

Contents

Part 1. Introduction and methodological approach	3
Part 2. Initial expectations and implementation of the OP by programme bodies over 2007-2011	4
2.1. Key lessons from the past	4
2.2. Strategic and operational orientations in the OP	5
2.3 Interpretation of the OP by programme bodies over 2008-2011	7
Part 3. Analysis of the current performance of the OP after the 7th call for proposals	9
3.1. Programme performance analysis.....	9
3.2. Analysis of the allocation of programme funding	24
3.3. Measuring the achievement of programme objectives	31
Part 4. Analysis of the continued pertinence of the OP for the programme area	49
4.1. Overview of major economic and policy changes in the context of the 2 Seas Programme	50
4.2. Vision of programme bodies on the impact of these context changes	53
4.3. Cross-approach between context changes and programme bodies opinions	58
Part 5. Orientations for future programme direction till 2013	60
5.1. Financial configuration for the remaining programming period	60
5.2. Towards the development of differentiated capitalisation and valorisation actions	65
Part 6. Key conclusions and recommendations.....	80
6.1. Key lessons and conclusions	80
6.2. Key recommendations	82
Annex 1: Sources of information	85
Annex 2: Questionnaire for Member States representatives	86
Annex 3: Thematic clusters - Synthesis of opinions from a sample of organisations.....	91

Part 1. Introduction and methodological approach

As part of Cohesion policy over 2007-2013, the European commission (EC) proposed to transform the Community initiative programme INTERREG into one of the three major objectives denominated European territorial cooperation (ETC), with a higher budget compared to 2000-2006.

In conformity with the general provisions for ERDF - ESF - Cohesion Fund over 2007-2013 (Regulation (EC) N°1083/2006 of 11 July 2006), certain regions situated along maritime borders separated by a maximum of 150 km were eligible for ETC.

Considering this new regulatory article on the maritime dimension, a new cooperation area denominated “2 Seas” emerged between four Member States (MS), namely France (FR), the United Kingdom (UK), the Netherlands (NL) and Belgium (BE), more specifically within Flanders.

The Operational Programme related to this cooperation area was approved by the EC on 19 September 2008. Its main aim is to develop the competitiveness and the sustainable growth potential of maritime and non-maritime issues through the establishment and development of cross-border cooperation and partnerships. The initial financial allocation through the European Regional Development Fund (ERDF) amounted exactly to € 167.000.183.

The Programme Monitoring Committee (PMC) launched an on-going evaluation process in November 2010. It resulted in a set of three steps as described below:

Step 1: An operational revision on the most urgent issues, notably : the Programme indicators, the OP itself linked to financial decommitment;

Step 2: A strategic mid-term analysis of the performance of the Programme and perspectives for improving the last part of the programming period;

Step 3: Analysis of the first results and lessons of the Programme for the next programming period.

The current evaluation covers the first two steps in the delivery of three key tasks:

- ▶ Task 1: An analysis of the current performance of the Programme
- ▶ Task 2: An analysis of the continued pertinence of the OP for the Programme area
- ▶ Task 3: Recommendations to future Programme direction

This document includes the final report for tasks 1, 2 and 3.

This evaluation has a very operational scope in view of revising the operational programme performance and optimising the use of remaining funds for the end of this programming period. It intends to provide in-depth analysis to decision-makers in order to assist them in the steering of the remaining period. This evaluation does not address as such the assessment of the OP implementation and governance.

The conceptual model adopted is rather classical and is based on the following approaches:

- documents review and desk-research activities
- interviews with Member State representatives and with a set of final beneficiaries
- in-depth quantitative and qualitative analysis

The consultancies CPC and Link EU were jointly selected to carry out the planned activities. The team of consultants is made up of Pascal Chazaud, Tako Popma and Estelle Floirac. The assignment was undertaken from March 2011 till November 2011.

Part 2. Initial expectations and implementation of the OP by programme bodies over 2007-2011

From a territorial perspective, the 2 seas programme brings together old and new partners in a large geographical area on two sides of a maritime border. Although several parts of the programme area have many years of experience in cross border cooperation, the current programme is essentially a new programme given its geography and scale. This new geography of the “2 Seas” programme offers the possibility to develop new types of bilateral partnerships as well as multilateral partnerships, with potentially long distances between the partners.

In 2007, the competent bodies at national, regional and local levels had to prepare the operational programme without any direct reference or guidance from the past period, taking also on board the reinforced maritime dimension.

It's worth reminding what the programme bodies wanted to achieve at the very beginning, in which context it took place and assess to what extent its implementation is in line with the initial plans after less than three years of lifespan.

2.1. Key lessons from the past

The 2 Seas programme lies within the scope of previous cooperation areas over 2000-2006, notably areas between France and the UK on the one hand and Netherlands and Flanders on the other hand. The key lessons drawn from their implementation have to be reminded and taken on board when assessing the current OP performance.

Main lessons drawn from the implementation of INTERREG IIIA France-England OP
(drawn from p.32 of the OP):

- *The development of the « maritime dimension » of the territory was limited. The maritime dimension was not seen as a federal theme for the OP;*
- *The leaders showed a greater sense of belonging to a common cross-border area meaning that a common identity started developing;*
- *A better consideration of the citizens and their needs by focusing on the everyday life of population through all its elements: education, training, citizenship, social cohesion, etc.*

In short, this Programme was above all a « generic » INTERREG, whose strong point is the incentive to new partnership practices, but not very focused on the initial strategic objectives. Many beneficiaries highlighted that it is in duration that permanent partnership set in and it is often said that three projects are necessary to get it. This partnership permanence is a crucial issue which should be considered in priority when defining the future OP.

Main lessons drawn from the implementation of INTERREG IIIA Netherlands-Flanders OP
(drawn from p.34 of the OP):

- *Existence of difficulties in generating projects regarding knowledge and innovation;*
- *The co-financing of projects related to the labour market is complex because it depends hugely on national regulations that cannot be influenced by the programme;*
- *The private sector was too less involved in the programme. There is a need to involve them more actively, to inform them and to provide the services to help with the administration of European projects.*

Globally, after three generations of community support via INTERREG, there was a growing focus on projects concretely implementing activities, pilot actions and activities of more strategic importance for the border area.

General conclusions

The past experiences show that the obstacles to the cooperation do exist and that the results are up to now relatively modest considering the central objective of strengthening the territorial integration. This process is on track but has to be strongly supported in order to increase the cross-border added value and to make a qualitative leap in the projects impact.

On the basis of these lessons, the following questions could be raised during this ongoing evaluation:

- To what extent is the running OP in line with these previous INTERREG III programmes, even if not completely in line with the new geography? Are there notable evolutions in the types of projects, involved partners, intensity of cooperation, etc.?
- Has the 2 Seas OP allowed so far to deepen the existing partnerships while enlarging them and developing new ones?
- Have specific procedures been implemented in order to inform and involve the potential beneficiaries from NUTS III territories without any prior experience in cross-border issues?
- Have citizens, the voluntary sector and SMEs been more deeply involved in approved projects in order to increase the impact at local level?

2.2. Strategic and operational orientations in the OP

The strategic framework was based on the findings of the socio-economic diagnosis and SWOT analysis of the area and the lessons from previous experiences. It was also tuned to the requirements laid down in the structural funds regulations and national and community strategic guidelines.

On this basis, the vision on the development of the programme area was developed, forming the basis for the strategic orientation of the programme. This strategic orientation was then translated into the programme objectives and priority axes.

The vision for the programme was to develop the cross-border cooperation area by reducing the barrier effect of national borders and bringing together actors from all parts of the region. This cross border area should be able to play a coordinated role at the European scale in achieving the aims of the Lisbon and Gothenburg strategies.

Based on the development vision and strategic orientations, the following overall objective was defined for the programme:

- ⇒ **To develop the competitiveness and sustainable growth potential of the programme area's maritime and non maritime assets through building and advancing partnerships of cross border cooperation.**

The overall objective was then further developed into specific objectives. These objectives specified more precisely the themes the programme will target and the way it aims to influence the partnerships in the whole area.

In order to reach these objectives, the Programme will work with three priorities focusing on competitiveness, environment and good living conditions, as follows:

- ▶ **Supporting an economically competitive, attractive and accessible area;**
- ▶ **Promoting and enhancing a safe and healthy environment;**
- ▶ **Improving the quality of life.**

The budget share allocated to each priority resulted from a triple perspective:

- territorial needs as expressed in the SWOT analysis;
- negotiations between the four Member States preferences, based on a large consultation of key stakeholders within each country;
- the strong communitary guidance with the earmarking of funds in favour of Lisbon and Gothenburg strategies (even if there was no official minimum rate like in Competitiveness OPs).

Table 1. ERDF financial allocation to the respective Priority axes *(drawn from p.48 of the OP)*

Priority	Budget share
<i>Priority 1 : Supporting an economically competitive, attractive and accessible area</i>	35,33%
<i>Priority 2 : Promoting and enhancing a safe and healthy environment</i>	24,43%
<i>Priority 3: Improving quality of life</i>	26,83%
<i>Priority 4 : Common priority with France (Channel) - England programme</i>	7,56%
<i>Priority 5 : Technical Assistance</i>	5,85%
<i>Total</i>	100%

Types of cooperation projects *(drawn from page 48-49 of the OP)*

In order to achieve the objectives of this programme, different forms of cooperation projects were foreseen. They offered a wide range of possibilities, from bottom-up to top-down approaches, in order to try to attract good-quality projects in line with the OP objectives and expected results.

Regular Crossborder cooperation projects	<i>Requirement of a minimum of two partners coming from two countries (bottom-up approach)</i>
Framework projects	<i>Joint framework for cross-border cooperation to be implemented through several sub-projects, like micro-projects taking on board specific entities which don't have the institutional capacities for managing a "regular" cross-border cooperation project.</i>
Strategic cross-border cooperation projects	<i>Such projects could be developed in different ways. Specific themes could be identified by PMC. The exact specifications of these types of projects (e.g. regarding budget, partnership, application process and other requirements) was due to be determined in the programme manual and could evolve during the programming period</i>

Whatever the type of projects, the basic requirement was to have necessarily at least one partner from the UK and one partner from one of the three countries of the continental eligible area.

For each operational objective, output and result indicators were defined. The corresponding quantification of indicators considered:

- the earmarking of funds per theme (see in the OP Annex F : CODES FOR THE PRIORITY THEME DIMENSION as required by the EC)
- the average amount of ERDF allocated during the previous period in neighbouring cross-border programmes.

Globally, the target values were rather ambitious and did not really consider the specific features of this new cross-border area.

2.3 Interpretation of the OP by programme bodies over 2008-2011

Compared to other cooperation programme, the 2 Seas OP was launched rather late. Being a new cooperation area, the setup of programme structures and bodies started from scratch. However, the fact that Nord-Pas-de-Calais Region assumed the role of Managing authority helped without any doubt the quick development of all procedures, benefiting from its experience as Managing authority of INTERREG IVB North-West Europe and INTERREG IVC.

The initial stage started logically with the preparation of technical documents such as the programme manual, handbook for projects promoters, programme monitoring system, etc.

In operational terms, it was essential to develop a strong communication, to encourage networking activities via "cooperation fairs", to assist less active territories or less experienced entities through a network of local facilitators, etc.

Once everything was ready, projects selection started by making sure that project quality was high enough.

At the same time, it was necessary to create a real shared vision among Member States regarding the concrete implementation of this OP in view of achieving the strategic objectives set up during the drafting stage.

Considering all these initial steps, the programming process started rather slowly and intensified progressively, as showed by the results from the last call for proposals with the approval of 22 projects (representing 31% of the total of approved projects).

In that respect, the programme bodies had also to avoid that project promoters would consider this OP as only an extra financial opportunity by adapting their partnership to eligible territories.

Only regular projects have been approved up to now, noting that some of them have a real strategic dimension as defined by the JTS (*see note on strategic projects - 15.09.2009 and Key info : strategic projects - 16.02.2011, both approved by the PMC*).

Framework projects haven't been formally launched. They seemed to be too complex mainly due to specific implementation and control procedures that it entails, hindering the massive involvement of small entities. However, these small entities can perfectly be part of classical projects, especially under Priority 3.

Strategic projects were defined and some priority themes were identified. Due attention was paid to the strategic dimension of regular projects in the quality assessment of applications. Yet, in so far as there have been no need till the 7th call for proposals to focus on a limited set of themes due to huge ERDF allocation still available and no clear agreement among MS, the programme developed without any additional top-down approach to orientate the thematic focus of the programming process.

However, this discussion may happen in view of the subsequent calls for proposals, as financial allocation becomes limited:

- Should specific thematic, notably strong priorities included in EU 2020 strategy, be encouraged when selecting projects?
- To what extent already approved projects would have the opportunity to apply for a complementary project with a deepening of activities?
- Would clustering activities based on approved projects allow for a wider visibility of programme achievements?

Regarding the maritime dimension of the OP, it was supposed to be reflected in the partnerships of cross-border cooperation projects and as part of the thematic focus of the programme.

However, the identification of the programme's maritime dimension and the definition of maritime activities in the OP did not mean that projects addressing other – non-maritime – issues would be excluded from the programme. Such projects without a maritime dimension would also be supported within the scope of the programme's priorities.

In the context of this new cooperation area and considering the strong focus of the maritime dimension at cross-border scale, one can wonder:

- How have programme bodies succeeded in selling these cooperation opportunities to public and private actors?
- How have they performed so far after almost 3 years of programming with the modalities foreseen in the initial OP?
- Is this programme area an artificial one, and how it can be better differentiated from transnational areas in the surroundings?
- What should be valorised and how it could be built upon it for the future?
- What should be continued till late 2013 and to what extent changes have to be introduced?
- To what extent has the Integrated Maritime Policy from the EC (DG Mare) changed the decision-makers' vision of the maritime dimension?

Part 3. Analysis of the current performance of the OP after the 7th call for proposals

After seven calls for proposals in less than three years of implementation, a total of 71 projects have been selected. The corresponding ERDF amount of 130,5M€ over a total of 157 M€ of Community assistance (excluding Technical Assistance) have already been committed, which represents around **83%** of the budget for the period 2007-2013.

A global analysis of the programming results appears essential at this stage to orientate the decision-making process for the remaining period.

The main questions raised in this part are:

- 1) To what extent the programming process results have so far delivered against the Operational Programme?
- 2) Do approved projects really fit the territorial needs and do they contribute significantly in an aggregated way to the achievement of OP objectives?
- 3) Which significant changes to the Operational Programme and future actions should be implemented in the rest of the programming period and beyond?

The following analysis gives an overview of the first lessons and conclusions that can be drawn, for instance in terms of thematic and territorial gaps as well as the nature of projects and partnerships.

3.1. Programme performance analysis

The following issues are addressed in this section:

- Thematic coverage of priorities and objectives
- Nature and type of projects supported
- Partnerships features and types of organisations involved
- Geographical coverage of the area

3.1.1. Thematic coverage of priorities and operational objectives

- a) Overview of the thematic coverage of priorities and objectives by approved projects.

In 2007, the drafting process of the OP led to the selection of a list of topics, even if rather wide, grouped along several operational objectives aiming at answering to territorial needs as well as at contributing to the achievement of the Lisbon and Gothenburg strategies.

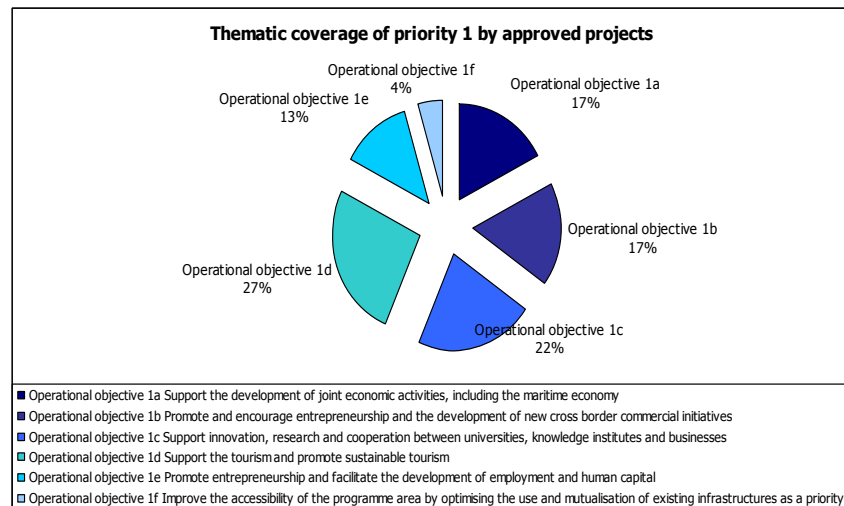
Now, with more than 80% of available ERDF committed, it is logical to wonder to what extent has the programme delivered against these initial objectives. For that purpose, a detailed analysis at operational objective level is undertaken.

The thematic coverage of each priority is represented in accordance with the number of approved projects for each operational objective specified in the Operational Programme.

The results appearing in graphics nº1, 2 and 3 provide a clear picture and could be used for the establishment of specific orientations for the subsequent calls for proposals.

All operational objectives are covered by at least one project for priority 1 (*see graph 1*). However, there is an uneven distribution of projects. The objective c) and d) are widely implemented (11 projects in total) while the others 4 objectives include 12 projects. Actions to promote tourism and sustainable tourism are indeed relatively easy to implement as, among other reasons, they are largely mastered by the beneficiaries who have often experimented these practices. However, the operational objective c) appears to support more complex actions and brings together innovative partnerships that seem to have a strong structuring dimension for the territory. In some way, the high number of projects approved for this operational objective shows the programme's dynamism. The operational objective f), which is largely the target for economic operators, including SMEs, is covered only by one project. Competition and complex administrative procedures for the private sector may be a limitative factor for the development of this type of cooperation.

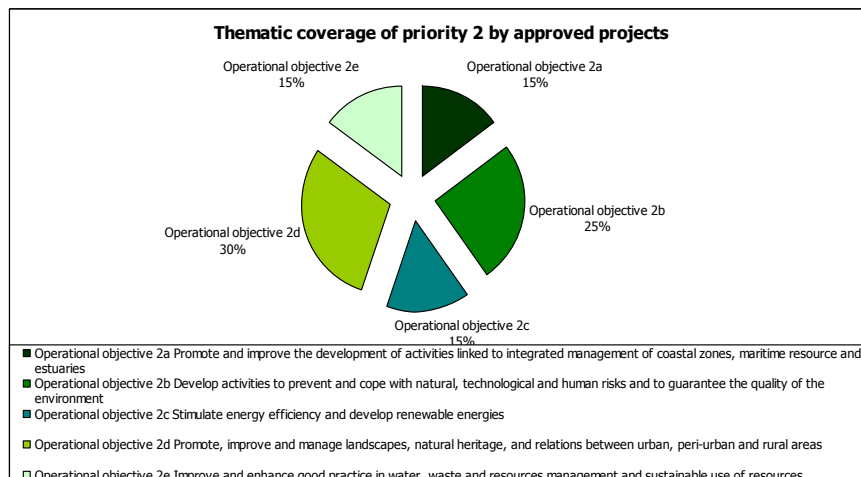
Graph 1.



Under priority 2 (*see graph 2.*), all operational objectives are covered but the distribution of projects is quite unequal. Representing quarter of programmed projects under priority 2, operational objective b) is well implemented. Three projects have been approved under operational objective a), more focused development of coastal areas, which is quite important with regards to targeted actors. These projects relate to the economic dimension and others issues like sustainable development, innovation, socio-economic potential, which perfectly fit the European 2020 strategy, especially smart and sustainable growth. The objectives d) and e) represent almost half the projects funded. It may be explained by the wide range of topics included in these operational objectives.

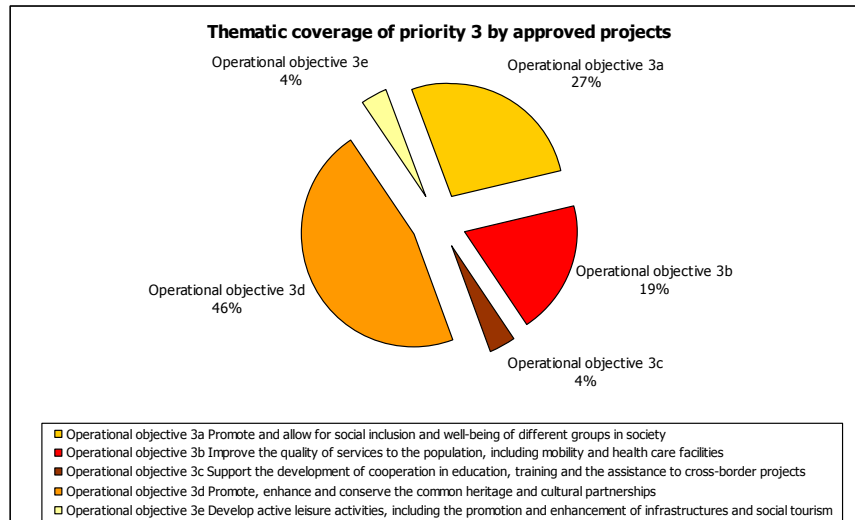
Operational objective c) is implemented by three projects, which is quite limited, while they target innovative and wide thematic (risks, energies, quality of the environment).

Graph 2.



Priority 3 (*see graph 3*) is characterised by a very marked inequality between the operational objectives. Objectives a) and d) gathers three quarters (73 %) of the projects funded whereas two objectives c) and e) are implemented by a single project each. The wide range of topics included in this operational objective may explain this high number. Operational objective b) is implemented by five projects, which is quite important regarding the concerned topics.

Graph 3.



Key lessons and conclusions: From a thematic viewpoint, the Operational programme is quite heterogeneous, as specific operational objectives coexist with wide ones. Moreover, the large number of operational objectives (16 for 3 priorities) and the large fields they cover do not facilitate a targeted and effective OP management and makes more difficult the achievement of a clear picture of the programme results.

It results from the above analysis that the operational objectives are covered in a satisfactory way. It means that the existing thematic diversity, which resulted mainly from the consultation process in each country, allowed satisfying a wide range of applicants eager to set up or to deepen links with foreign territories.

In a complementary way, the consistency of thematic coverage is assessed by crossing the ERDF allocation for approved projects per operational objective and the indicative breakdown of ERDF allocation based the grouping of relevant priority themes (as indicated in Annex F of the OP and used for the quantification of target values for output indicators). Table 2 shows the gaps at this stage between the planned and effective ERDF allocations for each operational objective.

Table 2.

PRIORITY 1

Operational objectives	Indicative breakdown of ERDF allocation based on grouping of relevant priority themes	% of ERDF allocated to approved projects after the 7 th call for proposals
1.1. Support the development of joint economic activities, including the maritime economy	15%	27.9%
1. 2. Promote and encourage entrepreneurship and the development of new cross-border commercial initiatives	20%	10.0%
1.3. Support innovation, research and cooperation between universities, knowledge institutes and businesses	20%	20.3%
1.4. Support the tourism and promote sustainable tourism	20%	23.7%
1.5. Promote entrepreneurship and facilitate the development of employment and human capital	5%	7.9%
1.6. Improve the accessibility of the programme area by optimising the use and mutualisation of existing infrastructures as a priority.	20%	10.2%

PRIORITY 2

Operational objectives	Indicative breakdown of ERDF allocation based on grouping of relevant priority themes	% of ERDF allocated to approved projects after the 7 th call for proposals
2.1. Promote and improve the development of activities linked to integrated management of coastal zones, maritime resource and estuaries	30%	11.0%
2.2. Develop activities to prevent and cope with natural, technological and human risks and to guarantee the quality of the environment	20%	17.7%
2.3. Stimulate energy efficiency and development of renewable energies	15%	11.3%
2.4. Promote, improve and manage nature,landscapes, natural heritage, and relations between urban, periurban and rural areas	25%	36.8%
2.5. Improve and enhance good practices in water, waste and resources management,and sustainable use of resources	10%	23.2%

PRIORITY 3

Operational objectives	Indicative breakdown of ERDF allocation based on grouping of relevant priority themes	% of ERDF allocated to approved projects after the 7 th call for proposals
3.1. Promote and allow for social inclusion and well-being of different groups in society	15%	25.6%
3.2. Improve the quality of services to the population, including mobility and health care facilities.	15%	15.2%
3.3. Support the development of cooperation in education, training and the assistance to cross-border projects	25%	2.0%
3.4. Promote, enhance and conserve the common heritage and cultural partnerships	15%	51.0%
3.5. Develop active leisure activities, including the promotion and enhancement of infrastructures and social tourism	30%	6.2%

b) In-depth analysis:

Even if included in the OP in an indicative way, it makes sense to consider how approved projects have addressed so far the wide range of supported activities/topics foreseen under each priority. It gives an additional lighting in much more details, referring to specific projects. It is undertaken from a twofold perspective:

- Themes of approved projects are analysed against the examples of activities which could be supported under each Priority, identified in the Operational Programme.
- Thematic gaps between what was foreseen and the reality resulting from the programming process is highlighted.

Thematic gaps between what was foreseen and the reality resulting from the programming process

The 7 calls of proposals have led to the selection of 71 approved projects, which accounts for 41 sub-topics covered. Some projects implement the principles associated with several sub-themes, such as the networking of cultural sites highlighting the common heritage coupled with the promotion of environmentally eco mobility or with the entrepreneurship and stimulating innovation (Face2Face, CRYALIS, etc.). These cross-themes are however not explicitly mentioned by the OP for the selection of projects, which tends to demonstrate the ability of those partnerships to include new priorities during the programme.

Some operational objectives or supported activities/topics are well represented and widely implemented in approved projects, such as:

- Under Priority 1, 1.c) « Support innovation, research and cooperation between universities, knowledge institutes and businesses »: ECOMIND, IDEA, MULTIDES, MeCagr02, i-MOCCA.
- Under Priority 1, 1.d) « Support the tourism and promote sustainable tourism »: CAST, FACE2FACE, GREET, SHAPING24, STEP, SUSTRIP, BPPE.

- Under Priority 2, 2.d) « Promote, improve and manage landscapes, natural heritage and relations between urban, peri-urban and rural areas »: ARCH, ATC, BALANCE, TGN, URBAN HABITATS, Natura People.
- Under Priority 2, 2.b) « Develop activities to prevent and cope with natural, technological and human risks and to guarantee the quality of the environment »: CLEANTECH, FLOOD AWARE, MULTIFOR, DYMAPHY, MEMO.
- Under Priority 3, 3.d): «Promote, enhance and conserve the common heritage and cultural partnerships, including development of creativity and joint cooperation between the media»: HMS, ICP, LCP, TMS, TR, C21P, WW2 Heritage, SMITS, CRYSLIS, IC Music, HERE, Murailles et Jardins.

Despite the good capacity of projects for crossing implementation of different sub-topics (PATCH, BOAT 1550, etc), 40 sub-topic propositions (examples of cooperation activities that can be supported) indicated in the OP are not yet implemented by approved projects after seven calls for proposals and in particular within the following priorities:

- "Improve the accessibility of the programme area by optimising the use and mutualisation of existing infrastructures as a priority" Priority 1, 1.f): except the project C2C targeted in corridors, this thematic has not generated the enthusiasm of the promoters. However, if the operations for the promotion of development of sustainable transport and logistic services could be managed at cross-border scale, others sub-themes seem to question the transnational level.
- "Support the development of cooperation in education, training and the assistance to cross-border projects, in order to guarantee the possibility of life-long learning, to set up sustainable cultural partnerships, as well as the foreign language learning": BOAT 1550 BC is the only project in progress to meet this objective with a concrete transfer of knowledge and competences among partners located on both sides of the sea.
- "Develop active leisure activities, including the promotion and enhancement of infrastructures and social tourism": this specific theme, relevant for the cross-border cooperation level, does not appear as a key priority when considering the EU strategic orientations for the future. However, the selection of MAXIGREEN project provides some valuable contribution to the achievement of this operational objective.
- "Develop the capitalisation and sharing of good practice and favour networking activities between the projects implemented under each OP and this based on the strategic themes for the geographical area": this ambitious priority is relevant for the 2 Seas territory but maybe not approached by the relevant level. In that respect, TC2N may be a pilot project for capitalisation at programme level (because of activities developed by partners of this project).

