

**Focusing on preparing the new
programmes -
state of play with 2014-20 and
2007-13 programmes**



IQ-Net Review Paper 33(1)

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The partners in the IQ-Net network are as follows:

Austria

- State Government of Niederösterreich (Lower Austria), Economic and Tourism Department
- State Government of Steiermark (Styria), Department for Economy, Tourism and Sport

Belgium

- Enterprise Flanders Agency

Czech Republic

- Ministry of Regional Development

Denmark

- Danish Business Authority

Finland

- Alliance of Länsi-Suomi (Western Finland) and the Ministry of Employment and the Economy

France

- Délégation interministérielle à l'aménagement du territoire et à l'attractivité régionale (DATAR, Interministerial Delegation of Territorial Development and Regional Attractiveness)

Germany

- Nordrhein-Westfalen (North Rhine-Westphalia), Ministry for Business, Energy, Industry, SMEs and the Craft Sector, EU Affairs Unit
- Sachsen-Anhalt (Saxony-Anhalt), Ministry of Finance

Greece

- Management Organisation Unit of Development Programmes S.A.

Poland

- Śląskie Voivodeship (Marshal's Office of Silesia)

Portugal

- Financial Institute for Regional Development (IFDR)

Spain

- País Vasco (Basque Country), Provincial Council of Bizkaia, Department of Economy and Finance

Slovenia

- Ministry of Economic Development and Technology, EU Cohesion Policy Directorate

United Kingdom

- Department of Communities and Local Government
- Scottish Government
- Welsh European Funding Office

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Disclaimer

It should be noted that the content and conclusions of this paper do not necessarily represent the views of individual members of the IQ-Net Consortium.

Executive Summary

After two years of intense negotiations, first within the European Council and then with the European Parliament, the agreement reached with the Parliament on 20 November provides certainty on the regulatory framework for Cohesion policy in the 2014-20 programme period. Programming has of course been underway for a year or more, as Member States, national and regional authorities have been developing their new Partnership Agreements (PAs) and Operational Programmes (OPs), while engaging in informal dialogue with the European Commission. Progress with the drafting of Partnership Agreements is generally on schedule and the aim is to submit formally the majority of PAs towards the end of 2013.

Although programming has progressed in parallel with the development of the PA, formal negotiations are not due to start until after the PA has been approved by the Commission. Nonetheless, successive drafts have already been shared with the Commission and informal meetings taken place. Most partners are expecting OP approval by the end of 2013 or early 2014, well in line with the Commission's approximate deadline of May 2014.

Decisions on the distribution of funding to regions or programmes have still to be taken in most partner countries. The delayed EU-level agreement on the budget with the European Parliament has in many cases hindered the start of internal negotiations on the distribution of funds to programmes and regions, or on allocations to spending priorities. Nevertheless, programme authorities have made calculations on the possible allocation of funds between programmes and regions and in some cases indicative figures have been proposed internally (Austria, Czech Republic, France, Germany, Slovenia) or publicly (Finland, Poland, United Kingdom).

In many IQ-Net programmes, funding will need to be strongly concentrated following ring-fencing requirements. This applies especially to more-developed and transition regions, where up to 80 percent of ERDF funding will need to be concentrated on the TOs 1 (RTDI), 3 (competitiveness of SMEs) and 4 (low-carbon economy). There will generally be shifts in spending towards all three objectives, in particular to TO4 (low-carbon economy). The thematic concentration requirements do not pose major challenges to programme implementation structures.

Although most partners have no plans to create new Intermediate Bodies or to attract new beneficiaries in response to the thematic re-orientation, changes in management and implementation structures are due to be introduced as part of broader striving towards efficiency and to reflect past experience. In recent months, developments have taken place in terms of: changes to the number (Niederösterreich) and responsibilities of Intermediate Bodies (Finland), introduction of decentralised Structural Funds management (France) or a centralised agency to rationalise and concentrate resources (Portugal) or a change of national Government (Czech Republic). While these developments can be important in terms of increasing efficiencies, they can also bring uncertainty over future implementation structures.

