

technopolis_{group}



Evaluation of the Interreg Europe programme – Lot 2

Final Report - Part I:
Overall conclusions and recommendations

Prepared by EureConsult, Technopolis Group and Spatial Foresight



Evaluation of the Interreg Europe programme – Lot 2

Final Report - Part I:

Overall conclusions and recommendations

Prepared by EureConsult, Technopolis Group and Spatial Foresight

technopolis , EureConsult & Spatial Foresight

November 2018

Contact for this document:

Dr Thomas Stumm

Project leader for lot 2, EureConsult S.A. (Luxembourg)

info@eureconsult.eu

+352 – 26 33 14 72

Table of Contents

1	Introduction and key messages from the mid-term evaluation	2
2	The effectiveness of projects and their contribution to achieving the six specific objectives of Interreg Europe.....	3
3	The effectiveness of the Policy Learning Platform and its contribution to reaching the objectives of Interreg Europe	8
4	The impact of projects on policy change and their contribution to wider development goals	11

1 Introduction and key messages from the mid-term evaluation

This is part I of the Final Report for lot 2 of the mid-term evaluation of the Interreg Europe programme 2014–2020. It presents the overall conclusions that were drawn from the detailed findings of the results evaluation of Interreg Europe in part II of this report. These conclusions provide answers to the evaluation questions set out by the terms of reference for this assignment and also serve as a basis for elaborating recommendations on actions that should be realised during the remainder of Interreg Europe’s implementation period.

Conclusions and recommendations are presented for each of the three closely related main focuses addressed by the present mid-term evaluation: an appraisal of the effectiveness of interregional cooperation projects (chapter 2) and of the Policy Learning Platform (chapter 3) as well as a first assessment of the impact of projects on policy change and of the contribution these changes are making to EU-wide or country level development goals (chapter 4). Every chapter also includes cross-references to the relevant sections in part II of the final mid-term evaluation report, with this helping to direct the reader towards the specific sources of evidence that are underpinning the presented conclusions.

As regards the over-arching evaluation question, asking whether Interreg Europe influences the implementation of policies and programmes for regional development through exchange of experience and policy learning among actors of regional relevance, **the most important key messages can be summarised as follows:**

- Interreg Europe will substantially influence the implementation of ESIF programmes and of other national, regional or local policies for regional development across Europe, both in qualitative and quantitative terms.
- The 130 projects from the 1st and 2nd calls are already improving the content of close to 900 policy instruments under the six thematic specific objectives (SOs) of Interreg Europe. The examined projects accomplish this through a well-structured exchange of experience and policy learning process, involving not only project partner organisations but also a wide range of other policy-relevant local/regional stakeholder organisations. The currently improved policy instruments also concern a very substantial amount of public funding resources being already more than five times higher than the expected target value for 2023. As a consequence of the jointly conceived and subsequently realised policy improvements, this public funding is either re-shifted and better focused on relevant territorial needs or even further increased.
- The 130 examined projects will have a quite considerable impact on policy change at local/regional or national levels. However, it is still difficult to seizing the overall impact exactly. Around one third of the currently realised policy improvements will originate from direct effects

that can be attributed solely to realised projects activities (i.e. the so-called “Impact Outcomes”). The remaining two thirds of the policy improvements will come about as combined efforts, including both direct effects of project activities and also contributions of project-external actors (i.e. the so-called “Influence Outcomes”).

- A subsequent application of the improved local/regional or national policies trigger further effects and socio-economic or environmental changes in the concerned territories, which then also contribute to EU-wide goals (i.e. Europe 2020 strategy, territorial cohesion) or other country-wide and regional-level development objectives (i.e. smart specialisation strategies).
- The Policy Learning Platform (PLP) is a newly established tool under Interreg Europe, which supports EU-wide policy learning and an improvement of policy instruments through a provision of different services and activities. Already during the first year of operation, most PLP services are taken up by the addressed target groups and often also actively used in their policy improvement processes. However, the volume of PLP services provided will in nearly all cases remain clearly behind the initially formulated target values for 2023.