Focus on specific lessons

Under priority 1, the direct or indirect involvement of the private sector remains weak. It's not a classical target group for ETC programmes. SMEs and larger companies tend to favour other European programmes, such as 7th FP or CIP. Raising-awareness actions towards private companies involved in such programmes could facilitate their stronger participation in ETC programmes, making clear the constraints (state aid complexity, no cash advance), but also the advantages (larger or new market opportunities).

Under priority 2, activities / topics related to integrated management of coastal zones and maritime resource have been weakly addressed so far, while the maritime dimension is the cornerstone of the OP.

The same applies under priority 3 with the lack of projects in terms of education, language and culture learning which are however fundamental aspects for the development of close links.

3.1.2. Nature / type of projects supported

- **Maritime dimension of approved projects**

For the 2007 – 2013 programming period the concept of cross-border cooperation across sea borders, up to 150 kilometres wide, was introduced as a new feature. The 2 Seas Programme is one of the 'maritime' cross-border programmes that emerged as a result of this.

The thematic scope of the 2 Seas Programme strategy and priorities goes beyond maritime issues and targets a wide range of territorial challenges of the Programme area. However, since the sea plays an important role as a key territorial feature for the area, and as “*raison d’être*” for the 2 Seas programme, it is relevant to analyse to what extent the programme has produced projects that can be qualified as maritime.

The 2 Seas Operational Programme does not identify or define maritime projects as a separate category, nor are there separate 'maritime' indicators established. However, throughout the programme, projects with a 'strong maritime dimension' have been identified by the JTS.

In the absence of a separate, dedicated 'maritime' framework within the 2 Seas OP, the EU Integrated Maritime Policy (IMP, see also section 4.1.) can provide a strategic framework for further categorising projects with a 'strong maritime dimension', as a contribution to refining the monitoring of 'maritime' projects.

The following categorisation consists of benchmarking the projects against the strategic priorities of the EU Integrated Maritime Policy to distinguish 2 Seas projects according to their maritime nature:

1. Maritime projects that directly address one or more of the strategic directions of the EU Integrated Maritime Policy as the core project issue.
2. Maritime projects that address other issues of a maritime nature, or only indirectly address strategic directions of the EU Integrated Maritime Policy.
3. Non-maritime projects.

Table 3 distributes 2 Seas projects over the first two categories by priority. This shows that 10 projects in category 1 contribute to most of the strategic directions of the IMP, in particular in relation to governance, policy tools, marine environment and sustainable growth. Some projects contribute to more than one strategic direction (marked *). Six additional projects in category 2 address other maritime issues. The themes addressed here are maritime heritage (5 projects) and coastal tourism.

'Maritime' projects are present in all priorities. Category 1 projects are in Priorities 1 and 2 (5 each), while category 2 projects are predominantly in Priority 3, but also in Priorities 1 and 4. The projects in category 1 represent an ERDF commitment of €28,7 million. Category 2 adds up to €12.2 million ERDF.

This categorisation exercise confirms that the maritime dimension in general (category 1 and 2) is well established as a cross-cutting theme of the whole 2 Seas programme: approximately 22% of the projects, and even 28% of the committed ERDF budget after Call 7. Moreover, most of the 'maritime' projects supported are directly in line with the main EU-level strategy in this field.

From this initial categorisation, it seems an interesting prospect for future communication and capitalisation purposes of the programme to explore in more detail how 2 Seas projects relate to the EU-IMP (both individually and on aggregate). This could be an interesting feature in the context of a clustering exercise that addresses the maritime assets of the 2 Seas. It is fully taken on board in section 5.3.

Table 3. Maritime nature of projects

1 – Projects addressing strategic directions of the Integrated Maritime Policy (IMP)				
<i>* = project listed in more than one category</i>	Priority 1	Priority 2	Priority 3	Priority 4
Integrated maritime governance - Effective integrated govt. structures - Policy integration - Stakeholder involvem. in maritime policy-making - Dialogue between EU, MS and coastal regions - Cross-sectoral platform for stakeholder dialogue		- C-SCOPE* - CC2150*		
Cross-cutting policy tools - Maritime spatial planning - Increased marine knowledge, - Integration of maritime surveillance		- C-SCOPE* - CC2150* - DYPHAMY* - MEMO*		
The boundaries of sustainability (Marine Strategy Framework Directive) - Restore marine biodiversity - Improve quality of marine environment		- DYMAPHY* - MEMO* - ISECA		
Sea-basin strategies - Adapted to specific geographic, economic, political context of large maritime region. - Cooperation of MS, regions sharing sea basin - Sub-basin level action to set positive examples				
International dimension of the IMP - global maritime governance - participation in international fora and processes				
Sustainable economic growth, employment and innovation. - energy generation from sea, incl. renewables - energy transportation - climate change adaptation coast, maritime areas - maritime transport - maritime employment & EU-flagged shipping - innovation and research for shipbuilding sector	- PATCH - TIME - TRANSCOAST - C2C - YACHT VALLEY	- CC2150*		
2 – Projects addressing other maritime issues				
	Priority 1	Priority 2	Priority 3	Priority 4
Coastal Tourism	- CAST			
Maritime Heritage, Maritime Archaeology			- HEROES2C - HMS - TMS - BOAT 1550 BC	- A2S

- **Type of projects supported**

As far as the types of projects are concerned, three potential categories (regular, strategic and framework/micro-projects) were included in the OP.

As indicated in section 2.3., only the type “regular projects” has been exploited so far.

Framework projects closely linked to micro-projects are complex in their implementation and considering the specific control procedures they require. Besides, micro-projects as developed in other cross-border areas are not necessarily in line with the 2 Seas area profile.

Strategic projects are often approached in other cooperation areas in an exclusive top-down perspective, with dedicated Terms of reference. The selection of key themes usually results from the lessons learnt from projects co-financed under several generations of INTERREG programmes within the area, which does not properly exist within the 2 Seas area. Alternatively, the inclusion of most of the hallmarks for strategic projects as part of regular projects is developed in some cooperation areas, and could be encouraged within the 2 Seas area.

Based on the first lessons drawn from the interviews with the MS representatives and considering the need to provide a clearer picture of what the programme would have achieved by 2013 in view of preparing the next programming period, it results that projects clustering and capitalisation activities could be more deeply explored, and not only under Priority 4 but in a generic way for all OP priorities.

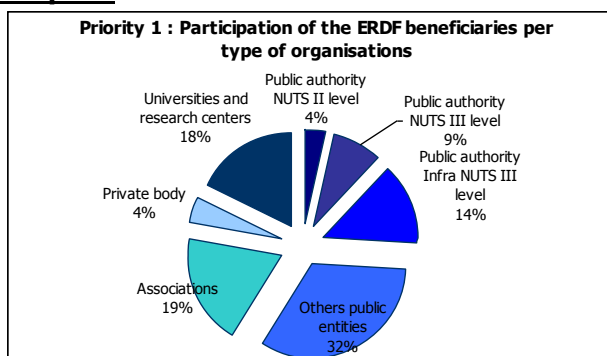
Concrete proposals regarding both the thematic orientations related to the EU 2020 priorities and the operational modalities are included in Part 5 of this report.

3.1.3. Partners / partnerships / types of organisations involved

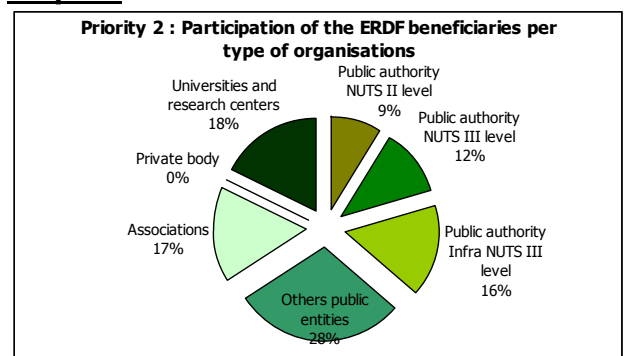
a) Classification of all beneficiaries per type of organisations and per priority

Graphs 4, 5 and 6 show the distribution of ERDF per type of organisation under Priorities 1, 2 and 3.

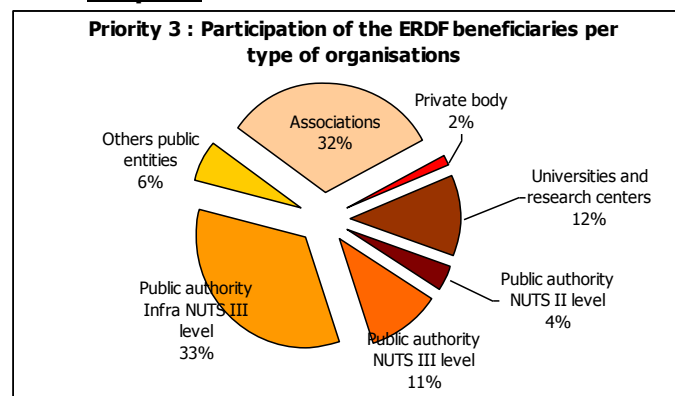
Graph 4.



Graph 5.



Graph 6.



Globally, the participation of the main groups of organisations is rather well balanced. Public authorities (level NUTS II, III and infra-NUTS III) account for a range of 26% to 50% over the total, depending on the priority. University and research centres are not overrepresented as observed in the previous INTERREG IIIA France-UK programme. Associations are strongly involved in Priority 3 in a rather logical way considering the addressed topics. Other public entities are well represented

especially in Priorities 1 and 2 as this category gathers public organisations with competencies in specific fields of activities (e.g. Office National des Forêts, Nederlands Instituut voor Ecologie, Centrum voor Estuariene en Mariene Ecologie -NIOO, etc.). Finally, the involvement of the private sector remains weak, but for already explained reasons.

b) Analysis of the partnership size in approved projects

- **Average partnership size per priority:**

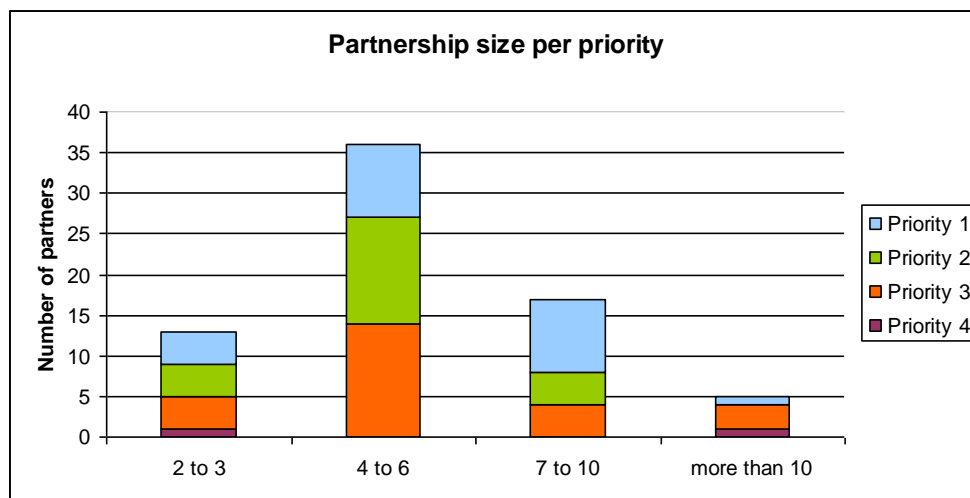
The average partnership size is approximately 6. It reflects to some extent the coexistence of proximity projects (in spite of the sea) with a limited partnership and more networking projects, especially under priority 3 where three projects bring together a wide partnership (18 partners for CBOOPSD, 23 partners for Murailles et Jardins and 30 partners for HMS). Both categories contribute to the development of the area, and answer to the opportunity identified in the initial SWOT analysis of the OP which was "to develop new bilateral and multilateral partnerships and to build on and share past experience in wider and more strategic partnerships".

Average partnership size per priority:

Priority 1	6
Priority 2	5
Priority 3	7
Priority 4	7

- **Distribution of partnerships size per priority**

Graph 7.



Globally, the average size is higher than what can be observed in most cross-border areas (where it is usually situated between 3 and 4 partners on average).

This could be explained by the involvement of territories from 4 Member States within an extended area, which increases mechanically the average number. Besides, some beneficiaries are used to taking part in large partnerships under strands B and C cooperation programmes.

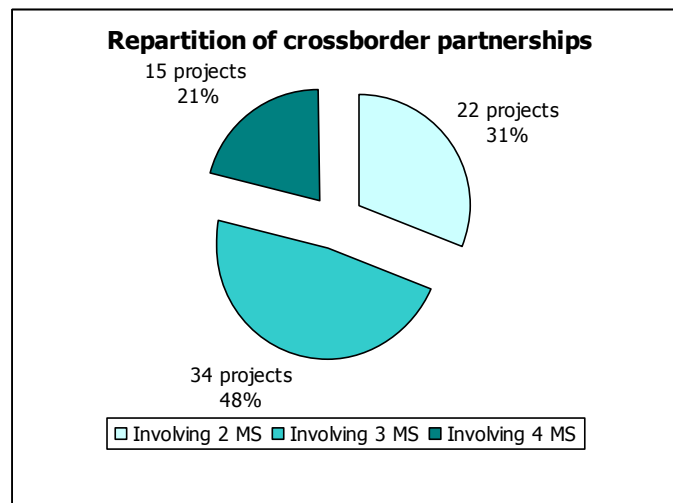
Finally, in many projects, the involvement of different types of actors usually allows tackling the issues in a more comprehensive way. Consequently, the partnership size increases.

- **Characterisation of partnerships depending on nationalities of partners**

Among all approved projects after the 7th call, the distribution of partnerships based on the nationalities of involved partners is relatively well-balanced.

Almost 70% of approved projects involve partners from three or four Member States, which proves to be rather high considering the cross-border nature of the OP.

Graph 8.

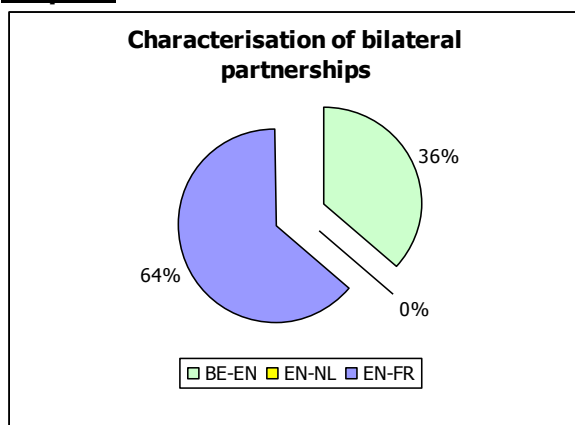


However, bilateral and trilateral links differ significantly as reflected in graphs 9 & 10.

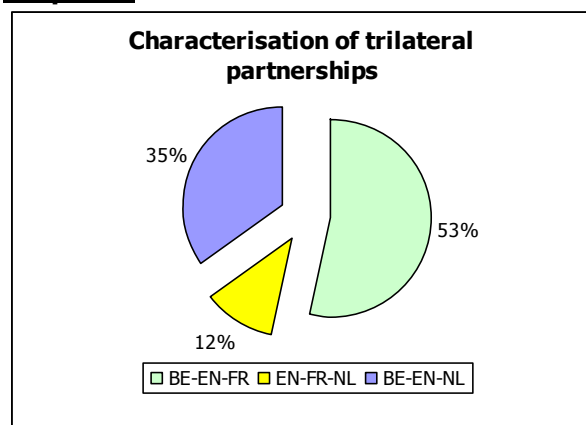
The importance of bilateral link between the UK and France is surely due to a large extent to the existence of the prior INTERREG IIIA OP between these two countries. The absence of partnership between England and Netherlands is rather striking. Specific measures (such as participation of English or Dutch facilitators during events organised respectively in Netherlands or in England) could be explored in order to encourage their development when it makes sense.

Similarly, the distribution of trilateral partnerships is uneven. Partnerships involving the Netherlands are in minority, especially when it comes to cooperation with the two other MS without any common border.

Graph 9.

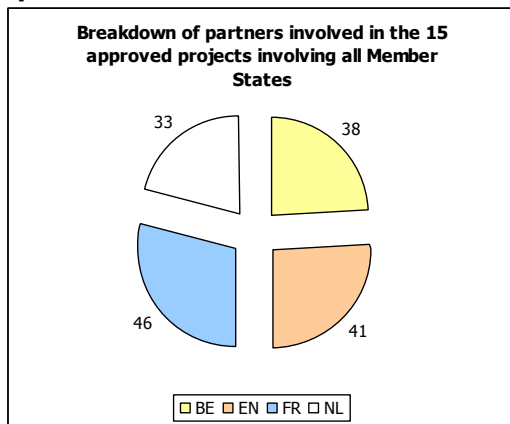


Graph 10.

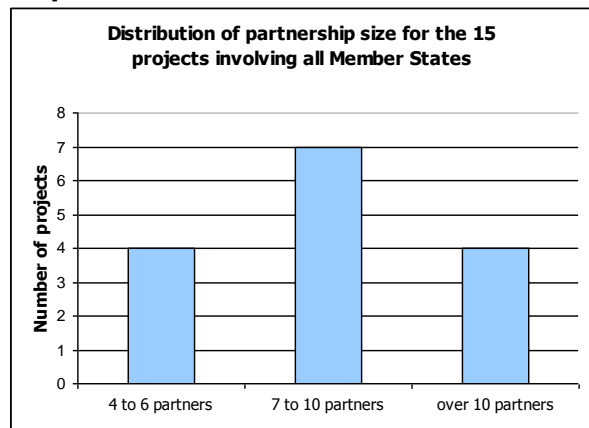


The underrepresentation of the Netherlands is not so important when looking at partnerships involving all Member States, as indicated in graph 11.

Graph 11.



Graph 12.



In graph 12, the analysis of partnerships size involving all MS shows in a logical way that the average number is higher than the one for all approved projects. To some extent, these networking projects have the characteristics of transnational ones. This invites for the definition of clearer demarcation lines in the future between both geographical scales, in particular as far as the list of eligible topics is concerned.

3.1.4. Geographical coverage

The analysis on geographical coverage focuses on two main issues:

- ✓ *Intensity of involvement of each NUTS III territories in approved projects*
- ✓ *Geographical priority for partners in future project development*

Complementary to thematic gaps previously identified, territorial gaps can provide extra valuable information to PMC in order to take decisions regarding the orientation of subsequent calls for proposals.

As the characteristics of NUTS 3 territories differ strongly per MS in terms of surface and number of inhabitants, due attention should be paid to these differences when interpreting some maps or graphs.

The below table 4 gives an overview of the differences of population weigh per NUTS 3 territory.

Table 4.

	Population in 2006	
		%
Arr. Antwerpen	957,9	4,9%
Arr. Eeklo	80,4	0,4%
Arr. Gent	510,7	2,6%
Arr. Sint-Niklaas	230,4	1,2%
Arr. Brugge	274,6	1,4%
Arr. Oostende	147,8	0,8%
Arr. Veurne	59,1	0,3%
Nord	2 565,6	13,2%
Pas-de-Calais	1 454,4	7,5%
Delft en Westland	211,3	1,1%
Groot-Rijnmond	1 353,8	7,0%
Zeeuwsch-Vlaanderen	107,6	0,6%

Overig Zeeland	272,7	1,4%
West-Noord-Brabant	608,1	3,1%
Norfolk	832,9	4,3%
Suffolk	702,4	3,6%
Southend-on-Sea	160,2	0,8%
Thurrock	148,8	0,8%
Essex CC	1 362,4	7,0%
Brighton and Hove	251,5	1,3%
East Sussex CC	506,5	2,6%
West Sussex	771,1	4,0%
Portsmouth	196,4	1,0%
Southampton	228,8	1,2%
Hampshire CC	1 267,1	6,5%
Isle of Wight	138,6	0,7%
Medway	251,8	1,3%
Kent CC	1 383,4	7,1%
Bournemouth and Poole	298,7	1,5%
Dorset CC	403,5	2,1%
Cornwall and Isles of Scilly	526,5	2,7%
Plymouth	248,2	1,3%
Torbay	133,4	0,7%
Devon CC	741,1	3,8%
Total	19 387,7	100,00%

In blue, indication of the three most populated territories

a) Intensity of involvement of each NUTS III territories

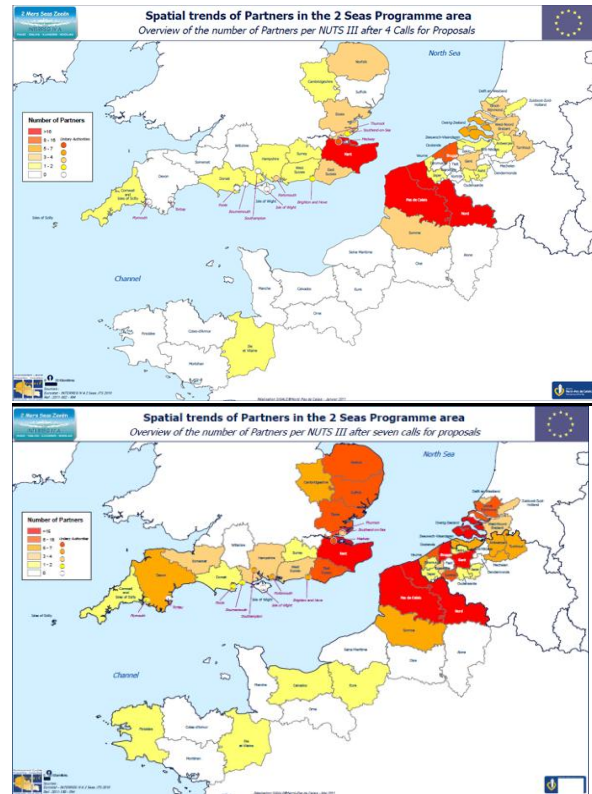
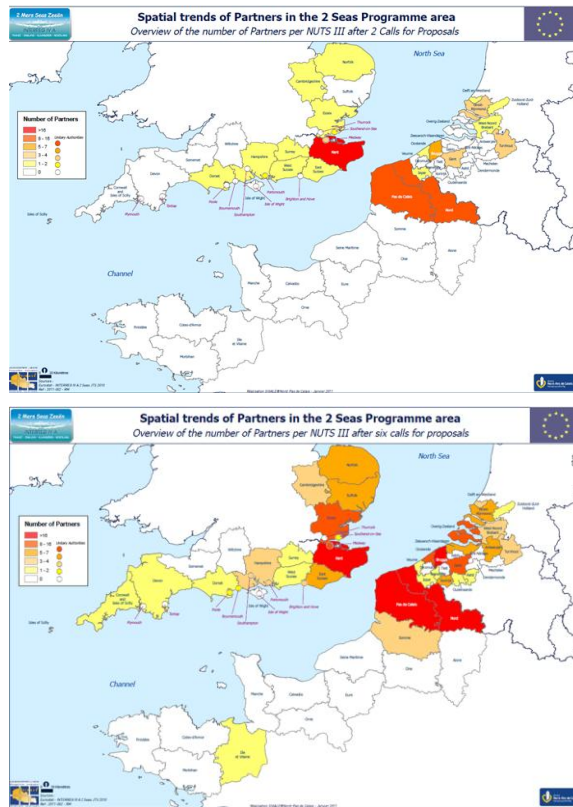
Based on maps provided by the JTS, we firstly analyse the distribution of partners per NUTS 3 territories, with a special focus on the following questions:

- What lessons can be learnt from the evolution of territorial distribution of partners over the successive calls for proposals?
- What is the degree of involvement of territories which belonged to the previous INTERREG IIIA France-UK? How did English territories behave in the development of cooperation links?

Between the 1st and the 7th call for proposals, three main conclusions can be drawn looking at maps 1 to 4:

- globally, the distribution of partners is not well balanced over the whole area. A relatively high concentration of partners in a limited number of territories can be observed ;
- core area covering Kent CC, Nord and Pas-de-Calais territories started with a strong involvement and kept being very active over the following calls for proposals, in spite of a light decrease over the course of time;
- the involvement of territories turned towards the North Sea, both on the English side and in Flanders/ Netherlands started slowly, but intensified over the course of the time.

Maps 1 to 4 show the cumulative number of participations in approved projects after the 2nd, 4th, 6th and 7th calls for proposals at NUTS 3 level.



Three NUTS 3 territories stand out significantly against the whole eligible area with the following distribution in terms of participation in approved projects after the 6th and 7th calls for proposals.

Number of participation from most active NUTS territories after the 6th and 7th calls

	After the 6 th call	After the 7 th Call
Nord (FR)	41	70
Kent CC (UK)	45	48
Pas-de-Calais (FR)	32	44

In other words, the core area of the previous INTERREG IIIA France-UK programme represents **41.3%** of participation (considering a total of 286 participations) in approved projects after the 6th call for proposals and **36.6%** of participation (considering a total of 444 participations) after the 7th call. It was even higher at the beginning of the programming period with, representing **50%** of beneficiaries under the 1st call for proposals.

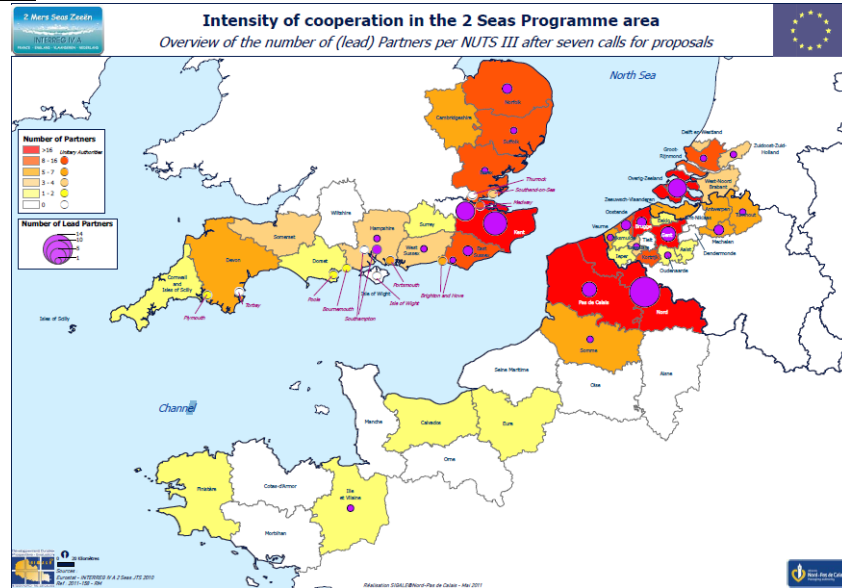
The demographic weight of these three NUTS areas, which are among the most populated, amounts to **27.1%** (5.2 Million inhabitants over a total of 19,2 millions inhabitants for the whole area – data 2004 indicated in the OP). In conclusion, the relative weight of this core area is still high, even if slightly decreasing in aid of the other NUTS III territories.

Among the main reasons explaining such a situation, we can emphasize on:

- prior existing links developed over 2000-2006 in INTERREG IIIA France-UK programme;
- geographical proximity having in particular an incidence on the number of shared problems;
- the comparatively more populated and extended territories, especially in France, generate a higher number of projects applications ;
- the strong political links developed between these territories over the last 15 - 20 years.

This statement is reinforced by the below Map 5 which shows the cumulative location of Lead partners after 7 calls for proposals. These three territories are clearly the driving force within this cooperation area. On the contrary, this visual representation highlights the lesser involvement of the majority of South-Western England territories.

Map 5.



Involvement of the English side within the 2 Seas area

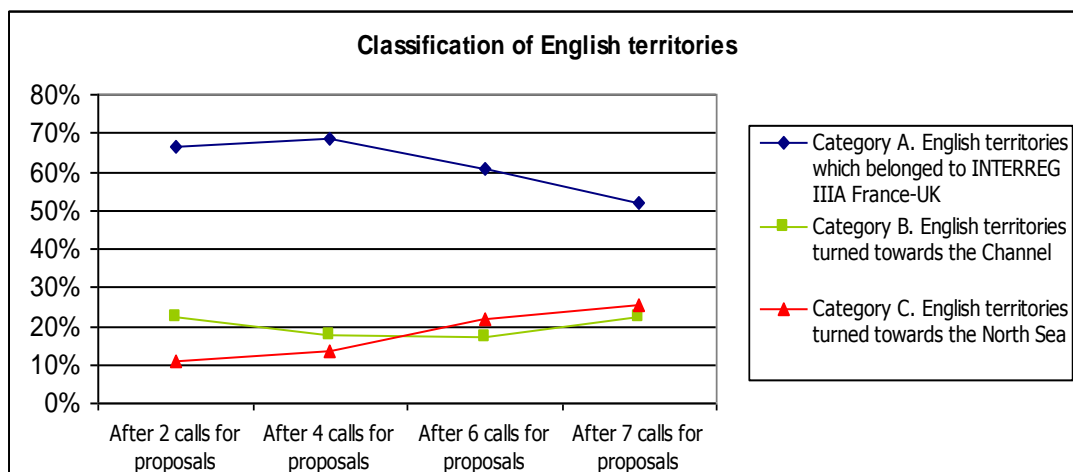
Within this new programme area, most English territories had no prior experience in cross-border cooperation. Compared to the continental part of the area, the English side is more extended and is subject to different cooperation logics. We can divide the 24 NUTS 3 territories into three categories, answering to a natural cooperation pattern with the continent.

