

Growth, Jobs and the European Regional Development Fund

The ALSO Project: An Assessment Tool to Follow?



By Alexander Heichlinger, Seppo Määttä and Oscar Martí¹



First Progress Report on the INTERACT Project (Achievement of the Lisbon and Gothenburg Strategy Objectives by INTERREG-ALSO)

The relaunch of the Lisbon Strategy

At the Lisbon Summit in the spring of 2000, the Member States of the European Union agreed to make their labour markets more flexible, stimulate innovation, encourage entrepreneurs, spend more on research and development and complete the single market by 2010. This agreement, named the Lisbon Strategy, aimed at making Europe “the most competitive and dynamic knowledge-based economy in the world”, capable of sustainable economic growth with more and better jobs and greater social cohesion. At the mid-way point of the Lisbon implementation period, and after a “turbulent” review of the objectives, the European Commission confirmed that there was still “value for money” in the core ambitions and therefore proposed a revised Lisbon Strategy² to the Luxembourg European Council in 2005, focusing mainly on economic growth and employment – the real challenges in European economies. Except for the Barcelona objective of 3% of GDP³ to be invested in R&D, the emphasis is no longer on overall numerical targets, but on the need for urgent reaction and action from Member States.

In a nutshell, the relaunch of the Lisbon Strategy is based on three core pillars:

- 1) making knowledge and innovation the real engines driving long-lasting growth;
- 2) making Europe more attractive for investment and employment; and
- 3) creating better and more jobs and placing growth and

employment at the service of social cohesion, supported by a sound macroeconomic foundation and good quality public finances.

These core pillars and priorities have been further specified in the *24 Integrated Guidelines for Growth and Jobs (2005-2008)*.⁴ Six guidelines refer to macroeconomic issues, and ten to microeconomic ones, while the remaining eight set general objectives for employment. It is noteworthy that only one of the guidelines (no. 11) refers directly to the agenda’s environmental dimension (in line with the Gothenburg ambitions).

From the regions to Lisbon: the ALSO project

It is widely recognised that economic growth is fostered to a large extent by and between regional and local actors. This is demonstrated, among other things, by the emergence of new foci of regional and local development clusters, by the creation of new urban and local economic networks and links across national borders, and by the new geography of innovation in regional/local territories, based on *talent, technology and tolerance* (Florida, 2002),⁵ all accompanied by political devolution process in many European countries.

On the other hand, when it comes to the involvement of local and regional actors in so-called Lisbon Governance, it is felt that they are left aside where it concerns the strategy design and its subsequent delivery. This is confirmed by the findings of a recent survey on the monitoring and assessment of the Lisbon National Reform Programmes from a regional and local perspective, conducted by the Committee of the Regions.⁶

Against this background, the ALSO project – the acronym

for *Achievement of the Lisbon and Gothenburg Strategy Objectives by INTERREG* – was proposed in 2004 and launched in July 2005. The project is run under the second round of applications of the INTERACT⁷ Programme, aimed at a better development of regional cooperation issues and territorial promotion activities into INTERREG projects. ALSO has been chosen as the best project run under Priority 2, which concerns INTERREG development: local and regional initiatives. It is led by the Marche Region (IT), and EIPA, through its Antenna in Barcelona, the European Centre for the Regions, acts as a partner and full member of the ALSO Scientific Committee (see below for more details about the consortium composition).

The main ALSO project aims are to analyse and examine to what extent the INTERREG III projects (period 2000-2006) can contribute to the achievement of the Lisbon objectives from a regional point of view. Furthermore, the project also specifically aims to provide supporting tools such as assessment methods for new projects to be developed under the 2007-2013 programming period, when INTERREG will give way to the new European Territorial Cooperation Objective.

The ALSO project also promotes the exchange of best practices between the regional administrations already involved in INTERREG projects and those of new Member States. For this, apart from assessing many projects, ALSO assists in better communicating the results of such projects. Finally, the ALSO project's tasks include training regional planners operators/project managers in order to foster regional cooperation, solve their lack of coordination in view of improving the transposition of regional programming activities and orienting the new generation of inter-regional projects towards the objectives of the Lisbon Strategy.