These key messages are further substantiated in the following chapters that are providing answers to the more specific evaluation questions.

2 The effectiveness of projects and their contribution to achieving the six specific objectives of Interreg Europe

The effectiveness evaluation determined the extent to which outputs and results are achieved by the 130 examined projects and in how far the current achievements contribute to reaching the six thematic specific objectives (SOs) of Interreg Europe. The evaluation also examined the new project-level cooperation requirements, the policy learning process and the induced capacity increase of persons and organisations, with a view to identifying the relevance of these aspects for achieving policy change and to uncovering the causal link between them (see: final report part II, sections 2.2 and 2.3).

To which extent are projects contributing to the specific objectives of the programme?

The 130 projects from the 1st and 2nd calls have already achieved substantial outputs and results by the end of September 2018, even though their contribution to the six thematic SOs of Interreg Europe is quite variable. This is shown by the actual performance of projects under the relevant output and

result indicators, both in regard the achievement of self-defined project targets and in terms of their current contribution to the SO-level target values for 2023¹.

(1) For the **three output indicators being relevant for all 130 projects**, it can be observed that self-defined project targets are already reached at levels above 50% under several SOs. This occurs most often in case of the indicators “appearances in media” (SO 3.1: 77%; SO 4.1: 70%; SO 4.2: 73%; SO 2.1: 54%) and “identified good practices” (SO 2.1: 70%; SO 3.1: 61%; SO 4.1: 58%), but less frequently under the indicator “organised policy learning events” (SO 1.2: 57%; SO 4.1: 53%). For all other SOs, however, the indicator-specific performance levels of projects are always medium-low (between 40 and 50%) or sometimes even low (below 40%).

Taking into account that 111 out of the 130 examined projects have not yet finalised their phase 1, **it can be concluded that current performance levels and thus also the projects’ final contributions to all SOs will considerably increase further.**

(2) For the **two output indicators on which projects report only after having finalised phase 1**, SO-level contributions of the 19 relevant projects are rather variable. In case of the indicator “elaborated action plans”, the aggregated own targets of projects are reached at 100% under nearly all SOs. An exception is SO 3.1 where project targets are reached at 94%. For the indicator “capacity increase of persons”, project performance is highest under SO 4.1 (95%), SO 1.1 (100%) and SO 3.1 (107%). The other three SOs, project performance is either high (SO 1.2: 64%), medium (SO 4.2: 50%) or particularly low (SO 2.1: 15%). In phase 2, however, these outputs achieved by the 19 projects will not change significantly.

Nevertheless, the currently achieved outputs already make quite substantial contributions to the SO-level target values for 2023. Contributions represent in a few cases around one quarter or even more than a third of the expected SO total², while under most other SOs they are ranging between 4% and 14%. Based on this and by considering that also many other projects still have to finalise their phase 1 activities (i.e. 111 projects from the 1st and 2nd calls; all projects from the 3rd and 4th calls), **we can conclude that all SO-level target values for 2023 will be reached or even over-reached under both indicators at the end of the programming period.**

(3) **At the level of results**, the 130 examined projects have defined own targets that already exceed largely the programme’s aggregated target values for 2023 (all SOs). The sum of project targets represents 172% of the 2023 target value in case of the indicator “number of influenced ESIF-related policy instruments” and even 560% of the 2023 target value in case of the indicator “amount of influenced ESIF support”. Projects are in addition also planning to improve a larger number of other

¹ Interreg Europe defined SO-level target values for 2023 only in case of the following output and result indicators: No. of people with increased professional capacity; No. of Action Plans developed; No. of Structural Funds instruments influenced; Amount of Structural Funds influenced (in €).

² For the indicator “increase of professional capacity of persons”, project contributions to the SO 1.2 and SO 3.1 target values are at respectively 20% and 23%. For the indicator “elaborated action plans”, project contributions to the SO 1.2 target value are even at around 37%.

local / regional / national policy instruments, which also involves an influencing of substantial amounts of funding.

