

Ex post evaluation of the Objective 5b and LEADER II programs 1995 – 1999 in Austria

Executive Summary

1 Introduction

By taking over EU structural policies in the programming period 1995-99, the Objective 5b program and the LEADER II Community Initiative put a focus of Austrian structural and regional policy on rural regions. The interventions of the Structural Funds EAGGF, ERDF and ESF provided the basis for mobilizing a large project and investment potential for the structural adjustment of lagging rural areas.

In the following, a brief description of evaluation goals, tasks and methods of the evaluation, followed by main results and concluding with perspectives for future programming will be presented.

2 Evaluation framework

The European Union's mission in the **Objective 5b programs** in the programming period 1995-99 was the top-down oriented support of the development and structural adjustment of rural areas through:

- diversification of agricultural and non-agricultural economic sectors
- maintenance and/or diversification of incomes
- maintenance and/or raise of living standards.

The Community Initiative **LEADER II** uses a 'bottom-up'-approach in selected LEADER regions (cf. Chart 1) to stimulate the endogenous learning and innovation potential of local actors for local co-operation, identity-building and cross-sectoral initiatives. The LEADER II groups focused on skills acquisition, innovation in rural areas, local development groups as well as transnational cooperation.

The structural adjustment of the less prosperous rural areas in Austria was co-financed by three Structural Funds:

- the Guidance Section of the European Agricultural Guidance and Guarantee Fund (EAGGF-Guidance section) to support measures for the adjustment of agricultural structures and rural development.
- the European Regional Development Fund (ERDF) to support productive investment, infrastructure, SME development as well as measures to tap the endogenous regional potential.
- the European Social Funds (ESF) to support measures to promote employment (education systems, vocational training and recruitment aids).

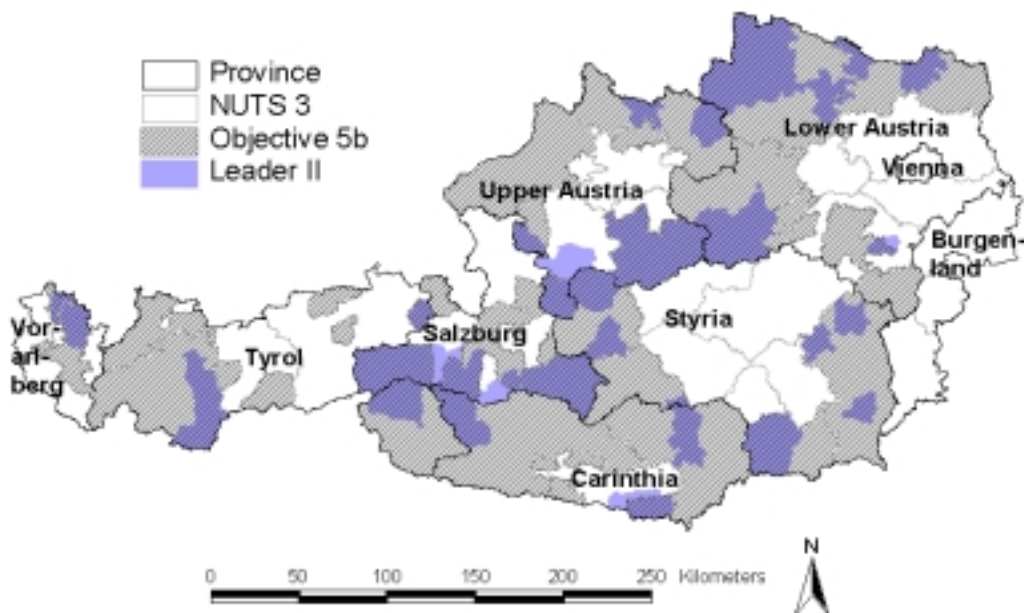
The creation of regional development potentials highly depends on an better integration of agriculture into non-agricultural economic sectors such as industry, e.g. through organic farming or, direct marketing, as well as tourism, e.g. through farm holidays. Structural and synergetic effects are expected through horizontal diversification as well as vertical integration. Thus the implementation of Objective 5b in Austria aimed at contributing to integrated, cross-sectoral development of structurally weak rural areas.

