



EVALUATION OF THE OPERATIONAL EFFECTIVENESS OF THE INTERVIR+ PROGRAMME

EXECUTIVE SUMMARY

2010 JUNE

INTERVIR+ para uma Região cada vez mais europeia



REGIÃO AUTÓNOMA DA MADEIRA



UNIÃO EUROPEIA
Fundo Europeu
de Desenvolvimento Regional

EXECUTIVE SUMMARY

The Operational Programme for the Enhancement of the Economic Potential and Territorial Cohesion of the Madeira Autonomous Region, the Intervir+ Programme, approved by decision of the European Commission on 5 October 2007, under the auspices of the 2007-2013 community intervention programme of European Regional Development Fund (ERDF), in line with Regional Competitiveness and Employment Objectives.

This evaluation of the operational effectiveness of the Intervir+ Programme falls within the scope of the applicable European, national and regional guidelines and *“has as its goal ensuring an appropriate interrelationship between the two core dimensions to evaluation: one operational dimension and one dimension of a strategic nature. The results of this interactive relationship are to contribute towards those adjustments deemed necessary whether in the Programme management / governance system or in the (re)orientation of the candidate profile in accordance with the strategic priorities contained within the Programme Priority Axes”*.

This evaluation of the operational effectiveness of the Intervir+ Programme takes as its **framework of reference** the period between **5th October 2007 and 30 September 2009**.

The evaluation process undertaken, which relies on a highly diversified set of instruments for the gathering and handling of information, results in **an overall positive appreciation of the Programme as regards the appropriateness and efficiency of the means of operation adopted and subject to scrutiny during the work carried out**. The input from different Programme stakeholders gathered by the evaluation team also found that there was a clear trend towards the expression of positive opinions about this same Programme.

Object of Evaluation

The Intervir+ Programme represents (in conjunction with the RUMOS Operational Programme) a fundamental support instrument for the implementation of the Madeira Autonomous Region development strategy established for the period 2007-2013 under PDES – the Economic and Social Development Plan.

The PDES assumes, without ever ignoring the continuity and coherence of the political guidelines set for the development process, that the **period 2007-2013 should correspond to a progressive inflection of strategic priorities**, recognising that the cycle of public policies that favoured infrastructures and public facilities, whose results and effects are relevant factors in explaining the economic and social performance of the region, should (specifically as regards the guidelines in effect for community resources) **assume the promotion of regional competitiveness as priority**, as an essential condition for attaining the ambitious strategic objectives of *“in the period up to 2013, to maintain high and sustainable levels of growth in both economic and employment terms, ensuring the protection of the environment, social cohesion and territorial development”*.

The pertinence of this strategic framework is especially important within the European Union structural funding framework which the Operational Programme (OP) draws upon: as a result of the high (and very significant, both in the national context as within the overall European regional scope) growth in the Gross Internal Product of the Madeira Autonomous Region, its insertion within the European Union Cohesion Policy Objectives corresponding to the less developed regions, reflected in higher levels of community financing, is replaced with the re-framing of the Madeira Autonomous Region within the Transitory Regime of the Regional and Employment Competitive Objective, designated ‘Phasing In’.

The Intervir+ Programme is organised into six Priority Axes, with the table below setting out their Intervention Areas and specific objectives.

Priority Axes of the Intervir+ Programme, Intervention Areas and Specific Objectives

OP Axis	Intervention Areas	Specific Objectives
Axis I – Innovation, Technological Development and the Knowledge Society	Direct and indirect companies incentives	Transform the patterns of specialisation and boost innovation levels in the Regional economy
	Scientific and technological system and the knowledge society	Develop regional science, technology and the knowledge society
	Administrative modernisation	Improve the quality and effectiveness of Regional Administrative structures
Axis II – Competitiveness of the Core Regional Economy	Integrated and innovative business investment projects	Ensure the sustainability and diversification of the regional economy
	Business environment	Improve the company operational environment
Axis III – Sustainable Development	First generation environmental management structures	Improve the efficiency and coverage of water supply and wastewater and urban solid waste treatment systems
	Natural and technological risks	Prevent, manage and monitor the natural and technological risks
	Sustainable environmental management, conservation of nature and biodiversity	Intervene to improve the environment, nature and biodiversity
Axis IV – Territorial Cohesion and Governance	Infrastructures and collective equipment	Consolidate the regional coverage of infrastructures and collective equipments
	Urban and rural rehabilitation	Support urban and rural rehabilitation
	Interregional cooperation	Understand best practices for European regional development
Axis V – Compensation for Additional Costs from Ultra-peripheral location	Operational business activity expenses	Combat the negative effects that an ultra-peripheral location may cause to regional economic actors
	Public infrastructures and equipment	Reduce the additional costs weighing upon state investments in the collective interest due to the ultra-peripheral location
Axis VI – Technical Assistance	Operational management and strategic monitoring	Ensure the appropriate conditions for the management, accompaniment, evaluation, monitoring and communication of the OPs

