



**EX POST EVALUATION OF COHESION POLICY PROGRAMMES
2000-2006 CO-FINANCED BY THE ERDF (OBJECTIVE 1 AND 2)**

**WORK PACKAGE 11: MANAGEMENT AND IMPLEMENTATION SYSTEMS FOR
COHESION POLICY**

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(DG REGIO)**

**TASK 3 - CASE STUDY REPORT
ITALY (TUSCANY)**

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Preface

This Case Study Report (CSR) is one of the final outputs of the ex post evaluation of the management and implementation systems for Cohesion policy, 2000-06, commissioned by DG REGIO and which has been managed by EPRC and Metis (Vienna) under European Commission contract no: 2007.CE.16.0.AT.034.

The case study relates to Task 3 of the evaluation. The objective of Task 3 has been to appraise the value added (spillover) of Cohesion policy management and implementation systems in comparison to national policies in the EU15. Its distinctive approach has been to analyse changes in management and implementation systems and processes of Member States which are attributable to Cohesion policy.

Seven CSRs have been prepared from Austria (Burgenland), Finland (Western Finland), France, Greece, Ireland, Italy (Tuscany) and the United Kingdom (England). Based on the analytical framework and checklist contained in the Preliminary Report, each of the CSRs has been researched through a combination of desk study and fieldwork interviews with strategic, operational and external respondents.

This CSR was drafted by Manuela Crescini and Eleonora Carnevali of RESCO on the basis of guidelines developed by EPRC and was edited by Laura Polverari of EPRC.

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EX POST EVALUATION OF COHESION POLICY PROGRAMMES 2000-06 CO-FINANCED BY ERDF

CASE STUDY REPORT: ITALY (TUSCANY)

Executive Summary

The following report comprises the case study for Tuscany (Italy) under Task 3 of the EPRC-led Ex Post Evaluation of the 2000-06 ERDF programmes, Work Package 11, 'Management and implementation systems for Cohesion policy'. Reflecting the focus of the ex post evaluation as a whole, the case study appraises the added value of EU Cohesion policy through the consideration of two main issues: the experiences of implementing the 2000-06 SPD and of the Integrated Local Development Projects (ILDPs); and the influence of these programmes on the design, management and implementation of domestic programmes in the region. The decision to focus on this case study was informed by evidence of the active transfer of Cohesion policy procedures, particularly under the 2000-06 ERDF programme, into domestic Tuscan regional policy. The case study aims to deepen this preliminary evidence, exploring the specific mechanisms through which Cohesion policy has exerted an influence on domestic policy management and implementation.

As with the other six case studies undertaken as part of this ex post evaluation, the appraisal focuses on the changes in approach to the design and implementation of domestic regional policy in the 2000-06 and 2007-13 periods which have come about as a result of experience with the implementation of the 2000-06 SPD (including the Integrated Local Development Projects which were implemented within the framework of the 2000-06 SPD). The assessment of added value was made in relation to the seven processes that characterise the management and implementation of ERDF programmes: programme design; project generation, appraisal and selection; financial management; monitoring; evaluation; reporting; and, governance and partnership.

Some caveats should be borne in mind when reading this case study report. First, the assessment formulated of the added value of Cohesion policy management and implementation systems to domestic policy should be linked to the overall effectiveness of both sides of regional policy, domestic and European. Second, the research results proposed derive from an investigation that has been predominantly qualitative and to some extent may not be exempt from the shortcomings inherent in qualitative research. Lastly, as is inherent in case study methodologies, the experiences discussed and assessed are specific to the Tuscan case and do not lend to generalisation.

Overall, the main conclusion to emerge from the case study is that European Cohesion policy has had significant added value effects on domestic policy, both during 2000-06 and in the current policy phase. Added value effects are particularly evident for the SPD as a whole, rather than as regards to the ILDPs. Positive changes deriving from the working methods of the SPDs have been introduced across all aspects of programming, with the

exception of financial management. However, there is variation in the depth and extent of these changes.

Programme design

The influence of ERDF programme management and implementation on the approach to domestic regional programming can be seen in a number of areas. First, there has been an improvement in existing practice in relation to the definition and design of strategy. Second, the introduction of ex ante evaluation for all regional programmes and plans represents an important innovation. In the case of regional programming, ex ante evaluation comprises an integrated assessment which includes economic, social, health and, where relevant, environmental components. The introduction of European Cohesion policy practices has been a creative process, generating an innovative response, rather than a simple transfer of procedures. At a sub-regional level, the different approaches of the various instruments, and the differences between the ILDP and the domestic Local Development Pacts in particular, make it difficult to determine whether there has been a clear impact of the experience of ERDF programming on domestic programming. Nevertheless, a transfer of operational methods from the ILDP planning approach to the drafting of the LDPs has been observed, in particular as relates to the greater concentration of sectoral resources within a defined territorial area and the move towards the greater inclusion of operational components in the programming. Moreover, a transfer of the integrated planning experience represented by the ILDP can be observed in the current (2007-13) ERDF programme where Integrated Sustainable Urban Development Plans (ISUDPs), which are virtually identical in form to the ILDPs, are proposed under Priority 5 of the ROP.

Project generation, appraisal and selection

The extension of the 'concertation' practice to the identification and selection of infrastructure projects appears to be the most significant influence of the SPD on the delivery of domestic regional programmes. This is particularly relevant for the current programming period. This practice represents a different approach to project selection which has improved existing practices, raising both the projects' administrative efficiency (as seen through speed of implementation) and quality (and thus effectiveness). Moreover, the application of same project selection procedures and criteria to both domestic and EU co-funded policy has contributed to amplify the competences and skills of the operators involved. The main added value effect that can be traced to the ILDP experience, on the other hand, is a better understanding of how a territorial development programme should be developed so that it is not viewed as an operation imposed 'from outside' and therefore neither owned nor effectively implemented. With regard to this area of added value, the ILDP has had positive repercussions on domestic regional policy as LDPs in the past involved less participation by local stakeholders.

Financial Management

There has been a clear learning effect for the actors involved in managing the financial flows associated with the implementation of the SPD. This has taken the form of improved

knowledge and skills required for the operation of the ERDF financial circuit, a rationalisation of financial flows within the current EU programme, and the encouragement of co-ordination between the various services/sectors. At this stage, however, no tangible impact of the ERDF approach to financial management can be seen on the domestic policy system (although there is a favourable attitude towards Community practices in this area). No effects on domestic policies can be attributed to the ILDPs on financial management either.

Monitoring

The conviction of regional actors that the implementation of the monitoring system created for the Objective 2 SPD, and the requirement to meet European rules and standards, has had a strong effect on domestic policy operations is evidence of the innovative and enhancing impact of ERDF programme practice on domestic policy. The recent decision to adopt a 'new' monitoring system for all regional plans and programmes for the 2007-13 period (involving the observation of procedural and physical progress) represents a major impact of the approach of the 2000-06 SPD on domestic policy. This system undoubtedly represents a considerable development in the practices previously used in domestic, regional-level policy. It should be noted, however, that the new system is still under development. The ambition to achieve comprehensive monitoring of financial, physical and procedural indicators covering the whole of the region's programmes will have to be counterbalanced with demands for a simple system which recognises the transversal nature of the programmes and their different funding sources. Such a system will have to leave no room for ambiguous interpretations and thus avoid the inclusion of too many indicators which cannot be easily quantified.

Although this is not universally the case, in some Provinces (for example Pistoia), the ILDP related monitoring activities have undoubtedly generated added value for domestic policy. The extension of monitoring activities to all the projects in which the Province has a co-ordinating role is a clear domestic policy innovation derived from European Cohesion policy. The application of this instrument should enable the Provincial Administration to increase the level of integration, even in the implementation phase, with the other sub-provincial public bodies. This clear example of added value can only be observed in a limited number of Provinces but a more widespread, albeit weaker, impact has been a greater local level understanding of the importance of monitoring and monitoring systems.

Evaluation

The introduction, towards the end of the 2000-06 programming period, of evaluation requirements for all regional-level, domestic interventions represents a policy innovation as such activities were previously carried out only within the framework of EU Cohesion policy. It should be noted, however, that the introduction of a unitary evaluation plan for both EU co-funded and domestic regional policies is mainly due to a national level decision to unite domestic and European regional policies under a single umbrella and apply a common set of rules and requirements to this 'unitary regional policy', not least with respect to evaluation. No direct spillover effects on evaluation practice are apparent as a result of working with the ILDPs. Much of the evaluation activity on the ILDPs was carried

out at regional level, within the framework of the SPD's evaluation. In a very few cases, provincially-led evaluations of the ILDPs have been undertaken. In such cases, positive effects can be observed as regards the generation of a greater understanding of the importance of evaluation, in terms of its contribution to improving the delivery of policy. However this has not yet led to the emergence of new evaluation practice at sub-regional level.

Reporting

The changes in reporting activities for policy implementation in Tuscany are related to the developments taking place in the region's approach to monitoring systems. The construction of an increasingly structured monitoring system has led to the corresponding need for similarly structured and less generic reporting. However, despite recognising the impact of the experience acquired through the implementation of the SPD, the specific effects generated by the latter are not yet clearly identifiable since Regional Strategic Monitoring Report and the SPD's Annual Implementation Report continue to be different. The ILDP experience has had no particular effects on the provinces' reporting practices for domestic programmes.

Governance and Partnership

The Tuscan Regional Authority has a long tradition of activating and engaging partners. New input and motivation was generated by the 2000-06 programming experience which was particularly evident in the creation of two new 'Concertation Tables'. This suggests that the experience of implementing the ERDF programme enhanced existing practices and contributed to the generation of more structured procedures for the involvement of partners in programme preparation and a more prominent role in implementation. The experience of the ILDP and, in particular, the associated activation of partnership at sub-regional level, appears to have been transferred in a number of cases to the local domestic programming, notably as regards certain sectoral provincial programmes and the Local Development Pacts. The added value effects of the ERDF programming experience, gained through the ILDPs, are the enhancement and extension of consultation procedures, the increased cooperation between actors and a greater capacity for joint working, leading to an improved capacity to design complex programmes and high quality interventions. Such developments are key to facilitating the participation of sub-provincial actors', particularly the Municipalities, in provincial and regional planning and their bidding for regional, national and Community resources.

