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for a sustainable and competitive region.*

The North
Sea Region
Programme
2007-2013



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ANALYSES & STRATEGIES
COOPERATION MANAGEMENT

INTERIM REPORT

Added Value



Sub-theme 1: Programme
impact and coverage

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The preparation of the report was overseen by the Programme's Evaluation Steering Group, comprising representatives from countries and regions participating in the Interreg IVB North Sea Region Programme and co-ordinated by the Joint Technical Secretariat.

This report is part of a series about the ongoing evaluation process of the Programme. In accordance with the ongoing approach these reports will be available one by one in the near future:

Institutional Capacity and Performance

- 1) Financial management and control setup
- 2) Programme structures
- 3) Application procedures and project development

Added Value

- 1) Programme impact and coverage
- 2) Transnational cooperation
- 3) Legacy

Publicity and Communications

- 1) Programme and project cooperation in communications
- 2) Programme visibility
- 3) Communications measures on project level

Disclaimer:

The content of this paper has been prepared by dsn Analysen & Strategien | Kooperationsmanagement and does not necessarily reflect the opinion of the North Sea Region Programme or its Evaluation Steering Group.

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0. Introduction

This interim report addresses programme bodies, project partners and stakeholders of the Interreg IVB North Sea Region Programme (NSR Programme). The report is part of the “Ongoing Evaluation” which presents the main findings and recommendations regarding the topic “programme impact and coverage”.

This interim report deals with following evaluation questions as formulated by the programme bodies:

- In how far do projects adopt good practices in terms of addressing the programme's specific themes?
- How does the added value of each programme priority affect or influence the implementation of the programme's SWOT - analysis?
- How have the projects affected or influenced the implementation of the programme's SWOT-analysis?
- Which relevant measures or activities need to be updated for the following SWOT-analysis?
- Is the involvement of the private sector and the set-up of public-private partnerships in projects successful?

The report is structured into following chapters:

- Programme coverage and impact
- SWOT and socio-economic framework
- Private partner integration

The report focuses on the main findings (!) and recommendations (✓) of the evaluation process which are highlighted with symbols in the margin. In addition, opinions taken from online surveys and interviews give an impression of different perspectives stakeholders and projects have. The report summarises the findings and recommendations of the On-going Evaluation in an easy to read way.

This interim report is based on the main results from desk research and online surveys in which answers were given by 21 out of 25 projects' lead beneficiaries as well as on 7 additional telephone interviews with projects' lead beneficiaries of the NSR Programme. The report concentrates on the general findings and recommendations with strategic relevance to both the improvement of the current programme period as well as to the next programme period 2014-2020.

More information on methodology and the evaluation model of the “On-going Evaluation” is provided in appendix A.

1. Programme coverage and impact

The analysis of the programme coverage concentrates on whether the programme has achieved a balanced allocation of beneficiaries and budget in the participating regions throughout the programme area.

General findings

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- With a total of 63 projects having been approved after the 8th call the programme has managed to achieve the targeted number of 50 projects. Furthermore, the programme has also achieved the targeted number of projects within each priority.
- As table 1 shows most projects share a thematic focus on priority 3 which relates to “improving the accessibility of places in the NSR” (20). Priority 2 on “promoting the sustainable management of the environment” (16) and priority 1 which focuses on “building on our capacity for innovation” (15) follow closely. Lastly, priority 4 on “promoting sustainable and competitive communities” is covered by significantly less projects (12).
- In their application the projects stated to which area of intervention (Aoi) within the four programme priorities their project belonged thematically. Although all areas of intervention are generally covered by the projects some of them are represented by only a small number of projects. These include Aoi 2.2 “developing preventative and responsive measures to address acute and chronic marine pollution”, Aoi 4.3 “promoting energy-efficiency in urban and rural communities” as well as 1.4 “promoting the adoption and use of ICT applications” (cf. table 1).
- In addition, projects also contribute to further so-called “secondary” Aoi. Within these “secondary” Aoi striking variations can be observed. The findings indicate that most projects also contribute to the topics “capacity for innovation” and “environmental sustainability” (i.e. priorities 1 and 2). Accordingly, capacity for innovation and environmental sustainability can be considered as horizontal issues addressed by many projects and also by other priorities within the NSR Programme.
- At the same time, priorities 3 and 4 which deal with topics such as regional accessibility, transport and logistics as well as sustainable and competitive regions are thematically more focused and therefore less relevant to projects in other priorities within the NSR Programme.
- The majority of NSR Programme funding is assigned to priorities 2 and 3 with around 41 Mio EUR each. Priority 1 and 4 receive approximately 31 million EUR and 26 Mio EUR for projects, respectively. Thus, the programme’s resources are to a large part allocated to the topics “environmental sustainability” and “accessibility” followed by “capacity for innovation” and “sustainable and competitive communities”.
- All in all the thematic focus of the NSR Programme concentrates on “capacity for innovation”, “environmental sustainability” and “accessibility”. Compared to other strategic topics priority 4 which addresses territorial dynamics at the community



