



**Expert evaluation network
delivering policy analysis on the
performance of Cohesion policy 2007-2013
Year 3 – 2013**

**Task 2: Country Report on Achievements of
Cohesion policy**

Denmark

Version: Final

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**A report to the European Commission
Directorate-General Regional Policy**

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List of abbreviations

- AIR Annual Implementation Report
- DBA Danish Business Authority
- FEI Financial Engineering Instrument
- KUP Competitive pool
- RBDS Regional Business Development Strategy
- RGF Regional Growth Forums

Executive summary

The ongoing ERDF programme period is drawing to a close. The vast majority of the available funds for the period 2007-2013 have been distributed and more than one third of ERDF projects had been finalised by the end of 2012.

Regional development policy in Denmark is structured around three growth drivers: innovation, entrepreneurship and the application of new technologies. The achievement of objectives has been successful within all three growth drivers, though the success is partly due to excessively cautious objectives from the beginning of the programme period.

Since 2011 there have been both positive and negative socio-economic developments. The development in GDP (reduction of 0.4%) was worse than forecast in the 2012-report. However, unemployment rates have stabilised since 2011 in the Capital Region and the regions of Zealand and Southern Denmark while decreasing in the regions of Central and Northern Jutland. Furthermore, the latest available data on productivity reveals a slight increase in productivity in all regions.

The implementation of programmes and planned expenditure proceeded as expected throughout 2012 and no implementation problems were detected. The N+2 rule for 2013 was met already at the end of 2012. A new development is that the Regional Growth Forums (RGF) in recent years have increased their focus on supporting projects which stimulate simultaneously long and short-term growth, in an effort to accommodate the economic situation. Additionally, it is worth mentioning that State co-financing of the ERDF-programme via the National Budget was reduced from EUR 5.3 million to EUR 1.1 million in 2011, which illustrates how the economic downturn, and the subsequent fiscal consolidation measures, is still affecting the Danish economy.

At the end of 2012, 219 projects were categorised under Innovation. 2,178 enterprises indicated that they had become more innovative as a result of participating in the ERDF programme. With the final target being 1,000 for the entire period, this amounts to a 114% increase in relation to the target at the end of 2012. The majority of innovation projects concern technology transfer and improvement of cooperation networks or advanced support services for firms and groups of firms.

The tendency of greatly exceeding the targets set at the start of the programme in 2007 is even more evident with regard to the other two growth drivers. Thus, the 36 projects categorised under the application of new technology resulted in 2,173 enterprises stating that they have increased their use of ICT as a result of ERDF funding at the end of 2012. The initial goal was 200, only a fraction of what has been achieved. The majority of projects fall within the category of either technology transfer and improvement of cooperation networks or R&TD activities in research centres.

Within entrepreneurship the activities of the 35 projects resulted in the emergence of 3,527 new entrepreneurs as a result of the ERDF programme. With the end goal being 900 new entrepreneurs, this amounts to a 292% increase over the initial target at the end of 2012. These projects primarily revolved around advanced support services for firms and groups of firms or other investment in firms.

As regards effects of programmes, it is worth mentioning that ERDF funds amount to only 0.03% of GDP a year, which greatly limits the possible economic, social and territorial effects of ERDF interventions in Denmark as a whole. However, at a regional and local level, ERDF funding is considered a significant factor in supporting growth and business development.

The economic situation in Denmark continues to be affected by the economic downturn. In the previous country report a 1.4% growth of GDP was forecast. However, negative growth of 0.4% was the actual outcome in 2012 and employment only rose marginally. Therefore, one of the main challenges for Cohesion policy is to ensure that future programmes and projects under the ERDF support private sector growth and job creation.

In 2012 it was decided to expand the evaluation strategy used in the Region of Southern Denmark to all the other regions. In addition, two process-oriented evaluations were carried out, which both emphasized the need for the Danish programme in the forthcoming period, to become more result and effect-oriented. According to the Danish Business Authority (DBA) it will be an explicit priority in the next programme period to improve effect-indicators.

1. The socio-economic context

Main points from the previous country report:

- GDP rose slightly in 2010 and 2011. The Capital Region has increased its share of national GDP and consequently, its relative importance to the Danish economy compared to the other regions.
- Unemployment rates stabilised in all regions in 2011. The Central Jutland Region also experienced a decline of 0.8% in unemployment.
- All regions experienced an increase in the number of innovative companies from 2007 to 2010. The Northern Jutland Region represented the largest increase of 10% from 2009 to 2010.

Developments since the 2012 report

The global economic recession has continued to affect the Danish economy. After a decline in GDP by 5.7% in 2009, GDP increased by 1.6% in 2010 and by 1.1% in 2011 while declining by 0.4% in 2012. Thus, macroeconomic developments were more negative than forecast in the previous report where a 1.4% growth rate was expected.

Table 1 - Development in GDP

| Year | GDP growth rate (%) |
|------|---------------------|
| 2009 | -5.7 |
| 2010 | 1.6 |
| 2011 | 1.1 |
| 2012 | -0.4 |

Source: Statistics Denmark.

The share of GDP of the Capital region and neighbouring ones grew slightly in 2012 whereas the share of the regions of Central Jutland, Southern Denmark and Northern Jutland decreased slightly. Zealand's share of GDP remained unchanged from 2010 to 2011.

Table 2 - Share of GDP by region, 2007-2011 (%)

| Region | 2007 | 2008 | 2009 | 2010 | 2011 |
|------------------------------|------|------|------|------|------|
| Capital Region | 35.6 | 35.5 | 35.5 | 36.1 | 37.3 |
| Zealand Region | 10.7 | 10.5 | 10.6 | 10.3 | 10.3 |
| Southern Denmark | 19.6 | 19.6 | 19.8 | 19.5 | 19.1 |
| Central Jutland | 20.8 | 20.9 | 21.7 | 21.1 | 20.3 |
| Northern Jutland | 9.3 | 9.3 | 9.9 | 9.6 | 9.1 |
| Outside Regions ¹ | 4.1 | 4.3 | 2.5 | 3.4 | 3.9 |

Source: Statistics Denmark.

All five regions have experienced increased unemployment rates and negative or weak economic growth since mid-2008. Despite the fact that recent developments in unemployment rates have been more positive than expected, unemployment continues to be the primary short-term concern. From 2011 to 2012 the Northern Jutland Region and the Central Jutland Region

¹ This category includes off-shore activities etc.

experienced a reduction in unemployment rates. The latter also has an unemployment rate below the national average². The unemployment rates of the remaining regions were largely unchanged from 2011 to 2012.

Table 3 - Unemployment rate by time and region in per cent

| Region | 2008 | 2009 | 2010 | 2011 | 2012 |
|------------------|------|------|------|------|------|
| Capital Region | 2.7 | 5.0 | 6.2 | 6.4 | 6.3 |
| Zealand Region | 4.1 | 3.2 | 4.9 | 6.2 | 6.2 |
| Southern Denmark | 3.5 | 2.7 | 3.9 | 6.3 | 6.3 |
| Central Jutland | 3.4 | 2.5 | 4.9 | 6.3 | 5.4 |
| Northern Jutland | 4.5 | 3.3 | 5.8 | 6.8 | 6.1 |

Source: Annual Implementation Report (AIR) 2012.

Although these numbers are high compared to 2008 levels, they are relatively low in a historical perspective. Furthermore, the increase in unemployment has been smaller than previous projections suggested³.

Between the fourth quarter of 2008 and the fourth quarter of 2012 total employment fell by 163,300. This development reflects a significant difference between private and public sector jobs, since the number of people employed in the public sector over this period increased by 8,400 whereas the number employed in the private sector decreased by 171,700. The jobs lost were mainly in manufacturing, construction, retailing and transport⁴.

