economic development and planning policy and delivering sustainable development. Examples of projects are:

- co-operation to solve problems concerning trans-national pollution;
- seeking new ways for local authorities to cope with population decline, ageing and youth out-migration;
- ways for local communities to minimise waste production and recycle waste.

One of the projects in this priority is called 'Ecological Waste Treatment in Sparsely Populated Areas - ECOWATSA' (Measure 3.1). The project aims to develop ecologically practical solutions for waste treatment in Northern conditions. A software tool is to be developed that allows municipalities and other bodies to evaluate which waste treatment solutions best meets their needs. Various technologies would be tested by developing pilot projects in solid waste and waste water treatment, by improving the international exchange of information and best practice models as well as by undertaking awareness raising activities³¹.

In this context, the Programme corresponds to the core elements of the Lisbon and Gothenburg agendas. This is shown through the focus of the priorities and the types of projects that can be funded under each measure. The project examples indicate further how the agendas characteristics of sustainable environment, job creation, skills development, and business environment are implemented and are linked to each other to contribute in achieving the Programme's objectives.

³¹ Annual Report 2004, p.150

6. CONCLUSIONS

This UMTE was required to provide a review of the implementation of the MTE, an analysis of results, outputs and inputs achieved, an analysis of the management and delivery of the Programme and to provide conclusions on efficiency, effectiveness and impacts. More broadly, the purpose of the UMTE was to add value to the MTE and to contribute information for the *ex post* evaluation of the Programme and the preparations for the next Programme period. The following section brings together the main conclusions to emerge from the preceding sections, while the subsequent section then considers strategic options for the strategy, objectives and management of a future Programme.

6.1 Implementation of the MTE recommendations

Overall, the Programme has made a determined effort to respond to all of the recommendations in the MTE. Although some MTE conclusions were disputed (notably Recommendations 10, 15 and 16), each of them has been addressed in some way. This applies in particular to the recommendations requiring a more pro-active approach by the JPS, the need for more active Programme marketing, engagement with potential partners and project generation.

The result of the actions developed to address the MTE recommendations are clear in respect of increasing the number of projects especially in Priority 3, a change in outlook for the JPS and the learning process between new and old project partners. It can therefore be concluded that the Programme has taken on board the MTE recommendations and implemented them in an efficient and effective way.

6.2 Programme financial and physical progress

The Programme is now close to complete commitment, with an overall ERDF commitment of 95.6 percent. The highest commitment rate can be found in Priority 3: *Community Development* (101.3 percent), whilst the lowest commitment rate is in Priority 1: *Communications* with 78.4 percent. The measures with the highest commitment rates are Measure 2.1: *Sustainable use of nature and natural resources* (100.2 percent) and Measure 3.1: *Household related service provision* (106.6 percent). Special note should be taken of the n+2 targets, which have always been achieved in past years but with significant pressure on the PA.

The current status of the Programme (as at 15 September 2005) shows that targets at Programme level have almost been achieved (see Table 3). However, there are some targets where progress has been less positive: the number of main projects in Priority 1 (and, less so, Priority 3), indigenous people projects and micro projects.

During the implementation of the Programme, there has been an obvious interest in the entrepreneurship aspects of Priority 2, in particular with respect to projects concerning research, development and innovation (10), natural resources (7) and tourism (5). It also became apparent during the research that there were some difficulties with respect to projects concerning transport, cultural heritage and the delivery of local services.

The current data for impact indicators and their respective targets show that all targets had been achieved by September 2005. Out of the four expected impacts of the Programme, it is increased spatial development interaction or exchange that shows the highest achievements. The targets for equal opportunities and the environment have been met, whilst the targets for trans-nationality remain to be achieved.

- In the light of this, for the rest of the Programme period, the extent of the likelihood of getting more indigenous people project should be carefully considered.
- The fact that the Programme has committed more funds post-2003 has led to an increase in claims to the Paying Authority. While this should help achieve n+2 targets, the PA must prepare itself appropriately for this (in terms of staff resources), and proper preparations will have to be in place probably by the end of 2005.
- This suggests that more thought may need to be given as to how, and to what extent, transport and cultural heritage projects should be integrated into a future Programme. The transport aspect is clearly of potentially great importance to the Programme, not least since the features of the NPP area suggest such an emphasis, especially with the possible incorporation of new Programme areas that include larger coastal regions in future.
- More work needs to be done with respect to these two horizontal themes (through, for instance, specific guidance notes). The JPS is already planning to address these horizontal themes in more depth.

