Framework Contract: Implementation of an integrated evaluation approach within the framework of a robust North-West Europe evaluation system (Reference 16B007)

TASK 1: Evaluation of the Two-Step Approach

FINAL REPORT

Version 19 April 2017

This report was prepared for the

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AA	Audit Authorities
AF	Application Form
AIR	Annual Implementation Report
CA	Certifying Authority
CCTP	Specific Technical Terms and Conditions
CF	Cohesion Fund
CP	Contact Point
CPR	Common Provisions Regulation
DG REGIO	Directorate-General for Regional Policy and Urban Policy
EGTC	European Grouping of Territorial Cooperation
EIB	European Investment Bank
ERDF	European Regional Development Fund
ESF	European Social Fund
ESIF	European Structural and Investment Funds
ESPON	European Spatial Planning Observation Network
ETC	European Territorial Cooperation
EU	European Union
EU2020	Europe 2020 Strategy
EUR	Euro
INTERACT	Programme aiming to reinforce the effectiveness of cohesion policy by promoting exchange of experience
INTERREG	ESIF programmes to enhance cooperation between EU regions
JCSEE	Joint Committee on Standard for Educational Evaluation
JS	Joint Secretariat
LAU	Local administrative units
MA	Managing Authority
MC	Monitoring Committee
NC	National Coordinator
NUTS	Nomenclature des unités territoriales statistiques
NWE	North-West Europe
OP	Operational Programme
PA	Priority Axis
PM	Project Manager
RC	Rules for Tender
ROP	Regional Operational Programme
SO	Specific Objective

Introduction

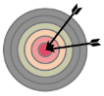
This report is the main deliverable of the Task 1 of the evaluation framework contract as defined by the 'Special Technical Terms and Conditions/Cahier des Clauses Techniques Particulières' (CCTP) of the Call for Tender. The evaluation service foresees three tasks. Task 1 assesses the switch the programme has made between the 2007-2013 and 2014-2020 programming periods, from a single step to a two-step approach application process. Task 2 verifies the efficiency and effectiveness of the programme funding, while Task 3 is about impact evaluation.

The report has been organised according to the evaluation framework for Task 1 defined in the Inception Report (also see the table below). Indeed, the purpose of the two-step approach was mainly to simplify the application process, to get project proposals based on the result-oriented model and to attract new applicants. These topics were considered in the report through five main chapters, each of which corresponds to key evaluation topics defined in the Inception Report:

- Chapter 2: roles of programme bodies;
- Chapter 3: attraction of newcomers;
- Chapter 4: quality of the support;
- Chapter 5: simplification;
- Chapter 6: integration of result-based approach.

Table 1: Evaluation framework for Task 1

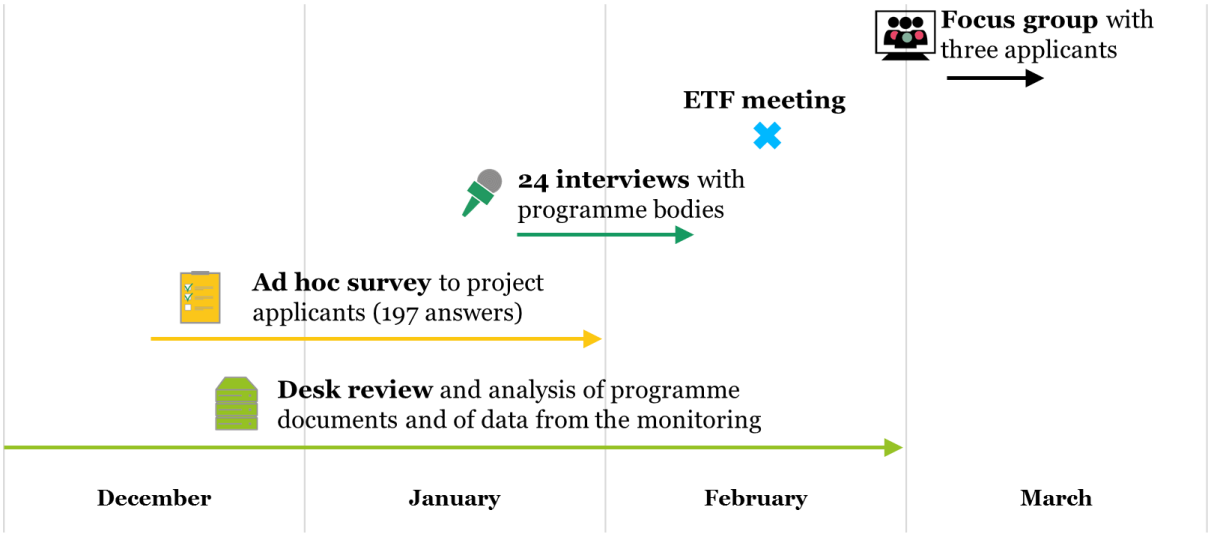
Topic	Evaluation Question
Roles of programme bodies 	How efficient and effective are the a) assessment procedure performed by JS and b) the decision-making process regarding project selection (MC)?
	Has the two-step approach with different stages of project development (separation of tasks between the national contact points of the programme and the JS in Steps 1 and 2) been efficient / effective compared to the one-step process? Has the two-step approach made the application process more efficient (workload and time) regarding support to applicants, assessment and decision-making (MC, CP, JS)?
	What are the concrete benefits/costs noticed at the programme level after the switch (i.e. less or more cost for human resources, input etc.)?
	What are the challenges in terms of use of programme resources?
Attraction of newcomers 	Has the new approach helped to attract more newcomers and/or more and more diverse applicants in their respective fields? Has the new approach helped to attract applicants in general, even if they are not newcomers? Are there new entities joining the projects? (in which form, sector, country, role, etc…)
Quality of the support	Are the tools provided by the programme to the applicants to submit their proposals adequate and useful for the applicants?
	Does the support available for the project application process meet the needs of prospective project applicants?

Topic	Evaluation Question
	Is the outcome of the application process sufficiently transparent for all applicants?
Simplification 	Has the new approach helped to make the application process easier for applicants (less administrative burden)?
Integration of result-based approach 	Has the new approach helped to increase relevance, suitability and quality of the projects and to avoid low-quality projects? How has the filter applied at the first step of the application process helped to choose the most result-oriented projects and the projects best fitting the programme's Specific Objectives?

1. Methodology

In accordance with the approach proposed in the Inception Report[1], information provided in this report builds on a mix of methods. As illustrated by the figure below, all evaluation activities were carried out between December 2016 and March 2017.

Figure 1 Evaluation of the two-step approach: evaluation activities



Between December 2016 and February 2017 evaluators carried out the desk review of the main programme documents (i.e. programme manuals, guidances…) and the analysis of data coming from the programme monitoring system. Both documents and data from the current and previous programming period were considered.

An ad-hoc survey to the project applicants was prepared during the month of December and launched for two weeks during the following month (January 2017). More than 1900 programme applicants were invited to take part in the survey; the final number of respondents was 192 (approximately 10% of the potential participants). More information regarding the survey respondents is provided under annex 8.1.

Moreover, 24 interviews with programme bodies were carried out during the month of January 2017. Interviews targeted JS officials, MC members, MA and CP from all MS involved in the Programme. The list of interviewees is provided under annex 8.3.

Mid-February a draft version of the final report was provided to the Evaluation Task Force (ETF) to discuss key findings and recommendations applying a focus-group approach, organised in Brussels on the 20th of February 2017. An additional web-based focus group with three programme lead applicants (two rejected, one beneficiary) was carried out on the 8th of March 2017 in order to collect additional inputs and cross reference findings and observations with programme applicants.

Finally, the up-dated key findings and recommendations of the evaluation were presented and discussed at the Monitoring Committee meeting on the 14th of March 2017 in Paris.

[1] The Inception Report was submitted on the 5th of December 2016 and approved on the 16th of December of the same month

2. Roles of programme bodies in the two-step approach

This chapter sets out the efficiency and effectiveness of the assessment procedure and of the decision-making process of the two-step approach through the analysis of administrative data, applicants' survey and interviews with programme bodies. The analysis focuses on:

- The project approval and rejection rate (2.1);
- The time needed and workload for beneficiaries and programme bodies (2.2);
- The roles of programme bodies in project support (notably CPs, JS) (2.3)
- The correspondence between assessments and final decisions on project approval (JS and MC) (2.4).

Key findings

- More project ideas were registered, but fewer projects were successfully funded; a comparison with the 2007-2013 programming period shows a higher number of applicants and a lower project approval rate. The high rejection rate in Step 1 has remained constant over the three first calls, while the approval rate in Step 2 has increased from the first call to the second call.

- The current application process is generally more time consuming than the previous one, both for programme bodies and for applicants. For programme bodies, the current application process is more time consuming than in the previous period, with CPs investing most of the time in Step 1 and JS in supporting projects in Step 2. However, Step 1 has also allowed the avoidance of low-quality projects and reduction of the time and efforts spent in the analysis of these applications. For applicants, benefits in terms of reduction of time and workload can be seen for rejected projects in Step 1, but not for funded projects. For projects admitted to the second phase of the selection process, applicants perceive Step 2 as more demanding than Step 1 in terms of workload even if the difference between the two steps is perhaps less significant than might have been expected.

- There is a considerable extension of the procedures due to the possibility for applicants to present the second step application form during a different window of time (approximately 10 months later than the approval of Step 1 by the MC). This possibility seems to be appreciated by a large part of applicants, but the programme authorities think that it brings negative effects both in terms of overall attractiveness of the programme as well as risks for the project applicants, especially in the case of projects working in a highly changing context.

- There is a clear formal division of roles for programme bodies in project support: Division of roles between CPs and JS in project support is clear and even clearer than at the beginning of the programme. However, there is a risk of partial overlap between CPs, national authorities and JS in Step 2 due to the higher perceived proximity of CPs to applicants.

- There is a high correspondence between JS assessment and final decisions: administrative data and interviews show a high and increasing consistency between the JS assessment and MC decisions, with a higher correlation in Step 1 than in Step 2.

2.1. Number of projects approved and rejected

After four calls for projects launched by the INTERREG NWE 2014-2020 programme, the number of project proposals submitted amounts to 291. This number is already close to the total 358 project proposals submitted during the 2007-2013 funding period.

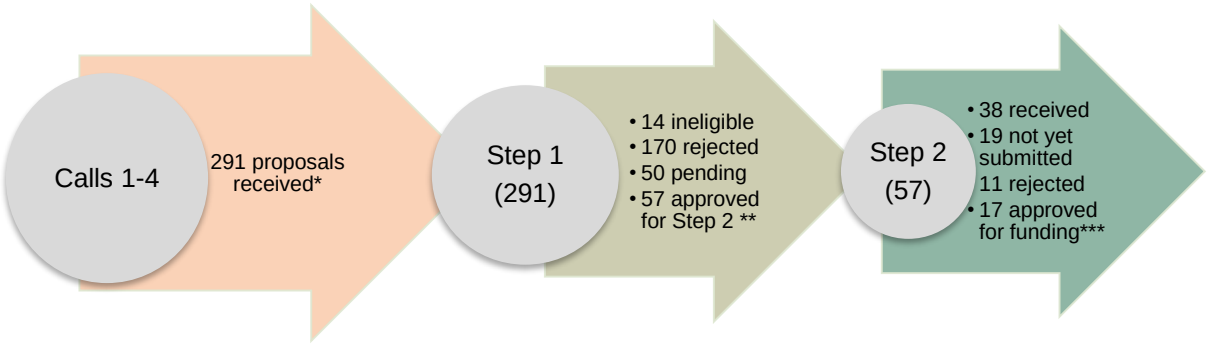
To date, and after two full rounds of calls, 17 project proposals were approved for funding, having successfully completed the two-step evaluation approach. These 17 project proposals make up 10 % of the overall applications for the calls where the decisions are taken (1 and 2). In total, 57 project proposals have been approved for Step 2 of the first, second and third call and the respective applicants are invited to submit a final proposal. Around 70 % of the proposals submitted to the first, second and third calls have been rejected either for not reaching the minimum requirements or for having been found otherwise ineligible, while a few are still pending decision. In total, there were 14 project proposals declared as ineligible, (call 1: 5, call 2: 7 and call 3: 2) which signifies 6 % of the total aplications of the first three calls. To date, under the first two calls, 63 % of the project proposals approved at Step 1 have been approved at Step 2 and have received funding. Accordingly, the current success rate of the two-steps process is 10 %.

Table 2 Overall comparison of the two evaluation steps

Step 1			Step 2	
Proposals received (calls 1 to 4) 291 (of that 50 Decision pending)	Approved for Step 2: 57	22.7%	Approved for funding: 17***	11.1 %***
	Rejected or Ineligible: 184	73.3 %	% Approved for funding of approved for Step 2	63 %***

Source: JS data – own calculations

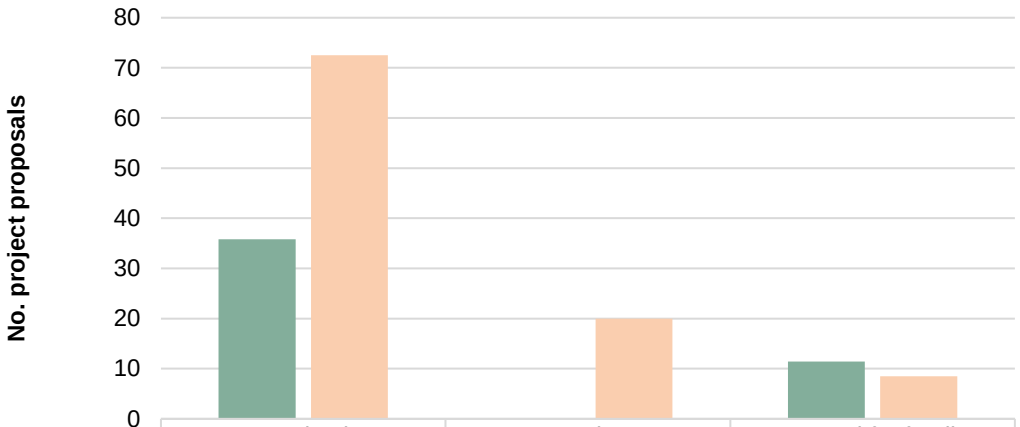
Figure 2 Progress of the four calls with the two-step approach (as of February 2017)



Notes:
** 290 proposals were submitted in for Calls 1-4 (Step 1).*
*** The numbers and the ratios apply only for Calls 1-3 since the decisions of call four were not yet taken at the moment of the analysis.*
**** The numbers and the ratios apply only for calls one and two since the decisions for calls three and four were not yet taken at the moment of the analysis.*

Source: JS data – own calculations

Figure 3 No. of projects submitted in relation to no. of projects approved for funding (average per call) in Interreg NWE IV B 2007-2013 and VB 2014-2020 (provisional figures)



	received	approved step 1	approved for funding
2007-2013	35.8		11.4
2014-2020	72.5	20	8.5

Note: Please note that the numbers for approved projects (in Step 2) only include the results of call 1 and partially of call 2 as the decisions on call three and four were not yet taken at the moment of the analysis.

Source: JS data – own calculations

On average, the absolute number of approved project proposals per call for funding is lower than for the past programming period; whereas in 2007-2013, on average there were 11.4 projects funded. So far in 2014-2020, there were 8.5 project proposals per call funded, which is 25% lower (Figure 3). This decrease might not be linked to the transtition from the one-step to the two-step approach, however.

It is also important to underline that the current programme's approval rate is 69 % lower than it was during the 2007-2013 edition[2] if we compare the initial project applications and the number of approved proposals. This decrease must also be put in relation to the statistical bias that is implied; as for the 2007-2013 funding period, on average far fewer project proposals were registered than in 2014-20. Additionally, more project proposals were approved on average during the past programming period than during the current period, resulting in a large difference of success rate when comparing the submitted project ideas and the funded project ideas.

The programme should put these results in the context of the new funding period. Even though more project ideas were registered, fewer project proposals were successfully funded. This change might be linked to a new scope in the orientation of ESIF in general, meaning that fewer project proposals might be eligible for funding in the current funding period than in the past. An analysis of the reasons for rejection of project ideas might help to put the rather insufficient performance of the first two calls in relation to the changes in the ESIF regulation. The higher rejection rate can also indicate that project proposals have been elaborated less thoroughly than during the past. The analysis presumes that with shorter initial input required under Step 1, apparently, less effort was made by the potential beneficiaries to comply with the programme's funding requirements. However, based on data from the survey on time and workload contributed by applicants, the application form for Step 1 seems to partially contradict this hypothesis (see chapter 2.2).

[2] Success rate: calculated dividing the number of proposals approved for funding by the total number of project proposals received. The success rate for the 2007-13 period covers all 10 calls whilst the success rate for the 2014-20 period covers only calls 1 and 2.

Figure 4 Success rates and average no. of projects funded per call in in Interreg NWE IV B 2007-2013 and VB 2014-2020 (provisional figures)

Source: JS data – own calculations, figures for 2014-2020 are provisional

The difference between the number of project applications per call during 2014-2020 shows a slight decrease. The first three calls had high numbers (respectively 81, 86 and 73 project applications), but the fourth call received only 50 applications at the first step. Regarding the share of project ideas that have succeeded the initial check in Step 1, in the first three calls each 4th project was evaluated as being successful. 63 % of the applications to the second step under the first two calls were in turn eligible for funding (Table 3).

It is worth noting that not all project ideas that were approved during step 1 have submitted an application to Step 2 (Call 1: 4 project ideas, Call 2: 8 project ideas). This might be linked to various reasons, but in particular to reasons related to timing (only 3-4 months between the approval of Step 1 and the deadline for the submission of Step 2) and to the possibility of postponing the submission of the Step 2 AF to the following call (on this issue see also chapter 2.2.2). This has happened i.e. for two project applications that were formerly approved during Step 1 of the first call. They have applied at Step 2 of the second call (EMPOWER NWE52 and NuCy NWE113), but were both rejected.

Table 3 Project applications in relation to approvals*

	Project	Step 1	Step 2	Approval Step 1	Approval Step 2	Global approval rate
Call 1	Application	82	17	23,2%	52,9 %	11,0 %
	Approved	19	9			
Call 2	Application	86	20	24,4 %	not finished	not finished
	Approved	21	8			
Call 3	Application	73	1	23,3 %	.	.
	Approved	17	.			
Call 4	Application	50	.	.	.	.
	Approved	.	.			
Total	Application	291	38	23,7 %	52,9 %	11,1 %°
	Approved	57	17°			

* Situation as of February 2017. The numbers only apply to calls 1 to 3 and do not take intoaccount the MC decision in March 2017.

Source: JS data – own calculations

The high rejection rate in Step 1 is seen as positive by some CP and MC representatives who were interviewed. The selection of only the “most promising” project ideas with regard to strategic fit to the programme and its envisaged impact is one of the most important objectives of the two-step approach for some MC members and CP. For them, this objective has been achieved and many resources are saved due to the early elimination of project ideas with less fit to the programme and less result-orientation.

However, in order to discourage those applicants whose project ideas are not in line with the programme and consequently reduce the workload related to the Step 1 project assessment, some interviewees suggest that the programme could impose that project applicants must contact CP prior to the submission of the AF in Step 1 as a sine qua non condition.

Programme bodies generally expressed their concern that the approval rate in Step 2 selection process is rather low, also considering that Step1 selection is already quite strict and should select the “most promising” project applications.