Productivity developments are highly affected by the economic recession. Thus productivity declined substantially in the first years of the economic downturn followed by an increase in productivity⁵. Between 2005 and 2011 the Capital region has generally had above average productivity levels whereas the Zealand region has had productivity levels below the average. From 2010 to 2011 all regions experienced increases in productivity and only Zealand failed to regain 2005-productivity levels in 2011.

Table 4 - Regional productivity development measured in productivity (Index 100=1993)

| | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 |
|------------------|-------|-------|-------|-------|-------|-------|-------|
| Country average | 119.5 | 120.2 | 120.1 | 117.6 | 116.1 | 120.4 | 122.0 |
| Capital Region | 123.3 | 124.0 | 125.0 | 122.1 | 121.4 | 128.7 | 131.6 |
| Zealand Region | 118.4 | 116.9 | 116.9 | 112.9 | 109.2 | 113.5 | 114.3 |
| Southern Denmark | 115.2 | 118.5 | 119.5 | 116.9 | 115.1 | 118.6 | 120.4 |
| Central Jutland | 113.6 | 115.4 | 115.0 | 115.4 | 114.8 | 117.5 | 119.2 |
| Northern Jutland | 119.3 | 120.9 | 120.6 | 118.5 | 117.1 | 117.8 | 120.4 |

There are minor differences in recovery rates among the regions. Thus the Capital region and Western Central Jutland are recovering faster than the others⁶. It is, however, an explicit policy aim to support lagging regions while reducing regional disparities. This aim is pursued through a requirement of the DBA that 35% of ERDF funding should be targeted at areas having low

² AIR 2012.

³ AIR 2012.

⁴ AIR 2012.

⁵ AIR 2012.

⁶ Interview Lone Vingtoft.

employment and income per head and weak population growth (typically remote areas). This requirement is affecting all regions other than the Capital region, but has had the most significant effect in Bornholm and Northern Jutland. Furthermore, the basis of distribution combined with the general extra attention paid in all the RGFs to supporting lagging regions, has contributed to reducing regional and local disparities⁷ according to the DBA.

Generally, there has not been a significant shift in focus from regional disparities to a more general concern with low growth and high unemployment. However, since the economic downturn the RGFs have aimed at supporting projects which simultaneously support long and short-term growth while increasing employment. This constitutes a slight change from the beginning of the programme period where the focus was primarily on long-term growth.

The economic recession has limited the available funding through the National Budget⁸ which means that up until the end of 2011 EUR 5.3 million was available as state co-financing. From 2011 and onwards this amount has decreased to EUR 1.1 million. As a result co-financing must be found elsewhere in municipalities, regions, educational institutions and private enterprises⁹. There are regional differences in relation to what type of co-financing projects typically utilise. In some regions, ERDF-funding is usually co-financed by funds from the regional government. In other regions, co-financing more often comes from other sources, for instance municipalities, educational institutions, private enterprises etc. Due to the financial crisis, a large number of enterprises have had difficulties gaining access to finance. Especially for the regions outside of the Capital, this has been a major challenge to growth¹⁰.

2. The regional development policy pursued, the EU contribution to this and policy achievements over the period

The regional development policy pursued

Main points from the previous country report:

- Four of six RGFs introduced new Regional Business Development Strategies (RBDSs) in 2011 which revolve around enterprise support and environment, human resources, transport, environment, energy and territorial development.
- In 2011 the results of cross-border cooperation between Denmark and Germany were better than expected according to programme administrators.
- Regional development policy in Denmark is structured around three growth drivers: innovation, entrepreneurship and application of new technologies. The DBA¹¹ is the national administrator and legislative authority of the ERDF-programme in Denmark and at a regional level.

⁷ Interview Hans Henrik Nørgaard.

⁸ Interview Hans Henrik Nørgaard.

⁹ Interview Hans Henrik Nørgaard.

¹⁰ Interview Lone Vingtoft.

¹¹ Due to an administrative reorganisation the former administrator Danish Enterprise and Construction Agency is now renamed and called the DBA.

- Denmark is divided into five regions and six RGFs. The RGFs are located in each of the five regions and the sixth RGF is located on the island of Bornholm, which is an autonomous unit with its own regional growth administration. Each RGF has a growth and development strategy, however all regions focus on the three growth drivers mentioned above.
- 90% of the ERDF funding is distributed on the basis of the objectives set out in the regional growth strategies. The remaining 10% is distributed through the Competitive pool (KUP)¹².
- The Danish ERDF effort is aimed at fulfilling the objectives of the Lisbon Treaty. Consequently, the current efforts are contributing to tackling some of the challenges emphasized by the Commission in the Europe-2020 strategy¹³.

Developments since the 2012 report

In 2012 the Danish government launched a new national innovation strategy, "*Denmark - the country of solutions*". The objective is to consolidate Denmark's competitive advantage within the knowledge industries and the business world while transforming it into increased growth and employment. The strategy involves 27 initiatives which will be implemented throughout 2013 and on. This strategy, therefore, did not affect the ERDF-programme in 2012.

There have been two process-oriented developments initiated by the DBA in 2012. The first stems from DBA's cooperation with the regions and Statistics Denmark over evaluations. In the Southern Denmark region a group of enterprises receiving ERDF funding were compared to a control group consisting of enterprises outside the programme in terms of a number of indicators using data from Statistics Denmark (employment, value added etc.)¹⁴. The development of indicators starts from the concrete regional and local implementation of the ERDF programme. In Southern Denmark for example, focus has been on clusters, renewable energy, welfare innovation and leisure businesses in the local implementation of the ERDF programme. The result indicators were prepared with close reference to these four focus areas. The parties involved were highly satisfied with this type of evaluation, as it is both cost-efficient and manageable. This approach will, therefore, be applied in the other regions during 2013 and it will become an integral part of the next ERDF programme period¹⁵.

The second development aims at easing the administrative burden primarily as regards projects but also partly for the DBA. This strategy is based on start-up meetings between the DBA and the individual projects shortly after the project has been approved. At these meetings the DBA offers guidance on how to comply with procurement rules, accounting legislation and other administrative demands¹⁶.

There have generally been very few shifts in priorities and in the allocation of EU funding, probably as a result of the programme period coming to an end relatively soon. Thus, the RBDSs

¹² The objective of KUP is to improve growth and competitiveness in businesses. Grants are allocated to promising projects through a competition. The Danish Growth Council chooses the themes of the competitions and these reflect current challenges in relation to industrial politics. (DBA).

¹³ AIR 2012: 8.

¹⁴ The report describing this project in detail is underway.

¹⁵ Interview with Hans Henrik Nørgaard.

¹⁶ Interview with Hans Henrik Nørgaard.

of the individual regions have been the primary point of orientation throughout 2012 and the priorities of the RBDs have not changed. There have, however, been a few tendencies worth noting.

First, there has been increased focus on supporting ICT-initiatives in 2012, due to this sector's potential for improving productivity both in the short and long term¹⁷. Second, a growing tendency is an increased focus on supporting initiatives on the environment and energy. This corresponds to the overall Danish policy on job creation, which seeks to create new "green jobs" in the renewable energy sector.

In the Capital region and Northern Jutland a new focus on 'blue' growth¹⁸ also surfaced in 2012. The subsequent efforts were primarily aimed at improving and expanding the maritime education system (education for ship captains and officers, ship mechanics, commercial fishing etc.) and the general framework conditions for the maritime sector which in the Danish context primarily concerns shipping industries. Furthermore, an agenda of maintaining and expanding work places in manufacturing appeared primarily in the Central Jutland region¹⁹.

It is the perception of the DBA that the support provided by ERDF funding has contributed in overcoming budget constraints while maintaining a relatively high level of regional co-financing²⁰. The reduction in available funding from the National Budget has not had an immediate effect on either the regions or municipalities as regards their willingness to provide co-financing. However, since the reduction occurs at a point in time when the vast majority of projects have already been initiated, it is difficult to assess what influence this reduction will have in the long run.