Classification of English territories:

- **NUTS 3 territories under category A:** Kent CC, Medway, East Sussex CC, Brighton & Hove
- **NUTS 3 territories under category B:** Bournemouth and Poole, Cornwall and Isles of Scilly, Devon CC, Dorset CC, Hampshire CC, Isle of Wight, Plymouth, Portsmouth, Somerset, Southampton, Surrey, Torbay, West Sussex, Wiltshire CC
- **NUTS 3 territories under category C:** Cambridgeshire CC, Essex CC, Norfolk, Southend-on-Sea, Suffolk, Thurrock

Share in % of English partners located in three different areas from 2007 to early 2011:

Graph 13.



Even if limited in number, territories under Category A concentrate the majority of participations in approved projects.

However, the trend is clearly a catch-up process by the two other categories of English partners. In that respect, the activity of UK facilitators surely had a strong effect on the emergence of good quality projects within their whole eligible territory during the 7th call for proposals.

This situation illustrates once again the importance of links developed during the previous programming period within the core area.

We could already assume that the recurrence of participation between the two programming periods is rather high, like what is observed in many other European territorial cooperation programmes. On the one hand, it is positive because it means sustainability of cooperation projects (as expressed in the conclusions of the implementation of INTERREG IIIA France-UK OP), even if ERDF support should decrease once it has allowed partners to initiate joint activities, provided it make sense to cooperate. On the other hand, it tends to restrain the use of European funding by a limited community, which may not be large enough to address the wide-range of topics included in the OP.

Territories under category B are weakly involved in approved projects, considering for instance that they are twice as numerous as those included in category C. Two explanations can be put forward: 1/ proximity and common needs are essential in order to build cooperation partnerships. 2/ the competing cooperation programme France (Channel)-England offers an attractive alternative.

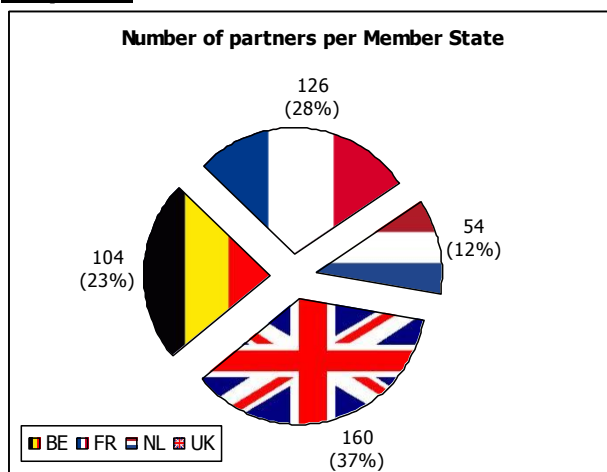
Territories under category C are much more active than those under category B, largely due to common problems to be jointly solved with their counterparts in Netherlands and Flanders and to significant cooperation links already developed as part of the North Sea programme.

Lessons and conclusions:

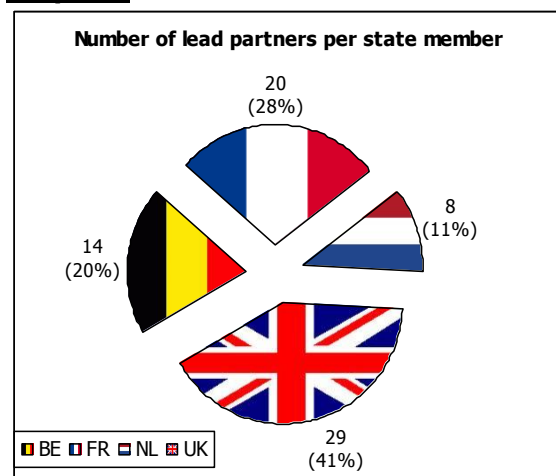
The achieved results after seven calls for proposals show that South-West England is poorly involved in the programme, even if it intensified somewhat in the last call.

Additionally, another view of partners' distribution within the area is provided in graphs 14 and 15. They show the degree of participation in projects as partner or as Lead partner within each MS at NUTS III level.

Graph 14.



Graph15.



3.2. Analysis of the allocation of programme funding

This part of the evaluation presents an analysis of the patterns and developments in ERDF commitment over the programme lifespan, to provide information about the financial performance of the programme as a whole, and of the various priorities. It includes an analysis of the following aspects:

1. Development of ERDF commitment at programme and priority level over the consecutive calls for proposals;
2. Patterns in distribution of funds among the priorities per call for proposals and compared to programme aggregate;
3. Average budget size of projects at programme and priority level, including development patterns over consecutive calls for proposals;
4. Shares of ERDF budget allocated to the main budget lines, in particular Investments, Equipment and Suppliers at programme and priority level;

In addition to the points above a comparison of project spending patterns compared to initial payment forecasts at programme and priority level may be added in the final report, depending on availability of the information (currently being collected by the JTS).

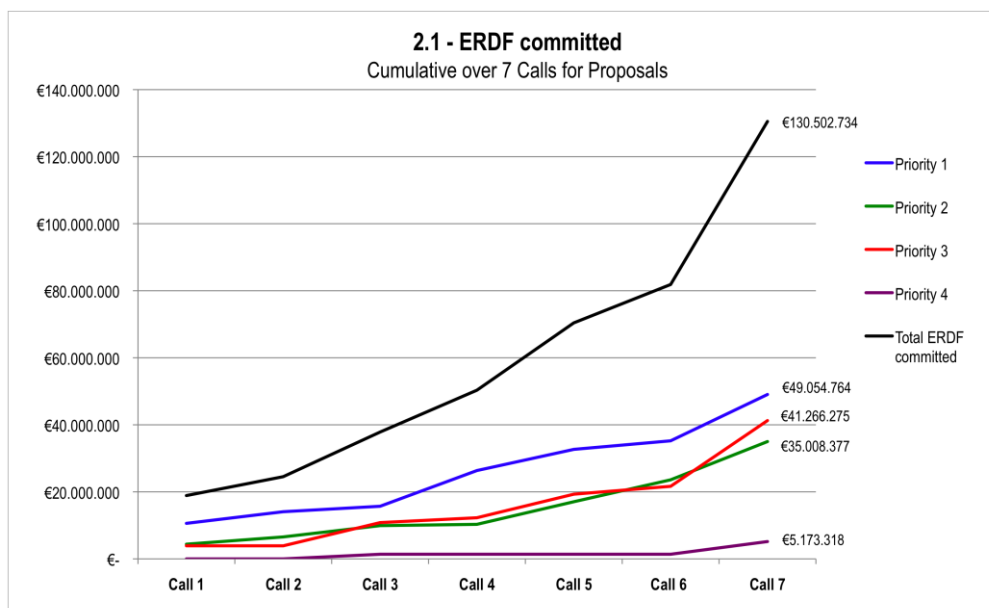
On the following pages, various graphs represent the financial status quo and trends of the programme related to the points listed above, based on the available statistics, and initial observations regarding the use of programme funding are presented. The analysis covers information related to the Calls for Proposals 1 through 7.

The findings of this analysis will also be used to make recommendations for a programme response to N+2 decommitment and to financial configurations for the remaining programme lifetime.

3.2.1 Development of ERDF commitment at programme and priority level

Graph 16 (2.1.) shows the cumulative amount of ERDF committed over the consecutive Calls for Proposals, for the programme as a whole and per priority. The graph reveals that the ERDF committed in consecutive Calls for proposals showed a steady trend during the first 6 Calls. A significant increase in ERDF commitments for all priorities is observed for the 7th Call.

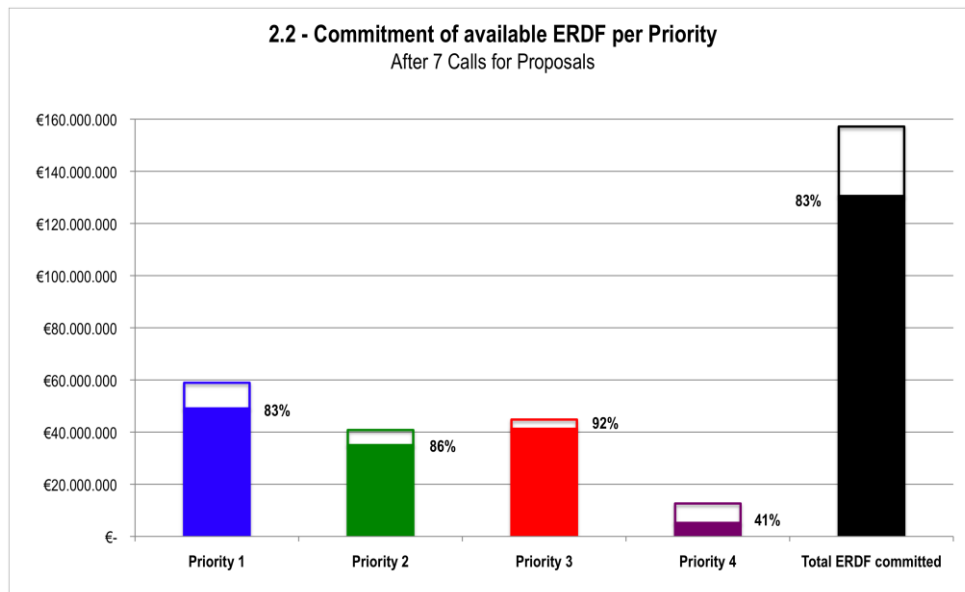
Priority 1, 2 and 3 generally followed parallel trends in ERDF commitments over all Calls, with Priority 1 taking up a larger amount of ERDF and Priorities 2 and 3 having roughly equal allocations.



A spike in ERDF commitments is noted for Priority 3 in the 7th Call. Commitment levels for Priorities 1 and 4 also rise above their overall trends. Regarding Priority 4 it must be noted that this is due to only 1 project in Call 7, bringing the total number of projects in this priority to two

Based on these observations, the increase in ERDF commitments in Call 7 can be mainly attributed to increased commitment levels in Priority 3 and 1 and, to some extent, Priority 4. Priority 2 remains at its 'normal' trend line of the previous calls.

Graph 17 (2.2.) shows the share of available ERDF programme budget that is committed for each priority and for the whole programme. After the 7th Call for Proposals, 83% of the programme budget has been committed.



The level of commitment of the available ERDF for Priority 1 is the same as the programme average. Levels are higher for Priority (86%) and especially Priority 3 (92%). Despite the additional ERDF commitment in Call 7, Priority 4 still stays behind the general trend. With only 41% of the available means committed to projects, this priority remains to be relatively underused.

Table 5 (2.1.) lists the amount of ERDF that remains available within the 2 Seas Programme budget after Call 7, for each of the Priorities and for the Programme as a whole. It shows that the largest volumes of remaining ERDF are in Priorities 1 and 4.

Table 2.1 - ERDF available after Call 7

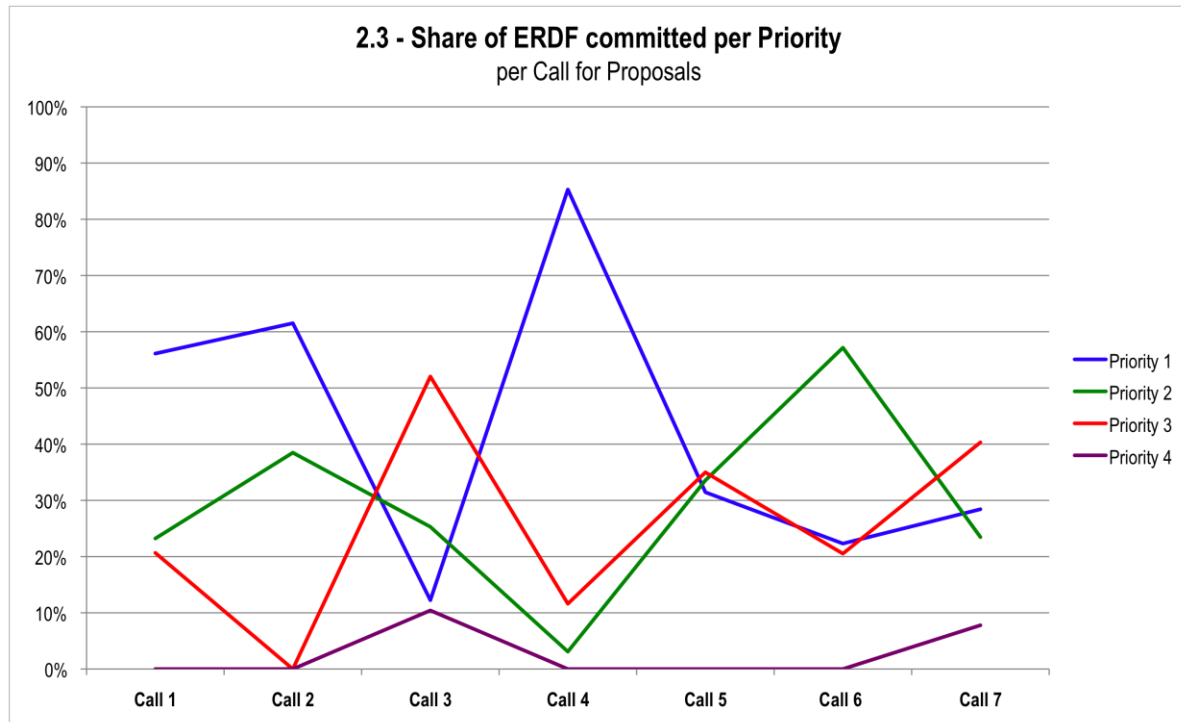
Priority 1	€ 9.926.568
Priority 2	€ 5.790.154
Priority 3	€ 3.559.105
Priority 4	€ 7.457.111
TOTAL	€ 26.732.956

3.2.2 Distribution of funds among the priorities

Graph 18 (2.3) displays the share of each priority of the ERDF committed per Call for Proposals. The graph shows that the shares of the priorities vary strongly over the consecutive calls.

Priority 1 seemingly 'dominated' Calls 1, 2 and 4, taking between 55% and 85% of the allocated ERDF in these rounds. In Call 3 and Call 7, Priority 3 projects have a strong presence, covering 40% - 50% of the allocated ERDF budget. Priority 2 took the main share of ERDF in Call 6, with more than 55%. Only Call 5 resulted in an equal distribution of ERDF among Priorities 1, 2 and 3 at approximately 33% each.

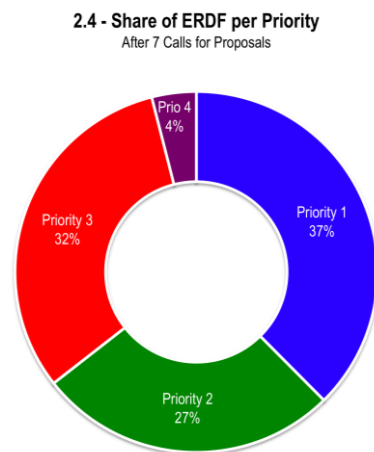
Priority 4 takes a small share in ERDF allocations per call. As explained, this priority supports only 2 projects that were approved in Call 3 and in Call 7 respectively. In Call 2 there were no ERDF means committed to Priority 3¹.



Graph 19 (2.4) presents the shares of the priorities in the total ERDF budget committed to date. Across the board, these shares are very much in line with the division of the programme ERDF budget as listed in the Operational Programme.

Priority 1 takes a share of 37% of all ERDF committed, which is exactly the share of this priority in the OP. Priority 2 is also on the mark, taking 27% of the actual commitments, against a 26% share in the OP.

Priority 3 exceeds its OP share of 29% by four percentage points, at a 33% share of the ERDF committed. Priority 4 remains below its proposed slice of 8%, by taking only 4% of the allocations.



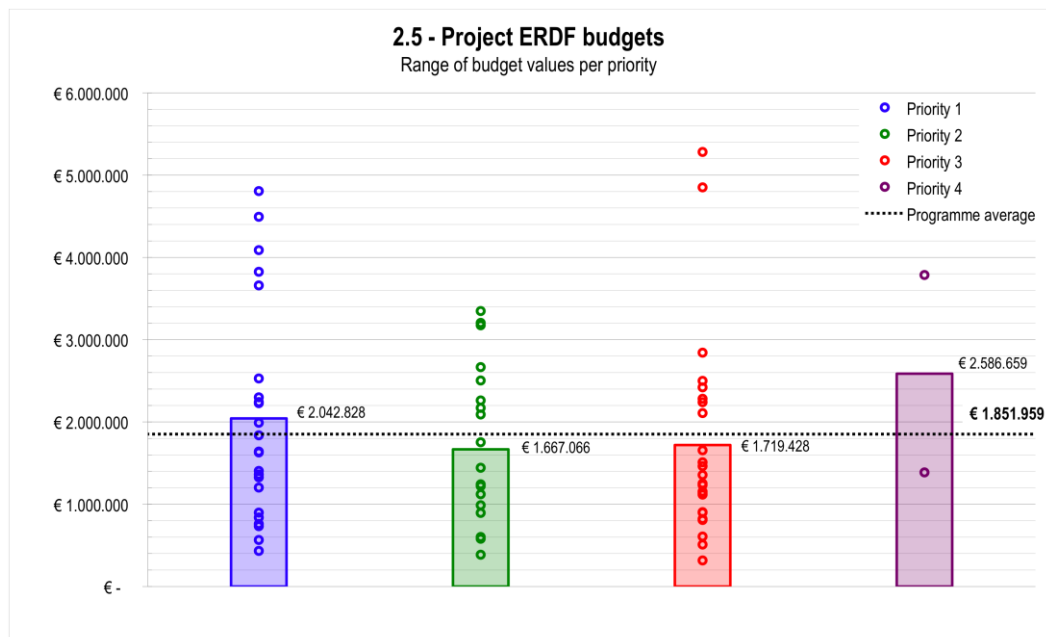
Looking at the trends presented in graph 20 (2.3) the division of ERDF commitments per priority over the consecutive calls seems to be rather volatile and irregular. However, the aggregate distribution of the funds after 7 calls for proposals is clearly very much in line with the initial financial framework laid out in the 2 Seas Operational Programme.

¹ Note: Call 2 took place in a very short interval between Calls 1 and 3. In this interim call a 5 applications were submitted and only 3 projects were approved.

3.2.3 ERDF budgets at project level

Graph 20 (2.5) visualises the range of ERDF budget values of projects for each priority. Each circle in the graph represents the ERDF budget of one 2 Seas project, indicating the range of ERDF budget values per priority. The columns show the average ERDF project budget for each priority. The dotted line indicates the overall average ERDF budget of all projects.

The average ERDF budget of a 2 Seas project is approximately € 1.85 million. The average ERDF budget of projects in Priority 2 and 3 is slightly below this overall average at around € 1.7 million. The average ERDF budget of Priority 1 projects is slightly higher at just over € 2 million.



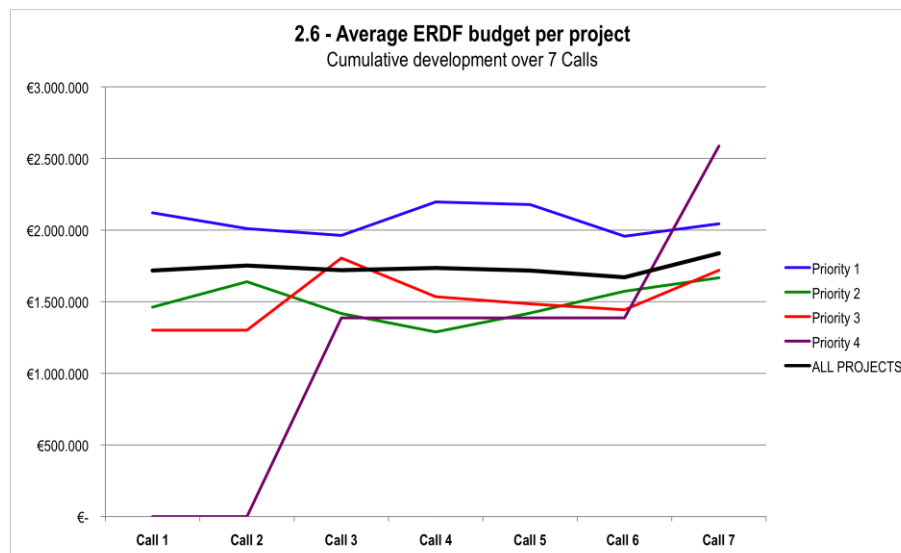
The average ERDF budget of Priority 4 projects lies considerably above the other figures, at over € 2,5 million ERDF. Note however that this priority only supports 2 projects with very different budget volumes. Therefore this value can not be seen as a representative statistical average.

ERDF budgets of Priority 1 projects are in a large range between €0.4 - €4.8 million. Most project budgets are below the priority average of €2 million ERDF, and all but 5 are below € 2.6 million. This group of 5 projects has considerably higher ERDF budgets, from €3.6 up to €4.8 million. In ascending order these projects are ECO MIND, Yacht Valley, TRANSCOAST, PATCH and C2C. All these projects include considerable material investments that explain their high budget values.

In Priority 2 ERDF budgets fall within a smaller range between €0,4 and €3,4 million and are rather evenly distributed around the average value.

Projects in Priority 3 have the widest range of ERDF budgets, between €0.3 - €5.3 million. These values are the overall lowest and highest ERDF budget values respectively. Note however that, with the exception of 2 projects, all projects are in the comparatively compact band between €0.3 - €3.9 million. The two projects that fall far outside of this range are HMS and Murailles et Jardins, with budgets of approximately €4.8 and €5.3 million. These projects both have considerable partnerships (HMS 30 partners, Murailles et Jardins: 22), and plan to realise substantial material outputs and investments (Murailles et Jardins: €6.6 million, HMS €7.4 million total budget for investments, equipment and suppliers)

Graph 21 (2.6) demonstrates how the average ERDF project budget evolved over the consecutive calls for proposals, both for the whole programme and the individual priorities. Priorities 1, 2 and 3 all had some fluctuations around their overall average values. Priority 4 shows rather erratic jumps, but, as stated earlier, this is due to the limited activity and low number of projects in this priority.

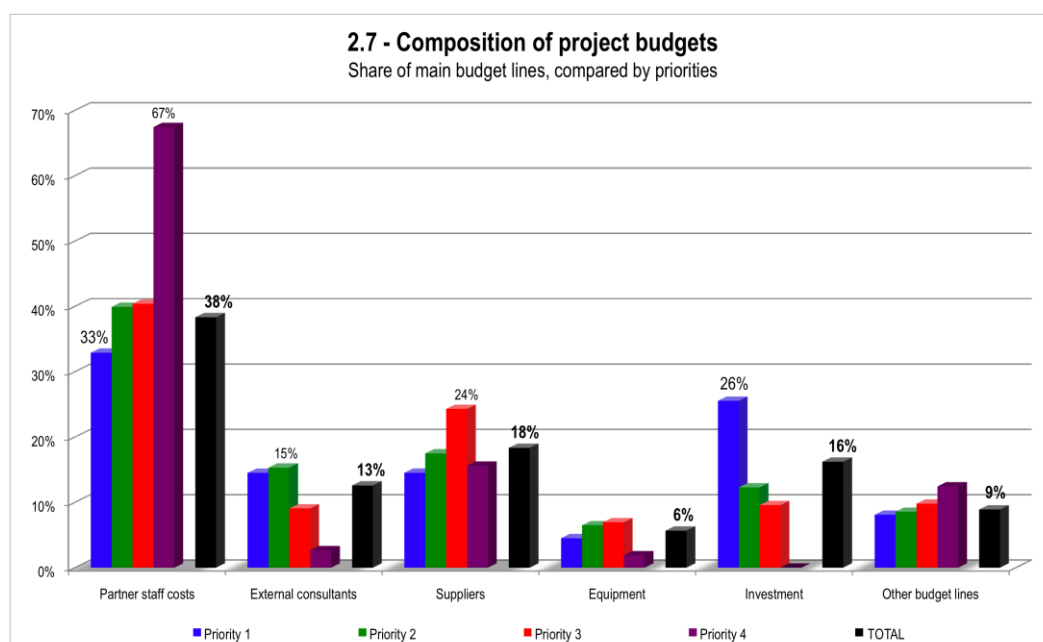


All priorities had some degree of increase in average ERDF project budgets in the 7th call. This trend is reflected in the overall average ERDF project budget. This overall average has been very stable over the consecutive calls 1 to 6 and then demonstrates a slight upward tendency with Call 7.

3.2.4 Analysis of project budgets

Graph 22 (2.7) shows the composition of project budgets from the different types of eligible costs allowed in the 2 Seas programme (identified as the Budget Lines). It compares for each of the budget lines what their share is in projects under the different priorities and it also shows the values at overall programme level.

In the graph only the main budget lines of Staff, External Consultants, Suppliers, Equipment and Investment are displayed individually. The remaining budget lines (Administration, Travel and Audit costs) are grouped in order to simplify the visualisation. The graph identifies the patterns in budget composition of a 'typical' 2 Seas project. In particular it provides information about the balance, in budget terms, between the tangible, material results of 2 Seas projects (represented by the budget lines Suppliers, Equipment and Investments) and the less tangible aspects. It also provides insight in the differences between the 4 priorities in this respect.



For the programme as a whole (as for each individual priority), Partner staff is the dominant budget component, taking 38% of ERDF allocations. Next in line are subsequently Suppliers (18%), Investment costs (16%), External consultants (13%) and Equipment (6%).

This implies that ERDF allocations reserved for 'man hours' (i.e. staff costs + external consultants) add up to 51% of total ERDF. The largest part of this is delivered by staff of the partner organisations themselves. Of the total allocated ERDF 40% is associated with budget categories that largely represent expenditures related to material outputs and lasting tangible results of 2 Seas projects (investment, supplies and equipment).

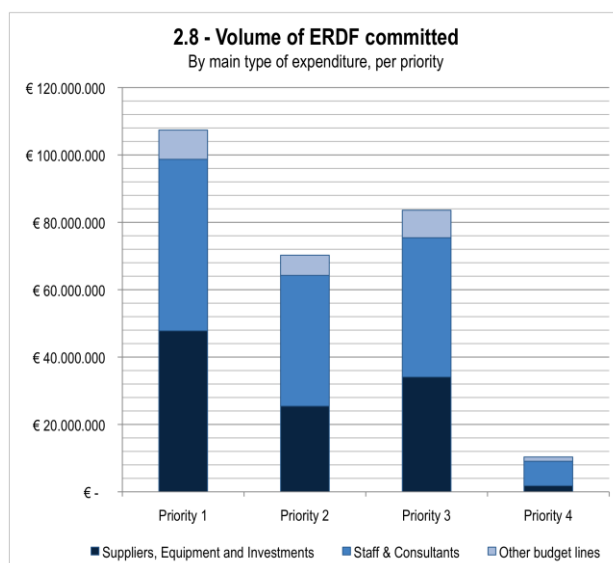
The budget line “Suppliers of services and goods” is very diverse and should be considered with some caution in this context. It contains both items that are rather immaterial (conferences, meeting costs websites) and material, tangible outputs (delivery and installation of hardware in public space, e.g. greenery, interactive information panels, bicycle parking). So it could be argued that some costs for suppliers only partly contribute to the material, lasting tangible results of the projects. An accurate % share of this budget line that corresponds to material outputs could not be determined as part of this evaluation (it requires a detailed analysis at cost item level of every project), however it is expected to add up to a considerable share of this budget line. For the purpose of this analysis, the whole budget line is taken into consideration. Note that this budget line covers 18% of total ERDF allocations.

Between the priorities, the shares of budget lines show different patterns.

