



# ***INTERIM EVALUATION OF INALENTEJO***

## **EXECUTIVE SUMMARY**

1. SCOPE, OBJECTIVES AND EVALUATION METHODOLOGY
2. MAIN RESULTS OF THE EVALUATION
3. CONCLUSIONS AND RECOMMENDATIONS

**DECEMBER, 2012**



## 1. SCOPE, OBJECTIVES AND EVALUATION METHODOLOGY

INALENTEJO Interim Evaluation focuses on assessing the achievement trajectory of the Operational Programme and its Priority Axes until 30/06/2012. Its **General Objective** is "To provide relevant and innovative information and knowledge about achievement, outcome and impact dimensions of the INALENTEJO interventions." The importance given to the formulation of commendable performances added a double sided aim that demand from the Recommendations: (i) the improvement of the effectiveness of the implementation of the Programme in its final term, and (ii) that contribution to the preparation period of the 2014-2020 Structural Funds programming.

In a generic formulation of the General Purpose, it is possible to identify evaluation dimensions which are unfolded in the Specific Objectives (related to the achievement and outcome dimension and to the impact dimension) which, directly or cross-ventilated appear in the Evaluation Questions (EQ) as it is presented briefly in the following Table.

Specific Objectives	Evaluation Questions
<ul style="list-style-type: none"> <li>To characterize the trajectory of achievement and outcome indicators of the OP and its determinants.</li> <li>To characterize the evolution of achievement and outcome indicators that translate the OP goals not reflected in the list of indicators and their respective determinants.</li> <li>To characterize the deviations from the achievement and outcome goals up to the evaluation moment and the reasons that justify them.</li> <li>To identify the consequences of the deviations in the performance of the OP to the achievement of its goals.</li> </ul>	<p>EQ 1 - The performance of the Operational Programme on achievements and outcomes is satisfactory? What are the critical factors that explain this performance and what are the consequences for the pursuit of the goals and priorities of the OP?</p> <p>EQ 4 - The achievements and actual outcomes could have been achieved with fewer resources?</p>
<ul style="list-style-type: none"> <li>To identify the contribution of interventions already implemented for the purposes of the OP (e.g., the actual or potential impact, considering contracted achievements and outcomes or, mainly, actual outcomes of the actions supported).</li> <li>To identify potential adjustments to be adopted in order to maximize the impact of actions (and their sustainability), with reference to the objectives of the OP.</li> <li>To identify initiatives that, for their innovation and / or potential replicability (for other beneficiaries or other contexts) can be considered good practice to be used for publicizing and promoting the INALENTEJO among its beneficiaries and stakeholders.</li> </ul>	<p>EQ 2 - What are the effective contributions of the interventions supported to achieve the objectives of the Operational Programme, in each of its strategic priorities? The impact of the interventions is sustainable?</p> <p>EQ 3 - Supported interventions are producing unintended effects? If so, what are these effects and how they are convergent or divergent with the goals and principles of the Operational Programme?</p>

In terms of **Methodology**, the answer to the Evaluation Questions was based, generally, on the triangulation of two analytic components: (i) one, which was supported on the detail of each EQ in sub-EQ reflecting the logical nexus of understanding / decomposition which sustained the construction of the response, and (ii) another, resulting from the crossed use of the outputs from the various sources

and methods, according to the relationships established between these outputs and the dimensions stated on each EQ.

The EQ centring on the achievements and results (as identification fields of contributions to the achievement of Priority Axes and OP objectives) appealed for more extensive use of quantitative outputs (via the exploration and exploitation of Information Systems), although the perception of results and impacts resulted from the balanced incorporation of qualitative elements, mainly originating from the Surveys to Promoters, Interviews and Case Studies.

## 2. MAIN RESULTS OF THE EVALUATION

In the longer cycle of its term, INALENTEJO went through a prolonged unfavourable environment to the dynamics of implementation and achievement of important goals. The regional behaviour of the main context variables, from economic and entrepreneurial activity to employment, through the ability to mobilize own and other finance resources to, did not favour a performance trajectory consistent with the desired cycle change of Structural Funds which was intended for the Region.

