

Structural Funds and Sustainable Development – The SQM approach

Ruggero Schleicher-Tappeser, EURES Institute Freiburg / Germany, r.schleicher@eures.de

Paper to be presented at the REGIONET workshop in Seggau, September 2002

Summary

Structural funds are a very central instrument of European policies. It is evident that they are far from having developed their full potential for promoting efficiently a sustainable development across the European Union. With the enlargement of the EU their importance will even grow and at the same time the urge to become more effective in contributing to stated European policy objectives. The difficulties of progressing in this direction are not merely linked to single disfunctionalities and imperfections in a large administrative system – they reflect the basic challenge of developing adequate patterns of multi-level governance in a diverse and dynamic European Union. In fact, Structural Funds have been very innovative in introducing new forms of coordination in many countries and have mobilised new political actors. Structural Funds can be considered to be a most interesting laboratory for the development of new governance patterns.

The question how to achieve a more sustainable development is intrinsically linked with the discussion concerning new forms of governance. The issues of how to cope with diversity, of multi-level coordination, of transparency, accountability, subsidiarity or evaluation have become most important in both lines of discussion. In the context of Structural Funds, the obligation to take into consideration the concept of Sustainable Development has often been seen as an additional burden. New approaches are required that are based on a concept of Sustainable Development which does not only add new dimensions which have to be considered but which also gives answers to governance problems.

“SQM – Sustainable Quality Management” is a coherent system for the conception, support, monitoring and evaluation of sustainable development processes, especially at the regional level (see www.sqm-praxis.net). The basic ideas originate from the EU research project INSURED. It has then been further developed through a series of European research, pilot and consultancy projects. An important feature in this context is that governance issues are explicitly addressed in the basic analysis framework. The SQM system includes concepts, methods and operational tools which have proved to be applicable and understandable in different European cultures. A “common language” facilitates the exchange of experiences and views between different contexts. Practical applications have shown that it is not always easy to introduce such a new management thinking in established administrative structures, but that it is possible to design operational tools which maintain the innovative and challenging character of the concept of Sustainable Development. Internet-based SQM software tools are being developed to support every step in the policy cycle.

Several pilot projects have shown the utility and applicability of SQM concepts and tools in the actual programming and management of local and regional Structural Funds programmes. Sustainable Development is not conceived as an additional requirement but as an overarching principle which governs the management of processes. The use of a common framework over the whole policy cycle and the coherent implementation of basic principles, have allowed to develop a comprehensive system which promises not only a better orientation towards sustainable development but also considerable efficiency gains.

Structural Funds and Regional Development

The influence of structural funds on regional development tends to be underestimated. Not only because very often the public or even those involved do not know when they are receiving subsidies stemming from European funds. The most important and lasting influence is probably not due to the funding itself but to the new approaches which the European funds are introducing in many countries. European Structural Funds involve procedures which often seem complicated and unnecessary to bureaucracies and beneficiaries accustomed to their own administrative traditions. In many cases Structural Funds requirements have led to changes which were highly innovative for these regions:

- a questioning of traditional administrative procedures and practices
- a review of decision making procedures and even the establishment of new structures at the regional level
- the introduction of a systematic programming process including the formulation of development objectives
- the introduction of systematic monitoring and evaluation
- an increased transparency of the programming process, the budgets, the funding decisions and the results
- an increased autonomy of local actors, local and regional governments by providing new sources of funding which are more or less independent from national governments and require to develop own strategies
- the consideration of general objectives decided at the European level not necessarily discussed at the local level (e.g. gender equity, energy conservation, sustainable development ...)
- the consideration of organisational and procedural principles (e.g. transparency, subsidiarity, partnership, participation, equal opportunities ...)
- a strong influence of these innovations on national and regional policies because of the requirement of co-financing

Overall, Structural Funds have given important impulses for a new culture in development and funding policies. However, while numerous and important examples for the abovementioned points can be found in many countries, there are many well-known cases where Structural Funds are managed in an intransparent way, where programmes are just cosmetics, where funding is being mainly used to maintain existing power structures and does not really serve the set objectives. The innovative potential of Structural Funds is far from being fully exploited.

In the endeavour of developing an innovative regional development policy for a wide variety of political, administrative and juridical structures and traditions, the European Union has set out

- to define general development objectives,
- to encourage the elaboration of regional development strategies,
- to establish transparent decision making mechanisms across several levels of policy making
- to ask for the inclusion of all relevant actors and
- to insist on a pertinent evaluation

It must be recognised that this is a huge task which corresponds to developing new governance styles all across Europe. Inevitably this endeavour often meets considerable resistance and will last many decades. Many of the actors involved are not really aware that this process will have far reaching consequences and sometimes challenges established power structures.

Structural Funds, therefore, are a paradigmatic example of the strive for new forms of governance in Europe. They show very clearly the challenges, the opportunities and the difficulties in this process. Compared to other policies, Structural Funds are rather advanced in formulating general objectives regarding the content and general principles regarding the form of development policies, and to implement corresponding structures across an unprecedented number of cultures and political levels.

Concerning the contents of development policies, EU objectives have been developed over years. The concept of Sustainable Development is the most advanced approach to develop a comprehensive system of objectives, even though until now environmental aspects have dominated the discussion. The obligation to consider this concept in the programming and implementation of Structural Funds has led to many fruitful discussions and developments at the regional level. Increasingly, Sustainable Development is recognised as an overarching concept which includes most EU objectives concerning policy contents and also basic governance principles.

In order to promote these endeavours of the European Union, especially in the field of Structural funds, evaluation acquires a central role. This paper presents a system for assessing and managing sustainable developments which has mainly been developed in the context of Structural Funds.