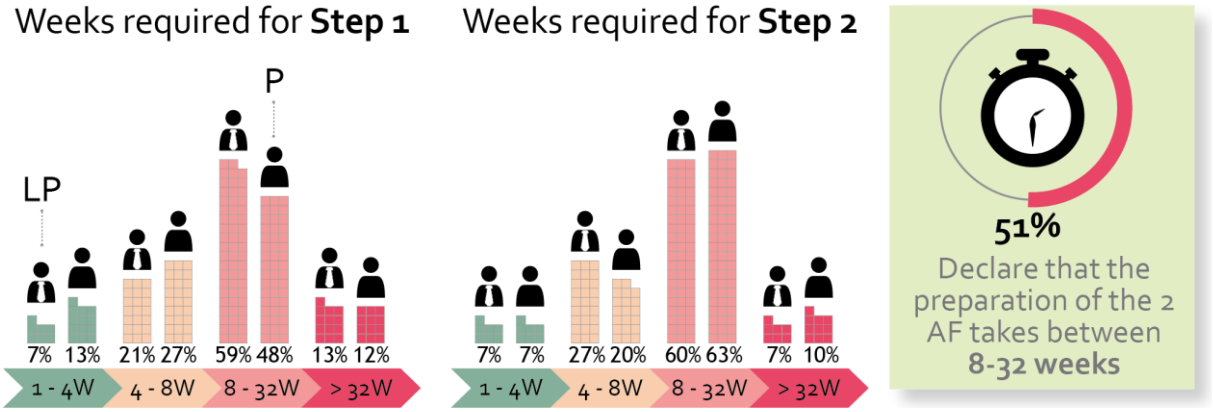
Project rejection in Step 2 implies a huge waste of effort and resources, both at the level of the programme bodies and at the level of applicants. Some believe that the problem concerns Step 1, when projects with low chances for final approval pass to Step 2; others complain about the excessive rigidity of the result-oriented framework; still others think that the high rejection rate depends on the different assessment criteria adopted in the two steps: *“in Step 1 we evaluate an idea and we don't know if the applicant is effectively able to further develop the project”*.

2.2. Time needed and workload for beneficiairies and programme bodies

2.2.1. Time needed and workload for beneficiairies and applicants

As far as time needed for the elaboration of the project proposals is concerned, more than half of respondents declare that the preparation of both application forms takes between two to eight months each, with no significant difference between partners (P) and lead partners (LP) (see Figure 5), nor between approved and rejected project applicants.

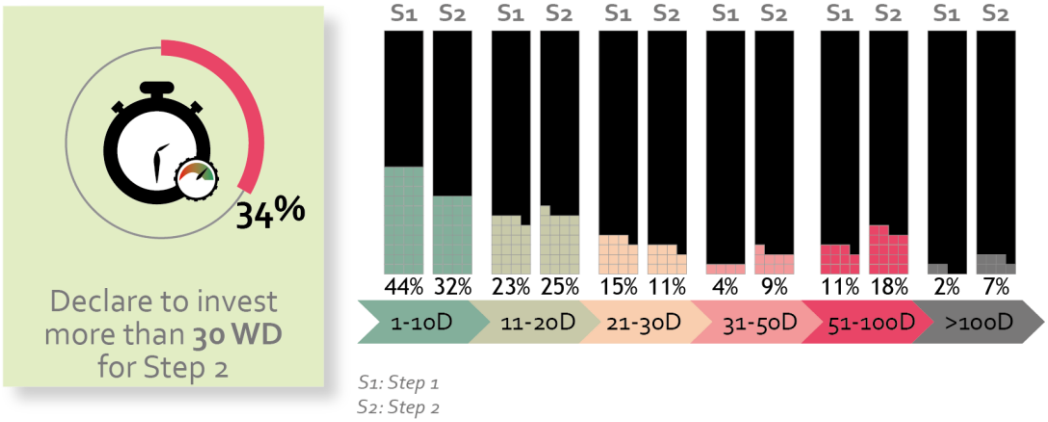
Figure 5 How long did the preparation of the application forms take?



Source: survey to applicants and beneficiaries – own calculations

Applicants admitted to the second phase of the selection process (see Figure 6) perceive Step 2 as more demanding than Step 1 in terms of workload (34% declare that they invest more than 30 working days) even if the difference between the two steps is perhaps less significant than might have been expected.

Figure 6 Working days required from the conception of the project idea to submission of the application form

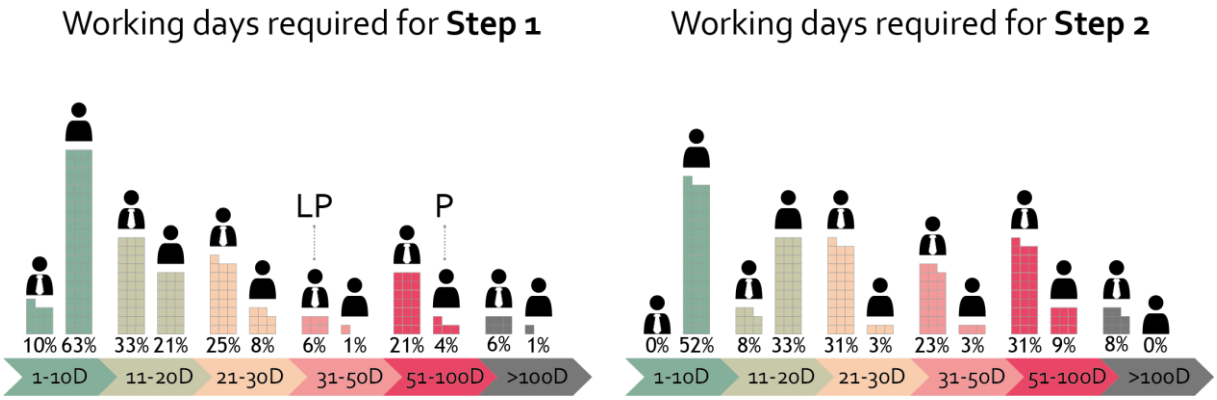


Source: survey to applicants and beneficiaries – own calculations

Data on working days required to develop a proper proposal show that lead partners play a pivotal role in finalizing the document and filling in the AF. While nearly half of the partners declare that they invest

between 1 and 10 working days under both application phases, the number of working days declared by lead partners is significantly higher, particularly in Step 2 (approximately 40% of lead partners declare that they invest more than 50 working days during Step 2).

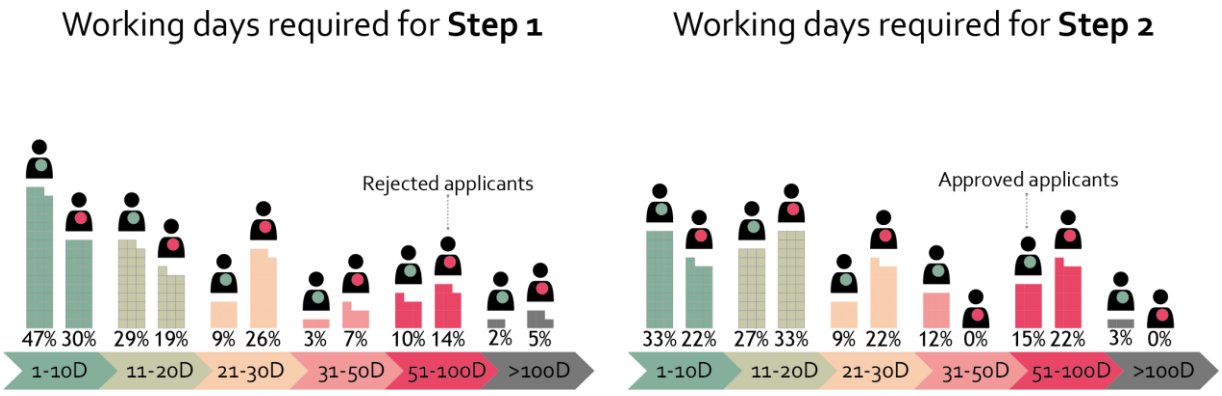
Figure 7 Working days required from the conception of the project to submission of the application form. Partners (P) Vs Lead partners (LP)



Source: survey to applicants and beneficiaries – own calculations

The following data show that the result of the selection process can somehow influence the perception of the effort made to design a project proposal. It is interesting to note that the procedure seems generally less burdensome for applicants of approved projects (see Figure 8).

Figure 8 Working days required from the conception of the project to submission of the application form by approved or rejected projects



Source: survey to applicants and beneficiaries – own calculations

As far as the applicants admitted to the second phase of the selection process are concerned, it is also interesting to note that the majority of respondents (81%) consider the time between the notification by the Monitoring Committee about the Step 1 decision and the deadline for Step 2 submission "sufficient". This response contradicts conclusions dawn from the analysis of the administrative data showing that a relevant number of project ideas that were approved during Step 1 submitted their Step 2 AFs in the second window of opportunity (in the follow-up call, please see chapter 2.1 for more details).

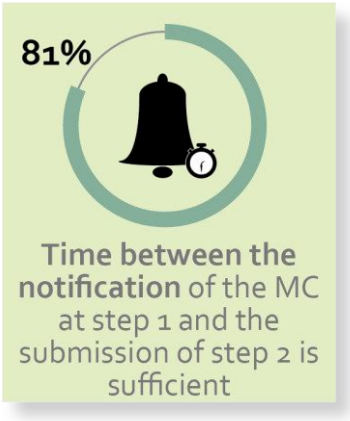


Figure 9 Perception of the time between the notification of the MC at Step 1 and the Step 2 submission deadline

Source: survey to applicants and beneficiaries – own calculations

Applicants taking part in the focus group confirmed the conclusions drawn from the evidence collected through the survey. According to their opinion, the timing between the Step 1 MC notification and the first window for the submission of the Step 2 AF (on average three months) is sufficient. Moreover, they underline that a longer time frame makes it extremely difficult for the lead applicant "*to keep the project partners together*" and maintain the project momentum.

Participants of the focus group also specified that the most challenging elements (in terms of workload required) of the Step 2 AF concern the definition of a clear project intervention logic as well as the identification and quantification of baselines and targets. Moreover, applicants dedicate a lot of time to the project budget, due to the need to coordinate and find agreements among the different partners.

Interviewed authorites (CP in particular) indicate that even for Step 1 some project applicants invest quite a lot of time into the development of the project idea and the submission process. The potential reason is that some project applicants already think ahead. Also, in terms of requirements for Step 2, some project applicants already develop a more or less complete application in Step 1. However, the low scores in the JS assessment for Step 1 applications indicate that this procedure does necessarily not make project proposals more successful in Step 1 of the application. Some CP interviewees indicate that better communication to the applicants about the differences of the two steps (Step 1 should focus more on "what shall be achieved" and Step 2 more on "how it will be done and achieved") and a consistent assessment by the JS could help to reduce time and workload, in particular of Step 1 applications. Some interviewees proposed additional elements to improve the transmission of information to applicants, such as a checklist for Step 1 and Step 2 including a description of examples and good practices.

2.2.2. Time needed and workload for programme bodies

From the programme perspective, the two-step approach has the advantage of reducing the workload related to the pre-selection of project applications (in Step 1) when applications must not be evaluated in their full extent. However, the adoption of the new approach also requires the duplication of all activities (i.e. two different assessments, two different MC decisions and as well as two different types of support development activities).

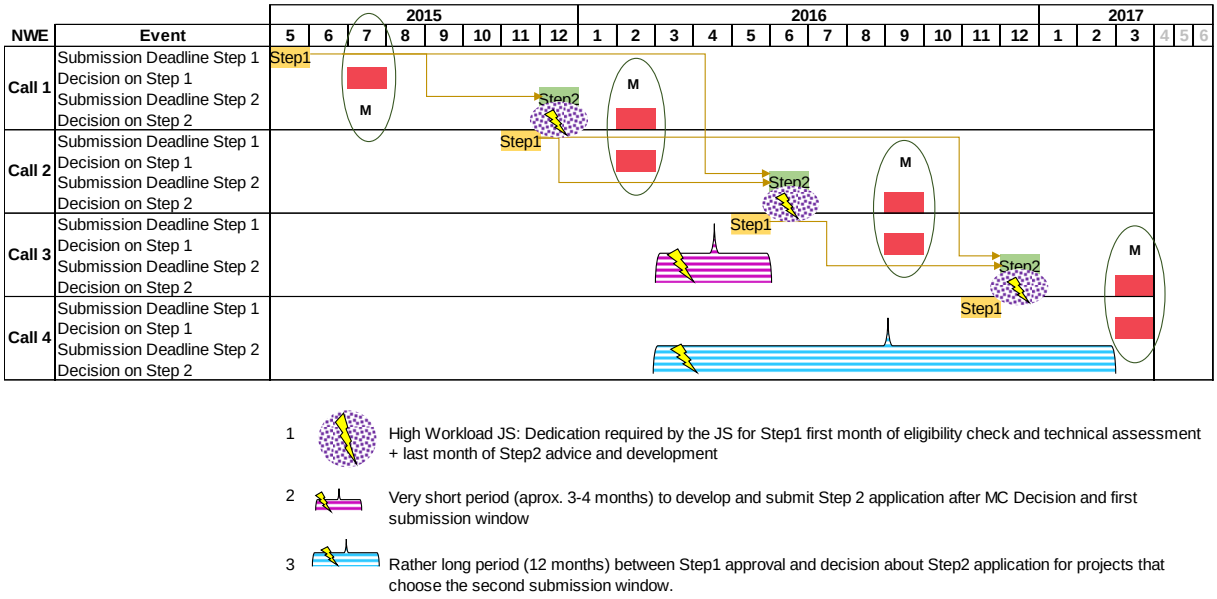
Figure 10 illustrates the timeline of the first four calls. As highlighted by the figure, one of the consequences of the two-step approach is that, starting from the second call the decision-steps of

different calls temporarily coincide beginning with the second call, i.e. the decision on Step 2 for the first call was taken at the same time as the decision on step one of the second call.

Moreover, at the level of JS, the two-step approach implies an overlapping and high workload, particularly during the last month before a Step 2 submission date when both assessment activities (for Steps 1 and 2) and support for project development to Step 2 applicants should be carried out.

Finally, as illustrated by the figure, the programme offers project applicants the options of presenting the Step 2 AF, or in the time window subsequent to the first step (approximately 3 months later than the MC approval of Step 1), or in the following time window (approximately 10 months later than the approval of Step 1 by the MC). This approach brings a considerable extention of the procedures.

Figure 10 Timeline of calls 1 to 4 from 2015 to 2017



Source: JS data – own calculations

Three out of four interviewees think that the new approach (the two-step approach) is more time consuming than the approach adopted in the previous programming period. This perception is even stronger within JS, with all the officers who have experience in the previous programming period declaring that the current approach is more time consuming.

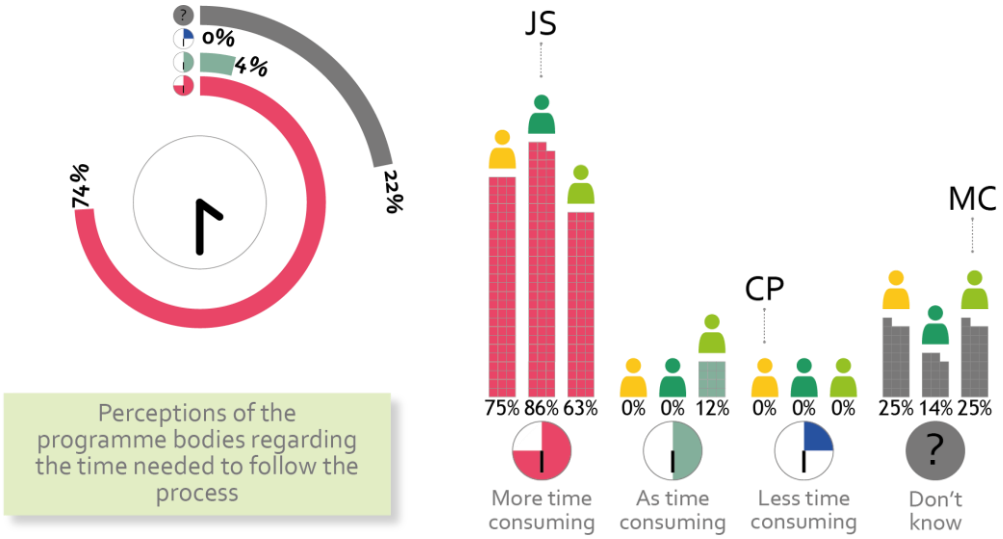
It is, however, important to take into account two main remarks that emerged from the interviews.

Firstly, the increased workload, in particular for the JS, is related to the intense direct support provided to applicants in the Step 2 project development process. During the previous programming period, both CPs and JS dealt with the project generation prior to submission and co-organised project development events. These events consisted of presentations common to all participants and one-to-one sessions providing tailor-made advice for individual projects.

Secondly, the increased workload should also be read in light of new requirements, such as the new intervention logic adopted by the programme and the requirements that accompany the result-orientation of the programe, which implies additional specific tasks for its bodies. In this respect, interviewees mentioned the specific support required by SME and private applicants (i.e. in relation to state aid issues) and, more generally, the requirements of the elaboration (and subsequent assessment) of the result-orientation of projects.

Some interviewees also state that more time is needed since the number of total applications is higher than in the previous funding period, and not necessarily due to the two-step approach.

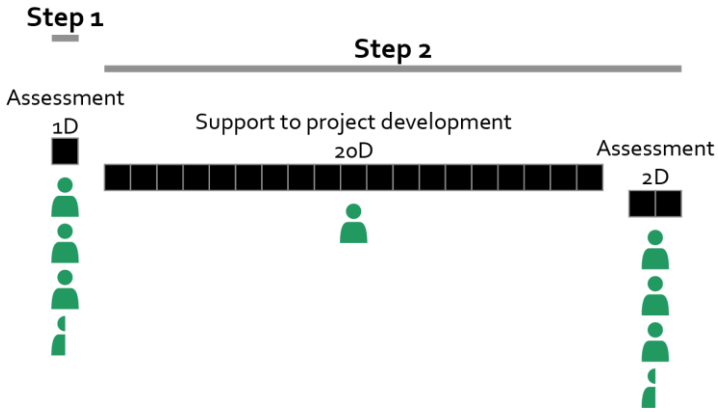
Figure 11 Perceptions of the programme bodies the time needed to follow the process



Source: interviews to programme authorities – own calculations

Interviews also allowed the collection of specific data on the administrative costs of the process. As illustrated by the figure below, the support to project applicants under step two implies on average 20 working days per project, regardless of the priority axis.

Figure 12 Workload of the JS



Source: interviews to programme authorities – own calculations

Green person = number of persons supporting one project proposal development

Programme authorities interviewed generally consider that the time between the two steps is excessive. As shown by the analysis of the administrative data, in the majority of cases, only few project applicants present the second step application in the time window subsequent to the first step (approximately 3 months later than the MC approval of Step 1) but more do so in the following time window (approximately 10 months later than the approval of Step 1 by the MC). This can lead to a considerable extention of the procedures (*"now it can take more than one year to have a project potentially approved"*) with negative effects in terms of overall attractiveness of the programme, but also in terms of risks for the project

applicants, especially in the case of those projects which work in a rapidly changing context (e.g. innovative technologies, changes in public authorities due to elections).

The solution proposed by the interviewees would be to reduce the overall length of the process through making it compulsory for applicants to submit the Step 2 AF in the time window subsequent to the first step and/or:

- Lightenening the Step 2 AF (i.e. by reducing the parts related to the financing plan).
- Extending the time window subsequent to the first step to six months.

2.3. The roles of programme bodies in project support

Information obtained through the online survey shows that the majority of applicants are aware of programme bodies' subdivision of functions (see Figure 13) in particular for what concerns the support provided under Step 2. Data from the survey also shows that generally applicants interact with both CP and the JS in both steps of the selection process (for more details about the perceptions of the type of support offered, see chapter 4.2).