The systematization of response elements to the EQ should be mindful of this reality, at the level of differentiated achievements by Axis and Intervention Area, but also at the level of accrued difficulty to identify, more objectively, outcomes and impacts, in the current Interim Assessment.

**QA 1 - The performance of the Operational Programme on achievements and outcomes is satisfactory? What are the critical factors that explain this performance and what are the consequences for the pursuit of the goals and priorities of the OP?**

The Areas of Intervention with more satisfactory performance trajectories, from the viewpoint of achieving the objectives and priorities of INALENTEJO, are the following:

- Partnerships for Urban Regeneration, namely qualification of public space and building and equipping of facilities for cultural and other support services to the population;
- Rehabilitation of the 1st Primary School network and Pre-School Education network;
- Territorial mobility, especially in the aspect of improving road network;
- Health, with emphasis on the qualification of equipment and emergency rooms of hospitals and the provision of special care;
- Local collective facilities and services, primarily to support the elderly population;
- Incentives for Innovation, particularly aiming to expand regional productive capacity of new goods, services, technologies and production processes and the internationalization.

A transversal reading also allows to highlight: (i) the strong investment in Information and Communication Technologies (administrative reorganization of services, introduction of new technologies in schools, promoting online contents and regional promotion), and (ii) the strong investment in complementary typologies for the development and affirmation of tourism in the Region (business development, enhancement and dissemination of regional heritage and cultural activities).

The achievement and outcome goals more difficult to be attained, given the current deviations, refer to indicators associated with Research and Technological Development and Business Improvement and with the improvement of Collective Transport Systems.

Among the **factors that stimulated the current levels of achievement and expected outcomes**, as well as the pursuit of goals, we highlight the set of actions of the INALENTEJO Managing Authority (INALENTEJO MA) and work practices and initiative of interface entities with responsibility in fostering the implementation of the instruments of the OP:

- a more integrated perspective of the approach on Regulations (eg, organizing tenders to stimulate joint projects under the Global Grants - Lighting, semaphore signalling, ...);
- dynamization of approaches on interventions by the Intermunicipal Communities (CIM), in order to foster advantages in organizing common applications;
- debureaucratization and simplification of procedures;
- persistent encouragement and support for the creation of a regional network of institutions in the area of Science and Technology aimed at implementing the Regional Technology Transfer System (SRTT);
- [Increase of co-financing rates - Decision of the Ministerial Coordination Committee (MCC) of NSRF].

In terms of the area of intervention of the interface entities benefiting from the program, the following stand out as positive experiences, desirably replicable:

- ✓ *PROVERE - Valorisation of Wild Resources in the Mediterranean*. Strategy for low density areas of the south of the country in which the work experience of coordination and promotion conducted by the Association of Defence of the Patrimony of Mértola (ADPM) has produced visible results. The following are the main determinant factors to highlight: (i) the distinctiveness of the project's idea, based on a realistic Programme of Action with robust technique anchoring elements, (ii) the strong leadership, clearly focused on results and (iii) the effective linkage with support under the Axis 3 of the RDP, and (iv) the ability to mobilize private partners, project promoters with market relations and potential for dissemination.

- ✓ *Alentejo Regional Tourism Entity*. Structuring of an intervention model based on strategic and operational technical support, stimulating a dynamic relationship with the business fabric, organizing the external promotion and providing it with an integrated vision that has allowed to consolidate the loyalty of traditional segments of demand and developed new products, in a recomposition of the regional supply with the potential to attract other demands.

