Mid-Term Evaluation Study Update of the Multi-Fund Operational Programme of the Autonomous Region of Madeira 2000-2006

EXECUTIVE SUMMARY

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PRESENTATION

The document hereby presented corresponds to a *Synthesis of Conclusions and Recommendations for the Final Report of the Mid- Term Evaluation Study Update of the Multi-Fund Operational Programme of the Autonomous Region of Madeira, within the scope of CSF III 2000/2006 (POPRAM III)*.

Essentially, it aims to emphasize the main conclusions and recommendations of the evaluation, an option the team justifies by resuming the terms of the invitation for the accomplishment of this work, of which stands out the guideline towards the reinforcement of the contribution of the evaluation's study update for the decision-making process and the adoption of a more prospective rather than retrospective reasoning, especially bearing in mind the conception and preparation of the Structural Funds next programming period (2007-2013), with new regulations and programme's formulating patterns.

SYNTHESIS OF CONCLUSIONS AND RECOMMENDATIONS

The synthesis of conclusions is structured according to the goals and the methodological approach adopted for the development of several evaluation subjects, updating issues mentioned in the *2003 Mid-term Evaluation* and incorporating new analysis elements, according to the Specifications and the Progress Report (methodological) presented by the Evaluation Team.

The formulated recommendations are structured in a double perspective: i) aiming for the improvement of the programme's accomplishment (until 2006); ii) presenting proposals for the next programming period, taking into account the crossing of the main development areas forecasted for the region with the already known EC guidelines with applicability in Madeira.

1. Key-Stone Conclusions

About the Relevance and Coherence of the Strategy …

POPRAM III, within the intervention framework to it entrusted, has revealed to be an instrument adapted to the regional reality, with the financial reprogramming of 2004 and the natural course of the programme's execution allowing improvements in some areas of adjustment, just as recommended in the mid-term evaluation exercise.

The crossing of the priorities matrix established by POPRAM III with the present reference situation, allows the checking of its adaptableness to the regional reality.

There are still some domains at the strategic level, related to programming or to the execution which are important to overcome. Facing the present situation of the Programme's execution, some of these domains must be considered in the preparation of the next community support period, according to the financial package to the region and with the already known EC guidelines.

About the Financial Performance…

POPRAM III presents a positive performance when compared to the remaining CSF operational interventions. At a financial level, it reveals an approval rate rather superior to the amounts programmed until the 30th of June.

The analysis of the several funds performance highlights uneven situations: on one hand, a good capacity to fulfill ESF and ERDF's financial targets and, on the other hand, a mismatch between the amounts approved and programmed by EAGGF and specially, FIFG. Nonetheless, between evaluations, these funds had an extraordinary performance, particularly in its execution.

About the Effectiveness…

Globally, the physical performance is in the course of fulfilling the pre-defined goals (whether of strategic or operational kind, corresponding to quantified targets) with the values reached at the moment of the evaluation update is getting near, generally, of the targets stipulated in the Programming Complement (overcame in some situations and with greater achievement difficulties in FIFG).

About the Mid-Term Reprogramming

With about 35,1 Meuros from the efficiency reserve granted to the Programme, an internal reprogramming of the amounts assigned to POPRAM III measures was carried out.

The financial and content changes introduced with the reprogramming process, widely reflect the recommendations of the mid-term evaluation. The process was lead so as to correct the course of POPRAM III in its physical and financial performance: *reinforcement* in dynamic measures, with good approval rates, but without financial availability to submit new projects and, on the other hand, in measures far from fulfilling of the pre-defined goals and with scarce available resources; *reduction* in measures with a overestimated financial package, bearing in mind the pre-defined goals and/or the capacity of potential beneficiaries to submit applications; and measures in which there was the possibility of recurring to external financial sources in order to achieve the pre-defined targets for 2006.

About the Quality and Effectiveness of the Management and Follow-up System …

The Programme's management model might be considered on the right course of evolution of the management of Structural Funds, increasingly internalized in the regional public administration, which gathers better conditions to ensure an effective internalization.

There is an improved capacity from POPRAM III in the dissemination of the region's Structural Funds management capacity.