6.3 Efficiency of expenditure

Priority 2 has the lowest cost, with about €415,000 per project, whilst Priority 3 has the highest cost with approximately €513,000 per project. This is to be expected as the research has shown that Priority 2 has been in high demand. Main projects with more than three countries has the average of € 647 535 per project and it could be argued that, since the NPP is a trans-national Programme, this average indicates good efficiency as the input finances projects that will have effects on a wide scale.

The impact identified as increased spatial development (interaction or exchange) has two indicator targets (see Table 5). The lowest average between inputs and impact can be found in the indicator for the amount of studies or documents regarding spatial development with € 286 765 per study/document (Table 9). On the other hand, the highest average is in the increased functionality impact, which is also divided into two indicators (see Table 5). Both types of indicators show an average of € 2 509 200 per communication channel and new or improved service.

6.4 Implementation of the Programme

Partners broadly consider that the PMC takes a strategic approach and steers the Programme effectively. PMC members appear to have a coherent strategic perspective on

the direction and implementation of the Programme. Both Managing and Paying Authority functions are considered to be working effectively and fulfilling their mandate satisfactorily, within the limitations of the resources available. Subsequent to this review, there is a widespread view that the JPS performance has improved considerably; common descriptions of the JPS include terms such as helpful, pro-active, well functioning, effective, accessible, and dynamic. The main issue arising with respect to the RCPs relates to their delivery of the required services. The key issue arising with respect to the RAGs concerns their composition, as this has a bearing on the quality of their assessments of applications.

- There is scope for stronger and more pro-active strategic management of the Programme, especially in addressing future challenges and areas where the role of the Programme is perceived to be in need of strengthening (e.g. R&D and innovation) - see also Section 7.
- The issue of achieving n+2 targets in the rest of the Programme period suggests that the Paying Authority must continue with the interim payment procedure and prepare with sufficient human resources.
- The level of service now being provided by the JPS leaves little room to cope with unexpected demands. The flat structure has also created some uncertainty about the appropriate contact person for enquiries and (sometimes) perceived discontinuity in the liaison with partner organisations.
- One issue for the future is the formal relationship between the JPS and the RCPs and whether their activities should and could be standardised to a greater extent. There is a need to explore whether more oversight of their activities - and consistency in their service provision - is warranted (see also Section 7).
- There are varying perspectives as to how a RAG should operate, but the main point is that they need to provide the JPS and the PMC with high-quality assessments of applications from a regional and local point of view. This is an issue that needs to be reviewed in the context of preparations for the next Programme and also this Programme period.

6.5 Operational issues

The *application process* itself is considered to be bureaucratic by some applicants and the forms are sometimes considered to be too long and complex. To improve the selection process, there have been calls to streamline the set of questions the RAGs use to assess applications as they are perceived to be too complicated. A new template was to be developed for the ninth round of applications (September 2005), and the RAGs will feed back on this new practice. Due to time constraints, the new template has not yet been finalised. Application procedures could be simplified by only requiring the submission of an electronic copy. Some of the questions in the applications are also viewed as unnecessary in the initial stages.

With respect to *partnership*, each project must have at least three partners from three different countries. In practice, this has not proved to be a major obstacle to partnership creation or to the number of applications subsequently submitted. However, the concept is perceived to be “not generally understood” and “has turned into a bit of a jargon that is banded freely in applications even where there is no Triple Helix model being adopted”. There are also some minor delays in sending claims and the additional information on claims requested by the PA. There are several countries involved in a project, each with different accounting practices but this has not affected Programme implementation. Another issue has been the insufficient involvement of the private sector in the Triple Helix partnerships.

In terms of how the current Programme *strategic themes* are operationalised at the project level, a Strategic Overview document is prepared by the JPS after each application round. But there is a trade-off between focusing on strategy or demand. The latter makes it easier to spend the allocated budget on time whilst the former progresses the Programme towards achieving its objectives. Although it is an innovative way to address effective Programme implementation, it is worth noting that this has implied more work for the Programme as a whole but has ensured a better balance between pursuing strategic objectives and merely satisfying demand.