level in the context of demographic change is rather underrepresented in the NSR Programme. Nevertheless the topic of demographic change which is strongly addressed within priority 4 has strong potential to be strengthened in the next programme period 2014-2020 due to its ever growing impact on the North Sea Region.



Priority	Priority covered by projects (quantity)	Area of Intervention	Areas of intervention projects fit best	Areas of intervention projects contribute to additionally
Priority 1: Building on our capacity for innovation	15	1.1 Building the innovation-capacity of businesses and services	3	14
		1.2 Building the transnational dimension of clusters and research and innovation networks	7	9
		1.3 Strengthening the capacity of institutions and society for innovation	3	13
		1.4 Promoting the adoption and use of ICT applications	1	12
Priority 2: Promoting the sustainable management of our environment	16	2.1 Sustainable development of the coastal land and sea areas through integrated coastal zone management	4	13
		2.2 Developing preventive and responsive measures to address acute and chronic marine pollution	1	0
		2.3 Adapting to and reducing risks posed to society and nature by a changing climate	7	13
		2.4 Promoting environmentally-responsible energy production practices	3	13
Priority 3: Improving the accessibility of places in the NSR	20	3.1 To promote regional accessibility	7	1
		3.2 To promote the development of multi-modal transport corridors	4	1
		3.3 To promote the development of efficient and effective logistics solutions	7	16
Priority 4: Promoting sustainable and competitive communities	12	4.1 Tackling the needs of areas in decline	5	1
		4.2 Promoting sustainable growth solutions for expanding areas	4	1
		4.3 Promoting energy-efficiency in urban and rural communities	2	0

Status: August 2012 (status after 8th call)

Table 1: Coverage of the programme by priority and area of intervention

Source: JTS database



- Although the programme activated beneficiaries from all countries of the programme area, the majority are situated in Germany, the Netherlands and the UK which also constitute most of the population within the programme area. Thus, the highest number of lead beneficiaries of all member states originates from the Netherlands (18) followed by the UK (14) and Germany (13).
- Table 2 shows that the NSR Programme is adopted very well by project partners from Flanders, the Netherlands, Norway and Sweden. In other words the proportion of beneficiaries is higher than the proportion of their population in the programme region. At the same time, however, there are fewer beneficiaries from the UK in relation to the proportion of the population in the North Sea Programme region. A possible reason for this proportion is given within the different structures of the national public administrations in the member states. Especially the administrative structure of UK is characterised by a small number of local authorities each one representing a larger number of population compared to other local authorities in the member states.

	Proportion of population in the programme area (%) ¹	Proportion of beneficiaries in the programme area (%) ²
Denmark	9	9
Flanders (Belgium)	6	10
Germany	22	19
Netherlands	16	20
Norway	8	10
Sweden	6	12
United Kingdom	33	18
Outside eligible area	n/a	2
Total	100	100

Table 2: Proportion of population and beneficiaries in the programme area

Source: ¹Operational Programme, ²JTS database, own calculation, (status after 8th call)

- With regard to the average budget per beneficiary and country beneficiaries from the UK provide the majority of resources for the projects. In contrast, Norwegian partners possess the smallest budgets in comparison to beneficiaries from other countries within the region.