The delivery of the various work packages and project tasks involves a consortium of 15 regional partners plus 2 scientific partners: EIPA-ECR and ULB (Université Libre de Bruxelles, BE), and other partners from a total of 11 countries from both inside and outside the European Community, subdivided into three different geographical areas:

- Northern Europe: Regional Council of South West Finland (FI); Ita-Usima Region (FI); Klaipeda Regional Development Agency (LT); Hiiu County Government (EE)
- Eastern Europe: Marche Region (IT), Sviluppo Marche – RDA of Marche Region (IT), Ervet – RDA of Emilia-Romagna Region (IT), A Del-Alfoldi Regioert – Organising Public Association (HU), C.E.I. – Sub-Regional Cooperation Initiative in Central and Eastern Europe (16 countries), Bulgarian Ministry of Regional Development and Public Works (BG);
- Southern and Western Europe: Lorraine Region (FR), Cambridgeshire County Council (UK), Arco Latino – Network of second-tier local administrations in the Western Mediterranean region (59 members).

One of the main bodies responsible for implementing the ALSO project is the ALSO Scientific Committee (ALSO SC), composed of Sviluppo Marche S.p.A, EIPA-ECR, ULB, the Regional Council of Lorraine and the Regional Council of South-West Finland. The Scientific Committee is in charge of elaborating the ALSO assessment model which represents the main tool for assessing the potential and expected impact of INTERREG projects on the Lisbon Strategy. EIPA-ECR has a major role to play in the implementation of the project since it has been entrusted

with and has elaborated the loose assessment framework model – described in more detail below – which was presented to the other members of the Committee in January this year. In parallel the ULB, in cooperation with the Regional Council of Lorraine, has developed a set of regional indicators and a measurement formula matching the Lisbon targets (see also further below) and linking the in principle macroeconomic level of the indicators with the success dimensions/key criteria of the project level.

A wide collection of projects: the ALSO assessment methodology

During an initial phase between July and November 2005, more than 140 projects of the three strands of INTERREG III⁸ (A: Cross-border cooperation; B: Transnational cooperation and C: Inter-regional cooperation) were collected from the project partners and screened. Taking into consideration the representativeness of the sample, this extensive compilation gave the opportunity to start building an ALSO projects database which provides a sound basis for the project delivery itself as well as for other possible future purposes.

As a first step, a number of eligibility and substantial criteria were established in order to “filter” the more “Lisbon-oriented” projects. Only projects which fulfilled criteria such as “duration” (at least half of the planned duration already implemented) and “budget” (min. €200,000 total budget) were eligible for a second screening. As a next step, substantial criteria for the assessment were introduced and only projects which demonstrated a qualitative contribution to at least three integrated guidelines of the three Lisbon pillars were accepted, allowing the evaluators to reduce subsequent and planned in-depth analysis to the more relevant projects in view of Lisbon. As a consequence, from the total 140 projects, 24 projects were finally chosen by the ALSO SC to test the ALSO Assessment Framework which was being developed. In this context it should be pointed out that the screening has been realised bearing in mind the new conditions under the new programming period 2007-2013, since the final assessment model should also be usable for ex-ante project assessment.

See figure 1 below for an example of the work carried out by the ALSO SC on the above.

Finally, and after the second screening, six pilots projects were chosen in order to be analysed in depth and tested against the loose assessment framework model which will be described in the next paragraph.

Balanced view of project added value: the ALSO Assessment Framework model

The conceptual framework which inspired the EIPA staff members to design the ALSO Assessment Framework (ALSO AF) relies on the model of the Balanced Scorecard (BSC), a framework that covers the key perspectives of any business or public sector activity. The BSC was first developed for business in the beginning of the 1990s. However, it has been widely used since in many public sector bodies with the necessary important adjustments.

