

***Framework Service Contract for the Procurement of
Studies and other Supporting Services on Commission
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***Lot VI - Interim, final and ex-post evaluations of
policies, programmes and other activities***

***Evaluation of the Indicators of the
Entrepreneurship and Innovation
Programme***

Final Report

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Executive Summary

Introduction

The Entrepreneurship and Innovation Programme (EIP) is one of three specific programmes under the Competitiveness and Innovation Framework Programme (CIP).

The CIP's overarching aim is 'to contribute to the enhancement of competitiveness and innovation capacity in the Community, the advancement of the knowledge society, and sustainable development based on balanced economic growth'. Within this and with a total budget of €2.17 billion for the period 2007-2013, the EIP programme has been structured around six core objectives:

1. Facilitate access to finance for the start-up and growth of SMEs and encourage investment in innovation activities
2. Create an environment favourable to SME cooperation, particularly in the field of cross-border cooperation.
3. Promote all forms of innovation in enterprises
4. Support eco-innovation.
5. Promote an entrepreneurship and innovation culture.
6. Promote enterprise and innovation-related economic and administrative reform.

The use of performance indicators has become widespread as a key tool in the management of public programmes. Given its importance in the context of the Lisbon Strategy, in the promotion of entrepreneurship and innovation and the strengthening of the basis for growth and competitiveness, as well as for accountability reasons, there is a clear need to ensure that the EIP is monitored effectively.

An important basis for monitoring the performance and the management of the EIP has been the use of indicators for the various measures of the Programme. An initial set of Indicators was developed in the ex-ante evaluation report produced by the Commission and, since 2007, a wide set indicators has been developed on an annual basis to report on the measures supported under the EIP. By 2010 over 280 indicators had been recorded. However, it has proven difficult to establish a consistent set of viable and measurable indicators, highlighting results and impacts, especially with respect to qualitative aspects and the programme's management committee, the 'EIPC', has asked for an improvement in the quality of indicators used.

The study conducted by CSES aimed to review the current set of indicators and to establish if these can be improved. More specifically, its objectives were to:

- Analyse the use of indicators within the Entrepreneurship and Innovation Programme (EIP) managed by DG Enterprise and Industry

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- *Assess the use of indicators in respect of large 'projects' supported under EIP (Financial instruments, Enterprise Europe Network, Innovation measures, eco-innovation) and also smaller-scale 'projects' (e.g. IPR helpdesk, tourism, CSR, SME week, Enterprise Awards, eSkills, eBSN, standardisation, etc).*
- *Draw conclusions and recommendations in relation to what types of indicators are most effective and suggest improvements with regard to strengthening the quality and robustness of existing indicators as well as improving the design of indicators in the future.*

Findings

CSES has conducted an extensive review of the indicators used for the different measures supported by the Programme for the years 2007-2010. In total 131 indicators from 11 measures were reviewed. The indicators currently in use are set out for each of the areas considered and the context of their application briefly explained.

In broad terms, after a review of the intervention logic of the EIP, the analysis examined a series of detailed questions : the type of information provided (qualitative or quantitative), whether the indicators are of an operational kind relating to the outputs of the supported activities or rather focused on the expected results and impacts, the way that performance is evaluated and whether there are any issues with data collection.

The findings of the analysis can be summarised in the following points:

- *There are rather a lot of indicators, so much so that it is virtually impossible to achieve a consistent overview of performance across the major areas of policy implementation. Furthermore, they appear to change fairly frequently.*
- *The basis for the development of indicators appears to have been the general framework for evaluation and impact assessment and documents such as the ex ante evaluation rather than any specific guidance on indicators as such. Consequently, as the system has developed, there have been common elements, but it has been difficult to achieve a consistent approach in the selection of indicators for the measures supported.*
- *The main driver of the development of indicators currently would seem to be the need to report to the EIPC on an annual basis.*
- *There is therefore a strong tendency for the indicators to become more of an operational management tool than an indication of the success or otherwise of the policy programme. This tends to influence the type of indicator chosen. The focus is on what happens in the current period. With few exceptions there is no explicit reference made to a time dimension or evolution over time. As a consequence, there is a very limited use of the result indicators proposed in the ex ante evaluation or of indicators that relate to longer-term outcomes.*



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- *Commission policy statements on evaluation stress that it is a process that should be present throughout the development and implementation of a programme, informing and influencing it as it develops. This approach needs to inform the selection of indicators.*
- *Baseline indicators are absent in most cases and only in a few cases are specific targets provided.*

Having said that, the review of the current indicators also pointed to the strengths in the existing system:

- *There are often clear outcome indicators used, relating to the extent of the take-up of the services offered, the extent of the dissemination achieved or the actual use of the knowledge developed or expertise gained by the intended beneficiaries.*
- *In an important number of indicator sets there is at least one based on the quality of the activity/service offered; these are often derived from user-surveys or feedback questionnaires. They are clearly useful indicators of the relevance and/or utility of a measure.*
- *Many of indicators aim to be measurable (i.e. quantitative). This can support clear judgements about the effectiveness of measures, but also needs to be balanced by the qualitative indicators that often provide context and a broader view.*

Overall, it appears that there is a fundamental issue regarding the orientation of the indicators currently in use, but there is also a strong basis for building a system that incorporates elements that would both permit a clearer assessment of the implementation of policy against core evaluation criteria and also allow the effects of policy to be communicated more clearly.

Recommendations

Recommendations on indicators

The analysis suggests the need for the adoption of a more coherent approach in defining the set of indicators for monitoring and reporting on the progress of the EIP. This approach would operate at different levels. First of all, a clear statement is required of what the system as a whole aims to achieve. Next, the expected characteristics of specific indicators should be set out, together with the balance to be expected between the different types of indicator. Finally, the approach has to be applied in deriving indicators in specific areas of policy.

It is necessary to restate some of the implicit principles of the current approach, making reference to the well-established framework for conducting evaluations that should be at the heart of a monitoring system.

- *The central aim of the system of EIP performance indicators should be to contribute to an assessment of the extent to which the measures and actions put in place under the EIP are achieving the specific objectives of the Entrepreneurship and Innovation Programme and the global objectives of the policy of the European Union from which these objectives are derived.*

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- *The indicators should contribute to an assessment of the relevance, efficiency, effectiveness, utility, sustainability and European added value of the EIP.*
- *The system of EIP performance indicators should contribute to the refining and development of policy and objectives within the established framework.*
- *Finally, the system of EIP performance indicators should promote the effective communication of the achievements of the EIP and its responsiveness to the needs of enterprises and the broader community and contribute to the effective discharge of the requirements of accountability on the part of those responsible for implementing the Programme.*

In defining specific indicators, each set should ensure that the information provided will help address the main evaluation issues. Foremost among these are the key evaluation questions of the efficiency of each implemented measure against the financial inputs and the effectiveness against the respective objectives. In addition, indicators throwing light on questions of the relevance and utility, sustainability and the added-value of the measures should be included. In general, indicators of results and longer-term outcomes are preferable to output indicators, although appropriate outputs should be included, especially if their indicators can serve as 'early warnings'.

In parallel in the definition of the indicators, the following principles should be taken into consideration:

- *Standard evaluation practice encourages those involved to take into account the SMART (Specific, Measurable, Achievable, Relevant and Time-bound) criteria for defining indicators.*
- *Indicators should be proportionate, easy to measure and kept as simple as possible. It is necessary to apply the principle of proportionality and direct efforts to those aspects of the system that are most important.*
- *Indicators should not contribute to increasing the administrative burden. There should be consideration of the time and resources necessary for the collection of the information needed and the possible data constraints.*
- *Existing indicators and existing data should be used where possible.*
- *Indicators should not be volatile.*
- *There should be a clear link to the Lisbon strategy throughout – there is therefore a need to also develop some "cross pillar" indicators.*
- *The indicators should be fully aligned with the objectives of each specific measure and should not introduce new targets diverting the focus of the programme activities from the EIP objectives.*
- *Whenever available, background and context indicators should be included for each measure.*



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Based on the above principles, a revised set of indicators concerning individual key measures (financial instruments, Enterprise Europe Network, Europe Innova and Pro-Inno Europe, Eco-innovation) supported by EIP and a generic set for other small measures and activities (studies, campaign activities, seminars, information provision services) has been proposed by CSES. The detail is set out in the study.