Financial Engineering Instruments in the Danish context

Denmark does not have a long tradition of establishing and using Financial Engineering Instruments (FEIs) as part of Structural Fund programmes. Currently, three FEIs exist in the ERDF programme. These are established regionally as venture capital funds providing investment finance and offering loans to enterprises. There are therefore currently no nationally financed FEIs supported by the ERDF²¹. The three capital funds are the Northern Jutland fund for loans (total budget EUR 8.1 million), the Cat Invest Zealand Fund (total budget EUR 9 million) and the Accelerace Fund (total budget EUR 8.7 million). At the end of 2012 the latter had committed roughly a third of its total budget, whereas the first two had committed slightly less than half their total budgets²².

It is the qualitative assessment of the DBA that ERDF support has helped SMEs overcome constraints on finance to some degree. The DBA states that the predictability of ERDF support as a financial instrument has proved convenient for SMEs in a credit squeeze situation. A dialogue between the DBA and the various administrators of the funding shows that all the expenditure

¹⁷ Interview with Lone Vingtoft.

¹⁸ Blue growth covers sustainable growth in relation to ocean-based goods and services.

¹⁹ Interview with Lone Vingtoft.

²⁰ Interview with Hans Henrik Nørgaard.

²¹ AIR 2012

²² AIR 2012

planned is expected to be carried out by the end of 2015²³. According to the Danish regions, another tendency is for the FEIs to have the most significant effect in the peripheral regions, whereas traditional types of financing have been more accessible in the Capital region²⁴.

Policy implementation

Main points from the previous country report:

- The total number of approved projects as part of the Danish ERDF-programme amounted to 252 by the end of 2011.
- Of 252 approved projects 186 were categorised under innovation, 34 under entrepreneurship and 32 under application of new technology in 2011.
- The implementation in terms of allocations and commitments proceeded as expected in 2011.
- By the end of 2011 78% of the total amount of funding was allocated to projects.

Developments since the 2012 report

The overall portfolio of projects under the Danish ERDF-programme grew from 252 projects in 2011 to 290 projects at the end of 2012. 127 projects had been completed which means that 163 projects were still ongoing at the end of 2012. Available funding for the entire ERDF-programme period is DKK 1,826 million²⁵. At the end of 2012 project commitments amounted to DKK 1,680 million which is 92% of the total pool of ERDF funds²⁶. At the end of 2011 this figure was 83% whereas in 2010 it was 75%.

The increase from 2011 to 2012 in approved projects primarily occurred within the growth driver innovation (86.8%) whereas the growth drivers' application of new technology and entrepreneurship represent 10.5% and 2.6% respectively of the increase in the total number of projects.

Table 5 - Number of projects (commitment) by end-2011 and 2012 by growth driver

| | New technology | Entrepreneurship | Innovation | Total |
|--|----------------|------------------|------------|-------|
| No. of projects, end-2012 | 36 | 35 | 219 | 290 |
| No. of projects, end-2011 | 32 | 34 | 186 | 252 |
| No. of new projects in 2012 | 4 | 1 | 33 | 38 |
| Share of new projects by growth driver (%) | 10.5 | 2.6 | 86.8 | 100 |

Innovation is correspondingly dominant as regards the regional prioritisation of the three growth drivers. Thus, four out of six RGFs have targeted more than 70% of their budget at innovation which means that the national average distribution of funds for innovation exceeds 70%. RGF Bornholm (53.5%) and RGF Southern Denmark (62.3%) have below average allocations to innovation. However, they both have above average allocations of funding to the growth driver 'application of new technology' while they generally give less priority to entrepreneurship. These regional priorities did not change much between 2011 and 2012.

²³ Interview with Hans Henrik Nørgaard

²⁴ Interview with Lone Vingtoft

²⁵ EUR 1 = 7.458250 Danish Krone (DKK). Exchange rate at 28 October 2013.

²⁶ AIR 2012: 31.

Table 6 - Regional allocation of funds (commitment) by growth driver 2007-2012 (%)

| | Innovation | Entrepreneurship | Application of new technology |
|----------------------|------------|------------------|-------------------------------|
| KUP | 70.6 | 10.8 | 18.6 |
| RGF Bornholm | 53.5 | 5.8 | 40.7 |
| RGF Capital | 72.4 | 20.9 | 6.6 |
| RGF Zealand | 70.3 | 27.9 | 1.9 |
| RGF Southern Denmark | 62.3 | 6.4 | 31.3 |
| RGF Central Jutland | 75.5 | 19.8 | 4.6 |
| RGF Northern Jutland | 77 | 19.5 | 3.5 |
| Country average | 71 | 16.9 | 12.1 |

The implementation of programmes proceeded as expected throughout 2012 and no implementation problems were detected. The N+2 rule for 2013 was already met at the end of 2012. Hence ERDF-related expenditure amounted to EUR 302.5 million at the end of 2012, with a subsequent EUR 151.3 million being used as co-financing. Since the N+2 obligation for 2013 amounts to EUR 150.9 million, the N+2 rule for 2013 was exceeded by EUR 0.4 million. All the RGFs managed to comply with the N+2 obligation for 2012²⁷.

When the overall sectorial distribution of projects approved for 2007-2012 is examined, the majority fall within the enterprise support policy area. This is the case for all three growth drivers. Within innovation, the majority of projects are categorised under category 03 of the Lisbon strategy as supporting technology transfer and expansion of networks of collaboration between SMEs (23%). The second largest category is 05, advanced support services for firms and groups of firms (10%). This represents a change compared to 2011 where category 09, other measures to stimulate research, innovation and entrepreneurship in SMEs, was the one with the largest proportion of project approvals.

Within the application of technology, the majority of project approvals are also within category 03 (4%) whereas the second biggest categories 01 (R&TD activities in research centres) and 06 (assistance to SMEs for the promotion of environmentally-friendly products and production processes) both accounted for 2% of approved projects. In 2011, category 15, other measures for improving access to and efficient use of ICT by SMEs, was the one in which most projects were approved.

Within entrepreneurship the majority (6%) of approved projects relate to category 08 (other investment in firms) and category 5 (advanced support services for firms and groups of firms) which accounted for 5% of the total number of approvals. This allocation of funding is much the same as in 2011. Within technical assistance all the approved projects relate to either category 85 (Preparation, implementation, monitoring and inspection) or 86 (Evaluation and studies; information and communication), which also resembles the 2011-allocation.

²⁷ AIR 2012.

Table 7 - Allocation of projects approved within each growth driver by policy area & priority themes ²⁸ (%)

| Priority themes | Innovation | Application of new technology | Entrepreneurship | Technical Assistance | Total |
|--|------------|-------------------------------|------------------|----------------------|-------|
| Enterprise environment | | | | | |
| 01. R&TD activities in research centres | 2 | 2 | 0 | 0 | 4 |
| 02. R&TD infrastructure and centres of competence in a specific technology | 1 | 0 | 0 | 0 | 1 |
| 03. Technology transfer and improvement of cooperation networks | 23 | 4 | 1 | 0 | 28 |
| 04. Assistance to R&TD, particularly in SMEs (including access to R&TD services in research centres) | 6 | 1 | 0 | 0 | 7 |
| 05. Advanced support services for firms and groups of firms | 10 | 0 | 5 | 0 | 15 |
| 06. Assistance to SMEs for the promotion of environmentally-friendly products and production processes (...) | 7 | 2 | 0 | 0 | 9 |
| 07. Investment in firms directly linked to research and innovation (...) | 1 | 0 | 0 | 0 | 1 |
| 08. Other investment in firms | 4 | 0 | 6 | 0 | 10 |
| 09. Other measures to stimulate research and innovation and entrepreneurship in SMEs | 6 | 0 | 3 | 0 | 9 |
| 11. Information and communication technologies (...) | 2 | 0 | 0 | 0 | 2 |
| 14. Services and applications for SMEs (e-commerce, education and training, networking, etc.) | 1 | 0 | 0 | 0 | 1 |
| 15. Other measures for improving access to and efficient use of ICT by SMEs | 0 | 1 | 0 | 0 | 1 |
| Territorial development | | | | | |
| 55. Promotion of natural assets | 3 | 0 | 0 | 0 | 3 |
| 58. Protection and preservation of the | 0 | 0 | 0 | 0 | 0 |