In Priority 1 the large share of ERDF for Investment costs stands out. Staff costs are still the largest category (33%) but Investments take up 26% of ERDF committed, well above the programme average. Investments, suppliers and Equipments combined take up 45% of the ERDF, which nearly equals the combined allocation for Staff and Consultants of 47%. As identified previously in graph 2.5 Priority 1 supports a number of projects with considerable budgets or investments, that together contribute to this pattern.

Priority 2 in broad terms follows the patterns at overall programme level. However, the share of investments is below average at 12%. The combined share of Investments, Suppliers and Equipments is 36%, compared with 55% for Staff and Consultants. Given the thematic focus of Priority 2 on the quality of the (physical) environment, it is remarkable to find that this Priority has a relatively small share of the budget allocated to tangible and material outputs, compared to Priorities 1 and 3 and to the programme average.

Priority 3 also generally mirrors the patterns at programme level. The most characteristic element here is the relatively large budget share of Suppliers (24%), while Investments are comparably low at 10%. A total of 41% of the ERDF allocations is reserved for Suppliers, Equipment and Investments. The relative importance of Suppliers in this Priority can be explained from the thematic focus of this



be explained from the thematic focus of this Priority on the improvement of quality of life. Many activities and outputs in this context involve events and services for local and regional communities rather than material investments.

As before, patterns for Priority 4 have to be interpreted taking the very low number of projects into consideration. With this in mind, remarkable features include a very high share of Staff costs (67%), and very low shares for Consultants (3%) and Equipment (2%). Investment costs are not at all included. This pattern, concentrating 70% of the budget in categories related to 'man hours', is in line with what could be expected from this priority, which emphasises the exchange of experiences and good practice between partner organisations.

Graph 23 (2.8) shows the financial volumes associated with the main types of expenditure for each of the Priorities.

Building on the grouping of budget lines used above to distinguish material and tangible outputs from the input in 'man hours', ERDF allocations are presented for the following categories:

1. Supplies, Equipment & Investment
2. Staff and Consultants
3. Other

Also in financial terms Priority 1 makes the most substantial contribution to the 'Suppliers, Equipment, Investment' category, of €48 million. Followed by Priority 3 at €34 million and Priority 2 at €25 million. The corresponding amount for Priority 4 is €1.8 million.

The total ERDF volume committed by the 2 Seas programme to tangible and material outputs (i.e. the Suppliers, Equipment and Investments budget lines) is €109 million.

3.2.5 Conclusions of the financial analysis

The following conclusions can be formulated regarding the financial performance of the 2 Seas Programme:

1. The 2 Seas Programme has developed a high pace of financial commitments, given that fact that after 7 Calls for Proposals within three 'operational' years, the programme ERDF funds have been committed for 83%, with each of the Priorities 1,2 and 3 equalling or surpassing that rate.
2. This development indicates that in the short timeframe of its existence the programme has effectively connected with a target group of cross-border actors and triggered them to participate financially in cooperation on the thematic priority fields of the programme.
3. Given the patterns of financial commitment developed over the last calls, it is to be expected that the volume of ERDF funds committed, at least for the Priorities 1,2 and 3, will match or could exceed the ERDF allocations provided in the OP within one more Call for Proposals.
4. Note however that this previous point does not take into account committed funding becoming available again due to projects under spending their initial budgets. The actual spending levels and forecasts of individual projects could not be analysed as part of this evaluation. However, indications exist that this could add up to considerable amounts.
5. The distribution of committed ERDF funds over the Programme Priorities varies little from the budget shares of each Priority as laid out in the 2 Seas Operational Programme. This indicates that this apportionment is adequate from the perspective of the demand for programme support.
6. The 2 Seas programme has found a very even balance in financial terms between support to tangible, visible and material outputs and investments on the one hand, and exchange activities and immaterial outputs on the other hand. The analysis of the projects ERDF budgets reveals that around 40% of the committed budget goes to equipment, supplies and investments.
7. On all of the points concluded above, the Common Priority / Priority 4 is the exception to the rule. With only 41% of its ERDF budget committed and 2 projects approved that are very different in budgetary terms, this financial analysis underpins the conclusion that Priority 4 has not yet developed a clear profile nor has it generated a considerable interest from possible beneficiaries.

3.3. Measuring the achievement of programme objectives

Assessing the performance of any European territorial cooperation programme remains a real challenge for several reasons, among which:

- the eligible area is wide, with a relatively limited public financial intervention, creating a high degree of dilution;
- it's still difficult to differentiate the effects of ERDF funds with the effects of other public investments within the eligible territories, so that the causal relationship is hard to demonstrate.

For that reason, the physical monitoring of ETC programmes usually rests on basic output and result indicators (see definitions below).

This whole set of indicators as well as their target values are reviewed in this evaluation. Only necessary revisions are proposed in this report, without entering in the desirable re-organisation of the indicators system, so that it could be more in line with a real assessment of the OP performance. However, for such a change, the attention is drawn on the need to resort to more qualitative approaches (such as surveys, case studies, etc.) which usually require more human and financial resources.

3.3.1. Definitions

Within the OP, output, result and overall indicators were defined, as follows:

Output = measurable policy action whose intended task is to produce results

Result = direct effect produced through the implementation of the action.

Overall = effect of the OP on horizontal issues such as employment, equality of opportunities ... as well as the measure of the degree of cooperation within the projects.

Output indicators are strongly linked to the selected operational objectives under each Priority. Result indicators are more complex, and require specific data to be provided by projects' beneficiaries. Additional indicators drawn from an EC working paper were also included in the initial set of output/result indicators.

3.3.2. Output indicators

Nature of indicators

Between 5 and 9 output indicators were initially defined for each priority:

- most output indicators addressed the number of projects subsidised under each operational objective, in relation to the list of “core indicators for ERDF and Cohesion Fund”² (e.g.: Number of projects supporting the development of economic activities; Number of projects supporting the tourism sector...).
- other indicators (the majority) dealt with the number of actions / plans / tools developed within the projects.

The review of the consistency of indicators showed that:

- output indicators are globally consistent with the “thematic fields” mentioned in the list used by the EC for the monitoring system of all OPs (earmarking), standing in Annex F of the OP,
- indicators are globally feasible, and are used by Programme managers without any major difficulty.

² cf document “Indicators for monitoring and evaluation: a practical guide”.

In order to ensure the consistency of the output indicators system, it nevertheless appeared necessary to:

- keep within the list only the “number of projects” type of indicators, and move to the category of “overall indicators / horizontal issues” the “Number of organisations involved as partner in the projects” indicator, in order to aggregate it at programme level,
- remove two indicators from the list:
 - ▶ *Number of private companies involved in projects*: because the OP is not supposed to specifically involve private partners, in line with the « de minimis » rule ; their involvement proves quite complex.
 - ▶ *Volume of private investment*: because of its complexity of use and the fact that the OP is not supposed to specifically involve private companies.
- modify some indicators :
 - ▶ *Priority 1: Number of projects encouraging the development of **new cross-border commercial initiatives** (cf changes in blue within the table below)*
 - ▶ *Priority 1: Number of projects improving the accessibility of the programme area by optimising the use and mutualisation of existing infrastructures as a priority, is the **new aggregated indicator** bringing together 2 previous indicators: Number of projects reducing isolation through improved access to transport, ICT networks & services (EC core indic.) + Number of projects developing the joint use of infrastructure (EC core indic.)*
 - ▶ *Priority 2: Number of projects on the prevention and management of natural, technological and human risks **and to guarantee the quality of the environment** (change in blue)*
 - ▶ *Priority 4: within the initial list of output indicators, only the first one could be considered as a real output indicator, others were suppressed. Result indicators were reformulated (changes in blue).*

Revised target values

The output indicators’ target values initially included in the OP were based on an overestimated number of projects to be subsidised (546, based on the experience drawn from different cross-border INTERREG III programmes, such as INTERREG IIIA France-UK and INTERREG IIIA France-Walloon-Flanders) and consequently, on a rather low average ERDF per project (about 400 000 € for Priorities 1 and 2, and 200 000 € for Priority 3). This approach did not fully anticipate that the 2 Seas area is much wider than a classical cross-border area, with the involvement of four Member States. Consequently, the features and partnerships size are closer to what is usually observed in most transnational programmes (except within North West Europe, where the investments share is much higher than in other transnational areas).

The direct consequence is that the average ERDF amount per project after the 7th call for proposals is much higher than expected. For each Priority, it now amounts to:

- ▶ Priority 1: € 2.043.949
- ▶ Priority 2: € 1.667.066
- ▶ Priority 3: € 1.719.428

For that reason, we recommend to make a formal revision of the target values included in the OP.

For output indicators based on the number of projects, initial target values were calculated by dividing the amount initially allowed to each operational objective within the OP by former estimated average ERDF per project. New target values (cf table 7 below) were calculated, taking into account the new average ERDF per project after the 7th Call for proposals, but using the same methodology as when

the OP was written. We considered that the maximum number of projects likely to be subsidised by the end of the Programme is 100 and not 546, and we revised the target values, no longer calculated on a "546" basis, according to that new "100" basis:

Table 6. Revised number of projects to be subsidised

	Targeted number of projects per priority (established in 2007)	Revised number of projects per priority (established in 2011)
Priority 1	154	28
Priority 2	106	20
Priority 3	249	46
Priority 4	37	6
Total	546	100

Broadly speaking, the revised target values listed in Table 7 below appear much more consistent with the progress of the Programme. Globally, they are all likely to be reached by the end of the Programme, if due attention is paid to the underperforming themes mentioned below.

The earmarking of funds corresponding to territorial needs and political ambition during the drafting stage of the OP, which was the basis for defining target values, proves to be rather consistent with approved projects so far.

Table 7 below contains:

- initial way of defining target values, when writing the OP, that remains consistent today,
- initial target values
- revised target value for 2015
- indicator's value after the 7th call for proposals : this value is linked to the question "is this a target for your project ?" answered by project managers in the project report.

But an in-depth analysis of these indicators' values showed that several project managers answered that their project was linked to more than one operational objective, whereas only 1 should have been chosen. An overall check of these values was then carried out by OP authorities, and the values mentioned in table 6 are those obtained after this check : each project now corresponds to one and only operational objective, and consequently, to one and only output indicator.

- % of achievement : calculated by dividing the indicator's value by the target value.

Table 7. Revised output indicators

Name of the output indicator	Definition of the target value	Initial target value	Revised target value	Value after 7 th Call for proposals	%age of achievement
Priority 1 - Supporting an economically competitive, attractive and accessible area					
1.1 Number of projects supporting the development of economic activities, including the maritime economy	23% of projects in this priority	35	7	4	57%
1.2 Number of projects supporting innovation, research and cooperation between Universities, knowledge institutes and businesses	18% of projects in this priority	28	4	5	125%
1.3 Number of projects supporting the tourism sector and promoting sustainable tourism	7,7% of projects in this priority	12	2	6	300%
1.4 Number of projects promoting entrepreneurship and supporting development of employment and human capital	7,7% of projects in this priority	12	2	4	200%
1.5 Number of projects encouraging the development of new cross-border commercial initiatives	5,2% of projects in this priority	8	2	4	200%
1.6 Number of projects improving the accessibility of the programme area by optimising the use and mutualisation of existing infrastructures as a priority (<i>mix of the two previous indicators</i>)	38,4% of projects in this priority (initially 30,7 + 7,7%)	59	11	1	9%
Priority 2 - Promoting and enhancing a safe and healthy environment					
2.1 Number of projects dedicated to integrated coastal zone management, maritime resource management and the management of estuaries	14,3% of projects in this priority	15	3	3	100%
2.2 Number of projects on the prevention and management of natural, technological and human risks and to guarantee the quality of the environment	10,7% of projects in this priority	11	2	5	250%
2.3 Number of projects related to energy efficiency and renewable energies	32,1% of projects in this priority	34	6	3	50%
2.4 Number of projects related to management of nature, landscape, natural heritage, and urban-rural relations	35,7% of projects in this priority	38	7	6	85%
2.5 Number of projects related to water management, waste management and sustainable use of resources	7,3% of projects in this priority	8	2	4	200%
Priority 3 - Improving quality of life					
3.1 Number of projects related to community quality of life, social inclusion and well-being of different groups in society	25,8% of projects in this priority	64	12	6	50%
3.2 Number of projects developing cooperation in the field of public services	19% of projects in this priority	47	9	5	55%
3.3 Number of projects supporting cooperation on education and training	18,4% of projects in this priority	46	8	1	13%
3.4 Number of projects related to heritage and cultural assets	29,3% of projects in this priority	73	13	11	92%
3.5 Number of projects dealing with leisure activities and social tourism	7,5% of projects in this priority	19	4	1	25%
Priority 4 – Common Priority with the France (Channel) – England Programme					
Number of projects supported by the Common priority		38	6	2	33%

Analysis of reached values

As output indicators deal with the number of projects subsidised, “underperforming” output indicators logically reflect the lack of projects addressing themes such as renewable energies, public services, education, and leisure activities, which is well known by OP authorities. But on the other hand, over-performing values must be analysed with caution, because the figures at stake are very low : sometimes only 1 or 2 more projects than expected were financed, which “artificially” gives way to very high %ages of achievement.

Underperformance and over-performance values finally reflect the difficulty of establishing target values for output indicators addressing directly the number of projects subsidised. It is difficult to develop accurate output indicators that can be easily aggregated at Programme level : it enhances the interest of developing a targeted approach of outputs, project by project, which is a task of a more qualitative nature, that should be carried out within the framework of capitalization.

Finally, the values reached by output indicators are globally consistent with the new target values calculated.

3.3.3. Result indicators

Nature of indicators

Around 6 result indicators were defined per Priority. They haven’t really been used by OP authorities at this stage, as they are provided in the final reports of approved projects. Therefore, there is room for a more substantial revision of this category of indicators.

Most of these indicators reflect activities that were expected to be developed within the Programme, listed in the OP under “Examples of cooperation activities that can be supported”.

The in-depth analysis of indicators showed that:

- most existing result indicators addressed real results, i.e. short-term effects, the products obtained through the implementation of projects ; they should not be modified,
- some existing result indicators were too difficult to use, and should be removed (e.g. “Volume of private investment generated”),,
- there was a need for new result indicators, in order to get a better idea of the effects obtained through the implementation of actions, and linked to the production of outputs.

But defining new result indicators at mid-term of the OP development always proves difficult: filling in an indicator usually requires that the methodology for getting the needed information is implemented right from the beginning of the project, which was not the case here. Collecting the information a posteriori is often at least difficult, or even at worst impossible. This is why the new result indicators are simpler, and can be filled in easily through the analysis of the final reports of the projects, or simple questions asked to project managers within the framework of the closure phase.

According to the recently developed “outcomes” approach by INTERACT, outcome indicators have to focus on the effects of the Programme, regarding people’s well-being, and general progress of the area, having to do with change of behaviours and attitudes. But this approach is more likely to be feasible through a qualitative approach, within the framework of capitalisation, and not through the definition of new outcome indicators at this stage of mid-term OP development.

The choice made for result indicators’ revision is to have one result indicator for each operational objective (except for the indicator “Number of joint economic actions developed”, which can be linked to 5 operational objectives in Priority 1, and not just 1), just like output indicators. Up to now, some project managers chose to fill several result indicators in, which will no longer be possible after the revision.

Definition of result indicators

Several result indicators address the number of “measures”, “plans”, “actions”, or “tools” implemented through the projects. These items are close in terms of general meaning, but the precise definition of each item, explaining what should be considered as a “unit” for an action, a tool ... has not been defined when drafting the OP. Project managers completed result indicators in the application form,

without knowing exactly how they should be considered. This may explain why some reached values are globally much higher than what was expected ; consequently, this has made it necessary to revise target values (which were often calculated on a "1 result per project" basis, and consequently, underestimated) and define better these indicators, before asking project managers to fill result indicators in.

Table 8 below shows:

- the initial indicator
- the revised indicator
- the new definitions proposed, that should be communicated to project managers so that they may revise all the indicator values within their projects at project closure.

Table 8. Revised result indicators

Initial indicator	Revised indicator	New definition
Priority 1 - Supporting an economically competitive, attractive and accessible area		
1.1 Number of new joint economic actions developed	-	This indicator measures all the new crossborder initiatives that aim at producing valuable outputs (be they tangible products or methods, ways of working, business plans or development models...) that could contribute to a more economically competitive area.
1.2 Number of new cross-border cooperation structures between businesses and knowledge institutes	-	This indicator measures all the new structures (both real and virtual) gathering businesses, knowledge institutes, and/or local authorities, created as a result of the crossborder project implementation and which will continue to exist after ERDF support has ended.
1.3 Number of new cross-border sustainable tourism products generated by supported projects	-	This indicator aims at estimating the number of new tourism products (e.g. service, good, etc.) developed, implemented and/or disseminated as a result of an activity implemented during the project.
	1.4 Number of businesses whose development was accompanied through subsidised projects	This indicator monitors the number of businesses (be they in a pre-creation, start-up or high growth phases) that have been supported by a crossborder partnership. The businesses considered should have clearly benefited from the crossborder cooperation (e.g. via language lessons, via support of any kind towards new market opportunities abroad etc.).
	1.5 Number of joint products and services generated by new commercial initiatives	This indicator deals with the number of events, market opportunities, exchange systems of goods or services implemented thanks to ERDF support, such as : common participation to fairs and other business-oriented events, drafting of a common tool aiming at commercialising a product in several regions...
1.6 Number of new measures to improve the accessibility of the area by optimising the use and mutualisation of existing infrastructures as a priority (terrestrial, ICT, networks ...)		This indicator considers all the new crossborder initiatives (both concrete and immaterial) that contribute to the improvement of the accessibility of the area, for example in terms of physical networks or ICT connections.
Priority 2 - Promoting and enhancing a safe and healthy environment		
2.1 Number of new cross-border plans or tools for management of coastal, maritime areas or estuaries	-	This indicator considers all the new plans and tools produced that deal with the management of coastal, maritime and estuaries areas. The management plans and tools considered should have clearly benefited from crossborder cooperation (e.g. via transfer of knowledge and practices from an area to another).
2.2 Number of new cross-border plans or structures for risk management	-	This indicator aims at measuring the number of new plans and/or structures (therefore both concrete actions and immaterial measures such as raising awareness campaigns) resulting from crossborder cooperation and dealing with risk management (be they human-related, technological or natural). These plans or structures could for instance contribute to mitigate or adapt territories to the risks (e.g. coastal erosion, flooding, hazardous substances, etc.) that are common to some parts or to the whole 2 Seas area.
2.3 Number of new joint	-	This indicators monitors all the new measures resulting from

renewable energies / energy efficiency measures implemented		crossborder cooperation that aim at developing the use and production of any form of renewable energies (be they terrestrial or marine), and/or promoting energy efficiency in the 2 Seas area.
2.4 Total area of nature and landscape developed and / or protected by the programme	-	This indicator monitors the total area of nature and landscape developed and/or protected as a result of crossborder cooperation. Only the areas directly concerned by the conservation actions implemented in the framework of the project should be considered here. They can be part of protected areas or not, and can be maritime or terrestrial. The surface area must be expressed in square kilometres (km²) to permit aggregated results at Programme level.
2.5 Number of new cross-border plans or tools for water, waste or resources management	-	This indicator aims at estimating the number of new plans and/or tools that contribute to a better sustainable crossborder management of water, waste and resources. This indicator considers the plans and tools resulting from crossborder cooperation (e.g. via exchange and transfer of best practices, joint development, etc.).
-	2.6 Number of citizens directly benefiting from the project	This indicator aims to estimate the number of citizens directly benefiting from the project implementation. To provide the most accurate estimation, only citizens strongly benefiting from the improved natural environment (e.g. volunteers, visitors, etc.) should be considered here.
Priority 3 - Improving quality of life		
3.1 Number of new measures jointly implemented improving community quality of life, social inclusion and well-being	-	This indicator aims at estimating the number of new measures (both concrete actions and abstract elements) aiming at improving the quality of life, social inclusion and well-being of the communities, as a result of crossborder cooperation.
3.2 Number of new joint public facilities and services developed	-	This indicator measures the number of new joint public facilities and services that should improve the quality of services provided to the general population in the different areas concerned by the project, as a result of crossborder cooperation.
3.3 Number of people participating in joint education or training activities	-	This indicator monitors the total number of participants involved in education or training activities delivered as part of the crossborder implementation. The figure under this indicator represents the basic sum of the number of participants in each event (even if the same persons are represented in different events).
3.4 Number of new measures jointly developed to enhance heritage and cultural assets	-	This indicator aims at estimating the number of new measures (both concrete and immaterial actions) jointly developed to enhance various maritime or terrestrial heritage and cultural assets. Only new measures resulting from crossborder cooperation should be considered here.
3.5 Number of new initiatives to support leisure activities and social tourism	-	This indicator monitors the number of new initiatives (both concrete and abstract actions) jointly developed by the crossborder partnership, that contribute to support leisure activities and social tourism in the 2 Seas area.
-	3.6 Number of citizens directly benefiting from the project	This indicator aims at estimating the total number of citizens directly benefiting from the project implementation. To provide the most accurate estimation, only citizens strongly benefiting from the joint cultural activities, events and recreational facilities. The number under this indicator can include direct beneficiaries (e.g. artists, staff of the involved organizations) as well as visitors (e.g. in the case of exhibitions).
Priority 4 – Common Priority with the France (Channel) – England Programme		
-	4.1 Number of new large-scale approaches, joint tools, initiatives or actions having a crossborder maritime dimension	This indicator aims to estimate the number of new large-scale approaches, tools, initiatives or actions having a maritime dimension and impacting on both Programme areas. These elements should be covering a large area, can be of multiple natures and cover a wide variety of themes.
-	4.2 Number of shared good practices from both OPs or transferred from one OP to the other one	This indicator measures the number of good practices shared between the two Programme areas or transferred from one Programme area to the other. These good practices can be of multiple natures and cover a wide variety of themes.

-	4.3 Number of large-scale networks established in a sustainable way (through a formal commitment)	This indicator monitors the number of new large-scale networks established as part of a project. These networks should gather relevant stakeholders that cover a large part of both Programme areas, and represent a formal commitment that will continue to exist after ERDF support has ended.
---	---	--

Target values

Table 9 below shows the revised target values for result indicators, on the same model as for output indicators.

For each result indicator, a specific methodology for calculating the target value was defined when writing the OP (cf column "Initial way of defining target value").

The revision of these target values has to be considered with caution, because the number of concrete “productions”, i.e. results, may differ largely from one project to another, even if they refer to the same domain. It is difficult to establish “ex nihilo” how many “measures”, “plans”, or “actions”, are supposed to emerge from a “classic” tourism, R&D, or economic project. This is why we chose to use the average values reached by result indicators in project application forms, after suppressing unrealistic values, in order to revise target values: even if we are not sure that these values are absolutely realistic, they nevertheless give an idea of the reality of the “mass” of results obtained.

Concerning unrealistic values: it appeared necessary to analyse more accurately the very high values taken by some indicators, in order to check if they are realistic or not. 12 projects have been verified; 8 values were considered as not realistic, and were not taken into account when calculating average values.

In order to calculate each average value, we had the choice between:

- taking into account all the values indicated by project managers for a given result indicator (even when the project should not have been filled in for this indicator, because it was related to another operational objective);
- or taking into account only the values of the projects listed by OP authorities as related to the right operational objective.

We chose to use the first option using all the values taken by result indicators because:

- the fact that project managers chose them shows that they are globally consistent with the results expected,
- some result indicators were badly filled in (project managers who should have filled them in did not), and had we focused on the “right” projects only, we would have taken the risk of calculating target values on an insufficiently rigorous basis.

Finally, a check of the consistency of these average values was carried out by OP authorities, and led to the revision of some of them.

New target values were then calculated by multiplying the target value for output indicators by the average value reached by result indicators so far.

NB : concerning the sum of the values of indicators reached after the 7th Call for proposals : some are very high because project managers filled related indicators in, whereas they were not supposed to. This data will also be revised within project closure reports.

Table 9. Revised target values for result indicators

NB. The outline and definition of most result indicators have been clarified and revised (cf. table 8 above). The values reached by these have been taken from project application forms and the indicators are likely to change substantially when project managers revise them for their final activity report. For this reason, it makes no sense to provide the current percentage of achievement of result indicators because they would reflect in most cases a misleading understanding of the previous set of results indicators. Naturally, these percentages of achievement could be calculated when values are based on a much better understanding of their meaning and scope.

Name of the result indicator	Initial way of defining target value	Initial target value	Revised way of defining target value	Revised target value	Value after 7 th Call for proposals
Priority 1 - Supporting an economically competitive, attractive and accessible area					
1.1 Number of new joint economic actions developed	Average 1 for each project corresp. to output indicator n°1	65	Average 6,5 for each project corresp. to output indicator 1.1, 1.2, 1.3, 1.4, 1.5 (14 projects, value=93, average = 6,6 => 6,5 as the target value revised) - 6,5*17 projects (output indic 1 2 3 4 5)	110	93
1.2 Number of new cross-border cooperation structures between businesses and knowledge institutes	Self-supporting structures continuing to exist after ERDF support has ended	10	Average 2 for each project corresp. to output indicator 1.2 in this Priority (10 projects, value=20, average=2)	8	20
1.3 Number of new cross-border sustainable tourism products generated by supported projects	Average just over 1 for each project corresp. to output indicator n°4	12	Average 5 for each project corresp. to output indicator 1.3 (calculated on the basis of the average reached today, revised according to the knowledge of the nature of this kind of projects) * 6 projects	10	22
1.4 Number of businesses whose development was accompanied through supported projects	- (new indicator)	-	Average 50 for each project corresp. to output indicator n°1.4	100	N/A
1.5 Number of joint products and services generated by new commercial initiatives	- (new indicator)	-	Average 1 for each project corresp. to output indicator n°1.5 (4 projects already approved)	4	N/A
1.6 Number of new measures to improve the accessibility of the area by optimising the use and mutualisation of existing infrastructures as a priority (terrestrial, ICT, networks ...)	Average 1 for each project corresp. to output indicator n°6	12/47	Average 4 for each project corresp. to output indicator n°1.6 (9 projects, value = 42, average = 4,6 =>4)	44	42
Priority 2 - Promoting and enhancing a safe and healthy environment					
2.1 Number of new cross-border plans or tools for management of coastal, maritime areas or estuaries	Average 1 for each project corresp. to output indicator n°1 in Priority 2	15	Average 4 for each project corresp. to output indicator 2.1 (7 projects, value =18, average = 2,6 =>3, revised to 4 according to the knowledge of the nature of the projects)	12	18
2.2 Number of new cross-border plans or structures for risk management	Average 1 for each project corresp. to output indicator n°2 in Priority 2	11	Average 4 for each project corresp. to output indicator 2.2 (5 projects, value =17, average = 3,4, revised to 4 according to the knowledge of the nature of the projects)	8	17
2.3 Number of new joint renewable energies / energy efficiency measures implemented	Average 1 per project corresp. to output indicator n°3 in Priority 2	34	Average 2,5 for each project corresp. to output indicator 2.3 (6 projects, value =15, average = 2,5)	15	15

INTERREG IVA 2 Seas OP – Ongoing evaluation – *Draft final report for Tasks 1, 2 & 3*

NB.: Some indicators' values "reached after 7th Call for proposals" should be checked by project managers when drafting their project closure report, but for the moment, they have been taken into account within our calculations:

Priority 1

Some values were considered realistic for the moment, but to be checked with project managers ; others were suppressed :

- Indicator 1.5 : 2 projects were spotted with 10 "measures" developed and should be checked

Priority 3

- Indicator 3.1 : two values (21 and 40) were considered realistic, but will have to be checked with project managers

Moreover, *Priority 2* (Indicator 2.4), a project with an unrealistic value (953 km2) was not taken into account. Similarly, within priority 3. (Indicator 3.3), two projects with unrealistic values (3 357 and 21 000) were not taken into account.

3.3.4. Specific analysis for Priority 5 "Technical assistance"

This analysis shows that a significant effort has been made on promotion activities whereas the number of jobs initially expected was higher than what was finally implemented.