The proposed indicators make use of over 70% of those currently existing and add a few more besides for each set. The aim has been to cover all evaluation questions, examining results and long-term outcomes together with outputs, and to include at least one qualitative indicator. Existing sources of information and data collection are used as much as possible. The new indicator sets are also presented in a consistent format, together with a definition of the type of evaluation question addressed, the expected data source and the proposed frequency of reporting.

The final set of indicators proposed was refined after workshops in which Commission officials and members of the EIPC participated and additional written comments were received.

Recommendations on data collection

One important issue that arose in relation to the collection of data is the use of surveys, particularly for assessing the relevance, utility, added-value and effectiveness of measures. Currently the use of surveys is very limited and not favoured by some Commission officials since they are considered to be expensive and probably disproportionate for measures with a small budget. The experience of other colleagues suggests that this is not necessarily the case and discussion at the workshops provided support for a more extensive use of them.

It is not possible to propose a uniform template or standard approach to surveys since there are a number of differences between the surveys suggested in terms of the size and significance of the particular measure, the targets addressed and the level of detail required in the answers. Nonetheless, there are some common features across similar kinds of survey and a series of suggestions are made about how these common elements might be taken advantage of. The EIPC can also play a positive role in supporting and developing surveys and other instruments to provide feedback on developments at the Member State level, especially in relation to the take-up of recommendations and best practice.

More generally, the timing of data collection is important. Some indicators do not need to be presented on an annual basis and are most usefully presented after an action has been completed. However, if evaluation is to be a continuous process throughout the project cycle, it is necessary to look for preliminary indications of results and outcomes, even if these are provisional in nature. The Interim and Ex-post Evaluations mark important points in the whole process and present an opportunity for an overview but the on-going indicator exercise should measure itself against the general evaluation process and contribute to it, especially by providing evidence of change over time.

Recommendations on overarching indicators

Besides the individual indicator sets, there has been discussion over some time of the need to develop cross pillar indicators. The initial discussion on what these indicators might be was a little inconclusive. It is difficult, for instance, in looking at developments in the enterprise landscape to separate out, at a

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global level, the results of the actions of the EIP from those of Member State measures or from other developments taking place in the economy generally. But it should be appreciated that indicators should not primarily be seen as instruments for identifying causality, especially in relation to the effects of specific policy measures over the medium to long term. This is simply putting too much weight on an instrument that, after all, is intended to provide an indication rather than a definite conclusion. Rather, the importance of overarching indicators is in establishing the context in which other indicators are to be seen.

In that respect, the first step is the provision of annual and total programme budgets for the various actions along with the other indicators to indicate the scale of the action and provide the basis for calculating the various ratios that are important in gauging efficiency. In addition, the main measures of enterprise and innovation, including those developed by the Global Competitiveness Report or the Global Entrepreneurship Monitor could be used.

In view, however, of the current reformulation of the Lisbon agenda in a set of objectives for 2020, it is perhaps as well to wait for further developments in this area, before deciding on the appropriate specific indicators.

Further Recommendations

The study concludes with a series of recommendations, mainly summarising the main points of the analysis as set out above, but also highlighting three further issues that had been referred to in passing:

- *special care should be taken to ensure that indicators do not actually inhibit the effective implementation of policy;*
- *although indicators must keep in line with the evolving policy framework, a certain amount of stability is desirable, if only to facilitate comparisons across the different time periods during which a policy is pursued;*
- *it could be helpful to all concerned if a clear position were established on the extent of the resources that are available for evaluation purposes at the level of specific measures.*



Introduction

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This document contains the Final Report submitted by the Centre for Strategy & Evaluation Services (CSES) LLP in respect of the assignment: 'Evaluation of the Indicators of the Entrepreneurship and Innovation Programme'. It provides an assessment of the general framework of indicators used by the Entrepreneurship and Innovation Programme.

1.1 Introduction – EIP in brief

The Entrepreneurship and Innovation Programme (EIP) is one of the three specific programmes under the Competitiveness and Innovation Framework Programme (CIP). The CIP's overarching aim is 'to contribute to the enhancement of competitiveness and innovation capacity in the Community, the advancement of the knowledge society, and sustainable development based on balanced economic growth'. A significant part of the CIP consists of encouraging the competitiveness of European enterprises, especially SMEs.

Through the EIP, the European Commission aims to support entrepreneurship and innovation and to promote the development and growth of SMEs across the EU. The Programme has six key objectives as defined in CIP legal base. These are:

- A. Facilitate access to finance for the start-up and growth of SMEs and encourage investment in innovation activities
- B. Create an environment favourable to SME cooperation, particularly in the field of cross-border cooperation.
- C. Promote all forms of innovation in enterprises
- D. Support eco-innovation.
- E. Promote an entrepreneurship and innovation culture.
- F. Promote enterprise and innovation-related economic and administrative reform.

With regard to managing the EIP, this falls under the responsibility of three Commission services, DG Enterprise and Industry, DG Economic and Financial Affairs (for the EIP Financial Instrument) and DG Environment (for eco-innovation projects). Some management aspects of the programme have been delegated to the European Investment Fund (EIF) (the implementation of the EIP financial instruments) and to the Executive Agency for Competitiveness and Innovation (EACI): implementation of the Enterprise Europe Network, pilot and market replication projects of eco-innovation and IP projects (follow-up to the IPR helpdesk).

The EIP has a budget of € 2.17 billion for the 2007-2013 programming period and given its importance in the context of Lisbon strategy to promote entrepreneurship and innovation and strengthening the basis for growth and competitiveness, as well as for accountability reasons, there is a need to ensure that it is monitored effectively. A management committee, the EIPC, was set up to advise the Commission on

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the implementation of the EIP although the responsibility for the evaluation of these measures remains exclusively with the Commission.

The use of performance indicators has become widespread as a key tool in the management of public programmes. In the context of EIP a number of indicators are already in use for the various components and measures of the EIP. An initial set of Indicators was developed in the ex-ante impact evaluation report produced by the Commission. Furthermore, since 2007, a wide set of indicators has been developed on an annual basis to report on the measures supported under EIP. By 2010 over 280 indicators have been recorded.

It has proven difficult to establish a consistent set of viable and measurable indicators, highlighting results and impacts, especially with respect to qualitative aspects and the EIPC has asked for an improvement in the quality of indicators used. The current project has arisen in response to the perceived need to review the current set of indicators and to assess if these can be improved.

1.2 Resume of Assignment Aims

The overall aims of this assignment have been to:

- Analyse the use of indicators within the Entrepreneurship and Innovation Programme (EIP) managed by DG Enterprise and Industry, DG Economic and Financial Affairs and DG Environment.
- Assess the use of indicators in respect of large 'projects' (Financial instruments, Enterprise Europe Network, Innovation measures, eco-innovation) and also smaller-scale 'projects' (e.g. IPR helpdesk, tourism, CSR, SME week, Enterprise Awards, eSkills, eBSN, standardisation, etc).
- Draw conclusions and recommendations in relation to what types of indicators are most effective and suggest improvements with regard to strengthening the quality and robustness of existing indicators as well as improving the design of indicators in future.

The evaluation has been carried out within the context of an established evaluation framework. A number of common evaluation questions were defined in the terms of reference relating to the relevance and effectiveness of indicators. These include the following:

- To what extent are the EIP indicators pertinent to the issues they were designed to address?
- How can the EIP indicators be improved?
- How can the reporting on indicators be organised and improved?
- What would be an appropriate set/framework of indicators that would allow a comprehensive and complete overview of the achievements under the EIP?
- What is the set of instruments needed to collect information on indicators corresponding to the different EIP measures?

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These questions are addressed systematically and a coherent overall indicator framework is proposed.

1.3 Research methodology

The evaluation work was conducted in three phases: a preparatory phase, a second phase involving desk research and the interview programme and finally analysis and reporting.

A. Desk research

Background research was initiated during phase 1 and continued during Phase 2 of the study. It informed our understanding of the overall policy framework concerning the EIP programme, provided the main source of information on the measures and activities implemented and the indicators used in this context. It also pointed to data constraints.

