



## OVERALL EVALUATION STUDY ON THE IMPLEMENTATION OF THE NSRF 2007-2013

### FINAL REPORT

### EXECUTIVE SUMMARY

**30 TH AUGUST 2010**

## EXECUTIVE SUMMARY

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The present chapter introduces the Executive Summary of the Final Report of the Overall Evaluation Study on the Implementation of the NSRF 2007-2013, duly entered into by way of a contract between the NSRF Observatory and the Quatenaire Portugal / IESE Consortium.

### *Object and Scope of the Evaluation: Issues concerning the Evaluation and Strategic Dimensions*

The object and the scope of the evaluation defined for this exercise are focused on the strategic dimension of the programming and its most innovative characteristics, such as the Collective Efficiency Strategies (CES). The NSRF Overall Evaluation (OEV-NSRF) and the either ongoing or completed OP Operationalisation Evaluations have different goals, although the latter, given the importance of some OPs, may be instruments which help explain some of the evaluation issues analysed in the strategic dimension of the NSRF.

The OEV-NSRF is organised around a vast number of Evaluation Questions (EQ) of two types: of a comprehensive nature covering all the programming and the other of a specific nature, defined for each Thematic Operational Priority (TOP) of the programming. The need to simultaneously answer the great diversity of evaluation questions asked and not lose from sight the strategic dimension of the NSRF led the evaluation work to the definition (duly validated with the Study Monitoring Group) of a number of Strategic Evaluation Dimensions (SED). Having been defined to ensure that there is an appropriate balance between the Thematic Operational Agendas (TOA) for Competitiveness, Human Potential and Territorial Enhancement, these dimensions have played an important role in the structuring of the Conclusions and Recommendations of the Evaluation Report:

- *Competitiveness Agenda* (NSRF contribution to the modification of the specialisation profile and the enlargement of the territorial competitiveness base of the Portuguese economy).
- *Human Potential Agenda* (NSRF contribution to an inclusive modernisation based on a skilled population, involving several aspects of public intervention which include the stimulation of the training provision, its quality and the evolution in terms of demand for qualifications which arise from this provision).
- *Territorial Enhancement Agenda* (Articulation between objectives, instruments and bodies responsible for the implementation of the NSRF in territorial terms; and degree of integration and mainstreaming of the Cities Policy).

The relationship between the SED and the comprehensive and specific questions established by the Specifications are contained in the **annex 1** attached to this Final Report.

### *Methodological Development Framework of the Study*

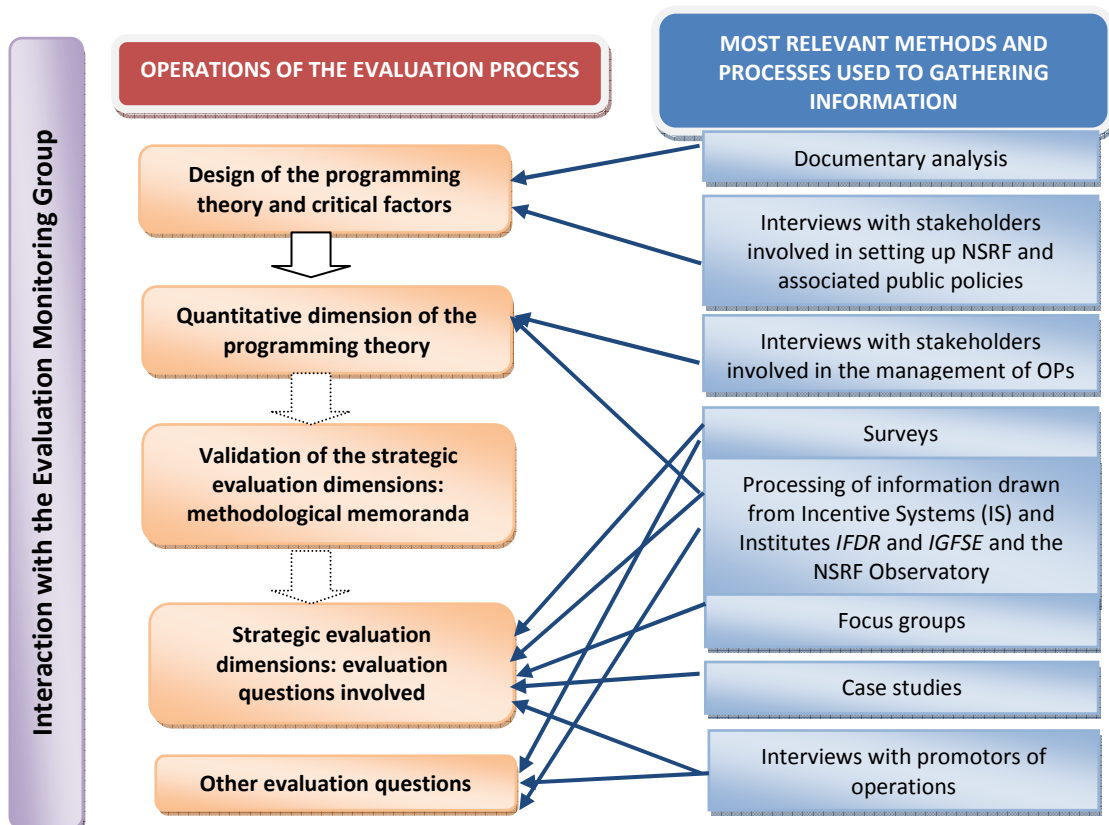
The methodological requirements arising from an evaluation process focused on the strategic dimension of the NSRF led the work to consider a number of methodological options organised around the following points:

- Strong interaction with the Monitoring Group set out in a diverse set of reports and memoranda which were considered necessary to improve the quality of the results of the evaluation;
- Design and validation throughout the evaluation process of a programming theory, inspired on the contributions of the “programme theory”;
- Mobilisation of a diversified number of sources, methods and processes concerning the gathering of information;

- Differentiated use of this battery of elements depending on the strategic relevance of the answers to the evaluation questions (relationship between methods and processes of gathering information and strategic evaluation dimensions).

Diagram No. 1 summarises the methodological development framework of the Evaluation Study.

**Diagram 1 – Methodological steps and processes and methods used to gather information**



The validation of a programming theory is extremely relevant in terms of the methodological options shown above. This work identifies the fundamental mechanisms through which the programming aims at implementing the strategic goals and highlights the specific way the concept of cohesion emerges in the Portuguese economy and the centrality of the TOA. The specificity mentioned above is due to the fact that Portuguese society was involved in a process of structural change that came later than most other European economies, therefore two levels of intervention are required:

- At a more traditional level: the promotion of better conditions for equal opportunity between citizens and territories, as a reaction to and/or prevention of adverse social effects resulting from the destruction of jobs associated with the structural change;
- At a more innovative level: the effort involved in enlarging the territorial competitiveness base in Portugal by mobilising a territorially more diversified mass of resources, by involving a great part of the work force in the qualification process of the Portuguese economy and by reducing the inter and intra-regional disparities in terms of per capita product and productivity.

The programming is faced with the challenge of leveraging modernisation and the structural adjustment of the Portuguese economy not only based on the most advanced group of dynamic companies and skilled workers but on a significant effort to increase the group of companies, organisations, territories and workforce able to assume and represent the modernisation process.