Evaluation and the search for new forms of governance in Europe

By demanding a regular evaluation of the multi-billion EU funding programmes, the European Commission has succeeded in sending a fresh breeze through the hundreds of regional offices in charge of managing EU Structural Funds. Until recently these evaluations have been qualitatively and methodologically quite diverse. Most of them are only being elaborated in order to satisfy the central offices in Brussels. The local public and local media do not usually debate these reports; often they are kept confidential or are difficult and tedious to read. Intermediate political and administrative levels discover only very slowly that these evaluations could possibly be most valuable instruments for guidance and learning.

However, the European Institutions have no choice but to insist on evaluations – how else can they ensure that their political objectives in the European wide use of the considerable funds coming from Brussels are respected? How else can they justify the rationality and the efficacy of their programmes? Unlike the old nation states, the EU institutions are still developing very dynamically and are under continuous pressure to justify their own existence and to prove the utility of the continuous expansion of their competencies. They must show that they can achieve progress with regard to the political objectives on which agreement has been achieved after difficult negotiations between different interests and cultures. While still partly imprisoned in the centralist tradition of its founding era, the EU has become one of the most important promoters of new forms of governance. The negotiation of objectives in the context of extremely complex interwoven interests and their efficient pursuit by means of regularly reviewed instruments is more important than personal power or the definition and consequent imposition of strict and general principles. In wide areas of its activities the European Commission has adopted an approach of flexible management – although recently one could observe a revival of the old command-and-control approaches as a reaction to financial scandals.

The present discussions concerning the reform of European Institutions show again that we are experiencing a long and difficult transition towards new forms of political guidance in Europe, of new forms of governance in which the interaction of responsibilities at different levels, the participation opportunities for citizens, and the transparency of negotiation processes are being newly defined. The development of increasingly complex globally networked structures and interactions calls for the development of new approaches which facilitate orientation and open new opportunities. The White Paper on European Governance by the EU Commission proposes that the principles of *openness, participation, accountability, effectiveness and coherence* should guide the necessary reforms (European Commission 2001). Systematic evaluation procedures and their public use will have to play a decisive role in this context.

From its beginnings the European Union faced the difficult task of formulating policies which take into account very different traditions, conditions, and cultures. Founded in the era of undisputed industrialism, the European Community initially relied on standardisation, alignment, and centralised steering. But this approach encountered increasing and sometimes insurmountable difficulties, especially in the sphere of agricultural and environmental policies. As a consequence, in many fields the old "command-and-control" approach has been replaced by more flexible policies (see e.g. (Prittwitz 2000)). With the growing influence of European policies and increasing European integration in the most diverse areas of private, public and economic life, the necessity of respecting and actively taking into account regional specificities is growing. With the upcoming EU enlargement towards the East, the challenge of diversity has definitely reached a dimension where centralistic steering becomes illusionary. Under these circumstances *subsidiarity* becomes a key concept – and consequently the disputes about its interpretation have become intense.

There is an increasing fear that in the increasingly complex and global strands of negotiations, politics is degenerating into a mere marketplace, democratic control is being lost, and powerful specific interests succeed in pushing themselves to the fore. In this situation the concept of territory in combination with the concept of subsidiarity could be essential for providing guidance to all actors.

Political institutions at all levels essentially represent the political will of the citizens of a particular territory. In this they are particular, and differ from other interest groups, such as companies or NGOs. The spatial unit has always been the most important category for the integration of different dimensions of development and as such it regains its importance today, especially in the context of the discussion on Sustainable Development. In representing the citizens of a territory, political institutions have a particular democratic legitimacy and also a particular responsibility with regard to all aspects of life and development.

The principle of subsidiarity is increasingly recognised as being essential for structuring the increasingly complex relationships between different political and administrative levels – it can be helpful in defining the roles of the individual levels within the framework of common shared responsibilities. With five to seven levels of territorial representation in Europe, the system of multi-level governance has become very complex and often lacks the transparency required for democratic legitimacy. However, the repeated attempts to assign the full responsibility for specific subjects, policy fields or tasks to specific levels are not appropriate to the complexity of our societies and there is a tendency to fall back to centralistic approaches. Another approach is to acknowledge explicitly the shared responsibility of the different levels and to structure the responsibility using the principle of subsidiarity which states that the intervention of higher levels is useful only where lower levels are not capable of resolving a problem. The idea of a rather comprehensive and exclusive competence in an area is replaced by the taking of responsibility for contributing to the attainment of common objectives. The specific objectives and means of each level need to be defined and revised in regular negotiations. Therefore, the approach of sharing responsibility in the spirit of subsidiarity can only function if the objectives, the means, the difficulties and the progress in attaining them are transparent to all actors concerned – in a democratic system this must also include the public. Today we are still far away from having this kind of transparency.

Evaluation, in conjunction with clear systems of objectives, will therefore have to play an important role in the development of new forms of democratic and efficacious governance in an enlarged European Union. Utilised as learning instruments in the spirit of subsidiarity, evaluations will help to enhance the self-responsibility at all political levels – and the reports will no longer be written to end up in a pile in an office in Brussels.

The challenge of sustainable development

Since the Amsterdam Treaty of 1997, the European Union has required that all policies and programmes funded by the EU be conceived and implemented in accordance with to the principles of Sustainable Development. The regulations for the new generation of the European Structural Funds

(1999) and more recently the EU Strategy for Sustainable Development decided at the Gothenburg Council (2001) have confirmed this commitment. However, until now, operational tools that allow the assessment of the fulfilment of this commitment are largely lacking.