Overall assessment

The management and implementation of the 2000-06 Objective 2 programme has generated the clearest and most positive influence and change to domestic practices in three main areas. First, in programme design where, at the end of 2006, provisions were introduced stating that domestic programmes should be accompanied by ex ante evaluations. Second, in reporting where implementation reports similar to those required by the ERDF, albeit simpler, now have to be drafted for regional plans and programmes. Third, in governance and partnership which have been strengthened following the creation of two cross-sectoral

'Concertation Tables'. In addition, a 'potential' influence can be identified where changes are planned but have not yet come into existence. With respect to monitoring, for example, there are plans to extend the EU monitoring model to the whole range of domestic policies in the current period. With respect to the ILDPs, in overall terms, the lessons drawn from the experience of managing and implementing these 'integrated projects' have been more significant for the processes connected with programme preparation and weaker for those associated with implementation. The ILDPs are implementation tools within the SPD and thus their financial management, monitoring, evaluation and reporting activities are subordinated to those of the SPD. The absence of 'autonomy' in these areas has, therefore, limited the impact on the local actors who have played a more marginal role in these processes (although there are some exceptions, such as Pistoia, where the experience of the ILDP has led to the adoption of a monitoring system for other provincial projects beyond those included in the ILDP). Having said this, there have been significant changes generated by the ILDP experience in the definition of local programmes/projects and in partnership activities. In addition, the ILDPs were drafted with a conscious focus on high operational viability and this approach is likely to be applied to the content of the LDPs. Interview feedback has noted this as an initial positive effect of the ILDP experience. The consultation procedures for the selection of actions and projects to be included in the ILDPs were also considered to have improved implementation capacity both in terms of project delivery and quality. With regard to partner involvement, while the partnership principle was already in operation, the approach of the ILDPs has undoubtedly expanded the number of actors involved and developed a more structured way of activating the partnership which has enhanced the capacity of local actors to participate in programming mechanisms at provincial and regional level. There is no evidence of negative effects associated with the management and implementation of the Objective 2 ERDF programme in 2000-06, either generally or with respect to the ILDP specifically. Some negative aspects have been identified, for example with respect to the monitoring system, but these have not been transferred to the domestic system. Besides, interview feedback reveals a generally favourable attitude towards the rules and procedures of European Cohesion policy.

1. INTRODUCTION

The following report comprises the case study for Tuscany (Italy) under Task 3 of the EPRC-led Ex Post Evaluation of the 2000-06 ERDF programmes, Work Package 11, 'Management and implementation systems for Cohesion policy'. Reflecting the focus of the ex post evaluation as a whole, the case study appraises the added value of EU funding through the consideration of two main issues: the experiences of the 2000-06 SPD and of the Integrated Local Development Projects (ILDPs); and the influence of these programmes on the design, management and implementation of domestic programmes in the region.

The decision to focus on this case study was informed by evidence of the active transfer of Cohesion policy procedures, particularly under the ERDF programmes, into domestic Tuscan regional policy. The case study aims to deepen this preliminary evidence, exploring the specific mechanisms through which Cohesion policy has exerted an influence on domestic policy management and implementation. The transfer of Cohesion policy practices into

domestic policy systems is a common feature across Italy, beyond Tuscany. EU Cohesion policy has been implemented in Italy since the establishment of the ERDF and has been credited with (re)shaping the domestic approach to regional policy implementation. As with other Continental administrative systems, the performance management procedures introduced by the EU Regulations were not common in the Italian public administration, and the related practices - such as multi-annual, evidence-based programme design; multi-annual, target-oriented financial management; partnership inclusion in decision-making; monitoring, and evaluation - were gradually introduced into the Italian system by EU Cohesion policy. Given the evolving nature of the changes introduced, it is difficult to isolate chronologically the specific effects of Cohesion policy on domestic systems. However, commentators have argued that the 2000-06 period involved significant developments in the domestic approach to regional policy management and implementation. The culmination of this process is represented by the national regional policy framework for 2007-13 which entails a single regional policy involving the merger of EU co-funded and domestic regional policies, and implemented according to programming practices and principles which are said to be either derived from, or inspired by, EU Cohesion policy.

Having to choose a programme-level case study (and from the Objective 2), the decision to focus on Tuscany was due to a number of reasons. First, the fact that in this region the above trends appeared particularly evident in the 2000-06 period. Tuscany experimented with new approaches to programme delivery - particularly in the areas of programme design and project appraisal and selection, through the creation of the Integrated Projects for Local Development, ILDP - and introduced various Cohesion policy practices in domestic policies, notably the fields of partnership, monitoring and evaluation (for example, 'consultation panels' were set up, inclusive of the main institutional and socio-economic actors operating in the region, for the discussion of key strategic decisions on the region's socio-economic development). The ILDPs, in particular, represented an innovative departure from the previous economic development programming approach, by delegating responsibilities from the regional to the provincial level, and by supporting the development of sub-provincial partnerships and collaborations (elements drawn largely from Cohesion policy practice). Accompanied by *ad hoc* technical assistance, they have raised the competencies of sub-regional actors. It should be mentioned that the Tuscan ILDPs were not an isolated novelty in the Italian regional policy panorama. Integrated Local Development Projects (in the Objective 2 regions) and Integrated Territorial Projects (in the Objective 1) were a new instrument introduced in the 2000-06 regional Operational Programmes and SPDs across Italy under the impetus of the national government (for the Objective 1 regions it was the CSF that had introduced this new tool for territorial development). However, each region adopted independent methodologies and approaches to organise and implement these tools for territorial development, leading to regional specific responses. In this respect, the experience of the Tuscan ILDPs appears particularly interesting in the Objective 2 context, because, as will be seen, of the methodological approach adopted by the Managing Authority in supporting the generation of the ILDPs and in their appraisal, because of the significant involvement of local actors in various aspects of the ILDP's implementation, and because of the capacity building generated at this level. Another element which led to select the Tuscan programme, additionally to the preliminary

evidence gathered on innovation and spillover effects on domestic systems, links to the administrative efficiency of the implementation of the ERDF programme during 2000-06. In this region the resources allocated to the programme were spent in line with the timetable of the financial plan, as demonstrated by the fact that there has been no automatic de-commitment, and without significant problems.

As with the other six case studies undertaken as part of this ex post evaluation, the appraisal focuses on the changes in approach to the programming and implementation of domestic regional policy in the 2000-06 and 2007-13 periods which have come about as a result of the implementation of the 2000-06 SPD (including the ILDPs). The research was conducted according to a methodology devised by EPRC and based on a standardised checklist and template. It comprised a mix of desk and field research. Regional Laws, programming documents, evaluation reports and monitoring reports were examined and interviews were undertaken with individuals involved at various levels in the management and implementation of regional and provincial policies (3 strategic respondents, 7 operational respondents, 2 external respondents). The interviews took place both in person and by phone and were all carried out in the first half of July 2008 (a list of interviewees is provided in the Annex).

Some caveats should be borne in mind when reading this case study report. First, an assessment of the added value of Cohesion policy management and implementation systems to domestic policy should be linked to considerations on the overall effectiveness of both sides of regional policy, European and domestic. However, to carry out a systematic assessment of the effectiveness of Cohesion policy and of domestic regional policy in Tuscany would have gone well beyond the scope of the present research. Nonetheless, some cursory considerations will be presented in the pages to follow on the effectiveness of the ERDF in Tuscany in 2000-06, based on existing evaluations and on the findings of another Work Package from the Commission's current round of ex post evaluation (WP1). This is intended to provide some background to the reader and to place the findings of this research into a broader context. Second, the research results proposed derive from an investigation that has been predominantly qualitative in approach and may present some shortcomings that are inherent in qualitative research, particularly the necessity to discount the potential bias deriving from the interviewees' intrinsically non-neutral stances. Efforts were made to discount such potential bias, notably by balancing out interviewees from across different groups (strategic, operational and external). Lastly, as is inherent in case study methodologies, the experiences discussed and assessed are specific to the Tuscan case and do not lend to generalisation.

The remainder of this case study is in two parts. The first part examines the influence of the SPD on regional plans and programmes, particularly the Regional Development Programme (RDP), with respect to each of the seven processes identified in the methodology (programme design; project selection; financial management; monitoring; evaluation; reporting; partnership and governance). The second part deals with the effects of the ILDP experience on domestic forms of provincially-led programming, focusing in particular on the Local Development Pacts (LDPs). Each part is subdivided in 7 sections (one for each of the 7 implementation processes above listed), each discussing in turn: the ERDF and domestic systems in place in 2000-06; the changes made to domestic systems

during 2000-06 (and into the current period) and their causal linkage with the Objective 2 programme; and the assessment of the added value of Cohesion policy management and implementation. Following these two parts, a joint assessment is presented of the added value - as well as of the perceived negative effects - of ERDF management and implementation systems to the systems of domestic policy. Some overall conclusions are presented at the end of the report.

2. CONTEXT

The Tuscan ERDF 2000-06 programme was one amongst 14 Objective 2 programmes implemented in Italy in the 2000-06 period (with a total Objective 2 allocation for the whole period of €7.2 billion, Applica et al, 2008). The SPD entailed around 24 percent of the total Italian population residing in Objective 2 (Applica et al 2008) and circa €1,218.9 million of total public resources and €336.4 million ERDF (Giunta Regionale Toscana, 2007a). These resources were allocated to three priorities: development and strengthening of firms; territorial modernisation; and environment (plus Technical Assistance). Objective 2 programmes in Italy, and amongst this the programme of Tuscany, had a rate of expenditure which has been largely in line with financial targets, with only RTDI and energy infrastructure meeting some spending delays. Implementation was not subject to major problems. Partly in contrast with experience in the Objective 1 regions, the new financial rules (n+2) were respected without difficulty, not least thanks to a number of conditions that made the Centre-North regions more efficient in this respect than their Southern counterparts, notably: the lower levels of funding, the fewer administrative levels involved, the overall higher efficiency of the authorities involved, the more marked involvement of social partners, and the more extensive experience of cooperation among administrative authorities and between these and private sector actors (Applica et al, 2008). The Tuscan programme was implemented largely without delays or difficulties. Like other Objective 2 programmes, the programme was able to meet N+2 targets. It also obtained €13.9 million from the performance reserve (Decision EC (2004) 883, 23.03.2004). The available documentary sources do not allow drawing considerations on the effectiveness of the programme, in terms of its actual achievement of the objectives planned. However, preliminary (and partial) conclusions presented in the up-date of the mid-term evaluation suggest that in some respects at least, particularly employment creation, the programme would be able to fulfil its ambitions (although a revision of the ex ante estimates was advised for some targets, e.g. as regards tourism interventions). The evaluation assessed positively the experience of implementing the ILDPs too, notably for the strength of the local 'concertation' and of the methodological approach to implementation which were deemed to have reinforced the efficacy of project selection, leading to projects that were highly coherent with the goals of the ILDPs and of the programme overall (CLES s.r.l. 2005).