It is within this context that the central relevance of the Human Potential Agenda (HPA) in the programming should be highlighted, particularly in the New Opportunities (NO) agenda, which symbolically and operationally represents the will to decisively increase the workforce that can stimulate and implement a process of modernisation and structural adjustment, an aspect which is highly validated in the interviews with stakeholders directly involved in the design of the NSRF.

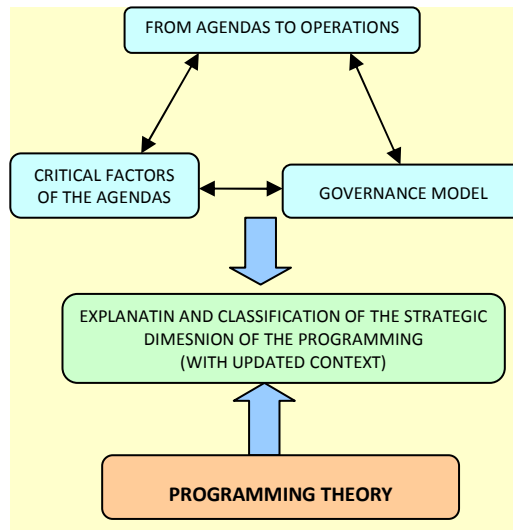
The NSRF programming is based on the potentially virtuous triangle created between the human potential, competitiveness and territorial enhancement agendas, by, on the one hand, integrating the response to the above mentioned two dimensions of cohesion and, on the other, by coherently aligning them with modern concepts of competitiveness and innovation. The TOAs of human potential, competitiveness and territorial enhancement are seen as operational factors for the implementation of the NSRF strategic dimension, albeit they present different levels of consistency and attachment to the political agendas of governance.

The centrality of the HPA in the NSRF programming theory is manifest. Regarding the structural conditions of the Portuguese economy, the qualifications domain is a crucial element for articulating competitiveness and cohesion. It assumes that Portuguese society is suffering from an extreme fracture: modern Portugal based on a relatively established insufficient critical mass of qualifications (measured, for example, by the workforce with 12<sup>th</sup> grade qualifications) and traditional and unqualified Portugal unable to uphold, on the international level, a mass production even of a low value, this having become even clearer with the enlargement of the European Union to 27 countries. The solution of the economic and social equation of this dual model could not be brought about by investing solely in the most advanced nucleus of qualifications. The social non-sustainability of this type of investment and the poor leverage of the existing critical mass have led the Agenda to a more inclusive perspective, which consists in extending the mass of qualifications that could follow and implement a process of modernisation and structural adjustment of the specialisation profile.

The strong political investment in the New Opportunities Initiative (NOI) is transforming the HPA into an operational and at the same time political agenda, by establishing an inclusive approach of the above mentioned duality, but still continuing to support the enlargement of the most advanced nucleus of qualifications. The virtuous triangle created between the three agendas is not free from critical implementation factors, the identification of which marks the scope of the programming theory.

Diagram No.2 sums up the way the programming theory was, throughout the work, articulated with the approach to the evaluation object. The way the approved and ongoing operations correspond to the strategic goals of the TOAs is crucial. Nevertheless, this approach was always accompanied by the perception of the way the critical implementation factors of the agendas were suppressed by the implementation rhythm of the programming and of the leeway brought about by the NSRF governance model.

**Diagram 2 – From the programming theory to the evaluation model and object**



The presentation in this Executive Summary of the main results of the evaluation process is undertaken at three different times:

- Firstly, a summary-result (main ideas) is associated to each sub-group of specific evaluation questions by thematic operational priority (TOP) and to each comprehensive question;
- Secondly, by taking into account the strategic evaluation dimension, we present the conclusions which at this level mark the evaluation work are presented;
- Thirdly, a number of recommendations are drawn up also of a strategic nature resulting from the key conclusions of the Evaluation Study.

**Summary of results**

The purpose of the following table is to synthesize the main ideas associated with the treatment of the evaluation questions (the specific ones organised by TOP and the comprehensive ones), the answer to the former questions constituting a necessary but not sufficient condition to answer the comprehensive questions.

Evaluation questions	Results: Main ideas
<b>SPECIFIC QUESTIONS</b>	
Production of knowledge and technological development	Relevant impact of the programming in line with the progress of the intensity and level of corporate R&D in Portugal. Predominance of projects in fields with an impact on the enhancement of the value of tradable goods and services and in sectors, such as the environment, energy and health. Necessary continuity of the support to the creation of corporate R&D centres and to the corporate integration of qualified human resources. Required simplification of processes in line with the experience obtained from access to European science and technology programmes.
Innovation and renovation of the entrepreneurial model and the specialisation pattern	Greater impact on the transformation of competitiveness models in the regions (especially North and Centre) than short effects on the specialisation pattern. Incentive Systems (IS) poorly adjusted to regional specificities. Significant impacts on the production of effects in the complementary fields of the IS. Greater selectivity of supports is necessary with an additional focus on internationalisation.

Evaluation questions	Results: Main ideas
Financial engineering for the financing and the sharing of the risk of innovation	Significant flexibility shown when adapting to the recession context and relevance of the contribution provided by the PME Invest credit lines to SMEs. Need to articulate the enhancement of the merit of the approved projects within the scope of the Axes which include the incentives in the different OPs, with a priority for support to the corporate implementation of such OPs, namely by sharing risks.
Reduction of public administrative costs	Difficulties in assessing effects given the orientation and state of maturity of the approved projects. Presence of public promoters with a high potential impact in the field of administrative costs. Reengineering projects and projects to dematerialise processes which do not mature sufficiently quickly, with reflexes on the actual reduction in administrative costs. Poor practical articulation between the Administrative Modernisation Support System – AMSS (COMPETE OP) and the AMSS (Regional Operational Programmes - ROP) and with skills training actions.
Collective corporate development actions	Strong relevance of SIAC projects for the consolidation of more advanced experiences in the formation of poles of competitiveness and clusters. Poorer impact in terms of effects concerning the agglomeration of activities.
Development of information society	Continuing effects resulting from the generalisation of ITCs, more visible in terms of companies than citizens, in particular in terms of access to forms of electronic governance, fruit of the relevance of types of operations involving SMEs. This focus of impacts should be enhanced in the second phase of the programming cycle towards the gradual implementation of the priorities of the Technological Plan and the Agency for Administrative Modernisation.
Networks and infrastructures supporting regional competitiveness	Delays in the generation of projects due to the selectivity measures (corporate area, for example), in the approval of operations and rhythms of implementation which compromise the impact of this programming area.
Initial qualification	Tendentially high effects in the area of training youths given the high participation rate in actions to increase professional education and provisions equivalent to the 12 <sup>th</sup> grade. Relevance of the Vocational Education and Training Courses (VETC) to be improved by way of integrated training plans to be able to cover the social support dimension in Youth VETC. Need for qualification and more flexibility in monitoring mechanisms and regulation of the provision of professionalising training to bring the National Catalogue of Qualifications (NCQ) closer to corporate, sectoral and regional needs.
Adaptability and lifelong learning	Tendentially high effects as a result of the high levels of participation of adults, with structural gains in terms of lifelong learning and the reinforcement of primary and secondary key-skills. High demand for modular training certified by the active workforce with interesting levels of commitment by employees in this typology. Need to enhance integrated training plans oriented towards social integration of the VETCs. Low level of entrepreneurial recognition of the certification of skills and its impacts on productivity and internal management.
Management and professional enhancement	Tendentially relevant impact in the adjustment of workers and companies to change, even when taking the residual nature of the programming into account: high demand for training for innovation and management, given the unique opportunity this offers to develop cofounded training not regulated by the NCQ and relevance of the methodology used in the training-action programmes, even though slow to start. Regular adhesion of the business community to the training-action but difficulties in terms of mobilisation throughout the process. Articulation potential between training for public administration and the processes of organisational change and innovation in public management.
Advanced Training	Good adhesion of the beneficiaries and a probability higher than that initially estimated to improve national qualifications in this area in convergence with the EU, with strong motivation from the supported grant holders for a career in research. Low level of integration of grant holders in the business fabric, and the measure which supports the