As policy change will in most cases only emerge in the course of the 2nd implementation phase of projects, it is not astonishing that the projects' current performance with respect to their self-defined targets is still quite low across all indicators and SOs (i.e. <10%). More significant performance levels are only observed in two cases³. Nevertheless, the still few policy improvements realised in phase 1 (i.e. 47 improvements) often contribute quite substantially to the SO-level target value for 2023. The most significant contributions are observed for the indicator "amount of Structural Funds influenced" in case of SO 3.1 (97%) and SO 2.1 (32%). **These observations allow concluding that all SO-level result target values for 2023 will be reached or even over-reached under both indicators at the end of the programming period.**

Are the new programme requirements for projects relevant and sufficient to contribute to the projects' objectives? What are success factors and what are barriers?

The relevance of new cooperation requirements was mainly appraised on ground of findings from an online survey realised among the 43 most advanced Interreg Europe projects, but also by considering relevant facts from an in-depth analysis of the 19 projects with a finalised phase 1 (see: final report part II, sections 2.3.2 and 2.3.3).

More than three quarters of the survey respondents consider that **two** of the new **requirements are fully relevant** for achieving the planned improvement of policy instruments: (1) a continuous interaction with regional / local organisations within the mandatory stakeholder groups and (2) the compulsory elaboration of action plans allowing to capitalising lessons learnt from the exchange of experience process. Moreover, the analysis of the 19 projects with a finalised phase 1 has clearly shown that there is a close relation between both aspects: a very intense involvement of other local / regional actors in established stakeholder groups during phase 1 was in general very beneficial for these projects, as it generated valuable inputs for preparing and conceptualising policy improvements that were included in the action plans.

In contrast to the strongly positive opinions expressed on the two above-mentioned cooperation requirements, a majority of respondents considers the mandatory phase 2 activities on monitoring an implementation of action plans to be less relevant for achieving the stated project objectives. Respondents are rather sceptical about merely monitoring an implementation of the action plans, as this might not help "balancing out" unforeseeable external developments that can frequently hinder or prevent a successful realisation of action plans (e.g. regional / local government changes after elections, leading to a change of measures and the desired results in the adopted actions plans).

³ For the indicator "amount of Structural Funds influenced", own project targets are achieved at 23% in case of SO 3.1. For the indicator "no. of other instruments influenced", own project targets are achieved at 18% in case of and SO 4.2.

Moreover, they often consider the 2-year implementation period too short, especially if complex measures for policy improvements are realised.

These survey results, as well as other findings of our evaluation of project impacts (see: final report part II, section 4.3), suggest that more attention needs to be paid to the supporting role that such monitoring activities can play in the sound implementation of the action plans. For stimulating this, action should be taken at the level of the projects and at the level of the programme.

Recommendation 1: *Project partners should adopt a pro-active approach to monitoring an implementation of their action plans (i.e. not a passive “wait-and-see position”). This should also comprise an ongoing interaction with other relevant regional or local actors, especially in those cases where stakeholder organisations are directly responsible for actually improving the addressed policy instruments. To support this, Interreg Europe should explore ways helping to ensure that other stakeholder organisations are becoming actively involved into the regional / local or interregional processes for monitoring the action plan implementation (e.g. by covering cost for their participation in regular local/regional or interregional meetings).*

Survey respondents also considered an optional implementation of one or more pilot actions at the beginning of phase 2 to be generally relevant for achieving the projects’ objectives. However, this relevance strongly depends on the nature and focus of each project and also on whether individual partners see a real need for pre-testing measures from their action plan. Nevertheless, 11 project partners from 5 out of the 19 projects with a finalised phase 1 have already applied for an implementation of pilot actions (see: final report part II, section 2.2.1).

Does increased capacity of people and organisations lead to policy change and to an influencing of policy instruments addressed by the projects? What are success factors and what are barriers?

