

The role of strategic reporting: EU perspectives

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The role of strategic reporting: EU perspectives

- Why strategic reporting?
- Member State approaches to the strategic reports
- Key questions for the reports
- Longer term issues

Why strategic reporting?

- Performance of the Funds is a major concern
 - results show mixed messages regarding the performance of the policy
- Major problem of measuring performance because of deficiencies in reporting and monitoring
 - ex post evaluation of 2000-06 has highlighted serious problems
- Lack of political and public debate on performance of the policy
 - political focus is mainly on financial management, control and audit (negative messages - irregularities)
 - policy debate is often about process issues (more negative messages - need for simplification)

Why strategic reporting?

- Ideas for strategic reporting originated in the 'Solidarity Group' 2003
 - Cohesion policy should be guided by an overall EU strategy and periodically reviewed by the Council
 - the aim was to make Member States take more responsibility and be publicly accountable for Structural Funds spending
 - drew on the 'open method of coordination' techniques, such as peer review
- Part of a wider set of measures to encourage a more strategic approach

Why strategic reporting?

- Developed in the proposals for the Community Strategic Guidelines. The initial proposal by the Commission was for:
 - annual reports by Member States on implementation progress
 - examination and assessment of MS reports by the Commission
 - annual Commission report to the Spring Council
 - sent for opinion to the European Parliament, ESC and CoR
 - Council to make conclusions, Commission responsible for follow-up
- Proposals diluted in the negotiations with Member States, which resulted in:
 - less frequent reporting (twice during the programme period)
 - short strategic report as part of the AIRs
 - Commission role to summarise Member State reports
 - European institutions 'invited to hold a debate'

Why strategic reporting?

- Regulation requirements - Articles 29(2) & (3)
 - Member States to provide 'concise report' on the contribution of programmes in implementing Structural Funds objectives, CSG priorities and Lisbon strategy
 - Reports to be submitted at the end of 2009 and 2012
 - Content of the report to identify:
 - socio-economic situation and trends
 - achievements, challenges and future prospects of the strategy
 - examples of good practice

Why strategic reporting?

- DG Regio provided guidance (May 2009) with structure, templates, questions
- Other specific information requested:
 - overcoming difficulties/delays in implementing programmes
 - response to the proposals in the European Economic Recovery Plan
 - potential changes in the priorities of the NSRF in response to changed socio-economic situation

Member State strategic reports

- Different approaches by Member States to strategic reporting
 - internalised process in most countries - drafting by national authorities or national/regional working groups (FR, ES, GR, IT, PT)
 - outsourcing of parts or all of the drafting in some Member States (e.g. AT, BE, CZ, DE) and use of academic experts (FR)
 - some use of public consultations (BU, CY, ES, IT, MT)

Member State strategic reports

- Very different interpretations of 'concise report' e.g. Finland (57pp) vs. Germany (221pp)
- Difficulties:
 - expectations of the Commission – “how serious is this exercise?”
 - late response - IE, NL only started discussions in October
 - data limitations or unavailability - lack of up-to-date data, inconsistencies across programmes
 - rapidly changing socio-economic situation
 - lack of evidence for impact (some special evaluations commissioned e.g. BE, ES)
 - difficulty of assessing broadly drafted NSRF (e.g. DE)
 - concern about including analysis of crisis measures (SI)

Member State strategic reports

- Expected submission of drafts to the COM (nominal dates):
 - the first final draft was submitted by AT!
 - November submission by BU, DE, ES, HU, IT, PL, SI, SK
 - early December: BE, IE, NL
 - late December: CY, CZ, DK, EE, FI, FR, GR, LV, LT, LU, MT, PT, RO, SE, UK
- COM will then do synthesis and overview for Spring Council 2010

Key questions for the reports

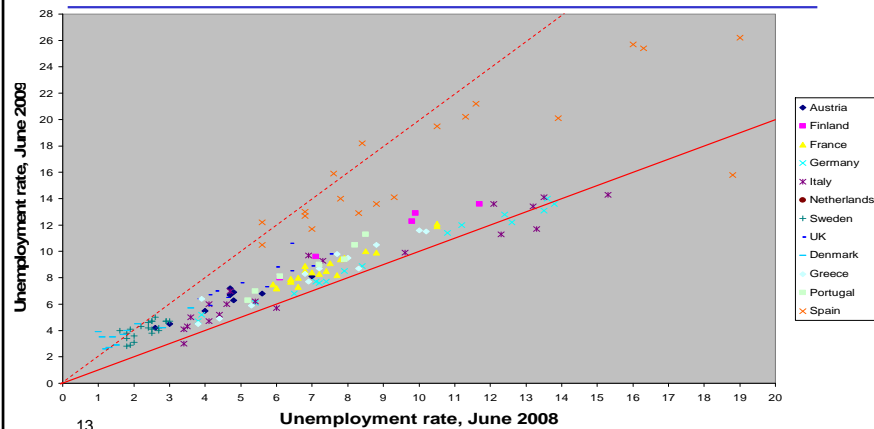
- How is the socio-economic situation changing?
- What progress are the programmes making in terms of commitments/spend?
- What is their contribution to the strategies?
- What are the implications of the crisis for programmes?

Key questions for the reports: How is the socio-economic situation changing?