The orientation of the program goals towards an integrated regional development strategy was reflected in the intervention logic documented in the Program Planning Documents: the seven Austrian Objective-5b programs and concomitant LEADER II programs for Carinthia, Lower Austria, Salzburg, Styria, Tyrol, Upper Austria, and Vorarlberg were designed as bundles of coherent measures.

Due to the diverse conditions and specific regional problems in the Austrian Objective 5b programming area, the programs had different development goals and strategies. Beyond the generally high importance attributed to the diversification and re-orientation of the agricultural sector, the programs showed a strong orientation in the non-agricultural sphere either manufacturing (Styria, Lower Austria, Upper Austria), or on tourism (Vorarlberg, Tyrol, Salzburg, Carinthia).

Chart 1

Objective 5b and LEADER II program areas in Austria (1995-99)



Source: ARC Seibersdorf research.

Evaluation goals

The terms of reference specified two main evaluation tasks:

- an evaluation, at program level, of the effects of the Structural Funds priorities and measures as well as their synergetic goals,
- an evaluation, at overall Austrian level, of the programs’ synergetic and structural, i.e. a synthesis of program-specific and cross-program results aiming at integrated regional development and structural adjustment.

Evaluation method and data

Extensive primary data collection was neither commissioned nor financially feasible in the context of the evaluation exercise. The terms of reference specified that analyses had to be based on project information gathered during program implementation, particularly the Structural Funds’ national monitoring databases. In addition, a number of descriptions of the large-scale project activities were requested. Other useful information came from annual progress reports (material and financial status) and meetings with program officers.

Key information on program implementation

For Objective 5b period a total of 5,3 bn. ATS (about 1,1 bn. EUR) Structural funds were available: 2,4 bn. ATS (= 172,8 mio. EUR) for the EAGGF interventions, 2,5 bn. ATS (= 184,2 mio. EUR) for ERDF interventions, and 1 bn. ATS (= 75,6 mio. EUR) for ESF interventions. By the end of 1999, 16,1 bn. ATS (= 432,6 mio. EUR) were granted in financial assistance. The share of the Structural Funds of total public funding was 38% for EAGGF and ERDF and 44% for ESF.

The EAGGF concentrated on measures to develop infrastructure, regional energy supply and the processing and marketing of quality products. Approx. 12.000 projects were assisted and 6.500 jobs created and/or secured.

The ERDF focussed on measures to strengthen the competitiveness of the industrial sector, particularly small and medium enterprises (SME), as well as measures to develop high-quality tourism to raise regional value-added. ERDF assisted a total of 21.666 projects, planned 18.269 new jobs as well as 1.942 new businesses.

ESF interventions aimed at developing the labor potential through qualification and employment measures. A total of 75.700 subsidized cases were documented.

The Community Initiative co-financed a total of 1.260 projects with the available 663 mio. ATS (approx. x 48,2 Mio. EUR) with a strong focus on measures to foster innovations in rural areas.

3 Impacts of the Objective-5b programs

3.1 Impacts on agriculture and forestry (EAGGF)

The EAGGF sub-programs introduced a novel multifunctional assistance instrument into Austrian agricultural policy. The goal of supporting structural change in Austria's rural regions could nevertheless not be fully reached. Yet a positive contribution, however on a rather small and local scale, was attained with a community-based approach to reach public development goals to raise locational quality as well as economic and qualification goals. The EAGGF sub-programs succeeded in maximizing the available public EU and national funds. This was regarded quite a success given the challenges involved in implementing such a complex program.

Adaptations in programming

The general trend in the spending of funds showed that the main goals of the EAGGF had to be re-adjusted during the program implementation. Economically oriented measures with higher direct employment effects aimed at agricultural holdings (quality production, farm tourism, diversification), qualification and local development measures could not be implemented according to planning. On the other hand, measures aimed at public development goals and improving locational factors (infrastructure, technical accompanying measures) received much more support than initially planned.