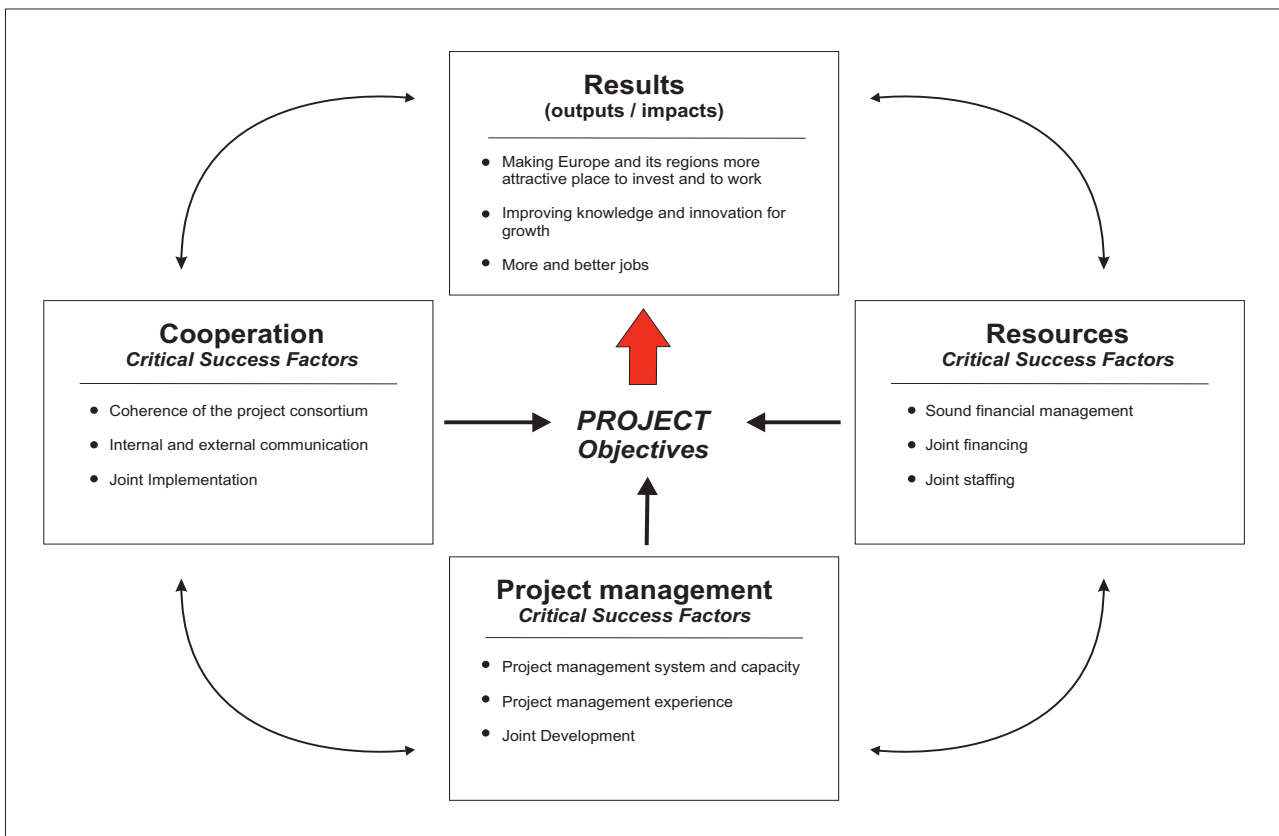
The core idea of the BSC is its multidimensional and balanced view on performance. The perspectives can be freely defined, but the idea is to highlight and to maintain focus. Thus, the framework should not in principle include more than 4 perspectives. As a model, the BSC includes

Figure 1: Matching of selected projects with the Lisbon pillars (second screening)⁹