Table 10. Revised result indicators for Priority 5

Name of the indicator	Initial target value	Revised target value for 2015	Value after 7th call for proposals	% of achievement
Output indicators				
Number of projects supported	546	100	71	71%
Number of applications assessed	1365 (assumption: success rate of 40%)	250	193	80%
Number of promotion and publicity activities at Programme level (annual events, seminars for lead applicants , for lead partners, thematic seminars, regional seminars)	Average 7 events per year (2008 – 2014) by JTS and contact points	50	35	70%
Result indicators				
Number of jobs created for the management of the programme (including territorial facilitators)	In full time equivalents (fte) JTS staff and info points	21	19	90%
Amount of ERDF subject to automatic de-commitment (N+2)	In €	0	€ 768 505	0% (not achieved)
Number of annual and final reports approved by the European Commission	For the 8 year period 2008 - 2015	8	3	37%

3.3.5. Overall indicators

In addition to the indicators above mentioned, OP authorities will also rely on the use of indicators that project managers were supposed to fill in within the application form in the "overall indicators" part, and that will be taken into account when projects come to an end.

- Concerning " degree of cooperation" indicators: we recommend to take into account only the "Number of projects respecting four of the following criteria: joint development, joint implementation, joint staffing, joint financing" indicator, and to shift the "Number of organisations involved as partner in the projects" former output indicator to the "overall indicators" list

- Concerning horizontal issues: the two following indicators were not clear enough and overlapped with others, and therefore were suppressed :
 - Number of people getting permanent employment on the other side of the border as a result of a project
 - Number of people getting temporary employment on the other side of the border as a result of a project.

Table 11. Revised overall indicators

Overall indicators	Revised target value for 2015	Value after 7 th call for proposals	% of achievement
Degree of cooperation			
Number of projects respecting four of the following criteria: joint development, joint implementation, joint staffing, joint financing	80	68	85%
Number of Member States represented in project partnerships (Priority 1,2&3 / Common Priority)	2,5 / 3,5	2,9 / 3.5	Approx 100%
Number of organisations involved as partner in the projects (former Priority indicator now considered overall)	Average 4 per project => 400	444	111%
Horizontal issues			
Number of permanent jobs created (fixed contracts, full time equivalent)	136	280	280%
Number of temporary jobs created (having a finite nature - full time equivalent)	273	867	700%
Share of women	50%	46%	Approx. 100%
Share of projects having a contribution to sustainable development which is neutral/positive/main aim	30% / 40% / 30%	28% / 51% / 21%	Approx. 100%
Share of projects having a contribution to equal opportunities which is neutral/positive/main aim	50% / 40% / 10%	51% / 48% / 1 %	Approx. 100%

Analysis of reached values

Degree of cooperation

The vast majority of projects (68/71 subsidised after the 7th Call for proposals) were supposed to respect four of the following criteria: joint development, joint implementation, joint staffing, joint financing, which shows a high level of ambition concerning the quality of partnership within projects. This information was taken from the project application form. However, the evaluation of projects goes further and all projects should therefore respect these 4 criteria.

The average number of Member States represented in project partnerships (2.9 / 3.5) is in line with official requirements.

Horizontal issues

- The total number of “permanent jobs created” (refer to fixed contracts, in full time equivalent) (280 / 136 expected) is high, but has to be considered with caution, as :
 - there could be a confusion between created and maintained jobs (the new definition will precise this),
 - no systematic control system is established, allowing to check the reality of this value, which remains declaration-based (but, taking into account the risk of overestimation, it nevertheless gives an idea of the global number of jobs at least “concerned” by the project)
- Concerning the indicators “Number of permanent jobs created (fixed contracts, full time equivalent)” and “Temporary jobs having a finite nature either during or after the project”, two unrealistic values for each indicator were not taken into account.

- Concerning temporary jobs, even without the two unrealistic values mentioned, the total is still very high: maybe project managers considered not only the people employed, but also the trainees. This will have to be indicated to project managers, so that they may revise these figures when drafting the project closure report.
- The share of women is 46% on average, which is consistent with the initial target value.
- The share of projects having a contribution to sustainable development and equal opportunities which is neutral / positive / main aim are consistent with the targets, with a majority of projects having a positive contribution to sustainable development, and a majority of projects having a neutral contribution to equal opportunities.

3.3.6. Outcome indicators

Within the framework of the revision, evaluators were invited to take into account the INTERACT approach in progress, which invites programme bodies to shift from an “output->result->impact” approach towards an “input->output->outcome” approach. Within this framework, the items are defined as follows:

- Input = financial resources spent within the Programme
- Output = measurable policy action whose intended task is to produce outcomes = “what the money purchased”
- Outcome = the results or impacts obtained “in terms of people’s well-being and progress”.

Outcomes reflect targeted change in the programme area ; evaluation helps identify the contribution of the inputs and outputs to this change. The term “outcome” is broader than “result”: it encompasses both the change intended (intended outcome) and the actual change which occurs (actual outcome), that may be unexpected. In the “Outcome indicators and targets – towards a performance oriented EU cohesion policy” document, it is established that “intended outcome, or simply “outcome” is the specific dimension of the wellbeing and progress of people (in their capacity of consumers, workers, entrepreneurs, savers, family or community members, etc.) that motivates policy action, i.e. that is expected to be modified by the interventions designed and implemented by a policy.

In order to distinguish one item from another, we can note that, according to the INTERACT approach, “policy interventions, by allocating (spending) financial resources (the inputs) are aimed at producing planned outputs through which intended outcomes in terms of people’s well-being are expected to be achieved”.

As previously stated, according to the recently developed “outcomes” approach by INTERACT, outcome indicators have to focus on the more long-term effects of the Programme, regarding people’s well-being, and general progress of the area, having to do with change of behaviours and attitudes. But this approach is more likely to be feasible through a qualitative approach, within the framework of capitalisation, and not through the definition of new outcome indicators at this stage of mid-term OP development.

Outcome indicators deal with the general progress of the area. It is globally impossible to define outcome indicators at mid-term of a Programme, because :

- method and tools for getting the information needed for this type of indicators generally deal with qualitative investigations (surveys, interviews), that can not easily be implemented at mid-term of the Programme :

- > some beneficiaries can only be asked about the changes observed for their own situation when they are "on site", and their name and address or phone number are often not available afterwards

> project managers were not requested to implement such tools at the beginning of the Programme, and it would require significant efforts from them to implement them now.

- some outcomes would require heavy investigations (e.g. studies on the evolution of the environmental quality of the area), heavy extra time would be needed to implement them, which is not compatible with the necessity of having indicator values rapidly,

- a knowledge of the baseline situation in relation to the intended outcome and the situation during and after the programme is needed, in order to compare the situation before and after the intervention, and this baseline has not been defined.

This is why an approach of the outcomes can be implemented more efficiently now through a qualitative approach (rather than through the indicators system), on the occasion of the final reports of the projects.

For instance, Priority 1 could give way to interesting outcome indicators such as:

- Degree of impact of subsidised tourism projects on the sustainable development of the area : but the constitution of a group of experts should be necessary
- Improvement of the degree of knowledge of the area thanks to the subsidised projects : but a specific survey would be necessary
- Reduction of travel time of passengers obtained through the projects subsidised: but this would require specific measures, and specific tools, that had not been planned by project managers, and that would require some time to implement now within several projects.

Similar measures and efforts should be necessary for developing interesting outcome indicators for Priority 2, such as the amount of energy resources saved through the projects, or the diminution of water pollution gained through the projects.

3.3.7. Synthesis tables to be integrated in the revised version of the OP

Priority 1 – Supporting an economically competitive, attractive and accessible area			
Indicator	Comment	Target value 2015	Source
Output indicators			
1.1. Number of projects supporting the development of economic activities, including the maritime economy	23% of projects in Priority 1	7	Project application/ final report
1.2. Number of projects supporting innovation, research and cooperation between Universities, knowledge institutes and businesses	18% of projects in Priority 1	4	Project application/ final report
1.3. Number of projects supporting the tourism sector and promoting sustainable tourism	7,7% of projects in Priority 1	2	Project application/ final report
1.4. Number of projects promoting entrepreneurship and supporting development of employment and human capital	7,7% of projects in Priority 1	2	Project application/ final report
1.5. Number of projects encouraging the development of new cross-border commercial initiatives	5,2% of projects in Priority 1	2	Project application/ final report
1.6. Number of projects improving the accessibility of the programme area by optimising the use and mutualisation of existing infrastructures as a priority	38,4% of projects in Priority 1	11	Project application/ final report
Result indicators			
1.1 Number of joint economic actions developed	Average 6,5 for each project corresp. to output indicator n°1, 2, 3, 4, 5 in Priority 1	110	Final report of projects
1.2 Number of new cross-border cooperation structures between businesses and knowledge institutes	Average 2 for each project corresp. to output indicator n°2 in Priority 1	8	Final report of projects
1.3 Number of new cross-border tourism products generated by supported projects	Average 5 for each project corresp. to output indicator n°3 in Priority 1	10	Final report of projects
1.4 Number of businesses whose development was accompanied through supported projects	Average 50 for each project corresp. to output indicator n°1.4	100	Final report of projects
1.5 Number of joint products and services generated by new commercial initiatives	Average 1 for each project corresp. to output indicator n°1.5	4	Final report of projects
1.6 Number of measures to improve the accessibility of the area by optimising the use and mutualisation of existing infrastructures as a priority (terrestrial, ICT, networks ...)	Average 4 for each project corresp. to output indicator n°5 in Priority 1	44	Final report of projects
Priority 2 - Promoting and enhancing a safe and healthy environment			
Indicator	Comment	Target value 2015	Source
Output indicators			

Priority 4 "Common priority with the France (Channel)-England OP"

Output indicators	2019
-------------------	------

Result indicators	Priority		
-------------------	----------	--	--

cross-border maritime dimension	project concepts output indicator 1 in Priority 4	12	Final report of projects
---------------------------------	---	----	--------------------------

other one.	each project corresp. to output indicator 1 in Priority 4	3	Final report of projects
------------	---	---	--------------------------

commitment)	project corresponds to indicator 1 in Priority 4	3	Final report of projects
-------------	---	---	--------------------------

Indicator	Comment	Target value	Source
-----------	---------	--------------	--------

		100	Annual and final reports of programme
--	--	-----	---------------------------------------

5.2. Number of applications assessed	40%	250	management
--------------------------------------	-----	-----	------------

seminars for lead applicants , for lead partners, thematic seminars, regional seminars)	(2008 – 2014) by JTS and contact points		management
Result indicators			
5.1. Number of jobs created for the management of the programme (including territorial facilitators)	In full time equivalents (fte) JTS staff and info points	21	Annual and final reports of programme management
5.2. Amount of ERDF subject to automatic de-commitment (N+2)	In €	0	Annual and final reports of programme management
5.3. Number of annual and final reports approved by the European Commission	For the 8 year period 2008 - 2015	8	Annual and final reports of programme management

Overall indicators

Indicators	Comments	Target value 2015	Source
Degree of cooperation			
Number of projects respecting four of the following criteria: joint development, joint implementation, joint staffing, joint financing	Core Indicator 44 - EC Working Paper on indicators	80	Project application/ final report
Number of Member States represented in project partnerships (Priority 1,2&3 / Common Priority)		2,5 / 3,5	Project application/ final report
Number of organisations involved as partner in the projects	Average 4 per project	400	Project application/ final report
Horizontal issues			
Number of permanent jobs created (fixed contracts, full time equivalent)		136	Final report of projects
Number of temporary jobs created (having a finite nature - full time equivalent)		273	Final report of projects
Share of women		50%	Final report of projects
Share of projects having a contribution to sustainable development which is neutral/positive/main aim		30% / 40% / 30%	Final report of projects
Share of projects having a contribution to equal opportunities which is neutral/positive/main aim		50% / 40% / 10%	Final report of projects

Part 4. Analysis of the continued pertinence of the OP for the programme area

The purpose of part 4, as outlined in the Terms of Reference, is to identify and analyse the major changes to the context in which the 2 Seas Programme operates and determine to what extent the Programme is still pertinent. In other words, it consists in analysing whether the Programme Strategy, Priorities and operational set-up are still adequate in the socio-economic and political situation of today.

This should result in concrete recommendations for modifications in the programme:

- ▶ On the one hand regarding the strategic and thematic focus for the remaining calls for proposals in 2011 and 2012,
- ▶ On the other hand regarding the organisational and financial framework of the programme.

However, with the level of funding available following the 7th Call, remaining ERDF funds from the 8th call might be allocated to activities related to capitalisation or clustering of the supported projects rather than regular thematic projects. The need to realign the programme strategy, thematic priorities and financial breakdown with today's socio-economic challenges for the upcoming calls for proposals is therefore no longer necessary

In this context, the work of task 2 focuses on identifying those changes in the context that impact on a programme that enters its final stage of implementation, shifting focus from developing new projects to delivering the existing projects and capitalising on their results.

It is likely that changes will relate to the organisational framework and operational aspects of the programme. Also general observations with regards to the pertinence of the programme strategy and priorities in the present socio-economic context can be used for defining certain thematic clusters of projects and areas of intervention that should be addressed with priority in capitalisation activities of the programme.

The main questions addressed in this part are:

- What are the major economic, political and social changes that have occurred over the past four years of particular relevance in the context of the 2 Seas Programme?
- What are the main strategy and policy developments over the past four years of particular relevance in the context of the 2 Seas Programme?
- What has been the impact of these developments and changes on the pertinence of the programme strategy, priorities, objectives and governance?
- Have the changes manifested at project level including project type, project partners, project financial set-up etc?
- What modifications to the 2 Seas Operational Programme are necessary based on the observed developments and changes?
- How should the 2 Seas programme implementation be adapted to these changes in the remaining years of its lifespan?

4.1. Overview of major economic and policy changes in the context of the 2 Seas Programme

This analysis is based on a limited number of key sources establishing the nature of the major trends and changes in the context of the 2 Seas programme and the policy answers developed in response at EU level.

They include:

- EU 2020 Strategy documents
- 5th Report on Economic, Social and Territorial Cohesion
- Integrated Maritime Policy for the European Union
- EC documents related to Macro Regions and documentation related to a possible macro region in the North Sea and Channel area (North Sea Region 2020 process, by the North Sea Commission)

This initial desk research provides the framework for the analysis of the continued pertinence of the programme. Findings will be cross referenced with the Operational Programme to identify areas where the present trends and developments deviate from the content of the OP. The results from this first step were also fed into the preparation of the following step consisting in interviews with Member States representatives.

4.1.1 The EU 2020 Strategy

Presented in 2010 as the EU response to the changing economic and global context. The **crisis wiped out years of economic and social progress** and exposed **structural weaknesses in Europe's economy**, while major long-term challenges – **globalisation, pressure on resources, ageing** – intensify. Europe 2020 sets three priorities³:

- Smart growth: an economy based on knowledge and innovation.
- Sustainable growth: a more resource efficient, greener and more competitive economy.
- Inclusive growth: a high-employment economy delivering social and territorial cohesion.

Seven “Flagship Initiatives” define EU and MS policy action to support each priority theme:

1. "Innovation Union" to improve conditions and access to finance for **research and innovation**;
2. "Youth on the move" to enhance **education** and improve **labour market access** for young people;
3. "A digital agenda for Europe" to speed up the roll-out of **high-speed internet** and reap the benefits of a **digital single market** for households and firms.
4. "Resource efficient Europe" to support the shift towards a **low carbon economy**, increase the use of renewable energy sources, modernise our transport sector and promote energy efficiency.
5. "An industrial policy for the globalisation era" to improve the **business environment**, notably for SMEs, and to develop a strong and sustainable and globally competitive industrial base;
6. "An agenda for new skills and jobs" to modernise labour markets and empower people by **developing skills** to increase labour participation.
7. "European platform against poverty" to ensure **social and territorial cohesion** such that the benefits of growth and jobs are widely shared.

Two EC communications are dedicated to the contribution of regional policy contributing Europe 2020

³ EUROPE 2020, A strategy for smart, sustainable and inclusive growth - COM(2010) 2020 final

respectively to Smart Growth⁴ and Sustainable Growth⁵. The first points at the possibilities for creating favourable conditions for innovation, education and research to help meet the major challenges for Member States and regions. It points at EU programmes for interregional and transnational cooperation as instruments for regional networking and actual participation in research.

The second communication proposes ways to use regional policy for developing a resource efficient, low carbon, climate resilient competitive economy. It identifies the possible role of European Territorial Cooperation programmes to enable regions to integrate policies affecting EU territories and seas, especially coastal zones, forests and river basins with high biodiversity potential. Co-operation between Member States and regions on coherent actions within specific territorial or maritime areas, such as sea basins, would bring added value.

4.1.2. 5th report on economic, social and territorial cohesion

The 5th Cohesion Report (2010), presents progress in the areas of economic, social and territorial cohesion in Europe and how the EU, national and regional governments have contributed to this⁶.

The effects of economic crisis are largely put into perspective in the report and leading to changes in the implementation, direction and prioritisation of actions of the cohesion policy:

"Given the tightening budget constraints which will limit public expenditure over the next few years across the EU and the parallel need to support economic recovery, these limited public resources should be used to maximum effect, which, as the Europe 2020 strategy makes clear, can only happen if all EU policies are mutually reinforcing."

Concerning effects of economic crisis, the 5th report explains their territorial dimension:

"Although the impact of the economic crisis has been extreme in some regions, it was no worse, on average, in the less developed regions than in the highly developed ones. Accordingly, overall regional disparities have barely changed."

Financial crisis consequences:

"The EU economy in 2009 experienced the worst recession since the Second World War. GDP shrank by over 4% and unemployment rose to 10% by the end of the year. The effects, however, were moderated by the European Economic Recovery Plan²² (EERP) endorsed by the European Council in December 2008. This had two main elements:

- *a major injection of purchasing power to boost demand in the short term and restore business and consumer confidence;*
- *short-term measures to strengthen EU competitiveness in the longer term.*

The former involved a budgetary expansion of EUR 170 billion from national sources with an additional EUR 30 billion from EU sources, much of it in the form of accelerated Cohesion Policy payments."

Public investment:

"Public finances have been affected dramatically by the sharp economic downturn which started in 2008. All Member States had budget deficits in 2009 (in some — Ireland, Spain, Greece and the UK — amounting to over 10% of GDP) and all of them are expected to do so in 2010 and 2011. The average deficit across the EU was 6.9% of GDP and is expected to rise to 7.5% in 2010. Accumulated public sector debt averaged 73.5% of GDP in 2009 and it is expected to rise to over 83% in 2011 unless there is a change in policy."

⁴ Regional Policy contributing to smart growth in Europe 2020 - COM(2010) 553 final, October 2010

⁵ Regional policy contributing to sustainable growth in Europe 2020 - COM(2011) 17 final, January 2011

⁶ Investing in Europe's future - Fifth report on economic, social and territorial cohesion.

"There are serious risks that such adjustment will lead to reductions in public investment, just as occurred in similar periods of budgetary consolidation in the past. This was the case, for instance, in the 1990s when public debt was reduced to comply with the Maastricht criteria required to join the Monetary Union. This risk is especially serious in Member States where public debt has increased by most. Empirical evidence shows that countries with high levels of public debt tend to have lower levels of public investment, especially in times of fiscal consolidation."

"The impact of the crisis on public finances was less for regional and local authorities than for central government in 2009.

Regional and local governments have been affected to varying extents by the economic downturn, depending on its scale, the composition of their expenditure and their sources of revenues. Overall, however, the effect was less than on central government in 2009."

"Much of the response to the crisis was at national level. Regional and local authorities, however, also played an important role in some countries, especially in those with a significant degree of fiscal decentralisation. Major stimulus packages were initiated in a number of regions. All regions in Italy for instance introduced their own packages, amounting to some EUR 5.5 billion overall or around half of the total stimulus. Significant stimulus packages were also implemented in all the German Länder, Vlaanderen (Belgium), Gelderland (Netherlands) and Scotland and Wales (UK). They included, in general, the same types of measure as at national level, with a particular focus on infrastructure projects."

4.1.3 The EU Integrated Maritime Policy (IMP)

Introduced in 2007 with the aim to promote a more integrated governance (horizontal and vertical) of maritime issues in Europe and identify a EU strategic framework for action⁷. The IMP Progress report (2009) presents the updated directions for the IMP in a radically different economic climate. The Commission proposes six strategic directions⁸.

- **Integrated maritime governance** must be further enhanced.
- **Cross-cutting policy tools** to enhance economic development, environmental monitoring, safety, security on Europe's seas (i.e. maritime spatial planning and increased marine knowledge).
- The **definition of the boundaries of sustainability** of human activities that have an impact on the marine environment, in the framework of the Marine Strategy Framework Directive.
- **Sea-basin strategies** – for a successful implementation of the IMP the priorities and tools of the policy can be adapted to the specific geographic, economic and political contexts of each large maritime region. Co-operation with and among Member States and regions sharing a sea basin is a crucial element of success. Action at the level of sub-basins can also be useful in establishing positive examples and best practices.

The 2 Seas programme area is part of two different sea-basins identified by the European Commission in this context: the North Sea (to the north of the Strait of Dover/Pas de Calais) and the Celtic Seas (the English Channel, the Irish Sea, the Celtic Sea and the waters west of the UK and Ireland). Sea basin strategies are currently under consideration for both.

- Europe must take a leading role in **improving global maritime governance**
- In the context of the economic downturn, a **renewed focus on sustainable economic growth, employment and innovation**. Key areas of intervention are:
 - energy generation from the sea, including renewable forms of energy;
 - use the sea more for energy transportation through pipelines, underwater grids and vessels;
 - adaptation to climate change in coastal and maritime areas;
 - promote maritime transport (co-modality, Motorways of the Sea, short sea shipping);
 - stimulating maritime employment and investment in EU-flagged shipping;
 - innovation and research for the shipbuilding sector.

⁷ An Integrated Maritime Policy for the European Union - COM(2007) 575 final

⁸ Progress report on the EU's integrated maritime policy - COM(2009)540 final

4.1.4 Macro-regional strategies

A development at the European level that is of great relevance for European Territorial Cooperation programmes across the EU, including like the 2 Seas, is the emerging concept of Macro-regions.

Macro-regions are areas covering territory from a number of different EU countries or regions that share one or more common features or challenges. Dedicated macro-regional strategies have been developed for two such areas in the EU: the Baltic Sea Region (2009) and the Danube Region (2011), in a joint effort between European Commission, Member States, regions and other stakeholders. The purpose of these strategies is to create a framework to enable coordination and add value for interventions by any of these actors - individually or jointly – to strengthen the functioning and cohesion of the macro-region⁹.

At present the territory of the 2 Seas programme is not addressed by a formal macro-regional strategy. However, there are several initiatives going on to start up the development of a macro-region covering (part of) the 2 Seas.

The Committee of the Regions (CoR) in January 2011 presented an opinion calling for the creation of one macro-region for the North Sea and Channel area¹⁰. In this opinion the CoR identifies priorities for action shared throughout this region, including marine policy, environment, energy, transport, science and industry. The CoR calls on the European Commission to take the initiative to start developing a macro-regional strategy before 2013.

In another development a North Sea 2020 Strategy is currently being prepared by regions along the North Sea coast (north of the Strait of Dover/Pas de Calais) associated in the North Sea Commission (NSC)¹¹. These actors aimed to provide input for the European Commissions North Sea basin strategy (See Integrated Maritime Policy above), influence the next Interreg North Sea Region programme and make a foundation for a possible macro-region in the North Sea. The strategy is being developed over the course of 2011 and targets topics that include: managing maritime space, accessibility and attractiveness, climate change, innovation and livable communities

At present these developments are still in their early stages and do not yet have the formal involvement of the national of EU level. For this reason it is not yet possible to determine whether or not a macro-regional strategy will be formally established in this area, and if yes when and in what (geographical) form.

4.2. Vision of programme bodies on the impact of these context changes

The views and opinions of the Member States representatives related to the developments in the programme and its wider context were collected during interviews. The interviewees were representatives of the national authority and of the regional level authorities involved in the programme steering from each country. An additional interview was held with the Managing Authority.

These interviews had the aim to look back on the first years of programme implementation and to discuss how Member States view the main trends and developments in the programme context (as identified in section 4.1.). They also served to identify other relevant changes in the Member States policy context, political or institutional framework that may affect the 2 Seas programme. This provides a picture of how the continued pertinence of the programme is perceived and what changes in the programme documents and implementation are desired by the Member States.

A synthesis of the results of these interviews with Member States representatives is provided below.

4.2.1 Programme performance 2007 – 2011.

⁹ Macro-regional strategies in the European Union - DG Regio 2009

¹⁰ Opinion of the Committee of the Regions on 'A strategy for the North Sea-Channel area' (2011/C 15/06)

¹¹ www.northseacommission.info

Respondents were asked to what extent approved projects respond to the needs of the programme area. In general they reported to be satisfied with this. Respondents highlighted the fact that a new programme needs time, to develop a common understanding. This is also visible at project level. Project quality was seen to increase and cooperation became more intense (i.e. wider partnerships involving more countries) over these years. Gradually projects are starting to aim at more tangible results, increasing their cross border relevance.

The programme targets a very broad array of themes. MS expressed their concern that this stands in the way of creating a clear programme identity and of achieving one aggregated impact of the programme. The key challenge for the remaining years of the programme is to achieve this, in order to justify continuation of the 2 Seas programme after 2014. In the future more precise focus of the programme would be desirable, although this may be difficult to reach agreement on.

The initiative at programme level to identify themes for strategic projects is seen as a positive exercise that could have made a contribution to this challenge. Respondents regretted its late start that prevented the realisation of concrete projects and results in this category.

Respondents identified areas of intervention and topics that in their opinion are not (sufficiently) addressed by projects to date. The following topics were mentioned by several respondents:

- projects dealing with maritime issues,
- projects involving private partners or triggering private investment,
- projects on transport and accessibility.

Additional gaps perceived or mentioned by individual interviewees are projects on innovation, renewable energy, social inclusion, health and education/training.

Respondents proposed that a shared definition or description of 'maritime issues' at programme level (e.g. maritime transport, maritime safety, maritime ecology, etc.) would have contributed to generating and selecting projects in this field.

The interviewees stated that only few synergies and links were established between projects. They suggested that the programme could play a more active role in bringing together applicants (to prevent double work) and projects (to create synergies).

Interviewees were positive about the modalities for programme governance. It did take some time for the programme stakeholders to get to know each other and get a common understanding of the programme. And in some cases different perceptions still exist. However this new programme has shown a strong development in this respect.

Decision making in the committees is perceived as effective in reaching consensus. Although sometimes there is a lack of time for more in depth discussion about the direction of the programme.

Most of the interviewees do not experience the programme area as one coherent cross border territory. The south-eastern and eastern parts of the UK form a functional cross border area with the regions 'on the continent'. The south-west of the UK is mainly oriented on the Atlantic coastal areas in France (the Channel programme). Respondents see this phenomenon reflected in the participation of these regions in the 2 Seas programme.

The Joint Technical Secretariat functions well and is qualified as committed and transparent.

The network of facilitators is an important instrument of the programme delivery, that unfortunately took some time to start up, especially in the UK. The positive effects of the completion of this network are now becoming visible.

Respondents observed an evolution in the process of project selection. Starting with a rather stringent approach, and becoming more flexible in later calls. Several interviewees state that this rather strict start may have contributed to the current N+2 situation. In the eyes of one MS the more flexible

selection approach in later calls has favoured projects with lower cross border added value. However, this was disputed by other MS that observes an increasingly critical assessment regarding project quality and relevance.

Several MS suggested to increase flexibility by introducing the concept of conditional approval to make the programme more accessible.

Respondents suggested that programme events and other communication efforts should be further improved and geared to facilitate networking between projects and stakeholders. And more elaborate guidance and communication about the possibilities and restrictions of private participation should be made available.

4.2.2 Changes in the programme context since 2007 and their consequences for the 2 Seas Programme

All respondents refer to the financial crisis as a major change in the programme context, causing severe reductions of public sector funding. These developments urge public authorities in all countries to be more selective in their activities and refocus their national and regional policy programmes on a limited number of issues.

In the UK there is a tendency to decentralise action and responsibility from central and regional to local authorities and communities. The main policy objectives in the UK, that will also influence the focus for cross border cooperation, are improving local economic growth by supporting businesses and entrepreneurship, enhancing the environment, sustainable energy and low carbon related projects and promoting science and new technologies.

In Flanders a reform programme called Flanders in Action sets the pace for all new public sector activity. The themes of this programme are all covered within the 2 Seas OP and therefore do not require any changes in it.

In France accessibility is an important theme. This includes port strategies, the impact of Seine-North Europe canal and actions on the straits. More generally speaking, the maritime dimension has gained importance on issues including coastal erosion, fisheries and maritime transport.

