Research and Development Centre of Kajaani (REDEC Kajaani)
Continuing Education and Regional Development
P.O. Box 51 Kajaani 87101 FINLAND Fax +358 (0) 8 632 48 20
www.kake.oulu.fi

Andra Aldea-Partanen

Heimo Keränen

Susanna Nevalainen

Aurora Borealis. Project Cycle Management in Regional Development

This paper aims to analyse Project Cycle Management approach in the context of regional development. The theoretical framework covers contemporary concepts typical for regional development and specific project/programme management tools. The comparative approach is used to take into account the two versions of Project Cycle Management presented by European Commission among evaluation methods and instruments, in 1993 and 2001. A practical application is drawn using mid-term evaluation of Barents Specialists project, conducted in 2003.

Regional development related concepts referred to in this paper include general level concepts such as (but not only) regional development policy, networked environment, learning region, and also specific ones, related to peripherical and Northern regions. In the knowledge era, it is important to consider the role of learning and networking in designing regional development policy in an effective manner. Using standardized tools, as Project Cycle Management might assure the desired efficacy in those cases of projects/programs applying a tailored critical approach of the method. A proper customisation of the tool could be done due to increased awareness and familiarization with Project Cycle Management, after a comparative analysis of the two versions provided by European Commission. Barents Specialists project, a regional development project aiming to explore and develop local skills and knowledge in an innovative way, is used as a practical example. Authors of this paper apply the Project Cycle Management principles to the Barents Specialists project, using the recent mid-term evaluation as starting point. At last, the paper provides recommendations regarding the use of Project Cycle Management in regional development projects/programs.

Content:

I. Description of General Conceptual Model

Regional development is a concept describing a very important part of nowadays public policy. If before regional development was defined and shaped in various ways at national level, today the European Union plays a significant role in regional development and policy (Jauhiainen 2000). If in the past regional development was designed at national level, in a centralised manner, now, in the information era and knowledge-based society, the policy is designed, decided and implemented mainly at regional level (Harmaakorpi, Niukkanen 2002). The main shift witnessed in regional development is two-folded: decision-making process regarding the well-being of a region is more and more localized and the funding sources for regional development are potentially broader but available in more competitive environment (Aldea-Partanen forthcoming).

Former theories of regional development shaped the way in which regions and economic activities were developed. In the beginning, the regional development theory was designed in a very general manner with the belief that the universal models should be valid anywhere. "The models were based on many restricting assumptions in the economic theories of Ricardo, Smith and Marx. Geometry, mathematics and statistics were used to explain regional development. Markets were seen as mathematically competitive and capable of allocating resources in an efficient form with Pareto optimum. This was thus a mechanical approach with several assumptions, such as 'identical goods distributed everywhere', 'rational market behaviour by *homo oeconomics*' and 'perfect mobility customers'. The preferences of other people did not influence the decision making of an individual, nor did his/her social relationships. These approaches were applied until the 1970s, basically until the growing turbulence of the global economy" (Jauhiainen 2000, p.10). Among most popular models, we mention here the model of land prices according to von Thünen and Alonso, industrial district model according to Marshall, model of industrial location according to Alfred Weber, model of central places according to Christaller and Lösch (Jauhiainen 2000, Constantin 1998). All such model share a mechanical approach assuming the existence of general assumptions. They present regional planning as a highly centralised process, following a certain path related to the chosen model.

Of course, this is the summary of regional development theories in Western Europe, at a certain moment. Eastern Europe and Russia faced somehow different principles related to regional development. Because in socialist countries national plans were customary, the theory accompanying the resource allocation at national level, had certain territorial implications and re-distribution was used to assure particular development purposes. However, the terminology was different. Since all capitalist values and economic theories had to be denied and/or adapted, the preferred terms were territorial planning or territorial development. For instance, in "Socio-territorial Development in Romania" written in 1988, though the author was very critical towards the existent national literature concerning social change and development, the "Party ideology" was associated with social change, while the essence of transformation process was correctly described. "From the multiple categories of changes mentioned we bear in mind from now on the ones referring to development relationships among various territorial units, grouped by categories, zones or networks. Restructuring of these relations from perspective of quality of life and of the forms of social organisation is a cumulated effect of a multitude of planned and spontaneous actions, which may be carried on at the level of entire society, only within particular units or as a result of interactions between them. The base of such actions ultimately consists of regional and sector policy decisions made by party and state" (Sandu 1988, p.50). Other Romanian authors provide information about somehow similar position of regional sciences, particularly regional demography, dominated by state-led policies (Trebici, Hristache 1986). The objectives of demographic policies were integrated in economical-social policy of the country as specified in directions provided by the Communist Party (Trebici, Hristache 1986, p.154). The central planning was main instrument for the longest span of time, from the end of 1917 until the end of 1991, in former Soviet Union. The development of regions, the increase of economic performance of peripheral regions of Soviet State was framed under command economy (Westlund, Granberg, Snickars 2000, p.2-3). The same centralised manner typical for the whole Europe till 1970 occurred in designing regional policy in Eastern Europe and Russia, the trend being maintained for longer time than in Western European countries.

