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for a sustainable and competitive region.*

The North
Sea Region
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 DSN

Connecting Knowledge

FINAL REPORT

Added Value



Sub-theme 1: Programme
impact and coverage
(External Project
Management)

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Added Value (1) – Sub-theme: Programme impact and coverage (External Project Management) (Final Report)

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The preparation of the report was overseen by the Programme's Evaluation Steering Group (ESG), comprising representatives from countries and regions participating in the Interreg IVB North Sea Region Programme and co-ordinated by the Joint Technical Secretariat.

This report is part of a series about the on-going evaluation process of the Programme. In accordance with the on-going evaluation approach these reports will be available one by one in the near future:

Institutional Capacity and Performance:

- (1) Financial management and control set-up
- (2) Programme structures
- (3) Application procedures and project development

Added Value:

- (1) Programme impact and coverage
- (2) Transnational cooperation
- (3) Legacy

Publicity and Communications:

- (1) Programme and project cooperation in communications & programme visibility
- (2) Communications measures on project level

Disclaimer:

The content of this paper has been prepared by DSN – Connecting Knowledge and does not necessarily reflect the opinion of the North Sea Region Programme or its Evaluation Steering Group (ESG).

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0. Introduction

This final report addresses programme bodies, project partners and stakeholders of the Interreg IVB North Sea Region Programme (NSR Programme). The report is part of the “On-going Evaluation” which presents the main findings and recommendations regarding the topic “programme impact and coverage”.

As part of the interim report on “programme impact and coverage”, the SWOT and socio-economic framework, the private partner integration as well as the programme coverage and impact have been evaluated. Based on these results, the programme bodies have formulated the following evaluation questions which will be analysed further within this final report:

- How satisfied are projects with their external project management?
- How satisfied are projects that are running their project management by themselves (internal project management)?
- Why have projects applied the external or internal project management model?

Based on the evaluation questions above, this final report on programme impact and coverage concentrates on the analysis of

- Projects working with an external project management and
- Projects running the project management by themselves.

The report focuses on the main findings (!) and recommendations (✓) of the evaluation process which are highlighted with symbols in the margin. In addition, opinions taken from the online survey give an impression of different perspectives projects have. The report summarises the findings and recommendations of the On-going Evaluation in an easy to read way.

This final report is based on the main results from desk research and an online survey in which answers were given by 11 out of 14 projects’ lead beneficiaries of the NSR Programme. The report concentrates on the general findings and recommendations with strategic relevance to both the improvement of the current programme period as well as to the next programme period 2014-2020.

More information on methodology and the evaluation model of the “On-going Evaluation” is provided in appendix A.



1. Database

The following remarks on the role of external project management are based on the interest of the programme to examine the role of external project management in more detail and to reflect on its contribution to the success of projects and the programme.

The available database of the projects in the NSR Programme does not show how many of the 71 projects are working with an external project management. Therefore, the analysis of the role of external project management in projects is based on the results of an online survey in which 11 out of 14 lead beneficiaries of different projects participated. The online survey addressed both projects that work with an external project management as well as projects using an internal solution as a comparison group. Externalised project management means that the project management is carried out or supported by external service providers with whom a sub-contract has been signed. 6 out of the 11 participating projects in the online survey operate or are supported by a sub-contracted external service provider. 5 out of 11 participating projects operate with a project management within their organisation.