Evaluation questions	Results: Main ideas
	integration of grant holders in the business fabric has a low level of implementation.
Entrepreneurship and transition to working life	High relevance of the diversity of support to professional apprenticeships which function as an experience of contact with working conditions, with a reflex on future employability. Need to provide the measures supporting social entrepreneurship with a training programme for entrepreneurship with a wider scope.
Citizenship, social inclusion and development	Intervention to diminish the risk and situations of poverty and exclusions is a priority in the selectivity of target groups, with a predominance of unemployed women in the training actions. Relevant advances in the area of prevention, qualification and rehabilitation of persons with disabilities. The potential of the <i>Local Social Development Contracts (LSDC)</i> and <i>Territorial Contracts for Educational Success</i> has not yet been made full use of and has been slow to start.
Gender Equality	Need to strengthen the role of the Gender Equality Commission (GEC) as a body which can play the role of intermediary and animation body for projects, by taking into account the high potential to produce effects the intervention typologies of which the GEC is the sole beneficiary (Gender Observatory, sensitisation, information and dissemination of GE and intervention in the fight against Gender Violence). Low level of approval and contracts in actions to set up services caring for dependents, such as children or for the elderly, a decisive element in the reconciliation of professional and family life. Signs of reinforcement of GE across all the programming.
Strengthening of international connectivity, of accesses and mobility	Non-existence of formal mechanisms of articulation between the OPs. In terms of the <i>contribution to improve the mobility of people and goods and competitiveness of economic activities</i> , the objectives set for passenger train connections and airport infrastructures are at risk. Low level of implementation of objectives in terms of inter-regional connectivity, particularly in terms of train and multi-modal transport. Progress in the complementarity of networks at the different territorial scales. Lack of operations to connect areas of high and low density.
Enhancement of the urban system	High potential for investing and producing effects in terms of the Urban Renovation Partnerships (URP) and Urban Competitiveness and Innovation Networks (UCIN) which will keep up with the programming schedule even though there have been some diversions in terms of the Action Programmes. High level of implementation of the generic objectives of the cities policy in the already approved operations and Action Programmes, with poor results in the Urban Regeneration and Development Actions (URDA). Relevance of the partnership factor: high number of entities having subscribed to Partnership Protocols and operations included in the Action Programmes provided by non-municipal bodies. Poor rate of urban Collective Efficiency Strategies (CES). Tendency to improve the quality of interventions.
Environmental protection and enhancement	Relevance of the typologies related to water supply and wastewater sanitation and to infrastructures linked to the waste management, supported in sectoral strategic references, with the exception of actions to recover the environmental liability and actions to enhance and qualify the environment. Significant impact in terms of quality of life, although with a contribution which was less than expected by the NSRF. Confirmation of the potential to create jobs in environmental economics. A slight disadjustment between the standard of concentration of investments and indicators of the need, with specific relevance to solid waste, active management of protected and classified areas and the enhancement of the coast.
Networks, Infrastructures and facilities for social and territorial cohesion	Strong relevance of the effects associated with the modernisation of schools, with a strong effective articulation between the Human Potential and the Territorial Enhancement agendas, with an additional impact on the fight against the crisis (fostering economic activities and keeping jobs). Relevant effects also in the area of fundamental primary health care and in local health institutions, allied to a clear concern about supra-municipal projects: Rehabilitation Centre of the North and Coimbra Paediatric Hospital are striking

Evaluation questions	Results: Main ideas
	projects. Slow progress in approved investments in social facilities within the scope of the HPOP.
<b>COMPREHENSIVE QUESTIONS</b>	
Contribution of the NSRF for economic, social and territorial cohesion	The dynamics of the NSRF programming incorporates practically all the community guidelines for cohesion, with particular relevance for the triangle (knowledge and innovation, employment and attractiveness”, especially for the emergence of this triangle effect in the convergence regions Objective. Need to deepen the monitoring of the convergence of the three TOAs in specific territories. Non-existence of regional rationality centres to territorialise the HPA. The Territorial Development Plans (TDPs) are not working as important references for the strategic convergence of the three agendas in the territories with processes for contracting out work.
Contribution of the NSRF for the creation of more and better jobs	Even when not taking into account the medium and long-term macro-economic impact, the effect of public expenditure channelled by the programming will be significant in terms of economic activity and therefore in sustaining levels of employment. It is estimated that the programming will contribute to altering the Country’s competitiveness model, an essential effect to counter the unfavourable progress of the real unit labour costs within the EU. Expected significant contribution to improve qualifications organised around a target group and an objective: to generalise the completion of secondary level education. Complementary effort to continue with advanced qualification of Human Resources.
Strategic implications of the new environment	Even with a number of (reversible) perverse effects in terms of levels of selectivity, the NSRF revealed to be an important instrument of anti-cyclical intervention without losing its structural dimension. It is estimated that the worsening of the turbulence of the financial markets and the problems associated with the Portuguese sovereign debt and the return of restrictive policies to the universe of the euro will prolong the international crisis and will create an even more unfavourable context for the implementation of the programming. A necessary refocus of the programming around: enhancement of tradable goods and services; priority to investments modernising infrastructures with an impact on the improvement of conditions for the territorial competitiveness of regions in logistical conditions if internationalising national territory and creating complementarities with the qualification of the Portuguese; support to clusters and poles of competitiveness with greater effects on the alterations of the specialisation model.
Regulatory model: selectivity and concentration	Reassessment of the model of tenders used in the ERDF regulatory typologies by adjusting it to the aims in sight and to the nature of the operations and promoters to be rendered more dynamic. Adjustment of the ERDF regulatory basis to specific regional needs. Need to shorten deadlines for appraisal in a number of innovative areas. Normalisation and standardisation of options in terms of the establishment of confounding rates. Opportunities to intervene in terms of advanced payments and eligibility of expenses.
Collective Efficiency Strategies and structural adjustment of the Portuguese economy	The strategic relevance of the Collective Efficiency Strategies (CES) for the implementation and the objective of the NSRF have not been sufficiently taken into account in terms of the integration of initiatives, strategic running of the process and creation of rationality centres. Non-existence of an operational integration area of the two aspects of the CESs: productive and territorial with a poor explanation of the priorities in the programming in terms of rigorous application of concepts of these two latter aspects, with particular relevance for the case of the URDAs. Very promising projects from poles of competitiveness and clusters which need specific support. Necessary refocusing of the PROVERE initiatives in terms of anchor-projects to be more clearly in line with competitiveness. Necessary emergence of regional strategies to bring about extensive rationalisation.
Strategic environmental assessment	The recommendations of the Strategic Environmental Assessment (SEA) were in general taken on board in a satisfactory manner. Less successful aspects: recommendations associated with the need to include a preliminary analysis of the risks of the operations for



Evaluation questions	Results: Main ideas
	the Environment and Sustainability in the applicants' forms were not as a rule taken into account; good practices of projects in the area of climate change were not given their due value; insufficient promotion of the governance component.