"Recent theories of regional development are concerned with the sociological economy. They are influenced by culture and theoretical concept of space. This is a reflection of the turbulent and uncertain development of economy after oil crisis in the 1970s and

the increasing criticism towards modernism. First, the new regional economic turn, which focuses upon power, knowledge and learning has many theoretical and conceptual tributaries (Storper 1995; Hudson 1997). However, in the literature of economic geography, the focus of concern on regional development has become almost an obsession with 'learning', 'knowledge' and 'innovation'. This is embedded within the idea of production as process, which simultaneously involves material transformation, human labour and value creation. It is based upon individual skills and the collective knowledge of a range of social and technical conditions. This is especially evident in the literature on the 'learning region' (see Morgan 1997), which pulls together strands from both network and associational paradigms (Garside & Jauhiainen 2000) " (Jauhiainen 2000, p.15). The new trends in regional development take into consideration the information era (or *informationalism* as Castells would say, Warschauer 1998).

One of the most revealing writings on the effects of information technology belongs to Castells – "The Information Age: Economy Society and Culture", with its 3 volumes: 1 – The Rise of the Network Society (1996), 2 – "The Power of Identity" (1997) and 3 – "End of Millenium" (1998). He provides an analysis of the globalisation, describing its implications at various levels: nation-states, regions, cities, institutions, and individuals (Cisler 1997, Warschauer 1998). Today's world faces the bipolar position between the Net and the Self (covered in great detail and serious documented manner in first two volumes of Castells work) (Warschauer 1998). The Net consists of "myriard of 'flows' between cities, regions, financial institutions, entertainment complexes, consumers and governments" (Cisler 1997). In his description of globalisation process, Castells considers nation-state as initiator of the Information Technology Revolution. The existing flows, in their different types determine certain changes of nowadays reality. The space of Flows opposes the Space of Places. The logic and meaning of the places become absorbed in the network. Because of the information flows, promoted throughout all sorts of media, virtual reality becomes real virtuality, since peoples existence is captured and impregnated with virtual images, in a world where the appearances are not only on the screen through which the information is communicated, but appearances become personal experience. "The advanced communication services and information flows have resulted in both a concentration and dispersal of command and control centers for these global forces" (Cisler 1997). The success or failure in

making the transformation from industrialism to informationalism is strongly related to governance success. For example, the fall of Soviet Union is caused particularly by this failure. *The black holes of informational capitalism* are the pockets of systematic social exclusion, where people lack the equipment, tools, or training to access or use information technology. "This is a part of a broader polarization between *generic labor* (those who have non-programmable skills and thus can be replaced by other workers or machines) and *self-programmable labor* (those who through education have acquired the capability to constantly redefine the necessary skills for a given task, and to access the sources for learning these skills) (Warschauer 1998). Information is crucial and make a difference between regions involved in international competition. "The success of a region is determined, to a large extent, by its capacity to attract different flows, such as information flows, capital flows, technology flows, cultural flows, specialist flows, and enterprise flows. … The basic goal in the networked environment is to create an atmosphere where the scarce available resources can be directed in the most fruitful way for regional development." (Harmaakorpi, Niukkanen 2002, p.5). There are three central propositions characterizing network paradigm, according to Morgan. "Firstly that a network paradigm overcomes the traditional antinomy between state and market, by asserting the interdependence of public and private institutions as well as the importance of devolved intermediate institutions such as development agencies; secondly, that the growing confluence between economic geography and innovation studies suggests an important role for institutions (such as universities) and social conventions in economic development; and thirdly that regional development strategies are then pushed in the direction of promoting the principle of innovating by networking and exploring the potential of social capital (including trust and reciprocity)." (Rainnie 2002, p.1)

Learning regions have the capacity to convert the information owned in knowledge due to innovative process. "In European context, … the analysis of *learning regions* focuses more on the contributions that social capital and trust make to supporting dense networks of inter-firm relationships and the process of interactive learning. … Bjorn Asheim defines *learning regions* as 'representing the territorial and institutional embeddedness of learning organisations and active learning'" (Wolfe, forthcoming). Taking into consideration the network society paradigm as presented by Castells and Morgan, we can say that learning regions are those areas in which a competitive

advantage in a global economy is created through the complex networking process, involving actors from private and public organisations, and managing information flows in an innovative manner, allowing to enable the emergence and maintenance of self-programmable labour, the occurrence and spread of knowledge, by encouraging and maintaining an environment in which the scarce available resources are fruitfully used, thus making possible the regional development.

Regional development process consists of "the measures and reactions of interest groups exerting influence over strategic change and events external to the development network" (Linnamaa 2001). Regional development policy could be defined in a more general or a more specific way. "Mønnesland (1997, 9) describes regional policy as physical and economic measures taken into action at the regional level, at the nation level or at the EU-level aiming at influencing the relations between regions. According to Mäkinen (1999,34) regional policy can be defined as an action which creates, seeks out and utilises resources" (Perenius 2001, p.9). "Regional policy itself is now defined and understood rather differently than it was only few years ago, and there are significant differences between Nordic countries. Increasingly, regional *cohesion policy* is thought of as something rather different from *regional development policy*, where the former concentrates on welfare and redistribution in favour of the weaker regions, and the latter on economic growth across all parts of the country. Over time, less focus is made on notions of 'regional balance' and on the weaker region, and more on 'economic development' across all regions. Almost all public policies have a spatial dimension; e.g. policies are seldom regionally neutral in their impact. The impact of sector policies on regional development is often labelled *broad regional policy*, while the particular efforts made to contribute to the development of weaker regions is termed *narrow regional policy*" (Hanell, Aalbu and Neubauer 2002, p.31). Peripheral regions in Northern countries are often characterised by low population density and they are subject of narrow regional policy, mainly concentrating on issues of economic development (Hanell, Aalbu and Neubauer 2002, p.34).

