EXPERT EVALUATION NETWORK
DELIVERING POLICY ANALYSIS ON THE
PERFORMANCE OF COHESION POLICY 2007–2013
YEAR 2011

TASK 2: COUNTRY REPORT ON ACHIEVEMENTS OF COHESION POLICY

ITALY

VERSION: FINAL

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ISMERI EUROPA

A report to the European Commission
Directorate–General Regional Policy
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LIST OF ABBREVIATIONS

- AIR Annual Implementation Report(s)
- CBC Cross-border Cooperation
- CIPE Inter-ministerial Committee for Economic Planning
- DPS Department of Development Policies in the Ministry for Development
- EC European Commission
- EE Energy Efficiency
- EEN Expert Evaluation Network
- ERDF European Regional Development Fund
- ESF European Social Fund
- EU European Union
- FAS Fondo Aree Sottoutilizzate (Italian fund for regional policy)
- GDP Gross Domestic Product
- ICT Information & Communication Technology
- ITP Integrated Territorial Projects
- MA Managing Authority
- NES National Evaluation System
- NGO Non-governmental Organisation
- NSRF National Strategic Reference Framework
- NOP National Operational Programme(s)
- PA Public Administration
- R&D Research & Development
- RES Renewable Energy Source
- ROP Regional Operational Programmes
- RTDI Research, Technological Development and Innovation
- SME Small and Medium-sized Enterprises
- TCO2 Tonne CO2 (measure of emissions)
- TOE Tonne Oil Equivalent (measure of energy consumption)
- UVAL Public Investment Evaluation Unit in the Ministry of Development
EXECUTIVE SUMMARY

In 2010 the gap between stronger and weaker regions has increased and the southern regions encountered many difficulties in benefitting from the feeble recovery stemming from the international demand. In these regions the unemployment rate is again well over 10 points, the employment rate is decreasing and many of the high productivity jobs in the manufacturing sector have been lost. Here, the perspectives of development are very poor and the simply maintaining the current disparity level could be considered a good results in the next years.

In a broader and long term view, the entire country is experiencing a change in its growth regime; an unsustainable welfare system and two decades without competitiveness growth require structural reforms and a new social pact, which will necessarily influence also the relationships among regions. The fiscal federal reform approved in 2010 goes in this direction, but its implementation is very slow and uncertain because of the recent cuts in the public budget. Institutional and economic reforms have been too weak and unable to reverse this trend. Cohesion Policy is suffering from the effects of this undefined policy context, as well as the low rate of economic growth.

The macroeconomic environment is unlikely to improve in the next years and the integration between EU and the national policy initially planned in the National Strategic Reference Framework (NSRF) is no longer relevant. The influence of EU structural policy is progressively increasing in Italy, while national resources for regional investments are decreasing. But, the quantitative change also affects the form of the interventions. The overall strategy should be adapted to the new macroeconomic conditions and focused on a smaller number of priorities, in addition, interventions need to be much more effective. In 2010 the government defined a Plan for the South, which reflects part of these concerns and proposes the simplification and concentration of the interventions, but its implementation is slow and its timing and objectives are still vague.

In this context the slow implementation of the NSRF raises serious preoccupations. In May 2011 the automatic reprogramming mechanism defined by the national government in order to anticipate the risk of “n+2” de-commitments produced positive effects on financial commitments, but only this coming November will show if the mechanism can also increase payments to a satisfactory level.

The concern for financial absorption is again affecting management and creating a "systemic urgency", as in the later years of the 2000–2006 programming period. Some of the policy choices have already been influenced by this climate; as, for instance, the increased number of large projects or the great use of guarantee funds in convergence regions where their effectiveness is uncertain and their operational results are dramatically inadequate. In convergence the deficit in capacity building is still relevant and probably higher than that of the previous programming period. This does not depend only on insufficient administrative efficiency, but also on the weak political ownership of the Cohesion Policy at the different institutional levels.

Thus, achievements cannot be numerous and, even if OPs are assuming a definite profile, it is difficult to draw a picture of the emerging or potential effects. In convergence, some sectors are
performing relatively well (Research, Technological Development and Innovation (RTDI), education, security, energy) and their potential impacts may be positive to a certain extent, if no implementation problems will occur. Other sectors are paying the penalty for an insufficient strategy or the lack of effective sectoral plans (support to enterprises, environmental interventions, tourism), the reduction in the complementary national interventions (transport interventions) or very serious implementation delays (urban and local development interventions) and their final impact will very likely be limited. No synergic or critical mass effects are evident yet at sectoral or territorial level, with the only exception of the concentration of RTDI in Napoli. In competitiveness the achievements are also small and no significant result has emerged. However, the great and widespread effort on RTDI policy and its strategic relevance for strengthening regional innovation systems – already relatively developed, but still young – is visible and promising. Other interventions (territorial development, environmental protection, and urban recovery) are less relevant and generally play a secondary role in respect to regional policy. Energy interventions are providing an important support to energy efficiency and represent a policy innovation in comparison to the little attention paid to these themes in the previous period. In cross-border cooperation achievements are difficult to examine, because only information on the "number of projects" is available; however, among OPs a "two speed" classification is emerging with advanced and active OPs on the one hand and slow and at an initial stage OPs on the other. Hence, it is also evident that each Cross-border Cooperation (CBC) programme plays a different role according to its context, has to be evaluated on a specific basis and effects should be assessed in relation to the pre-existent level of cooperation in the area and not on absolute standards.

Evaluation is still not systematic and rather scattered, focused on past 2000–2006 interventions and is not playing an active and integrated role in the planning and the implementation of the interventions. Coordination has been weakened by the increasing freedom of the single OP in determining evaluation policy and by a diminishing interest of the central institutions; Managing Authorities (MAs) are mainly conditioned by absorption and pay little attention to the results; public debate has little evidence and implementation problems are not examined thoroughly by the evaluations. Some knowledge from evaluations is beginning to be accumulated in some regions and in some policy fields; this is useful and promising, but still too little to support choices that can tackle the efficiency and effectiveness challenges of the next two years.
1. THE SOCIO–ECONOMIC CONTEST

Main points in the 2010 country report

- Italy has been affected by low growth for many years, a consequence of the lack of structural reforms and the high public debt, which do not permit the government to devote adequate resources to development and regional convergence policies;
- Convergence regions suffer more than others from these conditions and the gap between them and the Centre–northern regions has remained unchanged in this decade. Convergence regions have quite a weak industrial and productive structure, highly dependent on government transfers; this results in a low level of per capita income (68.2% of EU27 average in 2008)\(^1\) and scarce competitiveness. The main obstacles to the development of Convergence regions are poor infrastructure, inefficient administration and widespread organized crime. Emigration has started again, especially among the most educated people.
- Competitiveness regions are characterized by a polycentric and advanced economic environment, mostly based on SMEs and export–oriented production. This provides them with a higher level of per capita income (111.6% of EU27 average in 2008); however, the scarce investments in innovation and the small size of firms hinder their economic performance.

In 2010 socio–economic disparities between Centre–Northern and Southern regions became even more pronounced. While the national growth rate of GDP shows an overall positive trend in Italy relative to the previous year (+1.3%), in North–Eastern (NE) and North–Western (NW) regions the GDP growth rate was 2.1% and 1.7% respectively. The main contribution to the recovery of these regions came from the increase in the value added of the industrial sector (NE, + 3.9%; NW, +3.7%). This performance is driven by the growth of the export sector (+15.4% and +13.9% in NE and NW, relative to 2009)\(^2\). In Central regions the growth has been less strong, but always superior to the national average. In contrast, Southern Italy presented a very different situation: its GDP grew only by +0.2%, and while the service and industry sectors are either stagnant (service, +0.3%) or contracting (industry, −0.3%), only agriculture experienced some significant growth (+1.4%).

The faster exit from the crisis of the centre–northern regions was predictable, due to their stronger capacity to exploit international demand, but the current economic conditions have made it more difficult for the weaker regions: the compression of disposable income is strongly penalising internal demand, the reduction of the public debt is cutting resources especially in weaker regions, the continuous tightening of an already small industrial base is undermining a possible increase in productivity.

Notwithstanding relatively positive results in terms of GDP growth, the reduction in employment indicates an on–going adjustment in the productive sectors and is particularly serious in the convergence regions. On average, in 2010 the level of employment fell by 0.7% compared to the

\(^1\) Data from Eurostat.
previous year. This reduction in employment affected both the Northern and Southern regions, though to different extents (NW, −0.7%; NE, −0.3%; SU, −1.4%). In North Italy decreasing employment in the industrial sector has been partially balanced by the rise in the service sector; on the contrary, in the Mezzogiorno employment fell in the industrial, service and public sectors. It is also important to mention that in the Convergence regions the negative trend in the employment rate began in 2007 before the crisis struck. This highlights the difficult structural situation of Convergence regions, which, since 2008, have been exacerbated by the effects of the economic crisis.

Difficult situations in employment concern industry and young workers are facing difficult employment situations. The former experienced a generalized reduction in employment all across Italy in 2010. For example, Tuscany, Veneto and Marche, where industry has a significant weight in the regional economy, experienced a notable contraction in industrial employment (respectively −10.3%, −7.3% and −5.6%, relative to the previous year). Also workers in the 15–24 age class suffered from an intense reduction in employment. The number of young employed workers fell by 5.6% on average, and by −6.4% in the Mezzogiorno. This is a result of a segmentation of the labour market with temporary contracts concentrated among young people and the development of discouraging effects among the labour force, demonstrated by a worrying increase in the number of NEET, young people that are “Not in Education, Employment or Training”.

Another important factor affecting the rise of regional disparities is the reduction of public expenditure. As national transfers are crucial for sustaining local demand and disposable income in the Southern regions, the effect of public budget consolidation policies were particularly felt in that part of the country and fuelled regional disparities.

At present (September 2011) an additional fiscal austerity has been approved in order to relax the pressure of the financial markets on the financing of the national debt; the largely shared opinion maintains that it will produce further deflationary effects on the national economy and especially on Southern regions. The burdening financial situation has already led to a significant reduction in total public capital expenditure, and in 2010 capital account expenditures was at the lowest level in the last 10 years (3.5% of GDP and public investment 2.1%).

In the last year, the regional divide between the South and Central-North of the country widened. The Centre Northern part of the country is more dynamic and is beginning to recover after two years of deep recession. In contrast, Southern Italy presents a barely positive rate of growth and a fall in employment, double that of the national average, signalling a worsening of its socio-economic conditions.

The main reason for this increase in disparities relates to the differing recovery capacity of the Italian regions as well as the contraction of government expenditures due to fiscal consolidation. The current economic perspectives forecast a prolonged situation of public expenditure restriction and low internal demand, associated to an increasing uncertainty on the level of the external demand. This generates concerns about a possible robust recovery of the national economy and

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3 i.e. All the Southern regions of Italy except for Abruzzi and Molise.
the capacity to decrease regional disparities. In structural terms, the effects of the recent international crisis and the need for a deep public debt consolidation highlight the end of development model that has been in use since the seventies, which used public expenditure and fiscal relaxation to solve social and territorial conflicts. Institutional changes are still too slow and federalism transformations will very likely be delayed because the lack of public resources cannot support the administrative changes, sharpening the conflict between central and local administrations.

2. THE REGIONAL DEVELOPMENT POLICY PURSUED, THE EU CONTRIBUTION AND POLICY ACHIEVEMENTS OVER THE PERIOD

THE REGIONAL DEVELOPMENT POLICY PURSUED

Main points in the 2010 country report

- The 2007–2013 programming continues the strategy adopted in the previous 2000–2006 period and is based on three main points: increasing the supply of public goods and services as the main means of supporting private investment; promoting institution building, especially in the Convergence regions; integrating the European Union (EU) and national policies in a single strategy with similar implementation rules.

- Three main aspects of the strategy are: a) with respect to the past, an increasing focus on specific development drivers, notably human resources and R&D; b) the commitment to capacity building; c) the reduction in non-refundable grants to private investment. At the same time, no strict conditions and rules have been specified to change the behavior of policy makers in the pursuit of these ambitious objectives. In addition, the lack of sectoral strategies and plans hamper concrete and effective interventions to reach these objectives.

- In the NSRF national resources for development policy were more or less of the same magnitude as co-funded interventions, but commitment of national resources was delayed and some of those resources were already cut in 2009. This reduced the public investments for development, penalizing especially Convergence regions and lowering the overall potential effect of structural policy.

Even if priorities in the NSRF did not change, during 2010 important modifications affected the EU policy strategy in Italy:

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The four macro-objectives and the ten priorities of the NSRF are: 1. developing knowledge circuits (1.1. human resources improvement and enhancement; 1.2 research and innovation promotion for competitiveness); 2. improving living standards, security and social inclusion (2.1 sustainable and efficient use of environmental resources for development; 2.2 social inclusion, services for quality of life and territorial attractiveness); 3. fostering clusters, services and competition (3.1 promotion of natural and cultural resources to enhance attractiveness and development; 3.2 transport networks and links, with particular emphasis on TENs corridors; 3.3 competitiveness of production systems and employment, notably supporting SMEs; 3.4 competitiveness and attractiveness of cities and urban areas); 4. internationalising and modernising the economy (4.1 internationalisation and investments, consumption and resource attractiveness; 4.2 governance, institutional capacity and effective markets and competition).
• In November 2010 the government approved the "Plan for the South", which was supposed to give new impulse to the national policy for the lagging behind regions;
• The majority of planned national resources for the regional policy have not been committed or have been cut;
• The award system has not been funded and the first round of prizes in 2010 was not transferred;
• The management of two multiregional OP in Convergence obj. was transferred from two regions (Campania and Puglia) to the Government (Minister of regional Affairs), because their implementation was delayed;
• The definition of an Action Plan for Cohesion Policy agreed between national government and European Commission (EC) in November 2011.

In the following paragraphs these new facts are analysed briefly.

The “Piano per il Sud” of the Government did not modify the priorities in the NSRF, also allocation by axis has remained practically unchanged, although some OPs are now asking for a reallocation of funds (see below). The main innovation concerned: a) the request of a major concentration of the interventions on some infrastructural works (for instance, high speed capacity on the 3 railroads Napoli–Taranto, Salerno – Reggio Calabria and Catania – Palermo) or some objectives (for instance, broad band connection for 50% of the population); b) the creation of a public bank for the south to support credit for enterprises; c) speeding up expenditure and using all the available resources (a review of national funds to identify available resources and a national mechanism for de-committing unspent resources were launched). The EC expressed some doubts about the Plan because no additional resources were allocated to the interventions and the implementation of the EU interventions was in serious delay\(^5\). The public bank is still not in force and the plan did not produce concrete effects on public investments till August 2011, when EUR 7.4 billion of national resources (out of about 64 billion initially planned) were allocated to transport and water infrastructures mainly\(^6\), while no support to productive activities was funded. The regional funded projects appear relatively fragmented and did not address adequately the planned concentration\(^7\).