The documents reviewed and information sources analyzed included:

- The Decision 1639/2006/EC of the European Parliament establishing the Competitiveness and Innovation Framework Programme
- The Commission staff working document providing an ex-ante evaluation of the CIP that was annexed to the proposal for the Programme
- The EIP annual work programmes for the years 2007-2010
- The EIP annual implementation reports for the years 2007 and 2008
- The final report of the Interim Evaluation of EIP submitted in 2009
- The minutes of the meetings of the EIP Committee
- The Information Note providing a summary of the CIP Indicator Workshop on 3 October 2006
- The annual management plans of DG Enterprise and Industry for the years 2007-2009

Furthermore, the desk research included a review of other relevant national and supranational developments including notably the work in the Entrepreneurship Indicators Programme of the OECD and Eurostat and the performance indicators of the EU Research and Development Framework Programme.

B. Interview programme

In the second phase of the evaluation an interview programme was carried out covering a total of 15 Commission officials in DG ENTR, other Directorates- General (DG ECFIN and DG ENV) and the Executive Agency for Competitiveness and Innovation (EACI), which is responsible for the implementation of some measures. In most cases face to face interviews were conducted (see Table 1.1) based on the interview checklist that had been prepared by CSES and submitted in the Inception Report.

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Table 1.1 – Interview programme

	Name	EIP Objective covered	DG/Unit
1	Jeremy Heath	A- Facilitate access to finance for the start-up and growth of SMEs and encourage investment in innovation activities	ENTR D3
2	Roger Havenith Michael Feith	A- Facilitate access to finance for the start-up and growth of SMEs and encourage investment in innovation activities	ECFIN L2
3	Jean-François Aguinaga	B- Create an environment favourable to SME cooperation, particularly in the field of cross-border cooperation	ENTR E2
4	Szymanowicz Maciej Aurelio Politano	D - Support eco-innovation	ENV E4
6	Keith Sequeira	C- Promote all forms of innovation in enterprises	ENTR D1
	Liberos Alain Christophe Guichard Sven Schade	C - Promote all forms of innovation in enterprises	ENTR D2
7	Andre Richier	C – Promote all forms of innovation in enterprises E - Promote an entrepreneurship and innovation culture	ENTR D4
8	Tina Zournatzi	E - Promote an entrepreneurship and innovation culture	ENTR E4
9	Ekroth-Manssila Kirsi	E - Promote an entrepreneurship and innovation culture	ENTR E1
10	Alison Imrie	E - Promote an entrepreneurship and innovation culture	ENTR E4
11	Simeon Chenev	E - Promote an entrepreneurship and innovation culture	ENTR E4
12	Sylvia Vlaeminck Isabelle Augustin Ralph Diestelhorst	E - Promote an entrepreneurship and innovation culture F- Promote enterprise and innovation-related economic and administrative reform	ENTR E3
13	Thomas Dodd	E - Promote an entrepreneurship and innovation culture	ENTR I2
14	Iuliana Gabriela Aluas	B- Enterprise Europe Network E - Promote an entrepreneurship and innovation culture	ENTR I1
15	Tobias Witscke	B - Enterprise Europe Network, IPR Helpdesk C- Eco-innovation,	EACI

The analysis of the indicators was based on an in-depth examination of the Annual Work Programmes, the annual implementation reports and other relevant documents. All the main measures under objectives A, B, C and D (Financial instruments, Enterprise Europe Network, Innovation measures, eco-innovation) that represent more than 90% of the programme budget were covered. Concerning measures with a smaller budget supported under objectives B, E and F, CSES focused on a sample of five measures implemented during the period 2007-2010 that covered the broad range of activities (studies,

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conferences, training seminars, campaigns, networking). These measures were selected following a proposal of CSES and approval by the Commission.

C. Workshop

The submission of the Interim Report was followed on the 21 January 2010 by two workshops organised by DG Enterprise. The first one was attended by a large number of Commission officials from different units of DG Enterprise and Industry, DG Environment, DG Economics and Finance and from the Executive Agency. The second workshop was attended by members of the EIPC and other nominated national experts.

The objective was to test and refine the proposed set of indicators following a presentation by CSES and an open debate on the approach and the proposed list of indicators. The discussion at the workshop addressed specific issues relating to the quality, coherence and viability of the proposed indicators and the framework used for their selection. Besides the comments made during the workshop, CSES also received written comments by individual Commission units responsible for the respective measures and a number of national experts.

The comments and the conclusions from the workshop discussion are incorporated in the current version of the Report which provides an updated list of indicators and examines other points addressed in the workshops.

1.4 Structure of the report

The report is structured as follows:

- **Section 2: EIP intervention logic** – presents the intervention logic of the EIP covering the main elements of the EIP, setting out the relationship between policy objectives, measures and anticipated outputs and outcomes.
- **Section 3: Analysis** - this section provides an analysis of the existing set of indicators used to monitor the performance of the EIP, as established through desk research and the interviews. It examines all the main (large scale) “projects” and a selected number of smaller scale “projects”, assesses the rationale and the process through which they were established , identifies the main strengths and weaknesses and points to the issues and considerations related to their selection and monitoring.
- **Section 4: Recommendations** – Provides a set of guiding principles and the procedures that should be followed for the development of an improved and more coherent set of indicators for the different measures of the Programme, the associated reporting processes and their presentation. It includes a proposed list of indicators for the main “projects”, more generic sets of indicators for the smaller scale ones. It also discusses the formulation of a set of overarching indicators for the EIP programme. Finally, it makes recommendations on how the proposed survey based data collections should be organised to ensure cost-effectiveness for the Commission.

EIP intervention logic and implementation 2

In this section we develop the Intervention Logic of the EIP programme setting out the relationship between policy objectives, measures and anticipated outputs and outcomes.

2.1 EIP intervention logic

The first step in developing a coherent set of indicators that will provide meaningful and useful information on the performance of the EIP is to define its intervention logic.

The Decision of the European Parliament and of the Council establishing the Competitiveness and Innovation Framework Programme (CIP)¹ and – more extensively - the Commission Staff Working Document annexed to the Decision² represent the main sources for defining the intervention logic of the Programme.

A typical exposition of the intervention logic would start with a definition of the problems and needs that a policy is intended to address. It would then set out how a series of more operational objectives are derived from the specific objectives of particular programmes, given the global objectives of the European Union, as established in the Treaty and major policy statements. Details would be provided on how measures adopted under the programme would be expected to generate certain outcomes in the shorter term and subsequently the results and longer term outcomes that correspond to the specific and global objectives of the policy and political strategy.

Broadly following this form, the Decision on the CIP and its Annex first describe the issues and the problems the EIP programme – as part of the CIP – is expected to address in order to foster the competitiveness of enterprises and promote innovation in line with the Lisbon Strategy. The issues identified include:

- a weak entrepreneurial spirit in Europe, where less than 50% of the working population state a preference for self-employment
- an unfriendly business environment and administrative burdens that restrict the development of entrepreneurship
- difficulties that SMEs face in getting access to finance as the market does not support what are considered to be high-risk investments

¹ Decision no 1639/2006/EC of the European Parliament and of the council of 24 October 2006 establishing a Competitiveness and Innovation Framework Programme (2007 to 2013), Official Journal of the European Union, <http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=OJ:L:2006:310:0015:0040:en:PDF>

² Commission Staff Working Document, Annex to the Proposal for a Decision of the European Parliament and of the Council establishing a Competitiveness and Innovation Framework Programme (2007-2013), COM(2005) 121

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- weak innovation performance resulting from lagging investment and the slow adoption of innovation that are attributable to high initial up-front costs and long investment pay-back periods
- limited investment and adoption of environmental technologies and eco-innovation since the environmental costs of polluting technologies and the benefits of resource efficiencies are not taken into account

These then represent the main issues and the corresponding needs that the EIP measures and activities are expected to address.

In response, fostering the competitiveness of enterprises – in particular SMEs – and promoting innovation are defined as the overarching objective for the Programme directed towards the achievement of the goals of the “Lisbon Strategy” and, in particular, the objectives of the up-dated version of the Strategy set out in 2005 which saw enterprise and innovation as being central to the promotion of economic growth and employment.