### *The major conclusions of the evaluation*

#### **The need to preserve the strategic dimension of the NSRF**

The use of the innovative instrument of the programming theory helped draw the conclusion that:

- The NSRF channels a valuable potential for strategic intervention, closely in line with the structural constraints of the Portuguese economy which inspired the announcement of the three TOAs and with the well-founded on available diagnoses on the national structural reality;
- By comparing the identified critical factors with the dynamics of the programming implementation, it can be stated that, by simply extrapolating the observed situation to now, the implementation of the strategic dimension of the NSRF falls short of the potential suggested by its concept.

By taking into account the already observed alterations in the programming context (from an expected situation of growth to a situation of crisis) and those that are expected to come following the generalised restrictive macro-economic policies, the OEV sustains that the programming should focus on its strategic dimension. It is absolutely necessary that, in addition to a greater homogeneity in the internal coherence of the three TOAs, the drops and losses of efficiency when implementing the strategic dimension announced by the NSRF be minimised. It is essential to restore the virtualities of the triangle “knowledge and innovation, employment and attractiveness”. It is therefore necessary to bear in mind that the paradigm shift assumed by the Human Potential TOA in the sense of the value of employability requires that favourable conditions should be created to increase the demand for qualifications by individuals, companies and organisations in general, in order to ensure that the programming’s structural impact will not be postponed.

The OEV highlights the existence of serious shortcomings in the monitoring process of the convergence of the three TOAs in specific territories, especially from the point of view of a well-balanced response to the two relevant and necessary dimensions of cohesion in Portugal: the creation of equal opportunities between territories and the enlargement of the competitiveness base to territories too dependent on the redistributive policy in terms of infrastructures. This conclusion is reinforced by the fact that instruments of the NSRF programming model designed to intervene in such areas are not active or the results of their action have been delayed.

This difficulty in monitoring synergies and complementarities between the three TOAs in specific territories is a result of the clearly individualised operationalisation of the agendas, thus segmenting the programming and being enhanced by the sectoral matrix and by the regulatory basis meanwhile created. Despite the stops and starts observed in the NSRF programming in terms of strategic reach, the problems already identified by the CSF III Mid-Term Evaluation (2003 and 2005) still persist. These problems were related to the non-existence of strategic integration platforms of the different programming areas considered a crucial factor of its efficiency. The existence of three well-defined TOAs and the decrease observed in the number of OPs at first sight favoured the potential for the integration of the different areas of intervention of the NSRF.

The “sectoralisation” of the regulatory basis tended to re-establish the primacy of sectoral criteria without taking on board the integrating potential of the territory, which will tend to be reinforced with the need to increase levels of NSRF implementation. The strategic dimension of the NSRF is suffering greatly from the lack of rationality centres upstream of the programming management, which could monitor and keep alive and kicking the strategic

priorities of cross-the-board areas, such as the sectoral and territorial CESs. The lack of these rationality centres not only compromises the consistency of the two types of CESs but also renders it impossible to manage the synergies between them. The non-existence of explicit mandates for the Regional Development Coordinating Commissions (RDCC) and the ROP to monitor the territorial CESs (Urban Development Innovative Actions-UDIA associated with URP and UCIN and the transformation of the OP COMPETE into a rationalisation centre to supervise poles and clusters, illustrate very well the fact that conditions have not been created upstream of the programming. The same could be said about the Cities Policy.

The programming implementation continues not to have public policy territorialisation conditions which allow for the full use of the convergence and synergy of several of the programming areas in territories with specific issues. The drafting of TDPs for the application of contracting out work mechanisms with the Global Subvention arrangement, involving the Inter-Municipal Communities (IMC) could have been a window of opportunity to be used as strategic territorial references of a sub-regional scope but however it did not open. Problems with the convergence of different public policy instruments (urban and rural planning and development) in territories with low population density requiring an integrated approach, for example, despite energies placed in a number of territories within the scope of TDPs.

Finally and also within the scope of the Human Potential TOA can be ascertained the need to create conditions upstream of the programming. An area which is becoming recurrent in the evaluations which involve ESF co-funding of training actions is the true need to operationalise criteria of the training quality measure. The use of certification processes of the training bodies as practically the only criterion assessing this capacity is clearly insufficient and the MA is faced with an unresolved problem.

### ***Regulatory basis and contribution of information systems to support the strategic monitoring of the programming and the evaluation***

The evaluation work helped draw a number of conclusions of interest to the development of the work in re-launching NSRF programming:

1. The diversity of regulatory instruments, namely that resulting from the differences between ERDF Cohesion Fund regulations just increases the complexity of the regulatory framework, frequently confused by the promoters of the operations with the extra bureaucracy contained in the programming. This basic diversity between the two funds makes it difficult to understand the option used in several programming areas of associating the logic of tenders with the submission of applications to the selectivity and qualification objectives of approved operations.
2. As regards the ESF there has been a major continuity in relation to the model in force during the previous programming period, the regulatory framework of the Fund not having created limitations to the normal development of the use of resources in the different intervention typologies included in the OPs of the HPA, and revealing the ability to satisfactorily adjust to take on board the responses, namely by the employment policy, to the conditions imposed by the economic-financial crisis. The margins of adaptation identified, especially of an operational nature, should be deepened within the scope of the Evaluation of the Regulatory Framework conducted by the IGFSE.
3. The above mentioned abundance of ERDF and Cohesion Fund regulations (close to 68 Regulations, three of which correspond to modalities of incentive systems) set up start up conditions for the different OPs which would otherwise have had difficulty in rationalising and adjusting the regulatory framework, namely from the point of view of their responsiveness to regional specificities; the transition costs incurred with getting the administrative machine up and running tended to use up the technical

structures resources, completing the addition load introduced by the qualification apparatus of the merit analyses associated with the logic of tenders. This difficulty is especially applied to the ROPs within the scope of which the recent conviction among the between the MAs that there exists unused potential to adjust the regulatory framework to regional specificities.