PART 1 - TUSCAN 2000-06 OBJECTIVE 2 SPD

3. PROCEDURES FOR PROGRAMME DESIGN

3.1 ERDF and domestic systems and procedures

The Tuscan Regional Authority has a long tradition of multi-annual policy programming dating back to 1980 when the three-year Regional Development Plans were introduced. However, until 1995, these programming documents had a high strategic value but a much lower operational impact as their strategies and objectives were not linked to specific financial resources. Over the period 1995-2000, due in part to the influence of European Cohesion policy (the Integrated Mediterranean Programmes and the Objective 2 1994-96 and 1997-99 SPDs), domestic programme design began to acquire certain features more typical of Community programmes such as the clear identification of aims and the precise definition of actions linked to relevant strategic priorities.

Nevertheless, genuine spillover effects between Cohesion and domestic policy began to emerge clearly from 1999 onwards. Regional programming is undertaken on the basis of Regional Law 49/1999 ('Regulations regarding regional programming'), which was subsequently amended by Regional Law 61/2004 and clarified by the implementation Regulation no. 51/R of 2006. As laid down in Art. 5 of the Regional Law 49/1999, and its subsequent amendments and additions, the programming activities of the Tuscan Regional Authority are based on the following documents:

- The Regional Development Programme (*Programma Regionale di Sviluppo*) which represents the main guideline for regional programming and is fully consistent with the programme of the regional government.
- The sectoral or inter-sectoral regional plans and programmes that specify policy guidelines, co-ordinate the policy instruments and integrate and finalise the regional, State and EU resources.
- The Local Development Programmes (*Programmi Locali di Sviluppo*), promoted, co-ordinated and approved by the Provincial Authorities that identify the priorities to be implemented at the provincial or sub-provincial territorial scale, in line with the objectives and nature of the actions¹.
- The Local Development Pact (*Patto per lo Sviluppo*), that lays out the programming priorities which are shared, usually at provincial level, by the Regional Authority, Local Authorities, stakeholders and environmental associations.

The Law requires the regional programmes and plans to be multi-annual documents containing an analysis of the structural context, defined strategies with clear aims and goals, the types of intervention, and a financial framework. Procedures for consultation

¹ At present only some of the Provincial Authorities have their own Local Development Programme.

and dialogue with institutional bodies and other stakeholders in the drafting and implementation of regional programming documents are also included. It can be seen, therefore, that, particularly over the last two years, the Tuscan Regional Authority has adopted a model of programming which is closely linked to and consistent with the Community policy approach.

The 2004 amendments to the Regional Law and its implementation regulations introduced an even broader alignment between domestic and Community programming. The changes introduced by this more recent legislation include the undertaking of integrated (ex ante) environmental and socio-economic evaluation during programme design and the integration of the conclusions into the programme documents. This development has been driven both by the experience of managing and implementing EU Cohesion policy and as a result of the EU Directive on Environmental Assessment (2001/42/EC).

3.2 Changes made to domestic systems and procedures

As discussed above, the initial changes in domestic regional programming to emerge from the influence of European Cohesion policy took place in the course of 1995-2000 as the regional programming documents began to display certain features of the Community programming model (e.g. the clear definition of the strategic design). It was, however, the adoption of Regional Law 49/1999 and its subsequent amendments which brought regional policy-making more fully in line with the Community programming model. In terms of added value, therefore, the changes introduced were influenced by the experience of drafting Cohesion policy programmes in both the 1994-1999 and 2000-06 programming periods.

The clearest spillover effects from the implementation of Cohesion policy, however, notably with respect to the ERDF programmes, are emerging in the 2007-13 programming period. On the basis of evidence to date, the domestic programming for 2005-2010 integrates features that are virtually identical to those of Cohesion policy. For example, 16 of the 19 implementation plans and programmes of the RDP 2006-2010 have been subjected to ex ante evaluation procedures². These plans and programmes were drafted by the Regional Executive departments who were also in charge of the evaluation process. This process was structured into two phases: the initial plan or programme proposal; and the final plan or programme following adoption by the Regional Government. The contents of the evaluation include the feasibility study, the testing of external and internal consistency, the assessment of anticipated effects and the examination of the system of monitoring, on-going and ex post evaluation. The ex ante evaluations performed to date were assigned, for the work relating to the evaluation of anticipated effects, to the Regional Institute for Economic Programming of Tuscany (IRPET³). For these evaluations, the Regional Evaluation Unit (NURV, Regional Unit for the Evaluation and Verification of

² The remaining three programmes have not been evaluated yet, since they are still being elaborated.

³ Regional Institute that supports regional programming by performing economic, social and territorial activities.

Public Investments)⁴ was tasked with checking that the evaluations met the requirements specified in ad hoc evaluation guidelines approved by the Regional Government.

The marked interconnection between the design of the Objective 2 programme and that of the region's domestic policies is related to a number of factors. There is a widespread conviction that an adoption of the Cohesion policy model of programme development enables an enhanced coherence of programming decisions, an improvement of programming capacity that is reflected in the quality of the projects, and a lengthening of the timeframe for the policies (i.e. multi-annual programmes) which results in greater co-ordination between implementing actors involved in regional strategic decisions.

3.3 Assessment: What added value effects? How embedded?

The influence of ERDF programme management and implementation on the approach to domestic regional programming can be seen in a number of areas. First, there has been an improvement in existing practice in relation to the definition and design of strategy. Second, the introduction of ex ante evaluation for all regional programmes and plans represents an important innovation. In the case of regional programming, ex ante evaluation comprises an integrated assessment which includes economic, social, health and, where relevant, environmental components. The introduction of European Cohesion policy practices has been a creative process, generating an innovative response, rather than a simple transfer of procedures.

4. PROJECT GENERATION, APPRAISAL AND SELECTION MECHANISMS

4.1 ERDF and domestic systems and procedures

Project generation

The domestic policy procedures for project generation in the early 2000s, for both incentives and infrastructure projects, comprised the periodic issue of public calls for tender. Project generation and selection within the framework of the 2000-06 Objective 2 SPD, on the other hand, was undertaken through one of three approaches: (i) public tenders for incentives to firms; (ii) the set-up, through the 'concertation'⁵ with institutional partners, of a 'project park' for public infrastructure or actions implemented by public bodies⁶; and (iii) integrated planning.

The 'project park' comprised a range of infrastructure operations which were identified from a list of projects within the programme area and submitted by the Provincial

⁴ The regional Evaluation Unit was established at the beginning of 2000 to support competent authorities with the programming, monitoring, evaluation and verification of public investments (including regional policy).

⁵ 'Concertation' is used here for the Italian *concertazione*, to indicate a strengthened consultation procedure aimed at achieving consensus.

⁶ Regional Council Resolution no. 774/2001 and subsequent amendments and additions.

Authorities to the Regional Administration. They were then pre-selected by the relevant regional manager in each sector. The operations to be included in the project park were selected on the basis of the criteria and objectives of the SPD and prioritised by their stage of progress. The role played by the Provincial Authorities included the agreement of selection procedures with the Regional Government, and the collection of project proposals and their submission to the Regional Authority.

Project generation and selection through the integrated planning approach involved the setting up of so-called Integrated Local Development Projects (ILDPs). The ILDPs, which will be dealt with in greater detail in the second part of the report, represented a planning approach capable of integrating different types of territorial development actions through a specific procedure of project selection and financing which was coordinated by the Regional Government. They resulted from 'concertation' activities conducted by the Provincial Authorities with local institutions and socio-economic stakeholders, and consisted of a localised programme of interventions, in areas eligible under the SPD, resulting from the integration of projects articulated in technically and financially independent lots (and eligible under different measures of the Objective 2 SPD).

Project appraisal and selection

Project appraisal and selection mechanisms were largely similar for the SPD and domestic policies. For the SPD, the processing and ranking of funding applications was the responsibility of the Measure Manager. The appraisal of projects was entirely technical and was performed within the Regional Authority. Only rarely were external bodies involved and in such cases, mostly for incentives to firms, these tasks were performed by intermediate bodies (and their technical committees)⁷. For infrastructure actions, project selection was carried out by appraisal committees internal to the regional administration, composed of representatives from different sectoral units.⁸ For domestic regional programmes, the processing and ranking of applications took a very similar approach to the one described above for the SPD. Generally, the same Regional Government department would be responsible for the selection of projects within a specific topic or sector, irrespective of whether this fell under the SPD or under domestic, non co-financed programmes.

Selection criteria for all the 2000-06 programmes were virtually identical across the domestic and co-financed programmes. The determining factor in the decision about whether to fund a project under the SPD or the domestic programmes was often the territorial eligibility of the area in which the applicant firm operated. For example, in the case of incentives to tourism firms, for applications involving similar types of actions, the same criteria and eligible expenses were applied.

⁷ Examples of such intermediate bodies are two financial institutes, Fidi Toscana and Medio Credito Centrale.

⁸ Although in some cases external actors would also be involved. For instance, for commercial infrastructure interventions, the committee comprised also a representative of the Association of Italian Municipalities (Anci) and a representative of the Association of Mountainous Communities (UNCCEM). Similarly, in the case of environmental protection interventions, committee members would include a local government representative, a representative from the Provincial Authority, a representative from the Rivers Authority and one from the Environmental Authority.

4.2 Changes made to domestic systems and procedures

The most obvious changes to emerge from the implementation of the 2000-06 SPD related to methods of project generation. Over time the procedures for identifying infrastructure projects to be financed under domestic policy were modified in order to eliminate project proposals which were submitted, not for strategic or developmental reasons, but mainly because calls for tender made funding opportunities available. Further, these changes aimed to adopt operational procedures that would establish a well-defined frame of reference in order to enable actors to conform better to the strategic choices of the region's domestic policy and thus enhance project quality. In the case of commercial infrastructure, for example, there was a move away from deadline-specific tenders towards the use of a system of open tendering within which there was a periodic ranking of project proposals.