2. Projects working with an external project management provider

General findings



The following findings are based on the answers given by lead beneficiaries of projects that are working with an external project management provider:

- The main tasks carried out by the external project management providers include the support of activity reporting followed by assistance of financial support and communication with the Joint Technical Secretariat (JTS). These tasks primarily serve to support the administrative implementation of the programme. In addition, tasks related to the organisational implementation of the project such as the organisation of meetings and conferences or the moderation of meetings will also be assigned to external management providers. Based on the results of the online survey, the following tasks have been identified as tasks that are carried out by external project management providers:
 - Support of activity reporting
 - Communication with Joint Technical Secretariat
 - Support of financial reporting
 - Publicity and communication
 - Moderation of meetings
 - Organisation of conferences
 - Organisation of meetings



- As far as the procurement procedure for sub-contracting the project management is concerned, all participating projects addressed in the online survey stated that the procurement procedure is clear. No answers were given that indicate insufficient clarity of the procurement procedure for sub-contracting project management.¹
- The participants in the online survey were also asked why they decided to sub-contract the project management tasks of their project. The answers given to this question can be summarised as follows:
 - One major reason why lead beneficiaries choose to operate with an external project management is **limited capacity** within their own organisation. Particular capacity is needed for administrative support regarding the activity and financial reporting; especially during the peak reporting periods.
 - This additional capacity provides **the lead beneficiary with more time to concentrate on the content** of the project and relieves him/her of the administrative tasks. This also corresponds with the findings above that highlight supporting tasks as the main duties of the external project management. Another major reason resides in the **expertise and experience** the external project managements bring into the project – especially experience with administrative project issues such as reporting and regulations. Within the online survey, lead beneficiaries participating in an EU INTERREG project for the first time appreciate the experience of an external project management.
 - This shows that **knowledge transfer** is an important reason to sub-contract tasks to an external project management. The knowledge transferred by the external project management not only helps projects' lead beneficiaries to compensate their lack of experience and competences, but also to improve their skills in managing transnational cooperation projects.
- Most of the projects participating in the online survey are very satisfied with the work of their external project management. Here, again, it is the experience of the external project management provider that the projects appreciate. In addition, some projects stated that their external project management implements its work in a professional manner.
- When asked to name the benefits of sub-contracting the project management, the projects highlighted the additional resources of an experienced project management as being most beneficial. During the reporting periods, in particular, the additional resources allow the lead beneficiary to balance the work load for itself and the project partners. Thus, the lead beneficiary and project partners are provided with more resources to concentrate on the content and the overall tasks of the project while the external project management carries out the reporting.
- The main challenge of sub-contracting the project management relates to the search for a suitable provider for the project. For some projects, this not only means that the external project management provider has expertise in managing an EU INTERREG project, but is also suitable to address the content of the project.

¹ With regard to this finding it must be stated that lead beneficiaries have different perspectives on procurement procedures.



Thus, sufficient expertise in the specific thematic area of the projects is an important criterion for some projects when choosing their external project management provider.

- From projects' point of view, the external project management provider should fulfil the following competences:
 - Experience in managing EU INTRREG projects
 - Expertise on regulations and INTERREG rules
 - Correctness and reliability
 - Communication skills
 - Cultural competences
 - English language proficiency
 - Flexibility and availability
- All participating projects in the online survey that are already working with an external project management would sub-contract the project management in an upcoming project again. They would also recommend that other projects externalize their project management. This is particularly the case if the lead beneficiary lacks adequate competences or capacity within his/her own organisation to sufficiently manage the project.
- For three participating projects in the online survey that are already working with an external project management, the market of external project management providers is transparent.

Opinions from the online surveys

Below you will find some opinions of lead beneficiaries taken from the online survey regarding the issue of external project management providers:

[External project management]... reduces the amount of administrative work within the company of the lead partner. We had the possibility to concentrate on the partners and the content / activities. As it was our first project as Lead Partner, we wanted to have support regarding the regulations in reporting and also assistance for all partners as most of them were involved in an EU project for the first time.

[The benefit of working with an external service provider is the]...possibility to give good support to partners also during high peaks of work. The project management are sometimes a lot of work and sometimes less, with a subcontractor as help this can be balanced out.

[A challenge in sub-contracting the project management is]...finding the right expert not only for the administration of EU projects, but also for the content of the project.