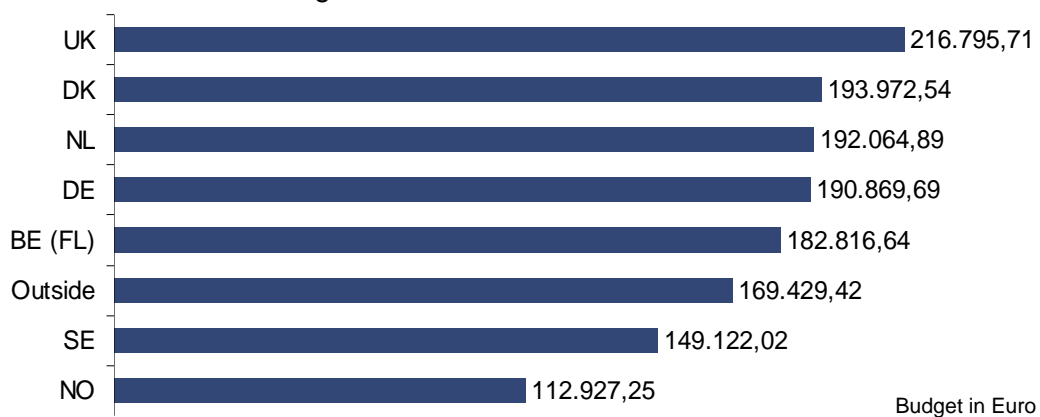


Figure 1: Budget per beneficiary and country in average

Source: own calculation (status after 8th call)



- The impact of the NSR Programme is measured on the basis of three indicators related to awareness and dissemination (individuals within and outside the NSR with greater awareness of project outputs (male/female) and organisations within and outside the NSR with greater awareness of project outputs). In addition, the programme's impact is measured using information provided by the projects in their final activity reports. Here, the impact is assessed at the individual project level and follows a rather qualitative approach. This approach is considered appropriate as the impact experienced by individual projects is thematically diverse and therefore difficult to quantify in the programme strategy a priori. Having said this, a quantitative aggregation of the impact at the programme level is limited. Given that only few projects have at this point been finalised, the effectiveness of measuring the programme's impact will be evaluated at a later stage during the On-going Evaluation.

Recommendations



The JTS should initiate discussion with the National Contact Points in order to find out whether there are country-specific barriers or drivers which hamper or encourage participation in the NSR Programme.

The analysis of the involvement of beneficiaries reveals that some countries have a different level of involvement within the NSR programme. A possible reason for this is given within the different structures of the national public administrations in the member states.

The Ongoing Evaluation will further elaborate on this issue in the upcoming surveys. Other possible reasons for this varying involvement in the programme will also be investigated in more detail (e.g. in the frame of programme visibility in the regions, added value for beneficiaries). In parallel the JTS should strive to initiate discussion with the National Contact Points in order to find out whether there are country-specific barriers or drivers which hamper or encourage participation in the NSR Programme.

The projects should assess their individual impact in the context of both the programme strategy and SWOT. In doing so they are encouraged to also reflect aspects such as relevance, dimension, cost-benefit-relation and level of innovation of the achieved solutions.

The projects mainly report on their impact in the final activity report. This reflection on the projects' achieved individual impact should be linked to the programme's SWOT. This would allow for both verification of relevance and for a continuous update of the SWOT topics from the projects' perspective throughout the programme's entire lifecycle.

Moreover, this consistent reporting of SWOT topics, programme strategy, project objectives and impact at the project level allows for an integrated view at both the programme and project levels. Thus, the NSR Programme could monitor whether threats and opportunities have been taken up by the programme and if new topics missing in the SWOT have been identified. As the programme period covers seven years continuous reflection and updating of basic assumptions within the programme strategy as outlined in the SWOT is highly recommendable.



The overall aim of the NSR Programme is to generate maximum impact by means of available funding. Thus, impact is what matters most at the end of the day. For this reason, the assessment of the impact generated by projects should be intensified from both a resource and methodological point of view. In addition, projects should not only reflect on the relevance, dimension, cost-benefit-relation and level of innovation of the achieved solutions, but should also consider alternative approaches in the specific thematic area of the project.