The reasons for this deficiency are to be found in the essence of the fundamental concept of Sustainable Development. It is an idea that has been publicly discussed for less than two decades. Sustainable Development is not only a new concept, it is a new paradigm, and it requires viewing many things from a new perspective (Schleicher-Tappeser / Strati 1999b). To understand what that implies takes time and meets with resistance (Kuhn 1962). The whole institutional system is confronted with a serious challenge ((Minsch et al. 1997), (Jänicke / Jörgens 2000))

Since the Rio Conference in 1992, the call for Sustainable Development has led to many disputes about its interpretation. The growing consensus, which emerges meanwhile from these discussions, is that Sustainability is a general idea, a “regulative idea” in the Kantian sense, as are, for example, beauty, freedom or health (Homann 1996). It cannot be assessed or achieved by simple rules, it needs interpretation in a specific context.

The concept of Sustainable Development was invented because of the obvious shortcomings of conventional development approaches. It presents two basic challenges:

Whereas the extraordinary development of technology, industry and large organisations of the modern age were strongly based on an increasingly sophisticated differentiation and specialisation, the concept of sustainable development stresses the necessity of an *integrated consideration of different dimensions of development*. Considering simultaneously different dimensions in order to avoid counter-productive effects is not an easy task for highly differentiated administrations. More difficult still is to systematically look for synergies and win-win solutions. Different actors, different organisations, different disciplines will need to cooperate more fully.

Sustainable development (SD) requires *openness towards the future* – for “development that meets the needs of the present without compromising the ability of future generations to meet their own needs” (WCED 1987)) we need not only to conserve potentials and resources but also to encourage innovation in the right direction and to improve the ability to learn. Learning may include the shifting of perspectives and priorities. Therefore, the concept of SD and corresponding assessments must also allow for changing objectives and priorities over time. Sustainable development is an open process. “Sustainability” can never be achieved definitively. Yardsticks change as your knowledge increases.

Two additional challenges emerge in formulating Sustainable Development policies at the European Union level:

Across Europe the cultural, the political, the economic and the environmental contexts of development vary considerably. Nevertheless, European policies need a common framework that is able to deal with this *diversity of contexts*. Assessments will need to take into account differences between contexts and at the same time allow for comparisons. For transferring experiences, a description and an understanding of these differences is necessary.

European policies often concern five or six political or administrative levels, from the European level to the local level. Transparency and participation are high priority principles of the EU. A coherent sustainable development policy across the Union requires *multi-level governance*: appropriate systems for ensuring co-ordination and an integrated view of the responsibilities and activities of all levels are needed (Hey / Schleicher-Tappeser 1998).

Assessing Sustainable Development

These challenges arising from the concept of sustainable development lead to considerable difficulties in the assessment of “Sustainability” when using conventional approaches:

- How does one look simultaneously at different dimensions of development? How does one integrate different disciplines? How does one measure a balanced development?

- How does one account for changing views? How does one guide and encourage innovation?
- How does one account for different contexts and priorities in different European regions and cultures?
- How does one ensure transparency and shared responsibility across a hierarchy of political levels? How does one deal with such a wide range of issues and the complexities of their interrelationships over space and time in a dialogue between experts, politicians and the public?

Many attempts have been made to reduce the whole issue of Sustainable Development to a limited number of easily comprehensible indicators that can be measured and monitored using conventional means. These approaches have been very useful for gaining a quick overview. However, limiting the assessment to the measurement of a standardised set of indicators has not led to a satisfactory response to the abovementioned challenges. Such a conventional approach easily leads to the reproduction of a sectoral view – it is not able to deal with views and priorities which change over time, and often it is not felt to be adequate to the specific local situation. In practice, the wide variety of initiatives that have attempted to assess progress in the direction of sustainable development (such as local agendas, state programmes, companies etc.) have often devoted considerable efforts to developing very specific and detailed assessment systems with varying levels of success.

This wide variety of approaches has for a long time given rise to polemics that argued that the concept of Sustainable Development was without any precise meaning and therefore useless. However, despite the difficulties in giving precise definitions and assessment rules, the concept has not lost its attractiveness and political effectiveness. A review of the main EU research projects concerning sustainable regional development in 1999 showed that a considerable consensus concerning the main challenges of sustainable development had grown in only a couple of years (Schleicher-Tappeser / Strati 1999a). Today, we can build on a rather large consensus, as can practitioners, that SD is a useful concept that involves an open learning process, and that it makes no sense to give a detailed universal measurement rule for “sustainability”.

We therefore need new approaches in assessing Sustainable Development. This is particularly true in the domain of public policies, where – mainly as a result of continued efforts of the European Commission – the concept of evaluation has made considerable progress in recent years, yet it is far from being generally understood ((Schubert et al. 2001), (Meyer / Martinuzzi 2000), (Toulemonde 2000)). In the business world, the necessity of dealing with complexity and continuous change has led to several concepts that may be most useful in this context: “change management”, “quality management”, “learning organisations”, are all concepts that have abandoned the old “command and control” approach and try to make use of systematic self-reflexive learning processes. Our democratic systems indeed rely more or less systematically on these kinds of feedback mechanisms – many administrations however, still operate on the basis of a rather conventional top-down logic and have difficulties in conceiving of assessments and evaluations as occasions for learning.

Understanding Sustainable Development as a collective learning process is the key to developing adequate assessment systems. Learning continuously changes the perspective concerning what could and should be done (the objectives) and how it could and should be done (means and methods). Assessments can help on both levels.

They can help in learning what should be done:

- by analysing a situation
- by identifying alternative developments and actions
- by specifying and revising objectives

And they can help in learning how to do better:

- by monitoring progress towards set objectives and refocusing actions

- by reminding that the different dimensions of development need consideration
- by comparing different approaches
- by exchanging experiences between different contexts.

To consider assessments as tools for learning implies that those who are involved in assessments should be interested in learning. On the one hand it is therefore important to motivate and to enable people to learn from these assessments. On the other hand we must recognise the long tradition of command and control and the limited openness to new approaches in many cases. Hence it is advisable to provide very simple assessment tools for simple cases.