	Macroeconomic foundation (1-6)	Knowledge and innovation for growth (7-9)	A more attractive place to invest and work (10-16)	Creating more and better work (17-24)
Strand A Cross-border		<ul style="list-style-type: none"> •BRIDGES Marche: 5, 8, 16, 23 •GALILEO: 8, 9, 15, 16 		
Strand B Trans-national		<ul style="list-style-type: none"> •EMBRACE: 8, 9, 15 	<ul style="list-style-type: none"> •I-Log: 8, 15, 16 •I-Log Hun: 8, 15, 16 •Smart Life: 8, 11, 16 •InCluD: 8, 9, 14, 15 	<ul style="list-style-type: none"> •SIMOCA: 9, 20, 23
Strand C Inter-regional		<ul style="list-style-type: none"> •CAPTURE: 8, 9, 15 •STRATINC: 8, 9, 15 •e-BIRD (RFO: 1+4 projects): 7, 8, 9, 15 •STIMENT(RFO: 1+9 projects): 7, 8, 9, 15, 23 •E-TEAMS: 8, 9, 15 	<ul style="list-style-type: none"> •INNODEC: 8, 14, 15 •ICN: 8, 10, 15 	



Figure 2: The ALSO Assessment Framework



The BSC model was considered highly useful and usable for the ALSO project characteristics in accordance with its assessment needs and objectives. Hence, a particular ALSO AF was designed introducing into the BSC model the particular critical success factors for a successful project.

critical success factors (CSF), which define the most important issues to be focused on in order to make a project/activity successful. A set of targets, measures and indicators are set for each of the CSF.¹⁰

The *results-output/impact dimension* are defined with reference to the Lisbon Strategy core fields, divided into policy guidelines and translated into strategic guidelines for regional cooperation.¹¹ Thus, the three broad results to be achieved by any evaluated project are *investment and work, knowledge and innovation* and *employment*. In line with its multidimensional view of BSC methodology, the core “enablers” (critical success factors) for the ALSO assessment are the other dimensions: *cooperation, resources and project management*.

From a “pyramidal” point of view, those three dimensions are the basis for achieving or leading the project to positive/good results. In this context, if a project aims via its *results* to achieve and/or contribute to the new Lisbon objectives, it needs to have accumulative positive and important implementing elements such as political leadership throughout the project, the creation of a solid consortium with clear and well-defined project tasks and division among the partners or well-established mechanisms to involve other partners in the project implementation and its communication. In the same context, prior EU, multilateral or bilateral project experience, and good administrative capacity are other criteria which the ALSO model considers as “facilitators” to carry out European funded regional and local development programmes.