²⁸ AIR 2012

| Priority themes | Innovation | Application of new technology | Entrepreneurship | Technical Assistance | Total |
|--|------------|-------------------------------|------------------|----------------------|-------|
| cultural heritage | | | | | |
| 59. Development of cultural infrastructure | 3 | 0 | 0 | 0 | 4 |
| Technical assistance | | | | | |
| 85 (Preparation, implementation, monitoring and inspection) 86 (Evaluation and studies; information and communication). | 0 | 0 | 0 | 3 | 3 |
| Total | 69 | 12 | 16 | 3 | 100 |

Territorial and cross border cooperation

Denmark is responsible for two Interreg IV A programmes: Interreg IV A South Denmark-Schleswig-K.E.R.N and the Interreg IV A Fehmarnbeltregion. Both programmes aim at strengthening innovation, technology, commercial collaboration, sustainability and human resources while contributing to increased cross-border collaboration.

The budget for Interreg IV A South Denmark-Schleswig-K.E.R.N is EUR 68.9 million²⁹

The budget for Interreg IV A Fehmarnbeltregion is EUR 31.5 million³⁰

The Interreg IV A South Denmark-Schleswig-K.E.R.N finishes at the end of 2013 and all available funds have been committed. 86 projects have received funding from the programme and by October 2013 approximately 15 projects had been finalised. Another 12 projects are expected to be completed by the end of 2013. According to project supervisor Ingrid Clausen from the Region of Southern Denmark, the implementation of the programme has proceeded as expected and the projects supported are all expected to be completed by the 30th of June 2015 at the latest. The relatively low number of completed projects is caused by a delay in the registration of projects. Due to the advanced stage of the programme there were very few activities during 2012 and the focus is now on seeing the projects through. The results have been better than expected which is most likely due to a very cautious set of targets at programme start. There has generally been a large turn-out at conferences and meetings arranged by the programme which is attributed to the great motivation for and tradition of cross-border cooperation between Denmark and Germany.

As for the previous programme the Interreg IV A Fehmarnbeltregion programme is in its final stages. Almost all of the available funds have been committed to approximately 35 projects apart from a limited amount of return flow funds. The remaining return flow funds will be committed during December 2013. Roughly one third of the total pool of projects had been completed by October 2013 and the rest of the projects are expected to finish before the end of 2015. According to the managing authority in the Zealand Region, the programme has generally been a success in relation to the output indicators formulated at the start of the programme in 2007.

²⁹ OP, Interreg IV A Syddanmark-Schleswig-K.E.R.N.

³⁰ OP, Interreg IV A Fehmarnbelt Region.

Achievements of the programmes so far

Main points from the previous country report:

- The overall targets for the three growth drivers were greatly exceeded during 2011.
- The vast majority of the operational indicators linked to the three growth drivers were also more than successfully accomplished in 2011.
- The expectation for the remainder of the programme period is that the initial targets will be exceeded even further.

Developments since the 2012 report

The current ERDF programme period is into its seventh year. The vast majority of the funds available for the period 2007-2013 have been distributed and more than a third of ERDF projects had been completed by the end of 2012. Structural fund projects affected 11,300 businesses around Denmark resulting in businesses becoming more innovative, more entrepreneurs emerging and an increased use of ICT. In the last country report it was established that the overall targets for each growth driver of the ERDF programme in Denmark had already been reached by the end of 2011. Since then, the targets have been surpassed even further. In 2012 the number of enterprises reporting that they have become more innovative as a result of the ERDF-programme increased by 1.051. The total number of new entrepreneurs increased slightly with 74 new entrepreneurs starting up businesses. 1,076 enterprises or organisations reported that they have increased their use of ICT as a result of ERDF support.

Table 8 - Actual and expected achievements of the ERDF programme 2007-2013

| | Actual | | | | Expected | | |
|---|------------------------|---------------------------------------|-------------------|---------------------------------------|-------------------------------------|---|---|
| | Final target 2007-2013 | No. of completed projects by end-2012 | Results 2007-2012 | Actual achievements of objectives (%) | No. of started projects by end-2012 | Expected results of activities launched | Expected achievements of objectives (%) |
| Total | | 127 | | | 290 | | |
| Innovation, knowledge sharing and knowledge development | | | | | | | |
| Total no. of enterprises/ organisations reporting that they have become more innovative as a result of ERDF support | 1,000 | 94 | 2,178 | 214 | 219 | 4,811 | 689.9 |
| Establishment and development of new enterprises | | | | | | | |
| Total no. of new entrepreneurs as a result of ERDF support | 900 | 17 | 3,527 | 392 | 35 | 1,682 | 578.7 |
| Application of new technology | | | | | | | |
| Total no. of enterprises/ organisations reporting to have increased use of ICT as a result of ERDF support | 200 | 16 | 2,173 | 1,087 | 36 | 2,805 | 2,489 |

For the innovation growth driver, the target had been surpassed by 114%, by the end of 2012, for entrepreneurship by 2392% and for the application of new technologies, by 987%. The reason for surpassing the targets by so much is considered to be a combination of two factors; first, the ERDF programme has included significantly more enterprises, institutions and

organisations than initially estimated. Second, at the start of the programme the setting of targets by the DBA was too cautious³¹.

Innovation

At the end of 2012 innovation was still the focal area of the ERDF programme in Denmark with the most significant progress (measured by the number of new project approvals) and the largest scale (measured by the number of projects initiated and completed). Generally, the projects are spread across the country, often based on the cities. All five regions have experienced an increase in levels of innovation, with Northern Jutland experiencing the highest growth rates and having the largest number of innovative enterprises followed by the Capital region³².

At the end of 2012, 219 projects were started under the innovation growth driver, an increase of 18% compared to the end of 2011.

The target has two operational indicators linked to it:

1. Strengthening the regional capacity to innovate (the objective is that 70% of the participating enterprises increase their innovative capacity).
2. Collaboration on innovation (the objective is that 500 new cases of collaboration with a focus on innovation are established).

Table 9 – Innovation, no. of projects and output by the end of 2012

| Innovation projects (no.) | Completed projects end-2012* | Output of the ERDF programme 2007-2012* |
|---|------------------------------|---|
| Innovation projects, total | 94 (62) | |
| Strengthening the regional capacity to innovate | 34 (25) | 6,036 (5,381) |
| Collaboration on innovation | 60 (37) | 2,065 (1,403) |

Note: (*) Figures in brackets refer to end-2011.

34 projects completed under the indicator “Strengthening the regional capacity to innovate” have strengthened the capacity of 6,036 enterprises or organisations, an increase of 12% compared to end-2011. 60 projects under the indicator “Collaboration on innovation” have involved 2,065 cases of collaboration, an increase of 47% compared to end-2011³³. In both cases, the data come from questionnaires given to project administrators at the end of each project.

Strategically, innovation has been highly prioritised in five out of six RGFs. This is reflected both in the regional growth strategies generally and in the subsequent selection of projects to support by the RGFs. Furthermore, all RGFs apart from RGF Northern Jutland stated that innovation is highly prioritised in their industrial development strategies and action plans, and none state that it has a low or very low priority³⁴. Despite the relatively high priority given innovation throughout the RGF’s in 2012, there has still been a slight decline compared to 2012,

³¹ AIR 2012.

³² AIR 2012.