The aforementioned concept of *Quality Management* seems to be particularly appropriate for developing a new assessment approach (Strati / Schleicher-Tappeser 1999). Its widespread use in industry facilitates acceptance and understanding. Also, we intuitively accept that quality is always relative, it can never be reached absolutely. Quality Management means that permanent attention to quality is important at every stage of "production", everybody at all levels shares the collective responsibility. The emphasis of a quality management system lies on the procedures. Objectives and criteria are not fixed forever, they are re-examined on a regular basis. The transparency of objectives, continuous monitoring and regular evaluation are constitutive elements of such a learning system.

In the case of industrial environmental policies a paradigm shift from "command and control" towards "quality management" has already taken place: the introduction of environmental quality management systems has brought about a quantum leap in the efforts towards improved environmental performance. It has also shown how much still is to be learned. However, many examples demonstrate that minimum standards and their enforcement by public authorities do not by any means become obsolete. The same holds true for Sustainable Development: the concept of SD and the best assessment systems will never replace the highly differentiated system of regulations developed as a result of environmental, economic and social policies over the last two hundred years. But note that the concept of SD is something different, it amounts to more than the sum of these regulations and standards.

It is helpful to distinguish between a "*defensive*" and a "*constructive*" approach to Sustainable Development. There are many administrators who would like to have an assessment tool that tells them that they do no major harm, which guarantees that nobody can blame them for supporting "unsustainable" activities. They would be happy with additional checklists leading to a final stamp which confirms that all is well. However, they are aware that final users would be reluctant to fill in another series of control forms in order to get public aid or service. Indeed, procedures of this kind could easily be integrated into conventional administrative practices, but they would not really add new elements to existing legal requirements (which surely could be improved), they would create supplementary complications in the name of sustainable development and would provoke resistance and de-motivation in the public. A less defensive and more constructive approach would need to involve the encouragement of learning and innovation.

Sustainable Quality Management

In order to respond to these challenges and to operationalise the concept of Sustainable Development without losing its innovative and constructive characteristics, we have developed the system "SQM – Sustainable Quality Management ®" over recent years. Since 2001 it is being commercialised by the SQM-praxis company.

"SQM – Sustainable Quality Management ®" is a versatile system for the assessment and management of all kinds of sustainable development processes. Its basic concepts were developed in 1996-1998 in the INSURED ("Instruments for Sustainable Regional Development") EU research project funded by the ENVIRONMENT programme (Schleicher-Tappeser et al. 1997; Schleicher-Tappeser et al. 1998). Since then it has been further developed in a series of research and pilot application projects in different European Countries.

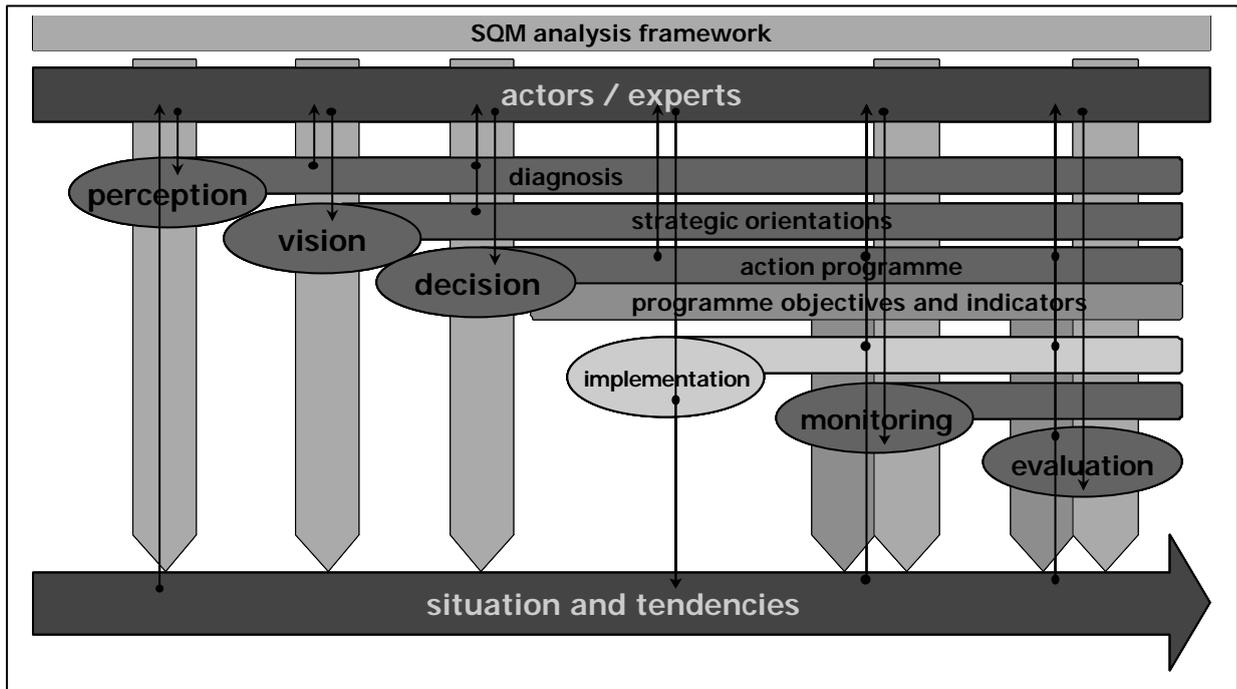


Figure 1: Use of SQM appraisals over the whole policy cycle

SQM is a modular system that can be adapted to a wide variety of different users and tasks. It consists of *concepts* (including the general analysis framework), a wide variety of application *methods* and internet-based software *tools*.

The SQM system has been constructed around basic appreciation procedures in order to provide support at every step through the whole policy cycle (see Fig. 1). Special attention is being given to developing a complete set of methods and tools for the management of Structural Funds programmes. However, the application of SQM shall not be limited to Structural Funds, it is a general approach for the management of sustainable development processes in the most varied circumstances.