Although progresses were made, the action of management remains more rational in the axis with the greater investment capacity, than that which corresponds to the establishment and promotion of new innovation factors, with grounds for the promotion at a higher level of diversification of the projects typology (mostly of an innovative and immaterial nature), towards a sustainable development of RAM[1].

Inter-institutional articulation is present in the Programme through the diversified composition of the three bodies (UG, CA e CC), but is far from having caused an upsurge of projects in POPRAM III, namely by the promotion of partnerships.

The articulation and complementarity of the ERDF and Cohesion Fund interventions is perfectly implemented and reinforced and the inter-institutional articulation guaranteed.

The allocation of human resources is suitable for the Programme's good performance.

About the Expected Impacts…

According to the results of DPP (MODEM 5) model, in the 2000-2003period, POPRAM III was able to generate, on average, 4300 jobs (equivalent to full-time per year) in Portugal, 3200 of those created in RAM. Despite having a significant short term effect in job creation and in the minimization of the Region's unemployment rate, due to the excessive concentration of the Programme's employment impact in the construction sector, this same effect shows a medium and long term reduced sustainability, with an expected liberation of jobs associated to the stagnation of the infrastructural cycle.

In terms of youth job finding, ESF's intervention within the scope of qualifying courses, has proved to be important, according to the data obtained from surveys on job enrolment of former trainees. The results also confirm that the level of qualifications has influence on the job finding capacities of former trainees, given that

[1] RAM – Autonomous Region of Madeira

they both increase. Women represent the highest proportion of the unemployed former trainees in al the post-training monitoring momentum.

POPRAM III has had a very positive *impact* on the improvement of regional and local accessibilities, namely in roads networks. These *impacts*, besides an improvement on the quality of transports, mainly reflect a decrease of time-distances in the connections affected by the financed projects.

Generally, one can state that POPRAM III integrates a relevant group of projects within the scope of the environmental quality improvement. The preliminary evaluation allows us to conclude form the positive *impact* of the projects analyzed ranging between significant and less significant impacts.

About the in-Depth Thematic Analysis …

The prospective and strategic evaluation on possible transversal priorities and on the new guidelines and goals for the next programming framework in terms of the definition of criteria for immaterial projects has allowed to conclude that it was not possible to properly bond the interconnection between the immaterial and material dimensions of some of the interventions and projects, even though it was foreseen in POPRAM III. It has a negative effect on the non-optimization and profitability of existing infrastructures and equipments co-financed by POPRAM I, II and III.

Notwithstanding, and as it was demonstrated for the 6 selected thematic domains, the role of immaterial projects on the optimization of the infrastructural investment is often significant, for the synergies and complementarities it introduces.

2. Recommendations aiming at the Improvement of POPRAM III

It is very important to point out the necessity to make a final financial adjustment between measures (ERDF) and actions (FIFG), due to the new post-reprogramming scenario, right after the conclusion of the evaluation updating.

It is also important to preserve POPRAM III's external and internal coherence concerning due and forecoming reprogrammings, assuming that it does not differ from its goals and priorities. If the financial readjustment among ERDF measures (from those with lower performances to those that seem to be able to spend all the amounts assigned), can be, besides opportune, a correct procedure from the formal and immediate point of view of the accomplishment of financial goals, it lacks a proper assessment concerning the possible subversion and loss of programmatic objectivity (the easiness of the financial transfers among measures of the same Structural Fund must not despise the weaknesses of less successful measures, nor should it be a solution, in case these weak performances occur in measures determinant for the regional development strategy).

In this perspective, it is also important to ensure tighter criteria for the remaining approvals, particularly in measures with scarce financial availability, to guarantee that investments yet to be made, are specifically targeted at the accomplishments of weaker goals. Consequently, this might mean an extra effort from the Programme's management in identifying, mobilizing and giving a proper assistance to promoters willing to develop projects that the region still lacks.

It is also pertinent, with or without a final financial adjustment, to update the established goals during the present community support period. The physical performance is in the course of fulfilling the pre-defined goals, but though the overall quality of the indicators is not questionable, the general revision of the targets is necessary in order to give credit to the results and effects that the Programme will achieve.

