



Improving
Structural Funds
for better delivery
of R&D&i policies

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Action Plan for IMPROVE Phase 2

Lapland (Finland)



REGIONAL COUNCIL
OF LAPLAND



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1. General information



Project: *PGI05786 Improving Structural Funds for better delivery of R&D&I policies*

Partner organisation(s) concerned: *Regional Council of Lapland*

Country: Finland

NUTS 2 region: North and East Finland

Contact person: Päivi Ekdahl

Email address: paivi.ekdahl@lapinliitto.fi

Phone number: +358 40 038 3578

The Action Plan aims to impact: Investment for Growth and Jobs programme
 European Territorial Cooperation programme
 Other regional development policy instrument

Name of the policy instrument(s) addressed: Innovation and Skills in Finland 2021–2027



2. Introduction

2.1. Improve Project



Structural Funds Programmes are the main policy instruments European regions have for building up Research, Technological Development and Innovation and support the implementation of their Smart Specialisation Strategies.

The policy instruments addressed by the IMPROVE project are mainly Structural Funds Programmes, except Due to start of new programming period, the Policy instrument originally selected for improvement is changed to Finland's structural funds programme Innovation and Skills in Finland 2021–2027 for the Municipal Plan for Development of Gabrovo (Bulgaria) and the Development Plan of Tartu City (Estonia), which have in common the goal of enhancing a knowledge based regional/municipal economic growth.

Beyond their different background, scope and particular target, these policies seek a smart, sustainable and inclusive regional/local development by means of actions and instruments that, to a greater or lesser extent, focus on entrepreneurship, competitiveness of regional/local businesses, employment, education and lifelong learning, innovation, research, technological development, etc.

Achieving an efficient delivery of regional development policies is crucial, not only in terms of making the best possible use of public funds, but also in terms of maximising regional potentials, fighting regional inequalities and strengthening Europe's economic well-being, as well as its social and political cohesion.

The partnership includes a wide range of regional realities, with different levels of economic development, more and less centralised administration systems and different levels of innovation performance, as well as distinct level of involvement in the management of the addressed policies (more strategic for some partners and more operative for others), which allowed a comparative analysis of the policy makers approaches and enriched the perspective about the management and implementation of Structural Funds.



2.2. Regional Action Plans

Produced by each partner, the action plan is a document providing details on how the lessons learnt from the interregional cooperation during the Phase 1 of the project will be implemented in order to improve the policy instrument that is addressed within their region. It specifies the nature of the actions to be implemented, their timeframe, the players involved, the costs and funding sources.

Based on a learning process that included a State-of-the-Art report for the identification of the areas of improvement of each Policy Instrument, the organisation of Thematic Workshops on key topics shared by the partnership, the participation in 8 Peer Reviews (organised in an on-line mode due to the COVID-19 pandemic), the identification of good practices, a 2nd round of visit (in a face-to-face mode) for an in-depth analysis of the GPs, and a close relation with the Regional Stakeholders' Groups, the action plans will be developed focusing on the improvement of the identified challenges within each region.

During Phase 2, the project partners will closely monitor the implementation of the action plans and will regularly check the extent to which the measures described in the action plan are implemented on the ground, evaluating the results of these measures and gathering evidence of success to be reported to the programme. During Phase 2 the project partners will continue to learn from each other and will exchange and build on the success achieved or on the difficulties encountered.



3. Policy context

3.1. The policy instrument



The policy instrument chosen for IMPROVE has been Sustainable Growth and Jobs 2014-2020 Finland's Structural Funds Programme. Due to start of new programming period, the Policy instrument originally selected for improvement is changed to Finland's regional and structural funds programme Innovation and Skills in Finland 2021–2027.

In Lapland, the structural funds programme and EU funding play an instrumental role in regional development. Finland's structural funds Programme "Innovation and Skills in Finland 2021–2027" has six priority areas. The priority axes (in ERDF) and their goals are:

- 1. Innovative Finland (ERDF):** The objective is to promote research and innovation capabilities of regions and companies with a particular focus on business and working life, and the introduction of new technologies. The funding will advance the growth and competitiveness of small and medium-sized enterprises (SMEs). Another objective is to utilise digitalisation for the benefit of citizens, businesses and public administration.
- 2. Carbon neutral Finland (ERDF):** The aim is to promote energy efficiency and the circular economy and to reduce greenhouse gas emissions. Funding will also be allocated to measures to prepare for climate change.
- 3. More accessible Finland (ERDF):** The objective is to support SMEs in Eastern and Northern Finland by developing local road transport infrastructure with separate funding for sparsely populated areas.

The implementation of the new regional and structural policy programme will take place in 2021–2027. The programme funding consists of EU and national funding. The programme's public funding amounts to EUR 2.493 billion, of which EUR 1.469 billion will come from the EU, and EUR 1.024 billion from national co-financing.

Structural funds programme is closely linked to the implementation of Lapland's Smart Specialization Strategy. It outlines the strategic importance of the development of arctic business and expertise, innovation internationalisation. "Arctic smartness" is a way for the region to success improve development activities and utilisation of EU resources.