4. The option taken by the ERDF and Cohesion Fund (Mainland OPs) to associate the implementation of added levels of selectivity in the programming with a predominant logic of tenders requires extensive rationalisation in the second phase of implementation of the programming schedule. The evaluation considers the effort of improving the merit analyses as a good practice, stimulating the promoters of operations to qualify projects and to adjust to new selectivity criteria in the programming. The creation of analysis panels outside the regions, with distinguished technical and scientific professionals is of special interest. However this use of tenders cannot be implemented without considering the specificities of the demand, requiring in some cases to consider alternative models, such as the formulation of specific invitations to submit applications, namely in innovative programming areas with difficulties in creating a demand that is qualitatively acceptable.
5. The introduction of alterations in regulatory flexibility and simplification, determined by the adjustment of the programming to the economic and financial crisis, can be improved by way of a number of proposals that the OEV has introduced in the Recommendations Chapter. However the recently restrictive measures imposed to speed up conditions for the consolidation of public accounts require to be once again revised, especially in terms of incentive systems to companies. In fact, it is in the expected conditions of low domestic demand that the effects of such measures on the available income will be brought about and the orientation towards private and public investment to improve conditions for exports or for the national production of substitutable import products must be undertaken. The return to one of the fundamental NSRF guidelines, materialised in the stimulus to the production of tradable goods, is absolutely vital in the second NSRF implementation phase.
6. There is an overall perception by the promoters of operations that the regulatory requirements for applications are burdensome. The most binding testimonial received in the evaluation is that of university-companies interfaces and companies with a great deal of experience in participating in international R&D tenders as part of a consortium (EU Framework Programmes, for example), who state that bureaucratic requirements to be fulfilled by in the NSRF are incomparably more burdensome than community requirements. This evidence among other aspects corresponds to the option taken to enrich COMPETE's information system with more detailed data in the application, which has been shown to be an extremely rigid factor in the adjustment process of applications to the concrete implementation conditions of projects.
7. This difficulty is comparable with the recognition by the Evaluation Team that the information systems supporting the management, monitoring and evaluation of the NSRF continue to produce outputs which are too focused on financial logic and rigid in terms of physical implementation indicators. The strategic monitoring of the NSRF, reflecting on the coordinated and territorialised management of the three TOAs does not have a flexible and speedy information support able to "feel the heartbeat" of the implementation dynamics of the different regulatory intervention typologies based on an operational logic. Drawing results and indicators emerges as closely linked to the drafting of implementation reports, requiring that the evaluation and strategic monitoring practices should adapt to the timing of the elaboration of the Implementation Reports and not the contrary. The weakness of the effective base of physical indicators with which the evaluation work worked is proof of the limits set out in this topic.

8. The topic of strategic monitoring is, in the opinion of the evaluation team, of vital importance vis-à-vis the original strategic ambition of the programming. Its operationalisation will imply a specific discussion among the main stakeholders involved in the governance of the NSRF. The orientation we consider to be more promising points out to the creation of observation and monitoring panels of concrete projects, identified in relation to their significance for the achievement of the main strategic NSRF goals.

#### ***Contribution of the NSRF towards the change of the specialisation profile of the Portuguese economy***

More than a decisive and irreversible impact in the specialisation pattern of the Portuguese economy, the NSRF is transforming the competitiveness models of some regions (particularly North and Centre), it being expected that this transformation will produce effects on the medium term on the specialisation pattern, especially if public policies make good, consistent and regular use of the change observed in the competitiveness conditions. The implementation of NSRF programming shall create favourable conditions for the consistent and persevering public policy guidelines to bring about corporate investments of a more technologically intensive nature, greater incorporation of knowledge, gains in the value chain of traditional sectors of the Portuguese economy (footwear industry, for example) and also the emergence of higher added-value export sectors.

When compared to the previous programming period, there are obvious signs of the deepening of promising tendencies:

- Significant increase of R&TD in companies, producing a mass effect which is new in the history of ERDF programming in Portugal and is also visible in R&TD investment in small and micro-enterprises (especially in the North and Centre regions). This progress in the levels of corporate investment in R&TD results in the fundamental priority for its progress being the monitoring of the quality of the projects and the mandatory market orientation, an indispensable condition leading to effects in terms of specialisation pattern;
- Signs of increasing supported investment in medium and high technology sectors;
- Signs also observed of an increase in the number of companies created with the support of the NSRF of greater technological intensity, showing effects of the programming on the area of technology-based entrepreneurship and strong association with the intensification of corporate investment in R&D.

The effects of these indicators on consistent changes in the specialisation pattern depend on a fine-tuning of the programming which is within the reach of a second phase of implementation:

- The focus and acceleration of the approach introduced by the sectoral CESs are absolutely necessary to orient the dynamics shown by these indicators towards more relevant processes of structural adjustment;
- It is also necessary that the governance model of the incentive systems reinforces the cooperation process led by the network of technical structures, by rendering compatible the increase in selectivity, the adjustment to the specificities of the regional structural adjustment processes and the effects on the specialisation pattern.

#### ***Contribution of the NSRF towards the enlargement of the territorial competitiveness base of the Portuguese economy***

Particularly in the North and Centre ROPs, the combination, within the scope of their respective Priority Axes 1, of components of incentive systems (small and micro-enterprises) and interventions in complementary areas of competitiveness creates the conditions to, in synergy with the COMPETE in these regions, generate a significant change to their competitiveness model. The effects expected from the creation of favourable conditions for the emergence of Regional Innovation Systems (RIS), involving support to the National Scientific and Technologic System (NSTS) institutions located in these regions, technology-based infrastructures and company incubators with

an intensive use of knowledge are particularly relevant. In the period corresponding to the OEV, the commitment already contracted by the two ROPs falls a great deal short of what is set out in the programming and especially in terms of the dynamics in the launching of tenders and the work to raise awareness of regional institutions carried out by the two Management Authorities (MAs). It is estimated that there will be a significant time lag in terms of results expected, resulting in monitoring and focusing recommendations by the MAs leading to the use of the unequivocal potential that has meanwhile been recognised.

The analysis of the potential demand for this support shows that there are relevant projects in the pipeline in the areas of support to scientific infrastructures, technological infrastructures associated with the main university-company interfaces in the two regions, with significant impacts on the corresponding competitiveness models.

A greater focus by the PROVERE Action Programmes around projects with a greater impact on the above mentioned regional competitiveness conditions would also tend to enhance the NSRF's contribution to the already mentioned enlargement of the territorial base.

The work carried out by way of the programming to promote new industrial zones with good interaction with the potential incubator of technology-based infrastructures and with entrepreneurship programmes reveals the difficulties in mobilising the projects, especially because the ability of the Municipalities to adapt to the selectivity conditions imposed (minimum area, management and financing conditions) has been slow.

The evidence of the time lag in the implementation of this type of projects enhances the perception that we are faced with a paradoxical element in the programming: high potential to alter the competitiveness conditions and no or few results in terms of commitments already contracted. These are costs associated with the selectivity strategy adopted, requiring specific monitoring to accelerate the signing of contracts and the start of implementation.

The good practice of North ROP in creating a priority axis dedicated to giving value to specific assets is taken on board by the programming. This constitutes the most advanced formula in terms of creating conditions for the enlargement of the territorial base of competitiveness. The relevance of topics such as the sea and the structuring of a regional cluster in this area, creative industries and understanding the Douro as a specific asset of the Region find in the dynamics of approved projects which can be emblematic of the actual concept of specific asset.

The enlargement of the territorial base of competitiveness is still strongly influenced by the difficulties faced by the Competitiveness, Innovation and Knowledge policies in adjusting to regions such as the Alentejo and the Algarve. The weak institutional support structure and the characteristics of the productive fabric and model in both regions justify a proactive approach regarding this issue in the second phase of NSRF implementation tending to find a feasible portfolio of projects which may produce relevant effects in their competitiveness models.

### ***Inclusive modernisation of Portuguese society***

The desirable articulation between economic competitiveness and social cohesion has been achieved in NSRF programming by proposing an inclusive modernisation of Portuguese society of which the Human Potential TOA constitutes a crucial intervention tool.

The accomplishment of the effects expected within the scope of this programming depends on developments in three strategic areas: (i) NSRF's responsiveness in terms of improving qualifications and allocation of human resources; (ii) the ability to monitor/regulate the quality of the training projects to fulfil the strategic objectives defined for the Human Potential TOA; and (iii) the implementation of territorialisation instruments of interventions

able to promote: the institutional articulation and cooperation in territories from a prospective training perspective and the integration of financing instruments on the territory.