Source: Intervir+ Programme

The evaluation carried out resulted in a particularly positive perception of the logic introduced by the regional authorities into this Operational Programme in comparison with the earlier programme period, which is especially pertinent within the context of its application:

- The positioning of the Autonomous Region of Madeira within the EU Cohesion Policy framework changed significantly with objective consequences as demonstrated by the level of community structural funding support (that dropped as regards the ERDF contribution by around 40% in the period under analysis);
- The changes occurring in the global context, especially in terms of enhancing the actions that favour national and regional competitiveness assumed in the European context by the Lisbon Strategy;
- The adoption of the mono-fund programme rule that led to the structuring of two OPs co-financed by the Structural Funds for Autonomous Region of Madeira;
- The decision, deriving from the Region's inclusion into the Phasing In Regime framework, so as to not share scarce resources with other national OPs and thus not to access the national incentive systems.

The conjugation of these various factors led to the definition of a new strategic orientation and structure for the Intervir+ Programme (coherent with the PDES) that, comparative with previous Regional Operational Programmes, determined **greater complexity in operational programme organisation** by Priority Axes and Intervention Areas and adopted **the promotion of interventions designed to raise competitiveness as a fundamental dimension**, through typologies designed for the effectiveness and efficiency of Regional Incentive Systems promoting and guiding productive investment.

This OP intervention strategy is structured around the priorities that seek to sustain a virtuous circle of development through an appropriate balancing of the following three needs / objectives:

- The development of new innovative activities, intensive in knowledge and that enable the reach of the regional economy to be expanded in the direction of the more dynamic sectors of the world economy, generically corresponding to the objectives of OP Axis One;

- The support for existing activities, raising levels of productivity and competitiveness, ensuring their sustainability over time and densifying and expanding their value chains, which matches the core of the objectives incorporated into OP Axis Two;
- The set of initiatives in support of economic activities and social and territorial cohesion, raising standards of living, increasing the territory's attractiveness, improving mobility and accessibility and compensating for costs incurred by the ultra-peripheral location, corresponding to the substantive content of Axes III, IV and V.

Evaluation Questions

The evaluation should respond to, in accordance with the terms of reference, four specific objectives, which are provided for by the nineteen evaluation questions identified below.

Objective 1. Evaluate the pertinence of the organisational and management and monitoring models as regards the development of strategic Programme priorities, with particular attention to those attributed under the auspices of PDES 2007-2013 [Pertinence, Effectiveness and Efficiency].

1.a) Does the management model (associated, for example, with the delegation of competences from the Management Authority to Intermediate Organisms) prove to be operational and able to foster improvements in levels of effectiveness and efficiency?

1.b) Are the solutions adopted to render Programme management and development operational appropriate to the needs incurred in achieving the established objectives and targets?

1.c) Are the resources released to Programme operational implementation appropriate and sufficient? Would it be possible to obtain more satisfactory results with the same resources (reducing decision making times, broadening public awareness campaigns, etc.)?

1.d) Are the ex-ante evaluation recommendations with repercussions for Programme operational implementation being respected?

Objective 2. Evaluate the appropriateness of the operational modes adopted from the perspective of attaining the strategic Programme priorities, reflected in the respective Priority Axes [Appropriateness and Effectiveness].

2.a) Are the specific regulations for the Programme intervention typologies appropriate and effective regarding the already established performance objectives?

2.b) Has the selection criteria adopted for evaluating and ranking the applications been able to support the right type of candidates given the need to meet the defined objectives and targets?

2.c1) Have the user procedural manuals and forms proven simple and with a level of demand in alignment with the project scale?