6.6 Delivering Lisbon and Gothenburg

The Programme corresponds to the core elements of the Lisbon and Gothenburg agendas. This is shown through the focus of the priorities and the types of projects that can be funded under each measure. The project examples indicate further how the agendas characteristics of sustainable environment, job creation, skills development, and business environment are implemented and are linked to each other to contribute in achieving the Programme’s objectives.

7. STRATEGIC OPTIONS FOR CHANGES IN STRATEGY, OBJECTIVES AND MANAGEMENT

7.1 Pressures for change

The starting point for assessing future strategic options is that the Programme has performed relatively well. The results of the UMTE show that the Programme has made a good recovery from the potentially difficult situation with parts of the Programme in mid-2003, and there has been a positive approach to implementing the recommendations of the MTE. Almost all the funding has now been committed. Programme targets have been met and exceeded under indicators such as complex partnerships, transnational cooperation, spatial development and improved functionality. The Programme administration is strong. The UMTE indicates that most partners are broadly satisfied with many aspects of the Programme's progress, its management and its contribution to European regional development. This confirms the positive, longer term picture of the Programme painted by previous evaluations, international comparison and Commission feedback.

The Programme is now moving towards a new programming period, with a new financial framework and regulatory requirements. Insofar as the EU picture is clear, there are four sets of implications. First, the Financial Framework for 2007-2013 has not yet been agreed, but it is clear that there will not be a significant increase in funding as originally proposed by the Commission in February 2004. The current expectation is that the Programme might have about the same level of resources in the next period. Second, following the relaunch of the Lisbon and Gothenburg agendas at the Spring European Council, all future Structural Funds Programmes will be expected to contribute to the EU's 'growth and jobs' agenda. Third, the geography of the Programme will change with the addition of new regions and scope for funding projects outside the Programme area. Lastly, there is pressure for a more strategic focus to Programme design and management.

Given the positive performance of the Programme, there is support among many partners for the continuation of the NPP in the next programming period. However, after almost a decade of NPP activity, it is important to reflect on the fundamental rationale and objectives of the Programme and to consider whether and in what areas new strategic thinking is required to ensure that the Programme continues to provide added value. The UMTE has also highlighted a range of institutional issues - some related to the overall architecture of Programme management, others more of an operational nature - that need to be considered in planning the next Programme.

The following sections discuss a number of questions that have emerged in the course of UMTE where further reflection and discussion is required. They are:

- What is the strategic rationale for a new Programme?
- What should be the priorities of the new Programme?
- Does the Programme require a different territorial approach to strategic planning?

- How should the management of the Programme change?
- How should the delivery of the Programme change?

It is important to note that the remit of this report is not to provide proposals for the next Programme but to encourage strategic thinking and provoke discussion; the following sections should be read in this spirit.

7.2 What is the strategic rationale for a new Programme?

There is a broad consensus that the NPP can continue to play an important role in economic development across the Northern Periphery. This is based partly on the perceived contribution that transnational cooperation can make to *economic development*, given the commonality of challenges and policy responses. The scope provided for Member States and non-Member States to work together is particularly valued. There is also a strong *political* motivation, to maintain the profile of NPP issues as Structural Funds move eastwards, and also to amplify the voice of NPP regions in their own countries.

However, at a more specific level, there appears to be some difficulty in identifying the added value of the Programme. Partners are able to point to successful projects which demonstrate added value (Roadex and Viking Sagalands are cited as examples), but there is less clarity at the level of the Programme³². This derives partly from the rather vague wording of the Programme's objectives (secure prosperous communities, wise management of resources, improve functionality etc) and partly from a set of impact indicators which are entirely activity-related. The criterion of 'transnationality' - measured through increased transnational cooperation, interaction or exchange - is presented as an end in itself rather than a means to an end.

There is, therefore, a need for a clearer, common understanding of what the Programme is for and what it should achieve. This is particularly important in view of the new geography: the larger number of partners and broader range of issues that need to be accommodated within the Programme could lead to more generality and less focus.

One suggestion, which may assist the discussion of a strategic rationale, is to look again at what kind of concrete outcomes might be expected from a future Programme. Based on current successful projects, the following goals are areas where the Programme has the scope to make a distinctive contribution and add value:

- (a) knowledge transfer - facilitating the transfer of economic development solutions, and their practical application, from one country/region to another;

³² This is a common problem for Interreg IIB Programmes. The lack of visible and measurable impacts at an aggregate level for transnational cooperation has arguably contributed to the reduction in funding allocation for this aspect of territorial cooperation in the Financial Framework.