Among the **factors that constrained the levels of achievement and the observed and expected results**, we highlight the following:

- Economic and financial crisis, which affected the availability of promoters and changed their priorities, with delays in the implementation of projects and changes in the planned activities (less relevant).
- Problems of regulation, eg in regard to the insufficient definition of eligibility between Regional and Thematic OP by poor articulation between similar objectives and inadequacy of Specific Regulations and respective merit criteria to regional specificities (the case of Incentive Systems).
- Insufficient coordination between the Managing Authorities of Regional OP and different Thematic OP in boosting and routing the location of private investment projects of structuring nature to the priorities of the region, eg in activities of strategic value chains.
- Insufficient strategic operational coordination with the economic Intermediate Bodies that have competences in the attraction and promotion of FDI and large projects of regional interest, essential to exploit the locational potential of assets on Alentejo territory.
- Inability of Municipalities and CIM to change the paradigm of execution focused on the predominance of atomized projects fundamentally relevant at local/municipal level, detrimental to projects with supra-municipal interest and rational, with the character of integrated actions implemented in partnership, of higher efficiency in the suppression of regional weaknesses that require supra-local responses.
- Poor architecture of the Sectoral Collective Efficiency Strategies (CES) whose mechanisms revealed insufficiencies to promote the inclusion of regional entities in national instruments (Poles and Clusters) and also the PROVERE and RUCI. The performance of these CES was limited by weak institutional partners and governance models adopted, by poor strategic articulation of investment initiatives and by weak commitment of Partnerships to achieve results. These factors limited the performance and the added-value of these instruments, which intended to be innovative in mobilizing territorial and sectoral initiatives to which was attributed an important role in accessing funds.

**QA 2 - What are the effective contributions of the interventions supported to achieve the objectives of the Operational Programme, in each of its strategic priorities? The impact of the interventions is sustainable?**

The main contributions of interventions to achieve the range of objectives that support the strategic priorities of the Programme are the following:

- Strong contribution of the Programme to strengthen the allocation of public services to the population, especially in the areas of Pre-School and Basic Education and Health, the Elderly Social Support, Cultural Activities and Administrative Modernization.
- Strong contribution of the Enterprise Creation, Entrepreneurship and Business Innovation Program, mainly through modernization projects and entrepreneurial capacity reinforcement (for existing and new businesses) with a of significant adherence from sectors considered strategic for the region: tourism (sector with a very prominent investment dynamic), marble and wine (in this case with a very significant amount of investment in dynamic competitiveness factors).
- Strong contribution to Tourism sector affirmation and development, through private business projects (eg, in accommodation, entertainment and promotion components) and cultural heritage promotion initiatives and promotion of cultural activities.
- Limited contributions to regional economic base diversification (as result, namely, of the lower expression of the designated emerging strategic sectors: automotive, aeronautics and ICT) and also at the entrepreneurship level in promoting RTD.
- Contribution to urban development, primarily through urban qualification initiatives heavily concentrated in public space interventions, in urban infrastructure, in the promotion of the heritage and cultural dynamization and also to the strengthening of regional functions in Urban Regional Centres: Évora (Health and Heritage), Beja and Santarém (Health).
- Weak contribution to the results at the level of urban competitiveness and urban system (functional differentiation, economic dynamism and innovation in the urban context and affirmation of functional vocations of major Urban Regional Centres).
- Strong contribution to intraregional mobility based on local road infrastructure network qualification projects, which however did not contribute to the qualification and innovation of the transport services and to the modal articulation.
- An open-ended contribution of supported operations for the establishment of a Regional Network of Technological Centres, because it is only to be highlighted the prospect of future developments resulting from the ongoing organization of the Regional Technology Transfer System.
- Inappropriate contribution to Regional Business Parks Network strengthening given the objectives established, by the low investment in the major business parks in the region and the dispersion of

Hospitality Business Areas along lower-level centres, with smaller allocation capacity and poorer qualified service to firms, undermining the central goal of coherence of the network of these facilities.

- Limited contribution to the achievement of objectives in the environmental area, in particular for the creation of conditions for the fruition of the areas of highest environmental value and for protecting and enhancing of coastal areas and mitigation of the effects of climate change.