Furthermore, selected results and achieved impact could be assessed by the JTS or external experts in order to evaluate the quality and transferability of good practice within the programme area and beyond. Such an intensified focus on impact would enhance the appreciation for the projects' efforts which would in turn promote a positive environment in which beneficiaries can compete for the best value for money.

2. SWOT and socio-economic framework

The analysis of the socio-economic framework is based on the following questions: does the current SWOT analysis from the operational programme need to be updated? How does the project and the programme priorities influence the implementation of the programmes SWOT? Which measures or actions need to be updated for a future SWOT analysis?

General findings



- The conducted desk research analysed the contribution of the programme priorities and areas of intervention to the SWOT of the Operational Programme. More specifically, the aim was to examine whether an area of intervention of the programme contributes to taking advantage of one of the SWOT opportunities or to avoiding/reducing one of the SWOT risks for development of the North Sea Region. All four topics of the SWOT were analysed in this way, i.e. economic development and innovation, environmental protection and management, transport and accessibility, territorial dynamics.
- The findings indicate that all SWOT topics are sufficiently covered by the programmes' priorities and areas of intervention. A stronger focus on issues regarding economic development and innovation is observable compared to the issues of environmental protection and management, transport and accessibility and territorial dynamics. Also the programme strategy addresses rather opportunities than risks identified in the SWOT.
- During desk research the contribution of the projects to the SWOT of the Operational Programme was analysed in a similar way to the analysis of the contribution of the priorities and the Aol. The findings indicate that in sum the projects contribute to all opportunities and threats identified in the SWOT analysis of the Operational Programme. As was the case in the analysis of the contribution of the programme priorities and Aol, a broader contribution of the projects regarding economic development and innovation is observable. Also the projects address rather opportunities than risks identified in the SWOT. These results are in line with the findings of the chapter above which reveal that capacity for innovation is a horizontal issue and is dealt with by many projects.



- From the projects point of view the socio-economic framework within the North Sea Region has not changed in a way that has influenced the successful implementation of the projects results. Anyhow some of the projects have been influenced by the current financial crisis. The effects experienced within projects as a result of the financial crises include the following:
 - Difficulty in finding project partners capable of sufficient co-financing
 - Financial difficulties
 - Withdrawal from projects
 - Difficulties in acquiring participants for an education and training project due to cost-reduction related investment shortages in the field of education and training
- Within the next 5 to 10 years the following opportunities and threats will determine the development of the North Sea Region from the projects' point of view:

Key opportunities for the development of the North Sea Region within the next 5-10 years	Key threats for the development of the North Sea Region within the next 5-10 years
The development of sustainable economic sectors and business opportunities in certain growth sectors (e.g. creative industries, social economy, green economy)	The impacts of climate change on people and nature as well as the failed attainment of climate goals (e.g. fresh water shortage)
Climate and environment related opportunities - energy efficiency, sustainable transport, climate protection	Increasing costs for public authorities due to required adaption to climate change
The development of links (markets, funding etc.) with growing economies (e.g. BRIC)	Impact of the financial crisis: further constriction of economic activity, increasing economic segregation and increased pressure on public sector funding
Use of marine resources and sustainable maritime activities	Limited budget for new infrastructures
Increase in sustainable shipping	Increasing administrative complexity within EU funded projects
Energy (e.g. bioenergy, tidal energy, connection of grids, etc.)	Demographic change
European and international tourism	Migration
ICT service delivery	Youth unemployment
Strengthening of the region by means of broader transnational cooperation which reinforces country inter-linkages within the region	Labour shortages
Development of new ways of delivering public services as a response to the financial crisis	Growth of unsustainable modes of transport mode (e.g. road)
Will to reduce public and private debts	Growing intolerance, populism
Strengthening of political backing concerning climate change mitigation agenda	Environmental pollution, brackish water infiltration in fresh water reservoirs
Further promotion of the Bologna process	Growing impact of invasive species on ecology
New opportunities of participation within the programme area due to new media for virtual cooperation	Growing threat due to multiple usage of the North Sea
Urbanisation as a chance for rural areas to benefit	Growing disparities between urban and rural areas leading to the emergence of shrinking regions incapable of co-financing their participation in projects. Thus, innovations are only possible in prospering areas
Development of sustainable private lifestyles	Monitoring of water quality in the course of climate change and flooding