- (b) innovation - working together to develop new or innovative economic development solutions that can be applied in practice in more than one country/region;
- (c) development of transboundary products - working together to produce a new product or service that has a transnational or transregional character;
- (d) learning - exchange of ideas, experience and good practice that improve the stock of organisational knowledge (rather than having short-term practical application or concrete results).

A less specific version of these outcomes is included in the current Programme document as characteristics of cooperative strategies. However, raising the issues of knowledge transfer, innovation, new product development and learning to the level of strategic aims and objectives could help to provide more focus to the strategic rationale. This would also provide a starting point for more specific project generation guidance and project selection criteria, and defining more concrete, measurable indicators of Programme impact.

7.3 What should be the priorities of the new Programme?

The current Programme was built on a SWOT analysis that yielded three strategic themes:

- improvement of regional competitiveness, particularly to offset the disadvantages of peripherality and population sparsity;
- exploitation of human and natural resources, especially the unique heritage, expertise and knowledge of the Programme area;
- sustaining communities by training people and services.

These interdependent areas are being implemented through three priorities: communications; sustainable economic development; and community development.

Not surprisingly, these themes and priorities continue to be seen as important among partners. However, there are several additional factors and issues which come through from discussions with Programme partners.

First, partners stress the importance of the Programme contributing to the targets of Lisbon and Gothenburg. As noted above, the Commission is keen for all Structural Funds Programmes to help deliver on these agendas, with the avowed aim of 60 percent of EU15 Convergence interventions and 75 percent of Regional Competitiveness and Employment interventions contributing to Lisbon/Gothenburg. Although these figures do not apply to Territorial Cooperation, this should not be a problem for the NPP since many of NPP interventions are relevant to the Lisbon/Gothenburg agendas, as shown in the previous section. The issue is more likely to be one of making the links between the Programme and Lisbon/Gothenburg more transparent and coherent.

Second, the new geography will bring in new partners with different interests. The extension of the Programme area to include the whole of Scotland, as well as parts of

Ireland and Northern Ireland - allied to the potential of supporting non-Programme projects in Alaska, parts of Canada and north-west Russia - are likely to increase the importance accorded to marine, maritime and Arctic issues as well as insularity. The rural dimension may also change; the challenges facing rural areas in Ireland and Northern Ireland (and other parts of Scotland) are less to do with sparsity of population and peripherality than with more traditional forms of rural under-development.

Third, promoting effective cooperation in R&D and innovation remains a challenge for transnational cooperation. While the Programme has made progress in this area through Triple Helix projects and complex partnerships, it has proved difficult to get project partners involved and to achieve effective coordination. Several partners consider both that the Programme has under-performed in this area to date and that greater stress needs to be placed on Triple Helix projects in a future Programme.

Fourth, environmental issues have been highlighted. The environment has been a consistent theme of NPP action under the current Programme and previous interventions. However, there are two distinctive aspects of the discussion about future environmental support. This involves: (a) the need to recognise threats associated with the consequences of climate change, and their implications for working practices and ways of life, especially in Arctic areas; and (b) the sustainable exploitation of opportunities in areas such as resource biology, bio-fuels and other alternative energy sources.

Lastly, the potential of providing more support for cultural issues has been mentioned. On the one hand, this involves maintaining cultural traditions, knowledge and practices in the NPP area; on the other hand, it involves recognising the potential for transnational cooperation to exploit cultural uniqueness for economic and social gain.

On the basis of the UMTE research, Box 4 identifies an indicative list of strategic themes (reflecting the views of partners expressed during the study) as a basis for further discussion in the preparation of the new Programme.

<p>Box 4: Indicative list of strategic themes</p> <p>Ensuring the sustainability of communities and resources</p> <ul style="list-style-type: none"> • Exploiting the economic, social and cultural potential of communities in peripheral and sparsely populated areas • Helping communities adapt to the consequences of climate change • Investing in renewable energy sources • Managing natural resources sustainably <p>Helping businesses to innovate and compete in response to globalisation</p> <ul style="list-style-type: none"> • Promoting Triple Helix cooperation and complex partnership in research and innovation • Improving the competitiveness of SMEs <p>Improving connectivity</p> <ul style="list-style-type: none"> • Exploiting the potential of maritime links • Improving accessibility through ICT connections and usage
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7.4 Does the Programme require a different territorial approach to strategic planning?