In the Netherlands the new government introduced an economic policy that is likely to steer Dutch participation in (new) INTERREG programmes. This policies identifies "Top sectors" that are the main focus of economic policy support. These include logistics and chemical sectors, that are embedded in the 2 Seas area. Also a growing importance of the integrated governance of issues affecting both land and seas (e.g. pollution) is developing.

The Managing Authority pointed at the debate initiated to create a macro-region in the Channel-North Sea area. If this idea is effectuated this could mean that part of the 2 Seas budget would be mobilised for this macro regional development.

The respondents confirmed that their current policy focus and thematic preferences for cross border cooperation can be dealt with under the current 2 Seas OP, and do not require any changes to the programme strategy.

In the UK also a reform of the institutional setting takes place that affects the 2 Seas programme. The Regional Development Agencies (RDAs), previously key players in the programme, will be closed in 2012. Regional Government Offices have already been abolished.

Local Enterprise Partnerships (LEPs) will be set up to fill (part of) the gap left by the RDAs. These will be fairly loose networks of business organisations (as leading actors) with local authorities. LEPs will have no budget and depend on external funding. LEPs may not always be geographically similar to regions or counties, but rather correspond to "functional economic areas". Several LEPs have already been approved (by national government) including one for Kent–East Sussex–Essex. At present there are still gaps in LEP coverage of the 2 Seas territory. And probably also LEPs will exist that extend outside eligible area.

In all MS, it is becoming much more difficult for (local) governments and other possible project actors to find match funding. As a consequence organisations choose not to participate in cross border

projects or alternatively engage in smaller, less ambitious projects. The reforms in the UK were cited by several other MS as a development that had a notable impact on their cross border ambitions, as it became difficult to find partner.

4.2.3 Adaptations and changes in the programme period until 2014

Thematic focus

Member States expressed several thoughts regarding the possible thematic focus of the programme in the remaining period. MS stated that in this last phase the programme should deliberately aim fill a number of key thematic gaps. Most interviewees mentioned a number of topics that should be covered in this period, either exclusively, or with preference. However these varied per MS. The following themes were mentioned

- Local economy and jobs (UK)
- Low carbon economy (UK)
- Innovation and economy (Flanders)
- Ageing of the population (Flanders)
- Maritime projects (Netherlands)

The Managing Authority suggested that the three main themes of the EU 2020 Strategy (Smart Growth, Sustainable Growth and Inclusive Growth) could shape the thematic focus for the remaining programme years.

The need for further projects dealing with cultural activities was questioned by Flanders and The Netherlands. These are seen as less relevant in the (territorial) context this programme, and there are already quite a lot.

A targeted call could be used to address selected topics that are most crucial to achieve the desired programme impact. The alternative option of having a targeted call only for the operational objectives that are underrepresented, was explicitly denounced by Flanders. France opposes targeted calls all together, arguing that it brings a risk of opportunism. In any case, all MS stated that the programme and its stakeholders should be specific about what it wants.

Such a selective thematic focus would have to be agreed by the PMC, in preparation of a (possible) 9th call for proposals. It can not be effective for the 8th Call, which is already launched without reference to any thematic focus. Projects promoters have to be informed of any targeted theme for the future calls. Urgent communication should be done if it is finally promoted.

Regarding the geographical coverage of the programme area, some MS stated that the programme should not forcefully try to involve partners or territories that are not willing to, or simply cannot, participate.

Modalities for project selection

UK and the Netherlands stated that the programme should be ambitious regarding the selection of projects in the last calls, in order to make best use of the remaining funding and maximise the impact of the programme. New projects to be selected should outperform existing projects. This means that particular emphasis should be put on the assessment criteria "Relevance" and "Results". The Netherlands added that all new projects should include tangible, physical outputs (e.g. investments) to maximise impact.

Against the background of the limited remaining funds available on the one hand, and the risk of additional N+2 decommitments on the other hand, MS raised several possibilities.

One option is to over-commit ERDF funding. This option implies that more ERDF is granted to projects than the total budget available to the programme, based on the experience that most INTERREG projects do not fully use their ERDF grant.

Alternatively, when all programme ERDF will be committed a 'pipe line' or 'reserve list' of projects could be created. These are projects that meet programme quality criteria and are ready to start as soon as other projects fail to use their full ERDF grant.

It was also proposed that the JTS and facilitators should actively generate and support some remaining new projects.

Next to these options, an agreed approach regarding the prolongation and/or extension of existing projects should be established by the programme bodies.

Common priority

Member States do not attach high importance to this Priority. If this priority is to be more successful, better communication and coordination between the 2 Seas and Channel programmes are needed, as well as better communication to the potential beneficiaries.

The idea to focus Priority 4 only on maritime projects in the future is supported by the Netherlands, provided that all the money gets committed. However, Flanders oppose this strictly maritime focus altogether. Alternative proposals made by France and UK are to use it to prepare for the next programming period or to build on existing projects in the programme(s).

Clustering activities

In the opinion of most MS activities aimed at thematic clustering of related projects and actors in the 2 Seas area could be used for communication purposes, to demonstrate the impact and legacy of the programme. The JTS should be strongly involved in a rather top-down clustering development process.

The Managing Authority proposed to use EU 2020 themes to structure the clustering exercise. France and the MA suggested that clustering activities should be developed in combination with the Channel programme, if possible.

The Netherlands takes a different position, preferring to use the remaining ERDF for new regular projects that make a significant impact instead rather than for clustering activities.

Allocation of funding

The possibility to shift (parts of) the remaining ERDF allocations between priorities was raised by several interviewees, but positions varied. Flanders stated it could support re-allocations between priorities, for instance from the Common priority to others, but with the exception of moving ERDF away from Priority 1. The Netherlands and the MA expressed the desire to leave the allocations as they are now.

Programme governance

Regarding Programme governance, one adaptation is required by the UK, i.e. to replace Regional Development Agencies in the Operational Programme.

4.3. Cross-approach between context changes and programme bodies opinions

Table 12 below lists the main findings of the analysis of the continued pertinence of the programme in view of the major changes and developments in the context of the programme between 2007 and 2011. For each of the main factors of development, it combines the main items of relevance for the programme framework with the views of the programme stakeholders on this issue is presented to identify possible response from the programme

Table 12.

	Relevance for the programme - area, strategy, objectives, governance	Visions and interpretation of the Member States and MA	Potential response by the 2 Seas Programme
EU 2020	<ul style="list-style-type: none"> Identification of the strategic priorities for the EU until 2020. Seven "Flagship Initiatives", all within the overall thematic scope of the 2 Seas OP. EU Territorial Cooperation programmes mentioned as instruments for EU 2020 goals related to: <ul style="list-style-type: none"> - networking and participation in research - low carbon, resource efficient economy - policy integration for (i.a.) coastal zones, sea basins 	<ul style="list-style-type: none"> EU 2020 recognised by most respondents as important strategic reference for the programme, without concluding that it should shape the thematic orientation of the programme. Suggestion to use the EU 2020 themes to set thematic focus of the OP until 2013 made by the MA. 	<ul style="list-style-type: none"> No change in OP strategy and priorities needed. The strategic framework of EU 2020 can be adopted for demonstrating and communication of programme impact and relevance, in particular for clustering of (2 Seas) projects and related actors. It can also provide an additional reference framework for selection of projects. EU 2020 will influence preparation of a possible post-2014 2 Seas OP.
EU Integrated Maritime Policy	<ul style="list-style-type: none"> Introduction of 'maritime' as integrative, cross-cutting strategic theme at EU level. Identification of main maritime policy themes at EU level. These are generally within thematic scope of the 2 Seas OP. Sea-basin approach in which 2 Seas programme area is part of 2 basins: North Sea and Celtic Seas. 	<ul style="list-style-type: none"> Most respondents felt that the 2 Seas programme does not include enough projects related to maritime issues. A shared definition or description of 'maritime issues' would have helped to generate more projects in this field. Maritime projects should be developed with emphasis in the remaining years in the view of NL, MA. 	<ul style="list-style-type: none"> No change in OP necessary. IMP thematic framework can be used to support the maritime dimension of the programme. In particular for identifying supported projects according to IMP themes for clustering, capitalisation and communication. It could also provide additional reference for project selection. IMP will have importance for preparation of a possible post-2014 2 Seas OP.
Macro regional strategies	<ul style="list-style-type: none"> No macro-region in place in the 2 Seas area. Proposal by the CoR to the EC to develop a macro-region North Sea – Channel. Initiative by North Sea Commission to prepare North Sea 2020 strategy covering part of the 2 Seas, as a possible prelude to a North Sea macro-region. 	<ul style="list-style-type: none"> Proposal (CoR) for macro-region development for the North-Sea and Channel was raised by MA. If this happens, 2 Seas funding might be needed to contribute to the process. North Sea Commission initiative was not referred to by interviewees. Most interviewees do not experience the programme area as one functional cross 	<ul style="list-style-type: none"> No strategic or operational re-orientation of the 2 Seas programme required at this early stage. Contributions to a potential concrete macro-regional development initiative could be made through 2 Seas Clustering and Capitalisation actions (if implemented). If a macro-region emerges this will impact the preparation of a possible post-2014 2

		border area.	Seas OP.
Cohesion Report	<ul style="list-style-type: none"> Public resources are limited due to economic crisis. Close coordination of (EU) policies and spending are needed to maximise the impact of funds. Impact on public finances reported to be less on regional and local level than on national level. Infrastructure projects are a commonly used measures in crisis response packages. 	<ul style="list-style-type: none"> Public sector budgets have been significantly reduced in all countries of the 2 Seas area. Local and regional actors in all MS have difficulty to find match funding, and expect to have fewer and less ambitious projects. Impact at local level perceived to be most severe in UK. 	<ul style="list-style-type: none"> No modification in Operational Programme required. Financial analysis (section 3.2) does not confirm expected reduction in numbers and financial size of projects at programme level over the most recent calls. However, projects budgets may become more unbalanced as more severely affected actors (e.g. from UK) may present smaller financial commitments.
National and regional policies	<ul style="list-style-type: none"> As a result of government changes in some of the countries and in response to the financial crisis, new or revised policies tend to have a more strict focus on specific themes. 	<ul style="list-style-type: none"> Concrete areas of interest mentioned by one or more respondents, are: <ul style="list-style-type: none"> Local economy and jobs Low carbon economy Innovation and economy Ageing population Maritime issues, incl. coastal erosion, port strategies, transport, integrated governance. Support to businesses and entrepreneurship Accessibility, incl. inland waterways Logistics Respondents confirm that their current policy focus and thematic preferences fit in the current OP. 	<ul style="list-style-type: none"> No change in OP necessary. The concrete areas of interest mentioned could be used for project selection to provide further focus in the remaining projects to be supported.
Institutional setting	<ul style="list-style-type: none"> Institutional reform in UK includes closure of Regional Development Agencies. Local Enterprise Partnerships (LEP) will fill part of this gap. 	<ul style="list-style-type: none"> LEPs may need to be integrated in the programme governance structure and will have to find their way as future beneficiaries. 	<ul style="list-style-type: none"> Modification of OP sections regarding the composition of programme steering bodies, to replace Regional Development Agencies

Part 5. Orientations for future programme direction till 2013

Based on the analysis previously undertaken, part 5 consists mainly in exploring the ways to optimise the end of the programming period, both in terms of effective use of the whole ERDF allocation and achievement of a valuable legacy for the future.

The main questions addressed are:

- How financial allocations can be effectively used till late 2015, considering notably potential under-spending by running projects? What are the different options and which one could be favoured?
- How to deal with the expected difference of projects' results in terms of quality, added value and contribution for the achievement of current OP objectives? Could they be classified into several categories?
- What could be the most tangible and valuable results? Will they be properly and widely disseminated? How to valorise projects with a lower profile as regards strong EU priorities and IMP?
- Would capitalisation actions provide a valuable contribution for the current and future periods? What could be the operational modalities for their implementation?
- How to make sure that project results will be aggregated in a smart way in order to be easily reused during the drafting process of the next steps of the ongoing programme evaluation and strategy for the future programming period?
- Which dissemination and valorisation tools could be envisaged to usefully promote the different categories of project results?

5.1. Financial configuration for the remaining programming period

5.1.1. Possible programme response to the decommitment of funds.

Based on the "N+2 rule", the 2 Seas programme is confronted with a decommitment of ERDF funds. Over the period until the end of 2010 an amount of approximately €750.000 ERDF has to be reduced from the programme budget due to under spending compared to annual programme targets. In response to this decommitment the programme authorities have to decide which section(s) of the programme budget will be cut to accommodate this reduction.

Information about the ratio among the different Priorities in the composition of the € 750.000 decommitment sum is not available. So it is not possible to point out which priority or priorities 'caused' the decommitment.

The analysis of the financial performance of the programme that is part of this evaluation, can provide important considerations for deciding how to process this decommitment. The relevant findings from the analysis in this respect are summarised as follows:

- The financial analysis shows (table 2.1) that all 4 thematic priorities still have enough ERDF funding available to cover the full amount of the decommitment, should that be needed. The original ERDF allocations of priorities 1, 2 and 3 are in a range between €40 to €60 million. The Priority 4 ERDF budget is of a different order of magnitude at €13 million (graph 2.2).

- Priorities 1,2 and 3 all demonstrate high proportions of commitment of their respective ERDF budgets. Of the ERDF budget for Priority 4 only 41% is committed over 7 calls (graph 2.2).

With this information available, two main approaches can be distinguished for achieving the N+2 reduction:

Option 1. Reduction to the full decommitment amount of the Priority 4 ERDF budget.

The patterns of financial performance of the priorities to date show that Priority 4 is less sought after and lags behind the original projections. Therefore it can be argued that the underperformance of this priority, especially when compared to the advancements of the other priorities, may have made a considerable contribution to causing the present N+2 'situation' at programme level. The existing commitment patterns also suggest that it is likely that the priority 4 ERDF budget will not be fully committed in the 8th call, whereas this is a real possibility for the other priorities.

Table 13 presents the impact of this option on the remaining programme funds

	Share of €768 505 decommitment	Available ERDF after 7 th Call	Available after decommitment
Priority 1		€9.926.568	€9.926.568
Priority 2		€5.790.154	€5.790.154
Priority 3		€3.559.105	€3.559.105
Priority 4	€768 505	€7.457.111	€6 688 606

Several restrictions have to be considered regarding this option.

Priority 4 presents a very specific feature of the 2 Seas programme, that is the result of an intensive political debate among all stakeholders in the programme governance. Achieving the objectives of this Priority proves to be challenging and may take longer than in the case of 'regular' priorities. A budgetary reduction of this specific priority of the programme at this stage could be counterproductive to the joint efforts to making it a success.

Priority 4 and its' budget fall under the shared responsibility of the 2 Seas and Channel programmes. This implies that all decisions regarding a possible modification of this budget require the approval from both programmes' authorities. This makes such a budget modification difficult and time consuming to process.

Option 2. Proportional reduction of the ERDF budgets of priorities 1,2 and 3

The impact (in %) of a possible reduction in the context of this N+2 decommitment on the budgets of Priorities 1,2 and 3 is relatively small, especially when the required amount is divided over several priorities. Compared to a reduction of Priority 4 budget, where the amount in question represents a considerable percentage.

In addition to this a budget reduction of any or all of these priorities is relatively easy to process, compared to a reduction of Priority 4 (see option 1).

There are several ways to split the decommitment amount over the three priorities (equal split, pro rata of OP budget, pro rata of committed ERDF, ...). Of these options a reduction pro rata of the original OP budget shares of the priorities involved results in the most balanced distribution of the reduction.

The budgetary consequences of this option on the remaining ERDF budget are indicated in table 14.

Table 14– Impact of decommitment on remaining ERDF amounts – option 2.

	Share of OP budget (Prio. 1,2,3 only)	Share of €768 505 decommitment	Available ERDF after 7 th Call	Available after decommitment
Priority 1	40,75%	€313 166	€9.926.568	€9.613.402
Priority 2	28,25%	€217 103	€5.790.154	€5.573.051
Priority 3	31,00%	€238 236	€3.559.105	€3.320.869
Priority 4			€7.457.111	€7.457.111

Based on these observations we propose to choose Option 2 and deal with the N+2 decommitment by reducing the total amount of €768 505 from the budgets of Priorities 1, 2 and 3 pro rata of the original OP budget shares of these priorities.

In line with the requirements in the General Regulation for the Structural Funds (1083/2006), this decommitment will have to be processed by presenting a modified financing plan for the 2 Seas OP to the European Commission.

5.1.2. Future N+2 decommitments

In addition to the N+2 decommitment incurred after 2010, the possibility of further decommitments of ERDF funds exists at the end of consecutive years of the programme lifetime.

There is a real possibility that the entire ERDF budget of the programme, or at least of Priorities 1,2 and 3 will be fully committed after the 8th Call for Proposals by the end of 2011¹². However, projects may run into delays of their planned activities and forecast expenditures and experience shows that INTERREG projects often do not completely use up their ERDF grant.

For the purpose of this evaluation there was no detailed information available yet about the precise volume and characteristics of possible under spending or spending delays at project level. However, there are already strong indications that this is the case, possibly to a considerable volume. If this indeed is the case, it is probable that will result in further decommitment for at least part of the ERDF funds associated. An 'economic analysis' of the actual spending patterns and forecasts of all projects is conducted in parallel to this evaluation, that will produce the required information

In response to the possibility of new decommitments several complementary lines of action can be identified:

- The first line of action is prevention of N+2 decommitment. This requires a detailed overview of programme annual spending targets, projects original budget forecasts and actual spending patterns. Cross referencing this information will reveal the risk and possible volume of decommitment of the coming years. Based on this information targeted efforts could be made in cooperation with project actors, to create awareness of the need to meet spending targets over a certain year. And if possible, to speed up activities of expenditures to increase ERDF spending at programme level.
- If decommitment can not be avoided, a next step would be to use ERDF funds that flow back to the programme budget due to projects not meeting their spending targets. In the course of 2011 the first 2 Seas projects will be finalised. If these, and future finalised projects, did not use up their ERDF grants, the remainder of these grants can be freely used again by the programme.
- In addition to this an examination of the ERDF spending patterns and forecasts of ongoing projects may reveal ERDF amounts that will not be used by projects, for instance because they

¹² This was indeed the case after the 2 Seas Programme Steering Committee meeting of 22 and 23 November. Applications were approved to the extent that all remaining ERDF funding is fully committed in the Priorities 1,2 and 3.

already completed activities at lower costs than anticipated. In these cases, provisions could be made with the project to reduce ERDF funding in mutual agreement. The corresponding ERDF could be used again at programme level.

- A final additional option, if the previous actions do not result in a sufficient financial buffer, would be to reduce the ERDF grants of projects that have contributed to the decommitment by not meeting their spending forecasts. This option is possible, based on provisions in the standard Subsidy Contract for 2 Seas projects (Article 5).

An important consideration regarding this option is that it requires a case by case decision on whether or not to reduce a projects' ERDF grant, as causes for spending delays and prospects for future expenditure can be very different. Moreover, it should be considered that even a partial reduction of a projects budget can endanger the viability of an entire project, and as such negatively affect the overall impact of the programme. For these reasons it is advisable to use this option only after having fully exploited the first two options above.

5.1.3. Optimising the use of the programme budget

Experience shows that projects supported by INTERREG programmes (or other grant schemes) often spend less than their granted budget. Possible causes for this include for instance: over-budgeting, delays, under-achievement or exchange-rate fluctuations.

The 'economic analysis' of the spending patterns and prospects of the ongoing 2 Seas projects, implemented in parallel to this stage of the programme evaluation will reveal the extent to which this is also the case in this programme. Initial findings show that a considerable under-spend is likely.

These un-used funds will eventually become available to be re-used by the programme. Several approaches can be considered for allocating these 'recycled' funds to support new projects.

a. Over-commitment of programme funds

The programme could anticipate on these funds becoming available again for re-use by over-committing. This implies granting programme funds to good-quality projects in excess of the remaining available ERDF allocations, with the expectation that the total stock of supported projects will not spend more than 100% of the programme budget. Especially in the final years of programme implementation this has the important advantage that projects have more time for implementation.

This approach has been used previously by many Structural Funds programmes (Objective 2, INTERREG). Over-commitment rates used vary, depending on the specific situation of each programme. Rates are typically in a range from a 5% to 10% of the programme budget.

To give an indication of the order of magnitude of the amounts involved, Table 15 lists the amounts of ERDF funding corresponding to these rates under the 2 Seas financing plan. Note that these figures are not presented as recommended amounts for over-commitment.

Table 15 – additional ERDF amounts that could be over-commitment (indicative only and based on original approved Programme budget)		
	5% over-commitment	10% over-commitment
Priority 1	€2.945.577	€5.891.154
Priority 2	€2.039.926	€4.079.853
Priority 3	€2.240.371	€4.480.742
Priority 4	€631.521	€1.263.043
TOTAL	€7.857.396	€15.714.792

Key points that must be taken into account when applying this approach:

1. Over-commitment has to be planned carefully to make sure that the cumulative expenditure of supported projects will not exceed the total ERDF allocation of programme. Any spending by the programme in excess of the total budget will have to be financed from a national contribution as the total ERDF allocation will not change.
On the other hand, the amount over-committed should not be unnecessarily low, since this will reduce the effect of this approach.
2. Funds that are 're-cycled' this way from under-spending projects will flow back to their original priority. As the levels of under-spending may vary between priorities, this means that different rates for over-commitment may have to be applied per priority.

Given these considerations it is advisable to determine a possible over-commitment rate on the basis of programme-specific and up-to-date information about projects spending progress and prognosis, rather than a general percentage. The possible implications of future N+2 decommitments will also have to be considered.

Based on these programme specific facts realistic amounts for over-committing can be established for each individual priority of the programme. Note that these amounts may very well be different from the ones presented as illustration in the table above.

Such an analysis should be performed before each round of project selection decisions, to provide the Programme Steering Committee with a concrete budgetary scope that can be allocated to projects.

b. Reserve list

An alternative approach is to create a reserve list for projects that will be funded by the programme as soon as un-used funds become available.

These projects could be selected in a regular Call for Proposals. Projects on such a list will of course have to meet all the regular eligibility and quality criteria. However they could be the ones that have a slightly lower assessment score compared to the ones that are funded immediately.

The initial advantage of this approach is that no new Call for Proposals has to be opened when un-used funds become available.

However, reserve list projects will have to wait for an indefinite period until they can start. For the relatively complex cross-border partnerships that characterise 2 Seas projects, this uncertain waiting period may prove very challenging, especially in the present difficult financial climate. Moreover, with the end of the programme lifetime approaching, it is likely that these projects will not have enough time to implement their activities if they have to wait too long.

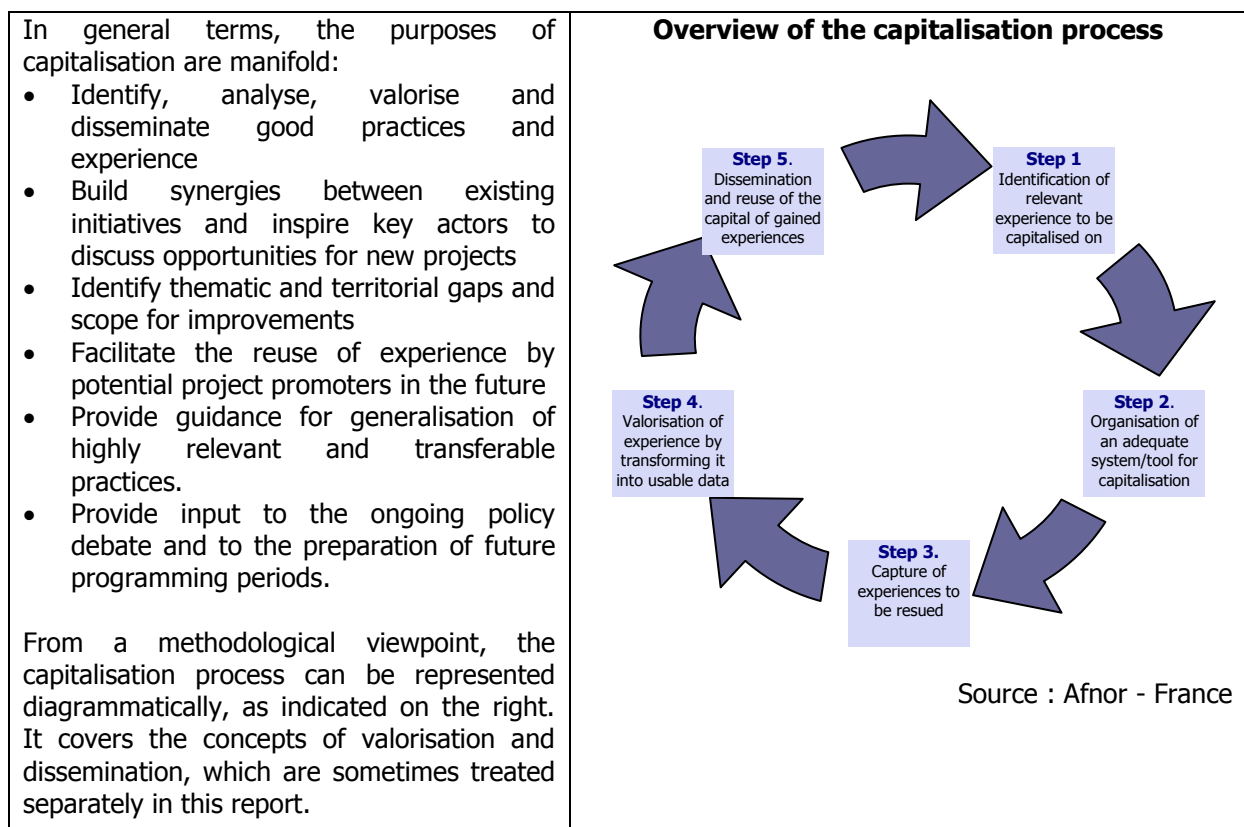
c. Conclusion

Based on the above we recommend opting for the approach of over-commitment, based on programme-specific and up-to-date information about projects spending. An updated analysis of spending levels should be performed before each round of project selection decisions, to provide the Programme Steering Committee with a concrete budgetary scope that can be allocated to projects.

5.2. Towards the development of differentiated capitalisation and valorisation actions

Over 2007-2013, cohesion policy, and especially the European territorial cooperation objective, has to demonstrate to decision-makers much more than in the past the added value of Community intervention. Consequently, and even if it is not a regulatory requirement, the European Commission encouraged ETC programme bodies to implement activities related to capitalisation of experiences in order to better quantify and qualify the value added within cooperation programmes. This process is even more important considering that in the past period 2000-2006, INTERREG III programmes were often blamed for lacking of showing tangible results.

To some extent, it is the responsibility of individual projects to valorise their results to the outside, but it falls largely to the programme responsibility to aggregate the results and to ease their dissemination and reuse in other contexts.



However, the capitalisation of experience represents a limited utility if it is not properly reused. For this reason, strong attention should be paid to the conditions of reuse of the capitalisation process.

As regards the 2 Seas area, while some approved projects are about to finalise and with more than 80% of committed ERDF, it is essential at this stage to raise a couple of questions:

- How to have a clearer view on what is being achieved by approved projects and how to show it?
- Are planned actions as part of the communication strategy sufficient enough? Would additional and differentiated valorisation and dissemination tools be useful?
- To what extent it is useful for the current period and for preparing the next one?

Considering the diversity of projects results and potential target groups, the JTS proposed to explore the outline of a capitalisation process in a double perspective:

- one at programme level, with the assistance of external experts if needed;
- the other one in the different territories of 2 Seas area. For this purpose, a specific work plan is currently implemented by the network of territorial facilitators in the four countries. The evaluators do not interfere with these activities.

In the end, these two dynamics should contribute to the emergence of the programme distinctiveness. They should obviously complement each other.

In the following, an assessment will be made by the evaluators, firstly regarding the developed approach by the JTS with the aim of making it clearer. Secondly, benchmarks will be made against practices developed in other ETC areas. On this basis, operational modalities for the development of the different capitalisation actions will be suggested, especially thematic clusters. Finally, a description of practical modalities tested against a sample of approved 2 Seas projects which may be involved, in such a thematic cluster, will be made.

5.2.1. Assessment of the developed approach by the JTS concerning the typology of results which should be valorised and exploration of potential alternative groupings or different categories.