3.2. Main challenges or areas of improvement

In the SOA report we identified main challenges and areas of improvement, and these were further developed during the peer review and are also documented in the peer review report. That report highlighted some issues e.g. with EDP and stakeholders', especially local companies', involvement, the need to improve monitoring and evaluation and possibilities to develop the calls for projects. In addition, we have the results from an external evaluation of Lapland's S3 strategy commissioned by the IMPROVE project. These offered views especially for the cluster based development and involvement of SMEs. Also, the final evaluation of Finland's structural funds programme recommended that special attention should be given to the quality of R&D collaboration, direct interaction with businesses, and tools for monitoring and evaluation.

It is well documented that in Lapland the structural funds have contributed greatly in bringing together governance of different levels, research and educational institutions, and private entities. The ERDF and ESF have provided strong incentives for municipalities and business development organisations, SMEs, and RDI and other educational institutes to engage in regional development. While the support for individual SMEs and their projects is extensive through ERDF and ELY-centre (as a key stakeholder), collaboration between business and RDI organisations, the emergence of a well functioning innovation ecosystem, and a multi-fund approach with synergies remain goals for the next programming period. The main objectives of the new Innovation and Skills in Finland 2021–2027 programme are geared more towards RDI activities and cooperation with emphasis on digitalisation and climate change. This provides new opportunities to meet the challenges that have been identified.



It is acknowledged through the IMPROVE process that regional decision making and governance of structural funds and S3 can be strengthened. There are a number of issues that are being examined. For the purpose of IMPROVE, the first area of improvement will be the design and implementation of a more systematic practice for monitoring and evaluation. The goal is to provide decision makers and stakeholders more, better and up-to-date information and knowledge concerning the scope and results of structural funds. Directly linked to the first task, the second area of improvement concerns enhanced evaluation and better selection of project that meet the goals set for RDI and SME cooperation. These two areas are the basis for the actions selected for the Action Plan.



3.3. Identification of best practices relevant for the Policy Instrument

NAME OF THE GP	Management of the EDP at the S3 priority level through the setting up of steering committees
OWNER	Dev'up Centre-Val de Loire / France
DESCRIPTION	The steering committees mobilize the regional innovation ecosystem around a strategy designed and implemented in a shared manner within each RIS3 priority. Public decision-makers decided to strengthen the governance and coordination dynamics of the ecosystem within the priorities. They set up steering committees which have become one of the cornerstones of the RIS3 of the Centre-Val de Loire region.
TRANSFERABILITY ASPECTS TO THE REGION	<p>Regional Council of Lapland is responsible for governance of Smart Specialisation Strategy. Strategy will be updated in 2022. We are especially interested in EDP in practical terms and monitoring of the strategy. This good practice also addresses the task to mobilize regional ecosystem.</p> <ul style="list-style-type: none"> • Monitoring and evaluation methodologies • Strengthening EDP with respect to the feedback from Lapland Peer Review



NAME OF THE GP	University of Tartu (UT) spin-off program ADAPTER
OWNER	City of Tartu / Estonia
DESCRIPTION	University of Tartu (UT) spin-off program is for UT students and (non) academic staff to commercialize their potential (deep tech) business idea. The program strengthens contributes to the value chain of creating university spin-offs with the main stakeholders being incubation centres and venture capitalists (funds).
TRANSFERABILITY ASPECTS TO THE REGION	<p>Within extremely optimised financial resources UT has created a flow of university spin-offs throughout the years. The dynamic and flexible process has proved to be successful in creating sustainable spin-offs.</p> <p>In Lapland, we are interested about the concepts and practices that foster chains and flows from the universities, e.g. pre-incubation programs, and the concept that Tartu has for building up a well functioning business ecosystem together with universities and cities. For the action plan one main task is to strengthen the ways an tools to identify and mobilize the most valuable concepts and projects with direct linkage to new business and SMEs.</p>



Action Plan

4.1. General description





4.2. Action 1

4.2.1. Summary of the action

Context of the Action Plan	Instrument to be improved	Monitoring and evaluation of the Policy Instrument		
	Policy instrument tackled	Innovation and Skills in Finland 2021–2027 structural funds programme		
Name of the ACTION 1		Priority		
Improved methodology and practice for monitoring and evaluation				
			Medium	
			Low	

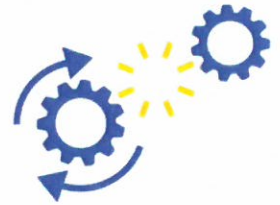
	Activities	Funding Sources	Costs	2021				2022				2023		
				Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2			
1	The methodology and design for M&E, defining indicators, management and qualification of data, guideline for players involved, piloting and development of the methodology	Technical assistance, Regional Council budget	-				x			x				
2	Improved tools for project-level evaluation and monitoring to ensure involvement of SMEs in ERDF / S3	Technical assistance, Regional Council budget	-				x			x				
3	Implementation of methodology in practical funding processes	Technical assistance, Regional Council Budget	-							x			x	x
4	Adopting new practices for reporting to Regional Management Committee and Regional Council of Lapland	Technical assistance, Regional Council Budget										x		x
Players Involved				Indicators/ Monitoring										
Responsible				Indicators										
				No										