The current Programme covers the northern parts of Finland, Norway, Scotland and Sweden and all of the Faeroe Islands, Greenland and Iceland. Partners from Russia, USA and Canada are also involved in individual projects but not in the management of the Programme.

In the new Programme, the expanding geography and the scope to spend up to 10 percent of the Programme funding outside the EU would allow more strategic and extensive cooperation with external partners in Canada (Newfoundland, Labrador and the former North-Western Territories), the US (Alaska) and north-western Russia.

The additional member countries/regions, and the scope for greater partnership with external partners, in the new Programme will require different thinking about the design and management of the strategy. In such a situation, there is a danger - on the one hand - that the Programme's strategic objectives are generalised at the expense of meaningfulness, while on the other hand, individual countries consider that their particular concerns have been subsumed and neglected. This requires a clear understanding of how much the partners have in common and where their interests are specific to sub-groups of partners.

A starting point would be to build a territorial dimension into the regional analysis, SWOT analysis and identification of strategic themes which would enable some assessment of how important the various issues are for different groups of countries. This kind of an approach might utilise groups of countries such as:

- Nordic (Finland Norway, Scotland, Sweden, *Russia*)
- North Atlantic (Faeroes, Greenland, Iceland, Ireland, Northern Ireland, Norway, Scotland, *Canada, US*)
- Arctic (Faeroes, Finland, Greenland, Norway, Sweden, *Canada, US, Russia*)

Such territorial groupings are not intended to be exclusive. The current Programme has shown that, under all of the measures, many projects have very broad transnational participation, an approach which should continue in the new Programme. Nevertheless, it is also clear that the priorities of partners (and their potential to participate) varies across countries and regions. Using a territorial approach to prioritise and rank the interests of countries (as in Table 10) would indicate the degree to which there are Programme-wide issues in common, as well as the strategic interests of particular concern to smaller groups of countries. This would assist thinking both about the design of the Programme's strategy and also the way in which it should be managed and organised.

Table 10: Matrix approach to identifying the territorial interests of the Programme

Strategic themes	Nordic	N. Atlantic	Arctic
1. Sustainable communities <ul style="list-style-type: none"> • Theme 1.1 • etc 				
2. Business competitiveness <ul style="list-style-type: none"> • Theme 2.1 • etc 				
3. Connectivity <ul style="list-style-type: none"> • Theme 3.1 • etc 				

A secondary, albeit important, question is whether the Programme should be re-named. Changing the name would be an important signal to new partners that the Programme is changing in response to their membership. However, the current name - 'Northern Periphery' - is simple, appropriate and widely recognised, and a change of name would have to be undertaken with care given the potential loss of 'brand identity' involved. Other names cited include 'Peripheral Regions Programme' and 'North-Western Periphery Programme'.

7.5 How does the management of the Programme need to change?

As noted above, the Programme's management and delivery is generally considered to have performed well. In the context of a new Programme, however, there is a need to consider whether the current structure needs to be adapted to take account of the experience to date and the new partners and their interests.

The main perceived challenge for the Programme is how to continue developing more effective *strategic direction and management*. The 'driver' of progress in this area is the JPS which would need to move further from Programme administration to 'policy facilitation'. Developing a process that has been under way over the past 18 months, the challenges for the JPS would be as follows.

- A more strategic approach to project generation, identifying or encouraging potential lead partners to develop projects of strategic interest to the Programme, and providing more intensive support to lead partners in building projects in line with Programme objectives.

- Working with Programme partners to identify and involve target groups of particular importance, notably SMEs and Triple Helix partners.
- Better Programme monitoring information, comprising not just financial absorption data but more insights into project development and project progress.
- Periodic appraisal of how the elements of the Programme are operating and possible changes that could be made.
- Improved Committee support, partly through providing 'real time' information for decision-making bodies and committees but also through the preparation of strategic briefings and papers.
- Fullest possible use of simplified procedures envisaged in the new draft regulations.