In the current programming period (2007-13), effort is being made to achieve an increasingly consistent harmonisation of methods for the generation, appraisal and selection of projects. This is designed to simplify the work of the Regional Administration and allow for a certain degree of flexibility between the different sources of funding. In the field of infrastructure, the trend is to continue with the predisposition of a 'project park' through consultation with the local authorities (in particular under the Local Development Pacts) in order to concentrate resources on projects that are genuinely significant for the territory. The identification of projects through 'concertation' procedures is one of the main influences that the implementation of the 2000-06 ERDF programmes has had on domestic programme delivery, reflecting the Community principle of subsidiarity.

The key reason for the introduction of changes in domestic project generation, appraisal and selection procedures, and the increasing alignment of Community and domestic approaches, was the desire to boost effectiveness and efficiency. Particularly with respect to infrastructure, a reduction in the use of occasional, non open-ended tenders appears to have enhanced both project delivery (increasing efficiency) and project quality with a corresponding increase in the impact on the territory (improved effectiveness). The alignment of selection criteria under common objectives has also introduced a degree of flexibility which has been beneficial in terms of the automatic decommitment rule.

4.3 Assessment: What added value effects? How embedded?

The extension of the 'concertation' practice to the identification and selection of infrastructure projects appears to be the most significant influence of the SPD on the delivery of domestic regional programmes. This is particularly relevant for the current programming period. This practice represents a different approach to project selection which has improved existing practices by both raising the projects' administrative efficiency (as seen through speed of implementation) and project quality (and thus effectiveness). Moreover, the application of the same project selection procedures and criteria to both domestic and EU co-funded policy has contributed to amplify the learning, on competences and skills, of the operators involved.

5. FINANCIAL MANAGEMENT

5.1 ERDF and domestic systems and procedures

The financial circuit model adopted for the 2000-06 ERDF programme involved the following actors: Final Beneficiaries, Managing Authority, Paying Authority and the Control Authority (now Audit Authority). It entailed the following phases: (i) the adoption of legally binding commitments; (ii) the undertaking of payments; (iii) the accounting of expenditure; and, (iv) the certification of accounted expenses. These procedures undoubtedly empowered those actors involved in the implementation of the programme. All of the regional departments involved in the implementation of the SPD acquired a greater awareness of their roles and competencies, and a deeper knowledge of the procedures and problems associated with the implementation of European policy in this field. This included, for example, improved skill levels in documentation management, accounting procedures and the analysis of financial flows.

In the case of regional programmes, the financial procedures were managed by the competent service/unit which reported to the Regional Authority's Budget and Financial management department. The financial circuit model used for domestic policy was less precisely defined in terms of both responsibilities and procedures than that of the Objective 2 SPD. The certification of expenses, for example, was not required as the validation of expenses, by a competent central control body, on the basis of eligibility, correctness and regularity was not normal practice. Equally, there was no external validation of the system of financial flows. This situation is still broadly the case in current domestic policies.

5.2 Changes made to domestic systems and procedures

As indicated above, the models of financial management were different across domestic policies and EU Cohesion policy. Consequently the influence generated by the ERDF system on regional procedures is difficult to assess and would appear to be neutral. The lack of points of contact between the financial systems adopted for Cohesion policy and domestic programmes can be explained by the 'length' of the financial circuits. Under domestic policy there was (and is) generally a direct relationship between the Regional Authority and the Final Beneficiary. The application of a rigorous and complex model, such as the ERDF one, would complicate what is a very simple system of financial flows. Despite this, there seems to be a widespread conviction about the value of the financial mechanisms of Cohesion policy (in particular because it ensures a rigorous transparency of the financial flows) and of the need for such an approach. There is also now a belief that a restrictive expenditure timescale, such as the one imposed by the N+2 rule, is a positive development since it avoids excessive delays in the completion of projects and allows the more timely identification of problems. Therefore, despite the lack of crossover between the two systems, some added value effects can be identified in this area with respect to the 2000-06 period and, in the current period, Cohesion and domestic policies will necessarily be brought closer together. In particular, the financial circuit for the national Fund for

Underutilised Areas (*Fondo per le Aree Sottoutilizzate*)⁹ introduces very similar financial management rules to those in use for the ERDF (with the exception of automatic de-commitment)¹⁰.

5.3 Assessment: What added value effects? How embedded?

There has been a clear learning effect for the actors involved in managing the financial flows associated with the implementation of the SPD. This has taken the form of improved knowledge and skills required for the operation of the ERDF financial circuit, a rationalisation of financial flows within the current EU programme, and the encouragement of co-ordination between the various services/sectors. At this stage, however, no tangible impact of the ERDF approach to management and implementation can be seen on the domestic policy system, although there is a favourable attitude towards Community practices in this area.

6. PROJECT AND/OR PROGRAMME MONITORING

6.1 ERDF and domestic systems and procedures

In the Tuscan Region, the monitoring of non-ERDF co-funded intervention programmes has been carried out since the late 1990s. This was done through sectoral monitoring systems, undertaken annually or every six months, with the aim of verifying the progress of actions being delivered under the Regional Development Plan. The data collected related exclusively to financial and procedural progress. Physical monitoring in the broader sense, i.e. not simply the recording of physical indicators but the verification of the actions' deliverables, was completed only sporadically and was partial in coverage. When it was carried out, it was undertaken through the use of inspections rather than a structured monitoring system. For incentive schemes, financial monitoring involved the production of expenditure progress reports by the intermediate body in charge of the scheme's delivery and the informing of managers within the competent regional department. The monitoring data collected by the individual departments in the Regional Administration was then forwarded to a dedicated regional office (Strategic Control and Management Service). A comprehensive monitoring report (called Management Report)¹¹ was then drafted annually and submitted by the Regional Government to the Regional Council (the Region's parliament). The SPD's monitoring system, on the other hand, tracked a much wider range

⁹ Since 2003 the Fund for Underutilised Areas has been the general instrument of domestic regional policy. The resources allocated to this Fund are established each year through the Finance Law and assigned in line with the objective of economic and social rebalancing between the various areas of the country. For further details, please read the TASK 1 National Overview produced under this same study.

¹⁰ However, it should be noted that a first integration between the ERDF and domestic policy (funded by the Fund for the Underutilised Areas) was introduced in 2004, when a Framework Programme Agreement on "Infrastructures for economic development" was included in the Programming Complement of the Objective 2 SPD.

¹¹ Now called "General Strategic Monitoring Report", see Section on reporting for more detail.

of data types (financial, physical and procedural) and collected such data with greater frequency. A more structured IT system was in use to track the data in this context too.

6.2 Changes made to domestic systems and procedures

Given the timetable for the adoption of monitoring systems for domestic programmes, which started in the late 1990s, it is difficult to identify clear cause and effect influences of ERDF practices during 2000-06. Nevertheless, among those who were involved in the monitoring of the 2000-06 Objective 2 SPD, there is a clear conviction that the implementation of the monitoring system for Community policy, and in particular the rules for the 2000-06 programming period, had a strong influence on the operational procedures adopted for domestic regional policy. This is considered especially true in relation to methods for the collection of financial-procedural data.

More spillover effects can be identified with respect to the current programmes, both the 2006-2010 Regional Development Plan and the 2007-13 ERDF ROP. In line with the adoption of a unified regional policy (bringing together the European programmes and domestic regional policy) and the provisions of Regional Law 61/2004, a more robust, structured monitoring system is being set up which is broken down into financial, procedural and physical indicators (results and achievements). This system is currently under development. The challenges of this task include the capacity of a single monitoring system to address different levels of complexity and not least the fact that the regional sectoral programmes generally draw on financial resources from different sources (European, national and regional), each of which has its own system of rules.

In Tuscany, the need for a monitoring system that enables the periodic verification of the deliverables of programme actions has long been recognised. In the light of this, the approach to the monitoring of Cohesion policy programmes will inevitably expand and enhance the competencies and practices already in existence at the domestic level. Nevertheless, there are obstacles to the extension of Community procedures across the entire range of regional programming including, as mentioned above, the different sources of funding that make up the region's sectoral plans and programmes. Moreover, a number of actors have emphasised the importance of any regional monitoring system having a small and highly objective set of indicators in order to ensure that their collation and interpretation can be simple and prevent the potential for erroneous conclusions. The monitoring system developed for the ERDF 2000-06 SPD was considered at times too complex, especially with regard to the tracking of physical indicators.

6.3 Assessment: What added value effects? How embedded?

The conviction of regional actors that the implementation of the monitoring system created for the Objective 2 SPD, and the requirement to meet European rules and standards, has had a strong effect on domestic policy operations is evidence of the innovative and enhancing impact of ERDF programme practice on domestic policy. The recent decision to adopt a 'new' system of monitoring for all regional plans and programmes for the 2007-13 period (involving the observation of procedural and physical progress) represents a major impact of the approach of the 2000-06 SPD on domestic policy. This system undoubtedly

represents a considerable development in the practices previously used in domestic, regional-level policy.

It should be noted, however, that the new system is still under development and the ambition to achieve comprehensive monitoring of financial, physical and procedural indicators covering the whole of the region's programmes will have to be counterbalanced with the demands for a simple system which recognises the transversal nature of the programmes and their different funding sources. Such a system will have to leave no room for ambiguous interpretations and thus avoid the inclusion of too many indicators which cannot be easily quantified.

7. EVALUATION AT PROGRAMME AND/OR PROJECT LEVEL

7.1 ERDF and domestic systems and procedures

During the 2000-06 programming period, the evaluation activities carried out in Tuscany essentially concerned the Objective 2 SPD. A number of evaluation reports were produced including a mid-term report, a mid-term update report and a series of on-going reports. The outcome of these evaluation activities informed changes in the allocation of resources within the programme and thus increased the efficiency of the programme's delivery.

Conversely, no evaluations were carried out of the region's domestic plans and programmes. Interview feedback indicates that the lack of an independent evaluator able to provide an objective and autonomous assessment of domestic programmes and their implementation is a deficiency in the current regional programming system.

7.2 Changes made to domestic systems and procedures

The Regional Law 61/2004, and its implementation regulation (no. 51/R of 2 November 2006), introduced a system whereby all domestic plans and programmes would be subject to an assessment of policy outcomes. As a result, these plans and programmes are now required to outline their objectives, actions, resources, deliverables and the respective indicators of efficiency and effectiveness. Further, the evaluation activities to be undertaken should also include environmental, territorial, social and economic aspects, as well as the effects on health and gender equality. For some domestic programmes, the evaluation of programme effectiveness has already been launched although this is in an experimental phase.