The ability to respond to the desired improvement in qualifications is made easier by the diversity of instruments made available by the programming and by the relevance of the political agenda of the NOI:

- Maturity of Initial Qualification translated in the dynamics of the demand aimed at the training modalities which give professional qualifications and in the reinforcement of mechanisms bringing the supply closer to the corporate demand for skills;
- Remarkable effort made to mobilise and include youths running the risk of failure and dropping-out school, through the activation and qualification of the TECs for the Youth;
- Unequivocal contribution of the Initial Qualifications interventions to increase school and professional qualifications of the trainees covered, e.g., in terms of fulfilment of established targets;
- Modulation and adjustment of provision in the area of the Priority Enhancement of Qualifications of employees with corporate receptiveness to the NQC and involvement in the NOI;
- Combination of provisions available in flexible and attractive qualification courses, appropriate to the needs and motivations of individuals and employees, albeit with difficulty in being more generally disseminated.

The relevance of political school and professional training measures in the NOI and the Human Potential TOA place special demands on different areas of Quality: (i) the design and programming of the training provision; (ii) the ability to organise and manage training processes; (iii) the ability to develop and apply provisions to monitor training and non-training project; (iv) the ability to develop and apply training assessment methodologies, namely regarding the return on investment in training by companies; (v) the ability to structure/coordinate social and territorial animation resources from the viewpoint of empowerment and local development; and (vi) the ability to structure effective information and school and professional guidance instruments.

In the programming there are a number of favourable signs, some of them requiring consolidation:

- Emergence and consolidation of the NQC, covering areas of training with the purpose of regulating the training provision;
- Orientation of training provision through regulatory instruments recognised by the operators (corporate demand and provision of training bodies);
- Consideration of the needs assessment and provision planning as vital aspects in the development of dual certification;
- Ability of training operators to increase and diversify the provision without forgetting the quality aspect, namely as far as the relationship with companies and with their real training needs is concerned;
- Integration of interventions to address the multiple factors generating social exclusion: need for institution maturity, effective development of work in partnership and for articulation between institutions working in the area of poverty and social exclusion.

As to the problem of territorialisation of the Human Potential Agenda, the non-existence of regional and supra-regional strategic rationality centres, namely those oriented towards the prospective evaluation of training needs and towards the definition of standard-type situations of social exclusion, compromises the such territorialisation in the programming. The work carried out by the National Qualifications Agency (NQA) in terms of rationalising the provision, by taking into account the Public Professional Education Network, Professional Schools, Learning System

and Education and Training Courses, in addition to triggering a new instrument linked to the implementation of the Catalogue (Sectoral Councils) minimises but does not satisfactorily bridge this gap.

The experience of animating rationality centres at regional level will be more effective being aware of certain concerns: (i) articulation of the existing provision in order to guarantee territorial and sectoral complementarity, as well as the appropriate management of existing and expanding resources; (ii) role of structures detached from those entities responsible for education and training/employment; (iii) adjustment of the territorial dynamics of institutionalised training responses; (iv) take care of the social problems which condition the effects of the training in terms of integration of the individuals.

### ***Ability to integrate the Territorial Enhancement (TE) TOA objectives***

Three types of integration mechanisms and mechanisms for the articulation of objectives were identified: (i) those which are part of the NSRF's architecture and of the different financial instruments; (ii) those concerned with the NSRF and OPs governance and operationalisation models; and (iii) those of a strategic nature and related to public policies.

Upon ponderation of these mechanisms the following conclusions were drawn:

- The TE TOA does not possess a unified political agenda and each one of the sub-agendas does not appear to have its own rationale;
- The thematic segmentation and the corresponding regulatory model adopted are obstacles, with few exceptions, to the design and implementation of integrated operations; the Cities Policy may be considered an exception to the rule of segmentation of interventions, the remaining policies being strikingly vertical;
- The non-creation of Thematic Rationality Centres strongly condition the integration of TE TOA objectives;
- There is no solid evidence that the POs' Strategic Counselling Committees are issuing proactive assessments on the TEOP incidence in the corresponding territories;
- The exceptions to these shortcomings are: i) the TEOP Thematic Articulation Groups to articulate the complementary interventions of the TEOP with Regional OPs and PRODER (in the case of Alqueva); ii) the TEOP Intermediate Bodies, especially those which have both national or regional policy management responsibilities; iii) the procedures whereby applications are appraised which, in numerous cases, (TEOP, ROP) establish the need for official (binding) technical appraisals on operations, in some situations as elements to be attached to the application itself, in others as a relevant factor to be considered in the analysis of merit; iv) the Support and Coordination Structure (created by Ministerial Order MAOTDR of 28<sup>th</sup> March 2008) for interventions in the area of basic sanitation, which includes INAG, the Regulating Entity for Water and Wastewater Services and the Hydrographical Region Administrations.

### ***Degree of accomplishment of mainstreaming and integration of the Cities Policy***

The different instruments of the Cities Policy, especially Partnerships for Urban Regeneration (PUR) will, should the operations established be accomplished, have a very relevant impact on the qualification of the urban system.

The mainstreaming of the Cities Policy POLIS XXI is asserting itself which results especially from coordination and monitoring at different levels and it is within this scope that we can see a number of contradictory signs. Also with regard to the ability to mobilise other (national and community) financial mechanisms or of the connection with urban rehabilitation policies and housing (involving the Urban Rehabilitation and Housing Institute (URHI) or the

Urban Rehabilitation Services (URS) no very concrete signs are as yet visible even though a number of mechanisms have been created, such as the JESSICA Fund.

The Cities Policy is not a “public policy” in the full meaning of the term, but is an integrating vision of several dimensions (intra-urban, inter-urban, city – region) and sectoral policies (rehabilitation, economic development and competitiveness, social integration, etc.) of a broad thematic spectrum (visible due to the reach of the types of operations it includes).

The main implementation mechanism is a rationality centre (animation, articulation and evaluation). Assessing the first three years one can say that dynamics have been generated, as well as a notable demand by agents on the territory, but that there are shortcomings in terms of global monitoring and the functioning of some of the decentralised action mechanisms. If on the macro level we can talk about this rationality centre and on the meso level we mainly find monitoring mechanisms, it is at the level of accomplishment on the ground that mechanisms can be found which reveal the ability this Policy has for integration and mainstreaming (or rather, each one of its instruments).

In fact, it is in the preparation processes of the Action (URP) or Strategic UNCI Programmes and in the formatting of the administrative bodies of each one of these Programmes where the success or sustainability of this Cities Policy lies. We can however say that even though the signs have been very positive, these processes must not cease to be monitored and oriented at the meso and macro levels that we mentioned, if not they could lose their initial enthusiasm.

The articulation of the Cities Policy with the territorial CESs is less positive. The economic dimension of the articulation of URPs and UNCI with the involvement of private corporate agents was of less significance at the origin of the action programmes.