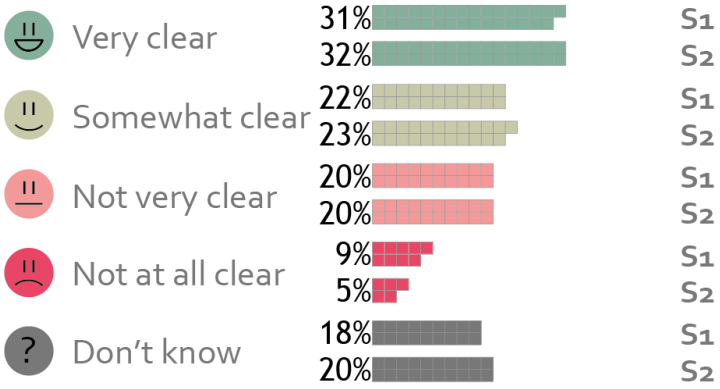
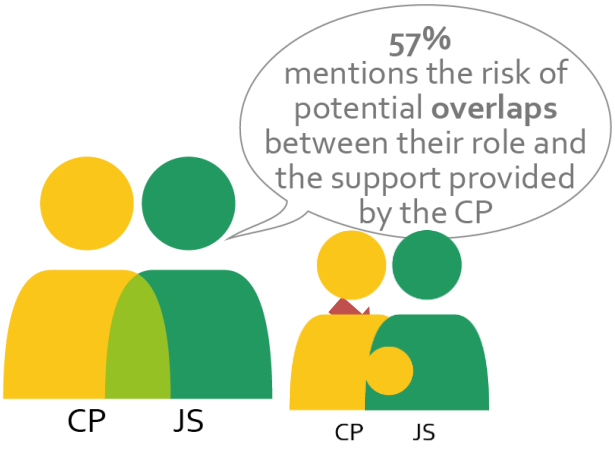


Figure 13 Perceptions of project applicants on the clarity of the division of the roles among the programme bodies (in step 1 and step 2)

Source: survey to applicants and beneficiaries – own calculations

In general, the largest part of the interviewees (70%) consider that the roles of the different programme bodies are clearly defined.

It is, however, interesting to note that a significant part of the JS officers interviewed (57%) fear the risk of a potential overlap between their role and the support provided by the CP. Despite that fear, the support provided by the JS and CP during the project development phases is clearly defined on paper; in several cases JS officers underlined that applicants (lead applicants, in particular) tend to interact with both bodies (JS and CP) during both phases (Step 1 and Step 2). As illustrated under chapter 4.2, this perception is confirmed by data collected through the survey.



CP and MC representatives estimate that overall the roles are now clearly defined and distributed. However, there is the perception that at the beginning of the funding period this was less clear and less effective. Some interviewees still ask for a more prominent role of CP during Step 2 project development due to the natural proximity of CP to the project partners (which is confirmed by the answers provided by the beneficiaries (see Figure 29) and the better understanding of local, regional and national particularities and capacities. But this is widely seen as complementary to the JS role in Step 2 project development. The vast majority of CP and MC representatives thinks that there is good cooperation and information flow between CP and JS during Step 1 and Step 2 support as well as good advice for projects that can be slightly improved through more transparency in the cooperation process.

According to the perspective of JS, the involvement of both JS and CP in project development increases the risks that JS and CP end up providing incoherent messages to applicants. In order to avoid this risk, interviewees underline the need to reinforce the cooperation between JS and CP, i.e. by providing more opportunities for exchanging ideas and practices. In particular, from the perspective of JS, it would be

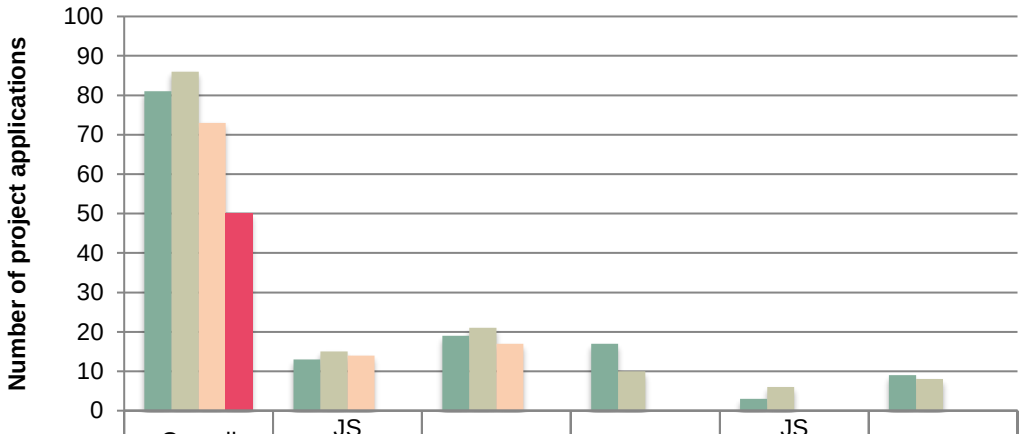
useful to provide additional support to CPs, especially in relation to aspects such as state aid or intellectual property.

Finally, provided that the majority of interviewees consider the roles of the programme bodies clear and well defined, in some cases the interviewees (in particular at MC and JS levels) took advantage of the interview to reflect on the distinction of the roles between “sponsors” and “assessors” within the JS. The reason for the distinction is clear (“*to ensure a more equitable and objective selection process”*), but some interviewees also pointed out the risk of losing, due to this somehow ‘artificial separation’, the knowledge acquired by the “sponsors”.

2.4. Correspondence between assessment final decisions on project approval

Overall, the analysis of the administrative data for the 2014-2020 period provided by the JS shows that the recommendations of the JS and the decisions of the MC do not differ largely. Figure 14 illustrates the total number of project applications in relation to the recomendations and decisions taken by the MCs. The figure highlights that the assessment of the JS in Step 1 helps to boil down the numerous project applications to a few. It is worth noting that generally the MC approves slightly more applications than previously recommended by the JS.

Figure 14 No. of applications as well as projects recommended and approved in MC decisions



	Step 1			Step 2		
	Overall applications	JS recommendation	MC decision	Applications	JS recommendation	MC decision
Call 1	81	13	19	17	3	9
Call 2	86	15	21	10	6	8
Call 3	73	14	17			
Call 4	50					

Source: JS data – own calculations (figures exlude ineligible applications)

The correlation between the recommendations taken and decisions made is very high overall (Figure 14). For Step 1, it lies overall at 86 %, at 80 % for Call 1, and 90 % for each of Calls 2 and 3. As for Step 2, the correlation between the decision-making of the two bodies lies overall at 70 %, with 65 % for Call 1 and 80 % at Call 2. The numbers for Call 1 do illustrate some difficulties when the two-step approach was first implemented, thus one finds a higher deviation between the recommendations made and the decisions taken. Calls 2 and 3, however, illustrate that the initial difficulties have been overcome.

Table 4 Correlation between JS recommendations and MC decisions

	Call 1	Call 2	Call 3	Total difference
Differences Step 1	16	8	7	31
Correlation JS-MC Step 1	**80%**	**90%**	**90%**	**86%**
Differences Step 2	6	2	.	8
Correlation JS-MC Step 2	**65%**	**80%**	.	**70%**

Source: JS data – own calculations

Representatives of the programme bodies (JS, MC and CP) interviewed are generally satisfied with the level of consistency currently achieved during the assessment and selection procedure of the two-step approach. Almost all of the stakeholders interviewed believe that the final decisions taken by the MC are generally in line with the assessments proposed by the JS as well as with the opinions expressed by the CPs.

Interviewees also agree that the capacity of the programme bodies to adopt a consistent approach during the selection phase has evolved and increased during the time period. More precisely, several interviewees (JS officers and MA, in particular) underlined the difficulties faced during the first calls due to divergent/different interpretations of the objectives of the two different selection steps (*"it was not clear for everyone what we had to evaluate under the first step and what we had to evaluate under the second step*"). It is interesting to note that between November 2015 and April 2016 two specific meetings were organised to directly address these issues (see the training session, organised in November 2015 and the meeting organised after the second call for proposals, in April 2016, that involved one representative per MS and the JS director). Another important element to harmonize the approach of the different programme bodies was the modification of the Step 1 application forms.

It appears also important to underline that in several cases interviewees (CP and MC in particular) believe there is no need to have a uniform opinion at all times. On the contrary, debates about different perceptions of project ideas and different priorities are *"good and healthy"* within an ETC programme. However, it has also been underlined that in some cases small inconsistencies seem to hamper decision-making, i.e. expected results on certain indicators seem to weigh more than others ("jobs", "enterprises"). Moreover, some consider the assessment of the partnership under Step 1 as *"incoherent"* considering that partnerships usually change during Step 2 preparation, so the assessment has to be repeated. When it comes to innovation-related projects (Priority 1), there seem to be different opinions between MC members about what type of innovation-support should be prioritised. Thus, interviewees still see some room for improvement in consistency of decision-making.

According to some MCs interviewed, the assessment is not always coherent. This perceived incoherence is because of different understandings of some themes (innovation, social innovation) and diverse expectations between different counties. But this issue seems to be inherent to a transnational programme and cannot be fully solved. Differences between JS recommendations based on assessment and MC decisions on project selection are explained with slightly different viewpoints between the programme bodies (JS is more technical and quality oriented, MC takes political and territorial priorities into account as well and is less averse to experimentation and risks to test innovative ideas). The debates about the final decisions are considered by all MC members to be fruitful and positive for the overall decision-making process. Debates and divergence in assessements already existed in the 2007-2013 funding period. Therefore, inconsistencies in the assessment should not be considered a systemic failure of the two-step approach nor an obstacle to the decision-making process as such.

As stated above, representatives of the programme bodies (JS, MC and CP) interviewed are generally satisfied with the level of consistency. However, the majority of them (approximately 70% of respondents) also think that some modifications could make the entire process go more smoothly. In particular:

- In order to prepare the MC decision, facilitate the discussion and make the decisions clearer and transparent, a written document including the opinion of each country's representative on the projects to be evaluated could be shared among MC members before the meeting. Alternatively, an ad hoc meeting before the MC could be organised. However, this would mean additional workload, as preparatory documents or meetings require to translate national-language documents in the working languages of the programme (e.g. English) to facilitate debates.

- Increase the time dedicated to the debate about selection of projects by separating "strategical MC meetings" from specific "project selection MC meetings".
- In order to facilitate the selection process, one might revise, clarify and simplify the selection criteria considered (in particular in Step 1) and avoid assessing the same selection criteria under both steps (see also chapter 6 for more detail on selection criteria).

3. Attraction of newcomers and of applicants in general

This chapter assesses the capacity of the programme to attract applicants and newcomers to ETC and North West Europe programmes through the analysis of administrative data, surveys of applicants and interviews with programme bodies. The analysis provides:

- An overview of the typology of applicants (3.1);
- A mapping of newcomers (3.2);
- An assessment of the effectiveness of the activities in place to attract newcomers (3.3).

Key findings

- More private applicants and more applicants from educational institutions, universities and research centres, compared to the previous programme: administrative data show a significant increase in the share of private enterprises applying for funds (the number has seemingly tripled) and a 45% increase in the share of applicants coming from educational institutions, universities and research centres. At the same time, the share of applicants from regional public authorities and non-profit organisations is decreasing. The distribution of applicants per country has remained substantially unchanged across the two programmes.

- The programme is effective in attracting newcomers: 89% of applicants are having their first experience with the NWE programme. Newcomers attracted by the 2014-2020 programme are generally experienced in Horizon 2020 (or in the 7th FP). It is however questionable whether the capacity to attract newcomers has been motivated by the introduction of the two-step approach.

- Activities organised to attract newcomers are effective: according to the data collected through the survey, newcomers generally evaluate as either “very useful” or “somewhat useful” the events put in place by programme bodies and Member States to promote applications.

3.1. Type of applicants

Over the years, the programme has collected a wealth of data concerning, inter alia, the typology of applicants. Evaluators have analysed those data to identify any elements that might contribute to read and explain the impact brought about by the switch to the two-step approach on the response of the programme's target beneficiaries' to the calls for projects.

Before proceeding further, however, it is essential to highlight that the initial desk research on programme data regarding the current programme (2014-2020) and the previous one (2007-2013) was affected by the lack of accuracy, consistency and completeness of the databases. Examples for structural problems are described below:

- The same entity often figured in a database under different names just because of minor differencies in spelling (e.g. acronym before or after the entity's name, different spacing, types, etc.). This issue concerned almost 60% of existing items in the 2007-2013 database and about 45% in the 2014-2020 database.
- The databases from the two programmes did not always use the same categories to classify the same type of applicants. This made the data prone to incomparabilities.
- Some data was not available, e.g. data regarding the profit/non-profit status of the applicants wasmissing for 53% of the applicants featured for the 2014-2020 programme.

To minimize the impact of the issues above on the validity of the analysis[3], the evaluation team has implemented a series of corrective measures to improve the quality of the data[4]. Although the solutions implemented could not completely offset the above limitations, they have enabled our team to extract reliable data from the source databases and thus ensure the overall validity of this part of the study. However, there might be still a considerable margin of error as regards the analysis of programme applicatnes and beneficiaries.

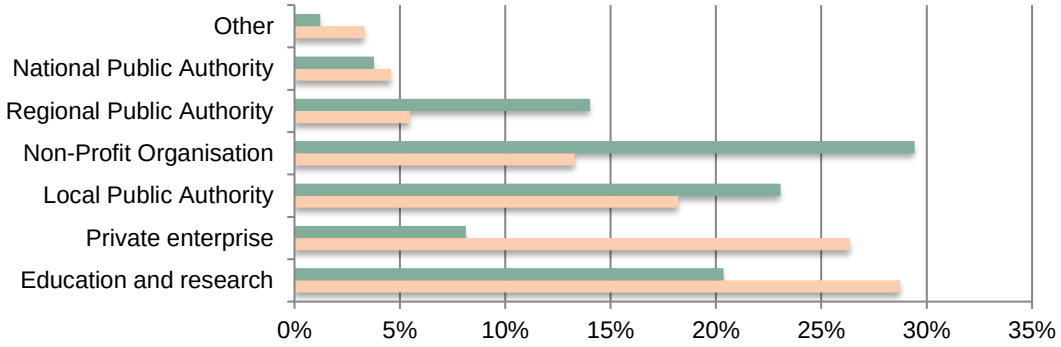
Despite this, the analysis of the current programme's typology of applicants in comparison to the 2007-2013 edition allowed identifying the following findings:

- The large increase in the share of private enterprises, which – on the basis of the available data – has seemingly tripled;
- The large decrease in the share of regional public authorities to one third of the 2007-2013 level;
- The large decrease in the share of non-profit organisations to about half of the previous programme's share;
- A 45% increase in the share of applicants coming from educational institutions, universities and research centres, compared to the previous programme.

[3] For example, the IVB database originally contained 3188 items. After the implementation of a series of corrective measures to eliminate the redundancies, the items were 1402 (56% less).

[4] An overall data quality assurance intervention on the two databases seems necessary, but falls beyond the scope of the current study. It is therefore recommended to the JS to consider undertaking such an intervention to prevent similar issues from arising in the future. A straightforward approach would be the implementation of an unique identifier (ID) for each project partner with a single name.

Figure 15 Typology of Applicants

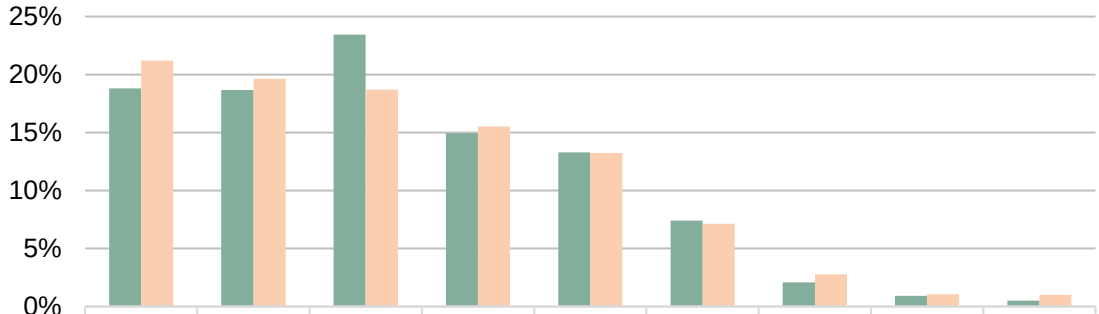


	Education and research	Private enterprise	Local Public Authority	Non-Profit Organisation	Regional Public Authority	National Public Authority	Other
IVB	20%	8%	23%	29%	14%	4%	1%
VB	29%	26%	18%	13%	5%	5%	3%

Source: JS data – own calculations

Almost 90% of the applicants concentrate on Belgium, the Netherlands, UK, France and Germany, with the others coming from Ireland, Luxembourg, Switzerland and other countries from outside the programme area. The distribution of applicants per country has remained substantially unchanged across the two programmes, as illustrated in the chart below. The only remarkable change concerns a 17% decrease in the share of applicants from the United Kingdom compared to the level attained during 2007-2013.

Figure 16 Share of applicants per country



	BE	NL	UK	FR	DE	IE	LU	CH	other
IVB	19%	19%	23%	15%	13%	7%	2%	1%	1%
VB	21%	20%	19%	16%	13%	7%	3%	1%	1%

Source: JS data – own calculations

The status of the applicants to the first four calls launched by the 2014-2020 NWE programme consist in 57% of public entities. The share of for-profit organisations amounts to 10% of the total, while the non-profit ones are 37%. No data were available for the remaining 53% of applicants.

Figure 17 Applicants' status (public/private)

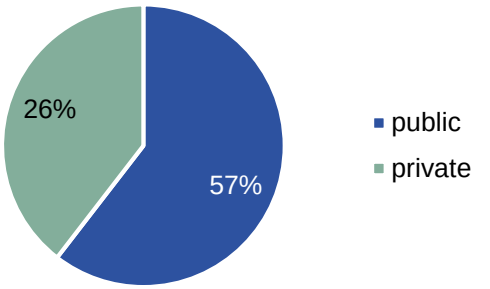
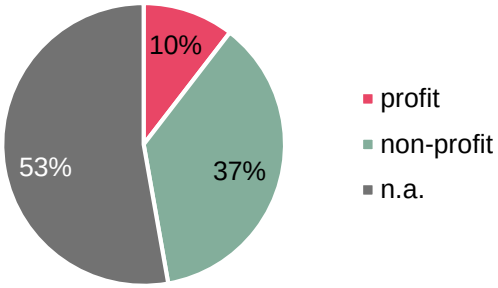


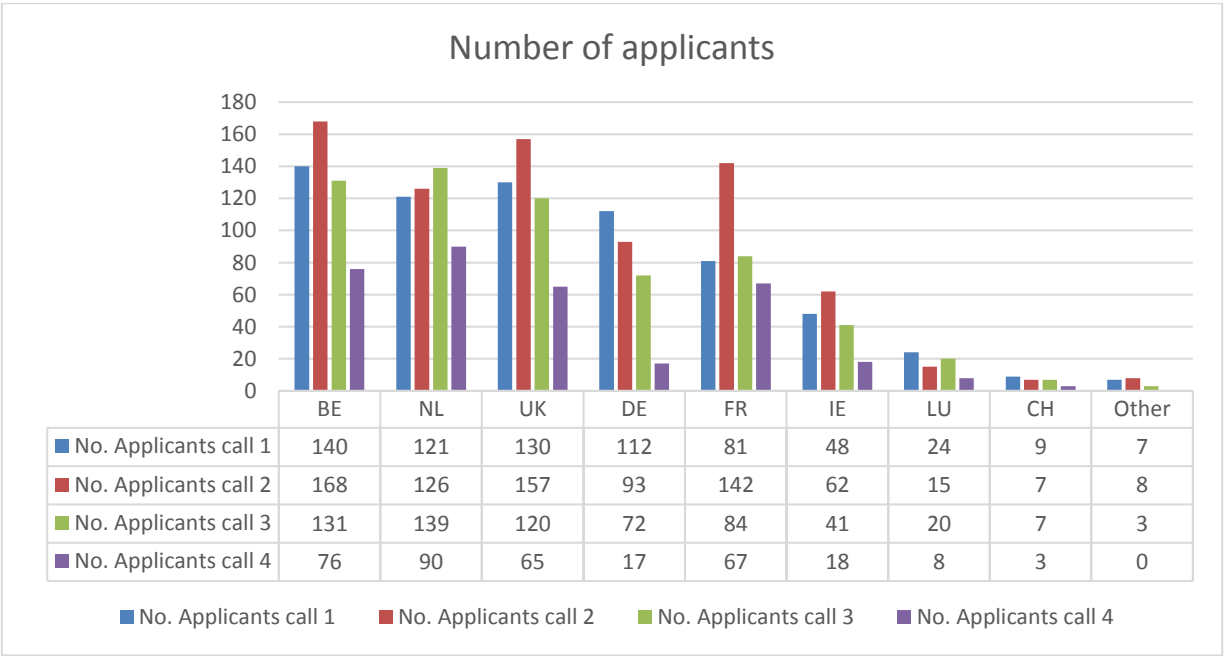
Figure 18 Applicants' status (profit/non-profit)



Source: JS data – own calculations

The analysis also looked into how the number of applicants has evolved during the first four calls of the 2014-2020 programme. The chart below illustrates the respective number of applicants per call and also gives an account of the situation per country.