New implementation structures for joint projects

A great opportunity with the re-orientation of regional agricultural policy within Objective 5b was not to be restricted on single measures but – wherever possible – to choose an integral approach and new cooperation forms. Before the advent of Objective 5b, joint projects had the status of 'pioneer projects'. Objective 5b marked a clear re-orientation. The promotion of framework projects (flexible cooperation platforms and individual investments in closer or looser coupling to a framework project) were the primary promotion subjects. The value-added of EAGGF

interventions – the development of joint projects with regional focus - and the consequent re-orientation of hitherto mostly individual financial assistance, would not have been possible without the new regionally-based accompanying and advice structures. Existing deficits with respect to the two key factors - consulting and public relations - have partly resulted in substantial changes in programming.

Diversification – niche strategies without broader structural effects

Strategies to raise non-agricultural income were aimed at farm tourism and rural services. About 10% of public funds had been planned for these two types of EAGGF interventions, yet they were cut considerably due to the difficult market situation and the missing potential of suitable agricultural holdings as well as rural tourist associations. Funds for diversification projects were also cut. Nevertheless successful projects were launched providing a number of farmers, partly also commercially active, with additional income.

In farm tourism, the major result was a clear focus on qualification and specialization of farmers in an environment characterized by strong market adjustment forces. Seminars and courses to develop rural services and quality improvements in farm tourism were highly important activities.

Building up regional energy supply from bio-mass may be attributed to diversification activities, if rural communities participate in the construction, supply, maintenance and operation. Regional energy supply from community plants was considerably promoted with 20% of public funds and approx. 5.600 participating farmers. Collecting local fuel wood and the opportunity for part-time employment created regional value-added.

Income perspectives for innovative farmers through quality production

EAGGF sub-programs in Objective 5b gave significant momentum to provide a significant number of innovative farmers with new income from quality production. The consolidation of market incomes for innovative and experienced farmers was possible through this central EAGGF measure 'processing and marketing of regional quality products': 16% of the funds were reserved for increasing value-added.

More than 40% of jobs were created or secured by promoting the production and the marketing of high quality special and niche products. A stronger position in the local market could only be gained through co-operation with producers and through consulting-intensive regional offers. Project accompanying assistance and widely available qualification measures were highly important since this type of project required a disproportionate amount of management knowledge and marketing activities. Accompanying investments for environmental protection and improvement of technical infrastructure were equally supported.

Structural conservation in rural areas

In the context of the EAGGF measure 'rural infrastructure, meadows, melioration' with 25% of available funds, selective deficits in the development of rural areas were reduced and considerable efforts made to maintain and develop traditional cultural landscapes.

In the measure 'village development and revitalization of typical buildings' with a share of 9% of public funds, successful activities in Carinthia and Lower Austria were diversified. Projects in Styria, Lower Austria, the Tyrol and Vorarlberg had a stronger community-oriented emphasis.

Improving skills and qualification levels among the rural population

The implementation of this intervention type in Styria, Lower Austria, and in Carinthia had purposely gone beyond traditional agricultural education and training programs. Interestingly the promotion in the Tyrol and Salzburg, which had exclusively been based on traditional activities,

succeeded only partly. The option to co-finance studies and research has only been taken up extensively in Lower Austria.

Forestry

About 5% of public funds co-financed projects to maintain and improve the protection and well-fare functions of forests as well as forestry communities. Due to the large number of mixed agricultural and forest holdings, an important goal was to increase value-added from forestry for farmers. Thus approx. 160 forest communities were assisted to build co-operations among small-scale forest owners. Under the direction of forestry masters woods were better managed and their marketing more professionally organized.

Direct employment effects

In the seven EAGGF sub-programs, about 6.000 to 8.000 jobs were directly secured or created in agriculture and forestry using 10% to 30% of overall EAGGF public funds.

Structural effects

Many findings show that the EAGGF in Objective 5b was not able to substantially decrease structural deficits, but rather remove local deficits. Expectations of broad structural effects in the planning phase were highly over-estimated. Public development activities reached a larger number of participants than economic development activities.

More strategic support for development-oriented measures

The current mode of primarily conservation-oriented assistance will soon reach a limit if a stronger economic orientation is to be strengthened. Value-adding measures in co-operation between agriculture and industry will have to be increased in the future to provide a growth perspective beyond local niche markets.