2.c2) Is the information gathered from these forms useful and sufficient for the analysis of the applications submitted?

2.d) Does the Programme launch model (publication and application acceptance deadlines) prove appropriate given the dynamic demands of implementing the various intervention typologies?

Objective 3. Evaluate the levels of appropriateness between the profile of Programme Priority Axes intervention typologies and the demand pattern for co-financed support regarding the expectations of attaining the strategic priorities of the Axes [Appropriateness].

3.a) Does the profile of promoters that applied for co-financing demonstrate the capacities and potential appropriate to achieving the Programme's Priority Axis Priorities?

3.b) Do the dynamics of promoter demand and the quality of the applications submitted for support across the diverse intervention typologies correspond to the target profile and the key dimensions encouraged by the selection criteria set down by the Programme's Priority Axis Priorities?

3.c) How are the core concepts, in terms of analysis of the projects approved (and candidates), put into operational practice especially regarding innovation, tradable goods and services, qualification and entrepreneurship?

Objective 4. Understand the way Programme strategy priorities, objectives and targets are being fostered and identify based upon this understanding any deviation from attaining the respective Priority Axes [Appropriateness and Effectiveness].

4.a) Do the projects approved, in particular under the auspices of the new incentives systems, prove appropriate to boosting the competitiveness of the regional economy, whether in terms of sectors of strong growth or in the revitalisation of tradition activities?

4.b) Do the projects approved, in particular under the auspices of the new incentives systems, prove appropriate to boosting innovation and the diversification of economic activities?

4.c) Do the projects approved, in particular under the auspices of the new incentives systems, prove appropriate to the needs to incorporate knowledge into the productive and technological investment components of companies?

4.d) Do the projects approved, in particular under the auspices of the new incentive systems, prove appropriate regarding the priority attributed to job creation?

4.e) Do the projects approved prove appropriate to the need to qualify sub-regional areas and reduce territorial asymmetries in the coverage of basic services?

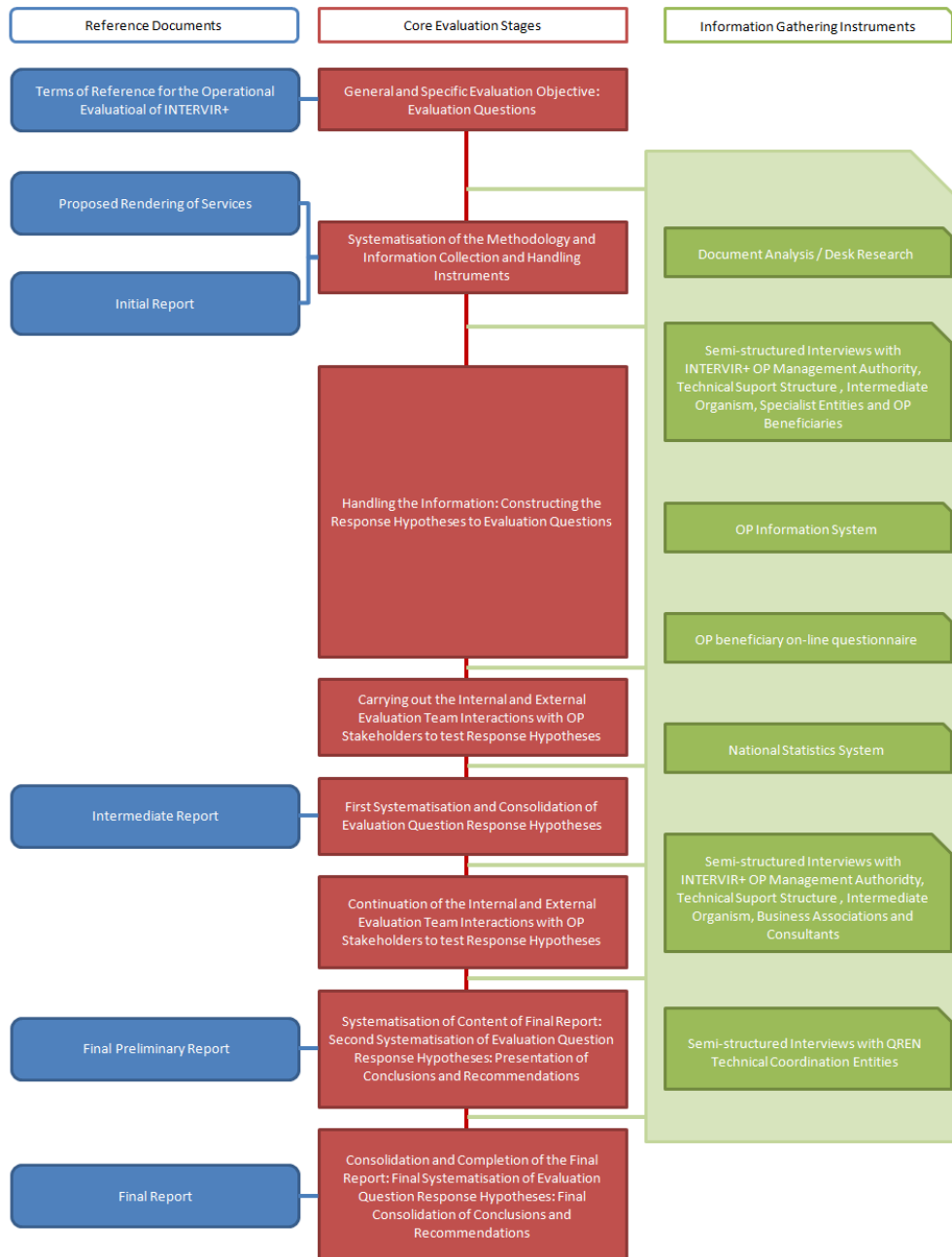
4.f) Do the projects approved prove appropriate to the specific objectives of protecting and improving environmental systems and resources?