Then, six more specific objectives are defined for the short to medium term:

1. Facilitate access to finance for the start-up and growth of SMEs and encourage investment in innovation activities;
2. Create an environment favourable to SME cooperation, particularly in the field of cross-border cooperation;
3. Promote all forms of innovation in enterprises;
4. Support eco-innovation;
5. Promote an entrepreneurship and innovation culture;
6. Promote enterprise and innovation-related economic and administrative reform.

These six objectives have been the basis for the structuring of the EIP Programme. Resources (financial and human) were committed for the implementation of a range of measures and instruments falling under these six categories which will in turn lead to a number of the expected results (in the short/medium term) and longer term impacts³. The specific measures and instruments are not defined in the Commission Staff Document since it was anticipated that they would be defined on an annual

³ At this stage the Commission Staff Working Document makes again reference to objectives although it refers to expected impacts. Similar interchangeable use of the terms objectives, results and impacts is found in other parts of the document.

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basis by the Commission and include transversal actions – covering more than one area. The more objective-specific instruments could also include stable –year-after-year – instruments or certain one-off activities.

Table 2.1: Objectives and expected result of the EIP programme

Objectives of EIP actions/measures	Expected results of EIP measures/actions
<ul style="list-style-type: none"> - Facilitate access to finance for the start-up and growth of SMEs and encourage investment in innovation activities 	<ul style="list-style-type: none"> - Increase investment volumes of risk capital funds and investment vehicles - Provide leverage to SME debt financing instruments - Improve the financial environment for SMEs
<ul style="list-style-type: none"> - Create an environment favourable to SME cooperation, particularly in the field of cross-border cooperation. 	<ul style="list-style-type: none"> - Foster services in support of SMEs - Contribute to measures helping SMEs to cooperate with other enterprises across borders - Promote and facilitate international business cooperation
<ul style="list-style-type: none"> - Promote all forms of innovation in enterprises 	<ul style="list-style-type: none"> - Foster sector-specific innovation, clusters, innovation networks, public-private innovation partnerships and cooperation with relevant international organisations, and the use of innovation management; - Support national and regional programmes for business innovation; - Support the take-up of innovative technologies; - Support services for transnational knowledge and technology transfer and for intellectual and industrial property - Foster technology and knowledge through data archiving and transfer
<ul style="list-style-type: none"> - Support eco-innovation 	<ul style="list-style-type: none"> - Foster eco-innovation, clusters, eco-innovation networks, public-private eco-innovation partnerships and cooperation with relevant international organisations, and the use of innovation management; - Support national and regional programmes for eco- innovation; - Support the take-up of eco-innovative technologies; - Supporting services for transnational environmental knowledge and technology transfer and for intellectual and industrial property - fostering environmental technology and knowledge through data archiving and transfer
<ul style="list-style-type: none"> - Promote entrepreneurship and innovation culture. 	<ul style="list-style-type: none"> - Encourage entrepreneurial mindsets, skills and culture, and the balancing of entrepreneurial risk and reward; - Encourage a business environment favourable to innovation, enterprise development and growth - Support policy development and cooperation between actors, including national and regional programme managers
<ul style="list-style-type: none"> - Promote enterprise and innovation-related economic and administrative reform. 	<ul style="list-style-type: none"> - Collect data, analyse and monitor performance, and develop and coordinate policy - Contribute to the definition and promotion of competitiveness strategies related to industry and service sectors - Support mutual learning for excellence in national and regional administrations

The expected results from the Programme are expressed in the Commission staff Working Document as a set of a 34 indicators and it is proposed that these be used for monitoring performance. Most of these

EIP intervention logic and implementation 2

indicators have a medium/long-term focus on results although there are also indicators with an arguably short term and operational character (e.g. number of queries answered by the Network).

The Commission Staff Document also makes some reference to the expected longer term economic and social impacts linked with the objectives. In some areas these impacts are explicitly defined – with reference to specific targets - while in other areas the Document makes only general statements.

In relation to the Financial Instruments the EIP activities are intended to ease the supply of seed and early-stage capital for innovative start-ups and young companies and facilitate SME investments in knowledge-related activities, innovation and environmental technologies. The Document sets specific targets concerning the number of SMEs that will benefit from the Programme in a time frame of 7 years from the establishment of the EIP instrument and the number of jobs that will be maintained or created.

Concerning the second objective of providing European business and innovation support services, SMEs are expected to benefit by receiving assistance in identifying and exploiting business opportunities outside of their home country, and hence getting the most out of the enlarged Internal Market. The business and innovation support services are expected to provide opportunities for finding new potential partners, marketing, business and technology intelligence, development of new or improved products and processes, funding through Programmes and increasing their attractiveness to investors. In this area the document provides specific targets – characterised as impacts - concerning the number of SMEs that are expected to benefit per million Euros of expenditure. It should be noted though that these numbers concern outputs - the expected use of the services or tools developed rather than their longer term impacts.

The measures related to the innovation strand of the EIP are expected to encourage entrepreneurial innovation. Specific targets were not defined in this respect although indicators of success were proposed. They included an improvement in the innovation inputs, such as more enterprise-university cooperation involving SMEs, increases of innovation expenditure as a percentage of turnover, more SMEs using non-technological innovation, greater accessibility of risk-capital and leveraging of national and regional funding for business innovation projects. Outputs are expected to include an increase in sales of new-to-market products or services and of new-to-firm products or services, increases in EPO patent registrations and increases in employment in medium-high and high-tech manufacturing.

The support to eco-innovation within the Programme aims to exploit the potential of environmental technologies for meeting the environmental challenges while contributing to competitiveness and growth. The improvement of environmental performance, energy and resources efficiency, resource input and waste management, and the opening of new markets are indicated as expected impacts but again without specific targets indicated.

Activities related to the other two objectives – support of entrepreneurship and innovation culture and enterprise and innovation related economic and administrative report – are not linked with separate longer term impacts. Through the – primarily soft activities - they are expected to complement the other four main objectives directed towards the expected longer term impacts and the achievement of the Lisbon strategy objectives.

EIP intervention logic and implementation 2

We should also note that in parallel to the policy objectives of the Programme with their expected impacts, more operational objectives of the EIP – as part of the broader CIP – were also identified. They include the need for coherence and cohesion among the objectives of the EIP and with other activities undertaken by the Commission services (Structural funds, Research Framework Programme, LIFE+ Programme), to allow for high level of flexibility and the participation of stakeholders at the national level, while respecting the subsidiarity principle.

2.2 EIP implementation structure

The management of the EIP is the responsibility of three Commission services, DG Enterprise and Industry, DG Economic and Financial Affairs (for the EIP Financial Instruments) and DG Environment (for the EIP eco-innovation projects). Some significant management responsibilities have been delegated to the European Investment Fund (EIF) (the implementation of financial instruments) and to the Executive Agency for Competitiveness and Innovation (EACI): Enterprise Europe Network, eco-innovation first application and market replication projects and IPeuroAware project (including the IPR helpdesk).

The EIP has a total budget of € 2.17 billion for the 2007-2013 programming period and given its importance in the context of Lisbon in the promotion of entrepreneurship and strengthening growth and competitiveness, as well as for accountability reasons, there is a need to ensure that it is monitored effectively. A management committee with participation of representatives from all Member States and other participating countries, the EIPC, was set up to advise the Commission on the implementation of the EIP. In terms of budget allocation, the decision of the European Parliament and the Council establishing the CIP did not earmark specific amounts for each objective area although at least 50% of the total budget should be allocated to the financial instruments and 20% to eco-innovation (including the share of financial instruments). The actual budget is determined by the Commission Services in the annual Work Programmes which are approved by the EIP Committee. Based on the data provided by the Interim Evaluation Report and the annual Work Programmes for years 2007-2010 the bulk of the EIP budget is allocated to objectives A (Facilitate access to finance) and B (Create an environment favourable to SME cooperation) - around 77% of the total. An important share (11.8%) has been allocated to eco-innovation objective – without including funds coming from objective A directed to eco-innovation financing – and the around 7% has been allocated to Objective C. The other two objective areas were allocated no more than 3% each.