3.1.1 Impacts on the non-agricultural economy (ERDF)

The ERDF interventions generally had three development priorities. The goal of strengthening the competitiveness and innovation capacity of the regional non-agricultural economy was to be attained through two sectoral priorities, diversification of crafts and industry and the development of quality tourism. The third priority - activating the endogenous potential - aimed at mobilizing regional actors.

Major findings

Investments in material, 'hardware'-oriented measures (e.g. machines or plants) dominated over immaterial, 'software'-oriented measures (e.g. research or consulting). ERDF interventions thus showed a clear orientation towards traditional investment promotion with a rather small share of innovation-oriented activities.

The overall range of ERDF assistance comprised slightly more than a quarter of all businesses in the Objective 5b programming area. Business promotions projects were the most popular among the various types of intervention in ERDF. The demand proved to be quite dependent on the business cycle. Industry-wide investments of a material kind, such as public infrastructure, promise to improve of the locational attractiveness of many rural areas. Several immaterial measures also aimed at stronger networking of regional actors.

Development priority ,industrial development'

The goal was to strengthen the competitiveness of small- and medium-sized enterprises which represented more than 95% of all enterprises supported with ERDF. Interventions included business investments, new firm foundation, industry-wide cooperation and innovation.

The strongest direct effects in the industrial sphere were gained through business modernization projects. The focus was on structural improvement and extensions of plants with a share of 61% of all projects and 86% of all investments in ERDF.

New firm foundation is regarded as important for regional structural change. New firm growth dynamics within the program did not quite reach expectations. A total of 1.589 new businesses were supported by ERDF, the majority in retail, construction and manufacturing. The contribution of these traditionally 'rural' economic branches to structural change was assessed as rather limited.

The scope and effects fostering cooperation could not be evaluated because no information was available.

A useful indicator for innovation activities in businesses is research and development investment. The relatively low innovation potential of rural areas in general could only be stimulated extensively in Upper Austria and Styria.

Large-scale infrastructure projects were mostly regional business-oriented service facilities to improve locational attractiveness.

Across all industry-related ERDF interventions, the majority of the 4.814 planned new jobs were in manufacturing. It is reasonable to assume that the regional knowledge bases were improved by hardware-inherent knowledge acquisition such as qualification and training, R&D and consulting.

Overall, the ERDF priority resulted in a considerable modernization of material infrastructure (machines, plants, buildings) as well as regional business support (service) infrastructure.

Development priority 'tourism'

ERDF interventions aimed at promoting quality tourism to raise value-added in the regions. At the beginning of the programming period, tourism enterprises were hesitant to invest due to massive drops in arrivals. The growth in arrivals and overnight stays in the following years, however, spurred the demand for investment support.

A major goal was to increase capacities in high-quality-oriented enterprises. Investments focussed on modernization and extension projects. The majority of projects benefited the lodging segment, with a regional focus in Salzburg and Carinthia. Three quarters of the 353 new tourist businesses concerned the accommodation segment.

The quality-oriented strategy was successfully implemented: The number of beds in the quality accommodation increased by +13%, thus exceeding the rise in the total number of beds (+9%). Upper Austria and Lower Austria improved their quality segment comparatively the best. Moreover, the creation of 3.455 new jobs was planned.

Other major goals for Austria's tourism policy were the improving market position (especially through regional lead projects) and the professionalization of tourism associations. It was not possible to assess the impacts because there was no information available.

Overall, the ERDF of the Objective 5b program considerably speeded up and intensified the structural change in the field of tourism towards quality improvements.

Development priority ,activating the endogenous regional potential'

The goal was to mobilize local actors and projects for regional development through regionally adapted strategies. Particularly lead projects (either large-scale or good-practice) are likely to stimulate the basis for longer-term development potential.

An important instrument to implement integrated development are regional support structures, so-called regional management offices. ERDF officials highlighted the fact that regional managers set considerably impulses to initiate and improve particularly innovative and cooperative projects, in addition to their information and advice functions.

Program implementation

The management of ERDF interventions showed a clear orientation towards the efficient utilization of the planned public funds. By the end of the programming period, 109% of ERDF funds had been allocated. Generally, the funds planned for tourism-related activities were considerably cut and added on for measures promoting manufacturing projects. Based on missing adaptations of the program strategies, adjustment processes in program management seemed to be purely reactive.