This question addresses a crucial but also very complex “causal relationship” that cannot be adequately explored on ground of information from the monitoring system. The main reason for this is rooted in the current system of project-related monitoring indicators.

Apart from capturing an increase in professional capacities of persons (i.e. emerging from individual learning processes), the current system does not include an indicator capturing the organisation-level capacity increase achieved through learning within project partner and other local/regional stakeholder organisations. As an increased professional capacity of individual persons is alone not sufficient for achieving regional / local policy improvements, it is therefore important having adequate information on organisation-level processes for better explaining the related capacity increase.

Even though it is already too late for introducing an additional programme indicator, this gap can still be closed by introducing a new reporting requirement that projects have to address at the end of their phase 1. This requirement can be included in the progress report template under the current sections 1.1 (“Overview”) and 1.3 (“Work Plan”), for instance by formulating additional questions allowing to

gather adequate information from all project partners (Has the interregional policy learning process led to visible changes within the project partner organisations? Has the involvement of other regional / local actors in the stakeholder groups led to visible changes within the stakeholder organisations or to the establishment of new inter-organisational collaborations with project partners?).

Eliminating this gap would also support a future evaluation of project impacts, as it currently hinders determining the direct effects of project activities within outcomes that also include a contribution of other “external factors” (see: final report part II, sections 4.2 and 4.3).

Recommendation 2: *Interreg Europe should introduce a new reporting requirement for projects having completed phase 1. It should allow better capturing (qualitatively and quantitatively, where possible) to which extent realised project activities have induced a capacity increase within the involved project partner organisations and other local/regional stakeholder organisations.*

Despite the above-mentioned weakness, we have examined this complex causal relationship on ground of evidence from an online survey and through an in-depth analysis of the 19 projects with a finalised phase 1 (see: final report part II, sections 2.3.2 and 2.3.3).

The survey results show that respondents from projects consider each level of the policy learning process (i.e. individual, organisational and inter-organisational learning) as very important. Consequently, also the different forms of capacity increase associated with these levels of learning (i.e. capacity increase of persons and organisations) are important and have to occur simultaneously in order for policy improvements to be realised successfully.

This is also clearly confirmed by our analysis of the 19 projects with a finalised phase 1. Their generally intense interregional exchange of experience processes as well as their equally intense interaction between project partners and other policy-relevant organisations, be this within the regional stakeholder groups or even at an interregional level, have both induced substantial individual, organisational and inter-organisational learning processes. This not only increased the professional capacities of the people and organisations involved (i.e. project partner and stakeholder organisations), but also made it possible for half of these 19 projects to successfully implement policy improvements already in phase 1.

Is there any possibility to further define or categorise the notion of increased capacity?

An attempt to further defining or categorising the notion of increased capacity has been made by inter-relating survey data on the importance of learning and the envisaged approaches of action plans for improving policies (see: final report part II, section 2.3.2). Project partners are planning to improve their policies either by implementing a new project or by changing the management of an instrument or by changing the strategic focus of an instrument, as well as by adopting different combinations of the aforementioned options.

The tentative analysis revealed that the identified action plan approaches for policy improvements require quite variable levels of capacity increase. A substantial personal, organisation-level and inter-organisational capacity increase is needed when the management of a policy instrument is changed or when a new project is implemented. This also holds true when the introduction of a new project is combined with a structural policy change and, not surprisingly, when all three options for policy improvements are realised at once. A still substantial capacity increase is also needed for policy improvements combining an implementation of new projects with a change in the management of an instrument as well as for a parallel implementation of changes in the management and structure of a policy instrument.

However, the observed patterns are yet provisional because survey data stems from a rather small group of projects, with respondents also representing very different organisational and policy-related settings.

Notwithstanding, this analysis should be repeated at a later stage when a much larger proportion of projects are either well advanced or have even finalised their implementation process. This may then not only result in a more robust and also policy-related definition and categorisation of capacity increase, but also provide a valuable input to the future evaluation of project impacts that will be realised in 2020.