[The external project management should have]...expertise (also in Interreg rules), involvement, enthusiasm, accurateness, communication skills (with partners and controllers)



3. Projects running the project management by themselves

General findings



The following findings are based on the answers given by lead beneficiaries of projects that implement the project management within the lead beneficiaries' organisation:

- When asking for the reasons why projects implement an internal project management within the lead beneficiaries' organisation, two main reasons emerge. The first one resides in the experience of lead beneficiaries in carrying out the project management of an EU INTERREG project as well as their competences and capacities to run the management of the project.
- The second reason why lead beneficiary organisations strive to build project management competences within their own organisation relates to ensuring that the organisation and the region can take part in EU transnational cooperation projects in the long term.
- From the projects' own point of view, the main benefits of operating with an internal project management reside in maintaining better control of the whole project; both in terms of tighter budget control as well as project steering that is in line with the objectives of the organisation or the region. Furthermore, the projects appreciate the fact that an internal project management alleviates internal communication between the project partners and the project management that is implemented within the lead beneficiary's organisation.
- The main challenges of an internal project management relate to providing sufficient resources within the organisation throughout the whole project and at all stages and phases of project implementation. These required resources must cover all skills that are necessary to manage a project. In addition, it is challenging to commit the lead beneficiary organisation to implementing the project management and to integrating it into the day to day work of the organisation.
- Whereas for half of the projects participating in the online survey and working with an internal project management the market of external project management providers is transparent, for the other half it is not.
- The projects are satisfied with the internal project management of their project and would all use this solution again, for example in an upcoming project. None of the projects currently working with an internal project management considers working with a sub-contracted external project management.



Opinions from the online survey

Below you will find some opinions of lead beneficiaries taken from the online survey regarding the issue of external project management providers:

To build up project management competence within the organisation. This competence secures that the organisation and region can take part in transnational projects in the long term. This ensures: 1) that PM competence and knowledge about the needs of the organisation and region are not separated. 2) people working within the project develop (The people who develop the region develop).

Greater control in terms of setting objectives (at the application stage) and reaching objectives (during project delivery) that are in line with the organisation's objectives. The link to the organisation's and the region's policies is secured.

One of the challenges for the organisation is to make sufficient resources available for PM. Generally speaking, all the challenges associated with project management must be managed, which requires project management skills. PM skills are therefore important, and it is important to separate these from thematic project work.

Recommendations



Clear identification of the implementation of project management (internal or external) within the projects of the NSR Programme.

In order to identify which projects implement an internal project management and which operate with an external project management provider, a clear overview of existing project management implementation solutions would be helpful within the programme. This information would, for example, be helpful to analyse the correlation of project performance and the implementation of project management. To improve transparency of the involvement of external project management providers in NSRP projects, the projects should systematically indicate whether they are working with external service providers or not. In addition, the projects should name the tasks in which the external service provider supports the lead beneficiary. In order to provide a transparent overview of external project management within the NSRP projects, the JTS could collect and combine this information in its project database. This would also be helpful to organise knowledge transfer between both external project management providers and projects running the management by themselves.