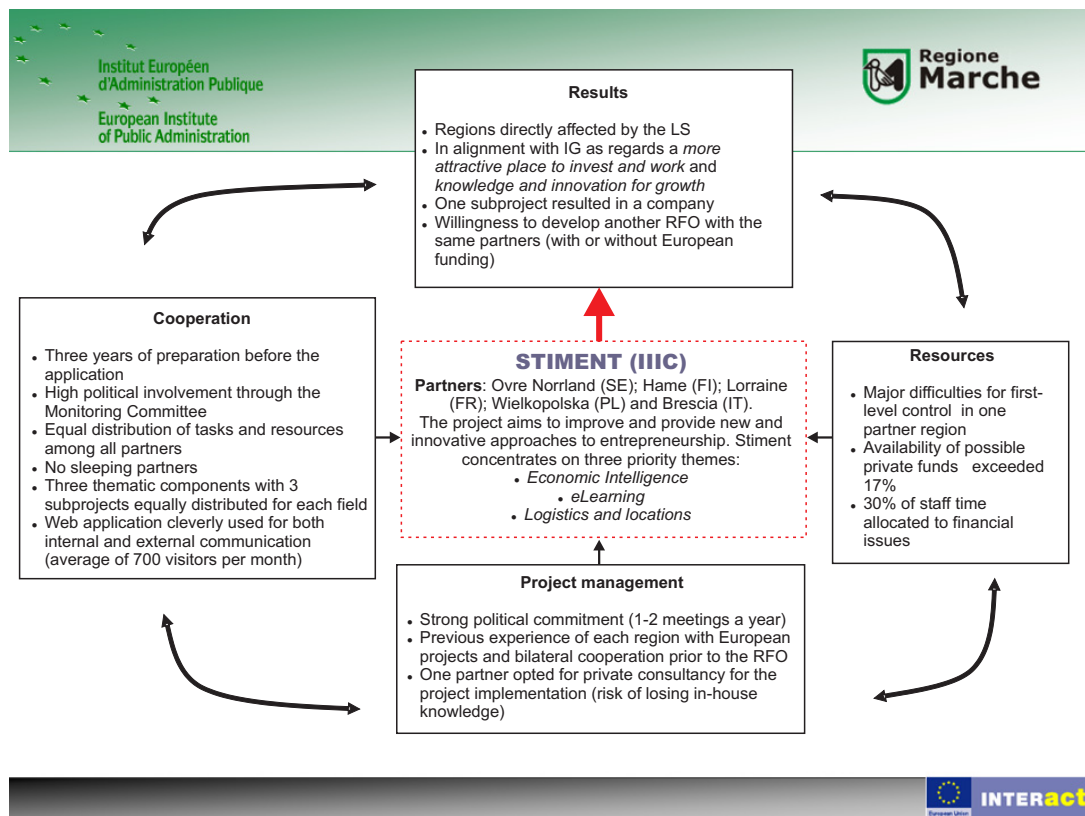
In the following paragraph, by way of illustrating the application and testing the ALSO Assessment Framework on a concrete case (the *STIMENT* – Stimulating New Ways of Entrepreneurship – practice, an INTERREG IIIC Regional Framework Operation) the potential of the developed tool will be further examined.

The practice of STIMENT: an ALSO pilot case

Despite having driving forces such as excellent communication facilities, dynamic development in key sectors and highly acclaimed research, the region of Övre Norrland in North Sweden had gone through deep structural changes after the 70s, and suffered from a lack of active commitment to revitalising its entrepreneurial economy. As a consequence, the two county councils forming this Swedish region decided, among other things, to take advantage and make use of the European framework for inter-regional development to build a future action plan aimed at overcoming their own difficulties regarding the blocking of entrepreneurship. The *STIMENT* case, which ended in 2006, achieved remarkable results (see assessment below), and was acknowledged by Mrs Danuta Hübner, European Commissioner for Regional Policy, at a recent INTERREG Forum in Stockholm as a best practice example of a network between regions from different countries. This reward stemming from the European Commission did not only show the good results of this RFO, but also confirmed that the ALSO project is on the right track with what it is doing.

Firstly, within the *cooperation dimension*, we can highlight that a partnership including the regions of Övre Norrland, Häme (Finland), Wielkopolska (Poland), Lorraine (France) and Brescia (Italy) was created after three years’ preparation, a significant period to build a sound and well-structured partnership and mutual trust among the key stakeholders. The partners already had some experience in European project management on a bilateral basis and a consortium was set up in order to apply together for the RFO within the Community Initiative INTERREG III C. As a matter of fact, *STIMENT* was the first RFO in Northern Europe. The project structures its action to foster entrepreneurship, including different activities in three areas: *economic intelligence, e-learning and logistics and locations*.

Figure 3: The *STIMENT* project through the ALSO AF¹²



Another critical success factor concerning the project partnership is the use of the concept of exchanging experiences. Following the logic of exchanging practices and knowledge, and starting with the regional level as an innovative space and a base for growth and employment, the Brescia region is being taken as the "model" for the partners most in need of entrepreneurship. At the same time, Brescia had the opportunity to create innovative solutions for the problems of the developed regions, which are for the most part associated with stagnation in economic activity of some sectors. These innovative solutions could become an economic catalyst no matter whether we are talking about more or less developed regions.

Considering the limited impact that any project is likely to have if it does not maintain close ties with the policy-making level, it is worth pointing out the political commitment which has characterised the project. Not only the *cooperation aspect*, but also the *project management aspect* highlights the fact that STIMENT has successfully involved its political representatives throughout the project. The project's good management and promising results have spurred the partners (and their politicians) on to commit themselves to continuing the partnership, irrespective of whether or not they receive European funds next time.