The JTS suggested in a working paper in August 2011 to classify expected projects' results into 4 categories, considering that they vary significantly in terms of quality and as regards their contribution for both demonstrating the distinctiveness of the current OP and for preparing the future programming period. In fact, in spite of a rigorous selection process, this diversity is the natural process deriving from the bottom-up approach in vigour for project generation (programme bodies have to select projects among those submitted, whatever their average quality) and considering the internal and external factors which often prevent the partnerships to comply with their initial ambitious plans.

The below matrix shows the key features of each category.

Table 16.

Categories of projects' results proposed by the JTS	Suggestions for category labelling for (external) communication purposes	Key features
Category 1: Good practices /champions	Category 1: Flagship projects / Champions	<ul style="list-style-type: none"> ► Projects with outstanding features in terms of partners, content-related and added-value for the area. They can be seen as examples and flagship projects. ► May be thematically isolated, meaning that the possibilities for aggregating several projects under one consistent group appears limited.
Category 2: Strategic projects	Category 2: Classical and/ or cluster projects labelled as strategic	<ul style="list-style-type: none"> ► Projects answering to the following criteria: <ul style="list-style-type: none"> ✓ to deal with a major thematic issue ✓ to generate impacts which are manifest in a large area ✓ to have a long term perspective and deliver tangible results ✓ to have a clear maritime dimension ✓ to involve key actors ✓ to ensure excellent communication <p><i>(drawn from the JTS note "Key info – Strategic projects" – 02.2011)</i></p> <ul style="list-style-type: none"> ► Unlike in other ETC OPs, these projects don't result from specific calls for proposals. Instead, a label will be given to 'classical' projects complying with these requirements.

Category 3: Quantitative success	Category 3: Thematic concentration on medium-low profile topics	<ul style="list-style-type: none"> ▶ Projects related to very popular topics ▶ Expected results not necessarily of high quality and/or strong added-value compared to existing results ▶ Not always linked to key topics for the future (e.g. tourism projects)
Category 4: Qualitative success	Category 4: Paving the way for the future on high profile topics	<ul style="list-style-type: none"> ▶ Projects addressing topics with strong priority for the future programming period 2014-2020 and/or regarding the Integrated maritime policy. They can be seen as high potential projects addressing tomorrow's questions today. ▶ May be limited in numbers due to the new character of most topics.

General reaction to the JTS approach

It is diversified enough and fits the fact that programme results are very diverse and unevenly spread over priorities and themes in terms of quality, relevance and nature. It also enables the programme to address different levels/types of targets for valorisation:

- ➔ to show general achievement of programme aims and priorities to the EC and other relevant stakeholders [the combination of categories 1,2,3,4]
- ➔ to highlight the particularly appealing results to demonstrate to MS, regional stakeholders of the added value of the programme [in particular categories 1 and 4, also 2]
- ➔ to identify the specific role the programme can play in relation to the main EU strategies of today (EU2020, IMP) to prepare for future programme orientation [category 4]
- ➔ to channel the professional experiences and results developed through all the projects to the relevant professional communities in the area, both to other project partners and beyond [categories 3, 4, and also 1].

Finally, categories should not exclude between each other (for instance projects could be part of champions/flagships projects and high potential projects/qualitative success).

Reflexion on alternative approaches

The evaluators explored alternatives approaches, notably considering those developed by other OPs.

1) 'classic' approach of valorising results grouped per priority

The main limitations to this approach: priorities are very wide and diverse and will most likely not yield substantial, homogenous results that are representative of the 'whole' priority. Also, the priorities are not all equally relevant from a strategic, or future oriented perspective that is part of relevant valorisation activities.

2) results distinguished by types of outputs.

Such a categorisation could include: investments / new practices, tools, / new policies / new partnerships, etc. It has a strong resemblance with programme indicators. The advantage of such a categorisation would be that is built around very concrete outputs and examples of projects. Main restriction is that results grouped along these lines will be rather diverse and incoherent. However, this approach could also be applied as sub-grouping within (some of the) JTS proposed categories.

3) results relating to the original SWOT analysis.

This would enable the programme to very directly demonstrate the contribution to the initial challenges and opportunities identified for the programme. Problem is that the results may be rather diffuse or even disappointing, since the SWOT parameters are rather general and abstract.

In conclusion, these alternative approaches do not suggest any major change in the approach developed by the JTS, but could complement the operational developments of some categories.

5.2.2. Determination of valuable actions which could be supported for each category of results in order to promote the area's achievements.

In this sub-section, the following points are addressed:

- benchmarking against other ETC programmes which proved to have developed valuable practices according to the knowledge of the evaluators, also considering a wider list of ETC programmes ;
- determination of the pros and cons of each of the capitalisation or valorisation approaches, with potential risks or limits which should be kept in mind.

Considering the four categories of projects' results previously identified, a benchmarking against other ETC programmes has been undertaken in order to identify valuable practices. It provides a large view of the different types of valorisation tools implemented by running OPs. These tools and valorisation approaches have different objectives, targeted groups and are supported by different communication tools (website, publications, videos, etc.).

The table 17 below classifies these elements per category of projects' results.

Table 17.

Valuable practices in terms of capitalisation and valorisation identified in other ETC programmes	Relevance for each categories of projects' results				Comments about: Pros / cons & Risks / limitations
	Category 1.	Category 2.	Category 3.	Category 4.	
INTERREG IVC * brochure highlighting one 'champion' project per country * nomination of 2 projects for a "Regio star" award (<i>list of main selection criteria – 1- innovative character of the project; 2- impact (or expected impact) of the project in terms of initial objectives; 3- Expected sustainability of the project; 4- project's results in enhancing local, regional and interregional partnerships</i>)	++	/	/	+	Great visibility at EU level of outstanding projects Choices to be made by programme bodies only for a very limited set of projects
INTERREG IVC "Thematic programme capitalisation" (IVC): the results of projects working on the same topic will be analysed with the help of an expert in this field. Topical publications and events will share the conclusions of this analysis. An online 'good practice database' will be a one-stop shop for getting details on the different practices identified. In each selected topic, the knowledge will be benchmarked, and validated by an expert, with the contextual elements that make them 'ready to use' by the policy-makers.	/	+	+	++	-strong added value of outputs for public authorities - deliverables not very ambitious considering the strong involvement of human resources
INTERREG IVC MED. Capitalisation plan with thematic poles The initiative of capitalisation by thematic poles aims - To encourage the creation of added value for the projects and the Programme, by developing synergies between projects. - To ensure the dissemination and the transferability of project results both beyond the partnership and after the end of the Programme. It is a three steps process: 1) Analysis phase and implementation of joint activities. 2) Dissemination phase and 3) Mainstreaming (Creation of a capitalisation activity market place) Plan for a possible specific call for projects according to capitalisation results.	/	+	+	++	- deployment in several steps over a long period (between 3 and 4 years) not applicable in the current context of 2 seas OP - logic of thematic poles very close to thematic clusters

<p>INTERREG IVB NWE “Strategic Initiatives”: 5 thematic areas identified as strategically important for NWE (transport and logistics chains, production and consumption of energy from renewable sources, developing capacity for innovation and knowledge based economy, challenges posed by demographic change and immigration and adaptation to the spatial impacts of climate change) and 3 types of projects (bottom-up projects, top-down projects and clusters) composed this experimental approach ended in 2011 for bottom-up and top-down projects with 5 projects approved: WEASTFLOWS, KARIM, EnAlgae, ARBOR, CODE24.</p> <p>These initiatives brought together regional, local, national and EU experts and other stakeholders and received an early and tailored-made support from the Programme. They received and will continue receiving a wider exposure in the Programme’s communication activities.</p>	/	+	+	++	<p>-implies allocating the “strategic project” label directly upon approval of an application</p> <p>-integrated way of work</p> <p>-high potential for results of high quality</p> <p>-not suitable for 2 Seas, since no new projects will be approved after Call 8</p>
<p>INTERREG IVC and INTERREG IVB Central Europe - “final conference for projects” = day of communication by the partnership for explaining projects results, follow-up actions, etc.</p>	+	+	+	+	<p>-gives a good visibility to projects partners even if profile and size of participating public are usually rather limited</p> <p>-may be not really relevant for some projects</p>
<p>INTERREG IVA France-Wallonie-Flanders - “global results of programme”: web page dedicated to results of all approved projects classified by fields (economic development and innovation, employment and training, tourism, culture, health, environment, etc.).</p>	/	+	++	++	<p>-aggregation and classification of information which have a deeper impact on public in general rather than for stakeholders or the ETC community</p>
<p>INTERREG IVA France-Wallonie-Flanders “operational extract brochure”: edit by the programme, this annual document highlights global results of the programme (using financial, qualitative and quantitative elements, and focus on strategic or outstanding projects classified by priority).</p>	+	++	+	+	<p>-might constitute a key document for ETC programme, especially if focused on qualitative aspects</p> <p>-document only focused on quantitative aspects and on financial implementation</p>
<p>INTERREG IVB South-west Europe “Videos” Videos available online on projects identified as remarkable.</p>	++	/	/	+	<p>- even if the process is valuable, one should make sure that only successful projects are emphasized</p>
<p>INTERREG IVA Upper Rhine “What do they become?” Sections of newsletters call “what do they become” focusing on approved and realised projects and their lives after the end of ERDF intervention.</p>	/	/	/	/	<p>-shows the leverage effect of the OP and the lasting effects of supported projects supported.</p> <p>-not really applicable in the context of 2 Seas area since it is only the first generation of projects</p>

Focus on clustering activities developed in other cooperation areas:

Among the different purposes of capitalisation, thematic capitalisation through clustering of related and relevant individual actors appears as an essential approach for at least two reasons:




- 1) projects' beneficiaries can exchange their views on achieved results and can consequently develop more strategic projects in the future;
- 2) aggregated results and lessons at a larger scale allow better assessing to what extent approved projects contributed to the achievement of individual programmes' objectives and more generally to Cohesion Policy objectives.

This approach was originally developed by networking programmes (such as URBACT and more recently INTERACT) and later on by specific ETC programmes, mainly at transnational level. However,

considering the geographical scope of 2 Seas area, the involvement of four MS and the existence of a maritime dimension, it can be contemplated to benchmark these approaches against the 2 Seas OP.

The three following transnational areas are considered in this benchmarking: Alpine Space, North Sea Region and North-West Europe.

Table 18.

ETC areas considered			
General description	<p>Capitalisation should be an idea mainstreamed into all the programmes activities: projects should always be feeding into follow-on activities-transferred to policy level and cross-linked with related undertakings. Supporting this cross-linkage is on the menu for 2011.</p> <p>Also the last call for project proposals planned by end 2011 should contain a capitalisation dimension in its Terms of Reference.</p>	<p>The aim of the project clustering is to raise awareness about the good results being achieved in individual projects and ensure that these results are known and used as widely as possible in the North Sea Region.</p> <p>Projects combine and develop their results to deliver a joint package of thematic proposals. Visibility of results will be better achieved by clusters.</p> <p>Cluster projects are created through regular calls for proposals, but these projects differ from normal projects in a number of ways.</p>	<p>To enhance its strategic impact, NWE Programme developed the so-called <i>Strategic Initiatives</i>: these refer to projects of significant thematic and/or geographic relevance to the area. From the procedural point of view, the Programme offered three types of <i>Strategic Initiatives</i>: bottom-up projects, top-down projects and clusters.</p>
Operational modalities	<p>Financial support for project clusters</p> <p>Originating from an initiative by the CLISP project in early 2009, 5 climate change projects from call 1 have established regular exchange – both through joint meetings but also by harmonising and sharing both their data and approach to partly overlapping stakeholders as well as their findings.</p> <p>The programme has picked up on this initiative and now offers to support the coordination activities for clusters with a maximum additional ERDF subsidy of € 25.000.</p> <p>All lead partners of current projects have been informed on this possibility at the LP Seminar held in May 2010.</p> <p>Criteria for additional ERDF co-funding</p> <ul style="list-style-type: none"> - a minimum of four projects shall participate in the cluster, of which at least three projects are co-funded by the Alpine Space Programme. Cooperation with projects funded by other EU Programmes (e.g. URBACT, other ETC transnational Programmes, mainstream programmes) is also welcome; - at least one preparatory 	<ul style="list-style-type: none"> • Clusters should include as a minimum 3 countries and partners from 3 existing North Sea programme projects. <i>One of the main assessment criteria evaluates the cluster's coverage of the North Sea Region. If you have a small number of partners you will need to demonstrate how other countries and regions will be involved</i> • The budget should not exceed 750,000 Euro • Projects are funded 50% ERDF / Norwegian equivalent and 50% co-financing • The funding lifetime should not exceed 18 months • Project clusters are open to all beneficiaries, including the possibility to include new partners who are not yet involved in any project activities but who can make a clear contribution to the cluster, including possibly (in well-justified cases) partners outside the programme area • Cluster Lead Beneficiaries must be a partner in an on-going project <p>Five 'mega themes' are suggested for cluster projects: Climate, Innovation, Sustainable Communities, Managing Maritime Resources and Transport. Under each 'mega theme' more specialist sub-themes were also suggested</p>	<p>Strategic Clusters : This initiative is open for projects that have already been approved by the Programme. Projects that are addressing similar themes may be invited by the Programme to form a cluster. Through joint cooperation projects can maximise their impact and visibility and thus achieve 'strategic' relevance. Potential clusters will have to define together a Joint Action Plan including a budget and appoint a cluster leader.</p> <p>The Secretariat will provide advice on the Joint Action Plan before it will be submitted for assessment and approval to the Programme Steering Committee. Clusters can receive <u>up to 1% of the total clusters' budget. No match funding is required.</u> The cluster development initiative is regulated by a dedicated call for proposals.</p> <p>So far, the Programme has approved three clusters focusing on:</p> <ul style="list-style-type: none"> • adaptation to the expected spatial impacts of climate change (participation of 8 projects) SICadapt! • innovative approaches to sustainable energy promotion and management

	<p>meeting of the involved projects shall be held before the request for additional funding is submitted;</p> <ul style="list-style-type: none"> - the objectives of the cluster, a definition of the expected output of the activities and a description of the added value of additional funding for the cluster shall be set out; - a description of a common work plan shall be given; - the cluster leading project participant bears the overall responsibility for the cluster activities. Only this participant will receive the additional ERDF co-funding for the steering and management of the cluster and for technical expertise, therefore only the cost categories "staff" and "external experts" can be object of co-funding. 	<p>(indicative).</p> <p>The programme employs a Cluster Facilitator within the JTS who coordinates the overall focus of the clusters and ensures they are in line with and contribute to Programme strategy.</p>	<p>(participation of 5 projects) ENVIREO</p> <ul style="list-style-type: none"> • innovative approaches to urban, inter-urban and rural public passenger transport (participation of 4 projects). SYNAPTIC
--	---	--	---

Key lessons from this comparative approach:

- approaches aiming at achieving the same objectives but differing greatly in terms of duration, budget allocation and intensity of number of involved projects and actors. As regards the budget issue, the maximum ceilings vary greatly (from €25.000 to €750.000) ; both appear too extreme in the prospect of cluster implementation under 2 Seas;
- approaches are mainly inward-looking without considering the involvement of ETC projects co-financed by other programmes in the area, except in the North Sea Region case where relevant external competencies are welcomed;
- the involvement of external expertise and/or a cluster facilitator appears as a key success-factor.

5.2.3. Proposed practical modalities for the implementation of thematic clusters

Considering the lessons drawn from the benchmarking and considering the intrinsic territorial features of 2 seas area (wider than a traditional cross-border area but smaller than a transnational area), the evaluators propose some practical modalities for the implementation of thematic clusters, sometimes with different options.

Table 19.

	Proposals made by the evaluators
Profile of cluster' leader	<p><i>Existing projects Lead partners should be encouraged to be the driving force of these clusters, provided they clearly act for the whole cluster of projects and actors. Alternatively, other public organisations with strong competence and experience on the issue could be invited to coordinate these activities, acting for instance as external experts within an existing project.</i></p> <p><i>In both cases, the selected competencies should have a good representativity, meaning in particular a long term experience in cooperation issues and a successful experience in cooperation project management.</i></p> <p><i>In conclusion, subsidies should be allocated to competencies and not necessarily to existing beneficiaries in approved projects. In a complementary way, it is strongly advised to resort to a well-identified coordinator person, either internally or an external expert.</i></p>

<p>Cluster size and scope</p>	<p>Except in justified cases, between 4 and 6 projects/competencies (public organisation or public equivalent body) should be involved in a cluster, by making sure that the different nationalities are well represented.</p> <p><i>In principle, relevant projects approved under 2 Seas OP should be given the priority. However, approved projects under other OPs should also be considered where relevant. It seems quite logical to consider first approved projects within the France (Channel)-UK OP especially, and to try to coordinate these activities as part of the Common priority of the 2 Seas OP (within the 2nd operational objective "capitalisation of good practices implemented in each OP").</i></p> <p><i>In so far as North-West Europe OP covers both 2 Seas and France (Channel)-UK areas, it appears also essential to take on board approved projects addressing the selected topic for clustering activities, notably when the partnership location of such projects is in majority included in the cross-border areas. To some extent, this reasoning also applies to approved projects within the North Sea and Atlantic Space OPs. It is also worthwhile to consider relevant partners in unapproved projects.</i></p>
<p>Cluster generation</p>	<p><i>Proposals made by programme bodies in a top-down approach could be the starting point. However, there might already be existing interactions between different projects or competencies on a specific topic. A flexible approach should be encouraged.</i></p>
<p>Budget, co-financing rate and eligible expenditure</p>	<p><u>Budget: between €50.000 and €150.000</u> for one cluster depending on several criteria such as: the number of involved projects/competencies, the intensity of collaborative activities, the duration and planned deliverables, etc.</p> <p><i>Indicative elements of calculation:</i></p> <ul style="list-style-type: none"> - internal human resources for cluster coordination: monthly wage all included €5.000 * 12 months = €60.000/ involvement at half-time = €30.000 - external expertise (content-oriented and/or valorisation-oriented) = €30.000 - main events = 2 * €5.000 each on average = €10.000€ - travel costs for key actors only = €20.000 - publication = €10.000€ <p><u>= approximately in total : €100.000</u></p> <p><i>In principle, the ERDF subsidy would benefit to the cluster leader. Only this participant would receive this extra co-funding for the steering and management of the cluster and for technical expertise and would bear the overall responsibility for the cluster activities.</i></p> <p><u>Eligible expenditure:</u></p> <ul style="list-style-type: none"> ✓ Preparatory stage: one meeting between the organisations, travel costs, external expertise, ✓ Implementation stage : meetings between the organisations, travel costs, external expertise+ events, publication document, ✓ About staff costs of cluster participants: <p><i>This approach is based on the assumption that participation in a cluster brings considerable added value to the cluster participants in terms of first hand exposure of their expert staff/practitioners to valuable and state of the art thematic knowledge, views and experiences, and bring their own experience (gained through a 2 Seas project and otherwise) as a contribution to the cluster. Therefore staff costs would not be eligible expenditure.</i></p> <p><i>Cluster activities and outputs (e.g. events, publications) will have a strong external orientation, since they are expected to reach out to the wider community practitioners across the whole 2 Seas in the related thematic field. These activities and outputs come with considerable expenses. This financial burden should not produce a barrier for relevant partners to join a cluster. Therefore, all cash expenses related to the cluster activities are proposed to be 100% funded by the 2 Seas programme (Option 1).</i></p> <p><i>Even if it is difficult to predict the exact balance between staff costs and other expenses in a cluster budget, it is likely that the out-of-pocket component (i.e. all budget lines other than</i></p>

	<p><i>staff) will form more than half of a typical cluster project budget.</i></p> <p><i>Alternatively, the regular co-financing principles could be applied. This means that a 50% grant rate would be used for all budget lines, both staff and out-of pocket costs (Option 2). This might be more straight forward to work with from the experienced 2 Seas partners point of view. However, this approach may unnecessarily restrict the ambitions of partners regarding the outputs of the cluster.</i></p> <p><i>In any case, an intrinsic motivation to contribute to, or even lead a cluster would be required from all cluster participants. Therefore it is not recommended to work with a 100% co-financing rate for all eligible budget lines, but rather to require at least some form of material contribution to the cluster projects from the partners involved.</i></p>
Duration	<p><i>Provided the action plan and the expected deliverables are well defined during the generation stage of the cluster (which could last from 3 to 6 months), the implementation stage could last from 6 to 12 months.</i></p> <p><i>In both stages, participants should be reminded that they are in a short term process for the delivery of outputs.</i></p>
Support, guidance at OP level	<p><i>Options to be envisaged: guidelines for the implementation stage; cluster facilitator; one referent person within the JTS (for instance a project officer or a territorial facilitator), indication for the selection process of external experts, etc.</i></p>

Estimation of the number of clusters which could be implemented over the next years

Even if financial resources may become very scarce after the programming process related to the 8th call for proposals, at least two financing sources could be contemplated for the development of projects clustering:

- Technical assistance (TA) for activities totally financed by this budget line (at least till mid-2012).
- under spending of projects already co-financed through the Priorities 1-4 (starting (mid-)2012

Reasonably, **up to four clusters** could be envisaged before the end of this programming period.

It is suggested to select one relevant topic under each of the three thematic priorities of the EU 2020 strategy, plus one topic closely linked to the maritime dimension and the IMP. Ideally, the selected topics should be in line with the orientations provided in the EU 2020 strategy about smart, sustainable and inclusive growth.

It would be wise to launch one of them as soon as possible and to draw lessons from the first steps of its development before generalising the approach to the others.

5.2.4. Test of the practical modalities against a sample of approved 2 Seas projects which may be involved in a thematic cluster

Purpose

Clustering activities among existing 2 Seas projects will require a considerable effort of the partner organisations the get involved in a cluster. The success of clustering depends on the capacity and willingness of the select group of key partners and actors in the area to get involved and dedicate staff and financial resources.

This can only be achieved if the set-up of clusters provides considerable added value for both the programme and the cluster participants / cluster leaders. For this reason it is essential to get in

contact with potential key participants of a cluster to test existing ideas, and collect their inputs and viewpoints.

Starting point: JTS proposal for thematic clusters

The JTS has analysed the state of play in the programme to identify the potential for creating relevant and significant thematic clusters among the present stock of 2 Seas projects. After an initial assessment of the overall quality of ongoing projects, the analysis identifies a range of 11 possible thematic clusters within the scope of the 2 Seas programme. These possible clusters are further investigated and scored, looking at two main parameters:

- Relevance: delivery against key issues in the 2 Seas OP and relevance towards key policies for 2014 – 2020: EU 2020 strategy and EU Integrated Maritime Policy.
- Feasibility: number of related projects, quality, focus and timeline of these projects, (Lead) Partners involved, existing links between approved projects.

Without excluding other themes, three potential clusters seem particularly promising (scoring high on both parameters):

- Support to SMEs
- Ports/maritime dimension
- Tourism

The test of the proposed clustering modalities focused on the two first ones as these themes are very much linked to the EU 2020 and IMP strategies relevant for future programme planning. A first test among the following five key actors was performed. The organisations chosen were those where contacts had already been established by the Programme within these thematics and which had also shown an initial interest in being part of capitalisation initiatives.

- Business Support Kent (UK)
- VOKA - Kamer van Koophandel Oost-Vlaanderen (BE)
- Chambre de Commerces et d'Industrie du Grand-Lille (FR)
- Environnement Agency (UK)
- Nausicaa (FR)

It gave a first impression of the response of the target group to the proposed modalities for clustering, and added valuable new ideas and insights to be included in clustering preparations.

The test of the target group response to the clustering proposals took place in early October 2011 through telephone interviews on the basis of a guide. The questions related to the rationale, feasibility and practical modalities of thematic clusters.

The synthesis of opinions from the interviewed organisations appears in Annex 3.

Roadmap for the implementation of thematic clusters as of 2012

The following guidelines rest on both the proposal from the evaluators and the opinions from relevant key actors.

Cluster generation

Top-down approach in the first steps of designing the outline of the cluster and identifying relevant projects and organisations => strong involvement of programme bodies (notably JTS and territorial facilitators).

Cluster size and scope

Take on board a large group of projects/participants - between 5 and 10 and ideally 7 to 8. Projects from other overlapping areas are welcome, as well as relevant INTERREG III projects.

Profile of cluster's participants

Mix of academic, public authorities and business representatives, coming mainly from ETC projects but also additional external competencies. They should all have relevant operational knowledge AND a vision on the theme.

Profile of cluster' leader or coordinator

3 options: 1/ an external expert (academic or consultant); 2/ a network specialised on the issue; 3/ a JTS representative.

Duration

Generation stage: 3 to 6 months

Implementation stage: 6 to 12 months (up to 18 months in duly justified cases)

Type of activities / Eligible expenditure

Type of activities: They should be focused on the aggregation of existing outputs and their valorisation on the outside.

Eligible expenditure:

- ✓ Preparatory stage: one meeting between the organisations, travel costs, external expertise,
- ✓ Implementation stage : meetings between the organisations, travel costs, external expertise+ events, publication document,
- ✓ Staff costs of cluster participants:

In principle, the ERDF subsidy would benefit to the cluster leader. Only this participant would receive this extra co-funding for the steering and management of the cluster and for technical expertise and would bear the overall responsibility for the cluster activities.

Budget size

Between €50.000 and €150.000 (exceptionally up to €200.000) for one cluster depending on several criteria such as: the number of involved projects/competencies, the intensity of collaborative activities, the duration and planned deliverables, etc.

NB: Alternatively, if the JTS would take up the process and administrative side of cluster leadership (with a cluster partner acting a content leader), this could reduce the staff time and costs that should be budgeted for cluster coordination.

Co-financing rate

Co-financing rate should amount to 80% or even 90%.

Support, guidance at Programme level

Necessity to take on board the JTS, either as the cluster leader or a driving force within the steering group.

5.2.5. Proposed tools for the valorisation and dissemination of the different projects' results categories

Before identifying some relevant tools for each category, it is wise to review the existing ones as part of the communication strategy.

Reminder of the approaches and tools included in the communication strategy of 2 Seas OP

The communication tools and groups are classified into three main categories:

- **events** which include all the manifestations organised by the JTS or those in which it will take part and which will help to present the Programme and its results to the different target groups defined above;
- **publications**, which are all written documents, both printed and on-line;
- the "communication **supports**" are all the instruments used for information and communication in the 2 Seas Programme which do not come under the two preceding categories.

A. Events

Event		Description
Programme	Annual event	1 Information Day and/or programme evaluation with technical interventions and/or politicians with the possibility of stands or workshops – calls for proposals, Partnership exchanges, themed seminar and jointly organised press conference j
	Ad hoc partnership exchange	One-day event for potential partners to network
	Ad hoc thematic seminar	Event organised around themed priorities
	Regional meeting	Event organised by the territorial facilitators according to needs in the field
	Ad hoc press conference	Event for the press to present a particular subject and/or answer questions from journalists
Projects	Seminars for lead applicants	Advice and help for potential lead partners of a project
	Seminars for lead partners	Advice and help for approved lead partners of a project
	1st level control seminars	Training for FLC in funding
EU	European Day	EU flag raised in front of the building, possible participation in external events
	Participation in INTERREG events	Events organised by the MA or neighbouring INTERREG Programmes (France Walloon Flanders, Dutch Flanders, France (Channel) England, etc.)
	Participation in external events	Fairs, exhibitions, seminars except INTERREG reaching our target public

B. Publications

Publications	Description	
	Form	Content
Newsletter	4 to 8 pages 4 times a year Only in electronic version printable 3 languages	4 sections: - interview/opinion column - projects - cooperation corner - programme info
Newsletter Common Priority	1 to 2 pages – Added to the usual NL if necessary	Subjects concerning Common Priority
Fact sheets	Overall presentation with statistics	Presentation of Programme, priorities, work done
Press releases, press packs	Electronic format – sent by email + on website Printed if necessary for the press pack	Presentation of the Programme's essential information and results Presentation of the events related to the Programme
Leaflet	4 pages	Promotion for the Programme
Brochures	Data compilation With visual elements Overview and exhaustive Once a year	Projects for the year (1 project/page with map and budget)
		Presentation of each priority (appraisal)

C. Communication supports

Equipment	Description
Mailing List	List of contact details of people participating/interested/targeted in the Programme
Website	Design, development and maintenance of a specific website for the 2 Seas Programme including one section dedicated to the Programme and one section for the projects. Databases and possibility of working online. Design and distribution of a visual identity included in the website contract
Banner rail	Signage equipment that can be dismantled for events. Variable sizes
Roll-up	
Pop-up display	
Advertising material	Pens, memory sticks, lanyards, conference bags, mouse pads
Small printed material	Visiting cards, headed notepaper
Posters	Incorporating the visual identity of the Programme, general purpose or for specific themes

Some of these tools can be used for the valorisation of some projects' results.