Table 3: Main opportunities and threats from the projects' point of view
Source: online survey



Recommendations



As noted above, the projects should assess their individual impact in the context of the programme strategy and SWOT. In doing so they are encouraged to also reflect aspects such as relevance, dimension, cost-benefit-relation and level of innovation of the achieved solutions.

It should be stressed again that a continuous update of the SWOT throughout the seven year lifecycle of the programme is recommendable as it entails the basic assumptions of the strategy. The projects are an important and relevant source of information and expertise for a continuous verification of the SWOT and the socio-economic framework.

Opinions from the online surveys

The projects pointed out the following issues and needs in response to the changes of the socio-economic framework in the North Sea Region:

Constrained economic activity as a result of the financial crisis and sovereign debt crisis and the impacts these things have had on employment and growth opportunities.

(1) encouraging innovation & business growth in sectors in which the NSR can be competitive internationally; (2) developing links/markets with growing economies; (3) responding to the financial crisis; (4) adapting to climate change; (5) promoting sustainable transport

Competing internationally by means of sustainable and high quality economic sectors.

Scarce resources for drinking water. Economic and societal impact of flooding. Societal and economical impact of natural resources such as fishery, minerals, energy.

3. Private partner integration

The main questions regarding the integration of private partners in the projects are related to the performance of projects and the main benefits of involving private partners.

General findings



- Taken together, 79 private partners currently participate in the 60 projects of the North Sea Region Programme (excluding cluster projects). Thus, almost 10 % of all 774 beneficiaries within the programme have a private legal status. Most of the private partners are from Germany (25), the Netherlands (13) and the United Kingdom (11).

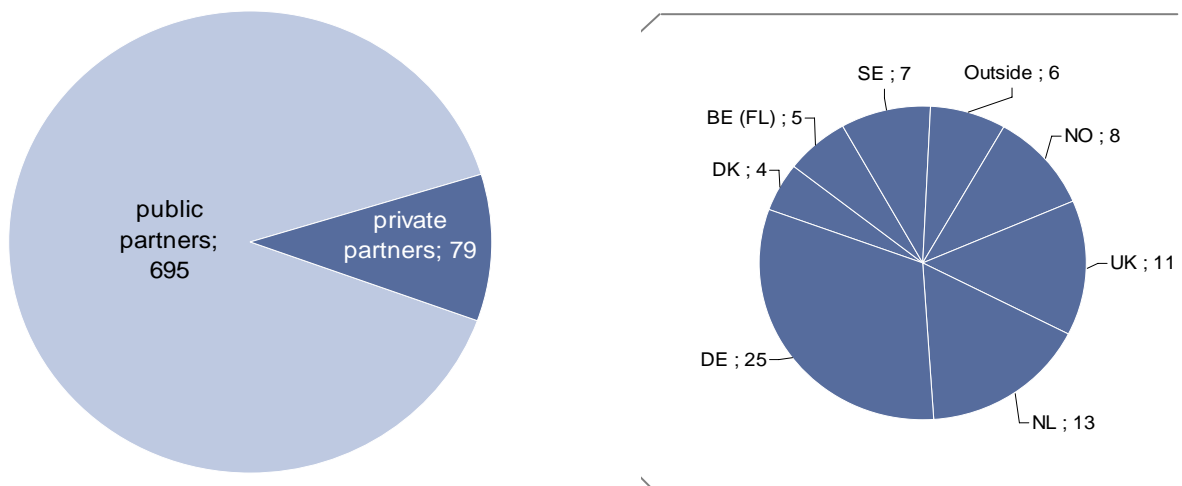


Figure 2: Private partners in the North Sea Region Programme

Source: Operational Programme, additions made by dsn (status after 8th call)