Since nowadays regional development is a combination of regional programmes and strategies ((Harmaakorpi, Niukkanen 2002, p.5), the management of projects and programmes is crucial for the achievement of settled aims. This paper analyse Project Cycle Management as a potential useful standardised tool to be applied in handling regional development projects.

II. Presentation of Project Cycle Management. Comparative Analysis of 1993 and 2001 Versions

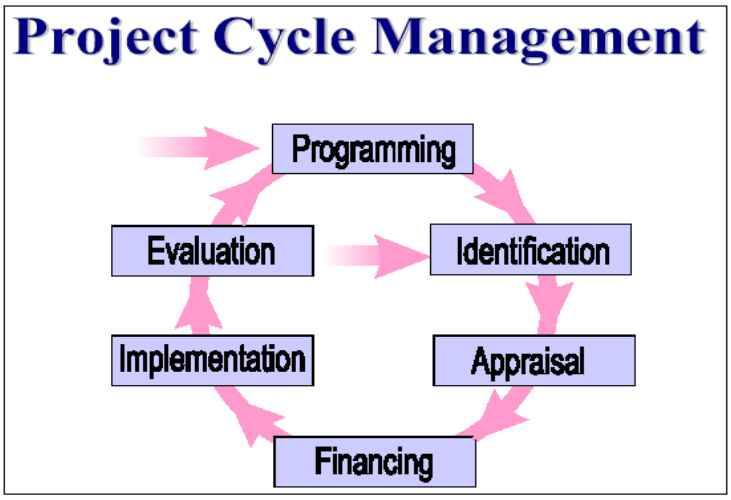
In order to check the potential use of Project Cycle Management (PCM) as a tool in regional development programmes/projects we first should explore its content. A comparative analysis of 1993 and 2001 PCM Manuals is conducted in order to better identify its characteristics. PCM aims to improve the management of external co-operation actions (projects and programs of all kinds) by taking better account of essential issues and framework conditions in both designing and implementing projects and programmes (European Commission=EC, 2001, p.1). Main elements assuring the improvement of management are: clear and realistic objectives for projects and programmes, "quality" factors to enhance project benefits in the long run and consistency with and contribution to "overreaching policy objectives" by projects and programmes. Compared with 1993, in 2001 PCM approach expanded also to sector programmes, not only to traditional project approach. In this respect, the distinction between projects and programmes is defined and accounted throughout the Manual PCM, 2001 version. Though only the term 'project' is used, its general coverage is specified, being applicable to both projects ("group of activities to produce a project purpose in a fixed time frame") and programmes ("series of projects whose objectives together contribute to a common overall objective, at sector, country or even multi-country level") (EC, 2001, p.3). However, should be noted that also 1993 version referred to both projects and programmes, but without defining or specifying the content of the terms (Commission of the European Communities=CEC, 1993, p.12, 42, 43).

A particular aspect stressed in 1993 – the integrated approach – is presented in a different manner in 2001 version of PCM. In 1993, it was considered that integrated approach of PCM "is a method for managing various phases of a project cycle" (CEC, 1993, p.11). In 2001, the integrated approach designates the use of certain concepts, tools and standard documents throughout the life a project or programme. According to the most recent version of PCM, main concepts and techniques typical for PCM are: project cycle, stakeholder analysis, "Logical Framework" planning tool, key quality factors, activity and resources schedules, key project documents structured in a standardised and coherent manner (EC, 2001, p.2).

Project cycle consists of six phases: programming, identification, appraisal (also referred to as 'formulation' in 1993), financing, implementation and evaluation (CEC,

1993, p.11; EC, 2001, p.3). The main improvement of 2001 version with respect to definition of these six phases is the explicit specification of the outcomes for each phase of the project cycle. For a graphical presentation of project cycle, see Figure 1.

Figure 1. The Project Cycle – Graphical Presentation



Programming phase is seen as "the establishment of general guidelines and principles for" co-operation (CEC, 1993, p.12; EC, 2001, p.3). The type of co-operation in terms of direction and, particularly, the outcome of the phase is slightly different in the two versions of PCM. The most recent version specifies that "the outcome is Country Strategy Paper or a Country Support Paper (terms used synonymously)" (EC, 2001, p.3).