4.g) Are the means established to monitor project results the most effective (ensuring that project objectives are met and that the terms and conditions resulting in project approval are duly respected)?

Methodology and Instruments

The methodology and instruments used to gather the information subject to evaluation are set out below.

Methodology Deployed for the Evaluation of Intervir+ Programme Operational Effectiveness

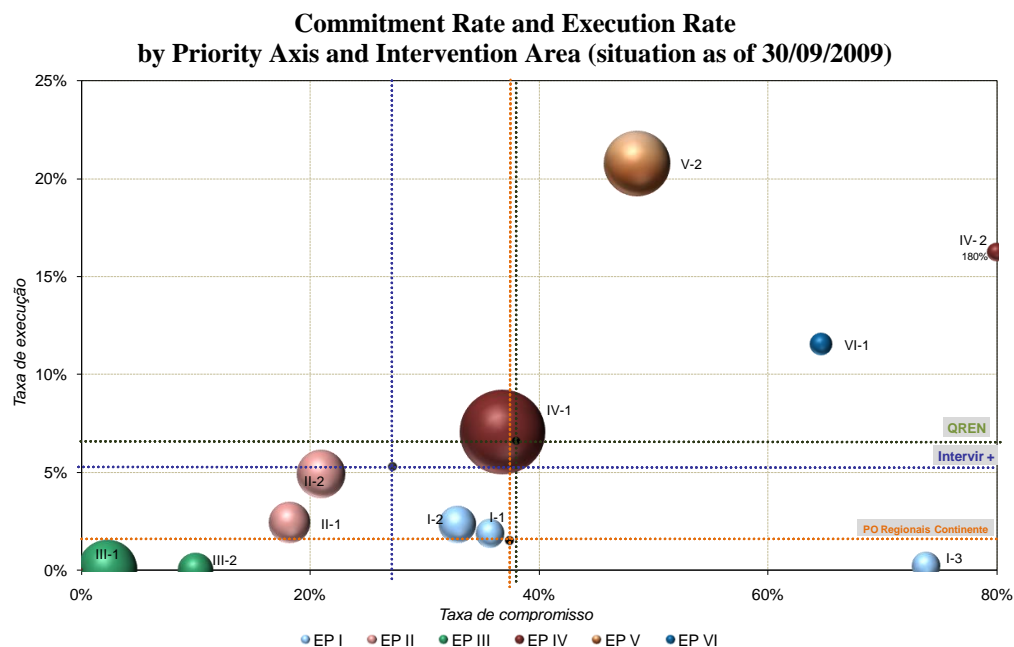


Source: Evaluation Team

OP Execution

The Intervir+ Programme position, on 30th September 2009, regarding candidate investment projects (137 in total), represented 85 approvals, 24 applications still under appreciation and 28 investment projects either rejected or having in the meanwhile withdrawn (14 in each situation). The applications were significantly concentrated within Priority Axes I and II, amounting to 106 of the total number of investment projects. The overall selection rate, comparing projects approved with candidates still subject to analysis and decision, was 85%.