The quantified targets values in ERDF measures were mostly considerably under- or over-estimated. The reasons were partly external determinants (e.g. changes in the business cycle), but also little ambitious targets or underestimated absorption potential.

Compared with the EAGGF and the ESF, ERDF interventions employed (too) a broad set of policy instruments to address quite heterogeneous sectoral and regional problems. The majority of public funds, however, were attributed to well-established, demand-oriented promotion instruments (such as business investment support).

3.1.2 Impacts on social affairs (ESF)

The strengthening of the labor force living in Objective 5b regions was the main focus of training and employment measures carried out under Objective 5b programs. For that purpose active labor market policy measures like training of unemployed and of employees, subsidized employment for long-term unemployed and support measures (counseling of different target groups) were implemented. These interventions are part of the traditional active labor market policy measures of the Public Employment Service.

Concerning the number of subsidized persons, in five provinces the main focus was on the training and continuous education of employees. Two provinces (Vorarlberg, Upper Austria) preferred the training of unemployed people. The planned number of subsidized persons was remarkably exceeded. The impact of training courses for unemployed and employees lays in the acquisition of basic skills, especially in the field of handling computer programs.

An upgrading of the skill level hardly occurred. Therefore and because of the low number of subsidized persons there is hardly any impact on the regional educational level or on the regional income level.

Under Objective 5b the interventions of the ESF show an integration rate slightly above the average rate of all ESF interventions implemented under all Objectives. Six months after having finished the training or employment measure, 60 % of the participants are employed, the average rate of all ESF interventions covering all Objectives is 57 %.

A specific regional aspect can be found in the field of training offered for people working in the farming sector. These measures (e.g. farmers foundations) aim at enlarging farmers' economic base. In the tourism sector as well some ESF co-financed measures are part of an integrated

regional development strategy. A good practice example are training courses for the staff of wellness or health tourism institutions which were built with the means of ERDF.

The realization of the Objective 5b programs led to a more regional oriented labor market policy and a more intensive cooperation between the final beneficiaries (PES and regional government).

3.1.3 Impacts on Community priority policies: gender mainstreaming and the environment

Concerning the improvement of equal opportunities between men and women only small progress was made. The Objective 5b programs showed a lack of gender specific analyses, a lack of targets and related measures. Only the ESF interventions showed good promises in fostering equal opportunity.

Environmental protection measures were realized in ERDF and EAGGF. ERDF investments concentrated on businesses. Positive effects were expected with regard to energy and emissions into the air. EAGGF projects promoted environmental protection and measures to improve quality of life. Measures to improve quality of the environment concerned manure deposition, bio-mass plants, or cultural landscaping. Activities to improve quality of life comprised the construction of roads and pipelines. Integrative strategies to protect water and soil were noticeable in Tyrol, Lower and Upper Austria, to reduce emissions into the air in Styria.

3.2 Impacts of LEADER II

The evaluation of the LEADER II programs 1995–1999 took into account the specific qualities and characteristics of LEADER: a questionnaire developed by the European Observatory was sent to all LEADER groups in Austria.

Four sub-programs supported a total of 1.260 projects with 691 Mio. ATS (=50,2 Mio. EUR) were co-financed. A share of 48% came from EC funds: EAGGF with 141 Mio. ATS (=10,3 Mio. EUR), ERDF with 159 Mio. ATS (= 11,5 Mio. EUR) and ESF with 32 Mio. ATS (= 2,3 Mio. EUR). 34% of all public funds were dedicated to tourism, followed by marketing of regional agricultural products with 15% and training and consulting projects with 14%. Public funds for infrastructure projects amounted to 29%.

3.2.1 Overall evaluation

The LEADER II program in Austria can be considered a success. Several aspects will be highlighted:

Subprograms 1 and 2: Skills acquisition and innovation in rural areas

Targeted training of regional key actors proved to be highly important: success or failure of programs highly depended on individual persons.

The LEADER II program was a particular success in regions with already existing and functional regional cooperation structures. Particularly important was the cooperation between public institutions (municipalities), private initiatives and project promoters.