Identification phase is defined apparently quite different by the two versions of PCM Manual. In 1993, it was seen as "initial formulation of project ideas in terms of objectives, results and activities with the aim of establishing whether or not it is worth going ahead with feasibility study. If so, the study's terms of reference are drawn up" (p.12). In 2001, in the identification phase the activity is specified in greater extent. "Within the framework established by the Country Strategy Paper, problems, needs and interests of possible stakeholders are analysed and ideas for projects and other actions are identified and screened for eventual further study. Sectoral, thematic and initial or "pre-feasibility" project studies may be done to *help identify, select or investigate specific ideas, and to define what further studies* may be needed to formulate a project or action. The outcome is a decision on whether or not the option(s) developed should be further studied in detail" (p.3). The common features (as presented by both versions of PCM) are the identification of specific ideas and carrying on studies in order to assist the decision making process. Pluses of 2001 version are the establishment of a clear framework for ideas development (Country Strategy Paper) and bringing in the stakeholders as key role-players in further decision making process.

Appraisal phase might be also referred to as design, preparation, formulation (1993), or ex-ante evaluation. In both versions, the outcome (implicit-1993, explicit-2001) of this stage is a decision on whether or not to propose project for financing. In both versions a higher degree of specification is achieved in this stage. In 1993, the detailed presentation of the project is based on feasibility study. In 2001, crucial elements are: idea that incorporates orientations of Country Strategy Paper, key qualities factors, and views of main stakeholders; relevance to problems and feasibility; detailed implementation schedule (including Logical Framework and indicators of expected results and impact).

Financing stage is quite similar in both versions: financial proposal is drawn up and submitted to corresponding committee and a decision is taken whether or not to fund the project. In the case of affirmative decision, a contract will be signed with Government or specific entity.

Implementation stage (in both version) consists of execution of project activities using the resources in order to achieve the project purpose. In 1993, this is associated with drafting of Plan of operation and monitoring reports. In 2001, implementation is also aiming to achieve the wider, overall objectives, not only project purpose. To accomplish the project purpose means that the target groups received the planned benefits. Both achievements usually assume the existence of contracts for studies, technical assistance, works or supplies and the assessment of the progress done enabling adjustment to changing circumstance though monitoring. At the end of implementation phase, a decision is made with respect to closure or extension of the project.

The evaluation phase leads to a decision to continue, rectify or stop a project. In 1993, it is specified that in a multi-stage project, evaluation should be conducted at the end of each stage and its result will determine the continuation or cancellation of financing. In 2001, a more detailed definition is provided by quoting OECD/DAC 1999. “Evaluation is an ‘assessment, as systematic and objective as possible, of an ongoing or completed project, programme or policy, its design, implementation and results. The aim is to determine the relevance and fulfilment of objectives, developmental efficiency, effectiveness, impact and sustainability. An evaluation should provide information that is credible and useful, enabling the incorporation of lessons learned into the decision-making process of both recipients and donors”. Taking into account the specific moment in the life of the project, three types of evaluations are considered: “mid-term”

evaluation (during implementation), final evaluation (at its end) and "ex-post evaluation" (after a certain period of time since project ended).

2001 version specifies particular characteristics of the phases for sector programmes. A summary of projects cycle phases and their corresponding documents and decision processes is presented in the next table (based on 2001 graphical presentation, p.4).

Table 1. The Project Cycle: Main Phases, Documents and Decisions

Phase	**Document**	**Decision**
Programming	Country Strategy Paper	Priority areas, sectors, timetable
Identification	Pre-feasibility study	Decision which options to study further
Appraisal	Feasibility study Draft financial proposal*	Decision whether to draw up a formal financing proposal**
Financing	Financial proposal Financial agreement*	Decision to fund**
Implementation	Progress and monitoring reports	Decision about the need for extension Decision to continue as planned or to reorient project (mid-term evaluation)
Evaluation	Evaluation study	Decision how to use the results in future programming

Notes: sign indicates documents conditioned by results of decision made in that project cycle phase, sign** indicates a binomial decision which might lead to generation of specific document within that project cycle phase.*

In PCM, the main tool organising information and presenting the content of the project/programme in a logical and synthetic manner, in a predefined form is Logical Framework (see Table 2).

Table 2. The Logical Framework Matrix

	Intervention Logic	Objectively Verifiable Indicators	Sources of Verification	Assumptions
Overall Objectives				
Project Purpose				
Results				
Activities		*Means*	*Costs*	
				Preconditions

Note: Logical Framework is also referred to as 'logframe'.