The *SQM analysis framework* consists of 32 rather general aspects that can be applied to and refined in different contexts. It can be regarded as a kind of “language” in which different points of view, priorities and contexts can be expressed. From the beginning, SQM has been designed to allow for intercultural exchange and discussion in Europe. In effect, this approach to providing a common framework of dimensions to be considered has proven to be most useful for intercultural communication.

SQM methods are designed to support learning processes and to facilitate the involvement of a large variety of actors: experts, administrators, politicians, local actors etc. They concern the appreciation technique itself, the facilitation of workshops, inquiries by questionnaires, the integration of given indicator systems, the development of strategies and programmes, teaching, and the exchange of experiences.

The *SQM online tools* combine these elements and provide efficient support for different users and tasks over the internet.

SQM – Sustainable Quality Management[®] a modular system for the management of sustainable development processes		
Concepts <ul style="list-style-type: none"> • Sustainable Development as regulative idea and dynamic process ... • Quality Management of development processes, evaluation ... • Subsidiarity as a central concept of governance ... 		
Framework the SQM analysis framework <ul style="list-style-type: none"> • ORIENTATION: 10 Components of Sustainability • SOCIAL POTENTIAL: 16 Regional Key Factors • ACTION DYNAMICS: 6 Basic Transformation Levers 	Methods <ul style="list-style-type: none"> • diagnosis of situations • strategy and programme development • monitoring and evaluation of programmes and projects • SQM-appraisal combining qualitative and quantitative analysis • participative facilitation • synthesis and visualisation • training 	Tools Internet-based online-tools <ul style="list-style-type: none"> • <i>SQM.guide</i>: public guide to funding programmes • <i>SQM.progman</i>: tool for managing funding programmes • <i>SQM.project</i>: versatile expert tool for SQM-related projects • <i>SQM.experience</i>: experience exchange

Table 1: The SQM system

The SQM analysis framework

In order to provide a better understanding of SQM a short explanation of the SQM analysis framework and the actual assessment procedure are necessary.

The three groups of aspects contained in the *SQM analysis framework* are the answers to three simple questions:

- Which direction do we choose for our future?
→ The principles of sustainable development: **ORIENTATION**
- Which are the societal forces and the capacities for co-operation?
→ The local key factors for a sustainable development: **SOCIAL POTENTIAL**
- Which levers could be used for reorienting development?
→ The transformation levers: **ACTION DYNAMICS**

The ten components of the *ORIENTATION towards Sustainable Development* have been developed by comparing a very wide range of systems and definitions of sustainable development. It is possible to establish a full correspondence with the less systematic 21 principles of the Rio Declaration. The components of the *ORIENTATION towards Sustainable Development* are also based on three questions:

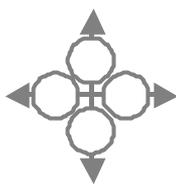
SQM analysis framework		
The ten elements of ORIENTATION towards Sustainable Development		
What do we want to sustain?	The Development Dimensions	
	Environmental dimension	
	Economic dimension	
	Socio-cultural dimension	
Which conflicts of interest are driving the debate?	The Equity Dimensions	
	Social and gender equity (inter-personal)	
	Equity between regions (spatial)	
	Equity between generations (temporal)	
Which basic approaches can help us?	The Systemic Principles	
	Diversity	
	Subsidiarity	
	Networking / Partnership	
	Participation	

Table 2: The SQM analysis framework

The first three elements are the common three basic dimensions of Sustainable Development with the third one encompassing what some other systems call "society" rather than merely the usual "social" aspects. These are looked at in more detail in the second group which has proved to be very useful for discussing the "future generations" issue in relation to other equity conflicts that have driven policies historically. The most innovative part is the "Systemic Principles": they are a systematic synthesis of various underlying principles often mentioned in this context but usually not seen as core elements of the concept of Sustainable Development. To include these kinds of more basic orientations in practice requires some additional initial explanations, but it has proven to be extremely helpful in discussing essential relationships and in elaborating strategies.

The second major group of aspects in the SQM analysis framework concerns the *SOCIAL POTENTIAL*. Sixteen key factors for local sustainable development have been identified in order to describe the co-operation and communication structure in a given community. In fact, these elements allow for the identification of the obstacles and the particular potentials for promoting sustainable development in a given local or regional context. For the comparison of experiences in different contexts and cultures and for evaluating their transferability, a description of the contexts in these terms has been shown to be essential.

Finally, for analysing and designing actions, policies and programmes, the third group of the SQM analysis framework proposes the six basic "transformation levers" that describe the *ACTION DYNAMICS*.

The SQM assessment procedure

Depending on the specific appraisal task and the specific circumstances, an appropriate selection of these 32 rather general aspects is used in carrying out an SQM appraisal, e.g.

- for analysing the situation and the trends in a territory

- for analysing the intentions of a policy or a programme
- for evaluation proposals
- for evaluating projects and programmes

etc.

The standard SQM appraisal consists of the following steps:

1. select the aspects to be considered
2. collect some key quantitative data concerning each aspect
3. carry out a qualitative SWOT analysis concerning each aspect (Strengths, Weaknesses, Opportunities, Threats)
4. attribute an importance to each single mention in the SWOT analyses (0 to 5 points)
5. attribute an importance to the Strengths, Weaknesses, Opportunities and Threats of each aspect
6. synthesise these latter importances to a graphical profile that allows to identify the "hot spots"
7. compile the most important single mentions concerning Opportunities and Threats for the identification of where more detailed analysis is necessary or for planning concrete actions
8. define sub-aspects for a more detailed appraisal where appropriate
9. identify indicators for detailed monitoring where appropriate.