**National resources for regional policies** are no longer available and national policy for regions seems to be coming to an end. As mentioned in our 2010 report, the review of the 2000–2006 national expenditures verified an approximate 43% disbursement of the total resources in 2010; resources not committed or committed to risky projects amounted to 33%. This situation motivated cuts or re–utilisation of the residual national funds (about EUR 3.6 billion). The 2000–2006 residuals and the 2007–2013 planned funds added up to about EUR 68 billion, but cuts or

\(^5\) See the letter of the Commissioner Johannes Hahn to the Italian Government; May 2011.
\(^6\) See scheme of the Inter–ministerial Committee for Economic Planning (CIPE) Decree 3 August 2011. EUR 1.7 billion are devoted to central government investments (Catania–Palermo, Napoli–Bari and Salerno–Reggio Calabria railroads and Sassari–Olbia and Salerno–Reggio Calabria road.) and EUR 5.8 billion to works managed by Southern Regions. Not always, especially for large infrastructures, do these resources cover the total cost and are they sufficient to complete the works.
\(^7\) The above mentioned scheme of decree identifies 25 interventions to fund in regions and in some cases projects include a pool of small interventions.
not investment allocation⁸ involved about EUR 31 billion; national investments amounted to about EUR 11 billion but were outside of the NSRF programming framework. Of the remaining EUR 24 billion, initially destined to the regional programmes, only the previous mentioned EUR 7.4 billion were allocated according to the original plans. Approximately EUR 16.6 billion should still be assigned to the regions (convergence and competitiveness) and many regional plans have already been approved, but the possible utilization of these funds is very unlikely in the next years and no official commitments have been made in this respect. This means that resources for national investments decreased significantly in comparison to the original programming framework, the additionality defined in the NSRF has not been respected, and regions were more penalized than the ministries in the use of national resources.

This negative trend in national funds for development is confirmed also in the more extended public capital expenditure. In the last decade, its influence has been reduced in weakest regions and increased in the strongest regions. Also capital transfers (significantly including support to enterprises), which traditionally benefited the southern regions, are now more or less the same amount in all the regions (see Table A).

Table A – Public capital expenditure per inhabitant by type and territory (Italy =100)

<table>
<thead>
<tr>
<th></th>
<th>Centre–North</th>
<th>Mezzogiorno(*)</th>
<th>Convergence</th>
<th>Italy</th>
</tr>
</thead>
<tbody>
<tr>
<td>(A) Investments</td>
<td>107.1</td>
<td>87.5</td>
<td>80.9</td>
<td>100.0</td>
</tr>
<tr>
<td>(B) Capital account transfers</td>
<td>112.7</td>
<td>76.9</td>
<td>71.4</td>
<td>100.0</td>
</tr>
<tr>
<td>(C) Total capital expenditure</td>
<td>112.3</td>
<td>76.8</td>
<td>71.2</td>
<td>100.0</td>
</tr>
<tr>
<td>(A+B+ shareholding and credits)</td>
<td>81.0</td>
<td>133.5</td>
<td>119.3</td>
<td>100.0</td>
</tr>
<tr>
<td>(2000)</td>
<td>103.7</td>
<td>93.5</td>
<td>119.3</td>
<td>100.0</td>
</tr>
<tr>
<td>(2005)</td>
<td>107.4</td>
<td>86.5</td>
<td>122.8</td>
<td>100.0</td>
</tr>
<tr>
<td>(2009)</td>
<td>109.5</td>
<td>82.1</td>
<td>104.1</td>
<td>100.0</td>
</tr>
</tbody>
</table>

(*) Convergence regions plus Abruzzo, Molise and Sardegna. Source: our elaboration on Conti Pubblici Territoriali (Department of Development Policies (DPS), Ministry of Development)

The cut in national funds also concerned the national award system for Mezzogiorno regions (Convergence regions plus Abruzzo, Molise, Sardinia and Basilicata). In the current programming period the system is based on national resources and has adopted regional targets in basic social services (see 2010 report). In 2010 the cut in national resources hampered the distribution of awards and negatively affected the credibility of the mechanism. Apart from the weakening of the award system, other initiatives included in the NSRF for capacity building were not fully pursued (such as, the organized involvement in decision making of social partners or the low level of European Social Fund (ESF) expenditure in the institutional capacity building axis in Convergence regions). Also the transfer of the managing responsibilities of the two convergence National Operational Programmes (NOPs) (Large Tourist Attractions and Renewable Energy) from regions to central authorities, motivated by the delay in the expenditure and the difficulties in the decentralized management, underlines strategic difficulties, if not failure, of a more participative approach and a “learning by doing process” in institutional and administrative capacity promised by the NSRF.

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⁸ For instance, funding of CIG (employment benefit schemes), reconstruction after the earthquake in Abruzzo, coverage of tax deductions.
In November 2011, when this report is finalized, the Italian government and the EC defined an Action Plan for Cohesion Policy, in line with the Italian stance expressed at the European Council of 26 October 2011. The Plan reflects the worsening of the public finance in the last months and identifies a method to reprogram resources in the next future. In synthesis, for the Convergence regions – where the problems are more serious – it identifies four policy fields to concentrate resources: education up to EUR 1.3 billion; broadband up to around EUR 1 billion; employment through tax credit up to EUR 120 million; transport up to around EUR 2 billion. In addition, a reduction of the national co-financing rate will free national resources for other long term investments in transport; this reduction will be in force as from 2012 and immediately for seriously delayed programs. Finally, the Plan defines a steering group, including the national government, the EC and the representatives of the OPs, which has to identify the interventions to reprogram and monitor their implementation. This method in part anticipates the implementation approach of the proposed new Regulations 2014–2020.

In synthesis, many events indicate important changes in the initial strategy of the NSRF:

- Planned national resources are not activated and the economic crisis reduces the room for considerable future allocations; the complementarity between national and EU policies defined in the NSRF is no longer valid;
- the spending of national resources was frequently decided through individual decisions outside a common strategic framework, however, with the 2011 Action plan reprogramming should follow a co-decided path in the future and resources should be concentrated on a small number of interventions;
- institutional building, which was one of the central themes of 2007–2013 programming, is practically abandoned and, as in the past, attention is focused exclusively on the level of the expenditure.

These changes have not affected the socio–economic priorities or the allocation of the EU funds by now, but in the coming months or year important changes may favor the four policy fields identified in the 2011 Action Plan. The overall consistency of the initial NSRF should be revised and adapted to the new situation. More generally, the effort of the initial planning in 2007 to put regional policy at the centre of the policy arena has been dismantled by the effects of the crisis and the limited political commitment at different institutional levels. As mentioned above, the reform of public expenditure is limiting national resources for convergence regions and EU funds are the sole significant source for investments in those regions.

**POLICY IMPLEMENTATION**

*Main points in the 2010 country report*

- Implementation showed serious delays in 2009 and affected all the programmes: at June 2010 expenditure was 7% of total cost in Convergence, 13% in Competitiveness and 4% in Cross-border Cooperation;

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9 See Ministero per I Rapporti con la Regioni e per la Coesione territoriale, Piano di Azione Coesione, 15 November 2011.
• The main causes of the delays were the overlap of the two programming periods, the cut in national resources which negatively affects the direct co-financing of EU programs and the stock of projects of national policies, which in turn decreases the possibility of using similar projects in the OPs.

• Other, and more structural, causes of the delays depended on the limited institutional capacity of Ministries and Regions in designing and approving the programmes, in insufficient planning and administrative capacity for selecting and starting up the projects; in the political and administrative uncertainty which paralyzed some administrations for two years after political changes in their government.

Delays in the implementation and the consequent risk of automatic de-commitment according to the "n+2" rule remain the critical issues of all the programmes, especially in Convergence where resources are greater. As far as this is concerned, the MAs and the national coordination produced their major effort in this year. The government implemented an additional national regulation to prevent "n+2" de-commitment and in the first part of 2011 it produced an improvement in the financial implementation.

According to EC data, at the end of December 2010 European Regional Development Fund (ERDF) commitments were equal to 14% in Convergence, 64% in Competitiveness and 69% in CBC. National data show a slightly different and more worrying picture (see Table B) with similar but slightly higher commitments in Convergence and significantly lower commitments in the other two objectives; in total ERDF commitments amounted to 21% of the total cost and payments to 11% at December 2011.

The introduction of the new rules have had a positive effect in financial terms and at May 2011 total commitments jumped up to 34% of the total cost; this means that in five months they produce an increase of 50% of the value cumulated in 48 months. The higher growths were recorded in Convergence and CBC, which were the more delayed and run the major risk of cut.

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**Rules for speeding up and re-programming structural funds expenditure in the 2007–2013 period (CIPE’s Decision n.1 January 2011)**

At the beginning of 2011, the Inter-ministerial Committee for Economic Programming (CIPE) drew up new national rules for the National Strategic Reference Framework in order to speed up the financial implementation of EU policy. These rules set financial targets for each OP and involve both commitments and expenditures:

1. at the end of May the financial commitment has to be equal to 100% of the "n+2" target of the current year;
2. at the end of October the expenditure has to be equal to 70% of the "n+2" target of the current year;
3. at the end of December the financial commitment has to be equal to the 80% of the "n+2" target of the next year.

If these targets are not reached, a share of total programmed resources (from 0.25% to 1.5% in relation to the distance from the target) have to be moved to other programmes with a higher level of commitment or expenditure. In practice, the reprogramming tries not to penalise excessively the territory / sector of the negligent OP, limiting the penalisation and favouring other programmes which intervene in the same territory / sector.

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10 European Commission data do not seem reliable, because they are affected by missing information, errors and inexplicable discordance with national data. These are probably not free from mistakes, but seem more consistent.
Payments remain at the same level as those of December 2010; programmes were mature and ready to select new projects by that time, but the fact that payments remained the same – in May, verification was linked only to the level of commitments – confirms that the risk of a cut in the EU OPs resources has been the main lever for improvements. In practice, the new rules work, but they are once more based on emergency and at the moment do not highlight a structural change in political and administrative behavior.

Table 8 – Financial implementation of ERDF and influence of new national rules for de-commitments (data are calculated on total cost = ERDF + national public co-financing)

<table>
<thead>
<tr>
<th>Objective</th>
<th>December 2010</th>
<th>May 2011</th>
<th>Variation May2011-Dec2010</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Commitments on total cost (%)</td>
<td>Payments on total costs (%)</td>
<td>Commitments on total cost (%)</td>
</tr>
<tr>
<td>Convergence</td>
<td>19.3</td>
<td>9.3</td>
<td>33.0</td>
</tr>
<tr>
<td>Competitiveness</td>
<td>30.8</td>
<td>17.1</td>
<td>38.6</td>
</tr>
<tr>
<td>CCB</td>
<td>32.5</td>
<td>8.6</td>
<td>47.2</td>
</tr>
<tr>
<td>Total</td>
<td>21.6</td>
<td>10.7</td>
<td>34.3</td>
</tr>
</tbody>
</table>

Source: IGRUE – Ministry of Economy Monitoring of Structural funds

The first application of the new rules, in May 2011, comported a penalization for the NOP ‘Large Attractions’ and the OP Sardinia, which performed respectively at 42% and 65% of their expected targets (see box with the description of the rules). The overall performance in Convergence was equal to 143% of the expected target (with Basilicata slightly over its target) and in competitiveness equal to 150% (with Molise at 101% and Friuli Venezia Giulia at 111%). First estimations, included in the Action Plan, indicate a 45% increase of ERDF expenditure in October 2011 in Convergence regions with respect to December 2010 (+60% for ESF). An additional volume of around EUR 3.3 billion of ERDF payments will be needed by the end of the year in Convergence to avoid de-commitments. This is not only a huge figure, but also a very challenging goal because payments are difficult to speed up because they are connected to the project cycle and constrained by the fiscal consolidation.

The causes of delays in implementation are the same as those mentioned in the 2010 report; the inefficiency of the spoil system and its negative impact on multi-annual programmes was also stressed by Commissioner Hahn in a letter to the Government. These causes cannot be a justification, because after 20 years of experience in managing structural funds this performance is unacceptable and many of the problems could be prevented. In general, the poor administrative capacity and the ineffectiveness of its reforms depend on many factors, but after a relative weakening in the nineties today there is a renewed collusion between the higher levels of the hierarchy of the administrations and politicians. This generates resistance to any attempt of introducing meritocratic incentives, evaluation of performance, transparency and clear separation of responsibility. It is not by chance that one of the main causes of failures of the institutional

11 We remind that the internal stability pact, which obliges national and local administrations to respect a predetermined level of expenditure, is automatically more severe in the second part of the year when payments are cumulating.

12 Another letter has been addressed by the Commissioner to the Regione Sardinia to urge a quick and effective activation in order to speed up the financial implementation.
building projects also in the structural fund programmes has been the lack of involvement and policy ownership of high bureaucrats and politicians\textsuperscript{13}.

The way of speeding up the commitments and the payments relies on a general mobilization of the management at the different operational levels (national, regional and local). This effort cannot utilize “similar” projects on a large scale, because the cuts in national policy limited the number of on-going projects and has to tackle the constraints in national funds which do not allow an easy co-financing in all the administrations. Thus, managing authorities largely exploit the exceptions included in the EU Regulation, such as large projects and creation of guarantee funds, which move the verification of the payments to the end of the programming period; at the moment, we counted 27 large projects only in the 4 convergence Regional Operational Programmes (ROPs)\textsuperscript{14} and 14 large projects in the NOP on transports; almost all the OPs have launched or financed some equity or guarantee funds. At last, but not least, the reduction of national co-financing (one of the highest in the EU) planned in the 2011 Action Plan could actually help in reaching the “n+2” targets.

In conclusion, financial implementation is still suffering, but coordinated efforts of the managing authorities and national preventive de-commitments are giving results and performance is improving. However, payments at the end of the current year are still huge with respect to the current levels and in many cases financial problems have only been postponed (large projects and guarantee funds) increasing the uncertainty of the future.

**Achievements of the Programmes so far**

*Main points in the 2010 country report*

- The delays in the implementation did not produce a significant amount of achievements in relation to all the objectives.
- In convergence there were very few achievements and these generally came from interventions of the previous programming period. Few exceptions were OP Education, some interventions in OP Security and some measures in ROPs. In many cases, the OPs had identified the interventions to fund, even if call for tenders or contracts were still not defined. From the implementation point of view, urban interventions, local development actions and environmental interventions were considered more risky, while the support for enterprises and some regional measures were affected by a lack of adequate strategy. The actions for reinforcing governance were not incisive.
- In competitiveness, implementation delays were similar to convergence, but a quick recovery was possible due to the limited amount of resources and a better sectoral programming of the regions. The crisis did not require changes in the strategy; enterprises environment policy focused on research and innovation and only in this direction an improvement of competitiveness was possible.


\textsuperscript{14} Large projects include infrastructural investments.
• Also in trans-border cooperation, interventions were delayed and no idea of initial results was available; however, a difference in cooperation capacity between strong areas, where cooperation is more consolidated, and other areas, with less cooperation experience, was visible.

Achievements and outcomes of the Italian OPs are far and few. A 10% payment level of the total investment implies that few projects have been completed and effects on the socio-economic context have been very low/weak, however the following analysis aims to link existing evidence with main economic trends and initial strategy to provide an assessment of initial achievements.

The following analysis utilises information and indicators contained in Annual Implementation Reports (AIRs) 2010 of the operational programmes and existing evaluations. These sources are not uniform and are not always available. At September 2011 the situation was the following:

• AIR of the Large Tourist Attractions NOP in convergence is still not available (this is also the OP that suffers most from delay in the implementation);
• The set of indicators used in each OP is very uneven, as shown in the next table, making comparison and also simple association of indicators of different OPs very difficult;
• All the indicators pose problems of interpretation: it is not always clear how they were calculated (for instance, completed or planned values, hence “what has been achieved” and “what should be achieved”); often it is difficult to add them up;
• Relationships between outputs, results and impacts vary in each OP and are generally vague;
• There are few evaluation reports (see last section) and, those available often focus on 2000–2006 interventions.