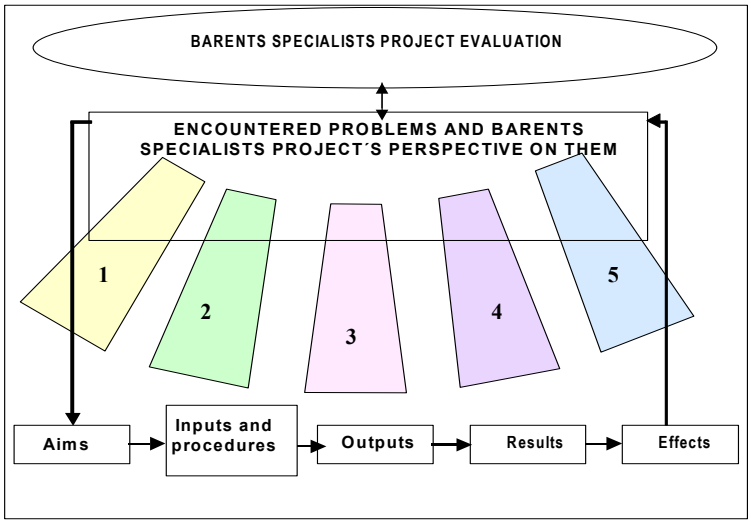
The process of designing logical framework is reflected in a different ways in the two versions of the manuals. Since we appreciate that the most recent material incorporates more relevant features, we mainly present the logframe elaboration process accordingly to 2001 version. In order to design the logical framework, two stages are carried out during the Identification and Appraisal phase of the project cycle: the ***analysis*** stage and the ***planning*** stage. Main steps of the ***analysis stage*** are: stakeholder analysis, problem analysis (image of reality), analysis of objectives (image of an improved situation in the future), and analysis of strategies (comparison of different options to address a given situation). In the analysis stage, projects/programmes are designed in order to address the problems faced by target groups, as well as their needs and interests, taking into consideration the gender particularities. In the ***planning stage***, the project idea is further developed in a practical operational plan ready to be implemented, the logframe matrix being filled in as the activities and resources are defined and scheduled. After establishing intervention logic (1st column) and assumptions (4th column), a crucial moment in the planning stage is review of project/programme's quality. There is a list of quality factors (in 1993 referred to as sustainability factors) to be checked. Term 'quality' is favoured to 'sustainability', since the last one appears only in the later stage of the project, while the first should be a constant concern throughout the project life, even in its early stages.

There is a strong relation between all the phases of the project cycle and the logical framework.

III. Presentation of the Barents Specialist Project and its Mid-term Evaluation Report. Applying Project Cycle Management to a Northern Periphery Regional Development Project

Barents Specialists Project is a regional development project aiming to explore and develop local skills and knowledge in an innovative way. Its "evaluation has been undertaken through the dimensions of a logical framework" (Nevalainen, Aldea-Partanen, Keränen, Korhonen, Keränen, 2003, p. 20). For a graphical presentation of the way in which logical framework was taken into account in designing the evaluation procedures, see Figure 2.

Figure 2. Logical framework and areas of focus for the evaluation (1 to 5)



The main framework therefore involves the following chain of effects.

1. The setting of aims in relation to needs: how relevant are these aims?
2. Inputs in relation to the aims: are the inputs and strategy in order?
3. Outputs and the process of their generation: is project activity effective and in line with the aims?
4. Exploitation of outputs in the target groups and the process of generation of results: are genuinely beneficial outputs created and how are they made use of (within the network and by its participants)?
5. Converting the results into lasting regional effects: what lasting changes remain in the region?

The aim of the mid-term evaluation report is therefore to examine the relevance of project aims, the present state of the project and its initial outputs, as well as to make any necessary suggestions for changes in order to achieve the aims of the project and to ensure its natural and effective continuation.

III. 1 Presentation of the Barents Specialist Project and its Mid-term Evaluation Report

Background of the Barents Specialists Project

The development aim of the Barents Specialists project falls into two parts. Firstly, lasting competence in matters related to Russia have been developing in the educational units participating in the project. Consequently, the organisations will be able to offer

research, educational and consultancy services to meet the needs of both the public and business sectors. Secondly, lasting Russian-related competence will be supported by promoting research in matters relating to the Barents area through a new settled multidisciplinary research network. Fifteen educational organisations from four countries in the Barents region, (i.e. Finland, Sweden, Norway and Russia) contribute to the project. For a better image on the contributors to the project, in terms of regions, organisations and number of participants per city, see Figure 3 and Figure 4.

Figure 3. Regions and organisations contributing to Barents Specialists Project

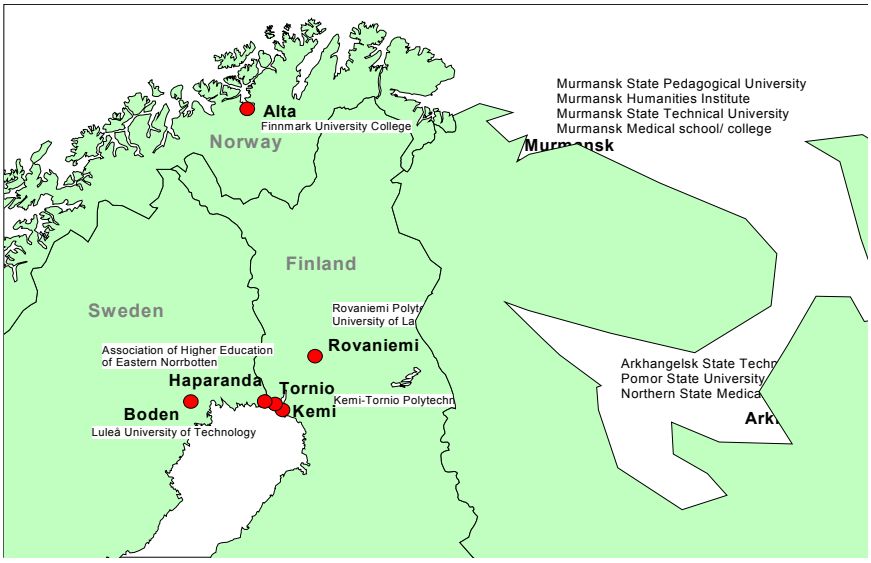
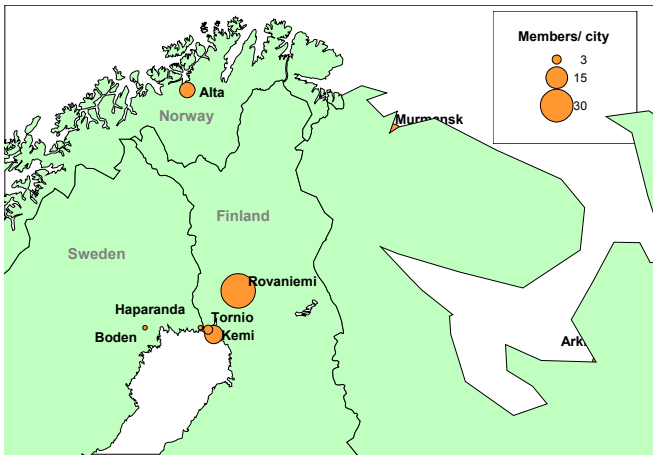