In another context, the answer to the remaining lack of visibility of immaterial projects compared with infrastructural projects – reflecting the difficulties to communicate with citizens and political responsible, the importance of the immaterial component in the performance of projects towards the improvement of programmes and measures – still can be provided in this final stage of POPRAM III, by selecting a good idea of a project amongst those already identified in PRAI.

One should also consider the possibility of a few investments to be carried forward to the next community support period, due to the financial shortage in some measures, respecting the new EC framework and taking advantage of the maturity and development of several candidatures meanwhile presented.

Some of the recommendations pointed out in the mid-term evaluation and still valid, identified throughout the report, must also be put into practice, including those related to the integration of the Horizontal Priorities (Environment, Information Society and gender Equal Opportunities).

3. Recommendations for the 2007-2013 Programming Period

3.1. Programming Strategic Coherence with the Region's Prevailing Trends

In a framework of continuity of RAM's development strategy, the major policy guidelines for the 2005-2009 period, highlight some adjustments, bearing in mind the reinforcement of the process of European and international integration, as well as the improvement of social and economical competitiveness conditions.

In practical terms, the aim is to mobilize regional development policies around four thematic priorities (innovation, entrepreneurship and competitiveness; tourism; environment; infrastructures and public equipments), each one contemplating transversal approaches, such as employment and human potential, territorial and social cohesion.

The study *Recommendations to a Diversification Strategy for the Autonomous Region of Madeira* (ECORYS), focused on the ultra-peripheral matter, is also quite relevant. According to this document, diversification shall provide a decrease of the regional dependency on tourism, privileging selective investments in niche-sectors with economical growth and employment generating potential (ICTs), new technologies, wine, eco-products and services). Furthermore, this study emphasizes the need to re-orientate the Structural Funds measures addressed to RAM, by reinforcing/accelerating the investment in ESF projects and private ERDF financed projects, in spite of the extensive material reinforcement occurred throughout the whole programming period (infrastructures and equipments).

In order to maximize the strategic coherence, facing the established guidelines for the region, for the country and at an European level, some considerations/recommendations for the next programming period are listed below:

- following the current Programme's learning process, to prepare a clear and concise, well articulated and explicit framework of goals on the intervention priorities, that shall guide the regional strategy, introducing mechanisms that are anchoring elements of the interventions to the specificities of the regional development model, carried out in the above mentioned regional documents;
- in future interventions (as for the goals to achieve, typologies of projects to give privilege to, selection and assessment criteria, follow-up procedures, co-financed taxes) reinforce the innovating component, for which PRAI Madeira (Regional Programme for Innovation Actions) shall contribute in a more diligent and priority way. It is expected that in POPRAM III's final period of execution, one can already see the first signs of a new development cycle, with a paradigm change in the nature of the projects relationship (infrastructural *versus* immaterial);
- reflect, in the configuration and assumptions of future interventions the strategic value which, at the European and regional level guidelines, aims to confer to the environment, including risk prevention. This is an objectively minor component on the current Programme, almost exclusively associated to infrastructural allocation, and with modest outcomes in what concerns territorial planning, coastal protection, physical and environmental risk prevention;
- without neglecting the necessity to safeguard a few infrastructural and structuring investments still needed in the region, namely the completion of networks (particularly in the fields of environment, health and culture), from now on it is essential to revert that guideline towards immaterial projects. These, on one hand, will enhance the material investments already accomplished and, on the other, will emphasize domains in which there will be a higher receptivity to EC financing (innovation, risk preventions,

training/employment), through diversified studies, immaterial projects complemented by small infrastructural actions, demonstration, promotion and internationalization projects;

- Social cohesion is a challenge that will not have an adequate answer with the investments made until the end of this programming period and, inevitably, will be carried forward to the next financial support framework, which should internalize this question as a regional priority. It must thus create mechanisms/guidelines/strategies that aim to respond to the persistent weaknesses of social integration and enhancement, under a perspective that includes, among others, residential environment improvement actions, access to services and equipments, and the acquisition of training and professional skills, in an integrated approach (not spread in several measures).

The afore mentioned recommendations, should be further developed through territorial diagnosis that enable, for each intervention area, to uphold the programming options in key-domains for regional competitiveness and the future investment strategies with access to the Structural Funds, namely ERDF, ESF and Cohesion Fund.