Table 2.2 – EIP budget allocation for 2007 - 2010

Objective	Budget allocated for 2007-2010 (m€s)	Percentage of total
A- Facilitate access to finance	624.3	53.1%
B- Create an environment favourable to SME cooperation	278	23.6%
C- Promote all forms of innovation in enterprises	78.7	6.7%
D- Support eco-innovation	138.8	11.8%
E- Promote an entrepreneurship and innovation culture	31.1	2.6%
F- Promote enterprise and innovation-related economic and administrative reform	24.9	2.1%
Total	1175.8	100.0

Source: GHK-Technopolis Interim evaluation report and annual Work Programmes

EIP intervention logic and implementation 2

Concerning the actual measures supported under each objective, there is greater concentration on a few measures under objectives A, B, C, D and a rather wide range of activities supported under objectives E and F.

Objective A primarily supported the three EIP Financial Instruments in 2007 - 8. These were the Growth and Innovative Facilities 1 (early stage) and 2(expansion phase), the SME Guarantee Facility and the Capacity Building Scheme⁴ representing over 98% of the total budget. Other actions were covered under the general umbrella of “Improving policies on access to finance” including studies, workshops and reports.

Objective B activities were primarily (>90%) linked to the operation and support activities to SMEs by the Enterprise Europe Network, that has brought together and re-structured the Euro Info Centres and the Innovation Relay Centres. Other measures supported included – among other studies, workshops , conferences and dissemination activity in the areas of IPR and standardization - an e-Business Support Network and the promotion of international cooperation.

Objective C measures concerned primarily the strengthening of the PRO-INNO policy initiative and the EuropeInnova network. Analytical tools like the European Innovation Scoreboard and the Innobarometer are also included together with a range of smaller innovation related measures (studies, conferences, surveys).

Concerning Objective D, eco-innovation, first application and market replication projects absorbed the funds earmarked almost exclusively.

There is a much greater dispersion in a large number of small projects of the funds allocated to Objective E. They included –among others – conferences, good practice promotion activities, campaigns, studies, seminars and policy initiatives. In total, during the period 2007-2009 30 different measures were supported under the umbrella of Objective area E.

Finally, the Community programme for the reduction of administrative costs has absorbed around 75% of the funding allocated to Objective F. Other activities include the information campaign in CE marking, the promotion of reform and better regulatory environment and other campaign and best practice and policy promotion activities.

⁴ The capacity building measure did not get off the ground and the funds were transferred to the venture capital scheme.

EIP intervention logic and implementation 2

Table 2.3 – Share of measures in the budget for each objective (period 2007-2010)

Objective	Measures	Share in budget of objective
A	Financial Instruments (GIF 1+2, SMEG, CBS)	>98%
A	Improving policies on access to finance (studies, reports)	<2%
B	Enterprise Europe Network	>90%
B	EBSN network, SMEs and craft enterprises participation in European standardisation, IPR helpdesk and other	< 10% Average 0.6%
C	PRO-INNO and EUROPE-INNOVA	≈80%
C	Regional Innovation Panorama, Analysis of Innovation Drivers and Barriers, Global sectoral approaches and other	≈20% Average 1.5%
D	Eco-innovation first application and market replication projects	≈100%
E	SMEs week, E-skills, SME performance review, Entrepreneurship promotion, European Charter for small enterprises etc.	No measure more than 15%. Average 3%
F	Community programme for the reduction of administrative costs	≈75%
F	Information campaign in CE marking, promotion of reform and better regulatory environment, Follow-up on the High Level Group on administrative Burdens etc.	≈25% Average 3%

2.3 Conclusions

We have seen by setting out the intervention logic of the EIP, there is a clear linkage between the actions undertaken under the Programme, its overall objectives and the needs that it intended to address. Examination of the budget has shown the relative weight attributed in funding terms to the range of measures and actions that address the identified needs and the main corresponding objectives of the programme. Finally some indications are provided in the Annex to the Council Decision establishing the CIP of the results and outcomes that are expected to arise under the Programme.

Analysis of the existing set of indicators

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In this section, we provide an analysis of the existing set of indicators used to monitor the performance of the EIP.

3.1 Existing set of indicators

CSES has conducted a thorough review of the indicators used for the different measures of the Programme. The analysis was initially based on the four EIP Work Programmes for years 2007-2010 where each proposed measure is presented in a separate fiche with reference to the specific objectives of the measure and the linkage with the overall objectives of the EIP, together with a description of the activities supported and a section referring to the indicators to be used. An excel spreadsheet was helpfully provided by DG ENTR Unit A1 summarising most of the indicators used during the period 2007-2010 and providing specific values when available. These data were complemented by the interviews with Commission officials and reference to additional documents. In total 131 indicators from 11 measures were reviewed.

In the analysis of the indicators for each measure, the following key questions/issues were examined:

- Do they provide qualitative or quantitative information?
- Do they provide operational information related to the outputs of the supported activities or do they focus on the expected results and impacts of the measure?
- What type of performance evaluation questions do they help address?⁵
- Are there any issues/problems with the collection of data/information?
- Are they consistent with indicators provided for other measures?

A. Financial instruments

The EIP objective for increasing access to finance for the start-up and growth of SMEs is served primarily by one measure (Financial Instruments for SMEs) that includes two instruments – the GIF (High Growth and Innovative SME facility) and the SMEG (SME Guarantee facility). The measure – with an envisaged allocation of 50% of the total EIP budget – is expected to be implemented continuously on an annual basis over the seven years period of the programme.

⁵ The indicators considered do not necessarily provide direct answers to evaluation questions but help to address them. For example, efficiency indicators should be ratios of relevant output to total input. Certain indicators refer to the numerators of this ratio. The denominator – the financial resources dedicated to the measure – is already known.

Analysis of the existing set of indicators

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The overall objective of the measure is to improve access to finance for the start-up and growth of SMEs and investment in innovation activities (including eco-innovation) and the expected results of the two proposed actions are to increase the level of investment volumes of risk capital funds and investment vehicles promoted by business angels and to provide leverage to SME debt financing instruments. The two instruments are underpinned by a strong market failure rationale, aiming to address the finance constraints faced by start-up and growing SMEs.

The EIP financial instruments are not directly granted to SMEs. They are implemented on behalf of the Commission by the European Investment Fund (EIF) via selected financial intermediaries (venture capital funds, business angels in the case of GIF and banks in the case of SMEG) based on specific contracts signed with the EIF concerning the total fund size to be created and the expected share of EC funding or level of guarantee provided. Small businesses can contact the selected financial intermediaries, in order to get access to investment capital or debt finance benefiting by the guarantee provided by the SMEG.

The supervision and monitoring of the Financial Instruments from the Commission side has been a joint responsibility of Unit L2 of DG ECFIN and Unit D.3 of DG ENTR. In relation to the indicators for the monitoring of the measures, they have been jointly defined by the two units in cooperation with EIF. Most of the 10 indicators (see table) have been used consistently over the period 2007-2010 although there have been some changes in the list proposed in the 2010 Work Programme. There was an addition of two indicators (no. 2 and no.9) intended to provide more specific information on the number of eco-innovation funds supported and a sectoral breakdown of the SMEs actually supported through the two instruments. In relation to SMEG instrument the “change in the volume of investment financing” (no. 4) was included in the 2007-2009 programmes but was never reported and was replaced by “EC commitment to debt finance” (no.5) and “total financing guaranteed” (no.6). Finally, the “total net reimbursement” (no.9) indicator that was proposed in the Commission document was also dropped as it has been an outcome impossible to control and measure.