Figure 4. The number of Barents Specialists participants in each region



The Barents Specialists project is implemented in two stages. The first stage is funded for the period 21.10.2001-31.12.2003 (the implementation of the project actually began in April 2002). Funding for the second stage of the project is being sought for the period 1.1.2004-31.12.2006. Funding for the Finnish project participants is being provided by Interreg IIIA/Kolarctic, the Civil Service Department of Lapland Regional Administration (national funding), and the Polytechnics of Kemi-Tornio and Rovaniemi (own contributions). Financial stages overlap aim-related parts.

Main Project Activities

1. The creation of an operational model for a specialists network for educational establishments.

2. The formation of a Russia-Specialists Network for the educational establishments:

   2.1 Barents Specialists Researchers School

   2.2 Barents Specialists Professional Development programme (PD 40 study weeks/60 ECTS)

   2.3 Barents Virtual Studies study programme (30 ECTS)

   2.4 Student and teacher exchange with Russian educational establishments

   2.5 Russian language teaching

3. Sector-specific activities: Business studies, nature and tourism, social and health.

4. Exploiting net-based learning and conferencing environments in the construction of the network.

The basis for the operational model of the Specialists Network within the project is provided by long-term co-operation in Russian-related activities between the Polytechnics of Rovaniemi and Kemi-Tornio. One result of this collaboration has been the establishment of a Barents Specialists Centre run by the two polytechnics. The aim of the Centre is firstly to serve the region business and employment sectors as well as educational organisations and secondly to develop co-operation within the Arctic region. The operational idea behind the Specialists Network is to connect together Western European skills with knowledge on the North-Western Russian cultural and business environment, and thereby support the business, public authority and educational sectors of these Northern areas. The network also plays an important role as a mediator of skills between the rest of Europe and North-Western Russia. For cooperation also to work in practice on the Russian side, the network will be coordinated there by the Murmansk State Pedagogical University. The main responsibility for the attainment of the aims of the Specialists Network remains with the Finnish partners.

The Project Relation with the INTERREG IIIA Programme and the Northern Dimension

The Barents Specialist project belongs to the Interreg IIIA Northern, Kolarctic part-programme procedural area 4.1, Education. The aim of the fourth line of action *"Skills*

and Welfare" is to create lasting structures with which to strengthen the Russian-related competence and knowledge of all kinds of organisations (educational ones and others) within the Arctic region and to promote networking and personnel exchange between them. The Barents Specialists project is well matched with the aims of the fourth line of action of the Interreg IIIA Northern, Kolarctic part-programme.

The Northern Dimension (ND) is a Finnish initiative for the development of the European Union foreign relations and regional cooperation. The Barents Specialists project also applies this strategy (ND) with great effect.

The Purpose of Mid-term Evaluation

The purpose of the intermediate evaluation is to critically appraise the project while at the same time supporting present operations and constructively developing future activities. The basic task of the evaluation is to support the project implementation process (creation of outputs allowing the achievements of projects objectives and aims) as well as to clarify the lasting results of the project in its target groups and organisations, along with possible lasting regional effects. Special effort is made to ensure that evaluation is conducted in close interactive contact with the organisation ordering the report (University of Lapland) so that recommendations may be most effectively taken on board. In this evaluation, the importance of the project is stressed while at the same time mechanisms are sought for best achieving fruitful results and effectiveness in the future.

The aim of the mid-term evaluation report is therefore to support the further effective implementation and planning of the various operations of the project – not to criticise project implementation. This intermediate report thus strives to find answers to the following questions/challenges:

1. The operational strategy of the report
2. The objectives consistency: outputs, results and effects
3. The project implementation and its results
4. The function of the project organisation
5. Good and bad practices
6. Project continuation

The framework of the evaluation may be roughly divided into the following points of view: steering, implementation and benefit of the project. Since this evaluation is an

intermediary one, its focus lies predominantly on project steering, the participants involved in implementation and the process of implementation itself. The results and effects may be evaluated only when the project has reached its conclusion.