Recommendation 3: *The online survey realised in the context of the present evaluation should be repeated at a later stage of the programme implementation process. This new survey should again explore the causal relation between policy learning, capacity increase and policy improvements, but as well take into account specific information needs of the future evaluation of project impacts that Interreg Europe intends to carry out in 2020.*

3 The effectiveness of the Policy Learning Platform and its contribution to reaching the objectives of Interreg Europe

The PLP is a newly introduced programme tool that was seriously affected by problems during its set-up and early starting phase. This obviously had also adverse effects on the overall performance of the PLP during its first year of operation.

Nevertheless, the evaluation findings show that progress has indeed been made by July 2018, but not to an extent that will allow full achievement of the 2023 targets in all areas addressed by the current indicators (i.e. mainly on outputs). Against this general background, the PLP-related evaluation questions of the terms of reference can be answered as follows.

Are the implemented PLP services useful to reach the programme's objectives?

This question seeks to know whether current PLP services are useful for facilitating ongoing EU-wide policy learning and the capitalisation of good practices in different thematic policy fields among a broad range of actors of regional relevance (i.e. the programme's PLP-related objectives).

A first general indication for the usefulness of PLP services is the considerable growth of the PLP online community, which currently covers close to 4,400 registered members. This community also includes many "Interreg Europe-external" policy-relevant stakeholders not directly involved in projects⁴, for which the PLP tends to become a unique EU-wide one-stop-shop reference portal. The PLP enables these stakeholders to consult policy-relevant knowledge / experiences from other EU regions for improving policy instruments in their own context. This clearly confirms that the PLP supports EU-wide policy learning and the capitalisation of good practices.

Another indication supporting a positive view on the usefulness of PLP services is the observable very strong interest in the online content of the PLP sections and in the PLP online database of good practices. This is proved by the high average number of monthly sessions that are in both cases considerably exceeding the expected target value for 2013.

The PLP is also useful for partners of Interreg Europe projects, which account for one third of the registered members of the PLP online community. Although projects are somewhat "driven" to register as PLP member through their obligation on participating in the PLP, they are continuously contributing to up-building the EU-wide knowledge stock on regional development policies through an identification and submission of good practices (see: final report part II, sections 2.2.1 and 4.2).

Moreover, reporting evidence from several projects with an intensive PLP participation demonstrates that the online available PLP studies / papers / documents as well as the PLP good practices from other regions are often supporting the projects' own work processes (see: final report part II, section 3.4 and boxes 1-4 in Annex VIII).

Despite the largely positive assessment of the current situation up to this point, the evaluation also clearly showed that several PLP services still need to be further improved. Some services are currently of lower relevance for actual users or are indeed useful but not yet provided in sufficient intensity. The first case relates to the PLP "Expert support helpdesk", for which the demand from projects is still very low and has a trend that will not allow reaching the target value for 2023. The second case relates to the PLP's online and offline policy learning services, which indeed proved to be very useful for the participating project partners but still are very low in number (i.e. 12 in total) and also far behind the target value for 2023 (see: final report part II, sections 3.3. and 3.4).

The latter weakness can in principle be solved by initiating a more continuous / frequent service provision by the PLP. However, this solution might be restricted by the PLP team's lack of human

⁴ However, the current PLP monitoring does not allow exactly determining the number of these "external" stakeholders.

resources needed for carrying out more of these events. Nonetheless, the JS and the PLP-team should jointly consider adopting a more demand-driven model for the production of such services, for example by initiating events addressing target groups “outside” the spectrum of Interreg Europe projects.

Recommendation 4: *The PLP should in general organise more policy learning events per year (offline & online) in order to stimulate and further intensify a thematically focussed interregional exchange and learning process on regional policies among different Interreg Europe projects. It should also be explored whether a number of events could be organised for “Interreg Europe-external” stakeholders directly involved in regional development policies.*

Does the PLP increase professional capacities of its beneficiaries and lead to policy change?