### ***Strategic dimension of the NSRF and governance model***

Most of the lack of accomplishment of the strategic dimension drawn up for the programming will, in order to be overcome, require at least a fine-tuning of the governance model, if not a complete change:

- The model based on the delegation of management powers in Intermediate Bodies has shown to be advantageous, especially in situations where it was possible to capitalise on the experience resulting from the knowledge of the sectoral strategies and political instruments on behalf of effectiveness in the operationalisation of the intervention typologies (e.g., OPs in the Autonomous Regions and Priority Axes of the Thematic OPs).
- The shortcomings observed in the monitoring of the convergence of the three TOAs in specific territories are worrying especially because they are not active institutional areas able to secure an in-depth monitoring process;
- The choice of certain standard-type territories to test this monitoring and the stability of a model to approach strategic monitoring would in our opinion be the most effective manner to move forward with the process;
- The NSRF Ministerial Coordination Committee requires a decision support model based on a coordinated view of the action of the TOAs, thus constituting the non-definition and operationalisation of the Thematic Rationality Centres (set out in the governance model), its most eloquent expression;
- The strategic programming dimensions (sectoral and territorial CESs and Cities Policy, for example) require that there be strategic rationality centres upstream of the programming management to uphold



the previously defined strategic guidelines and the supervision of those priorities in relation to the concrete implementation dynamics observed;

- The contracted processes with the Global Subvention arrangement between ROPs and IMCs and the implementation of territorial CESs have not been organised with the purpose of providing regional organisational learning conditions, empowering IMC and the RDCC in territorialisation processes of public policies for specific standard type territories;
- The bottom-up and top-down validation potential of sub-regional development options that the TDP could potentially channel was not properly made use of, especially from the point of view of their inter-dependencies with the territorial CES instruments;
- The NSRF overall governance model also reveals difficulties in integrating into its practice a full adjustment to the regional specificities of the NUTS II which are the ROP object of intervention. The differentiated nature of the constraints and potentialities of the North and Centre versus the Alentejo (although it shares the same regime as the former), Lisboa e Vale do Tejo and the Algarve (the last two with much lower financial allocations) continues to challenge a common regulatory basis; this challenge is mainly projected in the different scope that the competitiveness, innovation and knowledge axes have in their corresponding programming arrangements;
- It is necessary to create institutional frameworks, especially in the North And Centre regions, where the more representative instruments are the programming instruments oriented towards the enlargement of the territorial base of competitiveness; the institutional framework should be focused on the supervision and regulation of the emergence of RIS as a factor of efficiency of the programming itself;
- The Autonomous Regions of the Azores and Madeira found programming and regulatory models that are well adjusted to the strong predominance of public investment in their OPs, representing a good example of adequacy to regional specificities and the corresponding and necessary regulatory adjustment. In those Regions there are different challenges and are related especially to two areas of intervention: the operationalisation of incentive systems for companies adjusted to the regional production fabric and the necessary learning in more innovative areas of programming which do not correspond to the experience of previous programming periods (e.g., cases of innovation and knowledge, training and consultancy, advanced training and qualification of training of the active workforce).

### **Recommendations of a strategic nature<sup>1</sup>**

1. **To capitalise on the results of the present Evaluation as a basis for strategic advise to the NSR several governance bodies in terms of how to readjust the strategic effects intended to the situation generated by the differences** between the economic and social context of the NSRF and that in which it was designed and planned;
2. **To focus and refocus the NSRF governance model around the strengthening of the coordinated management of the TOAs.** It is vital that coordination and strategic integration bodies set out in the governance model be made fully operational, as is the case of the Thematic Rationality Centres (TRC), the Observation Centre of Regional Dynamics (OCRD) and the Strategic Counselling Committees of the ROPs. The justification for this Recommendation is found in the measure of the necessary compensation of the fragmentation effects that the multiplication of the regulatory base (especially the ERDF and the Cohesion Fund) ended up by generating. It is recommended that standard type territories be defined from the

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<sup>1</sup> In the development of the Final Evaluation Report there are other recommendations in terms of conditions to be met upstream of the programming of the definition of public policies.

viewpoint of the issues involved (e.g., low density, industrial decline and of long term unemployment territories) to carry out the strategic monitoring of the convergence between the three TOAs.

3. **To create a Territorial Enhancement Thematic Rationality Centre** to serve as the link that is missing in the governance model, between the political direction (the NSRF Ministerial Coordination Committee (MCC), the TEOP MCC and Regional OPs) and the implementation activities. This TRC is based, in terms of monitoring, on the combined action of the NSRF Observatory, the OCRDs and the Rural and Urban Planning Observatory, and should influence the implementation of the Programmes through the mechanisms of a more operational nature. **In a context close to that of Regional Spatial Planning Plans in force**, it is essential that these regional rural and urban planning instruments, with associated Implementation Programmes, fulfil the guidance role of the intra regions NUTS II options, by contributing to the definition of new legitimacies in terms of the allocation of resources and the consolidation of territorial models proposed in them; it is in these documents that is included the territorial development model to be consolidated, and for this reason that they represent a programming rationalisation instrument;
4. **To schedule in a systematic way the joint participation of the MAs of the Regional OPs and the TEOP MA in the OP Monitoring Committees;**
5. **To reinforce the usefulness and the strategic nature of the Strategic Counselling Committees (SCC) of the Mainland ROPs**, from the information produced by the OCRDs and the proposal for initiatives aimed at orienting the intervention of TEOP and remaining Thematic OPs in each regional territory;
6. **To provide a number of strategic programming areas of the NSRF with rationality centres, which will operate upstream of the programming and in close cooperation with the political decision making centres.** The evaluation concluded that there are programming areas, the rationality of which is focused on the actual MAs of the OPs, which is the main instrument leading to the achievement of the proposed strategy. The entrepreneurial/sectoral CESs, the territorial CESs (PROVERE and URDA) and the Cities Policy are examples which have been sufficiently well studied by the Evaluation and require strategic supervision and the definition of medium term guidelines.
7. **To create conditions within the scope of the coordinated management of the three TOAs** to guarantee that the NSRF strategic monitoring process consolidates and that the results of this monitoring are transformed into relevant tools of communication for the NSRF.

### Recommendations of an operational nature

1. To reinforce the principles of selectivity established at the start up of the programming, countering the infrastructural difference in the orientation of the projects of a number of entities and offsetting the need to mobilise relevant flows of knowledge and to consolidate strategies to attract and support companies.
2. To reassess the processes introduced to render certain aspects more flexible and simple, especially in the ISs, the purpose of which is to adjust the programming to crisis-fighting policies.
3. To fully accomplish the cooperation network constituted within the scope of the ISs between MA and the technical structures of COMPETE, Intermediate Bodies and ROP to improve the model and enhance the learning potential which is offered to the regional technical structures.
4. To adapt the ISs to regional specificities within the scope of the potential from the intervention that the common regulatory basis channels.