The potential role of private funds in projects like STIMENT is also worthy of note and is pointed out through the *resources dimension*. In this case, the partnership could have obtained private funds amounting to 17% of the total for the operation, although the regulatory framework limited the participation of private funds to 10%. In the same context, one sub-project has ended up being converted into a private company and is now actively consolidating its operation.

In a nutshell, the robustness of the project allowed STIMENT to obtain a good *results dimension* in the ALSO assessment, i.e. a high potential impact and contribution to several Integrated Guidelines for Growth and Jobs in the area of *More attractive place to invest and work and Knowledge and innovation for growth*.¹³

Good vibrations for the future: the first ALSO Transnational Partner Workshop in Barcelona

On 20-21 March 2006, the EIPA-ECR hosted the first ALSO Partner Workshop in Barcelona in order to present, discuss and further shape the work carried out by the ALSO SC during the first 8 months. In this context, the workshop was the first occasion to present, explain and test the performance measurement model and its first outputs which represented an ample opportunity for discussion and reflection among all the project partners on the interim work carried out so far.

Extensive brainstorming among the project partners at the first ALSO Workshop contributed to some interesting and new ideas which have had a clear influence on the later development of the project. Among them, the proposal to allocate a bigger weighting in the assessment to the *results dimension* should be highlighted, a thought already taken up by the SC meetings with a view to avoiding the risk of evaluating very well managed projects which are poor in delivering results under the Lisbon pillars. Other matters, such as the need to focus on who (which target group) will be the end user of the ALSO methodology and model (partners, INTERREG programmes, secretariats, public local and regional authorities, etc.) and at what moment (ex-ante, mid-term and/or ex-post) the model can be applied,

the search and use of quantitative regional indicators on Lisbon to measure precisely the *results dimension* (the mentioned set of indicators and calculation formula developed by ULB) or the importance of ALSO to show the impact of cooperation on territorial governance were discussed in-depth, assessed and subsequently developed further. It was unanimously agreed that the ALSO AF should position itself to be the desired linkage between the Lisbon Strategy and the INTERREG projects, thus providing added value and a tool for the future.

Regional Lisbon indicators, scoring, dissemination, etc: the current and future ALSO steps and prospects

Following the first meeting in March, and in order to present a clear and balanced scoring of the 24 final projects analysed in depth, a list of regional indicators to be matched with each of the dimensions was developed by ULB and the Regional Council of Lorraine between April and July this year. Thus, a list of 20 regional indicators related to Lisbon Strategy objectives (for the *results dimension*) and 40 indicators to the other three dimensions was used by the ALSO SC to set the final scoring of the projects. The selected indicators are based on studies performed by the European Commission (EUROSTAT, DG REGIO), as well as other institutions working on the subject, such as STRINNOP, the Danish Technological Institute (DTI), etc. This ongoing work was discussed in October 2006 at the second ALSO Workshop in Barcelona along with the creation of an ALSO manual including best practices and the compilation of a checklist on how to bring new ideas for projects in line with the Lisbon targets and as such include them in the various forthcoming project proposals.¹⁴

With the end of INTERREG III by the end of 2006, and in agreeing a financial perspective for 2007-2013 where the Member States decided that a certain proportion of the resources¹⁵ available should be allocated for investments in areas directly linked to the growth and jobs strategy, the ALSO project and its work are well situated to reinforce the role local and regional actors may play as "dynamotors" of the European economy and their big influence in planning and making the new *European Territorial Cooperation Objective* "a reality" in alignment with delivering sustainable growth and jobs.