3.2. Cohesion Policy 2007-2013: Programmes, Instruments and Strategic Priorities for RAM

3.2.1. ERDF

Environment and Risk Prevention

ERDF's regulating proposals emphasize, among the sustainable regional development strategy, the priority *environment and risk prevention* in the context of the *Regional Competitiveness and Employment* Objective. The Regional Government, at the Great Options of the Plan (GOP) 2005-2009, also elects the environment as one of its development thematic priorities, pointing out four intervention domains: i) environment and nature protection ii) water; iii) territorial planning iv) civil protection.

Bearing in mind the significant investment needs concerning public water supply networks, it is important to complete the connection between systems and sub-systems.

At another level, it is necessary to promote a better territorial planning, that can guide the expansion of urban areas and rehabilitate the physical environment and the cultural and natural heritage. The adoption of risk prevention measures, through the reinforcement of the efficiency and effectiveness of supervising mechanisms of legislation and regulation compliance at an environmental level (including management and land use of the territory and of Natura 2000 NETWORK sites) and identification and diffusion of good practices, with a better use of ICTs and more innovating policies of public management is also a hint to follow in the preparation of the next community support period.

In this perspective, and as guidelines, it is recommended that priority should be given to projects that contribute for a more efficient territorial and environmental management, and/or to a better prevention/correction of the environmental, natural and/or human caused dysfunctions. The material or immaterial projects that might contribute to preserve biodiversity and for an effective protection/enhancement of strategic natural resources must also be financed. For the accomplishment of this priority, initiatives of awareness, consciousness and responsibility of the population and of economic agents towards environmental preservation ought to be supported.

It is important to point out that the guidelines mentioned for RAM are accordant to the policy of *Territorial Cohesion and Environmental Sustainability* within PNACE (Action Programme for Employment and Growth), namely in what concerns its options of "*promotion of nature and biodiversity's preservation as a positive differentiation and enhancement factor of the territory and landscape, with potential value added to rural development and quality tourism supply*".

Innovation and Knowledge-Based Economy

In the regulation proposals of the Structural Funds, a particular emphasis is given to research, technological development and innovation related with the regional economic development, as well as the promotion of the ICTs, framed in the *Regional Competitiveness and Employment* Objective.

The development of information and knowledge society also emerges as a goal in RAM's GOP 2005-09 document. Some studies propose that diversification effort of the economic activity, besides the tourism sector, must be carried out through ICT and a promotion of research, articulated with the entrepreneurial fabric. It is also acknowledged that it is necessary to guarantee, in the 2007-2013 period, financial support for investments in intangible assets (innovation and research), so as to contribute for the development of new products, improved procedures and an increased competitiveness.

Hence, it is advisable to invest in the technological and organizational modernization of Madeira's SMEs, reinforcing the support to the projects that present a high innovation component and a high *impact* and spreading potential over the local economy. Projects in which there is an inter-connection among firms and research units must be privileged.

The dynamization of the interface between the entrepreneurial fabric and the technological/scientific supply is also a priority. It is advisable to invest in projects that allow an adjustment of the research public system to the demands of the local productive sector and the international markets.

The dynamization of the entrepreneurial spirit and the transformation of new ideas into projects, will benefit from a reconfiguration of the incentive systems. These must be more selective and aimed towards the investment incentives in R&D, a better use of ICTs and the promotion of applied research articulated with the entrepreneurial fabric.

One must also foresee new financial instruments and incubation services that provide either the creation or the expansion/consolidation of strong knowledge-based companies, for instance, through venture capital, seed capital and promotion of mutual guarantee mechanisms.

The recommendations of the 2003 *Mid-Term Evaluation of the Community Support Framework 2003* Study must also be stressed. Although recognizing RAM as an excellency tourism platform nowadays, this is simultaneously its main constraint for a more diversified regional productive activity that can reduce vulnerability facing the unstable conditions of the high value added tourism demand. Therefore, the potential dynamic generated towards the Madeira Technopolis is noteworthy, just as the diversification around leisure industries, both of them new income generation sources and mitigation factors of the vulnerability associated to the strong dependence of the tourism platform.