With respect to regional policy more specifically, for the 2007-13 programming period, the unified regional policy approach introduced by the National Strategic Document includes the introduction of a harmonised evaluation plan, the so-called Evaluation Plan of the Unitary Regional Policy of Tuscany Region 2007-13. This plan, which has already been drafted, outlines the procedures for the on-going and ex post evaluation of all regional plans and programmes, consistent with the regional regulations cited above. The evaluation that will be undertaken will focus on selected issues which are considered most relevant in understanding the territorial and sectoral dynamics. The scheduled evaluation activities

will be carried out principally by the Region's Evaluation Unit (NURV), with the contribution of IRPET¹².

The introduction of legislation regulating the evaluation activities for all domestic regional level plans and programmes (Regional Law 49/1999 and subsequent amendments and additions) has been influenced by a number of factors. These include, first, the evaluation culture in the European Union and, in particular, the experience of evaluating past European Cohesion policy programmes, most notably the Objective 2 SPD. Second, a need has been recognised to identify and evaluate key factors important for programme development and, finally, the application of the Community Directive on Environmental Assessment (2001/42/EC) has played a role too.

7.3 Assessment: What added value effects? How embedded?

The introduction, towards the end of the 2000-06 programming period, of evaluation requirements for all regional-level, domestic interventions represents a policy innovation as such activities were previously carried out only within the framework of EU Cohesion policy. The introduction of a unitary evaluation plan for both EU co-funded and domestic regional policies, on the other hand, is mainly due to a national level decision to unite domestic and European regional policies under a single umbrella and apply a common set of rules and requirements to this 'unitary regional policy', not least with respect to evaluation.¹³

8. REPORTING PROCEDURES

8.1 ERDF and domestic systems and procedures

Since 1998, the Tuscan Regional Authority has produced an annual monitoring report on the implementation of regional programmes. Known as 'Management Reports', these documents were drafted by the Regional Government and supplemented the financial accounts with details of the most important management processes in order to provide a basis for the evaluation of administrative performance. These reports were broken down in line with the main regional strategies and contained, in each case, a systematic account of the activities undertaken and an analysis of financial data. The reports also included an analysis of overall performance in financial management and appendices addressing issues of particular relevance.

As with other aspects of management and implementation, the provisions of Regional Law 61/2004 introduced several new developments. For example, every year the Regional Government is required to draft a General Strategic Monitoring Report for the Council that details progress with implementation of the region's policies and the resources allocated

¹² For descriptions of NURV and IRPET see earlier notes.

¹³ Even though this was not an aspect dealt with by the case study, this national development too can arguably be linked to the experience of implementing Cohesion policy (not just under ERDF) in the 2000-06 period.

and utilised. This document is drafted by the Strategic Control and Management Sector, an office of the Programming and Control Co-ordination Unit of the Presidency Directorate-General, a unit responsible for the creation and management of tools to assess and verify administrative action. The aim of this document is to provide an organic tool for knowledge and the appraisal of governance structures as well as an overview of the main actions undertaken in delivering the Regional Development Programme. Since the 2004 Law, this report no longer contains simply an analysis of the general financial accounts but focuses more widely on the strategies and tools of the region's programming system. The report also provides a broad overview of the outcomes achieved. However, it continues to be organised on the basis of the main thematic areas that characterise the action of the regional programming system.

8.2 Changes made to domestic systems and procedures

The new components of the Law on regional programming, which draw on the experience of implementing European Cohesion policy including that funded by the ERDF, have introduced changes in the domestic reporting activities of the Regional Authority. Whilst before these reforms the Management Report provided detailed implementation analyses of only certain types of initiatives, the new 'strategic' report (General Strategic Monitoring Report) provides an analysis of all the region's policies and interventions. Written in a more detailed manner, the document describes the state of progress of projects, highlighting implementation problems and possible solutions. However, even this more detailed approach remains simpler and more straightforward than the Annual Implementation Report required by the ERDF regulations.

8.3 Assessment: What added value effects? How embedded?

The changes in reporting activities for policy implementation in Tuscany are related to the developments taking place in the region's approach to monitoring systems. The construction of an increasingly structured monitoring system (in terms both of measurement methods¹⁴ and of the information to be recorded) has led to the corresponding need for reporting on the delivery of regional initiatives which is similarly structured and less generic in nature. However, despite recognising the impact of the experience acquired through the implementation of the SPD, the specific effects generated by the latter are not yet clearly identifiable since the Regional Strategic Monitoring Report and the SPD's Annual Implementation Report continue to be different.

9. GOVERNANCE AND PARTNERSHIP ARRANGEMENTS

9.1 ERDF and domestic systems and procedures

The 2000-06 programming period marked a significant transition in terms of 'concertation' processes and partner involvement. The Tuscan Regional Authority has historically placed

¹⁴ That is the attempt to define a systematic approach to measurement including defined frequency of collation.

considerable importance on partnership interaction¹⁵, reflected in the inclusion of partner consultation in domestic programme design. However, the high level of partnership involvement required by EU regulations for the drafting of the 2000-06 SPD also gave new momentum to the diffusion of partnership in the Region's domestic policies. With respect to the design of domestic policy, 'concertation' processes were introduced through Regional Law 49/1999, as amended by Regional Law 61/2004. The aim of these regulatory provisions was to determine the objectives and the content of the instruments of the region's policies, as well as to harmonise the actions of the Regional Government with those of institutional and economic partners and other stakeholders.

The involvement of partners in the implementation phase, on the other hand, continued to be fairly limited, especially in regional programming which was not financed by the ERDF. Even within Cohesion policy, the involvement of the various institutional and economic partners in the implementation phase proved weak, despite being guaranteed to an extent by the composition of the Monitoring Committee. This is due in part to the highly technical nature of ERDF management which makes it relatively inaccessible to non-experts. In fact, only on rare occasions did the institutional and socio-economic partners play a decisive role in the implementation of the 2000-06 Objective 2 SPD. Examples of more active partner participation include the contribution of the trade associations in the promotion of actions from the SPD, the involvement of the Provincial Authorities in the selection of infrastructure projects (discussed under project selection) and the involvement of various local actors, both public and private, in the definition and implementation of the ILDPs, as will be seen in the next part of this case study report. In terms of domestic policy, the absence of a formal arena for the expression of partnership in relation to the implementation of the various programmes has meant that the participation of the various socio-economic stakeholders has been even more limited than within the 2000-06 Objective 2 programme.

9.2 Changes made to domestic governance and partnership

The engagement and 'concertation' of partners has become extremely intensive in all the regional level domestic plans and programmes, at least as far as the programme design phase is concerned. The main change that took place in the course of 2000-06 with respect to the engagement of partners was the move away from 'concertation' based on sectoral 'tables' to the creation of two horizontal 'Concertation Tables' within the Presidency Department of the Regional Authority: the General Concertation Table¹⁶ and the Institutional Concertation Table¹⁷. The General Concertation Table addresses issues of general interest, with a view to identifying the required strategic and programming action.

¹⁵ As early as the 1992-1994 RDP, the Tuscan Regional Authority revealed its desire to promote a political and cultural debate as an integral part of the process of programme design, and through Regional Law 26/1992, it guaranteed the participation in regional programming of local actors and social stakeholders. Nevertheless the first meeting that could be considered as 'concertation' rather than simple consultation took place with the RDP 1998-2000.

¹⁶ Regulated by D.G.R. (Decree of the Regional Government) 328/2001, subsequently amended by D.G.R. 906/2005.

¹⁷ Regulated by D.G.R. 1222/2005.

Its members comprise the trade associations, workers' associations, environmental associations, equal opportunity committees, members of the Regional Government, coordinators from relevant sectors, and representatives from the Programming Area of the Regional Administration and from the sectoral tables. The Institutional Concertation Table, on the other hand, is attended by members of the Regional Government, and by the regional representatives of the National Association of Italian Municipalities (ANCI, *Associazione Nazionale dei Comuni Italiani*), the National Union of Mountainous Communities (UNCEM, *Unione Nazionale Comuni Comunità Enti Montani*) and the Regional Union of Tuscan Provinces (URPT, *Unione Regional Province Toscane*). These 'Concertation Tables' have played and continue to play a crucial part in the representation of participating bodies, and 'concertation' procedures have been improved as a result.

Further, recent changes have been observed in the involvement of partners in the implementation stages of domestic regional initiatives. The 2006-10 RDP formalises a trend which moved towards an expansion of the network of partners necessary to access the resources required for the realisation of the RDP's goals. The aim is to establish an 'enlarged governance' which would take an active role in policy implementation and be accountable for final results and outcomes - although this has not yet been established.

The factors which have influenced the widening and deepening of engagement by institutional and socio-economic partners in both programme design and, potentially, the implementation of domestic policies include stimuli from the delivery of the 2000-06 ERDF programme. These drew on Community principles of institutional and social subsidiarity and partnership.

9.3 Assessment: What added value effects? How embedded

The Tuscan Regional Authority has a long tradition of activating and engaging partners. New input and motivation was generated by the 2000-06 programming experience which was particularly evident in the creation of two new 'Concertation Tables'. This suggests that the experience of implementing the ERDF programme enhanced existing practices and contributed to the generation of more structured procedures for the involvement of partners in programme preparation and a more prominent role in implementation.

PART II – THE INTEGRATED LOCAL DEVELOPMENT PROJECTS DEVELOPED UNDER THE TUSCAN OBJECTIVE 2 2000-06 SPD AND THEIR INFLUENCE ON DOMESTIC SUB-REGIONAL PROGRAMMES

As mentioned in the introduction, the second part of this case study addresses the issue of Community added value with reference to the Integrated Local Development Projects (ILDPs), assessing whether these have generated spillover effects and added value in domestic policy at the local level and whether, in addition to the impact of the SPD overall on regional policy-making, positive effects have also been generated at sub-regional levels, as a result of the ILDPs.