In part, this is already happening. The JPS has moved towards more pro-active engagement with applicants, through a range of activities, and it has improved monitoring information, as recommended by the MTE. The main constraint in developing such activities further is the lack of resources. The three members of the JPS staff are currently fully occupied with Programme administration. A more strategic role would probably require the equivalent of part or all of the time of one senior member of staff to be 'freed up' to take on the above tasks. The Programme partners therefore face a choice. A more strategic approach to management would require an increase in resourcing of the JPS; the alternative is to adapt expectations to the resources available.

Achieving more strategic direction to the Programme would also require action on the part of the Programme Monitoring Committee. The above roles for the JPS would mean the PMC members being prepared to devote more time to strategic steering of the Programme, as opposed to supervising its administration.

A second area for change is the need for more efficient *management and administration of the Programme*. The UMTE has identified a range of concerns, shared to a greater or lesser extent, by partners. These include the complexity of application forms, the establishment of standard operating procedures for Programme administration (in particular financial reporting rules), the simplification of economic and administrative reporting, the application of project development methodologies, transnational management modelling, resource limitations in the Paying Authority, and keeping claimants informed about the status of their claims.

It would seem advisable for a sub-group of the PMC to undertake a detailed 'business planning review' of the whole administrative process of the Programme. This would involve charting and mapping all the administrative routines involved in the management and delivery of the Programme and making recommendations for improving efficiency.

7.6 How should the delivery of the Programme change?

The final question is whether and how the delivery of the Programme should change. The current system is somewhat complex, but it reflects the particular needs of the

Programme, notably its geography and the participation of countries/regions of very different size and institutional capacity. Partners are clearly giving serious thought to changing the current system, but as yet no consensus is emerging. At the heart of the debate are the roles of the RCPs and RAGs; in both cases, the organisations have contributed significantly to the performance of the Programme, but there are important concerns about the consistency of service delivery across the Programme delivery.

- The *Regional Contact Points* are often the main contact point for potential applicants. Their advantage lies in being located in the project area and giving a good idea of the potential partners. However, they appear to vary greatly in terms of how pro-actively they are marketing the Programme, engaging with the target groups and supporting potential applicants. There is a strong argument for more standardisation in the services they undertake, and closer liaison with JPS which is in a good position to facilitate the transfer of good practice through seminars, the application of standard administrative and reporting routines etc. Closer liaison with the JPS would also help the Secretariat to adopt a more strategic approach to the management of the Programme
- The situation regarding the *Regional Advisory Groups* appears to be less satisfactory as far as several partners are concerned. The composition of the RAGs varies between countries. In some countries they comprise experts in relevant professional fields, while in others, they involve a mix of politicians and civil servants. This results in considerable differences in approach to applications; where experts are involved, the application assessments tend to be thorough and professional, whereas in other cases there may insufficient expert knowledge to take an informed position on the application.

Looking to the future of the Programme's delivery system, one option would be to retain the current structure but to ensure more standard performance of the RCPs and RAGs. The role of the JPS in supporting the RCPs has already been discussed above. With respect to the RAGs, the key issue would be to standardise the membership of the RAGs to ensure consistent treatment of applications. If this is not possible because of national circumstances, greater use should be made of external specialists to ensure that the professional skills are available on a case-by-case basis for assessing applications.

A second option would be to consider changes to the structure. Drawing on experience from elsewhere, the RCPs could become *Regional Management Offices* whose task is not just to act as contact points but actively to market the Programme, to help applicants develop projects and - crucially - to act as a first filter for applications. On this latter point, they could take on some of the functions of the RAGs in determining the importance of the project for the locality, region or sector, to what extent it fits with local strategies or regional plans, i.e. applying local knowledge. The subsequent expert assessment would then not be undertaken at a regional level but by *Technical Advisory Groups* comprising experts drawn from across the Programme areas and who have professional expertise in the fields relevant to the application. In some cases, they might also be supported by specialist consultants.

ANNEX 1: PROJECT TIMETABLE

Task	July	August	Sept	October	November	December
Start of project	■					
Review of Programme progress and documents		■				
Development of questionnaire		■				
Development of template		■				
Request information from JPS			■			
Interviews			■			
Analysis of desk and fieldwork research			■	■		
Preparations for workshop				■		
Workshop (14 - 15 Oct)				■		
Re-assessment of analysis				■		
Development of main recommendations				■		
Writing of final report					■	
Submission of draft final report to JPS					■	
Submission of final report to EC						■

ANNEX 2: RESEARCH PROPOSAL

THE UPDATE OF THE MID-TERM EVALUATION OF THE INTERREG IIIB NORTHERN PERIPHERY PROGRAMME

Research Proposal to the Managing Authority of the INTERREG IIIB Northern Periphery Programme

1. INTRODUCTION

This paper outlines a research proposal to undertake the Update of the Mid-Term Evaluation (UMTE) of the INTERREG IIIB Northern Periphery Programme. The paper has been prepared by the European Policies Research Centre (University of Strathclyde, Glasgow) as a basis for discussion with the Managing Authority. It outlines the aims of the project, the methods and organisation and the possible costs.