Access to Transportation and Telecommunications Services

Within the scope of the *Regional Competitiveness and Employment* Objective, it is given particular relevance to the need to reduce the regional isolation in transportation and digital networks, granting an easier access to transportation and telecommunication services of general economic interest, especially outside main urban centers.

The strategic guidelines for the region in this matter, arising from the diagnosis, envisage some goals/objectives that fully fit the already-known ERDF coordinates, thus representing objectives to be followed in the next programming period, regardless of the configuration of future supports to the region. From within the range of overall priorities defined by ERDF, RAM might benefit from privileged approval conditions for projects that aim at the consolidation of the necessary articulations between the island's main and secondary road network, so as to fulfill the existent needs in terms of service to smaller urban centers, to grant development opportunities and to promote quality of life for residents and workers.

Transnational Cooperation

The establishment of transnational cooperation, framed in the *European Territorial Cooperation* Objective, will focus on the financing of networks and actions that allow integrated territorial development. It is a result of the present community support initiative framework INTERREG III B.

The community initiative INTERREG III B Azores-Canary-Madeira, developed in the present period of community support, might be a good experience for the preparation of this territorial scope of action of the *European Territorial Cooperation* Objective. It has, in fact, represented an important step ahead in terms of inter-regional (Azores) and transnational (Canary) cooperation, with the implementation of initiatives that wouldn't be accomplished without the INTERREG III B framework.

There were identified cooperation areas that can be further improved and that are consistent with the intervention domains framed by EC's regulating proposal, namely in terms of sciences and marine resources, research and new technologies, internationalization of the region's main economic groups, trans-frontier trade and improvement of the services and transports network. Partnerships and protocols were established and will endure until after the end of the Community Initiative Programme and might constitute platforms of understanding between regions for the development of initiatives in some of the supported domains, of major importance for Madeira. The immaterial nature of most of the projects, focused on the interchange of experiences and on the definition of approaching methodologies to common problems, might open opportunities for a better concertation in the future, aiming for a deeper economic and social relationship among regions.

The new framework will allow to enlarge the scope of intervention of the cooperation with other countries, particularly in South America and PALOP[2], once there are less limitations in the cooperation with new regions of other countries, not only in Europe, but also in South-America and Africa, broadening new horizons for Madeira.

The preparation of the next programming period shall attend to two perspectives of transnational cooperation: i) the experience of the public and private entities and the region's research institutions in the course of the present community period, might turn Madeira into a privileged partner in knowledge sharing with other regions in the domains of water management, environment and science, and marine resources, namely with PALOP; ii) in another perspective, Madeira may benefit from the *know how* of several European regions in subjects where it presents greater development weaknesses and that must be faced as strategic priorities for the period of 2007-2013, such as: the promotion of ICTs; the support to the information society; risk prevention and research (erosion, earthquakes and avalanches); the creation of scientific and technological networks, aiming for the sharing of Research and Technological Development resources; and, finally, the development of a sustainable tourism model, promoting minimization actions of the *impact* of mass tourism.

3.2.2. ESF

The next programming period of Structural Funds, specifically, of the fund that aims for the reinforcement of the social and economic cohesion (ESF) shall promote a greater articulation with the European Employment Strategy or, more precisely, with the National Action Plans in terms of employment and social cohesion, so that the objectives that will be defined are more consistently achieved. This reasoning should be applied both to the Portuguese Continent and the Autonomous Regions. Thus, the future Community Programme that will frame ESF interventions in RAM shall be fully articulated with the Madeira Employment Regional Plan, the Inclusion Action Regional Plan and the Equal Opportunities Regional Plan.

Considering the double possibility of ESF application through national programmes or at a territorial level - according to already known guidelines for this Structural Fund, as it was mentioned, and according to this perspective of articulation with the specific regional documents of intervention - it is important to point out, from the evaluators point of view, the need for a prevailing regional approach over a national sectoral approach in the case of Madeira. The regional economic and social particularities, associated to its UPR and the achieved results in the present community support period, reinforce the idea that the application of ESF between 2007-2013 must be set up through a regional intervention.

[2] African Countries with Portuguese as an Official Language.