Because of inaccuracies in the quantification of indicators, DG Regio did not approve many of the 2010 Italian AIRs and requested a revision of the main initial tables, including the monitoring indicators. The revision is still on-going and the indicators used in the current report are those included in the first versions of the AIRs. These brief considerations highlight the unsatisfactory situation of the information system on programming. This aspect needs detailed analysis, but this cannot be done here. Nevertheless some additional considerations are important. This situation is the product of: a) an unclear definition of objectives and expected effects of the OPs; b) overlapping and confusing monitoring requests (EC, national coordination, MAs of the OP), often leading to a proliferation of indicators; c) inadequate capacity and commitment to feeding monitoring. Moreover, during the interviews the scarce interest in output or result indicators in comparison to the financial indicators becomes evident in many MAs and a formal approach to monitoring is widespread.

Notwithstanding these weaknesses, which to a large extent are common to all EU countries and deeply rooted in the governance of the structural policy, the Italian monitoring system is relatively efficient and, as explained in the 2010 report, made up of numerous different sources. The following sections are articulated by objective (Convergence, Competitiveness and Territorial

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15 Indicators of 2010 AIRs have been kindly provided by DPS, who collects them in an electronic database.
Cooperation) and policy field (1. Enterprise environment; 2. Human resources; 3. Transport; 4. Environment and energy; 5. Territorial development). In each paragraph the achievements are considered with respect to the trends in main regional disparities, the policy strategy and the progress in implementation.

**Convergence programmes**

1. **Enterprise support and RTDI**

   This policy field includes all the main instruments dedicated to business support. In the current programming period its strategic emphasis is on R&D; in the past this orientation was less relevant and since the 2000–2006 period a significant amount of resources to R&D demand was quite successful. According to DG Regio data around 35% of the total ERDF resources has been devoted to this policy field (equal to almost EUR 6.4 billion of ERDF). This amount is divided into the following sub-areas: 20% of ERDF resources supports R&D policy, 10% is dedicated to innovation and investment of SMEs and the remaining 5% funds ICT and related services. 5 regional OPs (including Basilicata in phasing out) and a national OP support this policy field.

   **RTI interventions**

   Territorial indicators of R&D show a progressive, albeit slow, growth in all the objective areas and a relative good performance of convergence regions, which at least maintain an unchanged distance from Competitiveness regions during the crisis. This trend reflects increasing attention of businesses in Convergence regions to innovation and R&D. Current programmes have influenced this trend very little because outcomes are still poor, but programmes can give important support during the current problematic phase, conditioned by an incomplete competitive adjustment of firms and low demand. In addition, in Convergence regions the decrease in added value and employment in the manufacturing and construction sectors has been more consistent than in the Centre–Northern areas and has eroded an already thin industrial basis. In this difficult restructuring and reorganisation process of production, the relationships between southern and northern productive systems can play a fundamental role. These relationships are still strong in spite of external delocalisation and the progressive abandoning of labour intensive productions (see below the section “Industry support and ICT interventions” for more details).

   In this context, at December 2010 NOP Research and Competitiveness had spent only 10% of the overall resources, but according to the call for tenders in the current year all the commitments should be completed. In the NOP 1,882 projects completed (or are completing) their activities; in large part these projects originate from the previous 2000–2006 period and only a minority of them is in R&D (the others are in innovation and investment support). In R&D 417 new jobs have been created and 4,416 individual internships in relevant sectors (ITC, sustainable development) have been promoted with ERDF through the flexibility principle. 25 public–private labs have been funded. Private businesses received around 80% of the committed funds and the remaining 20% has been shared out among universities and public research bodies. Campania absorbed 40% of the overall resources spent by the NOP, confirming the area of Napoli as the most important R&D pole in the Convergence regions. This last point is particularly significant for the governance of these policies, because during the start up of the NOP the Ministry (MIUR) responsible for the
programme refused to pre-allocate resources to the four eligible Convergence regions, as requested by regional representatives. In this way distribution of resources has not followed administrative or political principles and has addressed better the existing demand and the quality of the projects, even if it may penalise the weakest areas; the Ministry’s decision is in line with the effort of creating important RTDI poles and limiting the dispersion of resources on marginal projects.

Regional interventions in R&D include a large range of actions oriented to research demand (generally direct support) and supply (laboratories, research centres, ICT infrastructures). Their aim is to diffuse and promote research and partnerships between firms and research bodies, but these interventions have been delayed. At December 2010, 130 projects of R&D were completed in the 5 convergence regions; Sicily and Basilicata had no completed projects. In all the regions calls for tenders are in progress, and delays are due to the belated approval of the regional innovation strategy (e.g. 2009 in Basilicata; 2010 in Calabria), procedural complexity and the limited experience of all the actors in dealing with R&D policy. Apart from direct support, many R&D infrastructures (“Manufacturing Campus”) in Basilicata; 8 innovation poles in Calabria) and some interesting cooperations (e.g. in Basilicata the Scientific Pole of Trieste is to supply advanced services to local businesses) are being funded by regions.

In general, achievements in R&D are still poor. However, even if excessively slow in its take off, the NOP shows a solid strategy and implementation tools; whereas regional interventions are more fragmented and too oriented towards the support of R&D supply with uncertain impacts on firms. It is surprising technology transfer, which should be a strong priority, was given rather little attention as only few enterprises were involved. This indicates a still fragile and insufficiently developed innovation system in Convergence regions. In the interviews, proposals to move resources from complex to simpler interventions (leaving aside R&D for a more conventional SMEs support) were openly expressed and were supported by a large number of enterprises not involved in R&D, however refused by the EC to date to avoid a dispersion of resources on generalized subsidies to firms.

Industry support and ICT interventions

The recent economic and industrial indicators show a general worsening of the convergence regions in relation to the Centre–Northern regions. In addition, the radical contraction of the construction sector weakened one of the most important sectors for Convergence, employment. Furthermore, since the crisis hit the Centre–North and South with the same intensity, it has resulted that, contrarily to the experience of past cycles, public demand and transfers no longer protect the South. From 2010 the slight export recovery has benefited only the more dynamic areas of the Centre–North of Italy. However, it is worth mentioning that even if export of the southern regions is small, its reaction to international demand growth suggests that the southern industry is increasingly open to trade and therefore more integrated with the northern industry.

The achievements in this specific policy field are still poor and based on aid schemes for investments and financial engineering, mainly guarantee funds. At the moment, DPS estimates that around EUR 1 billion of public resources (approximately 0.5 of ERDF) are devoted to this kind of
intervention in Convergence, but only 5% of these funds are considered as being fully operational\(^\text{16}\). These delays derive from procedural difficulties and the lack of a clear regulatory framework at the beginning of the planning period; they are related to national tools (for instance, the National Guarantee Fund received resources from NOP Research and Competitiveness in 2009 for Convergence regions and is still not operational) as well as EU tools (In Sicily EIB took one year to select the local banks to manage JEREMIE and no regulation was ready at the time of the regional funding, contrary to the expectations of the regional authorities). As mentioned before, the extended use of financial engineering is partly due to a less constraining application of the “n+2”. At the moment no evaluations are available on results of these measures given the very small number of operative funds.

Consistently, programme indicators show few results: overall, OPs supported 4,514 enterprises; in most cases support was financially small; the same applies to banking loans guarantee (in handcrafts and SME in Puglia, with more than 3,200 enterprises out of a total of 4,514 with operations amounting to around EUR 150 thousand were financed) or include projects funded in the previous programming period (like the 185 enterprises in the NOP). 16 million sq. m. in Puglia and 3,800 sq. m. in Sicily have been given to infrastructures devoted to industrial areas. In NOP 4,416 individual internships have been implemented. These initial results are too small to provoke significant effects on the socio-economic aggregates and do not improve the local productive systems to any significant extent. Large investments are still lacking or not completed; Puglia planned to develop different support packages for large investments (so called “Contratti di programma”) and has selected a few of these projects (at December 2010, 32 eligible demands and 4 funded projects). The NOP has launched several calls for tender and projects are under selection or in start up; in some of these calls the linkages with centre-northern enterprises or the networking among SMEs were conditions to award the funds. These kinds of cooperation are still not very frequent among firms but are increasing. Sicily intends to re-programme part of its resources to put in place more extended assistance to small enterprises and Calabria wants to improve and enlarge its financial engineering facility with innovative initiatives.

As mentioned in the previous 2010 report, this area of intervention suffers from a lack of a robust national strategy and a consequent reform of the aid-schemes to intercept the new needs of the firms in the global context. There are only 19 interventions on ICT diffusion within firms in Campania. This number does not really reflect the extent of the on-going interventions, especially in the ROPs, but confirms the slow implementation pace. These interventions will also be considered in policy field 5 (territorial development) where ICT interventions for the local communities (public offices, broad-band infrastructures) are dealt with. The 2011 Action Plan might redirect up to EUR 1.3 billion of public resources to broadband investments in Convergence; this may push the ICT sector, which has been marginal in the development policy till now.

\(^{16}\) DPS, “Rapporto annuale 2010”, September 2011.
2. Human resources and education

This policy field absorbs a small quota of ERDF, around EUR 500 million\(^{17}\) including both labour policy and education, and ERDF intervention is concentrated in the NOP "Ambienti per l’apprendimento", which invests about EUR 150 million in reinforcing educational infrastructures; other interventions finance training or university infrastructures or, under the flexibility principle, directly support the development of human resources.

In recent years the most significant reductions in regional disparities have occurred in education and the last OECD survey on acquired competences\(^{18}\) shows a significant improvement in reading and mathematics in the Southern regions. It is not possible to calculate the contribution of structural funds, because specific evaluations and evidence are not available, but it is a shared opinion that more than twenty years of ERDF and ESF intervention have generated a significant impact on the educational institutions of Convergence regions.

At December 2011 ERDF Education NOP indicates significant outputs (3,943 technological interventions funded and 2,657 completed, 815 new school laboratories funded and 419 completed, 7,607 projects funded to support learning and 4,707 completed; 249 project to reinforce school infrastructure and buildings and improve their energy efficiency) and a good financial performance (at May 2011 commitments and payments respectively equal 48% and 31% of the total cost). Since there are 10,175 primary and secondary schools in convergence, these results demonstrate a significant influence of the NOP on educational equipment and structures. According to the recent Action Plan, this programme could receive more resources from other OPs. It is also worth noticing that the interventions of the NOP within a single administration (the Ministry of Education is responsible for all schools) linked with a good planning and implementing attitude of school personnel facilitates the achievements to a great extent.

There are other significant educational interventions in Basilicata where NOP is not eligible, (12 schools assisted), while in other ROPs ERDF intervention for schools has been marginal.

\(^{17}\) This amount does not correspond with the amount in table 3, where the DG Regio classification focuses on the type of policy tool for schools (ICT laboratory, energy efficiency, etc.) instead of on the final aims, human resources and education.

\(^{18}\) OECD, PISA 2009 Assessment Framework; [http://www.oecd.org/document/44/0,3746,en_2649_35845621_44455276_1-1-1_1,00.html](http://www.oecd.org/document/44/0,3746,en_2649_35845621_44455276_1-1-1_1,00.html)
3. Transport

In Convergence regions the transport policy field was allocated EUR 3.6 billion of ERDF, equal to 20% of the total ERDF; in the initial allocation around 50% of this amount was devoted to rail infrastructures. All the ROPs and one NOP (Reti e Mobilità) intervene on transports and regional programmes account for 63% of total ERDF in this field. In the initial strategy the “division of labour” assigns to the NOP mainly the interregional and TEN interventions and to the ROPs mainly the support of the local transports and the regional infrastructures. The cut in resources for national policy has significantly weakened the third pillar of this strategy, which in addition also had to fund extensively the large national and TEN infrastructures. Between 2010 and 2011, the “Plan for the South” and the recent allocation of the “Fondo Aree Sottoutilizzate” (FAS) boosts national investments for transport, but to a lesser extent in comparison to the initial programming. At December 2010 and according to the AIRs, in this field, payments were still low and fluctuated between 8%–9% of the NOP and Calabria OP and 22% of Campania OP.

The evolution of regional disparities in transport has not changed significantly in recent years. Convergence regions experience a deficit in rail infrastructures: with the exception of Campania, which is over the national average, other regions’ rail endowment is significantly below the national average (Sicily has an index equal to 60% of the national value). On the contrary, the endowment of national and local roads is often superior to the national average, with the exception of highways which is below the national average and developed only in Campania. In general, transport infrastructures in the south and convergence regions are less efficient and not adequately interconnected, as confirmed by the accessibility indicators which all highlight a strong disadvantage for Convergence regions. The high increase in the number of airport passengers is significant because many of the 2000–2006 UE policy investments were focused on airports.

20 See Bank of Italy, Relazione annuale 2010, 2011, Bank of Italy.
In this context, the low values of the 2007–2013 output indicators are not surprising. At December 2010 according to the AIRs, around 51 km of roads had been completed or improved\(^2\) and 1.5 km of rail had been completed. NOP accounts the completion of 16 thousand sq. m. of harbour sites and one technological intervention for air transportation. The NOP has almost completed the allocation of resources to feasible projects (even if at May 2011 financial commitments were lower than 30% of the total cost); the figures reflect the difficulty in implementing the projects and in receiving updated information on advancements from the implementing bodies. This raises preoccupations also on the spending capabilities of the implementing bodies, and in order to prevent the loss of resources the MAs have provided a specific administrative task force to support them.

In conclusion, the achievements in the transport sector are still poor and confined to output indicators; therefore it is impossible to draw a picture of the potential results. In general, this policy field is facing an efficiency challenge from two different points of view which need to be considered:

- Increasing the efficiency of the existing transport network and especially rail network, because limited national resources have not permitted to finance new big communication lines;
- Increasing efficiency in implementation timing and procedures, as the gap compared to other countries and northern regions is too wide.

### 4. Environment and energy

ERDF resources for this policy field amount to EUR 3.3 billion, equal to 18% of the total ERDF; energy infrastructures and investments receive around EUR 1.5 billion and environmental interventions (including water infrastructures, waste treatment, environmental protection and exploitation of natural resources) receive the remaining EUR 1.8 billion. In this field interventions are included in one NOP on Energy and in 5 ROPs promoting energy and environmental initiatives.

Socio-economic indicators related to this policy field show a slow improvement of Convergence regions, which remain significantly behind the rest of Italy, especially in waste and water treatment. The most relevant improvements can be observed in water distribution and in the production of electricity from renewable sources. Since 2000 renewable production in percentage of the total electricity consumption increased 5 times. As examined in the 2011 thematic report, this was a consequences of the very generous national incentives for renewable sources rather than structural fund interventions, which were not significantly focused on energy in the 2000–2006 period and are now mainly investing in energy saving (public building efficiency, efficiency in production processes, support to the energy value chain for matching the growing demand of renewable sources).