Figure 19 Evolution of no. of Applicants (Calls 1-4)



	BE	NL	UK	DE	FR	IE	LU	CH	Other
No. Applicants call 1	140	121	130	112	81	48	24	9	7
No. Applicants call 2	168	126	157	93	142	62	15	7	8
No. Applicants call 3	131	139	120	72	84	41	20	7	3
No. Applicants call 4	76	90	65	17	67	18	8	3	0

Source: JS data – own calculations

The first element to address is that the number of applicants initially increased between the first and the second call (+6 % from 81 to 86), but it then decreased in the third call (-15 % from 86 to 73) and even further in the fourth (-32 % from 73 to 50).[5]

[5] These figures include the project applications that were declared ineligible and the project applications that are not yet evaluated yet.

The increase observed with the second call could be due to the fact that a number of applicants failed to pass at the first call and decided to re-submit their proposals at the second call.

However, the same pattern is not observed for the following calls. It is not clear what happened between the second call and the third, and in particular between the third and the fourth call where the number of applicants shrank significantly. Nevertheless, the following factors might have played a role:

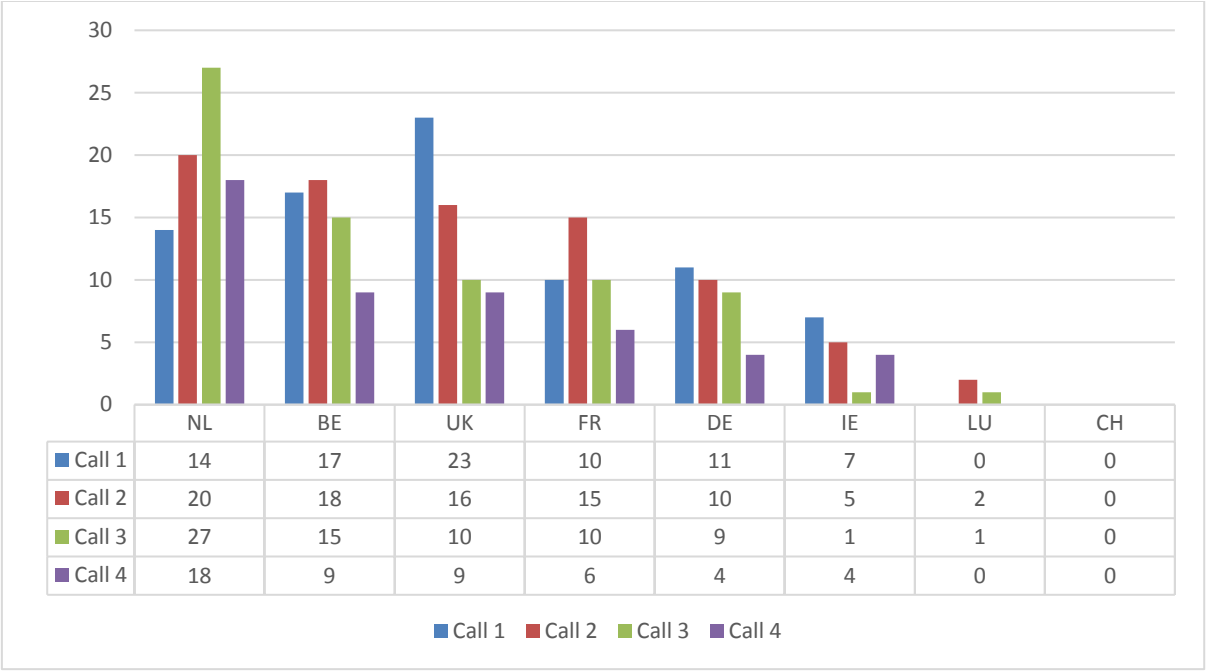
- About 9 out of 10 applicants were new to the programme. After a couple of failures, some of them may have realised that their proposals were better suited for other programmes.
- An increasing number of applicants, frustrated by the low success rate of the programme, and/or believing that the application process was too costly in terms of time and/or resources, may have decided to direct their interest elsewhere.
- The regions covered by the programme can provide only a limited number of applicants and newcomers. A high number of applications submitted in the first two calls might have included them as partners, using up the regional resources. Bearing this in mind, the capacity of regions to produce new projects for the follow-up calls may be limited.
- The promotional efforts carried out at programme level by the JS - and at the local level by the National Contact Points – may have diminished in intensity and/or effectiveness.
- Project applicants are more attracted by other programmes available in their area with a) better co-funding conditions and/or b) higher success rates and/or c) different priorities and objectives that fit better with the applicants' needs.

Regarding the distribution of applicants per country, most of them were located in Belgium, the Netherlands, the United Kingdom, Germany, and France, followed by Ireland, Luxembourg, Switzerland and finally by a few other countries outside the programme area.

The increase in the number of applicants observed with the second call, followed by the continuous decrease described above, is a pattern generally confirmed at the national level. In particular, between the first and the fourth call the number of applicants decreased by 42%. As displayed in the chart below, the overall decrease in participation between the first and the fourth call was relatively less marked in France (-16%), and relatively more marked in other countries, like Luxembourg (-67%), Ireland (-64%), and Germany (-62%).

In addition to analysing the situation at the level of the applicants, the evolution of the distribution of lead partners per call and per country was examined. Figure 20 illustrates how the evolution of the numbers of lead partners substantially followed a pattern similar to the applicants. At the national level, the only striking difference has to do with the relative increase in the number of lead partners in the Netherlands for the third and fourth call, with a parallel reduction in the number of lead partners located in the United Kingdom, possibly linked to the forthcoming Brexit.

Figure 20 Evolution no. of lead partners per country (Calls 1-4)

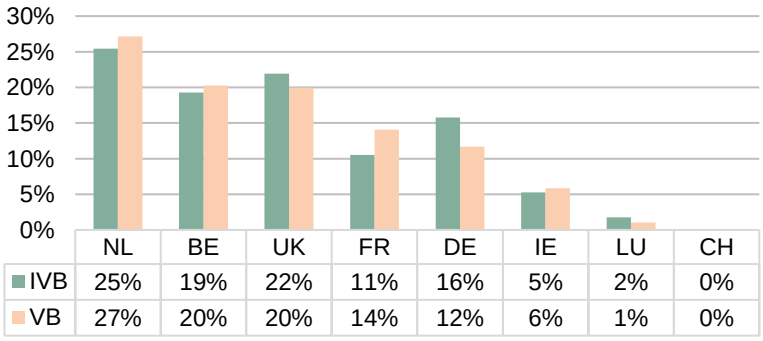


	NL	BE	UK	FR	DE	IE	LU	CH
Call 1	14	17	23	10	11	7	0	0
Call 2	20	18	16	15	10	5	2	0
Call 3	27	15	10	10	9	1	1	0
Call 4	18	9	9	6	4	4	0	0

Source: JS data – own calculations

A comparison of the 2007-2013 NWE programme with the current one, focusing on the localisation of lead partners per country, shows that their distribution has remained stable over time, with the only noteworthy exceptions of Germany (-25%) and France (+27%) (Figure 21).

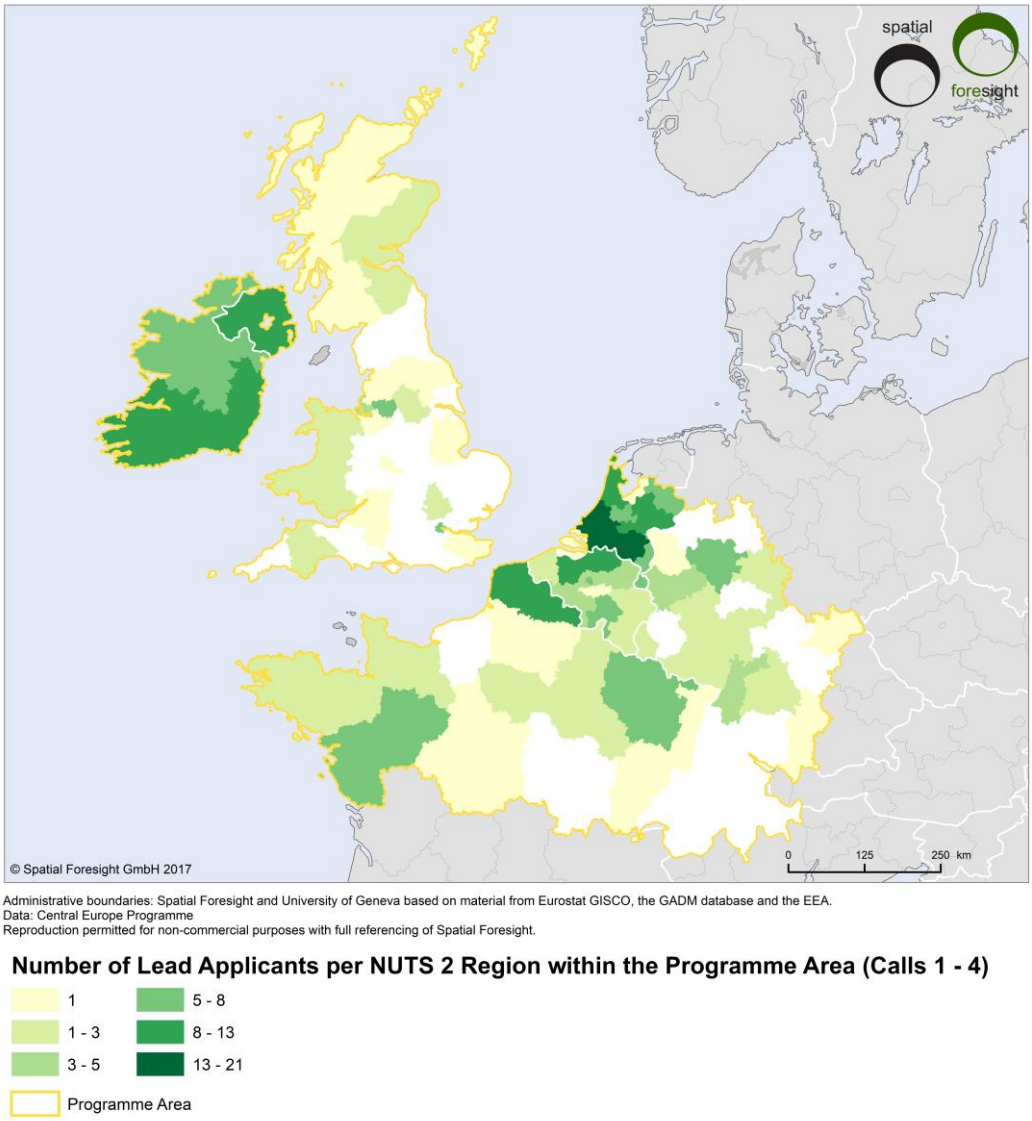
Figure 21 Share of lead partners per country



	NL	BE	UK	FR	DE	IE	LU	CH
IVB	25%	19%	22%	11%	16%	5%	2%	0%
VB	27%	20%	20%	14%	12%	6%	1%	0%

Source: JS data – own calculations

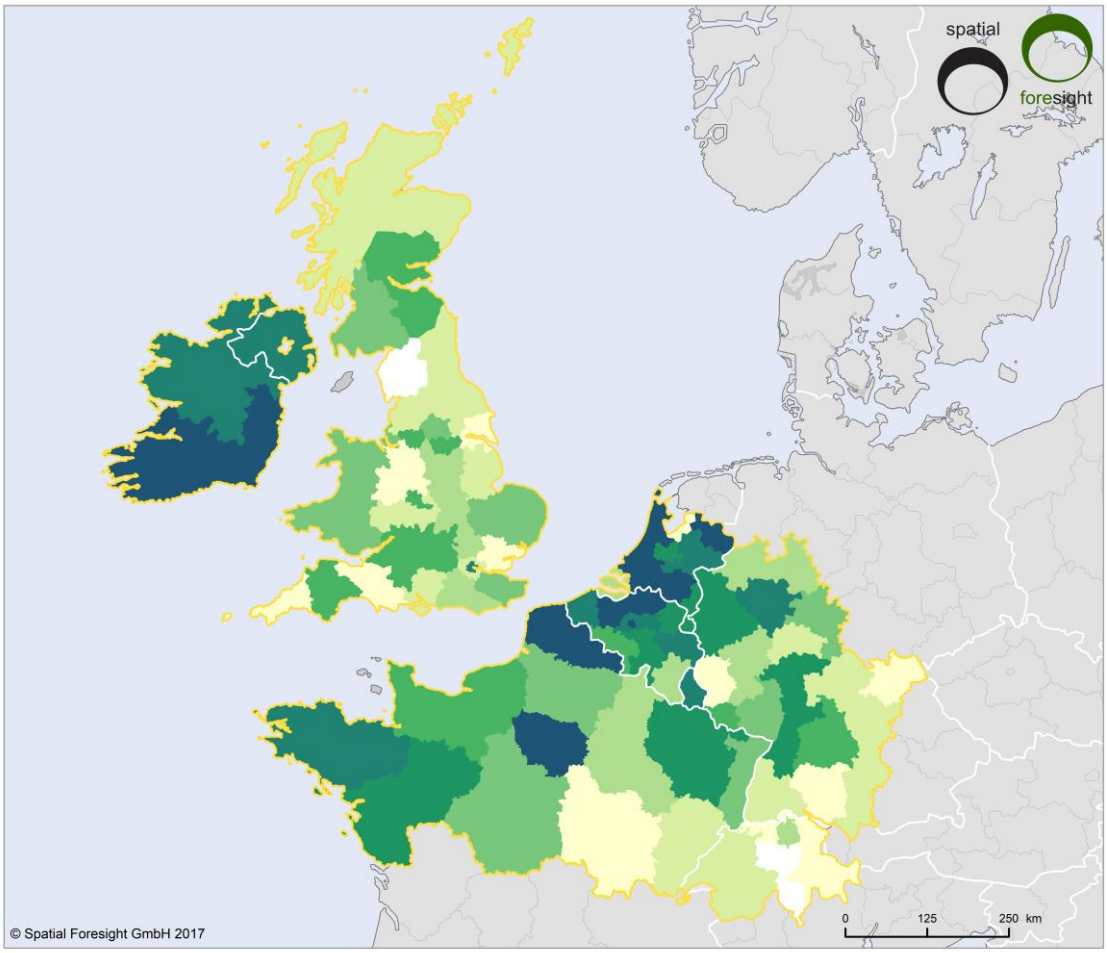
Map 1 Number of lead applicants in the programme area to Step 1 of Calls 1-4



Source: Spatial Foresight with JS data – own calculations

In terms of the regional distribution of lead applicants, there is an unbalance in favour of the continental part of the programme area (Map 1). There are no lead partners from Switzerland, almost none from Luxembourg, and very few from the UK and Germany considering their large share of the programme territory. The lead partners to projects are concentrated towards the North East with the Netherlands providing the largest amount, as previously mentioned.

Map 2 Number of project applicants in the programme area to Step 1 of Calls 1-4



Source: Spatial Foresight with JS data – own calculations

Regarding the regional dispersion of the overall project applicants, it is worth noting that there is again an unbalance between the continental and insular areas of the programming territory except for Ireland (Map 2). Overall, the number of applicants is concentrated on the Dutch and Belgian parts of the programme territory. The number of applicants in Southern Ireland, Paris and from the former region Nord-Pas-de-Calais can also be considered to be high. Generally, the pattern illustrates lower density of applicants in the UK and in the South East of the territory.

The data does not illustrate tendencies in funding; it only explains the take up of the programmes' advertising efforts or the regional efforts to acquire funding from different sources. At a later stage, it would be helpful to illustrate regional disparities among the beneficiaries of approved projects in order to highlight the successfulness of certain areas in acquiring funding.

3.2. Type of newcomers

The total number of applicants to the current programme is 1,566[6], which is already 12% higher than the number of applicants registered at the end of the previous programme[7].

When we cross-examined the two databases, from 2007-2013 and 2014-2020 respectively, we found that 11% of applicants to the current programme had already submitted a proposal to the previous one, whereas 89% (1,400) of applicants were at their first experience with the NWE programme.

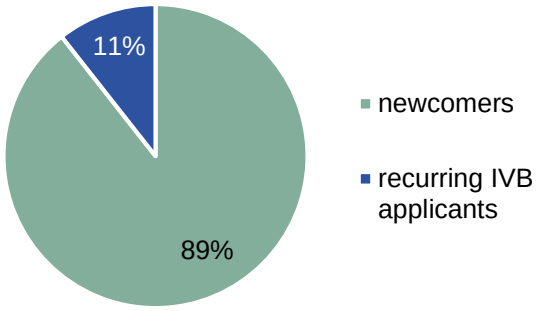


Figure 22 Share of newcomers

Source: JS data – own calculations

The new programming period has thus introduced a steep increase in new project applicants. This is mainly linked to the fact that under the 2014-2020 period, the number of project applications per call has doubled (average 2007-13: 35.8, average 2014-20: 72.8). This change can be partially explained by the fact that the two-step approach has made it easier to potential beneficiaries to apply for funding, thus receiving a quick check as to whether their project idea would be eligible and suitable for funding under the evaluation in Step 1. This might have caused the steep increase of project applications between the two periods.

In return, the rate of projects approved for funding has dropped by around 25 % (see chapter 2.1).

Newcomers represent 65% of the survey respondents. Based on the survey, the following figures (Figure 23 and Figure 24) show the main differences between newcomers and respondents with previous experience in NWE in terms of type of organisation and participation in other EU programmes.

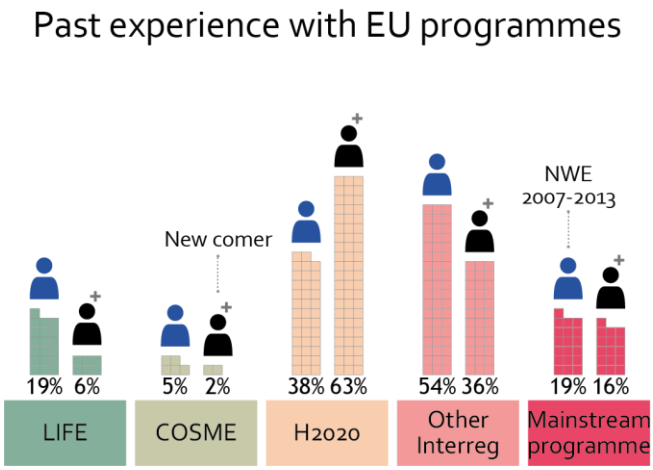


Figure 23 Type of newcomers - Past experience with EU programmes

Source: survey to applicants and beneficiaries – own calculations (the sum of the % is >100% because respondents had the opportunity to select more than one option)

One of the most relevant differences between the two types of respondents concerns the experience in research and innovation programmes. Newcomers attracted by the 2014-2020 programme are generally more experienced in Horizon 2020 (or in the 7th FP) than respondents with previous experience in NWE.