Table 3.1 – Financial instrument indicators

	Indicator	Period	Nature (QNT/QL)	Type	Evaluation question answered	Data available
1	GIF: Investment volumes in venture capital funds (deals signed)	2007-2010	QNT	Output	Efficiency Effectiveness	Y
2	- of which: Eco-Innovation	2010	QNT	Output	Efficiency Effectiveness	Y
3	GIF: Investment volumes in investment vehicles promoted by business angels (deals signed)	2007-2010	QNT	Output	Efficiency Effectiveness	Y
4	SMEG: EC commitment to debt finance	2010	QNT	Output	Efficiency Effectiveness	Y
4	SMEG: Change in the volume of investment financing	2007-2009	QNT	Result	Efficiency Effectiveness Added-value	Y
6	SMEG : total financing guaranteed	2010	QNT	Result	Efficiency	Y

Analysis of the existing set of indicators

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	Indicator	Period	Nature (QNT/QL)	Type	Evaluation question answered	Data available
					Effectiveness Added-value	
7	Total net reimbursement	2007-2009	QNT	Result	Effectiveness	N
8	GIF/SMEG: The number of SMEs receiving new financing	2007-2010	QNT	Result	Efficiency Effectiveness	Y
9	- of which : number of technology based SMEs ⁶ (classification by sector)	2010	QNT	Result	Efficiency Effectiveness	Y
10	GIF/SMEG : Jobs created or maintained in SMEs receiving new financing	2007-2010	QNT	Impact	Efficiency Effectiveness	Y

Overall, the analysis of the indicator set used to monitor and report on performance of the financial instruments reveals a good balance between output (deals signed and EC funds committed), result (financing guaranteed, SMEs benefiting) and impact indicators. These correspond to a great extent to the intervention logic of the specific measures and allow issues of efficiency and effectiveness to be addressed, primarily in the short and medium term. Longer term questions concerning the performance of SMEs are also covered although, as suggested by the interviews, there are important constraints in the collection of the necessary data. Questions of added-value and leverage – critical in the case of the financial instrument - are not explicitly addressed in the proposed set, although we understand that these have been a matter of some discussion with the EIPC. The interviewees indicated that such performance indicators had been presented in the past but given their technical complexity they have proven problematic in delivering a clear message. Similarly, there appears to have been some difficulty in developing more qualitative indicators that might provide the basis for a better understanding of the context in which the financial instruments operate, possibly over a longer time period.

There is a long chain from DG ENTR in the Commission through the EIF to the collection of the data for each individual VC, business angel and financial intermediary that needs to report on each deal signed. The intermediaries are in general reluctant to go beyond what they usually collect for their ordinary operations. The Commission needs to be sensitive to such considerations, since any additional burden can have a detrimental effect on the attractiveness of the measure, the use of the EC funds and the ultimate success of the measure. A significant issue of principle arises at this point, since the monitoring of performance should be careful to avoid interference with, or undermining of, the measure concerned and in these cases especially, anything that might be interpreted as a bureaucratic burden could have a significant effect. Clearly a balance has to be struck between accountability and the imposition of administrative burdens.

⁶ Initially: GIF and SMEG: number of SMEs supported, classified by sector of activity (SMEG: NACE classification)

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It was also suggested to us that data concerning longer term impact indicators – such as the performance of the SMEs - should be the focus of ex-post evaluations based on the collection of data through surveys of final beneficiaries (SMEs, start-ups) rather than the focus of routine collection of data during the implementation of the measure. However, while special surveys and data collection can obviously feature as part of an ex post evaluation and particularly catch more effectively some of the longer-term effects, evaluation generally should not be regarded as an afterthought; apart from the pragmatic consideration that ex post data collection can often be facilitated if the ground has been prepared from the beginning, it is also important in the development of an evaluation culture to appreciate that a continuous feedback on the performance of a policy is a major factor in shaping measures and activities and increasing their overall effectiveness.

B. Enterprise Europe Network

The measures related to the establishment and operation of the Enterprise Europe Network are the most important element of the EIP as far as the second objective of the programme, the creation of an environment favourable to SME cooperation is concerned. The Network was established through a call for proposals in 2007 and started operating in 2008. It brought together two pre-existing networks, the Euro Info Centres and Innovation Relay Centres. The Enterprise Europe Network now consists of 92 regional consortia, bringing together a total of 618 organisations.

The overall objective of the Enterprise Europe Network is to provide support for business and innovation – in particular for SMEs – by offering information, feedback to the Commission, business cooperation services, innovation, technology and knowledge transfer services plus services encouraging the participation of SMEs in the Community Framework Programme for R&D.

The implementation of Network-related EIP measures has been entrusted to the Executive Agency for Competitiveness and Innovation (EACI). The hand-over of the project management took place already on 1st November 2007, the delegation of the network animation tasks was formally concluded on 30 April 2008 and the management of IT tools was handed over on 23 February 2009.

17 indicators have been used during the period 2007-2010 (2007 concerned only the EICs) to report on the network performance to the EIPC although there are currently plans to reduce this to a number of 15. In parallel to those 17 indicators however 50 indicators were used during the period 2008-2010 under a Performance Enhancement System (PES1) for reporting and monitoring. The objective of the system is both to ensure the efficient management of the network and to gather key data related to the outputs of the networks. As expected, there is a significant overlap between the two sets and most of the 17 indicators reported to the EIPC are based on the data reported by the network members on the 50 indicators of PES1. Starting from 2011 the 50 indicators are expected to be reduced to 35 following a recent revision to a new (PES2) and include 19 output, 8 outcome and 8 impact indicators. There is also expected to be a reduction of the 17 indicators reported to the EIPC to 15 (See table below).

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Table 3.2: Enterprise Europe Network indicators

	Indicator	Nature QNT/QL	Type	Evaluation question	Data available
1	No. of promotion and informational local events organised	QNT	Output	Efficiency Effectiveness	Y
2	No. of SMEs participating in local events	QNT	Output	Efficiency Effectiveness	Y
3	No. of SMEs being contacted via Newsletters	QNT	Output	Efficiency Effectiveness	Y
4	No. of SMEs helped with questions on EU subjects	QNT	Result	Efficiency Effectiveness	Y
5	No. of SMEs receiving specialised advisory services (EU programmes, IPR, technology review, financing services etc.)	QNT	Result	Efficiency Effectiveness	Y
6	No. of SMEs consulted (SME Panels and SME Feedback database cases)	QNT	Result	Efficiency Effectiveness	Y
7	No. of brokerage events co-organised	QNT	Output	Efficiency Effectiveness	Y
8	No. of SMEs participating in brokerage events	QNT	Result	Efficiency Effectiveness	N
9	No. of company missions co-organised* (merge with 7 after 2011)	QNT	Output	Efficiency Effectiveness	N
10	No. of SMEs participating in company missions* (merge with 8 after 2011)	QNT	Result	Efficiency Effectiveness	N
11	No. of partnership proposals produced and disseminated to SMEs (Business, Technology, Research)	QNT	Output	Efficiency Effectiveness	Y
12	No. of expressions of interest on partnership proposals	QNT	Output	Efficiency Effectiveness	N
13	Number of partnership agreements signed	QNT	Results	Efficiency Effectiveness	N
14	Total workforce involved in providing services	QNT	Input	Efficiency Effectiveness	Y
15	Client's satisfaction rate	QL	Result	Relevance Utility Effectiveness Added-value	N
16	Availability of the network IT tools: no. of reported problems	QNT	Output	Efficiency Effectiveness	Y
17	No. of network partner staff participating in training courses and working groups	QNT	Input	Efficiency	Y

The review of the current indicators suggests rather clearly that the focus of the indicators is almost exclusively on the outputs of the network activities. The 17 indicators provide useful information to assess the operational efficiency of the network, including the use of the different dedicated resources and effectiveness in terms of level of reaching/serving SMEs but not on the results or impacts of the services provided, in terms of the longer term objectives of the Programme.

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In relation to the objective of fostering services in support of SMEs the indicators provide information on activity levels, outputs and use of the services. There is limited information provided by the indicators on levels of cross-border cooperation and partnerships built, based on the support of the enterprise networks. The only result indicator concerns the number of partnerships signed – indeed a key outcome of the network while the satisfaction rate of SMEs – a proxy for the extent of the benefits derived - is proposed as an impact indicator although in practice an indicator measuring result of the supported activities. According to the Commission official responsible the 8 result and 8 impact indicators included in the PES2 list will be reported by the network members based on the surveys of beneficiaries on the benefits experienced from the service and on the impacts achieved (new products and processes, new markets). As they have not been collected yet they are not included in the annual Work Programme fiche.

C. All forms of Innovation in enterprises

In comparison to the previous two objectives, the measures supported under the innovation in enterprises objective have varied much more and the respective indicators adopted have also changed. However, the greatest share of activities falls under two measures: the Europe-Innova and PRO-INNO Europe each of which includes a number of actions.