According to the last Annual Report of DPS interventions for water distribution are relatively advanced (payments around 15% of total cost), but to a large extent these projects were already funded in the 2000–2006 period. New interventions for water distribution, water purification,

\(^2\) It is not always clear if they have been completed or whether some of them are still under construction.
waste treatment, soil protection and reclamation of abandoned sites are generally late in their implementation stage (payments less than 10% of total costs) and reflect a combination of difficulties and bottlenecks in the regulatory framework, management and planning at different administrative levels, as witnessed by the numerous transgressions of community law (currently 32 in the environmental sector out of a total of 132 transgressions). Likewise interventions for preserving biodiversity and developing natural parks are still waiting for the inclusion of EU directives into the regional legal system (it was a preliminary condition for funding these interventions).

No outputs or programme results are recorded in the energy sub-field. The AIRs underline only the creation of a guarantee fund for energy investments in the NOP and 2 projects for renewable energy in Campania. In general, AIRs claim a satisfactory increase in calls for tender and project selection, but no significant achievements. This situation confirms that the current improvement in renewable energy production depends solely on national financial incentives.

In the environmental sub-field only Basilicata does not show any achievements. Other ROPs indicate: 18 waste projects; 89 risk-preventions projects; around 120 km of water network and sewer system created or improved; in Campania more than 1 million people are served by water and water waste projects, while in Puglia 6,000 inhabitants are served by new water facilities; about 51 sq. km. of abandoned sites have been reclaimed.

These current achievements highlight a widespread importance of this area of intervention for environmental protection, but they are still unsatisfactory and cannot significantly influence disparities by themselves. Energy interventions are slow, though they are not very complex to implement, and their initial effects should be visible within the next years. Environmental interventions are also delayed and their implementation appears more difficult; in different cases achievements are scattered and do not produce a critical mass. It is useful to remember that the effects of environmental interventions do not depend only on the completion of the works, but also on the efficiency of their management.

5. Territorial development

Territorial development includes many different interventions (development of tourism and culture, urban and territorial planning or rehabilitation, social infrastructures for health and social inclusion) associated by the local development approach and receives ERDF resources for approximately EUR 3.9 billion (almost the 22% of the total ERDF amount in Convergence). ROPs implement these interventions to a large extent, with the exception of security interventions and interventions on large tourist attraction which are implemented by two different NOPs.

Within the Italian strategy this policy field is particularly important for a number of reasons. Firstly, because the entire national strategy rests on the assumption that a sustainable development must exploit the unused local resources and the endogenous potential. Secondly, because municipalities and local administrations find considerable resources to develop infrastructure and services and consequently have high expectations. Thirdly, because the past experiences in local development (Territorial Pacts in the nineties and Territorial Integrated Projects in the past programming period)
has provoked a debate on their efficiency and effectiveness, which is not over, however strong evidence is still missing for a conclusive judgement on local development strategies.22

Considering some of the main territorial and socio-economic indicators related to tourism, public services and life conditions in the regions, a large gap between Centre-Northern and Southern regions clearly emerges. Only in the case of local public transport are the indicators of the Convergence regions not too far behind the Competitiveness regions. In the South of Italy poverty is three times more widespread than in the Centre-North and affects almost a third of the population; public services, child care or assistance for the aged, air pollution monitoring, cultural demand are much less performing in this area. Crime and insecurity perception is also higher, even if organised crime is not always associated to insecurity. The dynamic of all these phenomena in the last years does not show evidence of a consistent and persistent improvement of the Convergence regions.

The performance of intervention in this policy field is still very limited. At December 2010, leaving aside results, no output data are available for Basilicata and NOP “Large tourist attractions”; this means that the number of projects completed and achievements were around zero. Other OPs recorded 432 projects for tourism, 38 urban projects, 197 events or promotion projects for tourism in Campania, 57 projects in the health sector and 68 projects for social inclusion. The security NOP indicates 7 video security systems and 2 active service rooms.

The implementation of urban interventions also suffers from a serious delay, which is also endangering their feasibility since, due to their relevant financial dimension and their complexity there might be not enough time to implement them during the present programming period. In this respect, all the ROPs have delays in the programming and in the selection of the interventions; in the case of Sicily, for example, the inclusion of small municipalities in the interventions initially dedicated only to medium and large cities has required a new policy design.

The Urban interventions often pursue redistributive aims and do not focus on a small number of crucial aspects for territorial organisation; this approach per se produces time consuming political negotiations and limits the role of technical selection. Furthermore, the current need for increasing the pace of the payments associated to the slow progress in project preparation risk financing low quality urban projects.

In the security field, in addition to technological and video security systems, other interventions for diffusing legality and reutilising confiscated properties have started in the last year, but concrete achievements have not been produced yet. Among the interventions promoted by the Regions, the reutilisation of the confiscated estates is the most problematic one, because there are

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many legal and managerial constraints, which are slowing down the action of the ROPs, which planned to implement many of these interventions.

Interventions for social inclusion in general consist in improving health infrastructures (hospitals and surgeries, new equipment, etc.) and nursery schools. These projects fill a relevant gap in the southern regions, but also substitute decreasing national funding.

Achievements in tourism support are few and concentrated in Puglia and Campania. Aid-schemes for supporting tourist enterprises are still not operational and the few achievements include urban restyling for tourist purposes or cultural promotion; in particular, Puglia is investing in promoting leisure and the cultural market (renewing abandoned cinemas, financing the production of cultural shows).

A final remark has to be made on interventions for capacity building, which are an important part of the overall strategy and receive a significant amount of resources. According to national data and adding the resource value of the regional priority axes for technical assistance and the value of the NOP Governance, they receive funds for EUR 1.3 billion (ERDF is around 50% of this amount) and approximately the 3.6% of the total. At December 2010 their level of payments was 7.6% of the total cost.

If we look at their long term results (for instance, changes in the organisation and in the administration procedures, increasing transparency, simplification, coordination of the managing structures and introduction of result oriented approaches) the current outputs seem unsatisfactory. Apart from information activities, other technical assistance and capacity building interventions are in large part outsourcing actions targeted at integrating with short term or part time assistants the existing public staff; interventions show no returns on organisations and no activation of learning processes. This is confirmed also by the indicators (see Table C), which are mostly based on the number of actions but do not provide information on their effects on administrative functioning. The low level of implementation of the ESF resources dedicated to the capacity building has already been mentioned and is part of this unsatisfactory picture.

Table C – Main available indicators of technical assistance and capacity building interventions

<table>
<thead>
<tr>
<th>Indicator</th>
<th>Value/Range</th>
</tr>
</thead>
<tbody>
<tr>
<td>Statistics collection and analysis (n. of studies in NOP Governance)</td>
<td>42</td>
</tr>
<tr>
<td>Quality perception of TA provided by the NOP Governance among MAs (scale 0–4)</td>
<td>2</td>
</tr>
<tr>
<td>Population informed of the EU policy Calabria, Sicily and NOP Transport (% on total)</td>
<td>from 26% to 67%</td>
</tr>
<tr>
<td>Visits of national website (n. of contacts in 2010)</td>
<td>763,630</td>
</tr>
<tr>
<td>Information events and products (n.)</td>
<td>37</td>
</tr>
<tr>
<td>TA contracts and actions (n.)</td>
<td>347</td>
</tr>
<tr>
<td>Institutional agreements supported by TA (N.)</td>
<td>37</td>
</tr>
</tbody>
</table>

The main causes of this are the lack of a clear plan of how to improve the functioning and performance of the central and regional administrations and the slow progress of the administrative reform approved in 2009; in this uncertain context, EU interventions in capacity building lack commitment, leadership and focus.
## Table D – Main achievements and Problems in Convergence regions by Policy Area

<table>
<thead>
<tr>
<th>OP</th>
<th>Payments on total cost (May 2011)</th>
<th>MAIN ACHIEVEMENTS</th>
<th>CONVERGENCE</th>
<th>PROBLEMS</th>
</tr>
</thead>
<tbody>
<tr>
<td>RTDI and Enterprise Support</td>
<td>8.7%</td>
<td>• 350 RTDI projects; 46 projects of joint research firms – research institutions;</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>• 24 interventions of financial support to firms;</td>
<td>delays in payments occurred especially for RTDI projects, due to the Internal Stability Pact, and other delays persisted.</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>• 17 interventions for internationalisation</td>
<td>• A Guarantee Fund and direct support measures were introduced because of the recession.</td>
<td></td>
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<tr>
<td></td>
<td></td>
<td>• 417 new jobs created;</td>
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<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>• 1127 firms supported;</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>• 5 interventions for primary and secondary infrastructures;</td>
<td></td>
<td></td>
</tr>
<tr>
<td>HUMAN RESOURCES</td>
<td>36.2%</td>
<td>• 2 multipurpose facilities created;</td>
<td>Some difficulties emerged due to the complexity of the interventions and the number of actors involved. (BAS)</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>• 122 schools and educational facilities refurbished.</td>
<td>Very significant procedural delays. (CA)</td>
<td></td>
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<tr>
<td></td>
<td></td>
<td>• 28 interventions to improve school accessibility and functionality.</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>• 10.556 projects begun, 7882 concluded;</td>
<td></td>
<td></td>
</tr>
<tr>
<td>TRANSPORT AND TELECOMUNITATION</td>
<td>11.2%</td>
<td>• 7 project on transport infrastructure;</td>
<td>The main obstacles in the implementation are: complexity of main projects and numerous actors involved; operative difficulties in liaising with the relevant offices; technical-administrative difficulties.</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>• 21km of road network and 226 new parking slots created/renewed;</td>
<td>In 2010 the original financial allocation was modified in favour of the railway systems</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>• 0.2 Km of railway;</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>• 7 projects for local public transport (underground, train, bus);</td>
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<tr>
<td></td>
<td></td>
<td>• 1 intervention on air transport infrastructure;</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>• 4 interventions to improve harbours;</td>
<td></td>
<td></td>
</tr>
<tr>
<td>ENERGY AND ENVIRONMENT</td>
<td>10.2%</td>
<td>• 248 interventions to raise awareness on Energy Efficiency (EE);</td>
<td>Main problems linked with unclear governance and bureaucracy.</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>• 32 energy efficiency projects;</td>
<td>An acceleration occurred in the implementation of energy projects thanks to the Public Administration (PA)’s strong actions of support to the beneficiaries.</td>
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<td></td>
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<td>• 6 project to improve waste management;</td>
<td>The time required by explorative analysis for actions in water management and in waste management slowed down the implementation of the measures.</td>
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<td>• 44 interventions to prevent natural risks;</td>
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<td>• 9 projects on water management;</td>
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<td></td>
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<td>• 6 interventions limiting coastal erosion;</td>
<td></td>
<td></td>
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<tr>
<td>TERRITORIAL DEVELOPMENT</td>
<td>5.8%</td>
<td>Tourism and culture</td>
<td>Procedural/bureaucratic difficulties and the complexity of interventions delayed implementation.</td>
<td></td>
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<tr>
<td></td>
<td></td>
<td>• 313 interventions to improve museums, archaeological sites, cultural services;</td>
<td>Some delays are occurring due to poor protection and conservation actions previously carried out.</td>
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<tr>
<td></td>
<td></td>
<td>• 234 projects upgrading services for tourists;</td>
<td>The main problems due to the reprogramming and re-organization of the interventions; also the internal stability pact is hindering implementation.</td>
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<tr>
<td></td>
<td></td>
<td>• 73 actions of territorial marketing.</td>
<td>Delays caused by the integrated approach involving a plurality of local actors and partners</td>
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<tr>
<td></td>
<td></td>
<td>Urban interventions</td>
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<td></td>
<td>• 16 projects of urban and environmental renewal;</td>
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<td>• 2 interventions to improve the service network;</td>
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<td></td>
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<td>• 50 projects to build and refurbish kindergartens;</td>
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<td>• 7 projects to improve healthcare and social services;</td>
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<td></td>
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<td>• 59 projects involving minorities and young people to foster social inclusion;</td>
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<td></td>
<td>Security</td>
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<td></td>
<td></td>
<td>• 2 new TV controlled areas;</td>
<td></td>
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<tr>
<td>Source: AIR, elaboration of the authors. Financial data (IGRUE-DPS) by policy field are estimated on the basis of the priority axes information, because expenditure by EC category is not still available</td>
<td>2 feasibility studies on possible TV controlled areas;</td>
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Competitiveness programmes

1. Enterprise support and RTDI

In the Competitiveness objective this policy field does not suffer from any implementation problems and supports the efforts of the regions to build up their own innovation system. With diminishing national resources for enterprises in the regions the financial relevance of the EU policy has increased; and has conferred growing responsibilities on the EU policy to improve the strategic focus and the efficiency of the interventions.

The policy field absorbs 45% of ERDF resources and plays a fundamental role for two main reasons: a) the RTDI policy which is relatively new for the Italian regions (since 2000 they have had more extended competences) in the Centre–North need to support an increasing demand for innovation in the export oriented productive fabric; b) the economic crisis speeded up the productive adjustments and obliged the ROPs to address larger and deeper needs than initially expected. As mentioned in the 2010 report, this last issue did not lead to changes in the strategies of the 14 Regions and the 2 Autonomous Provinces included in the Competitiveness objective; the effort for strengthening RTDI and reducing generalised aid–schemes for enterprises was confirmed.

Three main lines of RTDI policy can be distinguished: 1) creation or support of technological poles funding collaboration projects between enterprises and research centres or Universities and technological and research infrastructures; 2) supporting direct investments of firms in R&D; 3) promoting technological transfer and innovation services. These lines often overlap in order to provide the productive sector with a wide range of assistance, but in some cases priorities clearly emerge. In the case of Emilia–Romagna, for instance, the creation of 12 techno–poles has long term relevance for the entire regional innovation system and an accurate assessment of the match between the poles’ capacity and territorial needs is on–going with special focus on capacity building in public and university supply. On the contrary, in Tuscany, where research centres are very advanced, the programme is particularly oriented towards improving the involvement of SMEs through a wide range of services and some calls for tenders dedicated to network of enterprises in R&D. The support to SMEs was based on the provision of advanced services, diffusion of ICT on a reinforcement of guarantee funds and the launching of new financial engineering instruments in order to limit the credit problems of SMEs. This type of actions received public resources (EU plus national) for around EUR 0.6 billion and according to the last report of DPS in September 2011, 89% of these resources were operative at that time.

Even if most programmes were characterized by a late and slow start, approximately 6,000 enterprises have already taken advantage of research funds or of other interventions; only Molise and Lazio do not show any results, however Lazio funded research projects for 200 enterprises. In addition, investments of around EUR 220 million were induced in Marche and; in Liguria 173 new

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23 Regional budgets are constrained by the internal stability pacts and the national resources transferred to the regions to implement decentralized industrial policy (Bersani Act) have also been cut in recent years.
jobs have been created in 154 innovation projects. 86 start-up businesses have been funded in Emilia–Romagna, Veneto e Valle d’Aosta. In Umbria 486 projects for spreading ICT in SMEs have been implemented. No achievements are recorded for the provision of new research infrastructures, but these interventions are on-going in many regions. These are small figures in comparison to the number of SMEs in Competitiveness regions, but in relation to the available resources they are significant initial achievements and show the overall capacity of these interventions to satisfy local needs.

2. Transport

Transport policy has a limited weight in the competitiveness programmes it includes interventions on urban transport and the improvement of some local transport infrastructures. ERDF resources devoted to this policy field amount to 6% of the total; only six ROPs finance transport interventions.