The central element of this procedure is the SWOT analysis. Its advantages in this context are that it allows in particular

- the inclusion of qualitative appraisals by experts and laymen and the refinement of the analysis step by step as appropriate
- the discussion of the dynamics of a situation and the discovery of new opportunities by examining the Weaknesses and the interrelationships between different aspects
- the structured collection of concrete ideas for action
- the provision of a framework which is equally useful for group discussions and individual questionnaires, and for the inclusion of highly precise expert information and for the representation of the more general perceptions and priorities of local actors

For involving less experienced participants it is advisable to translate the general aspects into questions which are more pertinent to the actual task and situation.

Every SQM appraisal can be characterised by

- the object (territory, document, project, programme ...)
- the perspective (present situation, intentions, results, procedures...)
- the aspects (elements of the SQM analysis framework)
- the judging subject (local actor, external evaluator ...)

Therefore, the SQM assessment can be used for a wide variety of tasks in different ways. E.g. in evaluating policies and programmes, it allows to combine judgements of external experts with participative evaluations conceived as a collective learning process of the actors involved.

ORIENTATION		S	W	O	T
O1	Environment	●●●●	●●●	●●	●●
O2	Economy	●●●	●●●●●	●●●●	●●●●
O3	Socio-Culture	●●●	●●	●●●	●
O4	Equity between individuals	●●●	●●●	●●●	●●
O5	Equity between territories	●●●●	●●●●	●●	●●●
O6	Equity between generations	●●●	●●	●●●●	●●●
O7	Diversity	●●●	●●●●	●●●●●	●
O8	Subsidiarity	●●●●	●●	●●●	●●
O9	Partnership / Networks	●	●●●●●	●●●	●●●
O10	Participation	●●	●●●	●●●●	●●●●

Table 3: Example of an SQM profile

Experiences in using the SQM system

An early successful experience with parts of the SQM framework involved a dialogue project between seven European regions. Representatives of the environmental administrations of Emilia-Romagna, Rhône-Alpes, Midi-Pyrénées, Vorarlberg, Baden-Württemberg, Wallonie and the Province of Gothenburg had come together in a series of workshops to draw common conclusions from their experiences with sustainable development projects. However, they had serious difficulties in agreeing on a common terminology and on a framework for evaluating their projects. The later introduction of the SQM framework allowed the formulation of the differing priorities in the interpretation of SD, the considerable improvement in the mutual understanding of those of very different backgrounds, the evaluation of the projects within a common framework, the discussion of the transferability of experiences and the formulation of a series of pertinent conclusions and recommendations concerning SD policies at the regional level. Particular advantages of the framework were shown to be that it allowed the formulation of different points of view and priorities within the larger debate concerning SD, that the basic categories could be understood in different cultures, and that assessments using this framework were very suitable for a collective learning process (ARPE / Schleicher-Tappeser / Faerber 1997).

An important occasion for testing and promoting the SQM approach was a series of twelve pilot projects funded by DG Regio concerning the integration of the concept of Sustainable Development into the Structural Funds. The project, carried out in Midi-Pyrénées, was based on SQM and consisted of a participatory programme development in two small Objective 2 areas. In each of these areas, a working group of local actors went through an intensive learning process, developing a common perception of the difficult and conflict-burdened territories, analysing previous interventions, identifying the main challenges, formulating key strategies and defining the basic structure of a programme. A project team facilitated the workshops, conducted supplementary interviews and synthesised the results of workshops and questionnaires. The second generation of supporting SQM software was developed in parallel with the project. In both territories, the SQM approach proved to be very useful in helping to examine the local situation from an unusual perspective. This allowed local actors to overcome old disputes and to develop genuinely new common visions. However, it was clear that competent facilitation was necessary in order to find the right balance between breaking up old stalemates and ritual discussions on the one hand and providing the security that a useful result would emerge on the other hand. Feedback from the local actors and the results were very positive although

some lessons had to be learned concerning a simplification of the procedures (ARPE / Schleicher-Tappeser 1999). In the evaluation of the twelve pilot projects carried out on behalf of the EU commission, SQM was considered to be the most advanced system in this context (Moss et al. 2000).

Subsequent projects in Midi-Pyrénées also showed that with simplified procedures an SQM-based participatory programme development inevitably takes a longer time than the more usual top-down programming. A Franco-German cross-border development project in a small rural area on the Rhine confirmed later that larger SQM appraisal questionnaires can only be used with people with a certain experience in systematic development discussions: for local actors at the village level without other representative experiences, workshops seem to be the only adequate method of involving them into SQM-based discussions on community development. Participatory processes at the local level therefore do not allow to utilise the full range of differentiated concepts of the SQM framework. To become acquainted with the concept of Sustainable Development and with the SQM framework inevitably takes some time. The complexity of the approach must be carefully adapted to the capabilities and the motivation to learn of the actors involved. Using the SQM approach for developing local development programmes in other cases encountered strong resistance of local "kings" who felt threatened by transparent objectives and procedures in their established power to distribute funds as they personally wanted.

Whereas programme development is a creative process which requires experienced guidance with sensibility and flexibility, subsequent tasks in the management of the programme can be structured in a more formalised way. For the current Structural Funds programmes in Midi-Pyrénées the EURES-Institute and SQM-praxis are implementing a public website consisting of a public guide to the complex programme including the opportunity for project proposers to make an own ex-ante evaluation of their project proposals in terms of Sustainable Development and the objectives of the programme. A series of difficult questions had to be solved in transferring adequately the experiences of direct consultation to the anonymous format of the internet (see www.sqm-praxis.net).