Europe INNOVA aims to unite public and private providers of innovation support services establishing innovation platforms among innovation professionals and support providers in three key areas/themes (cluster development, knowledge intensive services and eco-innovation) in order to develop and test innovation support services to SMEs. The overall objective is to accelerate innovation processes and facilitate the commercialisation of innovative products and services. Smaller scale activities included the valorisation of the tools and services developed in the first generation of Europe INNOVA through the Enterprise Europe Network and the further development of a developed tool for innovation management certification of consultants and SMEs. In addition a horizontal support action under Work Programme 2010 aims to facilitate and coordinate the activities of the Europa Innova Community based on networking and result dissemination tools.

PRO INNO Europe has a broader objective of designing and testing new innovation support mechanisms at a programme level, involving ministries and agencies. It aims to bring together designers of innovation support policies and programmes for SMEs (policy markers) in order to design and test new innovation measures and policies. The Inno-Nets actions are based on platforms for innovation policy making encourage regional and national innovation policy makers and support providers to work more closely together in the defined priority areas of clusters, services, eco-innovation and support services provision. Inno-actions aim at contributing to a more favourable innovation culture in Europe and at raising the quality of services provided by cluster organisations. They include awareness events (Innovation awareness weeks) and the development of a European quality scheme for cluster management. A separate activity is the promotion of the PRO-INNO results and the networking among those involved.

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Under these two main measures a number of different actions (sub-measures) have been implemented in the period 2007-2010 either related to the development of policies or services in the three defined areas or supporting horizontal activities through the dissemination of knowledge and tools and the policies developed. Among those, the European Innovation Scoreboard and the Innobarometer have been activities implemented on a continuous basis.

The indicators for monitoring the respective measures in the different years have been developed internally by DG ENTR Units D1 and D2.

Table 3.3: Indicators for Europe Innova and PRO-Inno Europe measures

		Nature QNT/QL	Type	Evaluation question	Data available
	Measure: EUROPE Innova				
	Activity 1: Pan-European innovation platform for start-ups in knowledge-intense services (2007)				
1	Number of organisations participating in the platforms	QNT	Result	Efficiency Effectiveness	Y
2	Number of participants in the dissemination events	QNT	Result	Efficiency Effectiveness	Y
3	Positive evolution in the number of hits to the website	QNT	Result	Relevance Efficiency Effectiveness	Y
4	Level of acceptance of the database of new research-based business models for services	QL	Result	Relevance	Y
5	Quality and relevance of the training schemes addressed to service start-ups	QL	Result	Added-value Relevance	Y
6	Quality and relevance of the specialised tools and methods to facilitate financing of service companies	QL	Result	Added-value Relevance	Y
	Activity 2: Sectoral Innovation Watch (2007)				
7	Timely delivery of the different reports and milestones	QL	Output	Efficiency Effectiveness	Y
8	Relevance and utility of the proposed indicators and sectoral innovation models	QNT	Result	Relevance Utility	Y
9	Acceptance of the project results by the different sectoral communities	QNT	Result	Relevance Added-value	Y
	Activity 3: Horizontal promotion activities (2007/2010)				
10	Number of unique portal visitors	QL	Result	Effectiveness	Y
11	Circulation numbers for newsletters	QNT	Output	Effectiveness	N
12	Attendance at thematic workshops, annual partnering events, Europe INNOVA conferences and other Europe INNOVA events	QL	Output Result	Efficiency Effectiveness	N

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		Nature QNT/QL	Type	Evaluation question	Data available
	Activity 4: Accelerating innovation through public-private partnerships (2009)				
13	Number, type and impact of new concepts, methods and approaches developed, tested and promoted	QNT	Output Result Impact	Efficiency Effectiveness Added-value	Y ⁷
14	Number of SMEs having benefited through active involvement in the testing of the new concepts and the impact on their innovation performance	QNT	Result Impact	Efficiency Effectiveness	Y
15	Number of innovation professionals across Europe, who shared directly or indirectly the knowledge gained from developing, testing and promoting the new concepts	QNT	Result	Efficiency Effectiveness	Y
16	Number, type and impact of new methods and tools proposed to the European Enterprise Network	QNT	Output Result Impact	Efficiency Effectiveness	Y
17	Level and impact of liaising with related initiatives across Europe, demonstrating the openness of the Europe INNOVA initiative	QL	Result Impact	Effectiveness	Y
	European Innovation Scoreboard (2010)				
18	Timely delivery of the different reports	QL	Output	Effectiveness	Y
19	Good acceptance by the European Innovation Community (The number of downloads of the EIS from the Trend Chart website)	QNT	Result	Relevance Effectiveness	Y
20	Public attention raised by the publication of the EIS (as measured by the press coverage)	QNT	Result	Effectiveness Added-value	Y
	Innobarometer (2010)				
21	Timely deliverable of the report	QL	Output	Effectiveness	Y
22	Relevance and utility of collected statistics, which are not covered by other statistical instruments	QNT	Result	Relevance Utility Added-value	Y
23	Provision of indicators on EU innovation performance	QL	Output	Effectiveness Added-value	Y
	Measure: PRO- INNO EUROPE				
	Activity: Inno-Nets (2009)				
24	Number and relevance of public bodies and innovation agencies actively involved in the activities	QNT/QL	Outputs	Efficiency Effectiveness	N
25	Mobilisation of additional funds for trans-national pilot actions on innovation support in Europe	QNT	Results	Effectiveness Added-value	N
26	Number and potential impact of joint initiatives developed under the activities	QNT	Results Impacts	Effectiveness	N
	Activity: Inno-actions (2009)				
27	Number and relevance of actors mobilised	QNT	Outputs	Relevance	N

⁷ only number reported

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		Nature QNT/QL	Type	Evaluation question	Data available
				Efficiency Effectiveness	
28	Effectiveness of innovation awareness events	QL	Results	Effectiveness Added-value	N
29	Number of SME and citizens actively involved in the relevant activities	QNT	Outputs	Efficiency Effectiveness	N
	Activity: Promotion of PRO INNO Europe Results (2009)				
30	Number of publications and events undertaken to promote the results	QNT	Outputs	Efficiency Effectiveness	N
31	Number and relevance of participants in events	QNT/QL	Outputs	Efficiency Effectiveness	N
32	Number of downloads of promoted tools	QNT	Results	Relevance Effectiveness	N

Concerning Europe Innova activities, there has been a gradual movement towards more result/impact related indicators from 2007 to 2009 – especially concerning the core partnership development activities (Activity 4). The most recent indicators make a reference to the results (number of actual users of services) and the longer-term impacts of using the new methods/tools/concepts. However, the definition of indicators is rather vague – especially in relation to what the impacts should be and there is no use of the result indicators proposed by the ex-ante evaluation of the Commission. The actual reporting – based on the data provided – focuses so far on the number of platforms, tools and participants – against proposed targets - with some additional qualitative comments.

For the European Innovation Scoreboard (EIS) and the Innobarometer studies, the indicators provide an indication of the timely delivery of the report (a clear operational/management indicator) and also an attempt to assess the quality and relevance of the report. In the case of EIS there is a reliance on proxies like the number of downloads and number of references in the press, utilising the Commission's own mechanisms to collect the necessary data. In contrast, in the case of Innobarometer the indicators assessing relevance and effectiveness are based on internal evaluation by the unit responsible⁸ and indicate whether or not the defined information requirements have been met. There is however no assessment of the actual use of the Innobarometer as, according to the Commission official responsible, it is primarily used by Commission officials for policy making.

In the case of the PRO-INNO Europe measures, there has been clear priority given to moving beyond the measurement of the direct outputs of the activities (number of participants in the policy networks) towards assessing the actual use and impact of these policies. Since the focus of the specific measures is on the development and dissemination of policies it is not considered appropriate to include indicators to assess the direct impacts on SMEs. Still, one can point to a rather vague or unclear definition of some

⁸ The process may also involve informal discussions with other Commission officials but this is not formalized.

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indicators when referring to the relevance or the potential impact of the initiatives. The Commission officials concerned consider that the proposed indicators do not appropriately capture all the necessary and intended impacts. With this in mind, the Unit is organising a consultation with experts and project participants in an attempt to improve the set of indicators used and leading to an assessment of the impacts of the supported policy initiatives and their leverage in terms of policy making.