The contribution of supported interventions for the achievement of Program objectives was conditioned by the persistence of the traditional pattern of municipal investment, heavily focused in infrastructure, equipment and services to the population, as a result of strictly local focus and with weak ability to induce economic development dynamics.

The Evaluation points a strong association between the implementation of INALENTEJO and the performance of the business sector (measured by the Synthetic Index integrating employment indicators, enterprises, sales turnover, GVA, exports and imports). This is the most positive impact of INALENTEJO in statistical terms, revealing the effect of investments made under the Program in boosting local and regional economy; however, the potential impact on the INALENTEJO achievement of objectives and priorities should be analysed in a combined way, in particular, with other public policy initiatives.

INALENTEJO contributes to the generality of the identified impacts. The most meaningful associations are the following: (i) the performance of the business sector reveals a strong relationship with the RDP, along with the observed relationship with INALENTEJO, revealing however a closer relationship specifically with the number of companies created and the retail sector, (ii) the performance of domains related to living conditions, education, purchasing power, poverty and crime, has a strong relationship with the investment under Human Potential Operational Programme (POPH), being evident the positive impact of this Programme on regional social development, and (iii) the level of employment performance (weight of employment during the construction phase) has a significant relationship with Territorial Enhancement Thematic Operational Programme (POVT), responsible for large public interventions in the region.

**QA 3 - Supported interventions are producing unintended effects? If so, what are these effects and how they are convergent or divergent the goals and principles of the Operational Programme?**

The assessment of achievements and results of supported projects, based on different sources of information and diverse analysis, did not allow the identification of unexpected results. However, it was possible to observe some deviations affecting observed and expected results: (i) reduced dynamics of demand and investment in areas affected by macroeconomic and financial crisis, and (ii) diminished



achievement of the Program strategic choices by difficulty of thematic concentration and selectiveness of investments (R&D/ Technology Transfer, regeneration / urban competitiveness, ...).

The concentration of investment in the Tourism Cluster, in the areas of hotel accommodation, amenities, promotion and touristic animation, enhancement of the built heritage and other regional resources with differentiation potential, was a less expected positive effect. On the negative side, the lack of approved operations with creation/ qualification components of shared services in the Business Parks Network nodes is to be highlighted.

**QA 4 - The achievements and actual outcomes could have been attained with fewer resources?**

There are no significant deviations between observed and anticipated costs, mainly due to the introduction of discipline under the section of "additional works", the observance of the rules of public procurement and market consultation, through public tender procedure; the use of tender procedure has revealed a positive impact on the final costs of the constructions. The existence of standard cost tables for a wider range of types of infrastructure and equipment could introduce greater rationality in the final costs of the supported projects.

The organization of tender procedures by the MA/ TS (Technical Secretariat) encouraging joint projects, eg, within the Global Grants, has contributed to improving the cost indicators (applications and implementation of approved projects).

### 3. CONCLUSIONS AND RECOMMENDATIONS

The exercise of identifying elements of balance (Conclusions) and recommendations is organized in two parts / key moments that refer: (i) to the development of the Programme until the end of its term, and (ii) to the preparation of 2014-2020 period of programming.

#### 3.1. Term of INALENTEJO

##### 3.1.1. Strategic recommendations

**Conclusion 1. Regional strategic sectors.** The Programme showed a positive adherence of regional enterprises to the available framework of incentives. As a result of the evaluation emerges, however, an unbalanced adherence to the set of designated regional strategic sectors which constitute a significant part of the regional economic base, focused, namely, on exploiting regional quality productive resources.

The Tourism activity row presents a very relevant behaviour, being the most benefited economic activity in the business incentives framework. In contrast, there is a weak presence of business investment initiatives in key areas for regional development: agro-food industries, cork, ICT and automotive. Thus, the stimulation of the traditional sectors, as well as the emerging, remains to accomplish under INALENTEJO.

*It is recommended to* adopt a focused/privileged approach on companies of the business sectors considered strategic to the Region, under public tender procedure of Incentives Systems for companies, on the Notice of public tender procedure or Technical Guidance, mobilizing for this purpose various "stakeholders" of the OP, with emphasis on Business Associations.