SQM – Examples of projects	
1998:	Towards Sustainable Development: Experiences and Recommendations of seven European Regions. PACTE programme. (FR, IT, BE, SE, DE, AT)
1998:	Development of procedures for the consideration of SD criteria in the awarding of Structural Funds. Saxony (DE)
1999:	D2MiP: a DG Regio pilot project in Midi-Pyrénées (FR) concerning the participatory elaboration of local objective 2 programmes. Evaluation by DG Research.
2000:	Proposal of a charter for the Local Agenda 21 in Florence (IT)
2000:	PROMETEO: CD-ROM for supporting project development respecting the principles of SD for the Engineers Association of Cosenza (IT)
2000-01:	KARMIS: Cross-border landscape development scheme Marckolsheim-Sasbach-Endingen (FR/DE).
2001-02:	SQM.guide MiP: internet-based programme guide for the Midi-Pyrénées structural funds with auto-evaluation facility for project proposals (FR)
2001-02:	D2ParcsMiP: Programme development for 3 Regional Natural Parks in Midi-Pyrénées (FR)
2002-04:	INNESTO: EU research project concerning "Sustainable District Logistics" (IT, DK, DE, SP, NL)

Table 4: Examples of projects using the SQM system

SQM online tools

On the basis of these experiences *SQM-praxis* is now creating a third generation of software tools which will be available online via the Internet. This allows the provision of an integrated modular system of tools for all tasks that occur in managing public funding programmes. The coherent, and at the same time flexible, structure based on the SQM concepts allows the implementation of complex management systems with differentiated access rights for all those working in such a programme, ensuring transparency, ease of communication and coherent monitoring and evaluation. Better projects, more transparent programmes, more focused activities, more meaningful evaluations, and finally also reduced costs should result.

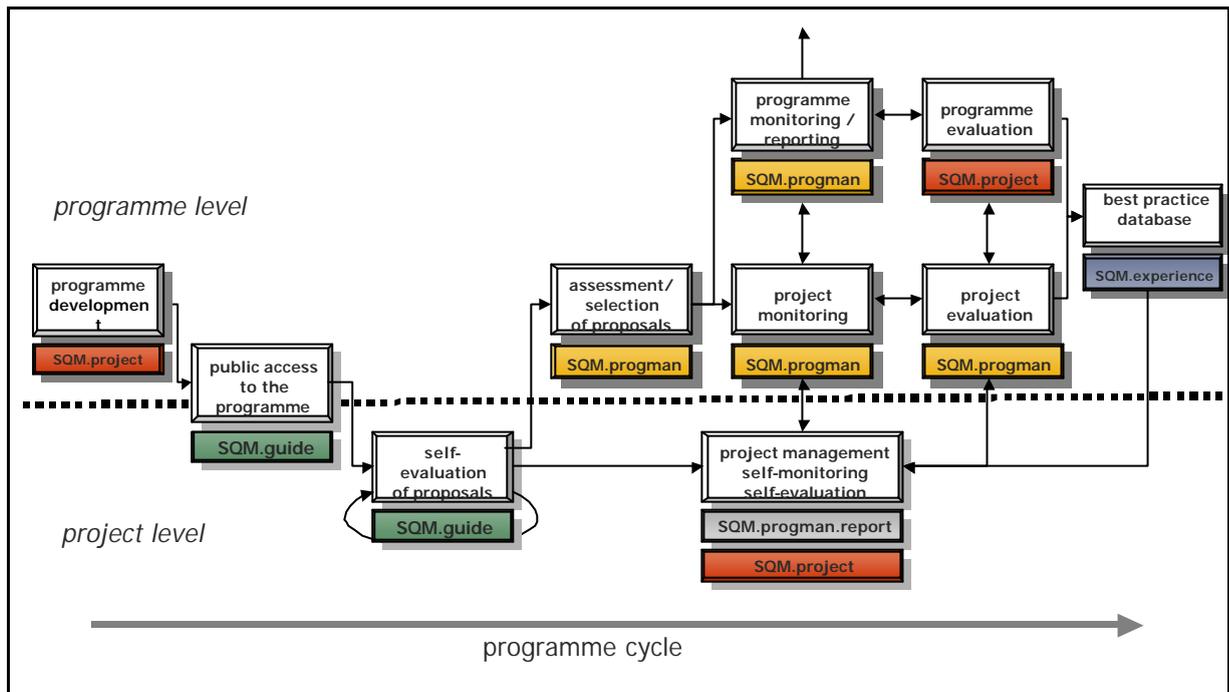


Fig. 2: Use of SQM online tools in the context of public funding programmes

Outlook

Further research in the context of the SQM system should at least include the following strands:

- accumulate and structure experience in applying the system in different cultural contexts
- develop a clearly structured set of detailed methods for different tasks in the application fields described here
- develop interfaces and show differences to other, often more quantitative approaches
- develop other application fields, e.g. in business, transport policy etc.
- explore in more detail the epistemological implications of the approach and the links to the present discussion on governance

Conclusions

1. European Structural Funds are a most important laboratory for exploring the new challenges, opportunities and difficulties in view of new concepts of governance and sustainable development.
2. Sustainable Development must be conceived as a learning process. In order to facilitate such a process, new forms of governance are needed. Governance questions cannot be

dissociated from the concept of Sustainable Development – they must be considered as an integral part of it.