Transport interventions therefore do not play a strategic role in the competitiveness OPs, but are important to integrate national and local interventions and contribute to territorial reorganization. In all the regions projects are on-going and achievements are still poor. At the moment, the most significant initiatives are located in Tuscany where the tramway of Florence (7.7 km) is under construction with the funding of ERDF; in Lombardy 66 projects on urban and interurban mobility are being implemented; in Marche one logistic platform and 6 projects to reinforce the road linkages with Falconara airport are in progress. At December 2010, implementation was delayed in some regions (especially Friuli–Venezia Giulia, Molise and Veneto) because of procedural bottlenecks or the internal stability pacts.

3. Environment and energy

All the ROPs intervene in this policy field and almost 30% of the total ERDF is allocated. In general, the measures integrate the national incentives for the use of Renewable Energy Sources (RES), support energy efficiency (EE) in public buildings or in the productive cycle of private firms. Some initiatives also concern innovation and research in the energy field or support the productive value chain of RES.

In the energy sector Central–Northern regions have a higher consumption level covered by RES than the national average (22.2% vs. 20.5%), but this partly depends on the alpine dams; the recent increase has been slower than in convergence. Besides the photovoltaic source, massive agriculture productions favour the diffusion of biomass in energy production. Hence, interventions have not been necessarily to boost RES, but to increase the general efficiency and sustainability of production and use of energy, especially in relation to energy intensive productions. In the environmental sector most efforts are devoted to protecting a territory highly congested by human activities; consequently interventions are aiming toward the prevention of natural risks, the preservation of natural sites, the monitoring of air and water, the reclaiming of polluted or abandoned sites.

In the analysis of the achievements it is difficult to distinguish between completed and on-going projects. However, thanks to the relative small size of the projects a significant number of outputs is already available in almost all the regions:
- Around 750 projects promoting RES have been funded in Bolzano, Emilia–Romagna, Liguria, Piedmont, Trento, Tuscany, Umbria, Valle d’Aosta and Veneto. In Liguria an increase of 0.47% in RES production has been estimated. A total new installed capacity of 5.2 MW in RES has been estimated in Friuli Venezia–Giulia, Liguria, Sardinia and Umbria. In Valle d’Aosta 6 pilot projects and technological tests on RES have been launched and 1 cogeneration plant has been built.
- Around 300 projects in EE have been supported in Lombardy, Piedmont, Sardinia, Trento, Tuscany and Umbria and 14 projects for district heating in Lombardy. In Marche a reduction of emission equal to 12,576 tCO$_2$ and an annual saving in energy consumption of 12,734 toe have been estimated.
- In five regions 358 projects on environment have been funded, of which 140 projects are on risk prevention, 90 projects for reclaiming polluted sites and 118 projects promote and protect natural sites. In Friuli Venezia Giulia 10,340 inhabitants have been secured from flooding. In Sardinia 167 projects on waste management systems have been implemented.

Implementation is not encountering significant problems, even if delays are widespread and some regions (Abruzzo, Molise, Lombardy and Sardinia) are showing a very low performance in payments (still 0 at the end of 2010 according to national data). More frequent implementation difficulties consist in:

- The lack of co-financing for private firms and for public institutions due to the internal stability pact for local administrations;
- A weak regional strategy and consequently difficulties in identifying priorities and projects.

The recent changes in the national subsidies for RES generated worsened the overall planning perspective and increased the uncertainty for private investment decisions.

Even if the available resources in this policy field do not permit a significant change in the energy sector and the degree of environmental protection, these results show a good capacity to tackle the environmental and energy problems in these regions.

4. Territorial development

This policy field absorbs 14% of the ERDF resources and intervenes on tourist promotion, cultural and natural valorisation, urban renewal, ICT infrastructure for the population and the public administrations and social inclusion infrastructures. In some cases interventions in this field overlap, or integrate, interventions in the energy and environment policy field.

Competitiveness regions have, in general, better performing urban and public services and territorial organisations than Convergence regions; also the tourism sector is in most cases well developed. Hence, the EU interventions support and upgrade the existing facilities on the one hand and maintain and reinforce marginal areas on the other.
### Table E - Main achievements and Problems in Competitiveness regions by Policy Area

<table>
<thead>
<tr>
<th>OP</th>
<th>Payments on total cost (May 2011)</th>
<th>MAIN ACHIEVEMENTS</th>
<th>PROBLEMS</th>
</tr>
</thead>
</table>
| ENTERPRISE SUPPORT AND RTDI | 27.0% | • 3,840 projects of research and innovation  
• 145 enterprises created  
• 1,844 SMEs supported  
• 555 firms benefitted from ICT supports  
• 224 projects for eco-innovation  
• 26 projects for the strategic alliance among firms. | • The main problems hindering implementation are of bureaucratic nature  
• The effects of the economic crisis slowed the implementation;  
• The internal stability pact hinders the payment by local entities. |
| TRANSPORT | 14.5% | • 17 project to create a logistic platform and 39 projects on intermodal links;  
• 7.7 Km of tramway in Florence (transport capacity for 1 Million passengers)  
• 8 projects for cycle paths.  
• 32 ICT systems for transport.  
• 8 broadband projects, giving access to fast internet connection to 280,000 people and 21,000 firms. | • bureaucratic bottlenecks for infrastructural projects.  
• Difficultly due to internal stability pact. |
| ENVIRONMENT ENERGY | 11.1% | Environment  
• 387 projects on risk prevention and requalification of polluted sites;  
• 1 hydrometric station to prevent natural risks  
• 378 projects of environmental protection and promotion  
• 167 interventions in the waste management system | • In other case some problems emerged in the selection and planning of projects. |
| | | Energy  
• 158 projects on EE  
• 558 projects on RES  
• 0.47% increase in the production from RES in one region  
• 1 MW of installed capacity for production from RES in one region  
• 14 projects on district heating and 91 projects on public lighting are funded. | • the uncertain evolution of national legal framework on RES;  
• Delay in the implementation due to the lack of the necessary sectoral programming tools  
• Some problems arose implementing the informative system as well as owing to the Internal Stability Pact. |
| TERRITORIAL DEVELOPMENT | 7.8% | • 88 projects of local development and development of cultural heritage  
• 257 projects in social inclusion, education facilities. PA  
• 22 projects of urban renewal  
• 247 projects on protected areas and touristic sites  
• 193 interventions of firms hit by the earthquake in Abruzzo | • The internal stability pact and the integrated programming phase of municipalities represent relevant problems.  
• The withdrawal of national resources delayed the implementation of some programmes. |

Source: AIR, elaboration of the authors. Financial data (IGRUE-DPS) by policy field are estimated on the basis of the priority axes information, because expenditure by EC category is not still available.
Around 250 projects have been completed or are in progress on territorial development and urban renewal; their financial size and content differ: some projects have an integrated scheme including many different activities (for instance the PIA in Lombardy), others promote single interventions. In Emilia–Romagna 260 firms have been involved and supported. In Abruzzo after the 2009 earthquake specific measures for the reconstruction supported 193 local damaged firms.

Social services have been promoted in Sardinia (79 interventions promoting legality culture; 38 upgraded educational facilities. 54 interventions in local PA; 79 interventions for social inclusion; 11 local healthcare services supported) and Tuscany (6 new services to the population and childcare structures). Broadband and internet diffusion has been reinforced in Lazio (208 km fringe areas connected to broadband) Valle d’Aosta (1 completed project on broadband infrastructure) and Veneto (160 municipalities involved in the creation of a free-access internet point). Achievements in tourist sector concern 134 projects in Marche, Piedmont, Tuscany, Umbria and Valle d’Aosta; in Tuscany EUR 63.6 million of investments in sustainable tourism have been spent.

The assessment of these achievements – or on-going interventions – is not easy, because they only contribute to broaden regional policy intervention, however how effectively they address the specific needs should be verified case by case. At the moment, it is evident that these interventions support a local development approach, fundamental to social innovation and strengthened by the high social capital of these areas. The effectiveness of territorial interventions however largely depends on their integration into regional sectoral plans, which permits a clear identification of the priorities, sidesteps political negotiations and makes their implementation easier.

Competitiveness regions do not show any serious shortcomings in institutional capacity and the implementation problems are mainly linked to national obstacles (lack of national resources for regional development, internal stability pact constraints, bureaucratic delays and administrative weaknesses), but some current delays in programme implementation (especially in Abruzzo, Molise and Friuli Venezia Giulia) show that even after many years of experience management problems still exist in the administration of EU funding procedures.

**Cross border cooperation programmes**

According to the financial data of the Italian Ministry of Economy, by the end of 2010 cross-border cooperation OPs recorded an overall payment level as low as 9% of their total public cost (national plus EU co-financing). This average includes the Italy–Malta and Italy–Slovenia programmes with approximately no payments and the other OPs with values between 10% and 14%. Financial commitments in the latter programmes amount to between 20% and 60% of the total cost, while in the two former OPs they are less than 10%. Consequently, for the Italy–Malta and Italy–Slovenia OPs it is not possible to examine any achievements. Indicators mainly based on the number of projects, which are not useful to understand real achievements, strongly affect the analysis of cross border cooperation OPs.
Italy–Austria. The economic relationships and competitiveness axis has completed 12 interventions of cooperation between enterprises and research centres. The territory and sustainability axis completed 7 projects out of 10 targeted at environmental protection and transnational networks among administrations. Considering the entire OP 33% of the projects develop common trans–border strategies (50–60% is the target) and 55% of the projects develop common trans–border tools (20–30% is the target). The three established Interreg councils (trans–border structures of cooperation) and the creation of a fund to support planning are giving an important contribution to the development of common projects.

Italy–France Alcotra. Till now the OP have funded 109 projects with a high level of cooperation in design, implementation, personnel and funding and 370 trans–border institutions have been involved in the activities. In 2010 four integrated trans–border plans were defined for the development of sustainable tourism and the valorisation of natural and cultural heritage; the plans include 22 projects. 35 projects are promoting the cooperation in the public service sector.

Italy–France Maritime. Compared to 2009, the programme recorded a significant advancement with the commitment of 15 new projects and 5 new "strategic" projects24. All the approved projects respect the four criteria of cooperation25. Axis I (Accessibility and communication networks) encountered implementation difficulties in projects aimed at enhancing maritime and air communication. Several new projects for natural and cultural resources have been launched and progress is recorded in networks of natural and marine parks, technical solutions to prevent fires and preservation of cultural heritage areas (20 completed projects out of 29 targeted). The evaluation report of June 2010 highlights the difficulties in generating effective partnerships and the limited participation of Universities and private subjects. An input–output analysis estimated a ratio between GDP generated and final expenditure equal to 112% – 126% and the creation of 19–25 labour units per million of EUR of expenditure.

Italy–Switzerland. At the end of 2010 many projects (107) had been financed, but only 11.3% of total resources were spent. Some delays occurred in implementation due to bureaucratic problems or technological complexity of the projects. In 2010 the programme focused on public services, enhancement of transport and ICT. The evaluation report on the 2009 implementation underlines that, although the transnational partnership records a good participation, the capacity of involving new actors in cooperation is limited.

24 The strategic projects are carried out by institutions of different countries and pursue themes common to the entire trans–border area.
25 They are: 1) joint formulation of the project; 2) joint implementation; 3) joint team; 4) joint funding.
### Table F - Main achievements in Cross Border Cooperation by programme

<table>
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<tr>
<th>Country Combination</th>
<th>Main Achievements</th>
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| Italy – Austria     | • 33% of the projects develop common strategies  
                    • 55% of the projects develop common instruments  
                    • 11% of the projects respect three of the common criteria  
                    • 85% of the projects respect four of the common criteria  
                    • 17 projects for tourist services (target 40);  
                    • 12 projects for RTDI (target 10);  
                    • 17 projects for environmental mitigation, natural areas (target 40);  
                    • 26 projects for cross border networks (target 20); |
| Italy – France Maritime | • 6 projects supporting cross border economic integration (total 12 over the 2007–2010 period)  
                         • 6 projects supporting and enhancing the joint protection and management of the environment (11)  
                         • 84 public bodies building cross border cooperation (166)  
                         • Total of 20 projects approved in 2010 (43) of which:  
                           o 100% respecting exactly four of the common criteria (100)  
                           o 13 projects for nature preservation, rural development and tourist sector (22);  
                           o 4 projects for prevention social exclusion of young people (10). |
| Italy – France Alcontra | • 11 projects concerning productive systems and rural economies, territorial resources and culture are been finished;  
                         • 61 projects for environmental preservation and natural heritage and tourist services (81);  
                         • 18 projects for RTDI and advanced services (20);  
                         • 7 projects building partnerships in the public service sector (total 35 over the 2007–2010 period)  
                         • 4 Trans-border Integrated Plans (7)  
                         • 81 public bodies building cross border cooperation  
                         • 26 projects respecting three of the common criteria (109) |
| Italy – Switzerland  | • 10 projects developing the joint use of infrastructures  
                    • 6 projects supporting collaboration in public services  
                    • 5 Trans-border Integrated Plans  
                    Total of 107 projects approved of which:  
                    • 40% respecting three of the common criteria  
                    • 10% respecting four of the common criteria  
                    • Multiregional projects are doubled (from 3 to 6) in comparison to 2009 |
| Italy – Slovenia     | • 81% of the projects develop the joint use of infrastructures  
                    • 81% of the projects support partnerships in the public service sector  
                    • 229 public bodies building cross border cooperation  
                    • Total of 13 projects approved of which: 100% respecting the four of the common criteria |
| Italy – Malta        | • 27 projects funded in developing the joint use of infrastructures, partnerships in the public service sector, risk management of natural and human phenomena, jointly promotion of tourism |

Cooperation criteria: 1) joint formulation of the project; 2) joint implementation; 3) joint team; 4) joint founding. Source: AIR, elaboration of the authors
Italy–Malta. Up to the end of 2010, no output or financial advancements were recorded. During 2010 the programme funded 17 projects supporting research and innovation and the tourist supply, environmental protection, development of renewable energy and energy efficiency, prevention of natural risks and improvement of transnational institutional cooperation.

Italy–Slovenia. The implementation has been negatively affected by contrasts among partners and at the end of 2010 no achievements were registered. However, the programme launched 16 projects devoted to environmental protection, improvement of accessibility, transnational cooperation between enterprises, research centres, social actors, cultural and health sectors.

3. **Effects of intervention**

**Main points in the 2010 country report**

- Delays in implementation are hindering the possibility to have significant achievements in both the Convergence and Competitiveness objectives. Outcome and impacts will be visible only at the end of the programming period.
- For the same reasons, ERDF has not mitigated the effects of the crisis and has only partially substituted the diminished national resources for regional development.
- In Convergence R&D policy, transport and education showed adequate planning, while in enterprise support, environmental policy, urban interventions, governance and building a weak planning framework and more worrying delays were common.
- In Competitiveness implementation problems were limited as a consequence of better administrative functioning and a more accurate and developed planning framework. RTDI and energy policy fields attracted the most attention and were relatively more promising in terms of achievements.
- Territorial cooperation showed a dual effect: higher performance where cooperation relationships were already advanced and lower where relationships had to be built up.

In the 2010 the overall ERDF programming was shaped and the OPs had to a large extent identified the projects to be funded. However, implementation is still lagging behind and significant impacts can be expected only at the end of the programming period. Evaluations on the current programming period are still very few and episodic and do not provide a sufficient amount of evidence on initial effects, nor clarify the problems of the planning phase.