This evaluation has been designed taking into account the dimensions of logical framework. The questions addressed by the evaluation have been approached in such a way as to draw special attention to the mechanisms by which the results are generated and to possible long-term chains of effects (see above the list of chain effect at page 13).

Methods

An e-survey, using an e-questionnaire form (with close and open ended questions) was designed for the members of the network both in Finnish and English. The English language form was aimed at participants in Norway, Sweden and Russia. The questionnaire form sent to Russian members of the network was slightly different in its content as compared to the form designed for the other participants. (Since their implication in specific project actions was, so far, relatively reduced, their replies to questions related to very specific project actions would have been irrelevant). The questionnaire forms used for Norwegian, Swedish and Finnish participants were fairly identical in terms of content. The survey data was collected in May 2003. The content of the questionnaire covered issues related to project administration, start-up, implementation and continuation.

In addition, network members were interviewed from each of the participant countries, using a semi-structured guideline. Seventeen interviews were conducted, out of which twelve were held with participants from Finland, one from Sweden, two from Norway and two from Russia. Amongst the interviewees were the project manager, the chairman and members of the steering committee, individuals representing and working in the various sectors, and PD students. The interviews were conducted either by telephone or face to face. There were one-to-one interviews and group interviews.

The Main Conclusions and Recommendations

Each of the evaluation question/challenge is presented together with its corresponding conclusions (first) and recommendations.

Evaluation Question 1. The Relevance of the Project

- The project builds a network by gathering members from all educational organisations in the Barents area to cooperate with the already existing partners. The previous cooperation between the actors in the area offered a good foundation for the network. The project implements the Northern Dimension strategy, which has been published by EU. Its central tools are, among other things, the international cooperation that focuses on Russia and on the planning of development, and education sub-projects. The project successfully meets the objectives set by the Interreg IIIA programme and Kolartic programme. The main aim of Barents Specialist project is to strengthen the knowledge of Russia in the organisations area as well as their networking. Also the educational organisations in the project have within their strategy to increase their knowledge of Russia, which the project responds to as well.
- The educational organisations of the project aim to develop permanent knowledge on Russia. During the first phase, especially the teachers in the vocational colleges from the network (Rovaniemi and Kemi-Tornio) have increased their knowledge on Russia. This creates a stable and permanent basis for the future development of the project.
- As strategic means, the project uses PD studies, the researcher school, Russian language studies, virtual studies, web-based working and learning environments, and student and teacher exchange. Creating a broad and functional network requires that the activities started in the first phase will continue as scheduled and those activities which are in the planning phase to be implemented in the second phase of project.
- The network is regarded as ”the network of networks”, which consists of several autonomic networks.

Recommendations:

- The project field of problems is broad, which is really demanding for its strategic targeting. It is reasonable to question the project necessity with respect to the real existing needs, so that the aims would not become too general and the priority of the problems could be clarified (and well-defined).
- In the second phase of the project it is important to make the existing and new members of the network to fully commit themselves to the project so that specific

activities really get started and the aims can be reached. Core stakeholders must be brought in the project during the design process of specific activities.

Evaluation Question 2. The Assessment of Objectives Consistency: Outputs, Results and Effects

- The logical structure of the project is clear and its aims at the different level are easy to follow and to evaluate. In relation with the development aim, it is reasonable to clarify the project cooperation links with other actors and projects carrying on similar activities. The actual impact will be created in synergic cooperation with parallel and future projects. In refining the objectives and specifying the tasks, it is necessary to be aware of the particular boundaries of responsibilities (where someone's responsibility ends and other's responsibility starts).
- Productive features can be already seen, though the project is at its beginning regarding the practical implementation of its activities. During implementation, the productivity is guaranteed by a good monitoring of routine activities carried on by project, an essential part of securing the full utilisation of the outputs.
- There are good grounds for the verification of the aims and expanding the current activities by the newly emerged sector. In this context it must taken in consideration the position of the different sectors (for an example the autonomy and administration) as well the accurate planning in respect to the main project.

Recommendations:

- The indicators need statistically based information (the Statistics Finland/ the educational organisations own statistics) to follow the impacts and results, at least in Finland, if not in all partner countries.
- The definition of the project and its cooperation links need to be constantly visible. There is a great danger that there will be too many objectives and the project (and networks itself) digresses beyond control, therefore special attention should be paid to this feature. On the other hand, the project needs such a forum where it is possible to handle new ideas and continue to process them. The existing virtual environment should be used in greater extent.

Evaluation Question 3. The Evaluation of the Project Implementation and Its Results

- The PD studies have succeeded extremely well. The Russian knowledge of the Finnish actors has improved primarily through this educational programme.
- The existing three sectors of the project (business sector, social care and health sector, and nature and tourism sector) function relatively independently, which is the reason why members of the sectors are not familiar with the work done in other sectors. The autonomic position and independence in planning should, however, be encouraged in the network.
- The project succeeded to assure a good foundation for building a network between the educational institutes in the Barents area. Because the partner countries Sweden and Russia joined the project in a later stage of first phase, it is too early to talk about a fully functioning and balanced network.
- The project has succeeded in creating an action model according to the aims, though the point of departure was reasonably demanding in terms of planning and implementation. The synchronising of the Finnish core actors' interests was a good result.
- In such a complex project, the roles of steering group and manager are very important. In this project, the management has succeeded in its tasks and especially the project manager's work is highly appreciated.