**Conclusion 2. Stimulating demand.** The demand stimulation initiatives addressed to specific audiences, namely the initiatives aimed at enterprises, has registered a positive adherence by local actors. These initiatives were important to stimulating demand and were effective ways of elucidation and approaching to the Programme for potential beneficiaries and associative structures. Given the characteristics of the regional business fabric, the expansion and consolidation of this line of action by the Managing Authority should be a relevant option to actively stimulating the demand, promoting individual and collective projects and promoting networks, especially among strategic sectors.

*It is recommended to* strengthen this dimension of the Programme management through permanent dissemination among regional companies, in collaboration with the associative structures of the various sectors. In parallel, in order to attract investment, initiatives should be extended to publicize the program among target audiences and in territories outside the region; for these initiatives, the Managing Authority should establish partnerships with national entities, namely, with Intermediate Bodies (IAPMEI, AICEP and AdI) and Tourism of Portugal.

**Conclusion 3. Supra-municipal/ inter-municipal scope of projects.** Although it is an objective of the Operational Programme, in line with the overall aims of the NSRF and the respective OP, public (and private) investment initiatives orientation for partnership interventions and with a wide territorial scope has not had the expected and desired success. Indeed, the share of projects with a supra-municipal focus reaches only 10.7% of the total number of supported projects and the amount of projects of this nature framed by the Plans of Action of the CIM was very low: 9 in a total of 332 projects. The investment promoted by municipalities has, thus, a strict local influence and is predominantly based on local physical infrastructure and equipment.

*It is recommended* the reinforcement of the importance of the supra-municipality dimension and of the integrated nature of the interventions in the process of tender selection, eg, projects in the fields of

infrastructure and urban facilities, with a strong focus on organizing and structuring territories. In parallel, it should be: (i) encouraged public investment, which gives strong complementarity to the promotion of local economic base and promoting the relevant factors of territorial competitiveness and the urban system, and (ii) valued (in the selection process of projects) the development and spatial planning priorities listed on spatial planning instruments of municipal scope (municipal master plans), or of supra-municipal scope (integrated plans of spatial planning) and of regional scope (regional plans of spatial planning).

**Conclusion 4. Territorial mobility.** Concentration of investments in Territorial Mobility on the road infrastructure component, noting the absence of contributions for the qualification and innovation of transport services and for the articulation between modes of transport, an issue flagged as a fragility of the region. Indeed, with the exception of just one case, all projects in this Area of Intervention were focused on initiatives of construction/ renovation of roads.

*It is recommended* the establishment of criteria for high selectivity in this Area of Intervention, channelling approved operations for purposes of improving the coherence of the regional road network (articulation of local networks with regional and national network) and for interventions to improve regional transport service, encouraging solutions adjusted to the settlement pattern of the territory.

**Conclusion 5. Regional Economic Base Diversification.** The implementation of the Programme reveals limited results on the objective of diversifying the profile of regional productive specialization. The OP presents very significant results in the Tourism Cluster, sector that is the most dynamic in terms of investment, followed by activities related to wine and marbles. Thus, with the exception of Tourism, the OP reveals limited results in the designated emerging sectors which can, ultimately, constrain the achievement of the Regional Economic Base Diversification objective.

*It is recommended* the enhancement of Managing Authority initiatives for stimulating demand actions oriented for the strategic sectors of the regional economy, with access and mobilization of resources for financing the Competitiveness, Innovation and Knowledge Axis.

**Conclusion 6. Locally based initiatives.** Lack of incentives in the fields of intervention of Programme Specific Regulations for locally based micro investments (tangible and intangible).

*It is recommended* stimulating the implementation to the Region of the Programme Valorizar to promote answers for the need to encourage aids to micro-businesses and to productive projects, envisaging the possibility of linking with the intervention of LAG (Axis 3 of the RDP) and the Municipalities' Support Cabinets for Economic Development.