The most significant changes in programme architecture – including both a reduction in the number of OPs and the introduction of multi-fund programmes – is planned in Austria, the Czech Republic, Finland and Slovenia. The introduction of multi-fund programmes (in Czech Republic, Finland, France, Greece, Poland, Portugal, Slovenia) has been reasoned on grounds of taking a more integrated approach to Cohesion policy management and implementation. However, while some have

experience of a multi-fund approach from earlier programme periods (2000-06), others are embracing it for the first time. Changes to programme management structures can further complicate the adoption of a multi-fund approach.

With respect to the Commission's proposals for the use of new instruments of Community-Led Local Development (CLLD), and Integrated Territorial Investments (ITIs), planning is at mixed stages in the partner programmes. Where CLLD is to be implemented, the intention is to do this by expanding the existing LEADER approach beyond use with EAFRD to include ESF (Sachsen-Anhalt) or both ERDF and ESF (Czech Republic, Greece, Portugal). Most partners have decided to implement ITIs. The ITIs are primarily used to combine different priority axes within one programme (rather than several programmes) and bundle funding from ERDF and ESF (rather than from several funds). Partners are also generally planning to use ITIs for the implementation of integrated actions for sustainable urban development, but where this is not the case, implementation will be carried out through a separate priority axis (Austria, Denmark, France, Greece, Nordrhein-Westfalen, Sachsen-Anhalt, Spain).

The focus for 2007-13 programmes over the last six months has been on achieving and maintaining full levels of commitment, which may involve the recycling of funding, and accelerating payment levels. The rate of absorption across EU27 has increased by nearly eight percentage points to 59.4 percent over the last six months, although marked differences between Member States and Funds remain. However, across EU27, the pace of spending (as measured by payments) remains around six percentage points behind the same point in 2000-06. However, as the Commission cannot currently make payments on most budget lines, this underestimates programme progress somewhat.

Looking back over the last six years and assessing which themes have progressed well in terms of spending and physical performance, IQ-Net partners reported that, in general, large, previously identified, mature projects and those run by experienced beneficiaries spent fastest, while simple, easy to implement infrastructure-type projects or those with a clear high demand progressed best against targets. On the other hand, smaller projects and those facing complex State aid or procurement issues, as well as those run by less experienced beneficiaries, performed slowest.

Many IQ-Net partners are progressing closure preparations with the preparation of domestic closure guidance (Finland, Poland, Slovenia, France, Greece) and setting internal closure deadlines (Denmark, Finland, France, Slovenia, Vlaanderen). Both Commission and domestic training has taken place, and other means of information dissemination have been developed. Closure preparations are perceived as making heavy demands on staff time, especially given the parallel preparations for 2014-20, so a number of programmes have (or intend to) reallocate or appoint staff specifically for closure (Czech Republic, France, Scotland, Wales, Vlaanderen).

On the basis of the information available in October and November 2013, the aim of this paper is two-fold:

- To provide a review of the preparation, content and delivery implications of the PAs and OPs for 2014-20;
- To provide an update on the financial and physical progress of the 2007-13 OPs and the preparations for programme closure.



Improving the Quality of Structural Funds Programme Management through Exchange of Experience

IQ-Net is a network of Convergence and Regional Competitiveness programmes actively exchanging experience on practical programming issues. It involves a programme of research and debate on topical themes relating to Structural Funds programme design, management and delivery, culminating in twice-yearly meetings of members. IQ-Net was established in 1996 and has successfully completed four periods of operation: 1996-99, 1999-2002, 2002-07 and 2007-10. The fifth phase was launched on 1 January 2011 (Phase V, 2011-13).

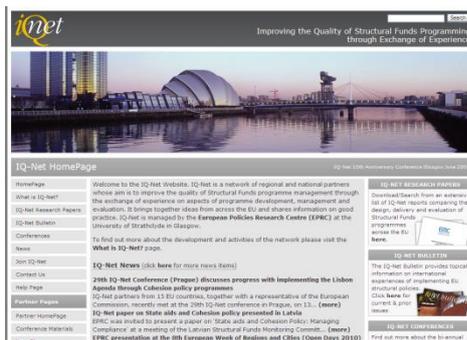
IQ-Net Meetings

34 partners' meetings and a special 10th anniversary conference have been held in 13 European countries during 17 years of operation of the network. Meetings are held at approximately six-month intervals and are open to IQ-Net partners and to observers interested in joining the network. The meetings are designed to facilitate direct exchange of experience on selected issues, through the presentation of briefing papers, plenary discussions, workshop sessions and study visits in the hosting regions.