³³ AIR 2012.

³⁴ AIR 2012.

where all RGFs in a qualitative survey stated to be giving innovation either “high” or “very high” priority in their growth strategies.

Entrepreneurship

In 2012 17 projects were completed under the entrepreneurship growth driver, an increase of four completed projects since end-2011. The objective of creating 900 new entrepreneurs has been greatly exceeded with 3,527 new entrepreneurs as a result of ERDF support. At the end of 2012 approximately 17% of the total amount of committed funds was targeted at entrepreneurship. The goal of targeting 20% of the total pool of ERDF funding towards the establishment and development of new entrepreneurs had therefore not been accomplished by the end of 2012. It is worth noting that a comprehensive incubator project in the Northern Jutland Region resulted in the creation of 3,000 new entrepreneurs alone, so that the outcome of support is very much concentrated in this region³⁵.

Three operational indicators have been specified for the entrepreneurship growth driver:

1. 300 advisory processes for entrepreneurs
2. Around EUR 13.0 million of support should be made available for entrepreneurs
3. 300 courses on entrepreneurial culture should be established

Table 10 - Establishment and development of new entrepreneurs, no. of projects and output

| | No. of completed projects by end- 2012* | Actual activities 2007-2012* |
|---|---|------------------------------|
| Establishment and development of new entrepreneurs | 17 (13) | - |
| Advisory processes - Total no. of registered advisory courses | 9 (7) | 4,887 (4,804) |
| Finance for entrepreneurs -Capital for co-financing of entrepreneurs (EUR million) | 4 (3) | 8.2 (7.5) |
| Entrepreneur culture - Total no. of courses on entrepreneurial culture | 4 (3) | 474 (452) |

Note: (*) Figures in brackets refer to end-2011.

Under the operational indicator advisory processes for entrepreneurs, 9 projects have been completed (an increase of two since 2011), resulting in 4,887 advisory processes for enterprises. The target goal of 300 advisory processes had already been reached in 2011 and there was only a slight increase of 83 activities in 2012.

Under the second operational indicator, finance for entrepreneurs, one more project has been completed since 2011. This indicator measures funding stemming from the activities of completed entrepreneurial projects. By the end of 2012, 4 projects were finalised resulting in EUR 22.4 million being available as co-financing for entrepreneurs. ERDF funding accounted for EUR 8.2 million of this amount.

Under the third indicator, entrepreneurial culture, one more project has been completed since end-2011 resulting in a total completion of 474 courses on entrepreneurial culture, an increase of 22 over the year³⁶.

³⁵ AIR 2012.

³⁶ AIR 2012.

Application of new technology

16 projects were completed by the end of 2012 under the application of new technology growth driver, an increase of 8 projects in the year. As a result 1,104 enterprises or organisations increased their use of ICT. As mentioned in previous reports it has proved difficult to separate the two growth-drivers innovation and application of new technology. To overcome this, in 2011 it was decided to measure innovation projects in relation to their technological activity and results while projects under the application of new technology growth driver were measured in terms of their innovative activities.

There are two sub-priorities under the application of new technology growth driver. Under the first, digitalisation and infrastructure, nine projects had been completed at the end of 2012 resulting in 351 enterprises or organisations developing relevant products or processes. Under the second, access to knowledge, seven projects had been completed at the end of 2012 resulting in 57 enterprises increasing and improving their access to knowledge³⁷.

Table 11 - Application of new technology, no. of projects and output

| | No. of completed projects by end-2012* | Actual activities 2007-2012* |
|--|--|------------------------------|
| Application of new technology | 16 (8) | |
| Digitalisation and infrastructure - The share of participating businesses /organisations that as a result of the participation have developed or implemented products and processes that are considered new | 9 (3) | 351 (243) |
| Access to knowledge - The share of new participating businesses/organisations that have developed technology forecasts, concepts for technology transfer, collaboration projects that have improved access to knowledge | 7 (5) | 57 (37) |

Note: (*) Figures in brackets refer to end-2011.

3. Effects of intervention

Main points from the previous country report:

- Difficult to point out and empirically justify any long-term macro-effects of ERDF investment. However, ERDF funds do contribute to a continuing focus on long-term regional development and growth.
- The DBA intends to improve quantitative effect indicators (revenue, employment and growth) through cooperation with Statistics Denmark.

Developments since the 2012 report

The ERDF amounts to only 0.03% of GDP per year, which logically limits the possible economic, social, and territorial effects of interventions. Under the innovation growth driver, 2,064 enterprises have become more innovative as a result of the ERDF programme, which is substantially higher than the initial target³⁸. Under entrepreneurship, 3,527 new entrepreneurs have surfaced as a result of ERDF support, which also exceeds the initial target of 900. Despite

³⁷ AIR 2012.

³⁸ AIR 2012.

this, Denmark was second to last in an international benchmark analysis mapping the share of growth enterprises in ten countries where the necessary data were available³⁹.

Programme administrators indicate that there have been several positive effects worth noting over the present programme period. Danish regions, however, also stress that it is difficult to assess whether positive developments are due to ERDF funding or to other sources of funding for regional development. There are, therefore, several funds and various types of subsidy scheme at local, regional and national level that also have the potential to contribute to regional development and growth. There is unfortunately no available data to distinguish the effects of ERDF funding from other sources. At the same time, it is the perception of Danish Regions that several initiatives would not have been launched without ERDF-co-financing. Furthermore, while it is difficult to point-to effects of intervention, local effects are often more tangible and visible⁴⁰.

At the start of the programme in 2007, lagging regions (measured in terms of unemployment, level of education and having a high proportion of remote areas) were given a relatively bigger share of ERDF funding compared to other regions (Northern Jutland and Bornholm primarily). In addition, throughout the programme period the DBA has tried to ensure that a minimum of 35% of the total amount of ERDF funding should be targeted at remote areas, which has been the case in practice. These structural conditions have, according to a qualitative assessment by the DBA, contributed in reducing local disparities⁴¹. On the basis of the share of innovative enterprises in the region, it appears that this way of distributing funding has had an effect in Northern Jutland which is one of the lagging regions. The region, therefore, went from having the smallest share of innovative companies at the start of the programme in 2007 to having the largest in 2011⁴².

Both the DBA and Danish Regions state that the ERDF programme has helped regions in responding to various long-term challenges. They both emphasise that ERDF support has helped enterprises become increasingly resource-efficient which in the long run will strengthen their competitiveness in global markets⁴³.

Several projects are aimed at strengthening automation in enterprises in order to comply with and overcome productivity challenges. According to the DBA impact measurements have been carried out which indicate positive effects on levels of exports, number of jobs, turnover and value-added.

An overall assessment of the effects of the ERDF programme is that the funding has contributed significantly to entrepreneurship and innovation capacity at a project level. A majority of the projects would not have been initiated without the funding. However, it is difficult to make assessments of the long-term impact with the evidence of achievement at present.

³⁹ Government paper: "Statement on growth and competitiveness", September 2012.

⁴⁰ Interview with Lone Vingtoft.

⁴¹ Interview with Hans Henrik Nørgaard.

⁴² AIR 2012.

⁴³ Interview with Hans Henrik Nørgaard and Lone Vingtoft.

4. Evaluations and good practice in evaluation

- No new programme evaluations were completed in 2011. One new evaluation was initiated in September 2012 which will be carried out by consultant agency DAMVAD.
- Project evaluations differ extensively due to the lack of common evaluation requirements from the DBA.

Developments since the 2012 report

From the beginning of the current programme period in 2007 up to the end of 2012, EUR 248,283 has been used for evaluations and analysis of interventions co-financed by the EU Structural Funds⁴⁴. Throughout the period, it has proved difficult to develop a coordinated and comprehensive evaluation strategy covering all the various types of project under the three growth drivers. As an example Hans Henrik Nørgaard from the DBA mentions how an innovation project can range from a four-hour meeting between an enterprise and a regional research centre to following and guiding enterprises for a full year. This causes a problem in creating common output indicators across the three growth drivers⁴⁵.