[6] After data quality assurance.

[7] IVB - Number of applicants: 1402. VB - Number of applicants: 1566 (+11.6%). Source JS database, own calculations.

63% of newcomers have experience in Horizon 2020 or in the 7th FP, while 38% of respondents have previous experience in NWE.

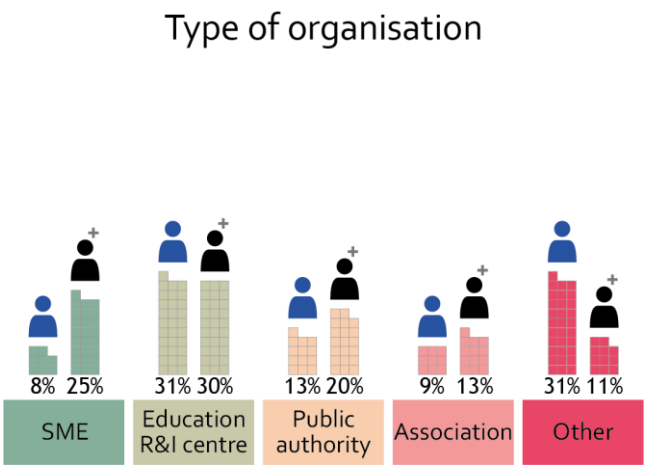


Figure 24 Type of newcomers – Type of organisation

Source: survey to applicants and beneficiaries – own calculations

Similarly, they are generally less experienced in applying for funding opportunities in the ETC context (36% of newcomers have experience in other ETC programmes versus 54% of respondents having previous experience in NWE).

The great attention to innovation opportunities in the framework of the 2014-2020 edition of NWE may also be seen through the analysis of respondents by type of organization. Data from the survey shows the significant increase of SME (25% of newcomers contrasted with 8% for respondents who already participated in the programme).

3.3. Effectiveness of the activities organised to attract newcomers

Most newcomers evaluate the events put in place by programme bodies and Member States to promote applications to Step 1 as either "very useful" (23%) or "somewhat useful" (43%). Their appreciation is similar when commenting on the support for Step 2: 27% of newcomers found events "very useful" and 36% of them stated they were "somewhat useful" (see Figure 25).

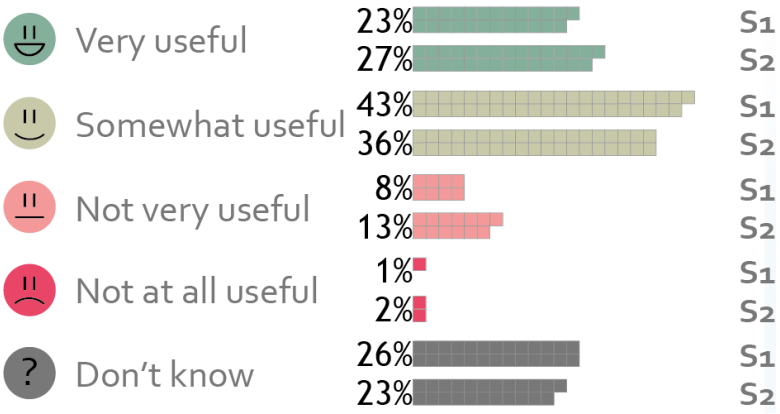
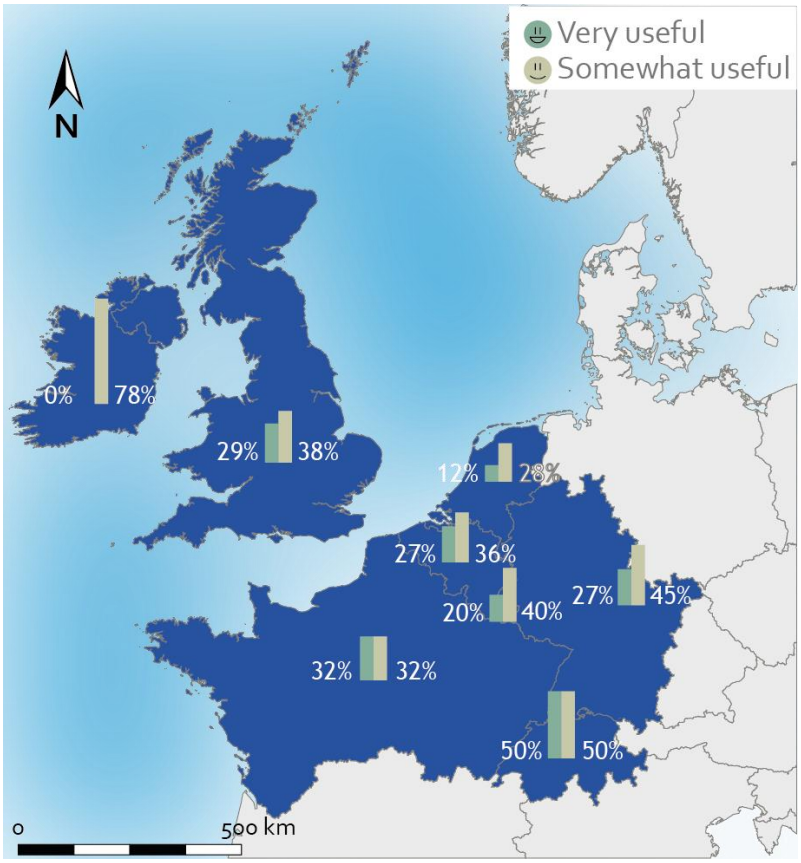


Figure 25 Perception of newcomers on the the events put in place to attract project ideas and to support the application in step 1 and 2

Source: survey to applicants and beneficiaries – own calculations



The analysis on the evaluation of programme events per country confirms the previous data showing small differences among Member States, where the percentage of respondents declaring that events are very useful or somewhat useful both during Step 1 and 2 appear nearly everywhere, as detailed in the map[8].

Map 3 Perception, per country, of newcomers on the the events put in place to attract project ideas and to support the application in step 1 and 2

Source: survey to applicants and beneficiaries – own calculations

Projection: ETRS89 / ETRS-LAEA - Source for administrative units: © EuroGeographics for the administrative boundaries

[8] Please notice that, due to the low number of newcomer respondents from some countries, some estimates are overrated, especially concerning Step 2.

Concerning the attraction of newcomers, approximately 60% of the CP interviewees and almost 40% of the MC representatives consider that newcomers have been positively attracted to the programme. However, the differences between countries have been noticed by the interviewees. Some of them find that the overall objective of attracting newcomers has been achieved, while others estimate that the programme has failed to attract (sufficient) newcomers.

Nonetheless, most of the interviewees find it difficult to establish a link between the newcomer's rate of entering the programme and the introduction of the two-step approach. The relatively high rate of newcomers is considered to be mainly related to a change introduced in the logic of the programme interventionand the thematic scope of the programme rather than to the new application procedures.

On the specificities of the newcomers, the impressions of interviewees are in line with the data observed and with the findings emerged from the survey, considering private partners represent a huge portion of the new type of project applicants. As already underlined in chapter 2.2.2, the presence of private partners is considered to be very challenging in terms of support required as they are generally less experienced in territorial cooperation projects which may often imply a lot of effort for both CP and JS in supporting them during the project development. Moreover, private partners might require more support, advice and attention by the JS and the CP with regard to state aid and revenue-generation issues.

4. Quality of the support

Based on the level of applicants' satisfaction from the survey and the interviews with programme bodies, the chapter illustrates the assessment of the quality of:

- Existing tools for project submission (4.1);
- Support provided by the programme bodies (4.2);
- Assessment notification as well as its transparency (4.3).

Key findings

- Tools for project submission are generally appreciated by the applicants (including the rejected applicants). However, applicants also think that it would be useful to provide more examples of best practice from projects submitted in previous calls and most frequent errors made when filling in the individual sections of the application form. The complexity of AF is mainly related to the need to define and quantify the baselines for project result.

- Support provided by the programme bodies is generally appreciated by the applicants. Applicants interact with both CP and the JS in both steps of the selection process. CP are largely perceived as the closest programme representatives during both Step 1 and Step 2. Some applicants underline possible risks of inconsistencies between the information provided by the CP and the JS.

- The selection process is generally perceived by applicants as transparent: most of survey respondents think outcomes of both Step 1 and 2 of the selection process are very or rather clearly explained to applicants. In order to improve the transparency of the process, some applicants suggest the inclusion of an overall assessment, in the Step 2 notification letter. This opinion is shared by some of the interviewed programme authorities.

4.1. Tools provided by the programme to submit the proposals

The online survey highlights a general appreciation for the tools provided under both Step 1 and 2. In particular, data from the survey show that information provided in the programme manual regarding the Step 1 procedure is considered "very useful" by the 50% of respondents. Events put in place by the programme and MS to support the application procedure are also generally appreciated under both steps (more than 60% of respondents consider these events "very useful or "somewhat useful").

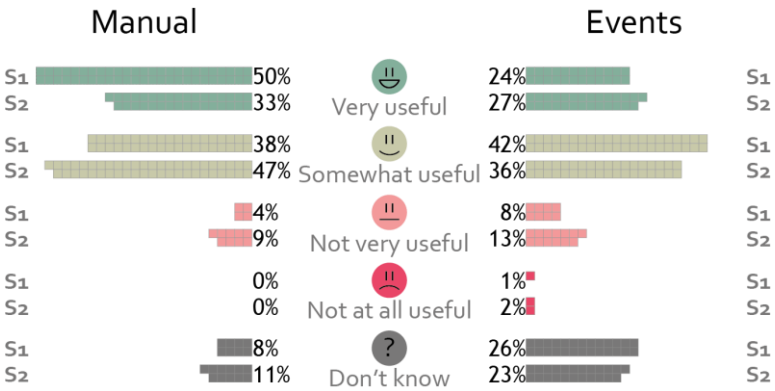
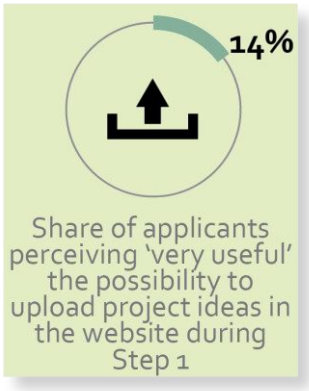


Figure 26

Level of satisfaction of all respondents regarding the tools provided

Source: survey to applicants and beneficiaries – own calculations



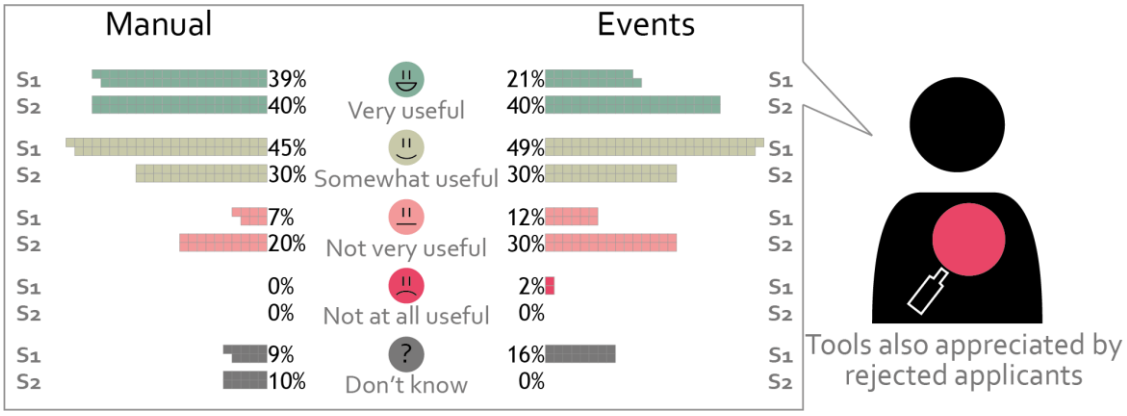
The appreciation of respondents regarding the possibility of uploading project ideas on the programme website to find project partners appears more limited, with a balance between those considering the instrument "very useful" (14% of respondents) and those considering it "not very useful" (16% of respondents).

Figure 27: Level of satisfaction of respondents regarding the upload on website

Source: survey to applicants and beneficiaries – own calculations

It is interesting to note that even rejected applicants declare that tools provided by the programme are generally useful (more than 70% of respondents rejected under Step 1 or Step 2 consider the programme manual and the events "very useful or "somewhat useful").

Figure 28 Level of satisfaction of rejected respondents regarding the tools provided



Source: survey to applicants and beneficiaries – own calculations

Despite the general appreciation, in several cases respondents underlined that programme tools providing to support to applicants can be further improved.

As for the manual, applicants affirm that, in addition to administrative issues, it should "give more practical solutions to common problems" and propose the inclusion of, for instance, examples of best practices detected in previous calls as well as examples of the most frequent errors made in filling in each section of the application form and relating feeback (for both Step 1 and Step 2). Applicants also propose that they would like to receive more detailed descriptions of concepts and formal requirements that may be misleading (i.e. better definitions of "outcomes" and "results", "baseline" and "target values" or "revenue" and "net revenue" along with more specific information on how to deal with state aid). For them, the manual should also include more practical information on the online application procedure.

As far as the eMS system used for project application is concerned, some applicants propose the allowance of the use of more characters in each section, since sometimes it is *"very difficult to describe a more complicated project proposal in such a way as to enable the idea to be understood"*. Other applicants suggest introducing an "automatic saving" function and turning it into a more flexible tool by enabling applicants to work on the application when offline and by ensuring the possibility of attaching annexes that might be useful to better understand the idea of the project.

Concerning the application forms, in several cases comments provided in the online questionnaire reveal that the complexity of the procedure is often related to the need to define and quantify the project's baselines and results. As illustrated by Table 5 and Table 6 (provided in the annex), under both steps the most difficult sections of the AF to be filled in are those relating to baseline values and to the quantification of project results and targets.

According to the applicants interviewed during the focus group, the definition and quantification of baselines and of project results, as well as the overall definition of the project intervention logic, represent the key challenges during the elaboration of the project proposal. Participants underline their difficulties in understanding the programme vocabulary related to the result orientation concepts and would find it helpful to have further guidance (e.g. examples, explanation of internvention logic for the individual Specific Objectives, definition of the baseline and of the project results).

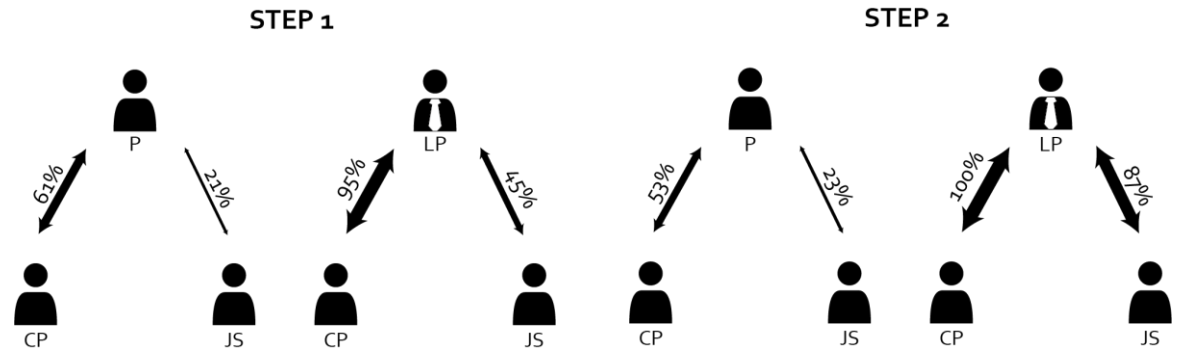
Regarding the type of tools provided to project applicants, all type of programme stakeholders interviewed (JS, CP, MC, MA) are generally satisfied with the programme tools. As illustrated by the figure below, approximately the 70% of the interviewees do not consider it necessary to provide project applicants with other forms of support. Proposals made by the interviewees mainly concern the need for new types of tools for better supporting project applicants in the definition of the project indicators, such as baselines and information on what is expected for each SO (outcomes, results, activities). Some CP interviewed suggest the creation of a working paper (internal) with good practice examples of excellence in order to communicate them to project applicants if needed. Some MC members suggest the modification of the application form for Step 1 in order to make it shorter and easier to fill out for applicants.

4.2. Support provided by the programme bodies during the application process

The two-step approach adopted by the programme foresees a subdivision of roles between national contact points (CP) and the JS throughout the selection process, with CP leading the support during Step 1 and the JS playing a more direct role during Step 2.

Information gathered through the online survey shows that applicants are aware of the subdivision of functions in programme bodies (see Figure 29) and generally interact with both CP and the JS in both steps of the selection process. Despite this awareness, national CPs are largely perceived as the closest programme representatives in both Step 1 and Step 2 of the application. As shown in the figure below, lead partners are those looking more frequently for support, especially of CPs (during Step 2 the totality of them rely on the support of CP). In line with the formal subdivision of roles, the rate of lead partners interacting with the JS increases from 45% in Step 1 to 87% during Step 2. Project partners are also in direct contact with programme bodies, although at lower rates than lead partners (LP) (61% with CPs and 21% with JS at Step 1 and 53% with CP versus 23% with JS at Step 2).

Figure 29 Interaction wih the CP and JS during step 1 and 2



Source: survey to applicants and beneficiaries – own calculations

As for the quality of the support, data from the survey shows the general appreciation of the respondents regarding the support provided by the programme bodies during the development of the project ideas.

As highlighted by the figure below, more than 65% of respondents consider the support provided by the CP during both steps to be “very useful”. Slightly lower, but still positive, is the level of appreciation of the support provided by the JS.

As far as the general appreciation of the support provided is concerned, several respondents proposed changes that may help both CP and JS support applicants. In particular, they stressed the need to improve communication between

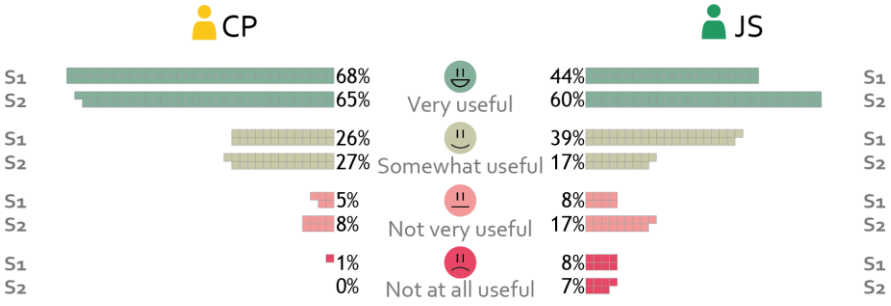


Figure 30 Level of satisfaction of applicants regarding the support provided by the JS and CPs

Source: survey to applicants and beneficiaries – own calculations

the programme bodies (between CP and JS as well as amongst the CPs) to guarantee more homogeneous support throughout the programme area. As for CPs, *"they should share more information about other projects (or partners in other projects) that develop similar ideas or that might enable synergies"*. Communication between CP and JS should also be improved. One applicant explained that "*the main problem was that information was sometimes different from Contact Points and from the Secretariat".* In particular, a shared interpretation of programme main concepts should be enhanced (i.e objectives, expected results and selection criteria), since *"interpretation is something that can frustrate the effect of the support".*

Given the discussion above, respondents underlined the importance of having more opportunities to meet CP and JS members. Specific suggestions here concern the possibility of having more face-to-to face meetings to discuss project development, but also the creation of additional tools, such as, for instance, chat-boxes to guarantee timely feedback to applicants.