3.2.3. EAFRD

The rural development support measures that integrate the so-called CAP's 2nd Pillar will now be financed by a single fund named EAFRD, and will be grouped in four priority axis: i) Axis I, integrates the measures aiming for the increase of competitiveness of the agricultural and forestry sectors; ii) Axis II, integrates the measures aiming for the environmental improvement and a good management of the rural space; iii) Axis III, integrates measures which aim at the improvement of the quality of life and the diversification of the rural areas economy; iv) Axis IV (LEADER Axis), that aims for the sustainability of projects accomplished at a local level.

According to the decisions taken at the Agricultural Council of June 21, 2005, minimum financing rates by each member State for each of the four priority axis were established: 10% of the available amounts to allocate individually to Axis 1 and 3; 25% of the available amounts to allocate to Axis II; 5% of the available amounts to allocate to LEADER Axis.

Each Member State will manage, nationally, 50% of the amounts hold in the context of EAFRD, and that might allocate to each of the four axis, as a result of the defined priorities, in the context of PEN (National Strategic Plan) which will be carried out until the end of 2005 and the measures that will be selected within the scope of PDR (Rural Development Programme) to be carried out until the end of 2006 and implemented during the period 2007 - 2013. In the national context, this programme will replace the following group of programmes: AGRO, AGRIS, RURIS and LEADER, and regionally PDRUs, Measures EAGGF-O and LEADER, on course throughout 2000-06, that were financed by EAGGF's sections *guarantee and orientation*, and also from ERDF and ESF contributions.

3.2.4. EEF

Within the scope of the Common Fisheries Policy, the community's strategy aims to achieve multiple economic, environmental and social goals. More specifically, it claims: to ensure the continuity of fishing activities and a sustainable use of the halieutic resources; to adjust the fleet's capacity to the existing resources; to turn the use of resources and the economic related activity more competitive; to create the right conditions for the preservation and protection of the environment and marine resources; to support the sustainable development of areas covered by fishing activities and aquaculture, improving, simultaneously, living conditions and employment on those areas; to enhance human resources, assuring gender equal opportunities to men and women working in this sector.

For the pursuit of these goals and for the implementation of this instrument, it will be necessary to previously elaborate a National Strategic Plan (PEN), with national goals and priorities, where interventions supported by EFF will be depicted. PEN will serve as a reference to set up the forecoming Operational Programmes.

As it was mentioned, FEP's regulation is still in negotiation, however, it is possible to state the main concerns that lead the national strategy of negotiation: fleet renovation; ship's engines replacement (by engines using less pollutant fuel); derogation in the dimension of the companies that will be financed, and the support to medium-sized enterprises is also predicted; incentives to young fishermen.

3.2.5. Cohesion Fund

Trans-European Transport Networks

RAM's geographical specificity – a simultaneously insular and EU ultra-peripheral region– grants a special importance to its external accessibilities. Therefore, the ports and airports infrastructural conditions on which it depends for the movement of people and goods are determinant.

After significant improvements in the airport service, with the enlargement and qualification of Funchal International Airport, the region's external accessibilities development priorities are, from now on, guided towards the port service, of which stand out the following investment priorities: the conclusion of the port of Caniçal, the enhancement of the port of Porto Santo and the enlargement of Porto Novo's port terminal for inerts. In this perspective, it is important to mention one of the priority projects within the development of the trans-european transport network, named "Maritime Highways" – an alternative itinerary to flows of people, and goods, able to mitigate the bottlenecks in the land transports – including maritime ports of regional

access, located in island, peripheral or ultra-peripheral regions (C Category of maritime ports that will structure these trans-national connections).

Environmental Protection

The Cohesion Fund, which operates as a complement with the remaining community supports, shall continue to finance projects which contribute to accomplish the goals of the European Union Treaty within the scope of environmental protection policies and in areas that promote sustainable development.

Although a gradual exit of RAM from the Cohesion Fund throughout 2007-2013 is predictable (considering the transition regime of the convergence process), the existent weaknesses will clearly justify an ongoing support to projects which significantly contribute to improve environmental quality and sustainable development.

Consequently, and bearing in mind the pursuit of Madeira Regional Water Supply Plan (PRAM 2003) investments in the 2007-2013 period, it will be necessary to ensure the articulation and success of the upper level water supply systems which have been supported, so far, by the Cohesion Fund, with the lower level systems, so as to guarantee a better coverage of the municipal water supply network, with monitoring and optimization of the water management system.