This question is difficult to answer for all categories of registered PLP members, as the PLP-related output indicators neither capture this aspect⁵ nor does data exist for a potentially relevant result indicator⁶. Our answer to this question is therefore based on findings from an in-depth analysis of qualitative evidence from progress reports of the 130 examined projects illustrating their current PLP-participation (see: final report part II, section 3.4).

Evaluation findings show that non-participation and low participation of projects in the PLP is still considerable after roughly 1 year of PLP operation (i.e. 67% of the 130 projects examined). For all projects belonging to these categories, it can therefore be concluded that the PLP has neither led to an increased professional capacity of registered project partners nor supported their still ongoing working processes for improving regional or local policy instruments.

Recommendation 5: *Projects should more actively use the different PLP services. Achieving a stronger PLP participation and services use of projects is a shared task of the PLP expert team and the JS staff members, as both have different options for stimulating this. The PLP expert team should organise more online and/or offline policy learning events focusing on specific sub-topics that the still less active and not yet involved projects address under the six SOs. An overview on these topics can be found in the Annex of the evaluation report. The JS staff should use more pro-actively its “commenting” of submitted progress reports for motivating PLP participation especially of the still less active and not yet involved projects.*

One third of the 130 projects used more or less frequently the PLP online services and also participated regularly in organised PLP offline or online learning events (33% or 43 projects). For the PLP-involved project partners in this group, we assume that PLP services have actually increased their professional capacities and possibly also supported ongoing regional / local policy improvement processes. This

⁵ There is no PLP indicator similar to that existing for projects (i.e. No. of people with increased professional capacity).

⁶ For the indicator “Share of registered users with increased professional capacity due to their participation in activities of the PLP (%)”, no information is currently available.

assumption can however be clearly affirmed for a smaller sub-group of 19 projects showing a very intense PLP participation. In these cases, PLP services have often quite substantially increased professional capacities of the involved project partners and also helped preparing regional or local policy improvements or even led to close collaboration between projects addressing similar topics (see: final report part II, Annex VIII, boxes 1-4).

The above presented conclusions suggest that a more active PLP participation of projects is indeed desirable. However, other parts of this evaluation have also shown that an increase of individual and organisational capacities through learning as well as the concrete preparation of desired policy changes are primarily emerging from many other project activities implemented during phase 1 (see: final report part II, chapters 2 and 4). Hence, a more intense use of PLP services by project partners can only produce additional inputs supporting this wider process.

4 The impact of projects on policy change and their contribution to wider development goals

The evaluation has elaborated a comprehensive theory of change explaining how Interreg Europe projects prepare, elaborate and implement policy improvements (see: final report part II, section 4.2). Based on the causal chain of changes shown in the elaborated diagram and by applying its underlying assumptions, an empirical but still rather experimental test was realised in two steps. The first step explored the extent of the projects' likely impact on policy change, whereas the second step explored how Interreg Europe will contribute to other EU-wide, country-level or regional development goals (see: final report part II, sections 4.3 and 4.4).

On ground of these findings, the impact-related evaluation questions of the terms of reference can be answered as follows.

To which extent has policy change achieved by projects a territorial 'impact'?

This question from the terms of reference aims at exploring whether policy changes emerging fully or partly from projects are inducing further socio-economic or environmental effects and in what way improved policies have changed the situation in the territories of the project partners for the better. These developments are indeed at the core of phase 2 and also reflected by the projects' self-defined indicators⁷.

⁷ See on this section 4.3.2/b of the Interreg Europe programme manual. Projects have to define at least one result indicator for assessing whether the performance of an instrument has been improved throughout phase 2 thanks to interregional cooperation. At the end of phase 2, each region will also be required to report more generally on the territorial context to ascertain whether the situation has improved compared with the context described at the application stage.

However, our conclusions cannot really answer this crucial question because there is currently no evidence on such developments in the information sources available to the evaluators. Moreover, this question uses the term "territorial impact" which deviates clearly from the official notion of impact we have to use in the present evaluation.