The OP execution rate as on the same date (the deadline for the period under evaluation) is systematised in the chart below, recording an implementation rate (validated expenditure / EU programmed funding) of 5,3% and an overall commitment rate (approvals / programmed) of 27,3%. Although the low level of execution recorded does not affect, neither individually nor especially on the Intervir+ Programme regarding the other QREN Operational Programmes, we would wish to highlight that the level of financial implementation may result in consequences deriving from compliance with the N+3 rule, which needs taking into consideration.



Note: The "bubble" represents the percentage of Priority Axis or Intervention Typology in the Initial Programming;

Typologies with a zero commitment and implementation rate were not included.

Source: Evaluation Team, based upon INTERVIR+ OP Information System data

QREN Monitoring – Information Bulletin no. 5, 30 September 2009

The extent of OP execution through the end of the period under evaluation results in the conclusion that there are significant differences between the Priority Axes and the Intervention Areas, corresponding to the higher sums attributed to infrastructures and collective / public infrastructures under Axes IV and V and recording a lower level of financial execution under Axes I and II that expresses, with particular evidence, the effects of the global financial and economic crisis and on the behaviour of companies and productive actors. Axis III returns a low level of commitment and zero implementation.

The evaluation team attributed a particularly positive note to the adaptive capacity proven by the OP as regards the alterations recently introduced into the Incentive Systems, which have already produced positive results in terms of boosting the levels of demand. This adaptability may – and should in our perspective – also be extended to the Intervir+ Programme contribution framework so as to minimise the consequences, in both human and material terms, of the recent natural catastrophe that hit the Region and aid in the reconstruction of public infrastructures and equipment as well as business activities, central within the context of Programme objectives.

Alterations to the Operational Programme Intervention Context

The QREN 2007-2013 project framework and the Intervir+ Programme were designed within a macroeconomic context characterised by clear optimism that, however, turned sharply sour as from the second half of 2008. Nevertheless, the structural progress of the Madeira regional economy cannot automatically be assimilated within the results obtained at the national economic level with the explicit OP options clearly reflecting the positive expectations prevailing throughout the project design phase.

This context oscillated throughout 2007 and much of the first half of 2008 experiencing contradictory pressures: “cooling” (a slowing in the overall rate of expansion, even though highly unequal, of economic growth) and “heating” (the

emergence of new inflationary pressures arising in generic goods utilised as the basis for major production and consumption processes with strong diffusion effects in costs for the rest of the economy) converging and interacting to generate an economic conjuncture of great uncertainty and volatility.

The beginning of the Intervir+ Programme period of execution thus coincided with a qualitative and quantitative watershed in the world economy, characterised by the progressive interpenetration of two complex “shocks”. Differentiated in their origins and nature, they have converged and interacted to generate a new framework of great global uncertainty and volatility in both the financial and the real economies.

The OP execution period corresponding to this evaluation is thus characterised by a strong contraction in the world economy subsequent to the financial crisis, representing a period marked by that which is already being labelled in the literature as a “Great Recession”.

The drops in industrialised country’s Gross Domestic Product, in conjunction with the persistent difficulties of the financial system to appropriately meet the needs of the economy, were among the greatest challenges prevailing globally in this period. The political response adopted by most western countries saw a strategy in which state investment served as a means of stabilisation and the motor for recovery – in response to the generalised fall in private investment resulting from the hike in uncertainty and difficulties in accessing financing.

The analysis carried out confirmed that the initial period of Intervir+ Programme implementation was and remains restricted by the significant consequences of the recessionary macroeconomic context subsequent to the crisis that shook global financial markets and which swiftly bore repercussions in the real economy. This situation, which was not foreseeable during the OP programming phase, caused effects on a scale and of a nature similar to that experienced not only across the majority of national programming instruments but also many other European Union member states as well: **a sharp reduction in demand and a significant loss of capacity to implement projects with approved investment financing.**

The evaluation team considers that, irrespective of the objective difficulties deriving from the global economic and financial situation, the Management Authority might take certain initiatives corresponding to the opportunities to improve Operational Programme execution – attaining not only objectives associated with the financial dimension, where compliance with the N+3 rule during the programming period proves of particular relevance, but also achieving the objectives and targets assumed by the OP in terms of progress and results.