5. To consolidate the acknowledged experiences of Poles of Competitiveness and Clusters, as an adjustment and selectivity priority, taking into account especially the potential from the adjustment which the inter-entrepreneurial logics tend to create and in particular the acknowledgement of the experiences which advance in the fulfilment of the principles and aims of a CES.
6. To adjust the rhythms and modes of organisation of the Evaluation Panels of the R&TD projects to monitor the mass effect determined by the growth of the supported investments.
7. To promote consultation efforts with R&TD investment promoters.
8. To refocus the territorial CESs, within the scope of a new mandate aimed at the RDCC, namely: by focusing the PROVERE Action Programmes on a re-evaluation of the anchor projects.
9. To render ProDeR programming more adequate to the CES approach in order to positively include the financing of the anchor projects of some Clusters and Poles of Competitiveness, especially in the agro-food sector.
10. To make the opening of the HPOP programming aware of the problems faced by the CESs (Poles and Clusters).
11. To strategically monitor the North and Centre ROP programming components associated with the territorial enlargement of competitiveness of both Regions.
12. To decisively counter the atomisation of experiences in creating technology-based incubators.
13. To enhance in the programming the incubation of companies component in the area of the social economy.
14. To reinforce the centrality of the support of the Structural Funds in the accomplishment of common European objectives in terms of education, by: (i) Maintaining the levels of support to the extension of the pre-school network and to the modernisation of educational establishments programme; (ii) Maintaining the levels of support to the New Opportunities initiative and to reinforce the support to the guidance systems; (iii) Maintaining the support to initiatives within the scope of the TEP, especially focused on the dimension of skills;
15. To assess the feasibility of introducing new intervention typologies in the area of social cohesion.
16. To assess the feasibility of programming measures to encourage corporate participation in partnerships for the development of vocational training.
17. To assess experiences of integrating multi-sectoral interventions.
18. To re-orient the attributions and powers of the different bodies involved in the management of the TEOP.
19. To transform TDPs into effective convergence tools of sectoral programming from a territorial viewpoint.
20. To create conditions in the OPs' technical structures to accelerate the evaluation periods of candidates in tenders with high levels of selectivity in most of ROPs.
21. To enhance the study of HPOP commitments and implementation dynamics, by revealing the diversity of support that the ESF is offering.
22. To make persistent efforts to overcome the information difficulties that the strategic monitoring of the programming finds on the ground.
23. To ensure the monitoring of the interventions supported by the HPOP is of quality as this is a key element to make use of the potential of inclusive modernisation of the TOA.

24. To promote an urgent analysis of the state of physical implementation of the approved projects.
25. To require that the MAs of the different OPs publish lists of approved projects with their potential processing.
26. To improve Information and Monitoring Systems of the different Operational Programmes.
27. To create (with the HPOP in conjunction with the NQA) provisions to monitor obstacles and failures in operations in terms of access to level III qualifications with dual certification (for youths and adults).

### **Implications of the OEV in terms of NSRF reprogramming**

Although the OEV may not alone determine the reprogramming strategy, its results suggest a number of implications:

1. There is no need to proceed to reallocations of the overall distribution of resources in the programming for ERDF, Cohesion Fund and the ESF. The investment initially made to strengthen the programming component allocated to the ESF is protected up to a certain extent by a TOA which is up to the new potential from co-funding, no problems having been detected in terms of demand. On the contrary, the Evaluation points towards the need for readjustments within the global intervention of the ESF, determined mainly by the structural context of the Portuguese economy and by the need for specific answers to the problem of long term unemployment. Besides, it is necessary to make the TOA's contribution more visible within the scope of territories with specific development problems (reconversion of the industrial model, consolidation of regional innovation systems, low density, for example), thus rendering the coordinated management of effects more consistent with the remaining TOAs.
2. The evidence gathered in terms of residual use of other funds in a mono-fund OP reveal a certain opacity in the way the programming implementation is achieving this possibility open by the Structural Funds Regulations. The mono-fund perspective *strictu sensu* is undeniably the dominant position, with the exception of the HPOP and COMPETE with a marginal use of ERDF and ESF funds, respectively. The above mentioned programming opacity in this matter makes it difficult to have a well-founded opinion on this matter. The requirements in terms of technical and administrative resources which the operationalisation of this regulatory opportunity tends to imply they appear to be disproportionate in relation to the amounts which may be involved in that operation.
3. There are nevertheless clear options and priorities of reallocations to be made within the scope of the action taken by each Structural Fund.
4. As regards the ERDF interventions, the adjustment of the programming to the expected context for the Portuguese economy requires that the components which may be transformed on the short and medium term into better conditions for the production of tradable goods and services should be reinforced in order to in turn reinforce the NSRF contribution for the production of results in this area. In the expected context of drops in dynamic growth factors associated with internal demand, it is essential that the programming can contribute to gains in the national and regional position in terms of external demand. It can therefore be justified that in the scope of the Competitiveness TOA, new intra-agenda priorities are placed and oriented with this in mind.
5. In strict complementarity with this last orientation, there is room to reinforce ERDF support in terms of R&TD, by increasing the contribution of this type of investments for the consolidation of the more promising projects involved in the creation of the Competitiveness Poles and Clusters and by giving maximum priority to R&TD operations with a greater potential to produce effects in terms of market approach. The accomplishment of this option may imply the assumption that there will be alterations in

the ERDF IS/ERDF Other operations distribution (by increasing this ratio) and there will be priorities in allocations inside the IS for the available co-funding amounts.

6. A possible reprogramming of the Priority Axes focused on the Competitiveness, Innovation and Knowledge of the ROPs should maximise their contribution to territorial competitiveness and to decisive contributions to alter the competitiveness model of the regions. In terms of technology-based infrastructures and technology-based incubators, action programmes and operations which demand effective intervention in the corporate fabric instead of just projects limited to the construction of infrastructures should be favoured. The priority support to operations effectively articulated with CES projects should be secured, as well as the priority to support entities in the National and Regional Technological and Scientific System which guarantee conditions to internationalise the region through scientific excellence and an active contribution to the consolidation of the RIS. The creation of complementary funding mechanisms which would make it feasible for the municipalities to have a more in line response with the selectivity requirements of corporate operations complete the priorities in terms of the refocusing of the programming.
7. The reprogramming of the Priority Axes I of the ALENTEJO and ALGARVE ROPs is required and is justified if one takes into account the adequacy of the intervention logic in terms of innovation, competitiveness and knowledge to the characteristics of the potential (corporate and institutional) demand which exists in those regions. In the case of the Alentejo, the creation of a local economic development programme oriented towards the integrated enhancement (including the production of relevant knowledge) of regional resources should be a priority. In the case of the Algarve, the creation of support lines to operations that may counterbalance the typical crowding-out effects generated by the tourism-real estate sector deserves special attention.
8. As far as the other areas of ERDF intervention of ROPs are concerned, intelligent structural and anti-cyclical investments made by the cohesion policy (with the modernisation of schools as priority number 1) and the emphasis on the improvement of the competitiveness of cities and territories should be the priorities in the next programming phase.
9. As far as programming reorientation priorities within the scope of the Human Potential TOA are concerned, it is important that the programming take on board three concerns: (i) active response to European objectives in terms of education/training; (ii) need for this TOA to maintain a second speed in the INO to train members of the active work, orienting such training to the consolidation of modernisation processes of the corporate fabric with reflexes on the export capacity and the exploration of new markets and new areas of specialisation; and (iii) response to the dimension of cultural constraints to which the Portuguese economy will be limited, which implies that the contribution of the TOA in terms of social buffer of the above mentioned adjustment effects should be reinforced.
10. Within the scope of the Territorial Enhancement TOA, the OEV recommends: (i) to promote a rigorous assessment of the targets defined for the different areas of intervention (and of the subsequent financial allocations), by integrating into this exercise those issues related to the changes observed in the territorial, economic and political environment and to national priorities, especially with regard to the consequences of the international economic-financial crisis and respective targeted measures in terms of imbalances caused in the period 2007-2009; (ii) the rigorous update of the “state” of the different OPs in terms of implementation (and actual implementation capacity) of the approved projects, thus avoiding any reprogramming based merely on the “approved” or “committed” values, especially if we consider that a significant part of these values is allocated to action programmes (Territorial Development Plans/ IMC and Cities Policy).