In line with the Commission's general definition, our theory of change understands impact as the specific part in an achieved change of policy (i.e. the actual result) that can be credibly attributed to the outcome of activities that were previously realised by Interreg Europe projects. This result is achieved through improvements of different policy instruments that are either realised by project partner organisations directly (i.e. "Impact Outcome") or by other regional / local stakeholder organisations (i.e. "Influence Outcome"), but in both constellations without any funding support from the Interreg Europe programme.

Different to this understanding, territorial impact includes various types of changes in the situation of territories that are only emerging after a fully completed improvement of policy instruments and as a consequence of their practical application. Consequently, the theory of change does not consider a changed territorial situation an impact emerging from Interreg Europe projects. Projects do improve regional or local policies and ESIF programmes, but they are not directly creating new jobs or reducing CO₂ emissions or improving any other parameter capturing the socio-economic or environmental development status of a territory.

At the most, projects may exert an influence on the change of a territory's development status through the positive knock-on-effects emerging from an application of improved regional or local development policies, as the latter still comprise direct effects of previously realised project activities aside to other external contributions. Territorial change may even be brought about by a full external contribution, being nevertheless still very loosely connected to previously achieved outcomes of Interreg Europe projects (i.e. "Leverage Outcome"). This is the case when regions not connected to Interreg Europe projects have improved their policies on ground of policy-related knowledge they could access through their membership in the PLP (see: final report part II, sections 3.3 and 4.2).

When however the above-said is taken into consideration and also the question is turned differently (To which extent have projects an impact on achieved policy change?), then a more concrete answer can be given.

An impact on policy improvements exists when project partner organisations are directly in charge of the addressed instrument. The 130 examined Interreg Europe projects are currently improving 898 policy instruments, of which 333 instruments are in the direct responsibility of project partner organisations (i.e. Managing Authorities, Intermediate Bodies or other public organisations at national, regional or local level). This means that **37% of all improved policy instruments will be "impact outcomes"**.

The remaining 565 policy improvements are implemented by other local / regional public bodies or organisations not being formal partners in a project, which means that **63% of all improved policy instruments will be “influence outcomes”**. These outcomes still include a variable direct effect originating from previously realised project activities aside to other external contributions (i.e. the efforts undertaken by other local / regional stakeholder organisations). Determining exactly the share of the projects’ direct effects within this influence outcome is however difficult.

Can the territorial ‘impact’ be measured and, if yes, how? Can INTERREG IVC projects help in this regards?

The analysis of short- and medium-term outcomes achieved by completed INTERREG IVC projects helped us in testing the assumptions underlying the elaborated theory of change. However, their indeed valuable evidence on realised policy improvements and induced territorial changes is not suited for developing a measurement approach that captures the impact of Interreg Europe projects. This is mainly because formal rules and operational practices are very different in the programming periods 2007-2013 and 2014-2020.

Therefore, we developed a still tentative concept showing that it is indeed possible to measure the impact projects are having on achieved policy changes (see: final report part II, section 4.3).

This concept makes it relatively easy measuring the magnitude of the overall “impact outcome” that will emerge from all policy improvements directly realised by project partner organisations. The approach allows determining the achieved impact outcome for the entire Interreg Europe programme as well as for each of the six thematic SOs.

The concept also shows how the share of all direct project effects within the overall “influence outcome” may in principle be determined. Achieving this in practice, however, is still rather complicated. The main hindering factor is that adequate information allowing for a more precise determination of the actual scope of direct project effects is still weak in the programme’s overall monitoring system. This shortcoming should be addressed by introducing new or refined project reporting requirements for projects. They should capture two particularly relevant aspects in phases 1 and 2 of the project implementation process, namely (1) the extent of organisation-level capacity increase and (2) the realised steering or exerted influence in the context of a monitoring of the action plan implementation.