Key Conclusions

As regards the evaluation of the pertinence of the organisational, management and monitoring models, especially regarding the development of Intervir+ Programme strategic priorities, with particular emphasis for those set out in the PDES 2007-2013

The evaluation completed demonstrates that the OP **management model** and, in particular, the Management Authority, have benefitted from the experience accumulated in the implementation of the preceding Regional Operational Programmes, specifically as regards the acquired qualifications and knowledge capital, which have proven extremely relevant to Programme launch and implementation.

The norms approved by the Regional Government demonstrate the concern shown to provide the Intervir+ Programme management with an **experienced, solid and robust structure**, establishing the conditions necessary to ensure the respective overall effectiveness (patent particularly in the resources attributed to Technical Support Structures, by appointing the IDE as the Intermediary Organism, the composition of the Management Unit and the merit-based process of applications evaluation).

The **organisational models and procedures adopted for the implementation of the different intervention typologies** of INTERVIR+ OPs are appropriate to the

respective efficient and effective completion and consequently to attaining the objectives and the development strategies established.

As regards the **OP Information System**, the evaluation carried out and interaction with both its technical managers and users of its tools across diverse components and phases result in the conclusion that this system is robust and functional, satisfactorily meeting the objectives set. Notwithstanding these considerations, there are progression opportunities both in terms of the accessibility of some information integrated into the system and of the capacity for the total integration of all information relating to the implementation and performance of the Intervir+ Programme.

As regards evaluation of the appropriateness of the operational means adopted within the purpose of attaining the Intervir+ Programme strategic objectives, as reflected in the respective Priority Axes

The evaluation focused on the **appropriateness of the Specific Regulations and Investment Typologies** of the OP Objectives, reached the conclusion that, as a privileged instrument for the strategic implementation of the Madeira regional development strategy, established by PDES, the Intervir+ Programme also objectively assumed a close alignment with the objectives therein contained and that the Specific Regulations and Investment Typologies appropriately reflected the structure of the strategic and specific objectives of the OP and its Priority Axes.

From another perspective, the evaluation team found that (in analysing the **articulation between the Investment Typologies and the OP Priority Axes**) the investment projects approved under the frameworks of SIRE, Qualificar+ and SI Turismo fall within the scope of either Axis I or Axis II, depending on the nature of the candidate projects, verified during the applications analysis process, specifically due to the quantitative and potentially qualitative importance of investment in dynamic factors of competitiveness. This situation reveals that, within a conclusive approach, the relatively liberal framework for situations identified under Axes I and II

would benefit from clarification in terms of their regulatory definition (and, subsequently, transposed into the application guides), raising the transparency of the methodology adopted by the management entity among beneficiaries.

In evaluating the different Investment Typologies, it was also concluded that the interaction established between the innovative character of investment projects submitted under Empreendinov and the maturity of the promoting companies (ascertained in accordance with the date of their foundation), with consequences in terms of eligibility and the rates of incentives applicable, is very difficult to justify. We would highlight that these difficulties are clearly demonstrated by the possibility that two investment project candidates with equally innovative characteristics might see one penalized given that the candidate company was founded before the temporal deadline established.

The evaluation of the OP operational instruments also covered the **appropriateness and effectiveness of the selection criteria** within the overall framework of Intervir+ Programme objectives.

In generic terms, **the selection criteria established across the Incentive System are relevant and appropriate**. The particular project typologies correspond to specific analytical criteria with overall coherence with the objectives to be obtained with similar typologies applied in accordance with similar criteria but with the necessary adaptations. The set of criteria utilised assumes, in an overall relevant form, differentiated combinations between criteria of qualitative and quantitative natures with the former prevailing in the +Conhecimento and Empreendinov Programmes, with greater margin for but analytical subjectivity and the more objective and quantifiable criteria prevailing in the other incentive systems.

As regards the **selection criteria** applicable to **candidates submitted by public or similar entities** (which display a Boolean nature and integrate criteria common to the generality of intervention typologies and criteria specific to one or more typologies), it was found that (i) some of the transversal selection criteria perform an eligibility function and not that of selection and (ii) that there are several situations in which these transversal criteria only qualify applications by reference to general and

frequently common attributes that do not foster investment project differentiation in objective terms.