It includes as a minimum: annual event, participation in INTERREG event, newsletter & newsletter on Common Priority, brochures, website.

However, it appears too restrictive for a proper valorisation of the specificities of each of the four categories of projects' results.

Table 20.

	Category 1 Champions/ Flagship projects	Category 2 Classical projects labelled as strategic	Category 3 Thematic concentrations on medium-low profile topics	Category 4 Paving the way for the future on high profile topics
Potential valorisation and dissemination tools (<i>beyond the 2 Seas website on which each category could be valorised</i>)	<ul style="list-style-type: none"> - database of good practices - study visit - video - ETC study at national or European level (e.g INTERACT) - EU conference (like Regio Stars) 	<ul style="list-style-type: none"> - database of good practices - newsletter (e.g. special issue) - presentation during regional annual events (related to relevant Competitiveness Objective OPs) 	<ul style="list-style-type: none"> - regional thematic seminars + involvement of final beneficiaries, politicians & medias (e.g. newspaper, regional/local TVs) - brochure 	<ul style="list-style-type: none"> - thematic clusters on a limited number of EU priorities to show programme results& to open strategic reflection on EU2020 priorities / EU IMP // - video - brochure - presentation in annual events
Type of leadership for their implementation	Mainly JTS + Lead partners of selected projects	Mainly JTS	Mainly territorial facilitators	Relevant institutions (beneficiaries of 2 Seas projects or projects within another ETC OP + external competency)
Core target group(s) for dissemination	<ul style="list-style-type: none"> - EC and MS - projects applicants - network OPs (INTERACT, or even INTERREG IVC) 	<ul style="list-style-type: none"> - Public institutions at EU, national and regional/local level 	<ul style="list-style-type: none"> - politicians/decision makers at NUTS 2 and 3 levels - Relevant professional communities 	<ul style="list-style-type: none"> - EC, MS - politicians/decision makers at NUTS 2 and 3 levels - Relevant professional communities
Funding source	TA	TA	Funds dedicated to the territorial facilitators network	TA and or Over-commitment from approved projects
Degree of contribution to the current period	++	+	+	+
Degree of contribution to the preparation of the next period	+	++	/	++

Conclusions and recommendations

As stated before, beyond the compliance to sound financial ERDF use by the end of 2013, one should wonder what will be the legacy of the 2 Seas programme for the EC, MS and decision-makers at NUTS 2 and 3 levels by the end of the 2007-2013 period?

Considering that most of ERDF allocation is now committed to projects, the time has come to be concerned with their results and effects in the short-medium term. For that purpose, differentiated capitalisation and valorisation actions should be developed over the coming 2 years, like in the majority of transnational programmes and in an increasing number of cross-border programmes.

Among them, the development of thematic clusters should be the most emblematic one, without putting aside the valorisation of other types of projects' results.

It should also be clearly linked to the preparation of the next programme generation, in order to really mobilise key actors, including the whole programme partnership. For instance, the dissemination of the key results and lessons from project clustering could be linked to preparatory meetings and workshops for the future programming period 2014-2020.

The proposed approach for 2 Seas OP should also be discussed with the France(Channel)-UK programme bodies in order to envisage joint actions in three directions:

- *within the common priority with the possibility to implement capitalisation projects based on good practices developed under both OPs;*
- *within a thematic cluster bringing together projects or competencies coming from both areas;*
- *during joint events (for instance during the annual event 2012 with a special focus on the Common priority and capitalisation) aiming at valorising their respective achievements but also their joint potential*

In that respect, it could also be explored to pool or share staff resources between both OPs for the coordination of some capitalisation and valorisation activities.

Part 6. Key conclusions and recommendations

6.1. Key lessons and conclusions

→ Performance of the programme

1. Globally, most approved projects do have the characteristics of good quality cooperation projects, in line with the qualitative gap that was expected for this generation of programmes. As they are still in progress, it is too early to really assess the quality of achieved results and their short term effects.
2. The thematic coverage of the list of operational objective included in the OP, although rather wide, proves to be relatively satisfactory at this stage. However, considering the variety of addressed topics resulting exclusively from a bottom-up process, it is unsure at this stage whether the aggregation of final results and effects will provide a valuable contribution to the achievement of the OP operational and strategic objectives. It should be positively mentioned that a large number of approved projects have an integrated approach and as such address topics classified within several priorities.
3. Approved projects with a direct maritime dimension relate to all priorities, but mainly under priority 2. The maritime dimension in general is well established as a cross-cutting theme of the whole 2 Seas programme: it represents approximately 22% of the projects, and even 28% of the committed ERDF budget after Call 7. Moreover, most of the 'maritime' projects supported are directly in line with the main EU-level strategy in this field.
4. The average size of project partnerships amount to 6. It is higher than what can be observed in most cross-borders areas (usually between 3 and 4). The involvement of 4 Member States as well as the extended geography of 2 Seas area explains largely this result.
5. Almost half of approved projects involve partners from 3 Member States. An additional 20% relate to projects taking on board partners from all 4 MS. Bilateral links account for 2/3 of cooperation between the UK and France, which is surely due to a large extent to the existence of the prior INTERREG IIIA OP between these two countries. The absence of partnership between England and Netherlands is noteworthy.
6. Regarding the geographical coverage of 2 Seas area by approved projects, partners are globally not well distributed. On the contrary, a high concentration of partners in a limited number of territories can be observed. The core area covering Kent CC, Nord and Pas-de-Calais territories started with a strong involvement and kept being very active over the following calls for proposals, in spite of a light decrease over the course of time (over 50% of beneficiaries under the 1st call for proposals and about 37% after the 7th call for proposals). It is higher in volume than their demographic weight which accounts for 27% of the whole area.
7. The involvement of territories turned towards the North Sea, both on the English side and in Flanders/ Netherlands started slowly, but intensified over 2008-2011. The involvement of South-West England territories is rather poor, even if it intensified somewhat in the last calls. However, it questions in some way the double belonging of English territories to 2 Seas and France(Channel)-UK programmes and consequently the relevance of the geographical area.

→ **Pertinence of the programme**

8. Key developments in the policy context of the 2 Seas Programme at the EU level are the EU 2020 Strategy, the Integrated Maritime Policy and the emerging concept of macro-regions. The themes and aims presented by these EU strategies fit within the thematic scope of the 2 Seas Operational

Programme, and as such the programme strategy and priorities are still pertinent in the present context. These EU level developments do provide an updated EU-level thematic framework that can be used to benefit the programmes' thematic focus and capitalisation efforts for the final years of programme implementation.

9. National and regional policies have changed throughout the 2 Seas area. With public funds decreasing due to the economic crisis, public authorities are more selective in their policy focus, and emphasise actions that respond to and counter this economic downturn.
The revised policy focus and thematic preferences within the MS fit within the thematic scope of the existing 2 Seas framework and do not require changes to the OP. However, MS identified different, complementary themes that could be considered with priority for the remaining lifetime of the programme¹³:
 - Local economy and jobs
 - Low carbon economy
 - Innovation and economy, notably support to businesses and entrepreneurship
 - Ageing population
 - Maritime issues, incl. coastal erosion, port strategies, transport, integrated governance.
 - Accessibility, incl. inland waterways
 - Logistics
10. Most Member States expressed that they do not perceive the 2 Seas programme as one functional cross-border area. This is supported by an analysis of the involvement of the different NUTS territories in 2 Seas projects (see conclusions 6 and 7 above), which shows that in particular the south-western part of the UK is not very much involved in projects.
11. The programme governance structure took some time to develop, as could be expected with a new programme. The Joint Technical Secretariat has quickly established tools and procedures to implement the programme and is considered effective by the MS. In the programme Committees a common understanding of the programme has developed gradually and MS delegates experience their cooperation as positive. The network of facilitators has developed slowly.

→ Programme budget and monitoring

12. The 2 Seas programme has developed a high rate of ERDF commitments, amounting to 83% of the programme budget in the first three operational years. The programme budget will most likely be fully committed after Call 8 in 2011. However under-spending of ongoing projects may result in substantial amounts of ERDF that can be reallocated, partly to accommodate decommitments of programme funds (N+2), and also to fund new projects. The volume of these underspending amounts is to be determined.
13. The budget allocations of the Priorities in the 2 Seas OP are considered to be still pertinent, given that context changes do not require modifications to the OP strategy and priorities; no strong modification in programme focus emerges from Member States visions on the course for the remaining programme lifetime and financial analysis shows that Priority 1, 2 and 3 budgets develop along parallel trends and in line with their OP allocations.
14. The common priority has an under commitment of the budget at only 41% (after call 7), staying considerably behind the other priorities. It reflects to some extent the complexity to articulate programme bodies from two different OPs. Expected projects should mostly derive from a top-down approach which has been underdeveloped so far.

¹³ These themes were identified during a round of interviews with Member States representatives in May 2011. Since then the programme has rapidly committed nearly its entire budget in the 7th and 8th Calls for Proposals. As a result the possibilities to actually apply this thematic focus are more limited than at the time MS expressed these preferences.

15. The set of physical indicators, especially result indicators, does not prove to be appropriate enough for the programme monitoring. Target values were overestimated and appear to be out of reach considering the partnership size and financial characteristics of approved projects.

→ General conclusions

16. In general terms, the programming process results have delivered fairly well against the Operational Programme after less than three years. Programme bodies have developed the appropriate measures (notably cooperation fairs, territorial facilitators) to facilitate the emergence of good quality projects.

6.2. Key recommendations

→ Recommendations that require modifications to the Operational Programme

1. In response to institutional changes in the UK, in particular the expected closure of Regional Development Agencies, a modification of the Operational Programme is required. Concretely this is the case for the parts describing the composition of the programme Committees (Section 5.4 of the OP).
2. To process the N+2 decommitment of approximately € 750.000 over the programme's 2010 annual budget, it is proposed to reduce this amount from the budgets of Priorities 1, 2 and 3 on a pro rata basis according to the original OP budget shares of these priorities. In line with the requirements in the General Regulation for the Structural Funds (1083/2006), this decommitment will have to be processed by presenting a modified financing plan or the 2 Seas Operational Programme (sections 6.2 and 6.3 of the OP).
3. The set of physical indicators should be revised in a twofold perspective: in the definition of some output and result indicators and in the target value that was assigned to each of them.
4. The types of projects foreseen in the OP should be slightly revised in order to reflect the reality of what can be used for project generation against the 2 Seas area characteristics and needs, as well as the development of joint activities between existing projects. Concretely, it means as a minimum deleting the category of framework projects associated with micro-projects.

→ Recommendations for adaptations in programme implementation

5. To maximise the impact of the programme in the final years and with the remaining resources available, it is advised to adopt a thematic focus within the existing wider scope of the programme. The recent EU policy frameworks EU 2020 and Integrated Maritime Policy provide a good basis for this, in combination with present policy priorities of the 2 Seas Member States (see conclusion 9).

These thematic preferences and policy orientations could be brought together in the following thematic focus areas for the 2 Seas programme:

- *Smart growth of the 2 Seas area* - support to local and regional economic recovery and support to innovation.
- *Sustainable growth of the 2 Seas area* –boosting the low carbon economy.
- *Inclusive growth in the 2 Seas area* - creating jobs, improving employment.
- *Maritime challenges and opportunities of the 2 Seas* – including coastal erosion, port strategies, transport and logistics, integrated maritime governance.

This thematic preference should not exclude action on other topics fitting the OP Priorities. Rather it should be an indication of the desired focus in the remaining programme lifetime. Actions to achieve this desired focus could be:

- Communication of programme preference for these topics to the community of potential beneficiaries.
 - In the assessment and selection stage (8th call), projects in these fields should be favoured regarding the quality criterion 'relevance' (of course provided the project is of good quality)¹⁴.
 - Use these themes as a framework for valorisation and capitalisation actions of the 2 Seas programme.
6. In response to the expected under-spending of projects the Programme Bodies are recommended to opt for the approach of **over-commitment of the existing programme budget**. It is advisable to plan a specific range for over-committing for each individual priority of the programme based on up-to-date analysis of the programme spending patterns, including long-term prospects for decommitment. The 'economic analysis' of the use of project funding performed by the JTS in parallel to this evaluation (and to be repeated regularly throughout the programme) should provide this information.¹⁵
- An updated analysis of spending levels should be performed before each round of project selection decisions, to provide the Programme Steering Committee with a concrete budgetary scope that can be allocated to projects.
7. In the remaining years of the programme **additional N+2 decommitments** could occur. Assuming that the remaining ERDF funds are not sufficient to cover the decommitment, the following consecutive lines of action can be initiated:
- a. Prevention of N+2 decommitment through awareness raising among project actors and if possible speeding up project expenditure.
 - b. If decommitment can not be avoided, use ERDF funds flowing back from completed projects.
 - c. Identify amounts that will not be used by ongoing projects and agree to reduce ERDF funding in mutual agreement.
 - d. A final option is to reduce the ERDF grants of projects that have contributed to the decommitment by not meeting their spending forecasts.
8. The existing monitoring system will provide only basic information about the achievement of programme objectives. It could be complemented by more qualitative approaches (surveys, case studies on projects addressing similar and key themes for the future period, etc.) in order to better identify the tangible effects and added value of ETC projects.
9. In order to leave a tangible and visible legacy in view of the next period, capitalisation actions should be promoted during the remaining years, paying a specific attention to the process of thematic clustering. It is advisable to start in an experimental way, by putting enough human resources (either internal or external) in order to increase the quality of deliverables. Well-experienced public entities on the selected topics for projects clustering should be invited to coordinate the actions. Where relevant, close links should be established with projects approved under France(Channel)-UK OP, as well as with the overlapping transnational cooperation areas.
10. It is advised to implement up to 4 thematic clusters as of 2012, considering notably the three main axes of the EU 2020 strategy and the integrated maritime policy. Strong financial incentive and programme bodies support should be provided in order make them a success.
11. Links and synergies with the programme bodies of the France(Channel)-UK OP should be intensified, both for the development of good quality projects under the Common priority as well

¹⁴ During its meeting of 12 July 2011, the 2 Seas Programme Monitoring Committee decided that no additional selection or assessment criteria would be applied for selecting projects under the 8th call for proposals. This recommendation was therefore not followed.

¹⁵ The economic analysis revealed a great degree of uncertainty and unpredictability regarding the spending patterns of projects. Against this background, the 2 Seas Programme Monitoring Committee decided during its meeting of 18 October 2011, to allow for a limited over-commitment rate of 1% of the total ERDF allocation for each of the Priorities 1,2 and 3.

as for capitalisation actions. As stated in the OP, the Common priority should address issues of common interest, among which the maritime dimension but not in an exclusive way.

12. Valorisation and dissemination actions should be strengthened and differentiated in order to fit the diversity of projects' results. It is essential to match the quality and usefulness of each category of results with the targeted groups, both at EU and MS level and in the different territories.

Annex 1: Sources of information

Documents related to 2 Seas cooperation area:

- 2 Seas Operational Programme
- Note on micro-projects, the note on Strategic projects and the questionnaires sent to the Member States on micro-projects and strategic projects.
- The decisions of the PMC meetings of April 2010 and November 2010 and PMC decisions that will be taken July 2011
- Documentation regarding programme commitment and expenditure, programme operations and beneficiaries.
- Statistics available per Call for Proposals
- Data on partners and partnerships
- Information and documentation per Member State collected from the consulted stakeholders in the period 2007-2008 in preparation of the analysis of the Programme area and SWOT analysis
- 2 Seas draft evaluation plan.

Other documents and website links:

- EC document “Indicators for monitoring and evaluation: a practical guide”
- Document from INTERACT/EC “high level group reflecting on future cohesion policy meeting” n°8 – 15th February 2011”
- Macro-regional strategies in the European Union - DG Regio 2009
- Opinion of the Committee of the Regions on ‘A strategy for the North Sea-Channel area’ (2011/C 15/06)
- An Integrated Maritime Policy for the European Union - COM(2007) 575 final
- Progress report on the EU's integrated maritime policy - COM(2009)540 final
- Regional Policy contributing to smart growth in Europe 2020 - COM(2010) 553 final, October 2010
- Regional policy contributing to sustainable growth in Europe 2020 - COM(2011) 17 final, January 2011
- Investing in Europe’s future - Fifth report on economic, social and territorial cohesion
- EUROPE 2020, A strategy for smart, sustainable and inclusive growth - COM(2010) 2020 final
- www.northseacommission.info
- www.nweurope.eu
- www.alpine-space.eu

Annex 2: Questionnaire for Member States representatives



INTERREG IV A 2 Seas O.P.
Ongoing evaluation

Questionnaire

for MS representatives

Version 29.04.11

The 2 Seas Programme Monitoring Committee decided to launch an ongoing evaluation in 2011 consisting in two major approaches:

- An **operational** revision on the most urgent issues, notably : the Programme indicators, the operational programme itself linked to financial decommitment;
- A **strategic mid-term** analysis of the performance of the Programme and perspectives for improving the last part of the programming period, especially concerning the characteristics of projects to be promoted till the end of 2013.

As part of this process and complementary to a more quantitative-oriented approach, Member States are invited to express their opinion on four main issues:

- 1) Programme performance over 2007-2010
- 2) Context changes since 2007
- 3) Consequences of changes on 2 Seas area
- 4) Adaptation to changes till late 2013

The consultancies CPC (France) and Link-EU (Netherlands) were selected to carry out the planned activities.

Thank you in advance for your collaboration.

Interviewee(s):

Institution	
Name and surname	
Position	

NB: Where requested, please circle the response that best describes how you feel about the related question.

1 = *Very poorly*

2 = Poorly

3 = Moderately

4 = Strongly

5 = Very strongly

1. PROGRAMME PERFORMANCE OVER 2007-2010

1.1. To what extent do you think approved projects respond to the needs of the Programme area?

1	2	3	4	5
---	---	---	---	---

Comments:.....

1.2. To what extent do you think approved projects contribute in an aggregated way to the achievement of OP objectives?

1	2	3	4	5
----------	----------	----------	----------	----------

Comments:.....

1.3. Do the programme governance structures and functioning modalities prove effective enough in order to steer and to assist the programming process?

1	2	3	4	5
----------	----------	----------	----------	----------

Comments:.....

2. CONTEXT CHANGES SINCE 2007

2.1. What major changes of particular relevance in the context of the 2 Seas Programme have occurred **in your country** over the past four years?

<i>Types of changes</i>	<i>Comments</i>
<i>Institutional/political aspects</i>	
<i>Economic and social aspects</i>	
<i>Territorial aspects</i>	

Other changes to be specified:

.....

.....

.....

.....

2.2. What are the main strategy and policy developments over the past four years of particular relevance in the context of the 2 Seas Programme? Please refer to the accompanying note presenting the main developments in policy and strategy at EU level. Should other /additional developments be considered at local / regional / national level?

[illegible]

3. CONSEQUENCES OF CHANGES ON 2 SEAS AREA

3.1. What has been the impact of these developments and changes on the **pertinence** of the following dimensions of the OP?

	Intensity			Comments
	<i>Low impact</i>	<i>Moderate impact</i>	<i>High impact</i>	
<i>Institutional/political aspects</i>				
<i>Programme strategy</i>				
<i>Priorities and operational objectives</i>				
<i>Programme governance</i>				
<i>Economic and social aspects</i>				
<i>Programme strategy</i>				
<i>Priorities and operational objectives</i>				
<i>Programme governance</i>				
<i>Territorial aspects</i>				
<i>Programme strategy</i>				
<i>Priorities and operational objectives</i>				
<i>Programme governance</i>				
<i>Other (please specify).....</i>				
<i>Programme strategy</i>				
<i>Priorities and operational objectives</i>				
<i>Programme governance</i>				

3.2. To what extent, if any, do the changes have an impact on the following aspects at project level?

- project type (maritime vs. non maritime, small size vs. large size, etc.)

<i>Institutional/political aspects</i>	
<i>Economic and social aspects</i>	
<i>Territorial aspects</i>	
<i>Other (please specify).....</i>	

- project partners and partnerships (profile, location, size, etc.)

<i>Institutional/political aspects</i>	
<i>Economic and social aspects</i>	
<i>Territorial aspects</i>	
<i>Other (please specify).....</i>	

- project financial set-up

<i>Institutional/political aspects</i>	
<i>Economic and social aspects</i>	
<i>Territorial aspects</i>	
<i>Other (please specify).....</i>	

4. ADAPTATION TO CHANGES TILL LATE 2013

(N.B.: When answering the questions below please keep in mind the current stage of Programme implementation).

4.1. In your opinion, are there any modifications that need to be undertaken to the 2 Seas Operational Programme based on the observed developments and changes?

.....

.....

.....

.....

4.2. Should targeted actions be supported in order to better fit the programme needs or to improve its effectiveness?

Targeted actions	Comments
<i>On particular themes or topics?</i>	
<i>On types of partners or partnership features?</i>	
<i>On territorial aspects?</i>	

4.3. How could the 2 Seas programme governance structures and functioning modalities be adapted **in relation to these changes** in the remaining years of its lifespan?

.....

.....

.....

.....

.....

4.4. What type of project do you think should be delivered considering the current programme status and shorter timeframe for project implementation, for example follow-on from existing projects, clustering, capitalisation, communication?

- 1.....
- 2.....
- 3.....
- 4.....
- 5.....

4.5. In your opinion, what should be the features of 'new types' of projects developed in the Programme in operational terms?

<i>Regarding.....</i>	<i>Comments</i>
<i>....project development (e.g. bottom-up vs. top-down)?</i>	
<i>...size?</i>	
<i>...co-financing rate?</i>	
<i>...expected results?</i>	
<i>...link with similar initiatives overlapping the 2 Seas area?</i>	

Another issue (to be specified)	
---------------------------------	--

4.6. How do you think the following strategically important aspects for the Programme could be reinforced?

Aspects	Comments
Common priority	
Maritime projects	

.....

.....

.....

.....

.....

Additional remarks or comments on issues not previously addressed

.....

.....

.....

.....

.....

.....

.....

Thank you for your contribution!

Annex 3: Thematic clusters - Synthesis of opinions from a sample of organisations



European territorial cooperation programme over 2007-2013

Synthesis of opinions from a sample of organisations regarding the rationale, feasibility and practical modalities for the implementation of thematic clusters

The testing process took place from 5 to 11 October 2011 via interviews with the five following organisations:

- Business Support Kent CiC (BSK-CiC)
- Voka - Chamber of Commerce of East-Flanders
- Chamber of Commerce of Grand Lille
- NAUSICAA
- the Environment Agency

Globally, there is no significant dividing line on any of the 11 issues between actors addressing the topic "support to SMEs" and those related to the topic "ports/maritime dimension".

Issues	Synthesis of opinions from interviewed organisations
3.1. Rationale of thematic clusters	<p>All interviewed organisations acknowledge the importance and relevance of thematic clustering, mainly for dissemination and mainstreaming of project results, and for projects to learn from each other. It should also provide clear inputs for the future programming period.</p> <p>They all expressed their interest to participate in such an approach.</p> <p>It is easier to create rather general clusters that are thematic 'umbrella's', but these are less interesting. Specific focus brings added value. Consequently, not 1 cluster 'Entrepreneurship and SME', but several, for instance: entrepreneurship skills, internationalisation, entrepreneurship in deprived groups, cross-border labour mobility Another organisation strongly suggested to develop a (sub-)cluster around trade which is a key driver (opportunity to enhance the business over the borders).</p>
3.2. Cluster generation	<p>The majority of interviewed organisations (4/5) are in favour of a top-down approach in the first steps of designing the outline of the cluster and identifying relevant projects and organisations. However, one institution deems that clusters should be a co-creation of the relevant participants/projects.</p>
3.3. Cluster size and scope	<p>All interviewed organisations are in favour of a larger group of projects/participants (between 5 and 10) and ideally 7 to 8.</p> <p>Geographic limitations in some countries within 2 Seas area are seen as a real weakness. Best values of clusters are across multiple programmes Boundaries of INTERREG programmes are arbitrary from the perspective of the 'user'.</p> <p>Also include relevant INTERREG III projects.</p>

3.4. Profile of cluster's participants	<p>Interviewed organisations globally deem that cluster should include ETC projects beneficiaries and additional external competencies, for instance within Universities. Cluster membership should be a mix of academic, public authorities and business representatives.</p> <p>They should all have relevant operational knowledge AND a vision on the theme.</p> <p>However, the possibility to take on board partners from running projects should be carefully assessed. Could they really dedicate time to extra activities? It should also be carefully analysed</p> <p>In the end, the selection of participants should be based on real motivation and capacities of organisations.</p>
3.5. Profile of cluster' leader or coordinator	<p>The choice of the cluster coordinator or facilitator should take into account the principle of impartiality and consider the increasing lack of time / human resources in the majority of organisations. Additionally, it might be difficult to justify it internally (=extra work at little benefit)</p> <p>In these conditions, it appears difficult to choose a project Lead partner as coordinator. Consequently, strong preference to have as cluster manager:</p> <ol style="list-style-type: none"> 1. an external expert (academic or consultant) - For instance, University of Greenwich (Business Research Department based) in Chatham Maritime, Kent-UK 2. a JTS representative (taking care of administrative aspects and facilitation) with participants to provide content 3. a network specialised on the issue (like Arc Manche for coastal and maritime issues)
3.6. Duration	<p>All interviewed organisations agree on a longer implementation stage: between 12 and 18 months.</p> <p>A generation or preparatory stage appears essential in order to:</p> <ul style="list-style-type: none"> * define the relevant topics or sub-topics for clustering * identify the relevant and interested organisations * draw up an action plan with clear expected results. <p>A preparatory period of 6 months seems more appropriate. A feasibility study should be the cornerstone of this period. Significant funds/JTS assistance is expected. This initial stage may end up in the decision not to launch a cluster on some topics if duly justified.</p> <p>In total, it means a period of 18 to 24 months, implying that quick launch in the 1st semester of 2012.</p> <p>Moreover, the administrative procedures should be simplified (for instance, globalised first level control).</p>
3.7. Type of activities / Eligible expenditure	<p>General agreement on proposed types of activities.</p> <p>Clusters must deliver 2 types of result:</p> <ol style="list-style-type: none"> (a) compile insight in what is done by various projects (b) give guidance to future programme development (think tank); identify main challenges and knowledge gaps in a cluster theme to set future priorities. <p>A cluster should amplify the constituent projects, help their communication. Joining a cluster means projects (partly) give up their project identity to 'dissolve' in cluster.</p>
3.8. Budget size	<p>General consensus to have a higher ceiling (around €200.000) especially if the number of participants and the duration increase.</p> <p>Half-time person for coordination activities appear too low. A full-time would be more adequate.</p> <p>Depending on the coordinator profile, his wage basis could be much higher than the proposed estimate (especially if it is an academic – Professor of University).</p> <p>Alternatively, if the JTS would take up the process and administrative side of cluster leadership (with a cluster partner acting a content leader), this could reduce the staff time and costs that should be budgeted for cluster coordination.</p>

3.9. Co-financing rate	<p>It results very clearly that the financial incentive will be a decisive factor for joining in a thematic cluster. All organisations consider that the co-financing rate should be at least 75% or even 100% (expressed by one respondent).</p> <p>Globally, this rate should amount to 80% or 90%, otherwise many partners who lack funding, will not join in.</p> <p>This also reflects the fact that clusters are primary interest of the programme</p>
3.10. Valorisation support tools and core target groups for dissemination	<p>Agreement on the necessity to involve EC, Member States, Universities and Networks of local/regional authorities are important targets.</p> <p>It should be tried to make targeted workshops for this audience part of the programme.</p> <p>The aim will be to valorise core findings drawn from INTERREG IV, in view of being cleverer in the way of presenting results and for an INTERREG V A project, to have a clearer identification of what is needed and where the money should be more effectively spent.</p>
3.11. Support, guidance at Programme level	<p>All interviewed organisations agree on the necessity to take on board the JTS, either as the cluster leader or a driving force within the steering group.</p> <p>It should provide strong guidance (including on the communication side) to make sure achievements of the project are as desired.</p>