Applicants interviewed during the focus group confirm that CP and national authorities generally represent their main contact during Step 1 as well as Step 2. This is particularly true when lead applicants need clarification on aspects related to national co-financing. On the contrary, when dealing with doubts or problems related to technical aspects of the AF 2 (i.e. quantification of the baselines), they usually contact both JS and CP.

Participants indicate a lack of opportunity to discuss applications with the JS assessors. In this sense, they suggest revising the current approach by providing applicants the opportunity to receive direct feedback from the JS assessor on their draft AF 2. In their view, this change will allow applicants to have a clearer idea about the programme expectations and about the strengths and the weaknesses of their project proposals.

Some CP and MC members raised in the interviews similar concerns to the ones expressed by applicants, as the process might confuse or misunderstad the different roles of the JS. JS might not be perceived as an independent advisor or "sponsor" but more as an "assessor" whose recommendations necessarily need to be followed if a good and positive assessment is to be secured.

On the other hand, CPs and JS underline that project applicants often do not take into account their recommendations which, in their view, is one of the reasons why the quality of the projects does not necessarily improve between Step 1 and Step 2.

4.3. Transparency of the evaluation process

At the end of both selection steps, results of the project assessment are summarised in a notification letter, which explains the reasons for admittance/rejection of the proposed project. The majority of respondents think that outcomes of both Step 1 and 2 of the selection process are very clearly explained or rather clearly explained to applicants (63% relating to Step 1 and 45% for Step 2), giving them hints on how to improve proposals to be submitted at Step 2 or, at the final stage of the selection process, explaining reasons for acceptance or rejection.

Nonetheless, there are still applicants who claim that project notification letters should be improved, claiming that reasons for admittance or rejection are only partially explained (21% of respondents at Step 1 and 28% for Step 2) or very badly explained (11% for Step 1 and 17% for Step 2).

One of the main reasons for such an evaluation is linked to the wording used in the notification letter, which is perceived as quite complex and could be simplified.

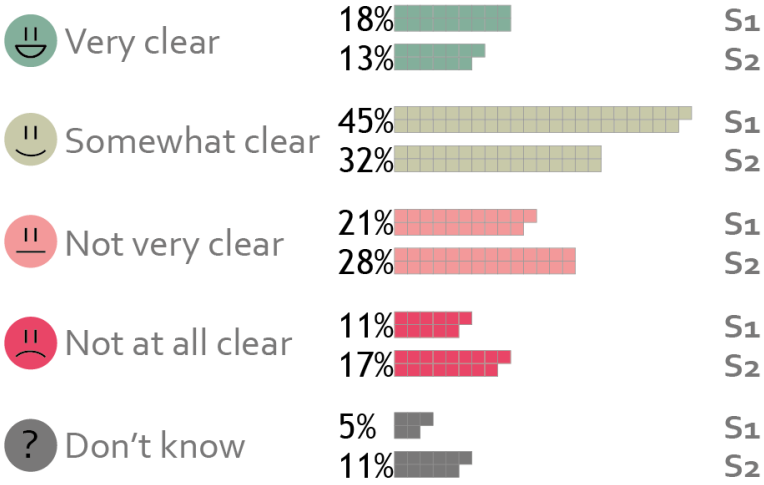


Figure 31 Perception on outcomes of project assessment at Step 1 and Step 2

Source: survey to applicants and beneficiaries – own calculations

Some survey respondents suggest the inclusion of an overall assessment, including possible weaknesses detected from Step 1 of the selection process, especially in the notification letter at Step 2. They also ask for additional remarks tailored to the specificities of project proposals. In addition to this information, in between the two steps, it may be useful to have the possibility of a "*good and open oral explanation, not just a 'formal' notification*", perhaps through face-face discussions on project ideas before closing the call.

The request to receive more information on the results of the project assessment is supported by the project applicants who participated in the focus group. In their view, a clearer picture on the strengths and weaknesses of the Step 1 AF would not only make the selection procedure more transparent but would also allow applicants to improve the quality of their application during step 2.

In general, interviewed programme authorities are satisfied with the transparency of the assessment process and believe that the key problems have been already addressed with the adoption of a new template for the notification letter. However, some interviewees also proposed increasing the level of transparency by making all details related to the assessment available to all applicants. In their view, this could increase the potential for reflection and learning for the rejected applicants, as well as better complement the CP and MC in communicating with the project partners.

5. Simplification

Based on the level of applicant satisfaction from the survey and the interviews with programme bodies, this chapter examines the efforts needed to deliver a successful proposal and thus focuses on:

- Beneficiary (applicants) satisfaction of the two-step approach compared to the single step approach (5.1);
- Perception regarding the complexity and duration of the two-step approach (5.2);

Key findings

- The new procedure is strongly appreciated by applicants: 82% of respondents to the survey prefer the two-step approach, without significant distinctions between lead partners and partners of approved or rejected projects.

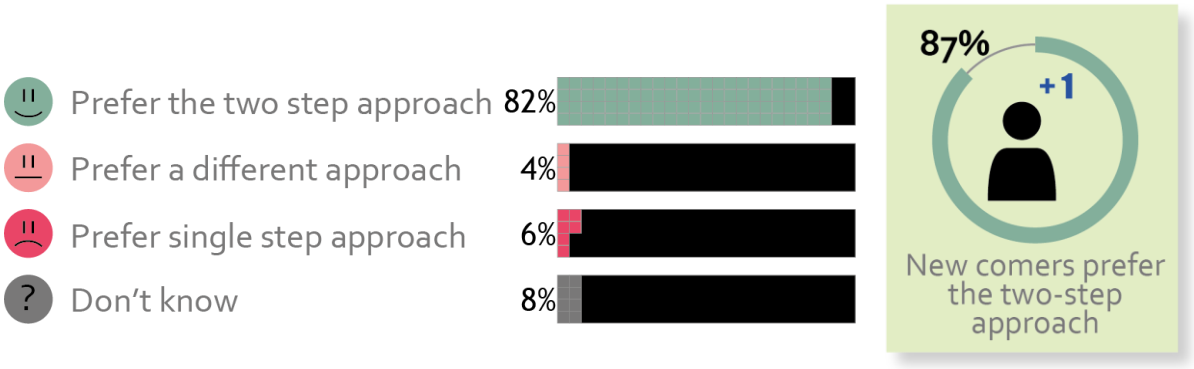
- Survey respondents also believe that the two-step procedure is more time consuming than expected (according to 43% of the survey respondents).

- Only a limited number of respondents with experience in the NWE 2007-2013 consider the two-step procedure more complex than the previous one (17%). On the contrary, most of the programme authorities interviewed consider the new approach slightly more complex, but some of them think that the complexity is related to the result orientation of the programme rather than to the adoption of the two-step approach.

5.1. Level of satisfaction of beneficiaries and applicants regarding the two-step approach

The first and clearest evidence from the survey is that the new procedure is strongly appreciated by applicants: 82% of respondents prefer the two-step approach, without significant distinctions between lead partners and partners of approved or rejected projects (for instance, more then 80% of respondents rejected under Step 2 prefer the two-step procedure). Newcomers seem to value the adopted approach the most, since 87% of them prefer having a pre-selection phase before submitting the full application form .

Figure 32 Which application procedure do you prefer?

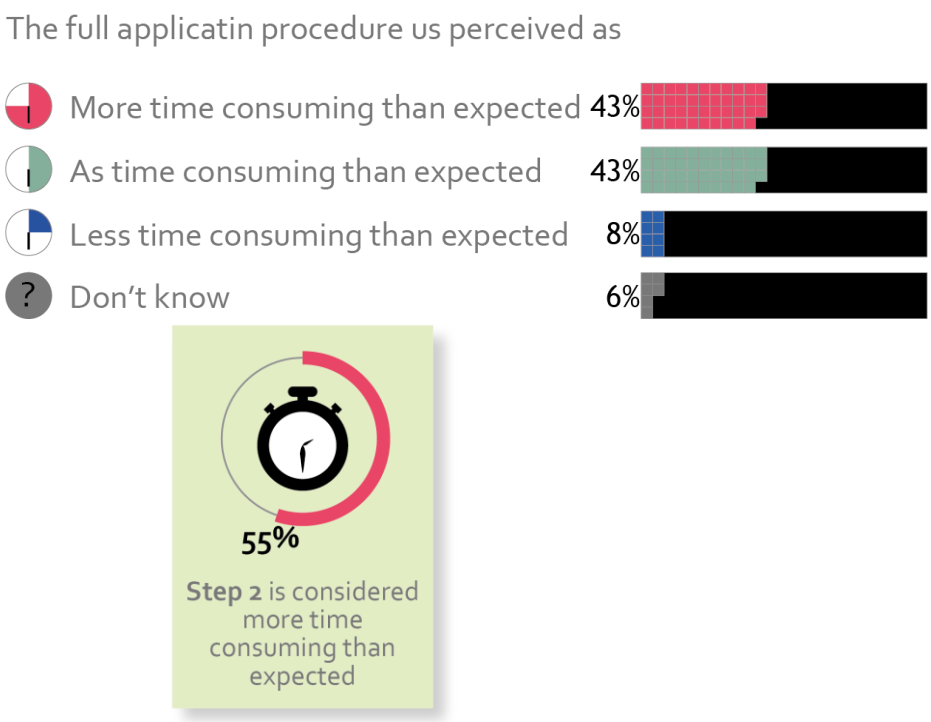


Source: survey to applicants and beneficiaries – own calculations

5.2. Perception regarding the duration and the complexity of the two-step approach

It is interesting to note that respondents appreciate the procedure even if a relevant number of them (43%) consider it more time consuming than expected (see Figure 33). 45% of respondents with previous experience find that the process takes longer[9]. This impression is particularly strong for the second step of the application procedure, which is considered to be more time consuming than expected by 55% of respondents (64% in the case of applicants rejected under Step 2).

Figure 33 Difference between two-step and single step in terms of time required



Source: survey to applicants and beneficiaries – own calculations

[9] 41% of respondents to Q 37 declare "don't know".

As shown in the figure below, only a limited number of respondents with experience in the NWE 2007-2013 consider the two-step procedure less simple and clear than the previous one (17%), while the majority of them (52%) are not able to make comparisons between the two processes.

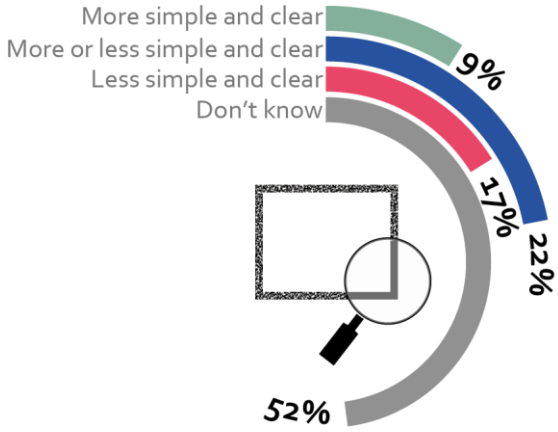


Figure 34 Comparison between the current procedure and the NWE 2007-2013 procedure

Source: survey to applicants and beneficiaries – own calculations

Project applicants who participated in the focus group confirm the general appreciation of the two-step approach. Compared to the single step approach, the two-step approach offers the advantage of offering more opportunities to interact with the programme authorities and, in the case of projects rejected in Step 1, the possibility to avoid wasting time and resources in the elaboration of a complete (Step 2) application.

6. Integration of result-based approach

Based on the analysis of administrative data and the level of applicants' satisfaction coming from the survey and the interviews with programme bodies, the chapter sets out:

- Procedures and tools to filter projects with result-orientation at Step 1 (6.1);
- Assessment and scoring procedure (6.2);
- Perception of the result orientation among stakeholders (6.3);

Key findings

- The application and selection tools and procedures help define what makes a 'good' project. Also, the quality assessment criteria and the application form support the presentation of required information in order to be able to assess the projects according to their relevance and result-orientation.

- All programme bodies seem to be consistent in their approach to result-orientation, having the same understanding of what result-orientation means. However, in individual cases opinions can be different between programme bodies and MS. This seems to be not a systemic failure of the overall selection procedure but rather a natural way of considering differently the diverse criteria, including the projects' likely contribution to national, regional and local policies.

- In both steps, result-orientation is clearly visible as main selection criterion. However, some improvements seem to be necessary and have been recommended to facilitate the process for the applicants and the assessors and in order to avoid misinterpretation of the project ideas (e.g. include examples and good practices on quantification of baseline and target values in the project manual or a supporting document).

- The general perception of the programme authorities interviewed is that the 2014-2020 programme is more result-oriented than the previous programme Interreg IVB. This opinion seems independent of the introduction of the two-step approach, but rather due to the strengthened programme intervention logic and the requirement that projects adhere to it from the start. However, some interviewees raised the point that 2014-2020 project applications present only "predictions" and estimations of their results and effect. Open questions remain about the on-going or ex-post measurement of these results and effects ("by which methods?"; "what are the resources for monitoring after project closure?") as well as the reliability of the predicted dimension of effects.

6.1. Procedures and tools to filter projects with result-orientation at Step 1

In order to assess if the two-step approach supports sufficiently the expected result orientation of projects as well as the filtering of projects with more result-orientation at Step 1, the procedures and tools in place (e.g. applications form and manual, selection criteria) have been examined.

6.1.1. The programme manual

The programme manual (v5) explains in chapter 2.1 what makes a good project, presenting briefly what is expected from projects that apply to the programme. In chapter 2.4, the manual presents the overall application process and in chapters 3.3 and 4.3 the assessment process and criteria for Step 1 and step 2. Chapter 5.9 on the 'Indicator Framework' is also important for potential project applicants, in particular to meet the requirements on result-orientation.

Overall, the assessment process and the eligibility and quality criteria seem to be sufficiently explained. Chapter 2.1 introduces the most important features of successful projects well. The beneficiary perceives clearly that result-orientation, contribution to change, contribution to programme's Objectives, and durability of results are important elements within the result-orientation of the Programme.

However, when it comes to the description of the required result-orientation (project objective, project -expected- results, project outputs) within the framework of programme's specific objectives and indicator framework, the presentation and explanation is rather confusing, in particular, for potential applicants that are not used to work with indicator systems or the quantification of targets. Concrete remarks refer to the following:

- In the description of what is expected from projects at Step 1 and 2, as well as in the description of the indicator framework it would be more suitable to present the chain/logic of terms in a more coherent form (maybe a diagramme or table). Here also, the different levels and the interconnection between projects and programme objectives could be easier to understand through a visualisation.
- With regard to the 'project result' as it is described now in the manual (pages 39 and 114-115), it seems necessary to clarify more what is actually asked for. It can be understood from the text that the project should present (to get a quality assessment of 5-very good): a) at least one quantifiable result, b) a baseline value, c) target values, d) the expected quantified contribution of the project to the change observed in the result. However, this is not explicitly described so that project applicants can misunderstand what they should present in the AF. In addition, taking into account the time and resources that are usually needed for this kind of contribution analysis (given the availability of data and methodological capacity of project applicants), these requirements seem to be difficult to be met by project applicants (if the estimations should be reasonable and serious). Here, more information for the project applicants (e.g. examples, presentation of possible methods used for quantification etc.) can reduce the work load and complexity for the applicants.
- Given the complexity of this intervention logic, in any case it seems useful to add examples for the different levels of the framework for each priority, not only to show possible (correct) descriptions and indicators, but also to show the expected coherence between the different terms and levels.

6.1.2. Quality assessment criteria

The assessment of the quality assessment criteria for Step 1 shows that the criteria are mostly clear, well explained with guiding questions, and the weighting is aligned with the overall goal of result-orientation. However, Criterion 4 'Value for Money' seems to be somehow vague and not well defined.

It might be confusing for a beneficiary that on page 20 (chapter 2.1 of the programme manual) value for money is described as overall goal covering effectiveness, economy and efficiency, whereas on page 43 (Step 1 criteria) the criterion is described only partially through question 1, meanwhile question 2 seems to be more related to the coherence between project result and objective, therefore being part of criterion 1. Clarification seems to be necessary that 'Value for Money' in Step 1 focuses on the 'effectiveness' (link between the results to objective) aspect. The relevant selection criterion Criterion for Step 1 could then be renamed accordingly (Value for Money-Effectiveness).

In addition, it is not clear why on page 38 cooperation intensity is presented with so much detail, as it is only a relevant criterion for Step 2 assessment, whereas Step 1 only focuses on 'relevance and consistency of partnerships', according to the programme manual on quality assessment criteria.

The assessment of the quality assessment criteria for Step 2 shows that the criteria are well selected and clearly presented. Strategic fit is assessed as well as the operational quality of the proposed project.

6.1.3. Application form

The assessment of the application form for Step 1 reveals some inconsistencies with regard to the selection criteria and with the intervention logic and the elements of successful projects that are presented in the chapter 2.1 of the programme manual.

- Focussing on the result orientation as most important quality criteria, the elaboration of the result chain of the intervention should be facilitated by the application form, i.e. starting with identifying the need/problem/challenge in the territory that the project wants to address. This could be followed by the main objective of the project (which should be 'answering' the challenge it identified previously). Then, it should be asked for main outputs that the project plans to produce. So, another intermediate question for contribution to the programme output indicators might facilitate the elaboration of the result chain for the applicant (and also its assessment afterwards).
- The aspect 'long-term effects' is one of the quality assessment criteria. To make the assessment more consistent, it should not be based only on the quantification of the long-term effects (which are estimations and predictions, so not very robust and reliable), but more on the question how the project will try to ensure long-term effects. There should, therefore, be a place in the application form to ask for 'how the long-term effects will be ensured and achieved'. This should not be part of the 'Result' chapter, but more clearly separated, in order to indicate that this is another assessment criterion. In the case it is considered, that this should not be part of the Step 1 application, then it is more coherent to not include this aspect as a quality assessment criteria, but to focus on 'Results'.
- In Step 1 only the relevance and strategic fit of the partnership will be assessed. So, it is not clear why Cooperation Intensity referring to the operational organisation of the project has to be described, going beyond the required eligibility criteria. It is recommended to remove the boxes to describe 'joint communication', 'joint decision making', 'joint enabling of long-term effects' (in the light if the previous recommendation, this box can be maintained) and 'exchange of knowledge/experience' from the Step 1 AF.
- Building on the elements that make a good project in chapter 2.1 of the programme manual, it seems that a description (and assessment) of the innovative character (novelty) of the projects is rather hidden in the AF and is not a quality assessment criterion, even if it is examined during the assessments. It is recommended to include it among the quality criteria in order to make it more transparent to project applicants that this is a point that will be taken into consideration in the assessment and where they can differentiate from other projects.

6.2. Assessment and scoring procedure

The examination of the assessment and scoring procedure revealed the following results. Overall, there are tools in place to facilitate the fair, transparent, sound assessment, aiming at high quality projects to be funded.

- The assessment checklist facilitates the work of the assessors. It should be aligned to the application form contents in order to avoid an assessment of aspects which have not been asked (and therefore can only offer additional information).
- The assessment report gives a clear and transparent judgement of the quality of the application and of the perceived quality of the proposal. A scan of a selection of assessment reports indicates that problems in assessment are rooted in unclear aspects of the application form and in complex/incoherent explanations given in the programme manual, as described above (e.g. visualisation of the interconnection between objetives, results and outputs at project and programme level, examples, presentation of possible methods used for quantification etc.).
- The same can be noticed for the 'Value for Money' section in the assessment, which often points out that relevant information is missing. That makes the 'Value for Money' assessment quite vague. The programme manual and the AF could indicate more clearly what information is expected (e.g. give examples).
- Scoring is generally very strict. It appears that at Step 1, the scoring system expects more information that the application form provides. However, the aim of Step 1 is to reduce the information that has to be given at this early stage of project idea development. A trade-off has to be found between reduced information that is available in the AF and the assessment of the 'quality' of the overall project. This is not an easy process, as becomes clear through reviewing the assessment reports. Considering that almost never the cumulative score per project is higher than 4, the question arises if the scoring range is adequate or if expectations on applications, in particular at Step 1, are too high.