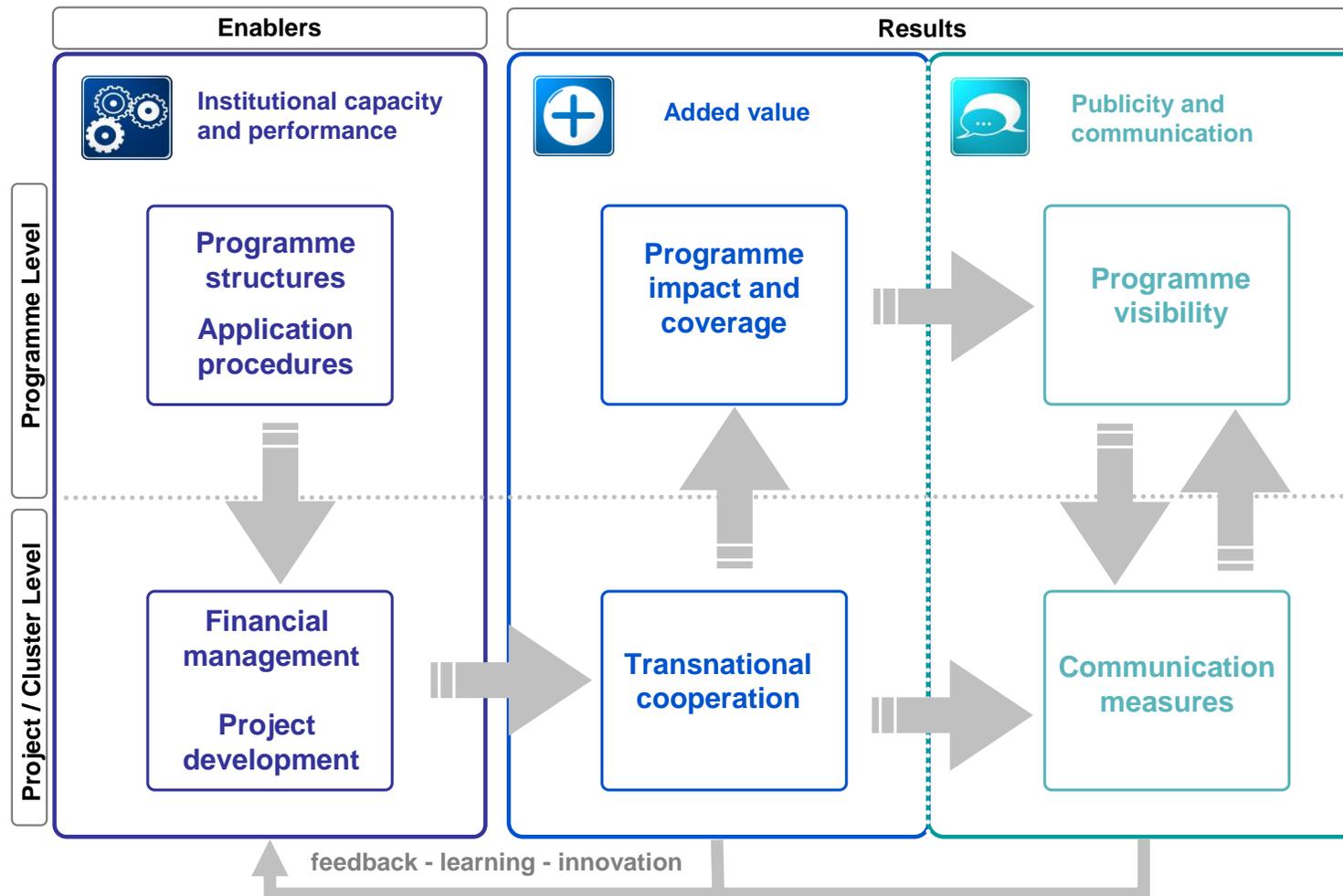
The knowledge exchange between project managers from NSR projects should be strengthened

The results of the online survey revealed that there is potential to improve the exchange of knowledge between project managers on the management of NSR projects (both, internal and external project managers). To strengthen this knowledge exchange, a community of practice which allows for the participation of external and internal project managers of NSR projects should be implemented and led by the programme. Social media could be used as a technical platform to organise knowledge exchange, for example by implementing a discussion forum. Within this discussion forum, project managers could discuss specific management issues and exchange best practice examples on project management (e.g. in the fields of reporting, communication, transnational management etc.).



Appendix A - Evaluation Model

The evaluation model adopts the EFQM (European Foundation for Quality Management) model approach as a starting point and applies it to the context of the programme evaluation. The key message of the evaluation approach is that any impact which occurs at the programme level is generated via the quality and effectiveness of the funded projects. This new paradigm focuses not only on stakeholders such as the Commission or regional administration, but also on the projects themselves as core customers of the programme management. Consequently, the programme should support the projects' work as strongly as possible, as so to enable them to manage their activities effectively.



Source: DSN



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