3. PROCEDURES FOR PROGRAMME DESIGN

3.1 ERDF and domestic systems and procedures

The ILDPs were a novelty in the Obj.2 2000-06 SPD. The reasons behind their introduction were linked to both national trends and regional decisions. As regards the former aspect, it should be mentioned that for the launch of the 2000-06 programmes the Department for Cohesion Policies of the Ministry of Economic Development (at the time Ministry of Economy and Finances) promoted strongly the principle of integrated programming (*programmazione integrata*) within the regional programmes. With respect to the latter aspect, the ILDPs were introduced with the idea of enhancing the efficacy of the interventions of the SPD in relation to the two key goals of the region's 2000-06 programming guidelines (namely: 'making system' and 'innovation and qualification based on sustainable development'). The ILDPs were composed of a set of *integrated* operations (projects) of an inter-sectoral character, converging towards a specific common objective. Whilst being tools for the implementation of the SPD (and hence assuming the timetable and operational aspects of this - e.g. selection procedures, monitoring, expense accounting), they were projects that were declined at local (provincial) level. The procedures for the definition of the ILDPs were launched in July 2002 with the presentation of a guidance document by the Managing Authority. Subsequently the 'Guidelines for the planning and selection of the ILDPs' were approved by the Regional Government (Decree of the Regional Government 31/2003). The planning activities for the ILDPs were entrusted to the Provincial Authorities, who acted as co-ordinators. The Provincial Authorities then involved the local stakeholders (public and private bodies representing the various economic, social and institutional interests) in consultation in order to agree the objectives of the ILDPs and the actions to be implemented. The drafting phase of the ILDPs was highly diversified entailing numerous consultation meetings with the various local stakeholders. Finally, technical assistance activities were organised to support the work at provincial level for the drafting of the ILDPs.

While the ILDP experience was innovative, it should also be noted that a number of similar initiatives had already been attempted in Tuscany, albeit only in relation to the 'concerted' development of strategies and plans at local level. Prior to the ILDPs, there were the Local Development Programmes (Regional Law 53/97), which later became Local Sustainable

Development Programmes (LSDPs - Regional Law 41/98). These were documents which established sub-regional programming strategies or focused on the specific targeting of local policies. Aside from the common consultation activity, these tools were conceptually different from the ILDPs in that they were designed to draft programmes while the ILDPs are integrated projects containing specific operational guidelines. The innovation of the ILDPs in comparison to similar previous initiatives lay in the focus on the delivery of the included actions. In other words, while incorporating a high level of involvement of the various local stakeholders (in parallel with the Local Development Programmes), the ILDPs were planning instruments which emphasised operational criteria and, unlike the Local Development Programmes, incorporated precise benchmarks in terms of timescales, financial resources and specific physical targets.

The Tuscan Regional Authority had also introduced a new negotiated planning tool called the Local Development Pact (LDP)¹ which has been motivated by the drive towards decentralised regional planning which is negotiated with local stakeholders. The LDPs are agreements promoted by the Regional Authority and concerted with the Provinces and which are designed to co-ordinate planning priorities at various levels (regional and local). Participation in the LDPs is voluntary. They represent a new approach designed to enhance dialogue between the Tuscan Regional and Provincial Authorities in order to reach consensus on actions to be implemented in the territory. The LDPs, therefore, are distinct from the ILDPs in that they are programming documents of a horizontal and cross-sectoral nature although, like the ILDPs, they use consultation as the method for identifying the strategic priorities. In addition, the ILDPs are linked to existing funding sources related to specific action areas in the SPD. The LDPs, on the other hand, do not currently include dedicated resources and can 'autonomously' identify instruments for the global development of the territory, albeit in harmony with the contents of the RDP. In other words, the LDPs do not dispose of financial resources and their programme content is the basis for the acquisition of resources from a range of sources (Community, national, regional, provincial).

3.2 Changes made to domestic systems and procedures

It is clear that the local programming and planning instruments of the Tuscan Regional Authority are highly differentiated and it is thus difficult to establish a cause and effect relationship between the ILDPs and the other tools of regional policy. While there are clearly strong links between them in terms of the activation of the local partnership and the role attributed to the Provinces, the crossover of experiences appears relatively weak as they represent different conceptual approaches.

Despite this, it is true to say that the LSDPs have influenced the ILDP experience in a number of ways. To some extent, the operation of the LSDPs strengthened a climate favourable to the establishment of relationships between the Municipalities, Provinces and social stakeholders which facilitated the consultation activities for the ILDPs. The ILDPs, in turn, influenced the programming of the LDPs in that the incorporation of specific

¹ The Local Development Pacts were defined through Regional Law 49/1999.

operational content, which characterises the ILDPs, was viewed as a positive development which is likely to influence the direction of the LDPs in a similar way.

The absence of clearly defined links between the various policy approaches makes it difficult to identify the factors and causes which favour or hinder the adoption of lessons from the ILDP experience. Nevertheless, the process through which the ILDPs have emerged as genuine operational implementation tools has had a positive impact on local culture and there is evidence of a shift in programming approach to include a greater operational component in other types of instrument as well.

3.3 Assessment: What added value effects? How embedded?

The different approaches of the various instruments, and the differences between the ILDPs and the Local Development Pacts in particular, make it difficult to determine whether there has been a clear impact of the experience of ERDF programming on domestic programming. What can, however, be noted is the transfer of operational methods from the ILDP planning approach to the drafting of the Local Development Pacts. More specifically this can be seen in the greater concentration of sectoral resources within a defined territorial area and the move towards the greater inclusion of operational components in the programming. Moreover, a transfer of the integrated planning experience represented by the ILDP can be observed in the current (2007-13) ERDF programme where Integrated Sustainable Urban Development Plans (ISUDPs), which are virtually identical in form to the ILDPs, are proposed under Priority 5 of the ROP.

4. PROJECT GENERATION, APPRAISAL AND SELECTION MECHANISMS

4.1 ERDF and domestic systems and procedures

The selection process for the ILDPs took place in two phases. In the initial phase, the Provinces were involved in local 'concertation' activities to identify projects considered worthy of funding by the Provincial Authority. In the initial selection phase, the identification of project proposals to be included in the ILDPs by the Provincial Authority took place primarily in the form of manifestations of interest. Selection was then made by an internal provincial working group on the basis of negotiations with the partners on the objectives of the ILDP and a preliminary eligibility check. The criteria governing project selection at provincial level were almost always the consistency of the project with the strategic objectives of the ILDP and an assessment of feasibility. The latter criterion was crucial in terms of the operational capacity of the actions which currently appears to be strong.

The second phase resulted in the selection of projects included in the ILDPs which were eligible for funding under the SPD and was carried out by the NURV. This unit performed two separate activities. The first was an eligibility check on the basis of the Programme Complement for the projects submitted by the Provincial Authority on the basis of requirements set out in the Programme Complement. The second was an appraisal of the extent to which the project proposals were integrated as this was the selection criteria for

assessing which ILDP projects were deserving of SPD funding and was carried out by the NURV.

4.2 Changes made to domestic systems and procedures

The identification of project proposals that could easily be operationalised, and the 'concertation-based' selection of projects to be included in the ILDPs, has meant that, in the majority of cases, project delivery has been effective and many projects are approaching completion. This is true not only for the projects funded under the SPD but also for those projects originally included in the ILDPs which did not receive funding under the SPD and were implemented using non-ERDF resources (in some cases municipal funds). In this sense, it is clear that the ILDPs have had positive repercussions on actions funded by domestic policy which benefited from the overtly operational focus of the ILDPs, notably the use of selection criteria designed to encourage the feasibility of project delivery. The criteria used by the ILDPs have also had a positive influence on the strategic choices of the Local Development Pacts and these instruments are being planned in 'concertation' with various stakeholders to include actions which can easily be translated operationally. The definition of the Local Development Pacts is in some respects linked to the positive achievements of the ILDPs: in the ILDPs, the fact that the projects have been identified through 'concertation' and on the basis of their viability appears to have guaranteed a good realisation capacity. There is a widespread awareness of these outcomes and hence it seems likely that these aspects of the ILDP experience will be continued and strengthened in the Local Development Pacts.

4.3 Assessment: What added value effects? How embedded?

The main added value effect that can be traced to the ILDP experience is a better understanding of how a programme of territorial development should be developed so that it is not viewed as an operation imposed 'from outside' and therefore neither owned nor effectively implemented by the region. With regard to this area of added value, the ILDP has had positive repercussions on Tuscany's domestic policy, given that Local Development Pacts in the past involved less participation by local stakeholders.

5. FINANCIAL MANAGEMENT

The ILDPs are tools for the implementation of the Priorities and Measures of the Objective 2 2000-06 SPD. The financial management systems for the Objective 2 programme, therefore, also apply to the ILDPs (see Part I of this case study report). There was no influence of the ILDPs on financial management of domestic regional policy.

6. PROJECT AND/OR PROGRAMME MONITORING

6.1 ERDF and domestic systems and procedures

As laid down in the Guidelines, the regional monitoring system for the SPD also covered the implementation of projects under the ILDPs (financial and physical progress) and specific reports were drafted to cover these actions. Each project was individually monitored under the monitoring system of the SPD. In addition, there were meetings and dialogue between the actors responsible at regional and provincial levels, in particular for projects that revealed major problems.

The Regional Authority also provided the Provinces with resources to draft a Technical Assistance Plan (TAP) for the ILDPs so that they would be able to carry out all necessary activities associated with their co-ordination role. The TAP could incorporate consultancy, technical assistance, monitoring, evaluation, control and support activities of various kinds (such as economic and territorial surveys and studies). The Provinces made widespread use of this tool. In some cases, such as Pistoia, Grosseto or Siena, the TAP resources were used to implement a system of monitoring at provincial level designed to identify any problems in the project implementation phase and provide appropriate assistance. This monitoring was carried out quarterly or twice a year on the basis of semi-formal arrangements, sometimes involving inspections, and with the key objective of providing information on procedural progress of the projects and the state of implementation.

6.2 Changes made to domestic systems and procedures

The monitoring associated with the ILDP has led, in some cases, to significant changes in the operational methods of the Provincial Authorities. In the Province of Pistoia, for example, a monitoring office was set up under the TAP to monitor implementation progress for the ILDP projects. The usefulness of the ILDP related monitoring activities led to an extension of this work to other projects coordinated by the Provincial Authority. The monitoring activity introduced for the ILDP resulted in intensified links between the Provincial Authority and local administrations. This has guaranteed a good level of information exchange between these actors and a much higher involvement of the Provinces in project implementation. The monitoring activity, designed to establish project progress and highlight problems in order to identify timely help, also had a positive effect on the management capacities of the Municipalities.