Renewable Energies and Sustainable Development

RAM's external energetic dependency, namely through imports of petroleum products, is a regional reality that must be reverted. Nowadays, the contribution of renewable energies for the regional energetic balance must be pointed out, and therefore, it is of the utmost importance to emphasize the benefits of the introduction and/or reinforcement of the energetic components such as natural gas, wind and solar energy (the last ones with high potential in the region).

They tend to become regional development priorities in the next programming period of Structural Funds – for they are entrusted both in the regional strategic guidelines and the proposed goals for the Cohesion Fund – since they are bound to increment the renewable energy sources and associated decrease on the external energetic dependency, simultaneously ensuring benefits for the environmental preservation and sustainability.

In the environmental field, it will be crucial to establish close and effective articulations with other funds - ERDF, within the scope of the *Regional Competitiveness and Employment* Objective; within the different intervention levels of the *European Territorial Cooperation* Objective – as one can perceive from the interpretation of the strategic priorities of the different funds previously mentioned.

3.3. Reinforcement of the Management and Follow-up Strategic Nature

Improve the Management and Follow-up System and the Information System

The dynamization of the action of the several follow-up instruments - either internal, external, operational or strategic - must be a prevailing concern towards the permanent challenge of higher levels of effectiveness and efficiency, as well as the promotion of the Programme's contributions for RAM's institutional sustainability,mainly in terms of Madeira's civil society involvement.

It this matter, it is recommended for the future:

- dynamize the Follow-up Commission, leading its activity towards strategic domains of the Programme's performance, reducing its dimension to a number of members compatible with a high level of operability, and increasing the frequency of its execution, in order to offer a more constant external follow-up and with moderate transference of information in each forum;
- constantly reinforce the project's follow-up, once the Programme's good financial and physical performance depends on it;

- dynamize the promotion of projects with higher demonstration effects (implicating partnerships, mostly of an immaterial and innovating nature), in a future sustainability perspective of the regional and local development.

Prepare the Definition of Goals, Targets Quantification and Financial Programming

Both the mid-term evaluation and its update have highlighted some weaknesses in the planning of specific goals to achieve, in the quantification of targets in some measures and, necessarily, in its financial allocation. Bearing in mind that this is a slow and complex exercise, carried out before the intervention set up, and often uncovered from the regional, national and sometimes world socio-economic relevant contextual changes, some of the considerations for the preparation of the next community support period are listed below:

- thoughtful consideration on the targets estimate, indicators suitableness and coherence among the financial resources and the grounds for specific goals, carried out by an independent evaluator during the programmes' ex-ante evaluation;
- identification, whenever it is possible, of reference costs of the several investment typologies, namely infrastructural, adjusting the targets to the available financial resources;
- maintenance of the intervention priorities through the due previous identification of the needs, through sectoral/territorial based studies;
- definition of an annual financial programming, properly suited to the specific characteristics of the interventions, based on the experiences from the present Programme;
- need to adjust the application of the *n+2 rule*, that seems to have resulted in a perverse effect in the beginning for POPRAM III, and so, in the future, it should be applied in a more advanced stage of the interventions (preferably in the programme's fourth year);
- a financial allocation of the amounts assigned for each measure at the Action level is not advisable;
- the new structure of measures, with a more complex tree of actors or interventions fields, must be divided into action guidelines, aiming for the adjustment of the goals to the profile or typology of infrastructures and equipment projects, facilitating the definition of targets and the financial programming;
- improvement of the articulation between forecoming national interventions covering Madeira and the regional mono-fund programmes, which will be implemented in RAM in view of the experience of the present community support period.