There have been regional differences regarding how to approach evaluation. The main difference is whether the region has chosen to have an internal or external evaluation. The Capital region has, compared to other regions more often relied on external consultants to carry out evaluations⁴⁶.

In 2012 it was decided to expand the evaluation strategy used in the Southern Denmark region to all the other regions in Denmark. Presently, the DBA and all regions are carrying out a project that uses data from Statistics Denmark to measure the effects of regional projects on enterprise growth, exports, number of jobs etc. Aggregated results from all regions are expected in the autumn of 2013. The Southern Denmark region has been used as a pilot and since the systems use data that have already been collected, it is relatively cost-effective. The DBA states that this strategy will be an integral part of the evaluation-approach in the forthcoming programming period⁴⁷.

In 2011 a new application form was introduced, in which project leaders were encouraged to add project specific indicators to supplement standard indicators. However, according to Professor Henrik Halkier and Jenny Holm Hviid, who have been interviewing several programme administrators, projects generally appear to be reluctant to take this opportunity⁴⁸. In the next programming period the DBA will ask projects to outline and explain the link between the activities of the project and the subsequent outputs and effects. In this way it should become possible to compare projects and identify effects more broadly⁴⁹.

The two publications published in 2012 are predominantly process-oriented and will be described in detail later. There is, however, a clear tendency towards increased focus on

⁴⁴ AIR 2012.

⁴⁵ Interview with Hans Henrik Nørgaard.

⁴⁶ Interview with Lone Vingtoft.

⁴⁷ Interview with Hans Henrik Nørgaard.

⁴⁸ Jenny Holm Hviid & Henrik Halkier: The Performance Turn in Cohesion policy – Denmark, IQ-Net country report, autumn 2012.

⁴⁹ Interview with Hans Henrik Nørgaard.

maximising the effects of interventions related to ERDF funding and documenting them, which will probably become more evident in the forthcoming ERDF programme period. This development is visible both at regional and national level, where the relationship between policy objectives and the targets set is of increasing concern⁵⁰.

In addition to the new application form introduced in 2011, new rules regarding obligatory digital communication were agreed in December 2012. The new rules specify that project administrators now have to restrict themselves to digital communication and to use specific IT-systems, digital formats, digital signatures and so forth.

The main conclusion in both of the publications in 2012, and in several previous evaluations, is the need for the Danish programme to become more result and effect-oriented. It appears that this argument is in line with future policies of the DBA and is being implemented in the next programme period.

The DBA will not conduct a final evaluation at the end of the present programme period.

⁵⁰ Jenny Holm Hviid & Henrik Halkier: The Performance Turn in Cohesion policy – Denmark, IQ-Net country report, autumn 2012.

Table 12 – Evaluations carried out

| Title and date of completion | Policy area and scope (*) | Main objectives and focus (*) | Main findings | Method used (*) | Full reference or link to publication |
|--|---------------------------|---|---|---|---|
| Thematic evaluation of the structural funds 2007-2013, COWI 2009 | (9) Multi-area | (1) Asses the arrangements and procedures for managing or administering programs | The evaluation concludes that a strong coherence between the structural funds and the regional strategies for business development can be identified. Regarding the actual development of the regional strategies for business development the report concludes that especially regional socio-economic differences seem to have had an effect. | (3) Other quantitative (4) Qualitative | http://w2l.dk/file/59219/temaevaluering2007-2013.pdf |
| Strategic evaluation of the structural fond period 2007-2013, Final Report, COWI, April 2011 | (9) Multi-area | (3) Assess the outcome or effects of programmes in terms of the results achieved and their contribution to attaining socio-economic policy objectives | High expectations to the achievements of the programme Only one out of three goals yet achieved. N+2 goal has been reached. There's a need for better connection between the overall objective and the indicators on project level. | (3) Other quantitative (4) Qualitative | http://www.ebst.dk/file/154000/strategiskevalueringstruktur2007_2013.pdf |
| Ongoing Evaluation of INTERREG IVA-programme "Fehmarnbeltregion" 2007-2013 | (9) Multi-area | (2) Support monitoring and check the progress made in implementing programmes | The program is still relevant and useful. Steady flow of funds and equal distribution of funds between the two priorities. Program has proved coherent with relevant strategies and policies Media exposure depends on several factors Ineffective system of audit and control both on the Danish and German side | (4) Qualitative | http://news.eformation.de/v3/client/media/386/data/27278.pdf |
| Objectives, means and effects of the Structural Funds, June 2013 | (9) Multi-area | (2) Support monitoring and check the progress made in implementing programmes | Four recommendations: 1) Prioritise instruments with proven impact 2) Consider new instruments with proven impact 3) Be cautious in the use of instruments with uncertain impacts 4) Investigate further the impacts of undocumented instruments | (1) Counterfactual | Damvad, June 2013, "Mål, midler og effekter i strukturfondsindsatsen - en temaevaluering udarbejdet af Damvad for Erhvervsstyrelsen" http://regionalt.erhvervsstyrelsen.dk/file/407059/temaevalueringgsrapport_damvad_juni_2013.pdf |
| The performance turn in Cohesion policy, Denmark, IQ-Net country report, 2012 | (9) Multi-area | (1) Asses the arrangements and procedures for managing or administering programs | Increased focus on the relation between objectives and targets both at a regional and national level | (4) Qualitative | Jenny Holm Hviid & Henrik Halkier: The Performance Turn in Cohesion policy – Denmark, IQ-Net country report, Autumn 2012 |

Note: (*) Legend:

Policy area and scope: 1. RTDI; 2. Enterprise support and ICT; 3. Human Resources (ERDF only); 4. Transport; 5. Environment; 6. Energy; 7. Territorial development (urban areas, tourism, rural development, cultural heritage, health, public security, local development); 8. Capacity and institution building; 9. Multi-area (e.g. evaluations of programmes, mid-term evaluations); 10. Transversal aspects (e.g. gender or equal opportunities, sustainable development, employment)

Main objective and focus: *1. assess the arrangements and procedures for managing or administering programmes; 2. support monitoring, or check the progress made in implementing programmes, such as many mid-term evaluations; 3. assess the outcome or effects of programmes in terms of the results achieved and their contribution to attaining socio-economic policy objectives*

Method used: *1. Counterfactual; 2. Cost-benefit analysis; 3. Other quantitative; 4. Qualitative.*

The evaluation “Objectives, means and effects of the Structural Funds” conducted by DAMVAD (www.damvad.com) for the DBA examined the spending of the Structural Funds from 2007 up to November 2012 and investigated the goals, instruments and effects of the on-going projects. The overall purpose was to come up with recommendations regarding the types of instrument (and so investments) to be considered in the future. The evaluation was intended to answer the following three questions:

- Which types of goals are the projects under the Structural Funds seeking to fulfil and through which types of instrument?
- Which instruments can be proved to be successful in order to achieve the goals?
- Which types of instrument should be prioritised in the future?

The method used is a mapping of the objectives and instruments used in the projects by investigating the descriptions of all 489 projects. A review of relevant literature is also included in order to substantiate recommendations for the forthcoming programme period.

The evaluation shows that the goals and instruments, as well as the link between them, may be difficult to identify in a number of the projects. Some projects do not differentiate between activities and goals while other projects have activities which are not clearly linked to the goal. The evaluation also shows that the projects use a number of different instruments in order to reach their goals.

The literature study demonstrated that only few studies consider the entire impact of projects - and the evaluation was only concerned with the question of direct impact and not any associated costs. Thus, impact assessments only examine whether an instrument can be said to have a positive impact, but not what it costs to initiate it. It is often unclear whether an instrument contributes positively to the economy.