3. Sustainable Development is a new paradigm with far-reaching consequences. It is not a new discipline. The understanding of the full range of implications of this new concept and its dissemination will take a long time. In particular, SD will have significant consequences for the nature of cooperation between disciplines and for the relationships in the triangle between policy-makers, researchers and consultants, and the public.
4. Evaluation is an essential element of learning processes. Therefore, evaluation has to play an important role in Sustainable Development. The endeavours of the European Commission to develop an adequate evaluation culture for the Structural Funds are most important in this context
5. In order to promote Sustainable Development in the policies and actions of the European Union, much improved cooperation between researchers and practitioners is needed. Research provides concepts, but practitioners require ready-to-use tools. Today there is a considerable gap between interesting theoretical concepts on the one side and the practical short-term needs for management and evaluation on the other.
6. The concept of SD sometimes encounters considerable resistance. Sometimes because the term has been misused in the reselling of old approaches. But more frequently because it challenges conventional procedures and power structures. Changes of governance patterns may take a long time and require good promoters. A careful analysis of the social potential of a community may be extremely helpful in these cases.
7. The experiences with SQM have shown that it is possible to realise the concept of SD into the form of operational tools without losing the innovative and challenging character of the original concept. However, the best tools can be useless if powerful actors are not ready for change.
8. Intercultural co-operation and confrontation is essential for understanding the role and the potential of the concept of SD. As a paradigm shift involves the difficult questioning of assumptions and perspectives previously taken for granted, confrontation with the views of other cultures can be as fruitful as confrontation with other disciplines. Europe has a unique opportunity in this sense – several highly developed cultures have developed different approaches towards the same issues; they have a common basis for understanding and they now also have common institutions.

References

More detailed information and literature concerning SQM can be found on the web-site www.sqm-praxis.net. Most of the references quoted here are available for download.

ARPE, Agence Régionale pour l'environnement de Midi Pyrénées/ Schleicher-Tappeser, Ruggero, (1999): D2MiP: Développement Durable en Midi-Pyrénées - programmation pilote des Fonds Structurels. Rapport Final. Toulouse: ARPE.

ARPE, Agence Régionale pour l'environnement de Midi Pyrénées/ Schleicher-Tappeser, Ruggero/ Faerber, Johanna, (1997): Towards Sustainable Development. Experiences and Recommendations of seven European Regions. Toulouse: ARPE.

European Commission (2001): European Governance. A White Paper. (= COM(2001), 428). Brussels.

- Hey, Christian/ Schleicher-Tappeser, Ruggero, (1998): Nachhaltigkeit trotz Globalisierung. Handlungsspielräume auf regionaler, nationaler und europäischer Ebene. (= Konzept Nachhaltigkeit Studienprogramm. Heidelberg / Berlin / New York: Springer Verlag.
- Homann, Karl, (1996): Sustainability: Politikvorgabe oder regulative Idee? In: Gerken, L.: Ordnungspolitische Grundfragen einer Politik der Nachhaltigkeit p. 33-47. Baden-Baden: Nomos.
- Jänicke, Martin/ Jörgens, Helge, (Ed.)(2000): Umweltplanung im internationalen Vergleich.Strategien der Nachhaltigkeit. Berlin, Heidelberg: Springer.
- Kuhn, Thomas S. (1962): The Structure of Scientific Revolutions. Chicago: University of Chicago Press.
- Meyer, Wolfgang/ Martinuzzi, André, (2000): Evaluation im Umweltbereich. In: Vierteljahreshefte zur Wirtschaftsforschung 3. p. 453-467.
- Minsch, Jürg/ Feindt, Peter-Henning/ Meister, Hans-Peter/ Schneidewind, Uwe/ Schulz, Tobias, (1997): Institutionelle Reformen für eine Politik der Nachhaltigkeit. Berlin, Heidelberg: Springer.
- Moss, Timothy/ Fichter, Heidi/ Glimm, Daniela/ Kraemer, Claudia, (2000): Regional Pathways to Sustainability. Experiences of Promoting Sustainable Development in Structural Funds Programmes in 12 Pilot Regions. Luxembourg: Office for Official Publications of the European Communities.
- Prittwitz, Volker von (Ed.)(2000): Institutionelle Arrangements in der Umweltpolitik.Zukunftsfähigkeit durch innovative Verfahrenskombination? ISBN 3-8100-2641-7.
- Schleicher-Tappeser, Ruggero/ Lukesch, Robert/ Strati, Filippo/ Sweeney, Gerry/ Thierstein, Alain, (1998): Instruments for Sustainable Regional Development. The INSURED Project - Final Report. (= EURES-Reports, REP-9. Freiburg: EURES-Service.
- Schleicher-Tappeser, Ruggero/ Strati, Filippo, (1999a): Progress towards Sustainable Regional Development. A review of results from the EU Research Programme on Human Dimensions of Environmental Change. Luxembourg: Office for Official Publications of the European Communities.
- Schleicher-Tappeser, Ruggero/ Strati, Filippo, (1999b): Sustainability - A New Paradigm for Research? In: Catizzone, M.: From Ecosystem Research to Sustainable Development. Towards a New Paradigma for Ecosystem Research (= Ecosystem Research Reports N° 26, p. 45-58. Luxembourg: European Commission. ISBN 92-828-6425-1.
- Schleicher-Tappeser, Ruggero/ Strati, Filippo/ Thierstein, Alain/ Walser, Manfred, (1997): Sustainable Regional Development. A comprehensive approach. (= discussion paper, 60). Freiburg: EURES-Service.
- Schubert, Uwe/ Martinuzzi, André/ Huchler, Elisabeth/ Langer, Markus E./ Obermayr, Bernhard, (2001): Evaluation Nachhaltiger Entwicklung. Herausforderung für Methodenentwicklung und Evaluationspraxis. Wien.
- Strati, Filippo/ Schleicher-Tappeser, Ruggero, (1999): A Flexible Tool for Valuating and Evaluating the Sustainable Development. In: Catizzone, M.: From Ecosystem Research to Sustainable

Development. Towards a New Paradigma for Ecosystem Research (= Ecosystem Research Reports N° 26, p. 59-74. Luxembourg: European Commission. ISBN 92-828-6425-1.

Toulemonde, Jacques, (2000): Evaluation Culture(s) in Europe. In: Vierteljahreshefte zur Wirtschaftsforschung 3. p. 350-357.

WCED, World Commission on Environment and Development (1987): Our Common Future. Oxford: Oxford University Press.