Recommendations:

- Because the project first phase concentrated on increasing the Russian knowledge of the Finnish partner, the project second phase should pay attention to the needs of the other parties of the network; especially the Russian's participation and the Barents knowledge needs attention.
- The roles of the sectors need clarifying and this will succeed by preparing common and more accurate action plans for the different sectors. This together with the increasing of the flow of information and strategic cooperation would also make the sectors work more effective.

Evaluation Question 4. The Function of the Project Organisation

- Despite its complex structure the project organisation functions well as the roles of the different organisations are quite clear. The organisations and their main actors

are committed to the project. Also the steering group and the management of the project are well appreciated in questionnaires and interviews.

- During its first phase, the project was strongly emphasising on Finland (firstly) and Denmark (secondly), but since Sweden and Russia joined the project the construction and emphasis of the project organisation will be more balanced.
- The positive feature of the project is that the cooperation has expanded outside the project. The network has "a life of its own", which means that it is already functioning and it has genuine elements. The perceived good functioning of the network it is illustrated by the expression: "it is a network of friends".
- The organisation might be vulnerable in a crisis situation.

Recommendations:

- The main activity of the project should be well planned, logical and accurate so that it can serve as project management tool. The implementation of the project is essentially dependent on the core actors so their functional resources and conditions must be secured.
- Though the role assignment has been easy, the increasing of the knowledge of Russia is focused primarily on the personnel of Rovaniemi Polytechnic and Kemi-Tornio Polytechnic, and the University of Lapland has merely been the producer of these educational services. In the future, the role of the University of Lapland needs rethinking, in other words, there is really a need of increasing the educational service for the personnel of the University of Lapland.

Evaluation Question 5. The Project Good and Bad Practices

- As a whole, the project has succeeded well. It has proceeded in most parts as planned despite partners' different sources of financing. The creation of a successful action plans, the PD studies and the project information in general were highly appreciated and are the most often mentioned as examples of good practices.
- The sectors action plans need still developing as well their cooperation. However, according to interviewed persons, in the next stage of the project more attention will be paid on these issues, since in first stage the focus was more of the general definition of tasks and creation of a well-functioning network.

Recommendations:

- The most successful action models and the contention parts are useful to "benchmark" with the international issues, in the project second phase.

Evaluation Question 6. The future of the Project

- The members of the network are highly committed to the project, as almost everyone intends to take part in the network in the future. So there is already a real network starting to function.
- The project follow-up has got a strong support in all partner countries.

Recommendations:

- The cooperation and networking between other actors with similar activities need to be developed further. Also cooperation with development projects in the Northern areas of partner countries should be increased (for example enterprise projects from Northern Finland Objective 1 programme).
- Adding activities to the project while expanding it might lead the action away from its main function. To respond to the needs that the project has found important has to be considered through separate sub-projects. However, the image and profile of the project must keep explicit.

III. 2 Applying Project Cycle Management to a Northern Periphery Regional Development Project

Barents Specialist Project is a regional development project developed in Northern periphery of Europe. The project life is in an important stage: first part of implementation is about to end and the second part is about to start. The evaluation phase feeds in the implementation phase at this point, throughout mid-term evaluation. Interlocking logical frameworks were used for both parts of the project, in order to reflect the way resources were, are and will be used to achieve the projects aims and long-term objectives. Though maybe the English terminology used by Barents Specialists project might seem slightly different than the one typical for Project Cycle Management, the actual way in which project was conceived, designed and implemented so far took into consideration the requirements of project cycle management and made use of logical framework (for reason of confidentiality, the logical frameworks specific for Barents Specialists Projects will not be disclosed here). Taking aboard 15 organisations from 4 different countries in a common regional development project was a very challenging task. Without using the logical framework

and project cycle management approach, the task of creating a specialists and researchers network in order to share and improve the knowledge on Western-Russia in Barents Specialist region would have been far more difficult.

IV. Conclusions

In designing regional development projects using project cycle management approach, more careful attention should be paid to the stakeholder analysis since one way or another (as passive beneficiaries or active actors) they will be always involved in the project. They must be identified in very early stages of the project and their expertise should be used from the very first phases of the project cycle, even in programming and identification phases, therefore assuring a proper quality of the project, from the beginning. In monitoring and evaluation processes, the stakeholders should be actively involved and their contributions should be effectively reflected in designing the ongoing activities to be carried on in the implementations stages.

In the context of nowadays regional development, when projects and programmes design should consider various challenges as globalisation and *informationalism*, the achievement of better results could be assured by applying cycle project management and logical framework. Though they are together very efficient management tool, just their use cannot provide nor assure success by themselves. We have to bare in mind the fact that a tool is as good as the way of using it is, and to avoid to end up in a situation "garbage in, garbage out". More exactly, in all stages of logical framework design and in all phases of the project cycle, the various inputs contributing should be careful considered.

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