Since the required improvements relating to the first aspect were already described above in connection with recommendation 2, only the improvements that should be realised with respect to the second aspect are briefly explained. In the progress report template under the current sections 1.1 (“Overview”) and 2.2 (“Results per policy instrument”), project partners should not only describe the monitoring process realised during phase 2. Much more important is that the partners highlight in what way they have proactively steered or influenced an implementation of measures from the action

plans through the realised monitoring activities. This aspect can be adequately captured by adding a new question under section 1.1 as well as through further refining the already existing question within section 2.2 under the relevant item “action plan implementation phase 2”.

Recommendation 6: *The JS of Interreg Europe should ensure a better capturing of the capacity increase within project partner organisations and other local/regional stakeholder organisations (in phase 1) so that a more solid evidence base for a forthcoming impact evaluation is established (see: Recommendation 2). Likewise, the JS should also take care that future qualitative reporting on the regional-level and interregional monitoring process of the action plan implementation (in phase 2) includes adequate information that supports a forthcoming evaluation of project impacts.*

Irrespective of the current limitations, this tentative concept is already a good starting point that can help with designing an appropriate methodology for an up-date of the impact evaluation Interreg Europe expects to carry out in 2020.

To which extent is Interreg Europe contributing to EU-wide, country-level or regional development goals?

The empirical test of the theory of change also carried out a qualitative analysis exploring how Interreg Europe will contribute to other EU-wide, country-level or regional development goals (see: final report part II, section 4.4). The assumption underlying this analysis is that already improved policies will trigger knock-on effects of different kinds, which then lead to positive changes in the socio-economic situation or environmental conditions of the territories covered by project partners. These positive short or medium term changes will then also positively support other development goals.

Determining the extent of the contribution current Interreg Europe projects are making to these other development goals is difficult. This is mainly due to the fact that the 47 completed policy improvements from phase 1 (see: final report part II, section 2.2.2) have not been applied in practice for a sufficiently long time in order to induce visible knock-on effects and further territorial changes. Robust evidence showing how improved policy instruments generate more jobs, reduce CO₂ emission or increase percentages of protected natural areas is therefore still missing.

Nevertheless, evaluation findings show that Interreg Europe projects will indeed contribute indirectly (rather than directly) to the smart, sustainable and inclusive growth priorities of the Europe 2020 Strategy as well as to existing national or regional RIS3. The sum of their indirect contributions will also help reducing territorial disparities between regions in Europe and thereby support the EU’s territorial cohesion objective.

Interreg Europe will make a substantial contribution to delivering the Europe 2020 smart growth priority and national or regional RIS3. This contribution will mainly be indirect and emerge from improved policies supporting innovation infrastructures (SO 1.1) and innovation delivery processes

(SO 1.2), but at some extent also from improved policies strengthening the innovation capacity of SMEs (SO 2.1).

A contribution to the EU 2020 “3% more R&D investments” headline target only emerges when realised policy improvement also lead to a net increase of R&D funding (i.e. no shifts of funding with overall expenditure remaining unchanged). If a policy improvement is directly realised by a project partner organisation and also leads to an increase of R&D funding, then even a real impact on the EU 2020 R&D headline target occurs. Interreg Europe can also have a real impact on national or regional RIS3 in case the latter are directly concerned by policy improvements that are implemented by project partner organisations.

Recommendation 7: *The JS of Interreg Europe should carefully monitor policy improvements under SO 1.1, SO 1.2 and SO 2.1 that are directly realised by project partners. These improvements can have a real impact on the EU 2020 headline target for R&D investments (in case of a net increase of R&D funding) and on RIS3. Both aspects are worth being captured and reported.*

Interreg Europe will also make indirect contributions to delivering the Europe 2020 inclusive and sustainable growth priorities, mainly by projects implementing SO 2.1 and SO 3.1. However, a contribution to the relevant EU 2020 headline targets only emerges when improved policies will subsequently fund projects or measures that positively change the relevant target values (i.e. on employment increase, on poverty/exclusion reduction, on the 20-20-20 climate change targets).