- Private partners adopt a broad range of roles within the projects of the NSR Programme, such as involvement
 - ... in development of the project strategy
 - ... in product and service development
 - ... in knowledge transfer
 - ... in dissemination of the project
 - ... as stakeholders
 - ... in project management
- The integration of private partners is more challenging than the integration of partners from the public sector. Some of the projects experienced the following challenges or barriers regarding the involvement of private partners:
 - Reluctance of private organisations to be partners of the projects due to the administrative work involved
 - Reluctance of private organisations to be partners of the projects due to long payment procedures and pre-financing which mainly affects SMEs.
 - Instability and fluctuating private partners in some projects due to the financial crisis
- The results of the online survey demonstrate that the projects clearly benefit from the involvement of private partners. Partners from the private sector are able to arrange contacts with industry and other relevant stakeholders effectively. Given their experience and expertise private partners can accelerate the development of output, improve its quality and ensure demand-orientation towards target groups from the private sector.



- Private partners can also benefit from their participation in the North Sea Region Programme. They are able to access and build networks with public sector organisations in a way that would not be possible without involvement in a North Sea Region Programme project. The private partners also experience how EU regional development policy works in practical terms. They can influence regional policy from their perspective. Moreover, private partners can benefit from the projects due to better access to networks and markets abroad in the North Sea Region.
- The following Table 4 provides an overview of the benefits of private partner involvement, both for the programme and the private partners.

Key benefits for projects to involve private partners	Key benefits for private partners to participate in projects
Private partners contribute additional expertise and experiences	Private partners acquire new contacts with the public and academic sector in the North Sea Region
Private partners facilitate access to specific industry networks and stakeholders	Private partners acquire access to networks at the European level
Private partners are very focused on concrete benefits	Private partners receive “first hand” knowledge on policy development and can influence the process
Private partners can foster and speed up the development of outputs due to their specific knowledge	Private partners can use their experiences made in the projects to acquire better access to relevant markets
Private partners ensure the integration of the private sector perspective in the projects	Private partners can deepen their knowledge about the thematic scope of the projects they are involved in
Private partners can foster the acceptance of the private sector for project results	Private partners can test new concepts or methodologies developed in the North Sea Region

Table 4: Main benefits of private partner integration

Source: online survey

Recommendations



The NSR Programme should continue with the successful integration of private partners in the next programme period 2014-2020

The NSR Programme made positive experiences with the integration of private partners. Both public and private partners benefit from the possibility of involving companies as regular beneficiaries in projects. In comparison to informal integration in stakeholder groups, this official participation in projects strengthens and intensifies the involvement and commitment of the private sector in the development of solutions within the projects.

For smaller companies, however, the administrative duties and the pre-financing of project costs are very challenging. Thus, in order to further increase the attractiveness of the NSR Programme for private partners in the future, reduced complexity and heightened efficiency of financial reporting as outlined in the report on “financial management and control set up” is of central importance.



Opinions from the online surveys

The private partners are reluctant to join due to a) administrative work (can be solved easily) and b) cash flow issues (difficult to solve as claims every six months are followed by x months of processing. In case of final claim - and the UK issues - this proves to be problematic).

We experienced more instability and partner changes due to the financial crisis.

The expertise and industrial experience private partners contribute allows for the better development of module material that is relevant to the maritime industry. Their knowledge and contacts have also allowed projects to secure many influential stakeholders from industry.