2. OBJECTIVES

The aim of the UMTE is to provide current information to assist programming authorities prepare for subsequent assistance operations. As noted in the European Commission's guidance³³, the UMTE should build on the work of the Mid-Term Evaluation (MTE) in a flexible and proportionate manner in order to deliver added value. Specifically, the Commission guidance identifies several requirements for the UMTE, which will need to be addressed in the UMTE of the Interreg IIIB Northern Periphery Programme (NPP):

- (i) a review of the implementation of recommendations made in the MTE, completed in December 2003 by the Nordland Research Institute;
- (ii) an analysis of outputs and results achieved to date, analysed in the light of Programme targets and financial performance;
- (iii) an analysis of the impacts achieved to date and the likely achievement of objectives;
- (iv) any other evaluation questions(s) appropriate to the region, Member State or sector concerned;³⁴ and

³³ *The Update of the Mid Term Evaluation of Structural Interventions*, Working Paper No. 9, The 2000-2005 Programming Period: Methodological Working Papers, Directorate-General for Regional Policy, Commission of the European Communities, Brussels.

³⁴ It is not anticipated that this issue will need to be addressed in the context of the NPP since no new evaluation questions have arisen.

- (v) conclusions on efficiency, effectiveness and impact and recommendations for the future.

3. METHODOLOGY

The UMTE of the Interreg IIIB Northern Periphery Programme (NPP) will cover the above elements, but it will focus strongly on component (v) - conclusions and future recommendations - which is perceived to be the area of maximum potential added value for the Programme management bodies.

The methodology will involve four main elements: review of Programme progress and performance; assessment of programming experience and future developments; development of strategic options for changes in strategy and objectives; and reporting.

- (i) **Review of Programme progress and performance.** The first three of the UMTE elements listed above - review of implementation of recommendations and analyses of outputs, results and impacts - would be undertaken through desk research. This would cover:

- a review of Programme documentation since the MTE was undertaken;
- an assessment of the responses of the Programme managing authorities to the MTE recommendations (as outlined, for example, in the 2003 Annual Report);
- an updated analysis of Programme progress and performance (particularly over the 2+ years since the MTE analysis was undertaken) and a comparison of current outputs and results in relation to Programme targets;
- an analysis of available information on the impacts achieved to date and achievement of objectives

It is anticipated that the collation and review of information and data required for the desk research will be undertaken by the NPP Secretariat.

- (ii) **Assessment of programming experience and future developments.** The second element of the research, would focus on element (v) above, involving an assessment of the efficiency, effectiveness and impact of the NPP on the basis of experience up to mid-2005 and the implications for the future, in the light of changes in the financial, regulatory and strategic parameters. This element of the research would involve the following.

- An assessment of the *new financial and regulatory operating environment* in which transnational cooperation Programmes will be operating on the basis of the EU debates on the financial perspective and the Structural Funds draft Regulations. This will mainly involve desk
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research (since EPRC is closely monitoring the EU debates), supplemented by 1-2 interviews with key informants in DG Regio.

- An assessment of *programming experience and strategic implications of the financial and regulatory changes*. This will involve a fieldwork interview survey with 10-20 stakeholders from the Programme Monitoring Committee, Managing and Paying Authority, Programme Secretariat and Regional Advisory Groups. The preferred approach for the fieldwork survey would be face-to-face interviews, but cost considerations may mean that some or all of the interviews may have to be conducted by phone or email.
- (iii) **Development of strategic options for changes in strategy and objectives.** The results of the assessment of programming experience and future developments would be brought together in a preliminary paper which would provide the basis for a workshop with a small group of stakeholders. The workshop would be used to explore strategic options and assist in framing recommendations for the future. It is anticipated that the workshop would be led by EPRC and organised by the NPP Secretariat.
- (iv) **Reporting.** The final part of the research would involve a submitting a report on the above three stages to the NPP UMTE steering group and PMC.
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ANNEX 3: ON-LINE QUESTIONNAIRE

MID-TERM EVALUATION RECOMMENDATIONS

The MTE made a number of recommendations to improve the management and delivery of the Programme. For those areas where you have experience, please provide an assessment of whether the actions taken in response to the recommendations are broadly positive or negative.