The utilisation of multivariate statistical tools shows that, within the framework of selection criteria applicable to public and similar applications, there are redundancies among these selection criteria and provides insights into how to reduce their numbers without any relevant consequences for candidate selection. The evaluation of the selection impact criteria in the approval or in the non approval of applications on the one hand justifies the conclusion that **the transversal selection criteria take on excessive weighting in application approval**, to the detriment of specific selection criteria – that should be better positioned to distinguish between the merit of candidate projects within the scope of attaining the objectives set for each respective investment typology.

As regards the appropriateness of the **User Procedures Manuals**, the evaluative processes undertaken point to the conclusion that these are correct and respond to the vast majority of questions and doubts that candidate project entities may be faced with. Greater interactivity between the Support Guides and the Candidate Application Forms, ensured by the creation of on-line assistance tools, would further raise the appropriateness of beneficiary support instruments.

The evaluation team concluded that, while the **promotional and information actions** carried out in accordance with the Intervir+ Programme launch model have corresponded to the programming established and have achieved the relevant objectives, the current OP situation (specifically as regards execution, negatively influenced by the prevailing global conjuncture) justifies adjustments being made to the communications strategy – especially in terms of incorporating the objective of serving as an instrument for boosting the rate of dynamism and broadening demand as well as interaction and pro-activeness with effective and potential investment project promoters (especially in the private sector).

As regards the evaluation of the appropriateness of the intervention typology profile for the Intervir+ Programme Priority Axes and the pattern of demand for co-financed support regarding the expectations for achieving the strategic priorities of these Axes

The promoter profiles approaching the OP did not contain any surprises as regards the intervention typologies applied to even though there was only a modest level of municipality involvement given what might be expected taking into consideration the typologies open to their participation.

The structure of companies submitting applications to the OP, in overall terms, are of a larger scale than the average private sector entity in the region across the sectors under consideration. Analysis of the company profile also found that the profile of effective demand (corresponding to candidate profiles) is greater than the profile of potential demand (corresponding to the region's business community), particularly in the Company Support Services, Retail, Transformation Industries and Family Services sectors, effective demand is, on the contrary, lesser than potential demand in the Construction, Accommodation and Restaurant activities and to a lesser extent in Transport.

As regards evaluation as to the extent to which Intervir+ Programme strategic priorities objectives and targets are being stimulated and the identification of any eventual deviations from the implementation of the respective Priority Axes

Evaluation of the **relevance of Dynamic Competitive Factors**, of particular importance within the context of the OP strategic approach and objectives produced the following conclusions:

- Eligible investment in dynamic competitive factors within the scope of the Incentive Systems represents 47% of the total investment supported;

- Within the scope of investment in these dynamic competitive factors, ICT and other technologies account for 59%, followed by quality management systems and certification (28%);
- The SIRE Special Projects is the incentive system with the greatest relative value (58%) of investment in dynamic competitive factors;
- The SIRE Business Parks takes on significant weighting in investment essential to activities and in quality management systems and certification (35% of eligible investment in each case);
- SI Tourism took precedence in terms of investment essential to activities and, in particular, in investment in equipments (40% of total investment).

The evaluation team also concluded that the **financial engineering** systems experienced **noticeable success**, having registered significant demand and with the structure of this demand closely accompanying the regional economic structure thus contributing towards the Priority Axe objectives of the respective Intervention Area.

Taking into account the objective corresponding to the **qualification of sub-regional spaces and offsetting regional asymmetries**, from the perspective of the evaluation team, there is the dimension relative to the promotion of relocating activities and equipments outside of the regional capital, Funchal, and also a dimension of installing infrastructures and equipment (public goods), that necessarily accompany the patterns, current and emerging, of land use especially in locations where there is displacement between the available standards of access and benefit and the needs deriving from population and activities concentration, the evaluation team concluded that **the approvals granted in the reference period do attain this objective.**

Main Recommendations

On OP operational effectiveness

The conclusions resulting from the evaluation undertaken enable some highly relevant recommendations to be put forward as regards the following aspects of Intervir+ Programme operational effectiveness:

- **Information System**: the integration of the information system as an instrument for compiling all information and making available all the tools necessary for OP management, monitoring and auditing;
- **Indicators**: the execution and results indicators should be subject to review both from the perspective of re-evaluating their relevance and pertinence as well as within the scope of the corresponding quantification methodology (seeking to ensure coherence between the targets set and the monitoring of progress and probably the redefinition of targets); The work in progress on improving and reviewing the common indicators should be continued, in particular in order to eliminate the five indicators that do not apply to the Intervir+ Programme because they correspond to non eligible investment typologies;
- **Monitoring**: the monitoring function of OP co-financed operations should be given higher priority especially so as to identify obstacles to project implementation in the frameworks and timelines set and support project promoters in overcoming them;
- **Information and Communication**: the OP communication strategy objectives should be considered and reviewed so as to foster, given the consolidation of brand awareness and its re-launch (planned for the 2008-2011 period), the maximisation of its contribution and impact on the dynamism of demand and ensuring greater territorial coverage;
- **Pro-actively Stimulating Demand**: the recommendation for ex-ante evaluation – particularly given the current economic and financial context –

should be put into practice as regards pro-actively stimulating demand, specifically through the establishing of partnerships, in particular within the framework of technical support in preparing operations (especially in the Transformative Industry, Construction and Accommodation and Restaurant Sectors);

- **Incentive Systems:** (i) the requirements set by SI Empreendinov should be modified where they hinder progress in investment projects of an innovative character based upon the date that the promoting company was founded, (ii) projects submitted under the auspices of the “Innovation” objective should be handled (criteria, selection process and incentive calculation) identically (or almost identically) to that currently stipulated for Empreendinov, (iii) progress should be made towards intensifying the financial engineering instruments which have demonstrated their capacities within the European framework to positively influence the attitudes of investment project promoters, (iv) consideration by the Management Authority and Intermediary Organism as to alternatives for the current regulatory terms on bank guarantees, and specifically favouring either insurance policies or through the utilisation of national mutual guarantee instruments;
- **Selection Criteria:** (i) the nature of many of the common or transversal selection criteria should be re-examined, especially so as to consider them as eligibility criteria (ii) attention should also be paid to the effectiveness of the current selection criteria with the objective of reducing their number and adopting a relative valuation scale that improves both the objective terms of the selection process and the absolute and relative merit of applications, (iii) the key-concepts of tradable goods and services, qualification and entrepreneurship should be explained and consistently reflected in the selection criteria and, consequently, in analysis of candidate merit.

On speeding up execution and improving OP performance

- The need to boost the pace of INTERVIR+ OP execution is especially justified within the framework of (i) compliance with the objectives established in financial and physical terms, (ii) to overcome the risks resulting from the application of the N+3 rule (and also in the circumstances applicable, N+2) and (iii) attaining the OP contribution towards achieving the regional development strategy of Madeira, lead the evaluation team to recommend the Management Authority consider the adoption of a priority and viable instrument to achieve this objective: OP financial reprogramming so as to raise the rates of co-financing to the maximums authorised by the regulatory framework in effect.
- The consideration of this recommendation, which will also bear positive consequences in terms of financial execution of interventions carried out under the Incentive System for companies, and without any impact on the respective support rates, should furthermore perceive the consequences of the reduction in the expected OP effects in leveraging regional investment as well as complying with QREN objectives in terms of multiplier effects.
- There is also significant need to strategically deepen OP operational effectiveness in the sense of guaranteeing the results obtained are more consistent with the underlying PDES strategy, particularly in the “Job creation” and “Environment and sustainable development” dimensions.

On Strengthening OP Efficiency in Attaining the Development Strategy Established

- Irrespective that, particularly due to factors exogenous to the OP, the respective level of execution demonstrates a poorer performance than that expected or desirable, the evaluation’s findings enable a strengthened

recommendation that the strategic orientation underpinning the Operational Programme, in conjunction with the PDES, should be granted continuity.

- The current estimates of the effects expected in terms of job creation by OP financed investment projects should be revised by the Management Authority and the Intermediary Organism, with the objective of raising its importance within overall candidate analysis.

Even where the factors negatively influencing OP performance within the field of the environment and sustainable development are exogenous to Management Authority competences, the evaluation team recommends the attribution of priority to monitoring these problematic issues in order to overcome as swiftly as possible the current constraints on the presentation and execution of applications focusing on these issues.