6.3 Assessment: What added value effects? How embedded?

Although this is not universally the case, in some Provinces (for example Pistoia), the ILDP related monitoring activities have undoubtedly generated added value for domestic policy. The extension of monitoring activities to all the projects in which the Province has a co-ordinating role is a clear domestic innovation derived from European Cohesion policy. The application of this instrument should enable the Provincial Administration to increase the level of integration, also in the implementation phase, with sub-provincial public bodies. This clear example of added value can only be observed in a limited number of provinces but a more widespread, albeit weaker, impact has been a greater diffusion at local level of

an understanding of the importance of monitoring and monitoring systems for the efficiency and effectiveness of public interventions.

7. EVALUATION AT PROGRAMME AND/OR PROJECT LEVEL

7.1 ERDF and domestic systems and procedures

The evaluation of the ILDPs was also carried out under the remit of the SPD activities so that it is not possible to determine a direct operational impact on the Provincial Administrations. However, a number of examples of the utilisation of TAP resources can also be seen in this area. In some cases (such as the Province of Florence), these resources have been used to undertake own evaluation of the ILDP experience. In this case, the aim of the analysis was to verify the effectiveness of the Florentine ILDP (its capacity to achieve objectives) and the extent to which there was a response to the territorial needs identified in the initial programme design phase. Moreover, the evaluation devoted special attention to the verification of the degree of 'integration' obtained with the implementation of the ILDP and its impact on the territory. With regard to provincial policies outside of the ILDP, there does not appear to be any added value effect in terms of evaluation.

7.2 Changes made to domestic system procedures

The implementation of the ILDPs has not led to any changes to the evaluation activities of Provincial Authorities. Generally, the evaluation of the ILDPs was carried out within the framework of SPD evaluations and had no direct impact on the Provinces. Even in cases where the TAP resources were used to carry out tailored evaluations coordinated by the Provincial Authority, such as in the Province of Florence, this did not lead to any change with respect to the evaluation of other provincial interventions and programmes. However, it is worth noting that these evaluations have only recently been finalised and they could influence future plans.

With reference again to the case of the Florence Provincial Authority, the factors that are influencing the approach to integrated planning are related to specific evaluation results which have focused attention on suggestions emerging from an analysis of the ILDP experience. One such suggestion is the need to ensure more integrated project management following the physical completion of the integrated project. While the ILDP ensured the extensive involvement of local actors, and spatial and sectoral synergies could sometimes be identified, integrated management (that is managing the actions in line with a common strategic aim) was often lacking. The Provincial Authority is attempting to overcome this deficiency by providing incentives for the co-ordination of the functional aspects of the projects and by placing stronger emphasis on these aspects in relation to the ISUDPs.

7.3 Assessment: What added value effects? How embedded?

No direct spillover effects on evaluation practice are apparent as a result of working with the ILDPs, as much of the evaluation activity on the ILDPs was carried out at regional level, within the framework of SPD evaluation. In a very few cases, however, provincially-led

evaluations of the ILDPs have been undertaken. In such cases, positive effects can be observed as regards the generation of a greater understanding of the importance of evaluation, in terms of its contribution to improving the delivery of policy. However, this has not yet led to the emergence of new evaluation practice at sub-regional level.

8. REPORTING PROCEDURES

8.1 ERDF and domestic systems and procedures

The ILDP experience has had no particular effects on the provinces' reporting practices for domestic programmes. As noted above, the monitoring activity and related reporting pertaining to the ILDPs were the responsibility of the Regional Authority. Reporting on the implementation of the ILDPs was undertaken both under the AIR (Annual Implementation Report) and through ad hoc reports. Nevertheless, in a few cases, such as the Province of Pistoia, small-scale reporting activities were performed, in addition to the reporting procedures required by the Regional Authority (Managing Authority of the SPD). In this case, the information collected through the provincial monitoring system was made available online, to provide a mapping of the funded projects.

9. GOVERNANCE AND PARTNERSHIP ARRANGEMENTS

9.1 ERDF and domestic systems and procedures

The ILDP represented an inter-institutional model capable of stimulating the involvement and participation of a large number of local stakeholders. The use of broader 'concertation' at both local and regional levels was an essential part of the ILDP experience. This was achieved in part through the issue of a specific Management Decree (DD 339/2003) which set out the rules of local partnership in order to ensure a robust, broad and transparent application of the principles of negotiated programming. The document established a specific Consultation Conference at provincial level, including the minimum requirements for its composition², but allowed the Provincial Authorities the option to expand the range of participating bodies to meet specific local demands. The Decree also stressed that the evaluation of the ILDP would include an examination of the consultation processes as these represented an important indicator of the level of consensus for the initiative within the area.

9.2 Changes made to domestic governance and partnership

While partnership was already a recognised practice, the regional requirements governing the consultation activities of the ILDP undoubtedly led, in the majority of cases, to an increase in the number of actors involved at provincial level. This was an indirect effect of the rules set out by the Regional Authority for the implementation of the ILDPs. Indeed the

² The actors included in the Decree were: Municipalities, Districts, Mountain Communities, Chambers of Commerce, Universities, other public bodies, local environmental NGOs, the provincial Equal Opportunities representative, and local representatives of entrepreneurs and workers.

existence of regulations and guidelines requiring the broadest possible participation of local stakeholders encouraged certain Provincial Administrations to involve all the relevant actors in the area, exceeding the specific requirements of the Decree. For example, in the case of Grosseto, representatives of professional boards and councils as well as the banking system were involved in 'concertation' activities. What is perhaps even more significant is the fact that the ILDP experience has changed the 'concertation' procedure currently used at provincial level and the model of partnership used within the ILDP is now regularly applied to other provincial programming activities.

The above-mentioned changes were largely motivated by the positive reception to the intensive 'concertation' experience of the ILDP and the associated creation of more structured relationships between the various actors involved. The enhanced capacity of local stakeholders to work within a cross-municipal logic and co-operate with each other has resulted in higher levels of project quality and made it possible to plan more complex actions.

9.3 Assessment: What added value effects? How embedded?

The experience of the ILDPs and, in particular, the associated activation of partnership appears to have been transferred in a number of cases to local domestic programming. This is also true for certain sectoral provincial programmes and for the Local Development Pact. The added value of the ERDF programme implementation experience, gained through the ILDPs, are therefore the enhancement and amplification of 'concertation' procedures, the increased cooperation between actors and the greater capacity for joint working generated which have led to an improved capacity of local actors to design complex programmes and high quality interventions. Such developments are key to facilitating the participation of sub-provincial actors, particularly the municipalities, in provincial and regional planning and in bidding for regional, national and Community resources.

10. OVERALL ASSESSMENT

10.1 Overall assessment of the influence of ERDF management and implementation on domestic policy delivery

The above discussion shows that the management and implementation of the 2000-06 Objective 2 programme has generated the clearest and most positive influence and change to domestic practices in three main areas. First, in programme design where, at the end of 2006, provisions were introduced stating that domestic programmes should be accompanied by ex ante evaluations. Second, in reporting where implementation reports similar to those required by the ERDF, albeit simpler, have now to be drafted for regional plans and programmes. Third, with respect to governance and partnership which have been strengthened following the creation of two cross-sectoral 'Concertation Tables'. In addition, a 'potential' influence can be identified where changes are planned but have not yet come into existence. With respect to monitoring, for example, there are plans to extend the EU monitoring model to the whole range of domestic policies in the current period. Interview feedback reveals a generally favourable attitude towards the rules and procedures of European Cohesion policy. However, the links between the processes

associated with the implementation of the Objective 2 programme and the changes which have been made to the management and implementation of domestic policies do not always appear to have been clearly grasped.

With respect to the ILDPs, in overall terms, the lessons drawn from the experience of managing and implementing these 'integrated projects' have been more significant for the processes connected with programme preparation and weaker for those associated with implementation. As described above, the ILDPs were implementation tools within the SPD and thus their financial processes, the monitoring systems and the evaluation and reporting activities were subordinated to those of the SPD. The absence of 'autonomy' in these areas has, therefore, limited the impact on the local actors who have played a more marginal role in these processes. There have been some exceptions, such as Pistoia, where the experience of the ILDP has led to the adoption of a monitoring system for other provincial projects beyond those included in the ILDP. Nonetheless, there have been significant changes generated by the ILDP experience in the definition of local programmes/projects and in partnership activities. In addition, the ILDPs were drafted with a conscious focus on high operational viability and this approach is likely to be applied to the content of the Local Development Pacts. Interview feedback has noted this as an initially positive effect of the ILDP experience. The 'concertation' procedures for the selection of actions and projects to be included in the ILDPs was considered similarly positive as this appears to have guaranteed improved implementation capacity both in terms of project delivery and quality. With regard to the involvement of partners, while the partnership principle was already in operation in Tuscany before 2000-06, the approach of the ILDPs has undoubtedly expanded the number of actors involved and developed a more structured way of activating the partnership which enhances the capacity of local actors to participate in programming mechanisms at provincial and regional level.

10.2 The added value of ERDF management and implementation

The positive influence of the experience of implementing the 2000-06 Objective 2 programme has led to a number of changes in the management and implementation of current regional domestic policies notably in regard to: the undertaking of ex ante and on-going evaluation activities for all regional programmes; the monitoring of interventions within the region's own plans and programmes; the drafting of reports on financial and procedural progress across a range of interventions; and, the expansion of partnership practice from a purely sectoral to a horizontal level. The ex ante evaluation activity, report drafting and the creation of the two 'Concertation Tables' have already been introduced, while developments in relation to monitoring and evaluation are still underway. As regards the ILDPs, on the other hand, if one considers the ILDP initiative as a whole (that is, in relation to all ten provinces), it can be concluded that this has had a highly positive impact on certain processes, albeit in a limited way. However, for most aspects programme management and implementation, the ILDP experience has not generated any significant effects, or where these are in evidence, they are limited to only a few cases (provinces).

The changes discussed above are summarised in Table 1 below. As can be seen from the Table, with respect to the SPD as a whole there is an almost even split between changes which can be viewed as genuine innovations and changes which enhance and improve

previous practice. The added value created by the ILDPs, on the other hand, is primarily one of enhancement.