The mapping and the literature review created the basis for four recommendations for the forthcoming period as illustrated below. According to the DBA these recommendations have been used as an inspiration to decide how to structure and develop the forthcoming programme⁵¹.

⁵¹ Interview Hans Henrik Nørgaard.

Table 13 - Recommendations from the evaluation “Objectives, means and effects of the Structural Funds”

| Recommendation | Instrument |
|--|---|
| 1. Prioritise instruments with proven impact | Ongoing education directed at industry Counselling of entrepreneurs Research and development activities |
| 2. Consider new instruments with proven impact | Counselling of unemployed persons readily available for the labour market Loans for entrepreneurs |
| 3. Be cautious in the use of instruments with uncertain impact | Educational programmes and courses in entrepreneurship Support for clusters Subsidies for the purchase of assets for companies or other organisations |
| 4. Investigate further the impact of undocumented instruments | Instruments for the development of tourism Instruments for encouraging and retaining young people in the educational system Counselling of established companies Establishment and facilitation of contact |

The study “The Performance Turn in Cohesion policy” (see Table 12) is a qualitatively based trans-European study organised by the *European Policies Research Centre* at Strathclyde University in Glasgow as part of the transnational network IQ-Net. The Danish report was carried out by Dr Henrik Halkier and Jenny Holm Hviid and was finalised in Autumn 2012. The study is based on interviews with three programme administrators from the DBA. The main focus of the study is to outline the attitudes and expectations for the forthcoming ERDF programme period regarding increased result-orientation. The study is not an evaluation as such, but the future expectations of the programme administrators are based on their experience from the present period.

The study finds that political focus to a larger extent than previously in e.g. the Regional Growth Fora is placed on indicators such as job creation and economic growth, and less on more tangible output indicators such as network creation and innovation levels where the long-term effect on growth and employment is less certain.

This more result-focused strategy will be promoted by, first, working towards applicants becoming more attentive towards ensuring explicit chains of effects and justification of critical assumptions behind the links between activities, input, output and effects in the projects themselves. Moreover, evaluations and exchange of experience *across* the various regions of Denmark will be an important way to increase strategic use of evaluations and learning outcomes⁵².

During the current programme period the DBA has carried out several activities related to the aim of becoming more effect-oriented. Among these are:

- Register-based statistical evaluation of the effects of individual projects in collaboration with regional authorities and Statistics Denmark.
- Seminars on evaluation and measurement of effectiveness with participation by e.g. the regional growth fora.

⁵² Jenny Holm Hviid & Henrik Halkier: The Performance Turn in Cohesion policy – Denmark, IQ-Net country report, Autumn 2012.

- The analytical unit at DBA is in discussion with regional programme administrators on a continuous basis.

During the present period the evaluation activity has been very low and the DBA has carried out only a few overall evaluations of the ERDF programme. The evaluations conducted have focused primarily on implementation, process and output and very little on effects at an outcome and impact level. As the DBA has made no regulations on project evaluation (internal or external) the DBA has not succeeded in making the project owners systematically collect comparable data on project results. Thus, the framework for evaluating on outcome and impact has been insufficient.

Future evaluations can be improved by:

- Setting up evaluation requirements for beneficiaries by using a common evaluation framework. Improvement of the evaluation requires a systematic approach to the causal relation between activities and outcome. Counter-factual analysis could be applied in this framework. This includes the development of an applicable evaluation framework and increased focus on developing evaluation competencies among the applicants.
- Comparing baseline and end-line data from treatment group (beneficiaries) and control group. DBA could apply this method when evaluating future results.

5. Further Remarks - New challenges for policy

Main points from the previous country report:

- The economic crisis is still affecting the socio-economic situation while the ERDF-programme contributes to overcoming the crisis.
- Credibility concerns over the identification of effects arise from the DBA relying on the self-assessment of projects.

The socio-economic situation in Denmark continues to be affected by the economic downturn. In the previous country report a 1.4% growth of GDP was forecast. However, negative growth of 0.4% was the actual outcome in 2012 and employment only rose marginally. This will, according to Hans Henrik Nørgaard from the DBA, affect the framework conditions of the ERDF programme in the forthcoming programme period as well. One example is the reduced funds available from the National Budget.

Since last year the DBA has implemented a new strategy for measuring effects in all the regions which is probably a result of the concern over credibility mentioned above. In addition, the DBA will request a more explicit identification of effects from individual projects on the basis of common indicators. This should create a better basis for evaluating effects across policy areas. In spite of this the DBA estimates that in the next period too, it will be a challenge for programme administrators to develop effect-indicators applicable to all projects across policy areas.

During 2012 the National Audit Office of Denmark stressed that in some regions, there is an unclear division of responsibilities for projects between the DBA and the regions which results in some projects communicating with both authorities. This imposes an unnecessary additional

burden on them. The DBA and the RGFs will carry out discussions during the autumn of 2013 on how to avoid this in the coming programme period.

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Plougmann, Peter, Andersen, Frederik Nordentoft and Hagerup, Eleni Marinos, 2012: Country Report 2012: Expert evaluation network delivering policy analysis on the performance of cohesion policy 2007-2013, task 2: Country report on achievements of cohesion policy, Applica & Ismeri Europe 2012

Rambøll, August 2012: Evaluation of the Cluster Initiative Robo Cluster

Interviews

Hans Henrik Nørgaard, Chief advisor at the Ministry of Economic and Business Affairs

Lone Vingtoft, Chief advisor at Danish Regions

Hanne Edelweiss Beckert, Managing authority, Zealand Region

Martin Sigerstrøm, controller, Interreg administration, Region of Southern Denmark

Annex 1 - Evaluation grid for examples of good practice in evaluation

Evaluation Grid A - Evaluation of the Cluster Initiative RoboCluster

| BASIC INFORMATION | |
|---|---|
| Country: Denmark | |
| Policy area: Enterprise support including ICT | |
| Title of evaluation and full reference: Evaluation of the Cluster Initiative RoboCluster | |
| Intervention period covered: 2009-2012 | |
| Timing of the evaluation: 2012 | |
| Budget: Unknown | |
| Evaluator: External evaluator (Rambøll Management Consulting) | |
| Method: A mix of counterfactual and process analysis. Data sources: survey and qualitative interviews | |
| <p>Main objectives and main findings: The evaluation investigates the result of the project on four criteria:</p> <ol style="list-style-type: none"> 1. Relevance: To what extent have the objectives of the projects been relevant for the target group/project partners? 2. Implementation: To what extent have the activities contributed to the objectives set? 3. Effectiveness: To what extent are the objectives reached? 4. Sustainability: Are the effects sustainable? <p>The evaluation finds that the project has resulted in increased cooperation, contributed in strengthening the innovative competences of participating actors while improving employment. It did not improve automation processes within different sectors.</p> | |
| Appraisal: There is a clear outline of the initial objectives of the project and the subsequent evaluation criteria are highly relevant in this context. | |
| CHECK LIST | |
| Score each item listed below from 0 to 2 as follows: 0: No; 1: Yes, but not fully; 2: Yes | |
| Report | |
| Are the objectives, methods and findings of the evaluation clearly set out? | 2 |
| Are the findings and recommendations clearly supported by the analysis? | 1 |
| Are the methods used suitable given the objectives of the valuation and have they been well applied? | 2 |
| Are the quantitative and qualitative data used reliable and suitable for the purpose of the evaluation? | 1 |
| Are the potential effects of other factors (e.g. the economic situation) on the outcome fully taken into account? | 1 |
| Is a serious attempt made to distinguish the effects of the intervention from these other factors? | 1 |