For step1, the average scores in JS assessments for projects per Call and Priority are the following:

	Ø SO1	Ø SO2	Ø SO3	Ø SO4	Ø SO5	Ø Total	Highest	Lowest	Above 3,0
Call 1	2.06	1.97	3.13	2.16	2.32	2.18	3.9	1.0	13
Call 2	2.05	2.55	2.27	2.23	2.62	2.25	4.35	1.2	15
Call 3	2.08	2.44	2.56	1.95	2.25	2.17	3.75	1.2	14
Call 4	2.24	2.35	2.04	2.92	2.69	2.34	4.0	1.2	17
TOTAL	**2.11**	**2.33**	**2.5**	**2.32**	**2.47**	**2.24**	**4.35**	**1.0**	**59**

Source: Own calculation based on JS data on Call Statistics (as of end of February 2017)

The analysis of scores shows that the assessed quality of project ideas is at a middle level (2.24), while the scores range from very low (1.0) to high (4.35). There are some differences between the specific objectives and calls. Call 1 and call 3 showed slightly less average quality of project ideas, while call 4 has so far the highest quality on average (2.34). Among the specific objectives, SO3 (2.5) and SO5 (2.47) receive project ideas with the highest quality. Project ideas in SO1 have on average a lower quality.

Considering the low level of scores on average, the question arises if projects really are of low quality or if expectations of the JS are too high, considering that only 'project ideas' are to be assessed in Step 1.

Given that the information in the Step 1 AF is intentionally reduced, it is evident that the assessment remains somehow indicative. But, reviewing a selection of assessment reports, sometimes is seems not to be clear if the availability of data is assessed or if the dimension of results and impact is assessed. It is recommended to work further on clarifications among the assessors if and how they should value

during assessment in any specific case a) the existence of a baseline and target value attributed to the result, b) the volume of the result or c) the robustness and credibility of the values presented, or all of these elements.

From the review of assessment reports, it can be said that scoring reflects if an AF represents a potentially high quality project idea or not. In this sense, assessment and scoring indicates at least a trend towards high or low quality projects. Overall it can be said that projects with less quality in their applications received lower scores, and that projects that promise a higher quality are assessed with higher scores. The recommendations by the JS are, therefore, a valuable indication on the qualiy of projects to support MC decisions on project selection.

In general, all programme bodies seem to be consistent in their approach to result-orientation, having the same understanding of what result-orientation means. However, it is also quite possible that in individual cases opinions can be different between programme bodies and MS about weighing and prioritising certain result and impact-related criteria. However, it is not surprising that sometimes projects can be assessed differently e.g. by MS or by the MC. This seems to be not a systemic failure of the overall selection procedure but rather a natural way of considering differently the diverse criteria that can contribute to 'quality' and to results and impacts (i.e. not only economic return, jobs, but also territorial cohesion and reduction of disparities). In addition, as it is stated in the programme documents the MS take into account additional criteria, such as the projects' likely contribution to national, regional and local policy aims.

To sum up, it can be said that, given the overall high correspondence rate between JS recommendations and MC decisions (see chapter 2.4 of this report), generally projects with an expected high quality and high potential to contribute to the programme's objectives get approved by the MC.

Overall, the application and selection tools and procedures help to define well what makes a 'good' project. Also, the quality assessment criteria and the application form support the presentation of required information in order to be able to assess the projects according to their relevance and result-orientation. In both steps, result-orientation is clearly visible as main selection criterion. However, some improvements seem to be necessary and have been recommended to facilitate the process for the applicants and the assessors and in order to avoid misinterpretation of the project ideas.

6.3. Perception of the result orientation among stakeholders

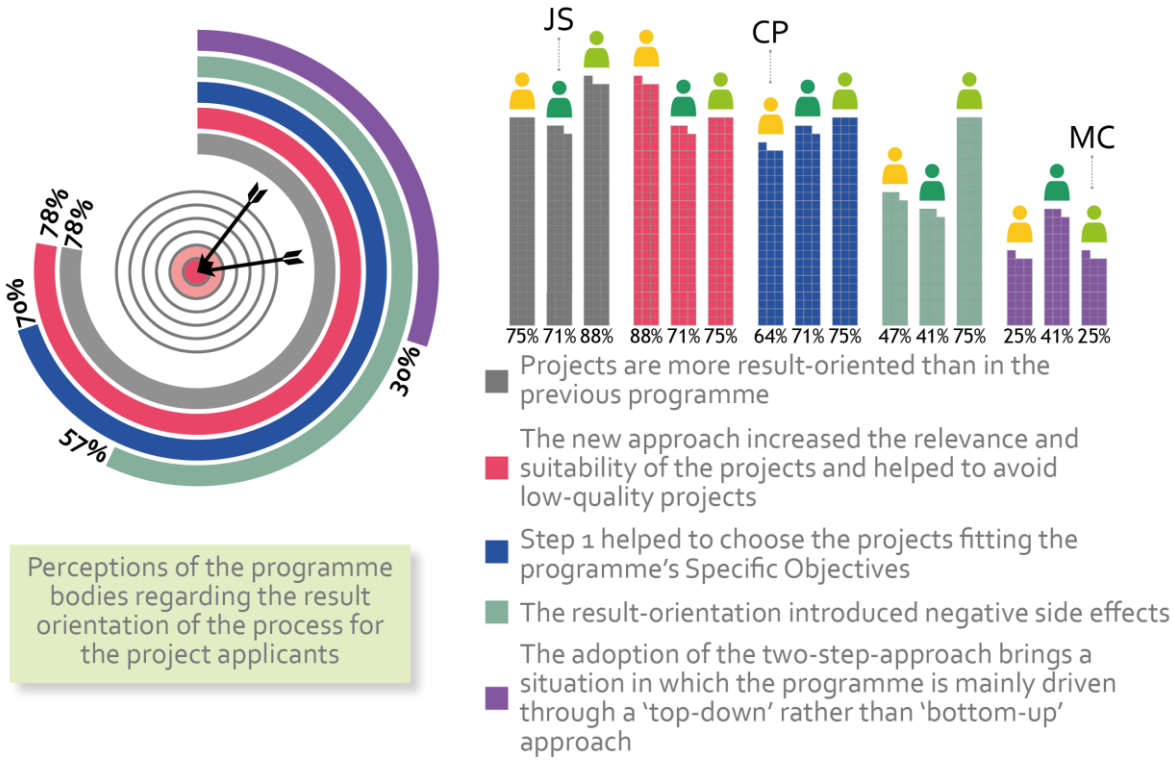
The general perception of the programme authorities interviewed is that the 2014-2020 programme is more result-oriented than the previous programme Interreg IVB. This change seems independent from the introduction of the two-step approach, but rather due to the strengthened programme intervention logic and the requirement that projects adhere to it from the start.

It is interesting that interviewees in several cases underline that there was a general shift of the EC regulations promoting a greater result orientation of programme and project. This development is also communicated to the projects and has led to modified manuals and AF that highlight spaces to add information on expected results, long-term changes and contribution to the overall programme output/ impact. Interviews, in particular with CP, indicate that this shift to more result-orientation is not comparatively easy for all project applicants. In fact, this requirement to identify and quantify targets seems to better suit project partners experienced in this kind of indicator-based/intervention logic programme (e.g. H2020) and/or projects with expected results that are relatively easy to quantify (e.g. jobs, enterprises supported, GHG emissions reduced). On the contrary, interviewed CPs estimate that innovative and experimental projects with more social, territorial and qualitative results seem to find it more difficult to adjust to the programme's indicator system. In particular, the sub-priority area of social innovation seems to be affected by this drawback.

The result-orientation suggests certain side benefits, such as reinforcing the partners' ownership of the projects, according to some interviewees. On the other side, 57% of the interviewees perceived the new approach to be accompanied by negative side effects. In particular, these negative aspects encompass the risk of considering cooperation and territorial aspects to be less important as well as the risk of limiting the bottom-up approach and/or innovative and experimental character of the programme. However, most interviewees that raise the negative side effects consider these to be the inevitable consequence of the increased relevance and result-orientation of projects, which is now made visible from the beginning.

There still remains the following question: are projects really more result-oriented and effective than in previous funding periods? Inteviewees raised the point that projects in previous funding periods produced results and impacts, but that these were monitored less and in an indicator system that is more ad hoc. Thus, real comparison with previous programmes is difficult. On the other side, project applications in 2014-2020 present only "predictions" and estimations of their results and effect. Open questions remain about the on-going or ex-post measurement of these results and effects (*"by which methods?"; "what are the resources for monitoring after project closure?"*) and the reliability of the predicted dimension of effects. Therefore, some interviews highlight that result-orientation may not automatically lead to better quality or higher effectiveness of the programme, but that these features have to be observed, monitored and verified.

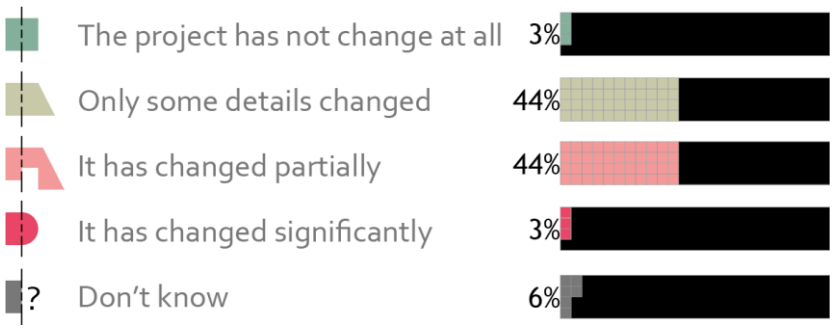
Figure 35 Perceptions of the programme bodies regarding the result-orientation of the project



Source: interviews to programme authorities – own calculations

Most of respondents who have successfully completed the two steps believe that the two-step approach brought about limited changes to their initial proposal (44% of the Step 2 applicants report to have partially changed the initial proposal, 44% to have only changed some details). Only 3% of respondents think that they have significantly changed the initial project concept in Step 2.

Figure 36 Perception on the change of the project between the initial concept and the final approval



Source: survey to applicants and beneficiaries – own calculations

At the level of programme authorities, only less than half of the interviewees consider that a change in the result orientation can be observed between Step 1 and 2. The opinion of the

JS officers is a bit more positive (57%), however information collected from the interviews suggests a limited role played by the approach in improving the quality of their proposal.

Rather than changes in the project, MC and CP interviewees highlighted that project development between Step 1 and 2 increases the level of detail of the proposed issues in Step 1, where expected results and impact contribution already had to be estimated.

In the final part of the survey, lead partners and partners of approved projects were asked to provide their opinion on one of the major changes introduced in the 2014-2020 programming period. In particular, they were asked to comment on the need to start the application process with the definition of a result common to all the project partners (and only then define the list of activities). As illustrated by the figure below, the majority of respondents consider the change introduced in the project logic as either very (34%) or somewhat (39%) useful.

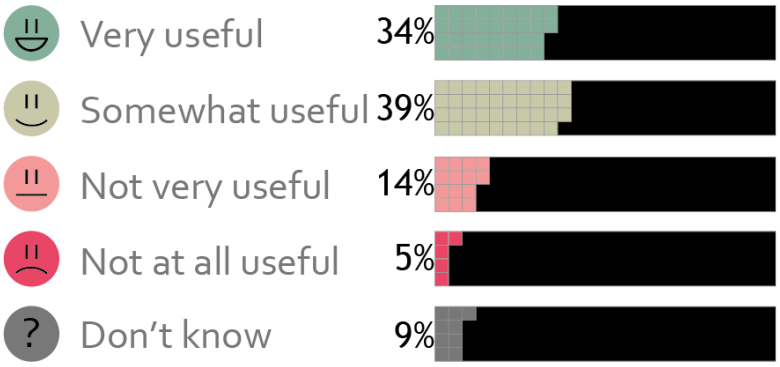


Figure 37 Perception regarding the usefulness of the result-based approach

Source: survey to applicants and beneficiaries – own calculations

It should be noted that the introduction of tools for the measurement of project performance (indicators) was one of the major changes brought by the 2014-2020 programme. The applicant survey shows that a vast majority of respondents (81%) are used to working with such indicators.

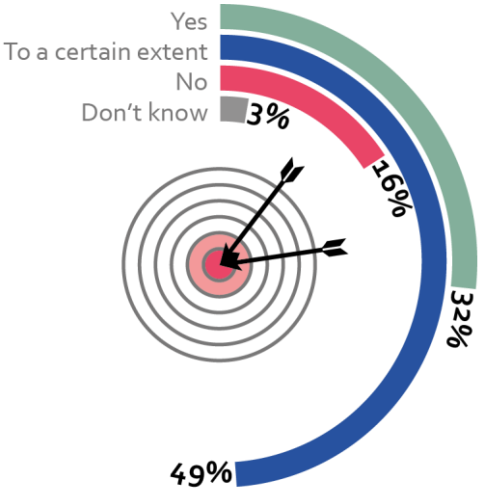


Figure 38 Acquaintance with programme performance indicators

Source: survey to applicants and beneficiaries – own calculations

Applicants who took part in the focus groups think that the result-based approach adopted in the current programming period is challenging. They underline the difficulties in understanding the expectations of the programmes in terms of clarity of the intervention logic and, in particular, in terms of the definition and quantification of the project baselines and results. To improve the direct support of programme bodies is in this sense considered by the focus group participants to be particularly important in order to overcome the difficulties related to the elaboration of result-based projects' proposals.

7. Key findings and recommendations

7.1. Summary of the most relevant findings and recommendations

The key objective of the evaluation of the two-step approach is to verify whether this procedure is effective in (1) Attracting applicants and newcomers; (2) Simplify the application process for applicants; (3) Support the integration of the result-based approach throughout the project development process.

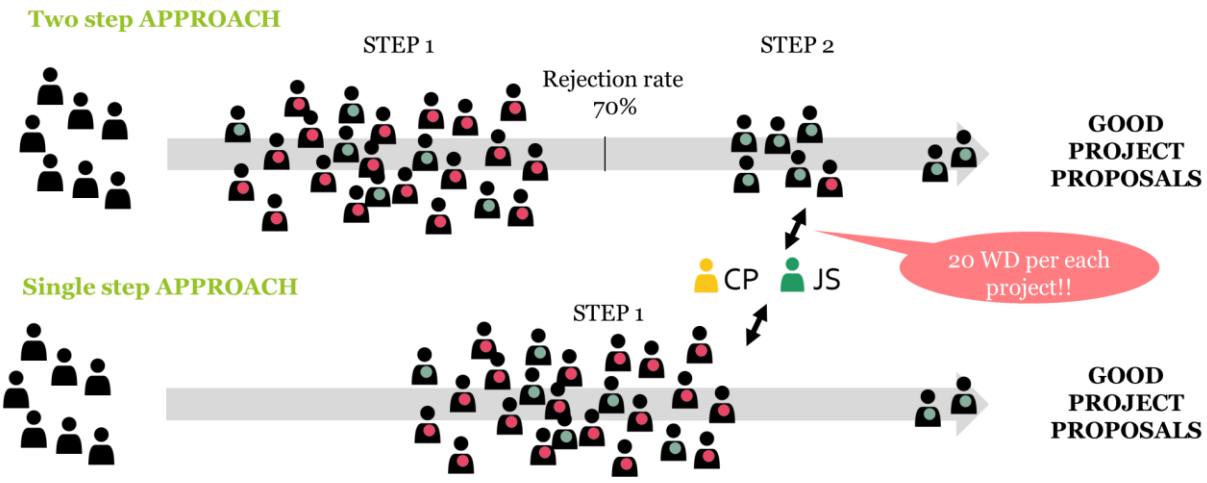
Evidence collected through the evaluation activities and presented in the previous chapters show that:

(1) **The 2014-2020 NWE programme is effective in attracting applicants and newcomers** as demonstrated by the fact that the total number of applicants is already very close to the toal number of applicants of the 2007-2013 period. **However, this is related more to the characteristics of the 2014-2020 programme** (in particular to the type of objectives and expected results) **than to the switch to the two-step approach.**

(2) **Applicants generally appreciate the two-step approach and they prefer this procedure to the single step** (82% of survey respondents declare a preference for the two-step approach). However, benefits in terms of simplification (reduction of time and workload) can be seen for rejected project proposals in Step 1, but not for funded projects.

(3) **The two-step approach appears more adapted for supporting the elaboration of result based project applications than the single step approach**. The direct support of programme bodies is considered by applicants to be particularly important in order to overcome the difficulties related to the elaboration of result-based projects' proposals. As illustrated by the figure below, by filtering a large number of low-quality proposals in Step 1, the two-step approach allows the programme bodies to concentrate a large amount of resources (in terms of time and workload) on the most promising project proposals and **ensures a more efficient use of the programme and project resources**.

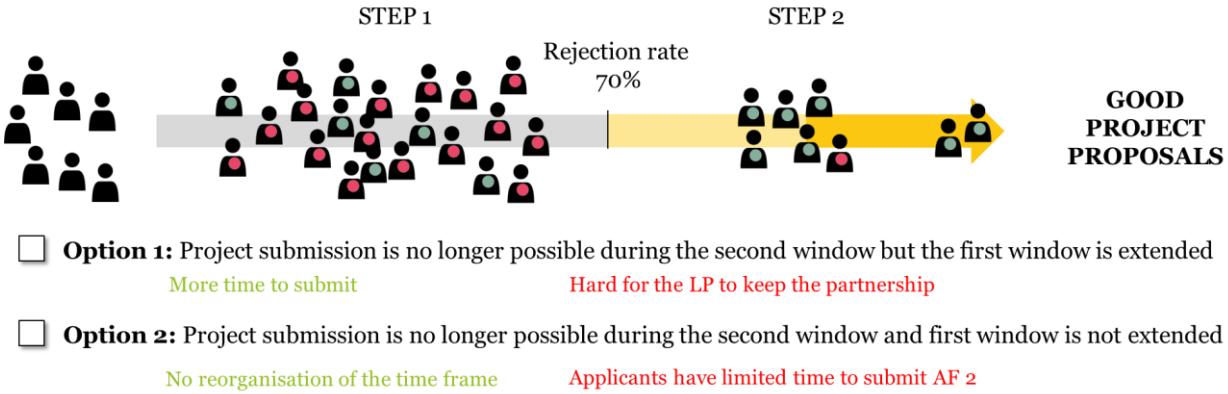
Figure 39 Comparison between the two-step and the single step approach



The evaluation also highlights possible room for improvement. In particular, evidence shows that the two-step approach implies a considerable extension of procedures (in particular due to the possibility for applicants to present the second step application form during a different window of time). Keeping this in mind, evaluators recommend a consideration of the following options:

- To make it obligatory for applicants to submit AF 2 during the first window after the AF 1 approval, but extend the available time frame for applicants to six months (between the AF 1 approval and the deadline for the submission of AF 2).
- To make it obligatory for applicants to submit AF 2 during the first window after the AF 1 approval without extending the available time frame for applicants (only three months for submitting AF 2).