In general, from the progress in implementation it clearly emerges that the administrations missed the opportunity to use ERDF intervention to support private and public investments as a short term income and employment stabilizer. This situation has particularly hit the Convergence regions, where the cut of public budget has been more relevant. In this
context ERDF has increased its weight in relation to the total national resources for
development and the initially planned financial additionality of the NSRF is progressively
loosing significance. Furthermore, in this last year it has become evident that the overall
strategy of the NSRF cannot be pursued to any significant extent, because of the delays in
its implementation. As the analysis shows, mostly in Convergence regions the lack of
effective planning and the permanent state of administrative emergency characterise many
regional and local administrations, even though these problems have emerged up since the
beginning of the EU planning procedure. These circumstances must not overshadow some
important achievements and contributions that ERDF is giving to regional convergence.
Consequently, the emerging picture of the potential effects tends to be ‘black and white’.
Furthermore, the Action Plan approved in November 2011 deals with the problems above,
proposing a reprogramming method and a concentration of resources on few policy fields.
Nevertheless results have to be verified in the next future.

Convergence Objective

The economic crisis strongly affected the Convergence regions, but it is worth mentioning
that the sectors which performed relatively better were those where EU intervention was
more effective, particularly in R&D. In some sectors, which affect disparities only in the long
run, the EU interventions were relevant in filling the rising gap with the competitiveness
regions; i.e.: energy policy on renewables; waste treatment in some regions; security, were
the most important interventions in problematic policy areas. The same applies to transport,
whose relevance has increased as a result of the reduction of national resources. In other
sectors at the moment EU interventions are hardly noticeable beside the fact that they suffer
from several implementation difficulties.

Currently, RTDI measures are the main financial support to enterprises; we notice an
improved capacity to utilise more sophisticated incentives regimes though we do not have
yet evidences on their results because of the absence of evaluations as well as of effective
monitoring. However, while interventions in the NOP operate through a well established aid
instrument in the regions the construction of an “innovation system” is still in its beginning
phase and the substantial failures of past experiences (technological parks, BICs) have seen
the failure of actors who would have been able to deal with innovation and technological
transfer demands. The weakness of the firms is a significant additional obstacle. This should
have led the convergence administrations to seriously pursue cooperation with firms outside
the regions, rather than finance a self-referential supply structure with few links with the
demand for innovation of globalized firms. The construction of these systems will be slow
and complex, but to stand a chance of success it is important to ensure the connection of
this demand–driven approach. An increased connection with the demand for RTDI from the
rest of the country and an integration of local suppliers with the more advanced and
efficient national experience is a necessary condition for an effective absorption of these
resources.
The performance of the more conventional initiatives for enterprises is less significant. Firstly, the large amount of resources allocated to financial engineering and guarantee funds are still largely unused even in a period of exceptionally difficult loan supplies by the banks. Secondly, the incentive schemes have not been updated to adapt to the present industrial needs and have been funded in an unsystematic way. As a consequence, the two main challenges to the productive fabric of the Convergence regions, which are attracting external investments and upgrading the most promising value chains (agro-food, some agglomerations in aeronautic and mechanics or in more traditional industries), have not still been significantly addressed to any significant extent.

In transport the drastic fall in the national resources, which are crucial in this policy area\textsuperscript{26}, had a key impact. The largest investments are concentrated on the improvement of the efficiency and capability of the existing infrastructures, with particular focus on railways. The east–west connection between Calabria and Puglia is reinforced, but not significantly upgraded as initially planned for the above reasons. Considerable investments are directed to local and urban transport systems. A significant improvement of the transport system in convergence could be expected as a result of the current interventions. However, the effects of these interventions mostly depend on the solution of the uncertainties of the implementation procedures, and only if delays are caught up with, and resources mobilized in a significant way.

Education is the one area where delays and obstacles are not a major problem. Funding of schools has been effective especially when associated with a parallel intervention of the ESF. This integration was a fundamental support to the quality of education and to the improvement of the system. Effects are positive and on time as a result of their relative simple administration. In addition, EU investments in education are decisive in the maintenance of the education system to compensate for the drastic cuts in the national budgets dedicated to them.

The effects of expenditure on the energy field have been hampered by implementation delays, but once activated they can rapidly help to improve the energy efficiency in public buildings and enterprises; whereas renewable energy supply is mainly funded by national policy. No significant effects can be expected from supporting firms for the production and the technological upgrading of the machinery and equipment for renewable sources. Achievements in this area are scattered on the territory and mainly conditioned by a guarantee fund not yet fully operational. In the environment sector the lack of adequate planning and governance of the policy hamper the achievements of significant effects, and current achievements are fragmented and mostly depend on previously funded projects. Waste or water treatment investments are very dependent on EU funds and the possibility of maintaining disparity unaltered with the rest of Italy and Europe is linked to a rapid and efficient implementation of these interventions. In the environmental field a revision of the

\textsuperscript{26} Recent national allocations in this sector will produce results after the programming period.
current regional strategy and the identification of a limited number of more effective interventions are a necessary condition for obtaining any results.

Territorial development interventions are still fragmented, as we observed in the 2010 report. Urban interventions are still suffering from a late start and slow progress and do not show significant achievements; poor planning and the complexity of setting up an integrated approach to the policy are the main causes of this. In conclusion at the present moment a forecast of the likely effects of the intervention on the urban areas is not possible, even when their potential is high. Interventions for tourism and land use improvements are fragmented, lacking a clear long term strategy and have not reached a significant mass to produce noticeable achievements. Security enhancing measures are carried out relatively well in funding the technologically based protection systems and a certain number of complex interventions on confiscated goods have been launched recently; these could produce a significant added value to the infrastructural investments and develop solidarity and assistance networks against organised crime. Governance and capacity building are showing results much below any reasonable expectations, also in the specific EU funds implementation and management field, where funds are mostly used to circumvent the employment restrictions of the public sector administration.

In conclusion, ERDF interventions in Convergence regions are progressing in line with the successes and the problems identified in the past year. If the recent increase in commitments were to be followed by an acceleration in payments, a significant number of achievements could be produced starting from next year, otherwise serious doubts on the effectiveness of fund management could be raised. At the same time, the implementation of the new Action plan and the preference for large projects in many regions could also lead to a strong concentration of resources on a limited number of objectives, with possible benefits on the overall effectiveness of the interventions.

**Competitiveness Objective**

In competitiveness enterprise environment is the most relevant policy field for the amount of allocated resources and its strategic role in the restructuring of the advanced productive fabric. In particular, RTDI initiatives record a relatively good performance in reinforcing the research infrastructures and in supporting private investments. The real challenge for many regions, and certainly for the largest, is the consolidation of their innovation system and the construction of a basis of knowledge and know-how capable to move their enterprises towards higher added value segments of production. In this sense some significant effects could come from investments in the technological poles, even if achievements are still limited. At the same time, a weak coordination between regions could generate a duplication of similar interventions in contiguous territories or disperse investments in the same sectors without reaching a critical mass in any region, with a consequent waste of resources. The traditional interventions for enterprises have been used to provide guarantee
funds, which in these regions operate with sufficient efficiency. Information or evaluations on the impacts and the value for money of these interventions are not available.

Investments in transports are scarce and very localised and can produce significant effects on the city of Florence and in the area surrounding Ancona. The role of these investments is strictly complementary to national investments and no significant effects can be expected.

Energy interventions are improving energy efficiency in enterprises and public building, and in some cases are also favouring the use of renewable sources integrated with the national subsidies. Even if information on the results are still fragmented, expected effects concern the progressive rationalisation in the energy consumption patterns of the entire regional territory; in Competitiveness the wide productive fabric requires additional investments in this field. In this context the interventions in deprived areas and the prevention of natural and technological risks contribute to these environmental improvements, even if they are not sufficient to cover the existing needs and even if they are very concentrated.

**Territorial cooperation**

Operations are progressing well at least in four out of the 6 OPs and in these OPs an intensive activity of cooperation has been activated. Effects have not yet emerged clearly. In general, a good level of cooperation appears in the centre–northern OPs, while the other regions recorded a significant delay in their launching. In these programmes the effects are conditioned by the initial capacity and level of cooperation. At the moment, available indicators show good results, but evaluations see opportunities for their improvement in terms of enlargement of participation also in the better performing OPs. In conclusion trans–border cooperation is playing a crucial role in reducing territorial fragmentation and offering a platform for more intensive exchanges.

### 4. Evaluations and good practice in evaluation

**Main points in the 2010 country report**

- In Italy evaluation is organized according to the evaluation plans of each OP. A distinction is made between: "operational" evaluations (supporting implementation procedures and decisions) and "strategic" evaluations (supporting strategic decisions).
- Up to the end of 2009 no evaluation of the ERDF in the 2007–2013 period had been carried out, with the exception of the ex–ante evaluations. Planned external thematic evaluations, as well as internal evaluations, often focused on the effects of the past programming period in the fields of enterprise environment and environmental policy.
- The new governance based on the evaluation plans has partially improved the definition of the evaluation questions, but it failed to produce evaluation reports and an increase in knowledge. The significant delays in the implementation of the OPs
were not object of evaluation, programs suffered from an evident lack of accountability from beginning to end.

The evaluation of ERDF interventions slowly progressed in 2010. Some new contracts have been assigned and some new evaluation reports have been delivered, but no systematic and in depth analyses are available.

A common and unitary strategy to evaluate achievements and results of the intervention in the OPs does not exist, even if some common guidelines were defined in the NSRF and in the following working documents of the Public Investment Evaluation Unit in the Ministry of Development (UVAL). Every MA takes autonomous decisions and the main common approach consists in focusing on ex-post evaluation of the 2000–2006 period in the first phase and in the separation between operational evaluation (focused on implementation) and strategic evaluation (focused on specific themes). In practice, the available operational evaluations are often generic and based on existing data with few field analyses, while thematic evaluations are generally closer to the needs of the policy makers. Thematic evaluations are not coordinated among the different OPs, but some topics (R&D and enterprise subsidies, territorial development, environmental interventions) are more frequently analysed, as can be seen from the limited number of already completed evaluations.

The monitoring system, as noted in the previous report, is relatively sophisticated and comprehensive in relation to the contextual factors and the programming elements. However, its design does not permit to understand the contribution of the OP to changes in the economic and social environment.

Furthermore, many indicators are not sufficient clear to address policy decisions and a more extensive use of project data (especially as regards infrastructures) and survey would be needed. Moreover, the late introduction of the core indicators by the EC required an additional effort and produced some duplications and confusions in the calculation of indicators. The evaluation plans are the main tools governing the assessments, but till now the limited attention towards evaluation has generally hampered a diffuse and systematic update of the plans, whose implementation is very often in significant delay. In this respect the Steering evaluation Committees have not played the hoped role, also in relation to the coordination of the evaluation activity.

Resources devoted to external evaluations are less than in the past, in total and on average (per report), and internal evaluators (evaluation units of the administrations) are often involved in managing activities; this reduces the collection of original data and the frequency of detailed field analysis. In addition, the fact that internal and external

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27 As mentioned in the previous report, official statistics provide large part of the result indicators but not evident links between these and the programme indicators are showed. In some cases, for instance, the comparison between the number of R&D projects and changes in the ratio of private R&D expenditure to GDP is difficult to analyze.
evaluations are considered equivalent in the national and European guidelines prevents the possibility of having independent points of view of some OPs (for instance, Sardinia, Calabria). As noted in the previous report, independence depends also on how the external evaluator is related to MA but this aspect is not discussed in the evaluation debate and differences among evaluators are not identified from this perspective.

The Network of Evaluation Units, an institutional body instituted by the law 144/1999 and involving all the national and local administrations, is not functioning due to the lack of resources. The National Evaluation System (NES), an association of all the administrations interested in evaluation and instituted by the NSRF, is not functioning in a systematic way; however, within the NES some working groups, led by the UVAL, promote debates on design and quality of the evaluations. NES remains the main coordination instrument and, recently, the central evaluation units (UVAL for ERDF, ISFOL for ESF) strengthened their commitment to revamp its role.

In the context of evaluation, it is worth mentioning the administrative reform approved in 2009 (so called ‘Brunetta Act’). The reform strengthens the already existing orientations towards results, obliges administrations to define a performance plan and evaluate their personnel in order to develop an incentive system. The reform has not been fully implemented yet and its influence on the implementation of Structural Funds is still not visible. If fully applied, it could reinforce the results based management, but resistance and lack of commitment of administrative hierarchies represent an obstacle.

At the moment, some evaluation activities are on-going or have been completed in relation to almost all the OPs, with the exception of Lazio.

In many cases the completed evaluations concern interventions implemented in the 2000–2006 programming period, but intermediate 2007–2013 evaluations of some OPs are starting to be available; in Convergence this is the case of NOP Transport and NOP Security and in Competitiveness of Bolzano, Lombardy, Umbria, Molise and Valle d’Aosta. The evaluation reports are not always available on the web-sites and, when copies were requested, they were often not available to external examiners.

Associated to these formal activities of evaluation, the internal evaluation units of the Regions have often been involved in the decision making mechanisms provided by their expertise, short reports and advice on topics related to selection procedures or on the content of interventions. This activity often overlaps with technical assistance and is not openly visible and is not public but it is worth mentioning it.

As far as the EU programming is concerned, up to September 2011, at national level two evaluation reports have been completed: one of the on-going evaluation NOP “Hubs and Mobility” 2007–2013 and one of the on-going evaluation NOP “Security” 2007–2013. Both provide an analysis of progress without examining results or impacts. The evaluation NOP “Hubs and Mobility” analyses the advancements of the programme and highlights the changes in the logistic and transport sectors due to the economic crisis. The on-going
evaluation of NOP “Security” analyses the weaknesses and strengths of the NOP strategy in the national territory. These evaluations support the strategic vision, but do not provide any evidence of the results.

Among the 2007–2013 ROPs, only the on-going evaluation of ROP Lombardy ERDF 2007–2013 has been carried out in 2011. The study focuses on the implementation of ROP at October 2010 and shows a good state of implementation of the programme. In addition, the evaluator records some interesting results concerning the relationships between the actors involved in institutional, economic and environmental partnerships and the improved planning capacity in municipalities in the energy efficiency field.

In other regions (Abruzzo, Emilia–Romagna, Friuli Venezia Giulia, Piemonte and Veneto) the evaluations of ROPs 2007–2013 ERDF have been assigned between 2010 and 2011 but results are not available yet, with the exception of Emilia–Romagna where an initial technological assessment of the “Rete Alta Tecnologia dell'Emilia Romagna” has been delivered. At regional level, several ex post evaluation studies concern projects and interventions of the 2000–2006 period. For example, the ex post evaluation of “Integrated Territorial Projects (ITPs) ROP Campania ERDF 2000–2006”, the ex post evaluation “Analysis on interventions aimed at empowerment of infrastructures financed by regional policy in the programme 2000–2006” were carried out by the Sicilian Region in May 2011. During 2010, several thematic evaluations were assigned in the field of research and innovation in Puglia, Sicilia and Marche, in the field of industrial policies in Sicily and in the energy sector in Marche.

In Cross Border Cooperation objective, only two evaluation studies are available at the moment: evaluation report OP Italy–Switzerland 2007–2013 and on-going evaluation report of OP Italy –France Marittime 2007–2013. At the end of 2010 evaluations were assigned for the Italy–Malta and Italy–Slovenia operational programmes.