Evaluation Grid B - Evaluation of “enterprises in technological transition”

| BASIC INFORMATION | |
|--|---|
| Country: Denmark | |
| Policy area: Multi-area (Enterprise support, Human Resources, Transport, environment and energy and territorial development) | |
| Title of evaluation and full reference: Evaluation of “enterprises in technological transition” | |
| Intervention period covered: 2010-2012 | |
| Timing of the evaluation: 2012 | |
| Budget: Unknown | |
| Evaluator: External evaluator (Epinion, Market Research Company) | |
| Method: A mix of counterfactual and process analysis | |
| Main objectives and main findings: The overall purpose of the project is to improve the technical knowledge of enterprises in Northern Jutland through new technologies, processes and materials. The objective of the evaluation is to outline the results and effects. The evaluation finds that more than nine out of ten of participating enterprises were very satisfied with the project. In 85% of the projects a new or improved product emerged. Around half of the enterprises experienced increased revenues. Eight out of ten enterprises indicate that participation in the project resulted in activities which would not have been carried through in the absence of the project. | |
| Appraisal: The evaluation analyses both the immediate effects of the project while including future expectations of participating enterprises as a result of the project. | |
| CHECK LIST | |
| Score each item listed below from 0 to 2 as follows: 0: No; 1: Yes, but not fully; 2: Yes | |
| Report | |
| Are the objectives, methods and findings of the evaluation clearly set out? | 1 |
| Are the findings and recommendations clearly supported by the analysis? | 2 |
| Are the methods used suitable given the objectives of the valuation and have they been well applied? | 2 |
| Are the quantitative and qualitative data used reliable and suitable for the purpose of the evaluation? | 2 |
| Are the potential effects of other factors (e.g. the economic situation) on the outcome fully taken into account? | 1 |
| Is a serious attempt made to distinguish the effects of the intervention from these other factors? | 1 |

Annex 2 – Tables

See Excel Tables 1 -4:

Excel Table 1 – Regional disparities and trends

Excel Table 2 – Macro-economic developments

Excel Table 3 - Financial allocation by main policy area

Excel Table 3cbc - Financial allocation by main policy area – cross border cooperation

Excel Table 4 - Commitments by main policy area (by end-2012)

Excel Table 4cbc - Commitments by main policy area (by end-2012) – cross border cooperation

Annex Table A -Broad policy areas and correspondence with fields of intervention (FOI)

| Policy area | | Code | Priority themes |
|---------------------------|-----------------------------|------|--|
| 1. Enterprise environment | RTDI and linked activities | 01 | R&TD activities in research centres |
| | | 02 | R&TD infrastructure and centres of competence in a specific technology |
| | | 05 | Advanced support services for firms and groups of firms |
| | | 07 | Investment in firms directly linked to research and innovation (...) |
| | | 74 | Developing human potential in the field of research and innovation, in particular through post-graduate studies ... |
| | Innovation support for SMEs | 03 | Technology transfer and improvement of cooperation networks ... |
| | | 04 | Assistance to R&TD, particularly in SMEs (including access to R&TD services in research centres) |
| | | 06 | Assistance to SMEs for the promotion of environmentally-friendly products and production processes (...) |
| | | 09 | Other measures to stimulate research and innovation and entrepreneurship in SMEs |
| | | 14 | Services and applications for SMEs (e-commerce, education and training, networking, etc.) |
| | | 15 | Other measures for improving access to and efficient use of ICT by SMEs |
| | ICT and related services | 11 | Information and communication technologies (...) |
| | | 12 | Information and communication technologies (TEN-ICT) |
| | | 13 | Services and applications for citizens (e-health, e-government, e-learning, e-inclusion, etc.) |
| | Other investment in firms | 08 | Other investment in firms |
| 2. Human resources | Education and training | 62 | Development of life-long learning systems and strategies in firms; training and services for employees ... |
| | | 63 | Design and dissemination of innovative and more productive ways of organising work |
| | | 64 | Development of special services for employment, training and support in connection with restructuring of sectors ... |
| | | 72 | Design, introduction and implementing of reforms in education and training systems ... |

| Policy area | | Code | Priority themes |
|---------------------------|---------------------------------|---|---|
| | Labour market policies | 73 | Measures to increase participation in education and training throughout the life-cycle ... |
| | | 65 | Modernisation and strengthening labour market institutions |
| | | 66 | Implementing active and preventive measures on the labour market |
| | | 67 | Measures encouraging active ageing and prolonging working lives |
| | | 68 | Support for self-employment and business start-up |
| | | 69 | Measures to improve access to employment and increase sustainable participation and progress of women ... |
| | | 70 | Specific action to increase migrants' participation in employment ... |
| | | 71 | Pathways to integration and re-entry into employment for disadvantaged people ... |
| | | 80 | Promoting the partnerships, pacts and initiatives through the networking of relevant stakeholders |
| 3. Transport | Rail | 16 | Railways |
| | | 17 | Railways (TEN-T) |
| | | 18 | Mobile rail assets |
| | | 19 | Mobile rail assets (TEN-T) |
| | Road | 20 | Motorways |
| | | 21 | Motorways (TEN-T) |
| | | 22 | National roads |
| | | 23 | Regional/local roads |
| | Other transport | 24 | Cycle tracks |
| | | 25 | Urban transport |
| | | 26 | Multimodal transport |
| | | 27 | Multimodal transport (TEN-T) |
| | | 28 | Intelligent transport systems |
| | | 29 | Airports |
| 30 | | Ports | |
| 31 | | Inland waterways (regional and local) | |
| 32 | | Inland waterways (TEN-T) | |
| 4. Environment and energy | Energy infrastructure | 33 | Electricity |
| | | 34 | Electricity (TEN-E) |
| | | 35 | Natural gas |
| | | 36 | Natural gas (TEN-E) |
| | | 37 | Petroleum products |
| | | 38 | Petroleum products (TEN-E) |
| | | 39 | Renewable energy: wind |
| | | 40 | Renewable energy: solar |
| | | 41 | Renewable energy: biomass |
| | | 42 | Renewable energy: hydroelectric, geothermal and other |
| | 43 | Energy efficiency, co-generation, energy management | |
| | Environment and risk prevention | 44 | Management of household and industrial waste |
| | | 45 | Management and distribution of water (drink water) |
| | | 46 | Water treatment (waste water) |
| | | 47 | Air quality |
| | | 48 | Integrated prevention and pollution control |
| | | 49 | Mitigation and adaption to climate change |

| Policy area | | Code | Priority themes |
|----------------------------|-----------------------------|------|---|
| | | 50 | Rehabilitation of industrial sites and contaminated land |
| | | 51 | Promotion of biodiversity and nature protection (including Natura 2000) |
| | | 52 | Promotion of clean urban transport |
| | | 53 | Risk prevention (...) |
| | | 54 | Other measures to preserve the environment and prevent risks |
| 5. Territorial development | Social Infrastructure | 10 | Telephone infrastructure (including broadband networks) |
| | | 75 | Education infrastructure |
| | | 76 | Health infrastructure |
| | | 77 | Childcare infrastructure |
| | | 78 | Housing infrastructure |
| | | 79 | Other social infrastructure |
| | Tourism and culture | 55 | Promotion of natural assets |
| | | 56 | Protection and development of natural heritage |
| | | 57 | Other assistance to improve tourist services |
| | | 58 | Protection and preservation of the cultural heritage |
| | | 59 | Development of cultural infrastructure |
| | | 60 | Other assistance to improve cultural services |
| | Planning and rehabilitation | 61 | Integrated projects for urban and rural regeneration |
| | Other | 82 | Compensation of any additional costs due to accessibility deficit and territorial fragmentation |
| | | 83 | Specific action addressed to compensate additional costs due to size market factors |
| 6. Technical assistance | | 84 | Support to compensate additional costs due to climate conditions and relief difficulties |
| | | 81 | Mechanisms for improving good policy and programme design, monitoring and evaluation ... |
| | | 85 | Preparation, implementation, monitoring and inspection |
| | | 86 | Evaluation and studies; information and communication |