**Conclusion 7. Economic promotion of public investments.** Predominance of operations with local scope and weak capacity to induce economic development dynamics for most of the public investment even when framed under Programmes/ Action Plans.

*It is recommended* the strengthening of the Technical Guidelines supporting the new Tender Notices in order to give priority to municipal and intermunicipal interventions generators of functional differentiation, economic dynamization and urban innovation.

### 3.1.2 Operational Recommendations

**Conclusion 8. Sustainability.** Sustainability issues of Investments heavily dependent on public funding, in a prolonged cycle of budget constraints for Central and Local Government. In 74.3% of the cases for which information is available (500 projects), the degree of coverage of operating costs by revenue has been classified as "negative" or "very negative". Investments are, predominantly, infrastructure projects and public services to the population, highly dependent on funding from public resources (93% of beneficiaries who indicated having as a financing source public resources, refer that this dependence lies between 75 and 100%).

*It is recommend* a more rigorous assessment of project sustainability, generalizing the introduction of analysis criteria/ requirements of financial sustainability adjusted to public interest of the investment. In parallel, *it is recommended* to strengthen the importance attributed to sustainability criteria in the project selection process.

**Conclusion 9. Information system.** (a) Insufficiency of the existing set of indicators, for the monitoring and evaluation of the contribution of interventions for the Program Objectives from the Regional Strategy perspective. Examples: Rehabilitation of School Network (adding coverage of pre-school should provide an indicator on the number of classrooms/ student places created at this level of education); Territorial Mobility (no indicators for a perception of the type of investments at road infrastructure level); and regional economic base (no indicators to monitor the achievements on the designated regional strategic sectors). (b) Lack of registration procedures and regular updating of information on achievements and results of approved projects.

*It is recommended:* (i) accurate identification of indicators associated with the set of objectives of the Priority Axes of the Programme to ensure contributions to an adequate monitoring (with relevance for future OP), and (ii) the enabling SIGPOA with technical resources to ensure an adequate and updated registration of the operations lifecycle information, in order to have information on the achievement of

goals and objectives, which requires introducing new attributes for registering operations and indicators that reveal its strategic relevance.

**Conclusion 10. Action Plans.** Reduced expression and strategic articulation of projects initiatives and investments under the Collective Efficiency Strategies and within the Global Grants, limiting the effectiveness and efficiency of these policy and contracting instruments. Indeed, on the one hand, the weight of the CES, considering PCT, Clusters and PROVERE, in the whole OP is small (only 5.1% of the total investment) and, on the other hand, the investments supported within the other Action Plans show a very local and atomistic nature.

*It is recommended* the strengthening of the monitoring function of the approved projects and of the Plans of Action implementation, towards a greater focus on Objectives and Expected Outcomes, while being commitments of these Plans and Partnerships. [Monitoring of the implementation of the Strategic Program for the SRTT could be a good test].

**Conclusion 11. Coordination.** Existence of a potential strategic articulation between the INALENTEJO MA and the COMPETE MA and the Intermediate Bodies with intervention in the entrepreneurial area, which should strengthen the coordination and pooling of resources and initiatives to promote the resources/ opportunities for regional positioning in the global market, seeking a greater demand for the Programme, thereby helping to attract new private investment.

*It is recommended* the development of joint initiatives to attract FDI and other with strategic potential for the region, with dissemination and promotion of the Programme abroad, to potential interested parties to invest in the region, benefiting from specific conditions to support business investment offered by OP and valuing locational potential of Alentejo Hospitality Business Areas.

### 3.2. Next period of programming

#### 3.2.1 Strategic Recommendations

Among the priorities to consider to the next period of Regional Structural Funds programming, the following are recommended:

- ✓ Setting the future Programme, primarily, as an instrument at the service of the affirmation of economic development, organization and consolidation of the Regional Urban System and of environmental sustainability of the region, in a context of solidarity financing with the National Thematic OP.