1. Development of the Information Action Plan
2. Stronger marketing of the Community Development Priority
3. Increasing the number of applications, while maintaining quality
4. Increased involvement of the private sector (by implementing the Levi themes)
5. More pro-active role for the JPS in Programme implementation
6. Improved communication between JPS and RCPs, and communication between RCPs
7. Early establishment of partner cooperation in the initiation stages of projects
8. Transfer of knowledge and skills regarding project implementation and networking to new project partners
9. Mentoring and other learning support for project partners
10. Please provide any other comments that you may have on the implementation of the MTE recommendations

THE EFFICIENCY AND EFFECTIVENESS OF THE PROGRAMME

The following questions seek your views on your overall assessment of experiences of Programme performance in the current period and lessons for any future Programme

11. With respect to the three strategic themes of the NPP, how effectively has the Programme addressed them?
 - (a) Improvement of regional competitiveness:
 - (b) Exploitation of human and natural resources:
 - (c) Sustainable communities:
 12. How effectively has the Programme addressed the horizontal themes?
 - (a) Equal opportunities:
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- (b) Environmental sustainability:
- (c) Transnationality
- (d) Spatial development:

13. What is your assessment of the performance of the individual parts of the organisational structure of the Programme?

- (a) Managing Authority:
- (b) Paying Authority:
- (c) Joint Programme Secretariat:
- (d) Regional Advisory Groups:
- (e) Regional Contact Points:
- (f) Programme Monitoring Committee/Steering Group:
- (g) Programme Management Group:

14. What changes to the organisational structure would you like to see in any new Programme?

15. What is your overall assessment of the administrative procedures (eg. application, selection, claim procedures) of the Programme? Are there any changes you would like to see in any future Programme?

16. How effective do you think the categorisation of projects into main, preparatory, and micro has been in the implementation of the Programme?

17. What are your perspectives and experiences with the Triple Helix model and establishment of complex partnerships?

18. What is your overall assessment of the achievements of the Programme in the current period?

19. What lessons have been learned that should be transferred to the next period?

20. Please feel free to add any other comments you may have on the efficiency or effectiveness of the Programme.

21. Please feel free to add any other comments you may have on issues that should be addressed in designing any future Programme.

22. Would you be willing to clarify any of the above issues by telephone if necessary?

ANNEX 4: TELEPHONE SURVEY QUESTIONNAIRE

Section 1: Mid-Term Evaluation

- What are your general views of the MTE? [Were there other aspects that you would like the MTE to have covered?]
- What are your thoughts on how the MTE recommendations were implemented?

Section 2: Strategic Programme Issues

- How well do you think that the Programme has addressed the three strategic themes (improvement of regional competitiveness, exploitation of human and natural resources, and sustainable communities)? What kind of changes would you propose for the future?
- How well do you think the Programme has addressed the horizontal themes?

Section 3: Operational Issues

- What do you think of the categorisation of the three types (micro, preparatory, main) of projects?
- What do you think of the partenariats and lead partner seminars?
- What do you think of the Triple Helix model and complex partnerships?
- What do you think of the co-operation between Member and non-Member States in the Programme?

Section 4: Organisational Structure

- How well do you consider the organisational structure of the Programme has performed until now?
 - Joint Programme Secretariat
 - Regional Contact Points
 - Regional Advisory Groups
 - Programme Monitoring Committee/Steering Group
 - Paying and Managing Authority
 - Programme Management Group
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- What do you think of the application, selection, and claiming processes?

Section 5: Future of the Northern Periphery Programme

- What are your views on the Commission's proposals regarding the European territorial co-operation objective?
- Do you think that there is a valid reason to continue with the Programme next period?
- In what ways, do you see the connection between the Nordic-Scottish Co-operation, Nordic Council of Ministers and NPP in the future?

Section 6: Other issues

- Do you have any other comments regarding the design of a future Programme?
-