The main changes have been due to the economic crisis:

- immediate impact in regions with export-oriented sectors, esp. automobiles, logistics, computers, paper and pulp
- affecting dynamic regions and traditional industrial areas, with effects spreading to SME suppliers nationwide
- regional impacts also...
 - in construction, particularly in urban areas
 - in the financial sector - concentration of job losses in areas of bank failure
 - through financial impacts from bank involvement in local authority financing
- variable impact on regional unemployment....relatively small narrowing of regional disparities in most countries

Key questions for the reports: How is the socio-economic situation changing?



Key questions for the reports: What progress are the programmes making?

- Concern about slow implementation in the first two years of the 2007-13 period, in terms of commitments and payments
- Acceleration in 2009, but big differences between countries (Sept 2009):
 - GR - commitments: 6% payments: 3%
 - CZ - commitments: 19% payments: 4%
 - FR - commitments: 20% payments: 3% (RCE)
- Some regions have much higher levels of commitments:
 - Mellersta Norrland (SE) - 62%
 - Wales (UK) - 51%
 - Vlaanderen (BE) - 50%
 - Auvergne (FR) - 38%
 - Nordrhein Westfalen (DE) - 35%

Key questions for the reports: What progress are the programmes making?

Differences in progress between priority themes

Commitment	Priority themes	Share of funding
Very High	Energy	3.1%
	Tourism	1.8%
	Strengthening institutional capacity	1.0%
	Compensation for outermost regions' development	0.2%
High	RTDI & entrepreneurship	18.6%
	Access to employment and sustainability	6.6%
	Investment in social infrastructure	4.9%
	Adaptability of workers and firms, enterprises and entrepreneurs	4.2%
	Urban & rural regeneration	2.9%
	Social inclusion of less-favoured persons	2.9%
	Culture	1.7%
Low	Transport	22.0%
	Environmental protection and risk prevention	14.5%
	Improving human capital	7.6%
	Information society	4.4%
Very Low	Mobilising reforms in the fields of employment & inclusion	0.4%

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Key questions for the reports: What is the contribution to the strategies?

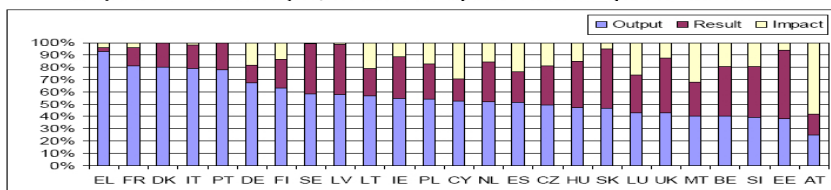
- Comparative assessment is likely to be difficult
- The core monitoring indicators are problematic
 - use of core indicators is varied and ambiguous
 - there are different interpretations of baselines and targets
 - different measurement units are used for the same core indicators across different OPs
- Many monitoring systems have been adapted/renewed but are still experiencing difficulties (e.g. DK, CZ, FI, FR, FG, PT)
- Continuation of some of the problems of 2000-06....

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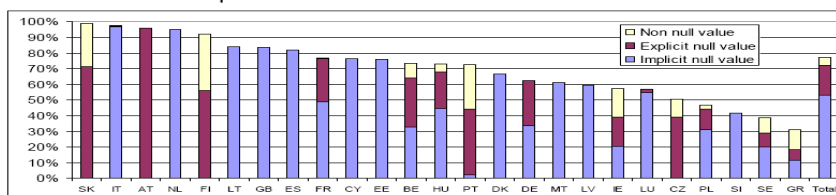
Key questions for the reports: What is the contribution to the strategies?

Graph 2 : Share of output, result and impact indicators per Member State



Source: ADE, 2008.

Graph 3 : Share of indicators with a baseline value



Source: ADE, 2008.

Key questions for the reports: What are the implications of the crisis?

- Overall, the impact of the crisis on programmes has been limited so far (Autumn 2009)
- The demand for funding has not been affected significantly:
 - programmes are still at an early stage - delayed demand
 - some regions have recorded a decline in demand (AT, CZ, FI, SI) but not always attributable to the crisis
 - public sector bodies have so far often maintained investment (aided by crisis packages).....
 - ...although some local authorities have struggled to find co-financing
 - private sector measures are often affected more, also some measures for disadvantaged areas/people

Key questions for the reports: What are the implications of the crisis?

- Changes to programmes have so far been relatively minor
 - accelerated implementation, especially to support construction, access to finance, export advice, employment (FI, UK)
 - changes to intervention rates to lower co-financing requirement (FI, UK)
 - changes to project selection criteria (AT, PT)
 - some virement of funding planned to business investment and job creation measures (AT, DK, GR)
- In general, there is a widespread commitment to maintaining the long-term strategic focus of programmes (encouraged by COM)
- Expectations of more significant changes to programme in 2010/2011, depending on the impact of the crisis and effect of withdrawal of crisis measures

Longer term issues

- Second strategic report is required in 2012
 - this will be an important input for thinking about post-2013 programmes
- The wider debate on Cohesion policy reform will increase expectations for a more 'results-oriented' policy
 - more conditionalities on the allocation of funding?
 - incentives/sanctions to encourage better performance?
 - enhanced reporting, monitoring, evaluation?
 - high-level debate on the performance of the policy?

Thank you for your attention!

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