- ✓ Stimulating the opening of the region, encouraging the participation in international networks of economic activity and projects of cooperation in R&D with Iberian, European and intercontinental partners, on domains of material and immaterial interest, which contribute to the transformation and gradual valuation of territory assets (environment, culture, heritage, human skills and productive tradition).
- ✓ Promoting a rigorous definition of the areas of regional strategic interest to redirecting public investment, according to structuring priorities of regional and inter-municipal nature, and achieving the thematic and territorial concentration of public aids for investment.
- ✓ Designing a new cycle of urban development centred on the promotion of differentiating features that attract qualified residents with initiative capabilities and on the renewal of strategic vocations, namely the Regional Urban Centres and Regional Structuring Urban Centres.
- ✓ Designing an intervention oriented to Low Density Territories, covering the Urban Complementary Centres of proximity involving, e.g., actions for attracting residents (particularly through a cycle of selective revitalization of villages and towns), economic stimulation of local resources and business creation, supporting the organization of primary production and respective market valuation.
- ✓ Developing the practice of regional development programming according to an integrated approach of academic and vocational skills needed for the Strategy, combining knowledge and qualification of human potential as a condition for achieving a smarter and more inclusive Region, which implies involving the regional education, training and employment entities in programming procedures.

### 3.2.2 Operational Recommendations

This component systematizes elements of balance associated to a comprehensive view of the problem-dimensions of the current programming period (of strategic and operational character), which involve changes to the next programming period, with objective contributions to the vision of the needs to be reflected on programming and managing the future 2014-2020 Alentejo OP.

**Conclusion 1. Regulation of Programmes.** The regulation of the NSRF Operational Programmes, by defining a uniform model based on three thematic agendas and involving strong harmonization of concepts, terms and conditions, resulted in a very limited consideration of the specificities and regional priorities.

In the next programming period would be desirable to find a more flexible solution both on the model of tenders - following the adjustments made under the current NSRF OP - and the types of operations and conditions to its approval and financing.

*It is recommended*, at national level, the approval of regulatory frameworks instead of operationalization regulations; the latter - as always occurred until 2006 - being linked to the objectives and content of each Operational Programme. Notwithstanding the development of national regulations for certain categories of operations, they should be generic, leaving for the future Regional OP the decision of how to operationalize them (specific conditions of eligibility, selection criteria, financing conditions, etc.) as well as the access model (tenders, invitation, continued application, etc.).

**Conclusion 2. Incentive Schemes Implementation.** Incentives Systems for private investment to be funded by the new Alentejo OP should be linked to the results to be achieved at the level of regional economy, particularly for micro, small and medium enterprises whose creation and development is more dependent on the local and regional market. The rules of operation of such systems should be defined under the Programme.

Although the next ERDF Regulation - complemented by new guidelines on State aid for 2014-20 - does not provide funding for investment in large companies, there is, naturally, a large number of medium-sized companies (according to the Community classification) that have a scope of activity that spreads far beyond the regional space and can justify a national approach, in terms of regulation.

*It is recommended* that the Next Generation of Incentive Systems (2014-20), although adopting standard guidelines, to be distinctly regulated in what respects large and smaller investment projects. In this understanding, it would be relevant to set a maximum limit of investment and enterprise size in regional regulations, everything else pertaining to a national logic, with CCDR intervention in regional assessment of merit. This solution would combine the national and regional strategies, consolidating small and medium projects in development potential of regions and IS becoming public policy instruments for these strategies.

**Conclusion 3. Articulations between ERDF, ESF and EAFRD.** The coordination or integration of actions financed by the Cohesion Funds (ERDF and ESF) and EAFRD is crucial in regions with a strong component of the rural economy. As a corollary, it is not reasonable nor enough that in vast regions of Alentejo local development is done solely based on interventions co-financed by the EAFRD.

New regulations for cohesion policy favour a thematic approach of Funds interventions, in line with the Europe 2020 strategy, with no territorial priorities able to respond directly to the objectives of territorial cohesion. To fill this gap, Regulations foresee the existence of new territorial integration figures of

Funds: the Integrated Territorial Interventions (ITI) and the Local Community-Based Development (LCBD), which may involve all three Funds. While the ITI are launched and managed by public actors, LCBD follow LEADER methodology and experience and should be coordinated by civil society associations.