Quality Improvement of the Indicators System

POPRAM III mid-term evaluation exercises allowed to confirm some constraints, which are not exclusively of this programme; instead, it is a subject with problematic issues that has, more or less, affected all CSF III's operational programmes. Some reflections for the preparation of the next community support period are outlined below:

- from the start, and due to the experience of an unfortunately long, complex and confuse conception process of a serious indicators system and due to the merit of its differentiated use (management, follow-up, control and evaluation), it is advisable, in the future, an on-time and concerted intervention among the CSF's Management Commission and the sectoral and regional interventions Managers;
- the establishment of a more discerning group of follow-up indicators for the interventions' *impacts*, that are feasible and that can overcome the mere accounting of the projects and the related amounts;
- the choice of indicators must take its operational goals into consideration, through the identification of good indicators of physical accomplishment, of result and *impact*, meaning the suitability of the indicators to the corresponding level analysis;
- and also, an improved balance between the list of quantification and results of the interventions accomplishment indicators;

- the quantified follow-up indicators that have goal targets must focus only on the more pertinent accomplishments, while other indicators should characterize the complementary accomplishments and that allow to realize the development process of a measure;
- quality improvement on the process of the indicators quantification, more rigorous in the complementary quantified information in the approved projects;
- the quantification of targets to be achieved with the implementation of future interventions, is a complex exercise and therefore, it must strictly attend to three key-issues: i) the regional socio-economic dynamics; ii) the financial allocation defined by each Structural Fund; iii) and it must be the product of a fundamented evaluation of needs and of the political commitments from the public administration. In this context, the system of indicators must be emphasized as a central instrument of the follow-up, monitoring and evaluation processes of the community interventions;
- although presently not properly clarified, the EC's guidelines concerning the calculation formula of the criteria for the assignment of the *quality and performance reserve* (that replaces the efficiency reserve), comprising 3% of ERDF and ESF resources in the *Convergence and Competitiveness and Employment* Objectives, it is important to point out the recommendation for the reduction of the number of indicators supporting the allocation of the reserve (too excessive in POPRAM III), so that it becomes more suitable to dispose of a limited and objective number and with more simplified calculation proceedings;
- in the field of Science and Technology, it is important to diversify the physical accomplishment indicators, so as to embrace the project's main typologies (number of involved entities, contents typology, accomplished initiatives, etc.);
- on the field of Information Society, the creation of a diversified and trustworthy group of physical accomplishment and result indicators, must establish a consensus among the management structures of POSI[3], of the Regional OPs, of UMIC (Innovation and Knowledge Society Mission Unit) and the Thematic Working Group for the Information Society;

Considering Evaluation as an Essential Component on the Programming Cycle

Due to the new EC framework for the next community support period (EU's Strategic Guidelines for Cohesion), the operational programmes are not submitted to the mid-term evaluation process (keeping the *ex ante* and ex *post* evaluative exercises).

However, evaluation and monitoring must be current management practices, preceding and encompassing the preparation of flexible revision mechanisms of the interventions whenever it is advisable. In this sense, it is recommended that the programmes that will be applied in RAM, are subjected to mid-term evaluations at the end of the first implementation triennium, aiming not only for the correction of the probable mismatches between the accomplishments and the defined targets and goals, the preparation of also probable substantial programmes revision proposals, as well as taking relevant conclusions for the programmes improvement in the remaining support period. The financial resources for the interventions technical assistance must, thus, predict reserves for strategic management and for monitoring/evaluating results, not depleting itself in its operational management.

Prepare Definition Criteria for Projects of Immaterial Nature

Among the guidelines for the period 2007-2013, in terms of projects of an immaterial nature, it is important to point out:

- the engagement in technological and organizational modernization of Madeira's SMEs, reinforcing the support to projects that present a high level of *impact* and spreading potential over the local economic environment;

[3] Information Society Operational Programme

- the priority to the dynamization of the interface between the entrepreneurial fabric and the technological and scientific supply, through interventions that aim for: promotion actions of the existent and developed companies' technological resources; reinforcement of the flows of experts and knowledge among the private and public sector; exchange with institutions from the Continent and other European regions; dissemination of good practices; promotion of the entrepreneurial cooperation; etc.;
- the articulation with actions dedicated to professional training and qualification, so as to minimize info-exclusion, enhancing projects that lay on "accessibility" and dynamization of "proximity" services through technological innovation: reinforcement of the use of ICTs on public administration and on public services;
- ensure financial support for investments in non-physical goods (development of human resources, focused on the initial and complementary training in crucial areas, such as management, ICTs, marketing; strengthening of the research and education institutions, improving the university *curricula* and the research skills in laboratories, faculties and similar institutions).