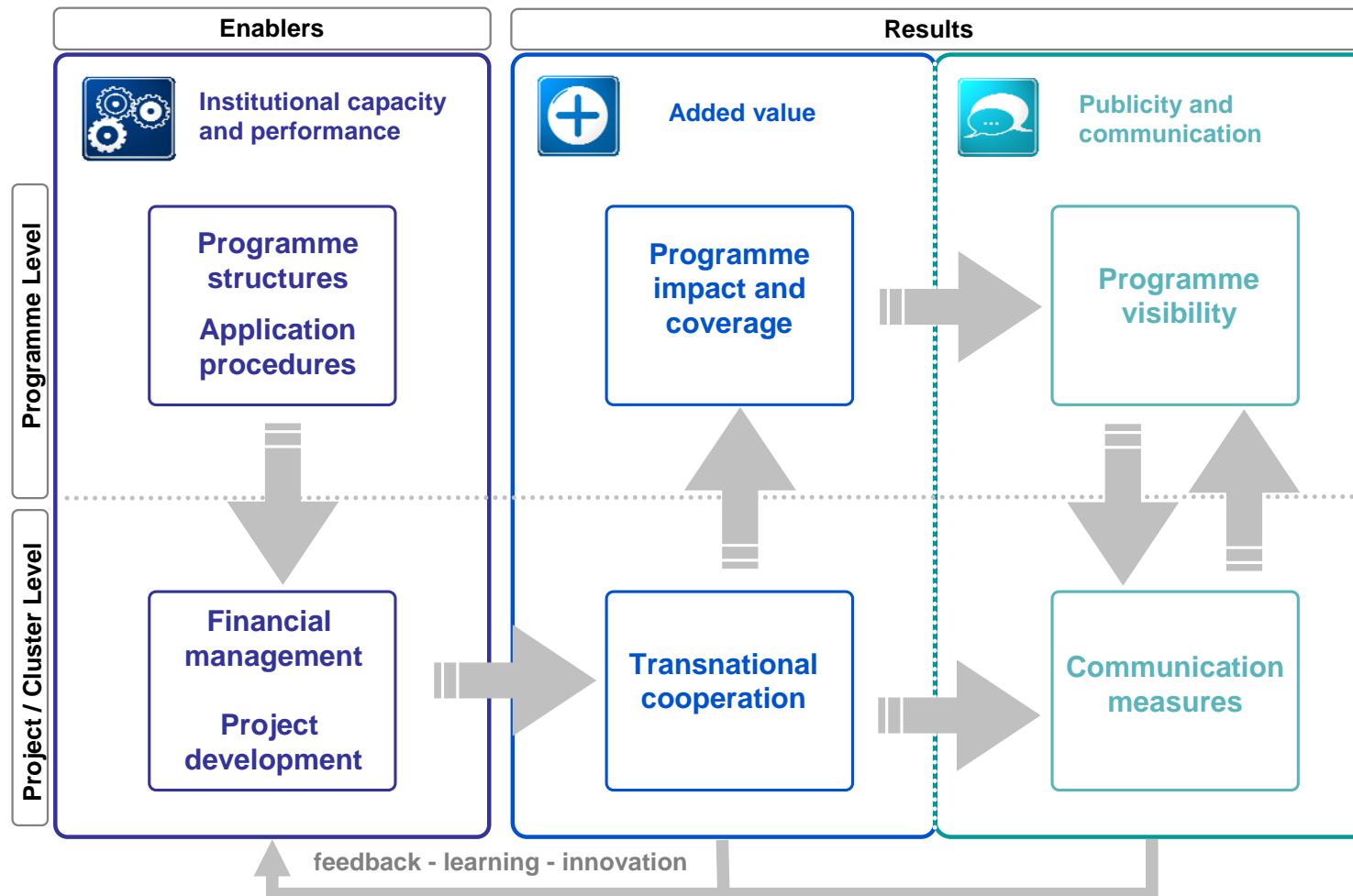
The private partners are the ones that develop and use the knowledge to develop products and services that enable the implementation of the policies we strive for.

We have two private partners in our consortium who participate, for the purpose of the project, as public entities. Meeting with them and discussing the Interreg requirements at the project-idea stage was crucial to securing their participation and ensuring they were fully informed as early as possible.



Appendix A - Evaluation Model

The evaluation model adopts the EFQM (European Foundation for Quality Management) model approach as a starting point and applies it to the context of the programme evaluation. The key message of the evaluation approach is that any impact which occurs at the programme level is generated via the quality and effectiveness of the funded projects. This new paradigm focuses not only on stakeholders such as the Commission or regional administration, but also on the projects themselves as core customers of the programme management. Consequently, the programme should support the projects' work as strongly as possible, as so to enable them to manage their activities effectively.



Source: dsn

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