*It is recommended*, in order to enhance synergies and complementarities, and thereby increase the effective use of funds, to foresee an allocation for integrated actions (ITI and LCBD) involving the ERDF, ESF and EAFRD in the schedule of both the Alentejo PO 2014-20 and the next Rural Development Programme. Additionally, there should be found solutions towards monitoring the implementation of the various funds in the region by the decentralized agencies of the Central Administration (Education, Training and Employment and Agriculture), and thus articulate actions where there is no integrated management.

**Conclusion 4. Contracting Model.** Generalized contracting, through Global Grants, of INALENTEJO components was one of the new elements that must be considered on its advantages and disadvantages to understand their actual potential of deepening in the next period of programming. In face of the new administrative setup of the NUTSIII, it is appropriate to explore the possibility of the Inter Municipal Communities (CIM) dynamizing new forms of intervention in the territory, combining several Structural Funds (ERDF, ESF and EAFRD) and opening doors for a more proactive territorial intervention model in stimulating economic development and job creation.

*It is recommended* to envisage the possibility to include Territorial Development Programs in the next Alentejo OP giving rise to ITI covering the ERDF and ESF and EAFRD and for which management should be found innovative formulas that relate CIM to regional structures of the Employment and Vocational Training Institute and MAMAOT (Agriculture, Fisheries and Territorial Planning Ministry) to ensure integrated approaches to the development of the NUTSIII level. This model would also have the advantage of progressively leading municipalities to focus on other types of activity besides construction and management of infrastructures and collective facilities. To achieve this model it would be necessary to ensure a solution, anchored in programming and throughout 2013, in which several operating funds involved (and can also be complemented by EMFF) would affect a portion of its total allocation to this type of operations.

**Conclusion 5. Public Investment Programming, territorial competitiveness and spatial planning policies.** INALENTEJO presents weak and misfit results in achievements and areas of intervention that are intended to contribute to the consolidation of a suitable model of territorial organization and to promoting networks, and factors and dynamics of urban and regional competitiveness. Regional sustainable development requires virtuous models of organization and territorial articulation of



resources and infrastructure and promoting factors of territorial competitiveness, in a rationale of territorial networks of development.

In this perspective, policies and instruments to support public and private investment, particularly of structuring nature, should refer to the strategic options and models embodied in spatial management instruments (spatial planning tools), contributing to improving the coordination and creation of synergies among sectoral investments.

*It is recommended* the establishment of a relationship of strong support coordination between public and private investments and pursuing objectives of spatial planning and urban development plans. It should be all about taking as a frame of reference, for programming investments in infrastructure and equipment of local and supra-municipal scope, the strategic options of spatial planning established in territorial management instruments, notably those of municipal and regional scope.

**Conclusion 6. Indicators system.** Since CSF I - 1989-93 - several models of the indicator system were tested in order to adequately monitor the Programmes and provide timely necessary information to the management structures, as well as to evaluating activities. Since none of the models implemented so far (some, as the CSF 2000-06, more centralized, others, as the current, more decentralized) responded effectively to the needs of management, monitoring, control and evaluation, it should be found a more efficient and effective solution, naturally based on the specific needs of the future Alentejo OP.

Achieving this goal requires the maintenance of a national decentralized model in which each instrument of programming will have to promote its own information system, according to its needs, while preserving the essential articulations of conception, registration, ... with the core modules.

*It is recommended* that the Alentejo CCDR in consultation with the National Authorities, notably the IFDR, starts building an improved model of management "software" of the 2014-20 Alentejo OP, as soon as the guidelines and the basic structure of the future model are defined. The system will necessarily have to incorporate all of the information concerning the activities of the Programme (as opposed to, eg, what happens now with Incentive Systems) to become a true management tool.