IQ-Net Website

The IQ-Net Website is the network's main vehicle of communication for partners and the public. The launch of Phase V has been accompanied by an extensive redesign of the site which comprises two sections:



Partner Intranet Pages available exclusively to IQ-Net members.

Public Pages which provide information on the Network's activities and meetings, allow the download of IQ-Net Reports and Bulletins, and provide a news section on issues relevant to the Network.

The Partners' section of the website provides exclusive services to members of the network, including access to all materials prepared for the IQ-Net meetings, a list of EU28 links (programmes, institutions etc.), partners' contact details, a partners' blog and other items of interest.

IQ-Net Reports

The IQ-Net Reports form the basis for the discussions at each IQ-Net meeting. They present applied and practical information in a style accessible to policy-makers, programme executives and administrators. The reports can be downloaded, at no charge, from the IQ-Net website. To date, 33 thematic papers have been produced on both 'functional issues' (e.g. management arrangements, partnership, information and communication, monitoring systems) and 'thematic issues' (e.g. innovation, enterprise development, tourism). A similar number of papers have also been produced to review developments in the implementation of the Network's partner programmes.

IQ-Net Thematic Papers

- Preparing for 2014-20: Programming, Concentration and Performance
- The Promise and Perils of the Performance Turn in Cohesion Policy
- 'Smart specialisation' and Cohesion policy – A strategy for all regions?
- New financial instruments in Cohesion policy
- Taking stock of programme progress: implementation of the Lisbon Agenda and lessons for Europe 2020
- The Reform of Cohesion Policy after 2013: More Concentration, Greater Performance and Better Governance?
- New Partnership Dynamics in a Changing Cohesion Policy Context
- Pandora's Box and the Delphic Oracle: EU Cohesion Policy and State Aid Compliance
- The Financial Management, Control and Audit of EU Cohesion Policy: Contrasting Views on Challenges, Idiosyncrasies and the Way Ahead
- From Environmental Sustainability to Sustainable Development? Making Concepts Tangible in Structural Funds Programmes
- Making sense of European Cohesion Policy: 2007-13 on-going evaluation and monitoring
- Turning ideas into action: the implementation of 2007-13 programmes
- The New Generation of Operational Programmes, 2007-13
- National Strategic Reference Frameworks and OPs, 2007-13
- Preparations for the Programme Period 2007-13
- Territorial Cohesion and Structural Funds
- Cohesion Policy Funding for Innovation and the Knowledge Economy
- The Added Value of Structural Funds
- Information, Publicity and Communication
- Mid-term Evaluation of the 2000-06 Programmes
- Mainstreaming Horizontal Themes into Structural Fund Programming
- The Structural Funds: Facilitating the Information Society
- Information into Intelligence: Monitoring for Effective Structural Fund Programming
- At the Starting Block: Review of the New Programmes
- Tourism and Structural Funds
- Preparations for the New Programmes
- The New Regulations and Programming
- Strategic Approaches to Regional Innovation
- Effective Responses to Job Creation
- The Evolution of Programmes and Future Prospects
- Equal Opportunities in Structural Fund Programmes
- The Contribution of Meso-Partnerships to Structural Fund Implementation
- Regional Environmental Integration: Changing Perceptions and Practice
- Structural Fund Synergies: ERDF and ESF
- The Interim Evaluation of Programmes
- Monitoring and Evaluation: Principles and Practice
- Generating Good Projects
- RTD and Innovation in Programmes
- Managing the Structural Funds – Institutionalising Good Practice
- Synthesis of Strategies 1994-96

IQ-Net Bulletin

The IQ-Net Bulletin promotes the dissemination of the Network's activities and results. 17 issues have been published to date, over the period from 1996 to 2013. Bulletins are published using a standard format, with each providing summaries of the research undertaken and reports on the discussions which take place at IQ-Net meetings. The Bulletins can be downloaded from the IQ-Net website.



Admission to the IQ-Net Network is open to national and regional Structural Funds managing authorities and programme secretariats. For further information or to express an interest, contact Professor John Bachtler (john.bachtler@strath.ac.uk).