For this reason, during the final quarter of the project duration (January till June 2007), it is foreseen that each partner responsible for a specific strand will organise a *Working Conference* in their respective territory to disseminate the results of the project undertakings as well as to promote the usage of the developed model. For the North strand, Turku (FI) will be the location, the South West activity will be held in Metz (FR) and for the Eastern Europe area Budapest (HU) has been chosen for this activity. These three events will be open to all regional and local authorities. Finally, as part of the project packages a final ALSO conference is planned in Ancona (IT), in the Marche Region in June 2007, where the ALSO final project results and outputs will be presented and shared with all those dealing directly with inter-regional cooperation projects.

The official ALSO project website (www.alsoproject.eu) with all the information regarding the project (events, publications, results, etc.) is a good source for those interested in the ongoing activities and also provides a periodic newsletter. ::

NOTES

- ¹ Senior Lecturer and Project Leader, Finnish National Seconded and Student Assistant, EIPA-ECR Barcelona.
- ² European Commission COM(2005) 141 final.
- ³ Presidency Conclusions of the Barcelona European Council 15-16 March 2002.
- ⁴ European Commission: Communication to the spring European Council: Working together for growth and jobs. Integrated guidelines for growth and jobs (2005-2008).
- ⁵ Florida, R. (2002): *The Rise of the Creative Class: And How It's Transforming Work, Leisure, Community and Everyday Life*. United States, Basic Books.
- ⁶ Committee of the Regions (2005): Regions and cities in the National Reform Programmes. December 2005. R/CdR 385/2005 item 13.
- ⁷ INTERACT is an abbreviation for INTERreg Animation Cooperation and Transfer.
- ⁸ During the whole project selection process, the ALSO SC has always ensured a balance among the INTERREG strands regarding the number of projects.
- ⁹ Heichlinger, A. and Määttä S., Presentation at the 2nd International Annual Conference on "The re-launched Lisbon strategy on partnership for growth and jobs and its regions: a reality check", Valencia, 12-13 June 2006.
- ¹⁰ See e.g. Määttä S. and Ojala T. (1999): *A Challenge for Balanced Success in the Public Sector. Towards More Proactive Strategic Management*, Ministry of Finance, Helsinki.
- ¹¹ European Commission (2005) 0299: Cohesion Policy in Support of Growth and Jobs: Community Strategic Guidelines 2007-2013.
- ¹² Heichlinger, A. and Määttä S, Presentation at the first ALSO Workshop in Barcelona, 20-21 March 2006.
- ¹³ More description of the results of the final assessment, its scoring and best practice selection, as well as the results of the recent second ALSO Workshop, will be published in EIPASCOPE in spring 2007.
- ¹⁴ Idem.
- ¹⁵ This so-called "earmarking" is confirmed in the regulation for Structural Funds which sets earmarking targets at 60% of expenditure for the Convergence objective and 75% of expenditure for the Regional competitiveness and Employment objective, applied as an average over the entire programming period of all Member States of the Union as constituted before 1 May 2004 (EC, MEMO/06/281).

THE FOLLOWING ACTIVITIES TOOK PLACE DURING THE PERIOD COVERING THIS REPORT

11-12 July 2005, Brussels (BE)

Kick-off conference on the INTERACT-ALSO Project (Achievement of the Lisbon and Gothenburg Strategy objectives by INTERREG), in cooperation with the Committee of the Regions.

20-21 March 2006, Barcelona (ES)

First Trans-national Partner Workshop on the ALSO Project

16-18 October 2006, Barcelona (ES)

Second Trans-national Partner Workshop on the ALSO project: A reality check and first results

I-VI ALSO Scientific Committee Meetings, Brussels (BE)

2005: 10 July, 24-25 October and 2 December.

2006: 3 March, 16 June and 19 July.

RELATED EIPA-ECR ACTIVITIES

2-3 October 2006, Turku (FI)

High Level Meeting on European Governance and the EU

Presentation of background paper on "Good governance in delivering sustainable growth: Regions and municipalities as promoters of the Lisbon Strategy" commissioned by the Finnish Presidency (www.eu2006.fi).

For further information, please contact:

Mr Alexander Heichlinger

Tel.: +34 93 567 2404

E-mail: a.heichlinger@eipa-ecr.com