Figure 40 Options for possible modifications of the current NWE two-step approach



The evaluation also highlights that the elaboration of result-based projects proposals in phase 2 is very challenging in general and that there is a risk of a waste of resources in the cases when projects approved under Step 1 are rejected under Step 2. In order to limit these risks and to better support project applicants, evaluators recommend considering the following options:

- To provide them the details of the results of the assessment in Step 1;
- To introduce a preliminary meeting between the JS assessors and applicants (approximately one month before the deadline for the submission of AF 2) or between the JS assessors and the JS sponsors (which then have to inform the lead applicants) for providing to applicants a preliminary feedback on the strengths and weaknesses of the draft AF 2;
- To elaborate additional documents/guidance particularly focused on the definition and quantification of the project's baselines and results;
- To revise/improve the programme manual, selection criteria and the AF for Step 1, in order to remove small inconsistencies between programme manual, selection criteria, application form and assessment procedure and to avoid misunderstandings for project applicants (for more details see chapter 4 and 6).

7.2. Detailed description of the evaluation findings and recommendations

The previous chapter provides a summary of the most relevant findings and recommendations emerging from the evaluation activities. This chapter presents a more detailed description of findings and recommendations organised according to the list of evaluation questions detailed in the terms of reference. For each evaluation question, this section provides an overall assessment (), a synthesis of the key findings emerging from the evaluation and one or more recommendations.

7.2.1. Role of programme bodies

EQ n.1 *- How efficient and effective are the a) assessment procedures performed by JS and b) the decision-making process regarding project selection (MC)?*

The evaluation activities have focused on the specific role of JS and MS representatives in providing technical assessment and making decisions.

	Findings	**Recommendations**
Role of JS and MS representatives	 - Overall, assessment procedures and decision-making processes are rather efficient and effective, ensuring a high level of coherence between the JS assessment and MC decisions. Moreover, assessment procedures and decision-making processes have improved over time, notably after the second call Step 2 and the third call Step 1.	Programme authorities could envisage the possibility of circulating countries' views on projects prior to the MC meeting.

EQ n.2 - *Has the two-step approach with different stages of project development (separation of tasks between the national contact points of the programme and the JS, in Steps 1 and 2) been efficient / effective in comparison to the one-step process?*

The evaluation activities have focused on the role of JS and CP in project development, particularly the rate of approval.

	Findings	**Recommendations**
Role of JS and CP	 - Even if roles are clearly defined on paper, CP and JS activities partially overlap and might increase the risk of providing inconsistent messages to applicants.	The programme could increase the cooperation between JS and CP by ensuring further exchanges between the two bodies (i.e. new joint trainings / workshops between JS and CP). The programme could envisage, also through JS, providing additional support to CP, notably on state aid and intellectual property rights.
Rate of approval	 - The two-step approach has recorded a lower number of approved projects and a higher rejection rate than the previous programming period,	In order to increase the rate of success in Step 1, the programme could impose that applicants must contact CP prior to the submission of the AF in Step 1 as a sine qua non condition.

	Findings	Recommendations
	which used one step. What is more relevant for programme authorities is the rejection rate in Step 2, which implies a huge waste of time for both programme bodies and applicants.	In order to increase the rate of success in Step 2, the programme could envisage the elaboration of further tools and guidance based on the analysis of the projects that have already been approved (which could be used as a benchmark).
		In order to increase the rate of success in Step 2, the programme could introduce a preliminary meeting between the JS assessors and applicants (or between the JS assessors and the JS sponsors) in order to provide to applicants preliminary feedback on the strengths and weaknesses of their project proposals

EQ n.3 *- What are the concrete benefits/costs noticed at the programme level after the switch (i.e. less or more cost for human resources, input etc.)?*

In order to answer the question, the evaluation activities have focused on the workload of programme bodies in the two periods (2007-2013 and 2014-2020). Findings and recommendations are reported below.

	Findings	Recommendations
Administrative cost (programme bodies effort)	- The length of the application procedure is generally perceived as too long, particularly by the programme authorities. A considerable extension of the procedure is due to the possibility for applicants to present the second step application form in a second window. This brings negative effects in terms of overall attractiveness of the programme and in terms of risks for the project applicants, especially in the case of those projects that work in a rapidly changing context.	Make it obligatory for applicants to submit AF 2 during the first window after the AF 1 approval. This change can be made either without extending the available time frame for applicants (only three months for submitting AF 2) or by extending it to six months.

EQ n.4 *- What are the challenges in terms of use of programme resources?*

In order to answer the question, the evaluation activities have focused on the programme activities that require the highest level of investment in terms of human ressources. Findings and recommendations are reported below.

	Findings	Recommendations
Administrative workload dedicated to specific tasks	- The introduction of the two-step approach has allowed, under Step 1, a reduction in the time and efforts spent in	In the coming years, monitor the workload dedicated by the programme bodies (JS and CP in particular) and, in case of a reorganization of the time frame between Step 1 and Step 2, assess

	Findings	Recommendations
	the analysis of the applications (relevant to JS and MC). Support to project development under Step 2 represents the key challenge in terms of workload for the programme bodies. At the JS level 20 working days on average are dedicated to each project, to which the CP effort must be added (strongly "activated" by applicants under Step 2)	whether this leads to potential benefits in terms of a more efficient organization of the resources dedicated to support projects for Step 2.

7.2.2. Attraction of applicants and newcomers

EQ n.5 - *Has the new approach helped to attract applicants in general, even if they are not newcomers?*

EQ n.6 - *Has the new approach helped to attract more newcomers and/or more and more diverse applicants in their respective fields?*

EQ n.7 *- Are there new entities joining the projects? (in which form, sector, country, role, etc…)?*

The evaluation considers the early implementation phase of the programme and builds on available monitoring data of the first calls for projects.

	Findings	Recommendations
Attraction of applicants and newcomers	😐 - Activities organised to attract applicants and newcomers have been effective and rather appreciated. Despite the low rate of approval, the number of applicants is already very close to the total of all the previous programming periods. Nonetheless, it is questionable whether the capacity to attract newcomers has been motivated by the introduction of the two-step approach.	In the coming years, assess the impact of institutional and political change on the capacity of the programme to attract applicants from the different MS.
Type of applicants	😐 - The programme is more attractive for research institutions, SMEs and third sector associations. Newcomers are generally experienced in Horizon 2020 (or in the 7th FP).	Collect additional information for better identifying project applicants (ie NACE, VAT, …) Assess the role of newcomers in project implementation (lead vs other partners).

7.2.3. Quality of the support provided

EQ n.8 - *Are the tools provided by the programme for the applicants to submit their proposals adequate and useful?*

The evaluation regards the tools, e.g. manual and the events, adopted under Step 1 and 2.

	Findings	Recommendations
Tools		Provide additional examples of good practices ("DO-list") and recurring

	Findings	Recommendations
	- Overall, the tools (events and the manual) are appreciated, even within the group of rejected applicants. The complexity of AF is often related to the need to define and quantify the baselines and results of projects.	errors (DON'T-list) and clarify some terms (e.g. outcomes, results, baseline…).
		Simplify the application forms, in particular the section on the budget (keeping in mind that approved projects have the possibility of modifying the budget during the project implementation).
		Modify the programme manual and/or elaborate additional guidance, particularly for better support of the definition and quantification of the baselines and expected results

EQ n.9 - *Does the support available for the project application process meet the needs of prospective project applicants?*

In order to answer the question above, the evaluation activities have focused on the specific roles of JS and CP in project development, the rate of approval, and the time for the notification of the Step 1 assessment. Findings and recommendations are reported below.

	Findings	Recommendations
Support provided	- Applicants are satisfied with the level of expertise and quality of service provided by programme bodies, notably CP and JS.	The programme could reinforce the support to applicants by providing examples of what should be done in each step. This move would simplify the work of programme bodies (CP and JS), ensure harmonization and increase project quality. This could be done following the example of the guidance on social innovation.

EQ n.10 *- Is the outcome of the application process sufficiently transparent for all applicants?*

In order to answer the question above, the evaluation activities have collected information on the perceptions of applicants.

	Findings	Recommendations
Notification of the assessment	- The selection process is generally perceived by applicants as transparent. In order to improve the transparency of the process further, some applicants suggest the inclusion of an overall assessment. This opinion is shared by some of the programme authorities interviewed.	The notification of the assessment has been recently changed and seems to be working. As a consequence, it should be reassessed later in the programme life cycle. The programme could reinforce the face to face discussions between JS (sponsors) and project applicants in Step 2 on project ideas before closing

	Findings	Recommendations
		the call. These initiatives would be informal, helpful for supporting the definition of the project, and would make applicants understand the reasoning behind the project assessment.

7.2.4. Simplification

EQ n.11 - *Has the new approach helped to make the application process easier for applicants (less administrative burden)?*

The evaluation activities have analysed the workload of project preparation, the time needed to complete the process and the satisfaction in terms of reduction of administrative burden.

	Findings	Recommendations
Administrative burden (time needed and complexity of the procedures)	 - The new procedure is strongly appreciated by applicants. Project applicants consider the administrative burden acceptable, even if longer than in 2007-2013, and prefer a two-step approach rather than submitting a full application form.	Repeat the assessment of the administrative burden over time to verify that both the time and complexity of procedures decrease over time.

7.2.5. Result-orientation

EQ n.12 - *Has the new approach helped to increase relevance, suitability and quality of the projects and to avoid low-quality projects?*

EQ n.13 *- How has the filter applied at the first step of the application process helped to choose the most result-oriented projects and the projects best fitting the programme's Specific Objectives?*

The evaluation activities have analysed the project quality, relevance and suitability of projects and side effects.

	Findings	Options for future modifications
Improved project quality	 - The two-step approach played a limited role in improving the quality of their proposal. Projects are likely to be better in terms of quality but this situation is related more to the result-orientation than the two-step approach. The result-based approach is challenging for project applicants. It seems important to improve the support to applicants further in order to overcome the difficulties related to the elaboration of result-based project proposals.	Repeat the assessment over time to verify whether quality, relevance and suitability increase / decrease over time and if this is to some extent related to the modifications introduced from Step 1 to Step 2. (See recommendations provided for 7.2.3 EQ no. 8 regarding the Project Manual, Application Forms and additional examples.)

	Findings	Options for future modifications
Side effects of result orientation in the two-step approach	 - The ownership of project partners has been increased thanks to the two-step approach. As a matter of fact, project partners start to work together from the application phase in Step 1 and are ready to focus on the implementation and performance after the approval. However, there is also the risk that the applicants consider cooperation and territorial aspects to be less important than result orientation.	Assess whether the projects neglect cooperation and territorial aspects compared to projects financed under previous programming periods.

8. Annexes

8.1. Survey respondents

More than 1900 applicants were invited to take part to the web survey. The survey took place between te 11th and the 27th of January 2017. 192 valid answers were received (approximately 10% of the potential respondents); the following tables illustrate the general characteristics of the respondents.

Type of respondents	%
applicants waiting for the assessment in Step 1	25%
approved under Step 1 (including waiting for the assessment under Step 2)	26%
approved under Step 2	20%
rejected under Step 1	23%
rejected under Step 2	6%

Type of respondents	%
lead applicants	44%
applicants	56%

Type of respondents, call	%
call 1	27%
call 2	34%
call 3	23%
call 4	17%

Type of respondents, country	%
Belgium	20%
France	18%
Germany	9%
Ireland	8%
Luxembourg	3%
Switzerland	1%
The Netherlands	21%
UK	18%
Outside the North West Europe programme area	1%

Type of respondents, type of organisation	%
Business support organisation	11%
Education / training centre and school	3%
EEIG, EGCT	1%
Enterprise / SME	19%
Higher education and research	27%
Infrastructure and (public) service provider	2%
Interest groups including NGOs	10%

Type of respondents, type of organisation	%
International organisation	2%
Local public authority	12%
National public authority	1%
Regional public authority	8%
Sectoral agency	5%

8.2. Participants in the focus group

8.2.1. ETF meeting organised in Brussels on the 20th of February 2017

Name	Body/Country
Fabrice Falvo	MA
Ruut Louwers	JS – Management level
Maren Hunds	JS – Project Unit
Christophe Wacquez	JS – Management level
Maria Domzal	JS – Support Unit
Sina Redlich	MC DE
Ge Huismans	CP NL
Sabine Stoelb	MC LUX
Jan Garner	MC UK

8.2.2. List of participants in the focus group (webinar) organised the 8th of March 2017

Name	Organisation	Type institution	Country	NWE experience 2014-2020	Call
Katja Weiler	IZES gGmbH	higher education and research private	DE	Rejected Step 2 ARBOR II Priority axis 3 projects from the last programming period and other experiences in other programmes (2 years with 4 other projects)	1
Danielle Moodie	The European Marine Energy Centre Limited	SME private	UK	Approved Step 2 FORESEA Priority Axis 2 no previous difficult experience	1
Hans Pieterse	Brainport Development NV	Sectoral agency/regional authority public	NL	Rejected Step 2 FoodFit (FF) Priority axis 1 previous experiences with other programmes	1

8.3. List of interviews carried out

	Name	Body/Country	Role	Date	Form
1	Fabrice Falvo	MA	MA	26 January 2017	Phone
2	Ruut Louwers	JS – Management level	Programme Director	3 February 2017	Phone
3	Julia Eripret	JS – Management level	Project Unit Coordinator	24 January 2017	Phone
4	Alexandre Colombani	JS – Management level	Contact Point Coordinator	25 January 2017	Phone
5	Przemyslaw Kniaziuk	JS – Support unit	Programme Finance Officer	3 February 2017	Phone
6	Maren Hunds	JS – Project Unit	Project Officer, Priority 1	1 February 2017	Phone
7	Anke Mollers	JS – Project Unit	Project Officer, Priority 2	2 February 2017	Phone
8	Ji-Hyeon Kim Vanguers	JS – Project Unit	Project Officer, Priority 3	30 January 2017	Phone
9	Laurence Geradon	BE	Monitoring Committee	1 February 2017	Phone
10	Alain Colard	BE	Contact Point	1 February 2017	Phone
11	Petra Schelkmann	DE	Monitoring Committee	7 February 2017	Phone
12	Angela Tietz	DE	Contact Point	2 February 2017	Phone
13	Christophe Uliasz	FR	Monitoring Committee	2 February 2017	Phone
14	Alexandre Tournakis	FR	Contact Point	26 January 2017	Phone
15	David Kelly	IE	Monitoring Committee	10 February 2017	Phone
16	Siobhan Rudden	IE	Contact Point	7 February 2017	Phone
17	Frank Everaarts	NL	Monitoring Committee	10 February 2017	Phone
18	Ge Huismans	NL	Contact Point	6 February 2017	Phone
19	Sabine Stoelb	LUX	Monitoring Committee	6 February 2017	Phone
20	Nicole Skilde-Vural	LUX	Contact Point	3 February 2017	Phone
21	Sebastien Rieben	SWI	Monitoring Committee	7 February 2017	Phone
22	Sebastien Rieben	SWI	Contact Point	7 February 2017	Phone
23	Jan Garner	UK-Programme Lead – DCLG	Monitoring Committee	31 January 2017	Phone
24	Emily Shephard	UK	Contact Point	1 February 2017	Phone

8.4. Additional tables

Table 5 - Evaluation of the Application Form at Step 1 per section

Application form 1	Indicative budget	Partnership	Project relevance	Definition of project objective	Project's baseline	Quantification of project results	Description of project result
Very easy	18%	16%	6%	11%	5%	3%	5%
Quite easy	34%	48%	34%	42%	37%	21%	37%
Somewhat difficult	27%	17%	37%	27%	29%	41%	35%
Very difficult	6%	3%	8%	5%	14%	22%	9%
I don't know	16%	15%	15%	15%	15%	14%	14%

Source: survey to applicants and beneficiaries – own calculations

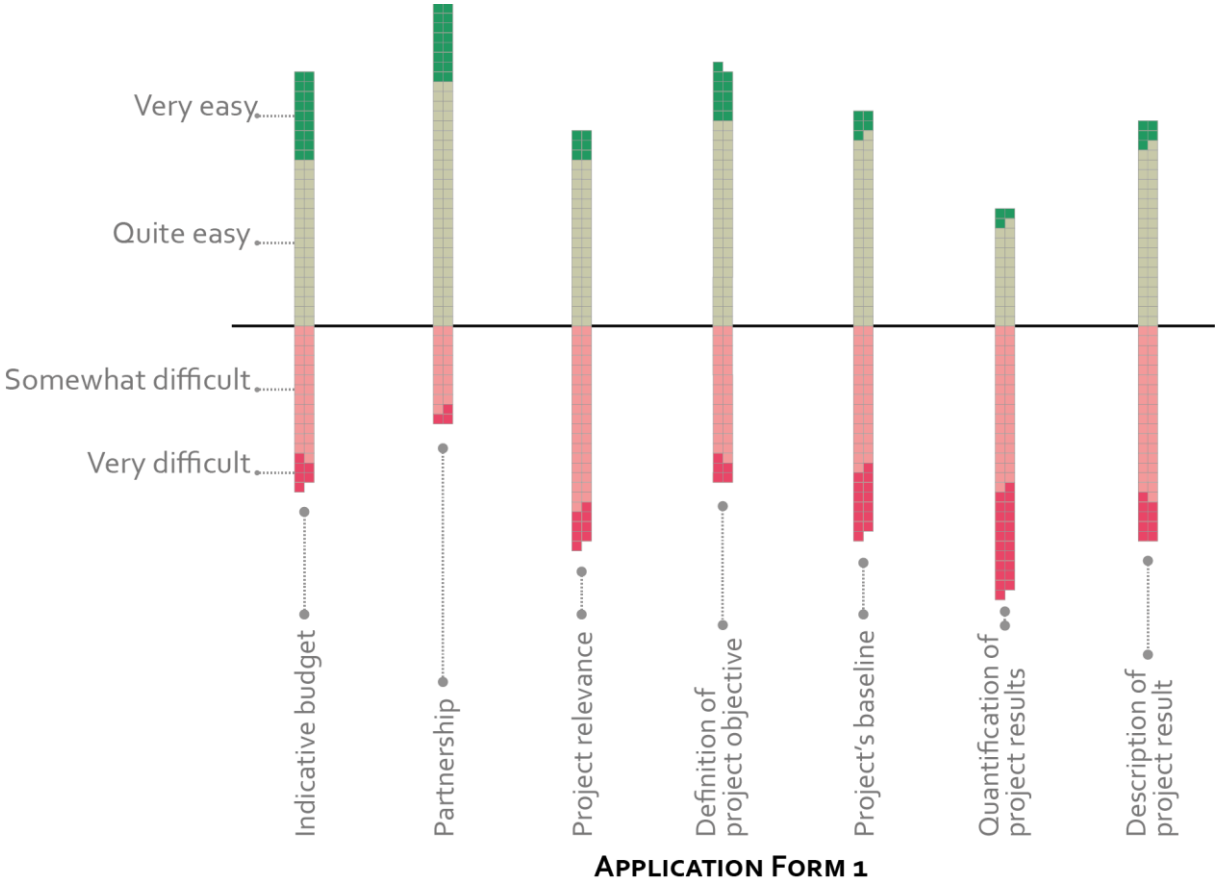


Table 6 Evaluation of the Application Form at Step 2 per section

Application form 2	Project main outputs	Workplan overview	Project partners overview	Partnership	Project relevance	Cooperation intensity	Project objective and sub-objective	Project's baaseline and quantification	Description of project result	Policy context fitness	Horizontal principless	Project risks	Workplan and packages	Project budget
Very easy	0	0	7%	0	0	0	3%	0	0	3%	5%	2%	3%	2%
Quite easy	23%	37%	63%	65%	40%	38%	36%	8%	22%	37%	22%	31%	41%	25%
Somewhat difficult	37%	31%	0	4%	32%	26%	27%	39%	37%	25%	34%	29%	22%	36%
Very difficult	10%	3%	3%	2%	2%	5%	7%	25%	14%	8%	5%	12%	10%	19%
I don't know	30%	29%	27%	28%	26%	29%	27%	27%	27%	25%	33%	27%	24%	19%

Source: survey to applicants and beneficiaries – own calculations