The table below provides details of some evaluations carried out from the end of September 2010 to the end of September 2011.
<table>
<thead>
<tr>
<th>Title and date of completion</th>
<th>Policy area and scope</th>
<th>Main objectives</th>
<th>Main findings</th>
<th>Full reference or link to publication</th>
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<tr>
<td>Convergence Objective</td>
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| First on-going evaluation NOP “Hubs and mobility” 2007–2013 (completed in June 2011) | Transport          | • Analyse the state of implementation of the ONP “Hubs & Mobility”;  
  • Provide advices about activities of support, communication and surveillance;  
  • Compare the current programme with the Transport OP 2000–2006. | • The NOP has been influenced by the economic and financial crisis. Some resources allocated for infrastructure transport has been used as anti-crisis measures.  
  • The level of expenditure is lower than other Programs financed by ERDF and worrying, and it requires a careful monitoring;  
  • monitoring process is also assessed as unsatisfactory and highlight a limited capacity and attention of some beneficiaries | Sent by UVAL, not still available. |
| On-going evaluation NOP “Security” 2007–2013 (2011) | Security            | • Analyse the points of weakness and strengthen of the ONP’s strategy and management; | • Low participation of local authorities in the submission of projects and focused mainly on some Objectives  
  • Good cooperation between central administration and local bodies and institutions  
  • Operational difficulties within local institution in the management of the projects  
  • Innovative form of interventions implemented trough the initiative “PON giovani” | http://www.sicurezzasud.it/media/RAV/Rapporto_Ann_Valutazione2010.pdf |
| Ex post evaluation ROP ERDF 2000–2006 ITPs Campania (May 2011) | Territorial development | • Analyse the implementation of ITPs in Campania;  
  • Study the effects of ITPs comparing them with economic and social development’s goals;  
  • Find information and instruments to improve the future programme 2007–2013; | • ITPs have helped to increase the quality of life in some local territories;  
  • Only in few cases ITPs were managed by network and the integration of intervention is often weak  
  • ITPs have facilitated dialogues between institutions and in some cases supported institutional building processes, but this process has been scarcely consolidated  
  • Lack of sustainability of ITPs in generating new forms of private–public collaboration  
| Ex post evaluation “Città di Napoli” 2000–2006 Campania (July 2011) | Territorial development | • Analyse the strategy and the achievements of ITP using a qualit-quantitative approach; | • The ITP has triggered important investments and reinforced the managing capacities of the involved administration  
  • More effective in the areas with participated decisions  
  • Constraints generated by little flexible rules, and needs for rules capable to be adapted by the different contexts  
  • Effective as local development and urban requalification tool, but not clear and quantified economic results are presented | http://www.dps.tesoro.it/documentazione/uval/materiali_uval /MUVAL24_PIT_NA.pdf |
<p>| Ex post evaluation of ITP “Salentino-Leccese” Puglia 2000–2006 (September 2011) | Territorial development | • Provide information in order to implement projects of local development where there are SMEs that work in the “made in Italy”'s sectors; | • Identification of main challenges and constraints (integration, implementation, innovation vs. Continuity, competences and leadership) and identification of vary lessons | <a href="http://www.dps.tesoro.it/documentazione/uval/materiali_uval">http://www.dps.tesoro.it/documentazione/uval/materiali_uval</a> /Muval25_PIT_puglia_def.pdf |</p>
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<tr>
<td>Ex post Evaluation Sicily “Analysis on interventions aimed at empowerment of infrastructures financed by regional policy in the programme 2000-2006” (May 2011)</td>
<td>Transport</td>
<td>• Analyse the efficiency and effectiveness of the programme and the final utility of the interventions.</td>
<td>• importance of an efficient multilevel governance; • Concerning ports, airports and main roads in some Sicilian areas there aren’t structural delays higher than other developed regions, the capacity of infrastructures to answer to mobility needs is the issue; • deficit in the implementation due to limited capacity to use funds and technical complexity of projects; • Some tangible results in the air infrastructure field meanwhile bad performance in sea infrastructures;</td>
<td><a href="http://194.243.81.173/Portals/0/Opportunit%C3%A0/Valutazione_Trasporti_Rapporto%20finale.pdf">http://194.243.81.173/Portals/0/Opportunit%C3%A0/Valutazione_Trasporti_Rapporto%20finale.pdf</a></td>
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<tr>
<td>Competitiveness Objective</td>
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<tr>
<td>Ex post Evaluation of ITP “Sulmona Alto-sangro” Abruzzo 2000-2006 (May 2011)</td>
<td>Territorial development</td>
<td>• Analyse the state of achievement of goals and the capacity of integrated local policy of development to create effects in territory.</td>
<td>• Conditionality and distortion provoked in the integration and partnerships processes by the general rules. • Financial impact of the resources on the territory, but its limited perception • Opera completed, but not always functioning because the lack of ordinary resources • Significant impact on the territory as improved living conditions and attractions of other public and private resources</td>
<td><a href="http://www.dps.tesoro.it/documentazione/valutazioni_ival/materiali_ival/Muval_23_PIT_Abruzzo.pdf">http://www.dps.tesoro.it/documentazione/valutazioni_ival/materiali_ival/Muval_23_PIT_Abruzzo.pdf</a></td>
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<tr>
<td>On-going evaluation of ROP 2007-2013 Lombardy (October 2010)</td>
<td>ROP 2007–2013 of Lombardy</td>
<td>• Analyse the financial and procedural implementation of the ROP • Study the empowerment of relationships between actors; the interventions aimed at improving energy efficiency, the sustainable mobility in the Lombard territory; • Assess the quality and the efficiency of management and monitoring system and of the communication plan;</td>
<td>• The interventions of ROP have empowered the networks between the actors of the system; • Projects to improve the sustainable mobility are not started yet, but it’s possible to record a good interest from territory about this are. The projects are few and their quality is not so good; • There is a good capacity of partnerships to organize themselves in order to manage PIA (Integrated Project Area);</td>
<td><a href="http://www.ue.regione.lombardia.it/cs/Satellite?c=Redazione_P&amp;childpagename=ProgrammazioneComunitaria%2FDetail&amp;cid=121331949978&amp;packedargs=NoSlotForSitePlan%3Dtrue%26menu-to-render%3D1213305986756&amp;pagename=PROCIS%E8%83%B3pper">http://www.ue.regione.lombardia.it/cs/Satellite?c=Redazione_P&amp;childpagename=ProgrammazioneComunitaria%2FDetail&amp;cid=121331949978&amp;packedargs=NoSlotForSitePlan%3Dtrue%26menu-to-render%3D1213305986756&amp;pagename=PROCIS胳pper</a></td>
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<tr>
<td>Ex post evaluation measure 1.1 of SPD ERDF 2000-2006 Trento on mountain areas (May 2011)</td>
<td>Enterprises and local development</td>
<td>• Analyse the effects of the interventions aimed at promoting entrepreneurship and supporting enterprises</td>
<td>• There have been a good involvement of local people in supporting the entrepreneurship in depressed areas; • Start up enterprises have recorded structural difficulties due to economic context; • Need to empower networks of services for enterprises • Increase in the organizational level of enterprises.</td>
<td><a href="http://www.puntoeuropa.provincia.tn.it/binary/pat_puntoeuropa/programma_2007_2013/FESR_Rapporto_Finale_PMI_DEF.1308054857.pdf">http://www.puntoeuropa.provincia.tn.it/binary/pat_puntoeuropa/programma_2007_2013/FESR_Rapporto_Finale_PMI_DEF.1308054857.pdf</a></td>
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<td>Ex post evaluation measure 2.2 of SPD ERDF 2000–2006 Trento on Energy (May 2011)</td>
<td>Energy</td>
<td>• Analyse the efficiency, effectiveness and sustainability of interventions aimed at developing renewable energy sources</td>
<td>• advancement of energy projects; • increased energy save in Trento’s district; • The incentive system in Trento is an efficient instrument aimed at spreading investments in sustainable energy.</td>
<td><a href="http://www.puntoeuropa.provincia.tn.it/binary/pat_puntoeuropa/programma_2007_2013/FESR_Rapporto_Finale_Fonti_Energetiche_Rinnovabili_def_05_11.1308129498.pdf">http://www.puntoeuropa.provincia.tn.it/binary/pat_puntoeuropa/programma_2007_2013/FESR_Rapporto_Finale_Fonti_Energetiche_Rinnovabili_def_05_11.1308129498.pdf</a></td>
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<tr>
<td>Ex post evaluation measure 1.4 of SPD ERDF 2000–2006 Trento on research and Innovation (May 2011)</td>
<td>RTDI</td>
<td>• Analyse the effects of network infrastructures in Valli di Leno aimed at providing social services in loco</td>
<td>• The wireless improved internet connections in the municipalities; • Internet is not used mainly to access to services of the municipalities; • The network facilitated health services by internet</td>
<td><a href="http://www.puntoeuropa.provincia.tn.it/binary/pat_puntoeuropa/programma_2007_2013/FESR_Rapporto_Finale_TIC_def.1308054858.pdf">http://www.puntoeuropa.provincia.tn.it/binary/pat_puntoeuropa/programma_2007_2013/FESR_Rapporto_Finale_TIC_def.1308054858.pdf</a></td>
</tr>
<tr>
<td>Evaluation of the unitary regional policy 2007–2013 of Valle d’Aosta (December 2010)</td>
<td>R&amp;I, Local development Environment and territory, Social inclusion</td>
<td>• Assessment of performance of strategy of Unitary Regional Policy 2007–2013</td>
<td>• procedurals and administrative difficulties in the managing of the RTDI projects; • The local and rural development could create a good supply’s system, but the projects have to face procedural problems; • need for involving municipalities and citizens in environmental problems solution; • The impact of social and educational interventions are reduced by the lack of interaction between education, labour policies and other sectoral policies</td>
<td><a href="http://www.regione.vda.it/gestione/gestione_contenuti/allegato.asp?pk_allegato=10253">http://www.regione.vda.it/gestione/gestione_contenuti/allegato.asp?pk_allegato=10253</a></td>
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</table>

Source: UVAL
Several methodological approaches have been adopted in these evaluations. In general, the evaluations of aid schemes in 2000-2006 use counterfactual approaches and often these analyses are explicitly requested in the call for tenders; on the contrary in the evaluations of the current interventions, qualitative methods prevail. In some cases very limited analyses based on the existing monitoring information or central administrative database have been carried out.

This brief review of the evaluation of ERDF interventions suggests some further considerations. Firstly, governance through evaluation plans and steering committees is valid, because it enlarges the arena of actors involved and the debate on the evaluation, but it alone does not push nor promote the use of the evaluation in the management to any significant extent. The MA is still the “deus ex-machina” of the decisions regarding evaluation and determines its timing and main contents. Secondly, the available evaluations are few and do not allow an adequate understanding of the on-going interventions. This is partly due to the delay in programme implementation and to additional delays in the launch of the evaluation activities. As a consequence, the democratic debate and the learning process from evaluations, especially in a phase of deep changes in the regional policy, have been limited. Thirdly, knowledge on some measures and types of intervention is accumulating in some regions (Puglia, Sicilia, Umbria, Tuscany) and in some policy fields (RTDI, enterprise support, local development); However, this is still embryonic and many OPs and policy fields are still not adequately covered by evaluation. For instance, capacity building is a crucial factor in all the programmes, but no detailed analyses, evidence and shared recommendations are still available (obviously this kind of evaluation should be carried out independently). Fourth, the innovation and the upgrading of the methodological approaches are in line with the international and EC mainstreaming. However, some methodological aspects are still weak, such as a development of more robust case study methodologies or qualitative methods. In particular, the theory of the programme and the definition of the expected causality mechanisms are often the weakest points and negatively affect the evaluation design.

The coordination of evaluation activity is weaker than in the previous period when compulsory EU prescriptions and a very active role of the central managing and evaluation bodies fostered a progress in all the administrations. Now the exchanges are more fragmented and less systematic but a commitment towards reinforcing evaluation is still alive in DPS, ISFOL and in some Regions. Coordination should be developed further in order to improve evaluation capacity which is still weak. It particular, among the administrative officials, evaluation is still not considered an added value in terms of transparency and democracy, and a moral obligation towards the taxpayers.

In conclusion, evaluation is not really integrated in the decision making processes, as required by the NSRF, but it appears as an optional managerial activity. This does not only depend on some of the above mentioned weaknesses of the evaluation system, but it is also due to the current implementation mechanisms of the Structural Funds. These are not linked...
to the effectiveness of the interventions and the financial absorption is the only measure of success; as a consequence, the main policy actors are not directly requested to use evaluation to improve performance. Often, during our interviews, some attendants judged the meeting very positively because it was a “unique opportunity to reflect on results”.

The small number of available evaluations somehow conditions the selection of some remarkable practices. Moreover, many of the recently assigned evaluations which are expected to apply a counterfactual impact approach are still not available, hence no significant methodological example of that approach can be provided.

Among the evaluation of the previous programming period we propose two evaluations; The Ex post evaluation of the ROP ERDF 2000–2006 ITPs of Campania and the ex-post evaluation of 2000–2006 RTDI intervention. The first is an interesting example of evaluation of integrated territorial projects, while the second is an interesting attempt of estimating value for money of individual RTDI projects. Among the evaluation of the current programming period, the Evaluation of the unitary regional policy 2007–2013 of Valle d’Aosta provides a complete analysis of the current implementation progress, but no innovative methodologies are experimented. Furthermore we present a Bank of Italy evaluation of “Territorial Pacts”: development plans designed by entrepreneurs, trade unions and local authority concerning the development of a specific area. And, at the end, a counterfactual evaluation of investment subsidies carried out by academic researchers in the Sapienza University of Rome with the multiple regression discontinuity design approach; the analysed incentives were funded by structural funds. The evaluation grids are provided below.
## BASIC INFORMATION

**Country:** Italy  
**Policy area:** R&I, Local development Environment and territory, Social inclusion

### Title of evaluation and full reference
Evaluation of the unitary regional policy 2007–2013 of Valle d’Aosta,  
http://www.regione.vda.it/gestione/gestione_contenuti/allegato.asp?pk_allegato=10253

### Intervention period covered (2000–2006; 2007–2013; specific years)
2007–2013

### Timing of the evaluation
December 2010

### Budget (if known)
EUR

### Evaluator
Internal evaluator

### Method
Analysis desk, interviews and focus group with stakeholders, case study, analysis of indicators.

### Main objectives and main findings
The results of evaluation underline the presence of some procedural and administrative difficulties in the managing of research and innovation projects; the need to involve municipalities and local population in environmental problems; and the limited impact of social and educational interventions due to the lack of interaction between education and job policies and other sectoral policies.