A	Regional Council of Lapland	Establish, execute and coordinate a new system for M&E, report to the Regional Council and Regional Management Committee	1	A guideline for Monitoring and Evaluation. Established and sustainable process and methods in use for monitoring and evaluation for structural funds. Improved tools for project-level evaluation of applications and monitoring of projects to ensure SMEs involvement	1
					1
B	Northern Ostrobothnia ELY Centre	Use of methodology in funding operations, data gathering, participation in common processes	2	Reports to Regional Council and Regional Management Committee	1
			3	Participation and data gathering for reporting	2



4.2.2. Relevance to the project



In State of the Art report we acknowledged that Lapland did not have a well-developed and systematic process and methodology for monitoring and evaluation for structural funds management. The solutions and practices to establish a functioning system was one of key issues and drivers for the Regional Council of Lapland.

The challenges and solutions were addressed in peer reviews and in an interregional thematic workshops. We have found them very useful and inspiring for the development of the action plan. Experiences and good practices of Centre-Val de Loire, Extremadura and Puglia were especially interesting in terms of monitoring and evaluation for the development of smart specialisation areas. These matters have been on agenda with most of the partners.

IMPROVE partners' cases and experiences were discussed by our project team and stakeholders, and they were examined to learn from the overall processes and their goals, to identify good practices about monitoring tools, reporting and governance structures such as steering committees (Centre-Val de Loire, Extremadura as good practices).

We were also able to learn about what challenges are faced e.g. in technical solutions, and to evaluate feasibility and resources in practical and realistical terms. Also important were the experiences from all partners in respect to usability and criticism of such information and data – the how's and why's of monitoring and evaluation. The ways to use data for the improvement of future operations is important and connects to all activities described in the action plan.



4.2.3. Nature of the Action

Specific activities that are to be implemented include the adoption of new methods and tools that have been developed in IMPROVE Phase 1. These are designed for specialists of intermediary organisations working directly with the management of structural funds and/or the evaluation and selection of projects. The main objective for Phase 2 is to support the implementation of new methodology by intermediary organisations and to monitor and facilitate policy change.

1. A guideline for Monitoring and Evaluation

- a. Establishes relevant indicators, classification and instructions on how to “tag” projects in the Finnish electronic system for structural funds management; piloting in Q3 2022 with new projects funded from the policy instrument
- b. Improved tools for project-level evaluation. These include concepts meant for specialists in charge of the evaluation of project proposals and selection of projects. The goal is a) to give a special focus on proposals that meet S3 requirements of SME activation and involvement in RDI projects, and b) to improve the monitoring of SME related activities and outcomes in projects; used and tested in Q3 with new project proposals
- c. Implementation of methodology in practice by persons operating with project evaluation and funding (Regional Council of Lapland, ELY-Centre); Phase 2
- d. A model or process description for the gathering and processing of information and data, guidelines for communication and reporting to Regional Management Committee and Regional Council of Lapland. The reports will be based on actions a-c; reporting for these bodies will take place in Q4 2022 and Q2 2023

The proposed actions will be taken by the intermediary organisations and their staff (Regional Council of Lapland and Center for Economic Development, Transport and the Environment). The goal is to improve funding processes and coordination, and the



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IMPROVE team will help to launch and continue to support, monitor and develop practices.

4.2.4. Stakeholders involved

Regional Council of Lapland, management and coordination of structural funds, intermediary organisation (ERDF, national funds for regional development)

ELY Centre of Northern Ostrobothnia, intermediary organisation (ERDF, ESF)

ELY Centre of Lapland (stakeholder, intermediary organisation e.g. Rural development programme)

Secretariat for Regional Management Committee (Regional Stakeholder Group for Phase 1)

4.2.5. Timeframe

Activity 1. April – September 2022

Activity 2. August 2022 – July 2023

Activity 3. Q4 2022, Q2 2023

4.2.6. Cost and funding sources

Staff costs of Regional Council of Lapland are covered by technical assistance of the policy instrument and Regional Council's own budget funding (municipalities of Lapland). Staff cost of ELY Centres are covered by technical assistance or their budget funding.



4.2.7. Monitoring of the activities

The guidelines and tools for intermediary organisations are created during Phase 1. Members of IMPROVE project team will help to incorporate them into practical work of specialists, and they will monitor the implementation of activities. The team will meet to evaluate and report the actions, outcomes and experiences regularly. The results and reports will be presented and further developed by Secretariat of the Regional Management Committee.



Date:	16.6.2022
Signature:	 PÄIVI ERDAHL
Function:	Development Director
Organisation:	Regional Council of Lapland
Stamp of the organisation:	