The majority of LEADER II projects met the standards set by the LEADER II program. According to the evaluators, however, some ventures not complying with the criteria of LEADER-II had also been approved.

Subprogram 3: Transnational co-operation

Only a few LEADER regions were prepared for transnational cooperation in the programming period 1995-1999. Most groups were primarily occupied with themselves. In international regions with similar problems and existing prior contacts (e.g. national parks), cooperation could be intensified.

Subprogram 4: Monitoring and Evaluation

The implementation of LEADER II had in some regions considerably diverged from the initially planned priorities and goals. Assumptions and expectations in the Operational Programs were partly unrealistic, the targets of sub-goals were set too high most times. The LEADER groups concerned together with the responsible government officials, however, changed course and were then able to develop successful projects.

The example of Lower Austria showed that qualified accompanying advice for regional actors such as workshops was highly valuable. In some provinces, however, due to the strictly Funds-oriented program structure, there was not enough coordination among the administration as well as between administration and the LEADER groups. As a consequence, several opportunities for synergies could not take effect during program implementation. Similarly, the cooperation between Austrian LEADER regions and the LEADER Observatory in Brussels remains to be improved.

Both ex post and midterm evaluation have shown that the indicators in the monitoring system area inadequate. Information on the specific qualities of the LEADER program may only be collected at the level of individual LEADER groups and require large amounts of qualitative data.

3.2.2 Recommendations for implementing the LEADER Plus program

Co-operation

- Extensive training of regional key actors
- Comprehensive preparation and careful set-up of co-operative structures in all new LEADER regions, professional management of all LEADER groups
- Securing the fair co-operation between participating actors, particularly between public institutions and private initiatives and project promoters, adequate attention for topical and organizational requirements in participation processes
- Improved horizontal and vertical co-operation in administration between federal and provincial levels, between individual departments in the provincial governments as well as between the government officials and LEADER groups.

Monitoring and evaluation

- accompanying consulting for each programm
- stronger focus on cross-sectoral and integrated approaches
- evaluation of LEADER+ with respect to the specific aspects of the LEADER program with qualitative methods
- more precise description of single project promoters and project titles in the monitoring system
- application and customization of the questionnaire developed by the LEADER Observatory
- better networking with the LEADER Observatory

3.3 Synthesis and Perspectives

3.3.1 Overall evaluation

The main goal of the Objective 5b programs in Austria was the adjustment of lagging rural areas to structural change through diversification and the creation of regional development potentials. This 'top down'-oriented program was complemented by the 'bottom up'-oriented activities of the Community Initiative LEADER II to foster endogenous regional development.

Overall, the programs successfully stimulated new regional development potentials, however on a smaller scale than expected. This general result should not be discouraging since it was Austria's first experience with complex EU Structural Funds programs. Program planning generally set (too) high targets and (too) high expectations of possible strategic effects. Some strategic goals had not been attainable within the short time period of five years.

An - admittedly rough - appraisal of the contributions of the Structural Funds to reaching the goals of Objective 5b is presented below.

Diversification of agricultural and non-agricultural sectors

EAGGF interventions created potentials for diversification with respect to farm tourism, rural services and regional energy supply.

Restrained dynamics in new firm formation and the structural composition of new jobs - mostly in traditionally 'rural' economic branches - showed some diversification potential in ERDF interventions. Industry-oriented service infrastructure may improve business settlement.

ESF qualification-oriented interventions focused on providing basic data processing skills which do not point towards new occupational fields or starting points for structural change.

Maintenance and extension of earnings through positive development of employment opportunities for the local population

EAGGF interventions were able to consolidate market earnings and provide new income perspectives in the measure 'processing and marketing of regional quality products'. More than 40% of the direct job effect was based on the promotion of the production and marketing of high-quality special and niche products. Growth perspectives for local niche markets may be located in the closer cooperation between agriculture and trade.

A useful indicator for earnings effects in ERDF interventions are direct job effects. The number of employees in subsidized businesses gained by 15% during the program period. 70% of new jobs were located in manufacturing. With regard to qualitative improvement in earnings, the 'knowledge-based' branches added about 27% of all new jobs.