### Appraisal
Defines clear methodology and present results and recommendations in a logical form.

## CHECK LIST

<table>
<thead>
<tr>
<th>UTILITY</th>
<th>YES</th>
<th>NO</th>
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<tbody>
<tr>
<td><strong>Report Clarity and Balance</strong></td>
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<tr>
<td>Are the objectives, methods and findings of the evaluation clearly described?</td>
<td>X</td>
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<tr>
<td>Are the conclusions and recommendations clearly supported by the analysis?</td>
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<tr>
<td>Are the strengths and weaknesses of the intervention being evaluated fairly assessed and reported?</td>
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<tr>
<td>Is the outcome of the intervention clearly reported?</td>
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## RELIABILITY OF FINDINGS

### Evaluation design
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<td>Is the approach and methods suitable given the objectives of the valuation and the intervention being assessed?</td>
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<td>Are the details of the operation of the intervention clearly described?</td>
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<td>Are the mechanisms through which the intervention is intended to achieve its objectives clearly identified?</td>
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### Context
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<tr>
<td>Is the socio-economic and policy context clearly set out?</td>
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<tr>
<td>Are the effects of the economic and/or policy context on the outcome of the intervention clearly described?</td>
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### Information Sources
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<td>Are the quantitative and/or qualitative data used suitable for the purpose for which they are used?</td>
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<td>Is the reliability of the data fairly assessed and described?</td>
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### Analysis
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<td>Are appropriate procedures/techniques used to analyse the data and/or qualitative information?</td>
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<tr>
<td>Are suitable procedures used to check the validity of findings?</td>
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<tr>
<td>Is the validity of the findings reached clearly demonstrated?</td>
<td></td>
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<tr>
<td>Do the policy recommendations follow clearly from the findings of the analysis?</td>
<td></td>
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</table>
**BASIC INFORMATION**

- **Country:** Italy
- **Policy area:** Territorial development

**Title of evaluation and full reference**
- Ex post evaluation ROP ERDF 2000–2006 ITPs Campania

- 2000–2006

**Timing of the evaluation**
- May 2011

**Budget (if known):** EUR

**Evaluator**
- Internal evaluator

**Method**
- Analysis field and desk, interviews and focus group with stakeholders, case study.

**Main objectives and main findings**

The aim of evaluation is to analyse the implementation of ITPs in Campania; to study the effects of ITPs comparing them with economic and social development’s goals and to find information and instruments to improve the future programme 2007–2013. The evaluation underlines that ITPs have helped to increase the quality of life in local territory and sometimes the interventions realized by ITPs are managed by models of integrated networks. Moreover, the ITPs have supported institutional governance and have facilitated dialogues between institutions. The study shows the lack of sustainability of ITPs interventions and the lack of creation of strong public-private networks.

**Appraisal**
- Defines clear methodology and present results and recommendations in a logical form.

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<tr>
<td>Are the conclusions and recommendations clearly supported by the analysis?</td>
<td>X</td>
<td></td>
</tr>
<tr>
<td>Are the strengths and weaknesses of the intervention being evaluated fairly assessed and reported?</td>
<td>X</td>
<td></td>
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<tr>
<td>Is the outcome of the intervention clearly reported?</td>
<td>X</td>
<td></td>
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</tbody>
</table>

**RELIABILITY OF FINDINGS**

<table>
<thead>
<tr>
<th>EVALUATION design</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Is the approach adopted by the evaluation and method used clearly set out?</td>
<td>X</td>
</tr>
<tr>
<td>Is the approach and methods suitable given the objectives of the valuation and the intervention being assessed?</td>
<td>X</td>
</tr>
<tr>
<td>Are the details of the operation of the intervention clearly described?</td>
<td>X</td>
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</table>

<table>
<thead>
<tr>
<th>CONTEXT</th>
<th></th>
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</thead>
<tbody>
<tr>
<td>Is the socio-economic and policy context clearly set out?</td>
<td>X</td>
</tr>
<tr>
<td>Are the effects of the economic and/or policy context on the outcome of the intervention clearly described?</td>
<td>X</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>INFORMATION Sources</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Are the quantitative and/or qualitative data used suitable for the purpose for which they are used?</td>
<td>X</td>
</tr>
<tr>
<td>Is the reliability of the data fairly assessed and described?</td>
<td>X</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>ANALYSIS</th>
<th></th>
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</thead>
<tbody>
<tr>
<td>Are appropriate procedures/techniques used to analyse the data and/or qualitative information?</td>
<td>X</td>
</tr>
<tr>
<td>Are suitable procedures used to check the validity of findings?</td>
<td>X</td>
</tr>
<tr>
<td>Is the validity of the findings reached clearly demonstrated?</td>
<td>X</td>
</tr>
<tr>
<td>Do the policy recommendations follow clearly from the findings of the analysis?</td>
<td>X</td>
</tr>
</tbody>
</table>
**BASIC INFORMATION**

**Country:** Italy

**Policy area:** Local and territorial development

**Title of evaluation and full reference**

“Policies for local development: an evaluation of Italy’s “Patti Territoriali”


**Timing of the evaluation:** January 2011

**Budget (if known):** unknown

**Evaluator:** Researchers from Banca d’Italia

**Method:** Counterfactual approach.

**Main objectives and main findings**

The study is aimed at assessing the effectiveness of territorial pacts (TP). TP (starting from 1996) are Plans of development presented by entrepreneurs and trade unions and local authority and regarding the development of a specific area (all municipalities from Objective 1 were admitted, while only municipalities under Ob. 2 and 5b). Public funds for TP are limited to a maximum of EUR 50 million for each TP. Comparing the economic results in areas covered by the TP and areas not covered, the authors conclude that TP programmes have been “largely ineffective” in terms of growth of employment and business.

**Appraisal**

*Strong points:* It’s a first attempt to estimate the “quantitative” impact of TP, after the literature concentrated high attention on issues such the implementation, changes at local level in terms of social capital, ability to perform collective action, participation of civil society.

*Weak points:* It’s not well explained the choice of variables of impact: employment and number of plants. What is the theory behind this choice? Why other possible variables were not taken in account, such as “public goods created” or “infrastructure”, that seem linked to the program theory of TP? It seems that it is due to, above all, the availability of the data at municipality level.

**CHECK LIST**

<table>
<thead>
<tr>
<th><strong>UTILITY</strong></th>
<th><strong>YES</strong></th>
<th><strong>NO</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td>Report Clarity and Balance</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Are the objectives, methods and findings of the evaluation clearly described?</td>
<td>X</td>
<td></td>
</tr>
<tr>
<td>Are the conclusions and recommendations clearly supported by the analysis? It’s worth noting that the study does not present recommendations</td>
<td>X</td>
<td></td>
</tr>
<tr>
<td>Are the strengths and weaknesses of the intervention being evaluated fairly assessed and reported?</td>
<td></td>
<td>X</td>
</tr>
<tr>
<td>Is the outcome of the intervention clearly reported?</td>
<td></td>
<td>X</td>
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</table>

**RELIABILITY OF FINDINGS**

| **Evaluation design** | | |
| Is the approach adopted by the evaluation and method used clearly set out? | | X |
| Is the approach and methods suitable given the objectives of the evaluation and the intervention being assessed? | | | X |
| Are the details of the operation of the intervention clearly described? | | | X |
| Are the mechanisms through which the intervention is intended to achieve its objectives clearly identified? | | | X |

| **Context** | | |
| Is the socio-economic and policy context clearly set out? | | | X (only partially) |
| Are the effects of the economic and/or policy context on the outcome of the intervention clearly described? | | | X |

| **Information Sources** | | |
| Are the quantitative and/or qualitative data used suitable for the purpose for which they are used? | | | X |
| Is the reliability of the data fairly assessed and described? | | | X |

**Analysis**
Are appropriate procedures/techniques used to analyse the data and/or qualitative information? X
Are suitable procedures used to check the validity of findings? X
Is the validity of the findings reached clearly demonstrated? X
Do the policy recommendations follow clearly from the findings of the analysis? (No policy recommendations are included) X

**BASIC INFORMATION**

**Country:** Italy

**Policy area:** Enterprise Support

**Title of evaluation and full reference**


**Timing of the evaluation:** 2010

**Budget (if known):** Not Known

**Evaluator:** Academic researchers: A. Cerqua and G. Pellegrini

**Method:** Multiple Regression Discontinuity Design

**Main objectives and main findings**
The study is aimed at assessing the effectiveness of capital subsidies to private firms, particularly focusing on the impact of subsidies distributed by law 488/92. It concerns the main policy instrument for reducing territorial disparities in Italy and represent 30% of total financial aid to firms in Italy in the period 1996–2006. Some positive and statistically significant results were founded: investments increased by 6.5 to 7.7% points every year in the subsidized firms and the turnover increases by 7.5 to 10.5% points yearly.

**Appraisal**

**Strong points:**
- Sound counterfactual methodology applied
- High internal validity of the experiment
- Results are robust to changes in parameters of the analysis (bandwidth and kernel)

**Weak points:**
- A limited dataset does not allow to disentangle the intertemporal substitution effect of subsidies on investments. i.e. the policy might have only influenced the timing of investments, giving the incentive to firms to anticipate them instead of stimulating new ones.
- The long-run effects on firms’ competitiveness cannot be assessed;
- Limited possibility to extend results to the entire population of enterprises
- Growth effects on poorer Italian areas are not analyzed.

**CHECK LIST**

**UTILITY**
Are the objectives, methods and findings of the evaluation clearly described? X
Are the conclusions and recommendations clearly supported by the analysis? X
Are the strengths and weaknesses of the intervention being evaluated fairly assessed and reported? X
Is the outcome of the intervention clearly reported? X

**RELIABILITY OF FINDINGS**

**Evaluation design**
Is the approach adopted by the evaluation and method used clearly set out? X
Is the approach and methods suitable given the objectives of the evaluation and the intervention being assessed? Partially
Are the details of the operation of the intervention clearly described? X
Are the mechanisms through which the intervention is intended to achieve its objectives clearly identified? X

**Context**
Is the socio-economic and policy context clearly set out? X
Are the effects of the economic and/or policy context on the outcome of the
5. **CONCLUDING REMARKS – FUTURE CHALLENGES**

**Main points in the 2010 country report**

- The first challenges for the Italian structural policy are the recovery of productivity and the promotion of easy adjustments of the productive structure; EU interventions did not seem sufficiently focused on these so far.
- There is not enough commitment and efforts in capacity building while there is a strong need for new and more determined approaches in this field.
- There is a lack of evidence on initial results and a lack of reflection on the problems determining delays, implementation difficulties and affecting the quality of the interventions; monitoring and evaluation need to be strengthened.

The 2010 fiscal consolidation marks the end of a phase in the national policy for regional convergence. The introduction of the fiscal reform to adapt to a federal government and a substantial reduction of resources for lagging areas have changed the relationships and the redistributive rules among regions. This not only affects development policy but also the welfare state in the regions with lower fiscal capacity. The severe constraint imposed by the financial integration and the prevailing budgetary policy stance in the EU means that the budget consolidation will last for some time. Even if all these conditions are not yet fully operating and the fiscal federalism will take some time to become fully operational, a far reaching change has been made. Consequently, a phase started in 1992 with the closure of the Extraordinary Interventions for the Mezzogiorno and the creation of a largely decentralised regional policy integrated into a regional investment plans and, based on a significant amount of financial transfers to the southern regions is no longer sustainable. It is not possible to take stock of the failures and successes of that phase in this report, however we need to underline the drastic change in the framework in which structural policy are implemented. This change requires a far reaching adaptation of the regional development strategies and the decision making mechanisms; a clearer identification of competitiveness and social cohesion objectives is needed to avoid a dispersion of resources. In this respect, a higher concentration of the interventions and an increased capacity of planning are urgent. This does not simply mean a priority for large projects, but more focused actions on fewer priorities; the recent Action Plan for Cohesion is moving in this
direction even if it is conditioned by urgency due to the grave delay in the programme implementation.

In convergence regions, the current programming period has produced limited effects until now. Delays in the implementation is the main cause of this at the moment, but the analysis of available achievements showed that in perspective only some policy fields (R&D, education, energy) are able to produce effective and visible results. The interventions in the other policy fields only managed to keep the disparities unchanged, reinforce some local economies, support the maintenance of existing infrastructures to prevent services levels to decrease in comparison with the northern regions. This also means that an integrated impact of the programming and a critical mass effect can no longer be expected if drastic changes do not occur very quickly. Many different causes (major delays, economic crisis, poor planning, lack of public national resources, weak political commitment, inefficient capacity) are at the root of this situation and they cannot be tackled all in the short time, however some signals of change need to be given, also in the perspective of ‘after 2013’.

The economic crisis is reducing the manufacturing sector everywhere, but in convergence this is more pronounced than in the Centre–North in relation to the poorer future possibility of productivity growth. Here, for the moment a significant growth of local districts or the attraction of foreign large investments is very feeble. The increased economic integration of the local enterprises with other centre–northern enterprises or with some foreign enterprises along the international value chains seems the best chance to maintain a good perspective of growth in this area. A stronger national industrial policy and clearer choices concerning the economic options in Cohesion Policy interventions are the preconditions for a more proactive development policy.

In Convergence institutional and administrative capacity continue to be inferior to the level required by the current economic and social challenges, and often also to the previous programming period levels. Recent initiatives for automatic de-commitment of the government fostered growth in commitment and, hopefully, in the expenditure during recent months. It is important, but it is not enough. Specific targets regarding the efficiency of the procedures, definite and explicit workloads for the departments, individual responsibilities and mobilisation of additional personnel have to be decided. Without well-defined plans, and related "stick and carrot", no progress seems possible available.

In competitiveness the implementation problems are less relevant and potential effects are generally in line with initial expectations and constraints generated by the economic crisis. The on–going transformations in this area are vast and the EU policy can only contribute to tackle some of them, but especially in the R&D field their role is decisive. The main issues are related to the coordination of many similar interventions in contiguous areas and the integration of structural adjustments with social needs during a period of increasing unemployment.
In conclusion, the evaluation of structural interventions activity carried out by the administration is weak in respect of the broad implementation difficulties and the vast economic challenges that they have to face. Even if good examples in some OPs and a good analytical capacity emerges in a few cases, on the whole evaluation does not operate as an integrated tool of programming and managing the funds and therefore is not able to promote a debate and participation of the stakeholders based on evidence.
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- Ex post evaluation ROP ERDF 2000–2006 ITPs, Campania (May 2011)
- Ex post evaluation “Città di Napoli” 2000–2006, Campania (July 2011)
- Ex post evaluation of ITP “Salentino–Leccese” 2000–2006, Puglia (September 2011)
- On-going evaluation of ROP 2007–2013, Lombardy (October 2010)
- Ex post evaluation measure 1.1 of SPD ERDF 2000–2006 on mountain areas, Trento (May 2011)
- Ex post evaluation measure 1.4 of SPD ERDF 2000–2006 on research and Innovation, Trento (May 2011)

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Svimez, Rapporto 2006 sull’economia del mezzogiorno, 2006, il Mulino;

INTERVIEWS
(interviews with Managing Authorities involved also other officials and administrative sectors)
Federica Bertamino – Uval (Dipartimento Politiche di Sviluppo)
Felice Bonanno – Managing Authority ERDF OP Regione Sicilia
Albino Caporale – Managing Authority ERDF OP Regione Toscana
Sabina De Luca – Coordination of strucutral funds (Dipartimento Politiche di Sviluppo)
Morena Diazzi – Managing Authority ERDF OP Regione Emilia–Romagna
Nicolino Paragone – Dipartimento Politiche di Sviluppo
Paolo Praticò – Responsabile Uval (Dipartimento Politiche di Sviluppo)
Saverio Romano – Igrue – Ministero dell’Economia
Massimo Sabatini – Confindustria
Anna Tavano – Managing Authority ERDF OP Regione Calabria

TABLES
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Table 1 – Regional disparities and trends
Table 2 – Macro-economic developments
Table 3 – Financial allocation by main policy area
Table 3 CBC – Financial allocation by main policy area
Table 4 – Commitments by main policy area (by end–2010)
Table 4 CBC – Commitments by main policy area (by end–2010)
Table 5 – Key statistics by policy area and territory