In terms of the processes through which the mechanisms of Cohesion policy implementation have influenced the management and implementation of domestic policy, evidence can be seen of both the direct transfer of European practice and the more creative adaptation of such practice within the regional context. The changes introduced with respect to the ex ante evaluation of regional programmes can be considered a case of transfer, while those relating to the monitoring (type of information and frequency of measurement), evaluation (the integrated approach to be applied) and reporting (in terms of the number of issues dealt with) of domestic policies show an adaptation of the Objective 2 programme approach to the specific demands of the domestic policy environment. The creation of the two cross-sectoral 'Concertation Tables' represents a genuine innovation which attributes greater importance to the principle of partnership but which has no direct parallel within the ERDF system.

Table 1: Types of added value effects

Process	Type of added value effects
Programme design	ERDF programming approaches have resulted in <i>enhancement effects</i> with regard to the definition of strategy design and <i>innovation effects</i> in terms of the application of ex ante evaluation to domestic regional programmes and plans. Re. the ILDP, EU Cohesion policy has improved domestic policy in this area in the sense that the programming of the LDP is now focused more on operational effectiveness and a spatial concentration of resources (<i>enhancement effect</i>)
Project generation, appraisal	The approach to project generation within ERDF programming has modified the procedures used for the definition of infrastructure projects (<i>innovation effect</i>) which will have a particular impact in the 2007-13 period. The ILDP could influence the methods of project identification and selection in the future as the benefits of a consultation method are noted for the delivery of projects and their effectiveness (<i>enhancement effect</i>)
Financial management	The management of the 2000-06 SPD has resulted in a greater empowerment of the actors involved, with corresponding <i>learning effects</i> for the regional personnel. No specific effects associated with the ILDP in this area
Monitoring	The monitoring activities adopted for the 2000-06 Community policy will be extended in 2007-13 to all the actions of regional programming (<i>innovation effects</i>) The ILDP experience has, in some cases, made it possible to extend the monitoring practice to domestic policy (<i>innovation effect</i>)
Evaluation	The evaluation activities characteristic of Community programming will be extended in 2007-13 to all the actions of regional programming, even though the planned activities are typologically different from those prescribed for the ERDF (<i>innovation effect</i>) The evaluation activities undertaken within the ILDP have, in some cases, led to a deeper understanding of the importance of evaluation and assessment (<i>learning effect</i>)
Reporting	Reporting activities relating to the implementation of the ERDF programmes has modified the monitoring report for domestic regional programming which currently involves a progress analysis for all regional initiatives (albeit limited to financial - procedural aspects) (<i>enhancement effect</i>) No specific effects associated with the ILDP in this area
Governance and partnership	The principal partnership related innovation to emerge from the stimulus of 2000-06 Community programming is the creation of two 'Concertation Tables'. These are no longer sectoral but horizontal and ensure the participation of partnership in the preparation of regional programming (<i>enhancement effect</i>). There is also an appreciable increase of partnership involvement in the implementation phases (<i>enhancement effect</i>) The ILDP experience has brought about an expansion and intensification of the consultation activities at local level (<i>enhancement effect</i>)

As regards the ILDP, it should be noted that developments on the domestic policy scene had already paved the way for the incorporation of the changes discussed above. Nonetheless, as regards the activation of partnership the impact of the ILDP on the Local Development Pacts has been particularly evident, as 'concertation' procedures for the latter have been intensified and extended in line with the approach of the ILDPs.

Table 2: Types of modes through which added value has occurred

Process	Modes of effects
Programme design	Adoption into domestic regional policy of practices typical of Community policy such as the inclusion of ex ante evaluation for all regional programming (<i>transfer</i>) The design of the LDP is likely to be modified by the approach of the ILDP, given their influence on promoting improved operational capacity (<i>adaptation</i>)
Project generation, appraisal	Identification of infrastructure actions through 'concertation' will be adopted for all 2007-13 regional programming actions (<i>transfer</i>) The results achieved through the ILDP experience could influence the drafting of projects in future local policy (<i>adaptation</i>)
Financial management	No significant change/no effects
Monitoring	Proposed adoption for 2007-13 period of monitoring system similar to that of Community programming (<i>adaptation</i>) In some cases, the monitoring system introduced for the ILDPs has resulted in an extension of the mechanism to the remainder of provincial programming (<i>transfer</i>)
Evaluation	Proposed adoption for 2007-13 period of evaluation activities similar to those used in Community programming (<i>adaptation</i>) Lessons learnt through the ILDP experience could modify opportunities for integrated programming (<i>adaptation</i>)
Reporting	Changes in procedures for drafting monitoring reports influenced by Community practices (<i>adaptation</i>) No effects from the ILDP experience
Governance and partnership	Setting up of two 'Concertation Tables' to guarantee partnership participation in regional programming (<i>innovation</i>) In some areas, the methods for involving partners, introduced through the ILDPs, have been maintained as they enhance and expand existing consultation practices (<i>transfer</i>)

The Tuscan case study displays a considerable degree of added value in the delivery of domestic policies in the region which has come from the experience of implementing the 2000-06 Objective 2 SPD. Many of the processes of Cohesion policy, particularly in relation to the ERDF, have been almost entirely transferred to domestic regional programming and others will follow in the current programming period. However, these conclusions should not be generalised. Tuscany represents a particularly successful case of added value in the national context and the lengthy programming experience of the Regional Authority, combined with very competent personnel involved with the management and implementation of policies, has been an important contributory factor to the high level of added value gained from Community experiences.

The ILDPs, on the other hand, have represented an opportunity for significant change in programming at provincial/local level. In particular, they have fostered the participation of many more local actors (such as the Municipalities) in strategic decision-making which should enhance project quality and complexity, and help to access financial resources. Indeed, the improved capacity to co-operate across Municipalities should create more opportunities for the territory to obtain and utilise resources.

10.3 The perceived negative effects of ERDF management and implementation systems and practice

There is no evidence of negative effects associated with the management and implementation of the Objective 2 ERDF programme in 2000-06, either generally or with respect to the ILDP. The negative aspects which have been identified, for example with respect to the SPD's monitoring system, have not been transferred to the domestic system. Interview feedback reveals an almost universally positive opinion with regard to the rules of European Cohesion policy. More specifically in terms of monitoring, while the system of physical indicators is, in some cases, considered too complex, there is nevertheless agreement on the need to extend this procedure to domestic policy as it is a useful tool for assessing administrative actions.

11. CONCLUSIONS

The case study work relating both to the Objective 2 SPD and to the ILDPs was based on documentary analysis (see bibliography), interviews with a wide range of actors (see Annex), and the long-standing experience of the authors in the evaluation of Tuscan Cohesion policy programmes. The main conclusion to emerge from the case study work is that European Cohesion policy has had significant value added effects on domestic policy in terms of the SPD but these are less evident in the current programming phase in relation to the ILDPs.

Positive changes deriving from the working methods of the SPDs have been introduced across all aspects of programming, with the exception of financial management. However, there is variation in the depth and extent of these changes. In terms of the introduction of ex ante evaluation for regional policy, for example, the changes are far reaching, evidenced in the new nature of evaluation activity and the introduction of this type of evaluation for the majority of programmes. Another example of an important impact, although less decisive, relates to the process of governance and partnership and the introduction of the two horizontal 'Concertation Tables' represents an important area of added value. However, the transfer of experience in this area is less complete in comparison to the area of evaluation because, while the Community level evaluation procedures have been adopted in their entirety, the involvement of the partnership in the implementation phase of the programmes has not yet taken place. A similar observation applies to the reporting activity for regional policy which still covers a smaller number of issues than envisaged at Community level. In addition to these positive effects, there are further changes which already have a regulatory basis and which will come into operation in the near future. These include the undertaking of on-going evaluation and monitoring activities and the use of consultation procedures for the selection of infrastructure projects. In terms of the experience which can be transferred from the SPD, therefore, much has already been achieved to improve the management and implementation of domestic policy but it will be important for the Tuscan Regional Authority to continue to make concerted efforts to complete this process of strengthening and enabling improvements in public governance. In the light of the various degrees of difficulty associated with continuing changes, and the implementation of a monitoring system in

particular, it will be important to focus efforts to ensure that the strategic choices which have already been made become a habitual part of regional level practice.

In terms of the ILDPs, while the impact of the experience is weaker than that related to the SPD, this does not automatically make it negative. The more modest added value outcomes are related, first, to the fact that the experience is more recent (in comparison to a long tradition of ERDF funded regional programmes) and, second, to the involvement of a large range of actors (ten Tuscan Provinces) which makes the achievement of clear and generalised effects much more difficult. An assessment of the case study results reveals that it is not, at present, possible to identify any provincial level policy process which has clearly been positively influenced by the experience of the ILDP (with a very few specific exceptions). However, it is very likely that positive effects will start to emerge very soon in association with the programming of the LDPs which could be influenced by the ILDP focus on the greater operational capacity of included actions. In addition to this change in focus, which is likely to affect the majority of Tuscan provinces, a positive diffusion of monitoring practice in the Province of Pistoia and of evaluation in the Province of Florence is also anticipated.

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13. ANNEX - LIST OF INTERVIEWEES

13.1 Strategic Respondents

- Director General; Region Toscana; D.G. for Economic Development; 10 July 2008; face to face.
- Senior official; Region Toscana; D.G. for Economic Development; Organizational Position for evaluation of plans and integrated projects; 10 July 2008; face to face.
- Director; Region Toscana; Sector for Negotiated Programming and Community Audit; 10 July 2008; face to face.

13.2 Operational Respondents

- Official; Province of Grosseto; 21 July 2008; telephone.
- Official; Province of Siena; 21 July 2008; telephone.
- Official, Region Toscana, DG Economic Development, responsible for Measure 1.5 of the Objective 2 SPD (Investment aids for tourism and commerce firms); 17 July 2008; telephone.
- Official, Region Toscana, DG Economic Development, responsible for Measure 2.1 of the Objective 2 SPD (Infrastructure for tourism and commerce); 16 July 2008; telephone.

- Official, Region Toscana, DG Economic Development, responsible for Measure 2.2 of the Objective 2 SPD (Cultural infrastructure); 17 July 2008; telephone.
- Official, Region Toscana, DG Economic Development, responsible for Measure 2.4 of the Objective 2 SPD (Infrastructure for the productive sector); 21 July 2008; telephone.
- Official; Region Toscana; DG Economic Development; Responsible for Measure 3.9 of the Objective 2 SPD (Soil and water protection); 18 July 2008; telephone.

13.3 External Respondents

- Evaluator of the Tuscan Objective 2 SPD 2000-06, CLES; 8 July 2008; telephone.
- Researcher, IRPET; 11 July 2008; telephone.