ESF co-financed activities only selectively contributed to broaden income opportunities, e.g. through the qualification of a farm member to take up gainful employment. The remaining measures concentrated on re-gaining earnings for unemployed.

Raising standards of living by making rural areas more attractive for living and working; raising quality of life by public infrastructure; raising levels of income

The locational attractiveness was raised by EAGGF interventions through rural infrastructure measures, meadows, melioration and improving accessibility. Moreover, positive effects were noticeable through village development activities and revitalization of typical regional buildings.

Assessing the contribution of ERDF interventions to raise living standards was not possible due to lacking information on economic effects. It is however reasonable to assume that the financial support for businesses had positive effects on their competitiveness. Likewise, public infrastructure investments, particularly for tourism, will raise the attractiveness and the image of the region for recreational purposes, also for the local population. Moreover, business service infrastructure projects have the potential to raise the locational attractiveness.

As far as ESF interventions contributed to raising living standards was concerned, was not possible to evaluate given the data available. It can only be assumed that the living standard of those unemployed persons, who took up a job after training, improved..

Integrated regional development

Integrated regional development is a major guideline for Austrian regional policy to optimize synergy effects. Regional management offices represent an important policy instrument. Both established and new offices were successful in their information and advice function and also stimulated local and regional potentials to come up with innovative projects. A critical factor for success was the managers' relationship with the key actors in the region. Training, networking and exchange of experience need to be strengthened for more efficient and effective work.

Whereas Objective 5b ran a strongly Funds- and sector-specific program, integrated project development and implementation was successfully achieved within LEADER II.

3.3.2 Policy-relevante findings, implications and suggestions

Strategic performance of short-term public assistance programs

Whereas multi-annual programs may improve planning activities of regional development organizations, the period tends to be too short to result in strategic effects on the regional economy. It is therefore suggested to analyze the structural linkages and dynamics in the regions to optimize the mix of supporting instruments.

Goals and indicators

Indicators are used to describe the intended effects on different impact levels. A necessary prerequisite is their ability to be measured in reality. Moreover, target values need to be adequate, realistic and ambitious. Precise definition

- avoid too ambitious or too trivial goals, and
- define operational and quantifiable target values.

Program Planning

Integrated development as a major guideline for Austrian regional policy is based on cross-sectoral measures to optimize potential synergies and consequently their effects. Deficits identified in strategic program implementation concerned a lack of cross-sectoral activities as well as a lack of adjustment to regional needs. Appropriate methods to develop cross-sectoral and regionally adapted targets include

- scenario-analysis or other prospective methods for strategic programming
- regionalization of development goals to identify small-scale development potentials (particularly in rural areas)

In order to increase the management and thus also the legitimization of Structural Funds programs, we suggest

- formal organizations, such as program managements, to implement and/or adapt longer-term strategies, and
- continuous monitoring and management of program goal attainment (e.g. through ongoing evaluation).

Program implementation

Difficulties with program planning and implementing programs were particularly noticeable with innovative projects. Moreover, traditional sector-oriented intervention types dominated, reducing synergy effects. Promising strategies to counter-act these tendencies include

- introducing new approaches for public financial assistance programs: mobilization and governance effects through contests or co-operation models
- introducing stop-and-go decisions for phases for large and /or pilot projects to reduce risk of failure

Program evaluation

Efficiency, effectiveness, utility and relevance proved to be highly 'resistant' to this evaluation. Not the least because these dimensions highly depend on type, timing and duration of the evaluation exercise and on an adequate information basis.

In order to ease future evaluations of complex financial assistance programs, the following suggestions are made:

- adjustment of evaluation exercises to the requirements of the policy cycle (and thus increased utility of evaluation results)
- adaptation of /to information requirements (monitoring, reports, indicators)
- complementary or more detailed analyses of select interventions or policy fields (e.g. through thematic evaluations)
- introducing ongoing evaluations

Impact of EU Structural Funds programs an Austrian regional policy

Setting up a program implementation system was generally regarded successful, yet the expected 'leap' in quality improvement was not been achieved. With respect to partnership in program implementation, however, coordination between all administrative levels was improved: Particularly concerning operative procedures (electronic data transfer, controlling) institutional and organizational innovations took place.