Concerning the actual collection of the necessary data for Europe-Innova and PRO-INNO Europe activities, a separate contract will be used for the collection of information through surveys/questionnaires to the beneficiaries. Given that the actors that need to be addressed (policy markers, innovation services providers) are already included in the networks it is not considered that there will be any particular problems with this exercise.

D. Eco-innovation

Eco-innovation related activities are integrated horizontally across all the objectives of the EIP programme. There is a dedicated share for eco-innovation related start-ups and SMEs in the financial instruments that are supervised by ECFIN and for eco-innovation policy and services platforms under the PRO-Inno Europe and Europa Innova measures.

In these areas there are a number of monitoring indicators used. The share of VC funds dedicated to eco-innovation (output indicator) and the SMEs in the clean technology sector that received new financing (result indicator) is recorded and reported by the financial intermediaries through EIF. The Unit responsible in DG ENV considers that additional data concerning impacts should be made available – including market share or IPR outcomes linked to the firms supported. It is recognised though that there are important constraints concerning the reporting of additional data by the financial intermediaries as explained earlier. In the case of objective C innovation platforms where eco-innovation is one of the three main areas examined the general indicators are also broken down by sector. For other large or small budget measures where activities touch upon eco-innovation and environmental issues, dedicated indicators were not identified during the review.

In parallel to those activities under the fourth objective of EIP, a single measure supporting the take-up of environmental technologies and eco-innovative activities was included in the 2008, 2009 and 2010 work programmes. This measure was implemented by the Executive Agency under the supervision of DG ENV unit G3 that has been responsible for the development of the indicators. These indicators were developed in close cooperation with the Agency and have not changed during the three working programmes.

In addition, the Enterprise Europe Network provided environmental support services to SMEs helping them turn environmental challenges into economic opportunities. The measure is intended to help the Network members build expertise and develop first and second level services for SMEs. In 2009 this measure fell under the second objective but its continuation in 2010 was included under the eco-

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innovation objective. The indicator set used for the monitoring of these two measures is presented in the table below.

Table 3.4: Eco-Innovation measures indicators

	Indicator	Nature QNT/QL	Type	Evaluation question	Data available
	Measure: Eco-innovation: first application and market replication projects				
1	Number of the eco-innovation pilot and market replication projects	QNT	Output	Efficiency Effectiveness	Y
2	Number of the proposals received	QNT	Output	Efficiency Effectiveness	Y
3	Percentage of the projects for which, direct or indirect, the beneficiaries are SMEs	QL	Output	Efficiency Effectiveness	Y
4	Proposals covering at least two major economic sectors having high environmental impact and innovation potential	QL	Output Target	Efficiency Effectiveness	N
5	Attract around 150 proposals and select about 40 highly innovative and replicable projects	QNT	Output Target	Efficiency Effectiveness	N
6	At least 60% of beneficiaries are SMEs	QNT	Output Target	Efficiency Effectiveness	N
7	Environmental benefits linked to projects financed: e.g., achieving measurable reduction in the greenhouse gas emissions (e.g. CO ₂ in tonnes, waste in tonnes) and in the resource efficiency (e.g. raw material in tonnes reduced, water in litters, energy in kW/h)	QNT	Result Impact	Efficiency Effectiveness Added value	N
8	Economic benefits linked to projects financed: e.g. increased number of customers of the participating beneficiary, entering transnational markets (e.g. number of new countries in which solution is offered)	QNT	Result Impact	Efficiency Effectiveness Added value	N
9	Contribution of projects to innovation e.g. increased spectrum of eco-innovative products, services and technologies on the market (e.g. existence of a new construction material offered through retailers), new clusters or joint ventures based on eco-innovations (e.g. number of companies involved)	QNT	Result Impact	Relevance Efficiency Effectiveness Added value	N
	Measure: Enterprise Europe Network - Environmental Services for SMES				
10	Number of Network staff and environment consultants who followed the training (2009/2010)	QNT	Output	Efficiency Effectiveness	N
11	Number of local organisations with whom cooperation agreements are signed (2009/2010)	QNT	Output	Effectiveness	N
12	Number of SMEs participating in workshops (2009/2010)	QNT	Results	Efficiency Effectiveness	N
13	Number of SMEs receiving environment-related on-site services (2009/2010)	QNT	Result	Efficiency Effectiveness	N
14	Number of SMEs whose business has benefited from these services (2009/2010)	QNT	Impact	Efficiency Effectiveness Added-value	N

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	Indicator	Nature QNT/QL	Type	Evaluation question	Data available
15	Documentation of good practices for 3 sectors of activity showing the potential advantages and improvements for all SMEs in these sectors (2010)	QNT	Output	Effectiveness	N

The analysis of the existing set of indicators reveals a clear priority given to measuring the outputs of the measures - the number of projects approved or the number of beneficiaries. They provide short term efficiency and effectiveness information concerning the management of the measure. Indicators no.4, 5 and 6 are redundant as they represent target values for output indicators 1-3. Result/impact indicators expected to measure the medium/long term efficiency and effectiveness and the European added-value of the projects are also included but are rather generally and loosely defined including multiple possible topics. According to the interviews the data necessary for these indicators are expected to be collected only after the completion of the three-year projects in 2013. However, in relation to the environmental benefits (no. 7) it is still possible to make initial assessments of the expected results and impacts of the supported measures based on the proposal documents of the approved projects. A series of performance indicators have been used at a project level. These are reported by beneficiaries and this allows the environmental and economic outcomes to be measured.

Concerning the indicators used for the Enterprise Europe Network environmental services, the proposed set of indicators used in 2009 and 2010 provides a balance of direct outputs linked with the development and operation of the network and the use of the services by SMEs. The indicators are expected to be collected at the end of the project based on the reporting of the Network members.

E. Other measures

Besides the measures examined above that represent around 95% of the EIP budget, a large number of “small size” measures have been – or will be – implemented through the EIP. In total more than 100 measures with a budget that in most cases does not exceed €2m are described in the four annual Work Programmes reviewed. They concerned primarily measures related to objectives E and F of the EIP but there was also a significant number under objective B.

In order to examine the use of indicators, we selected a small number (5) of measures implemented during the 2007-2010 period that reflect the most typical activities supported, including studies and reports, campaign activities, information provision services, workshops, seminars and training activities. These five measures are presented in the table below.

Table 3.5 – Selected sample of small budget measures

	Obj.	Measure name (Code)	Type of activity implemented	Years	Budget
1	B	IPR Helpdesks (European Helpdesk on IPR and China SMEs Helpdesk)	Support services; training, Information dissemination	2007 2010	€5.5m €5.5m
2	C, E	E-skills	Study; conferences; seminars; best practice exchange	2007 2008	€0.4m €1.2m

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	Obj.	Measure name (Code)	Type of activity implemented	Years	Budget
				2009	€2.5m
3	E	SME week/ European charter for small enterprises: dissemination of good practices and information	Conferences; workshops Conferences; Reports; Distribution material	2008 2009 2010	€1.875m €2.225m €1.7m
4	F	Information campaign on CE marking	Campaign activities (leaflets, video/audio material, conferences, marketing, ads)	2009	€2m
5	E,F	SME performance review	Studies, Workshops/meetings	2008 2009; 2010	€0.7m €3.7m €0.9m

Even with this small number of measures it has not been as straightforward to identify and examine the indicators used as was initially imagined. During the four years, a number of activities implemented as stand-alone measures were integrated into new measures with different titles (e.g. activities relating to the European Charter for Small Enterprises have been subsumed under activities relating to the Small Business Act and integrated into the SME week). It has been necessary to characterise some activities in general terms. The following list of measures and indicators therefore represent an extensive but not necessarily comprehensive list of the indicators proposed in the four work programmes.

IPR Helpdesk

As part of the measures implemented under objective B, a separate IPR Helpdesk measure is included in the 2010 programme. It includes two main actions:

- The **European Helpdesk on IPR** that supports the beneficiaries of EU funded programmes and other EU SMEs in the form of a website, support documents, FAQs, brochures, e-learning tools and case studies, a helpline, training for intermediaries and awareness actions. It is a continuation of the activities supported as part of a 2007 EIP measure and it implemented by the Executive Agency.
- The **China IPR SME Helpdesk** offers first-line advice on IPR issues for European SMEs in relation to China both in China itself and around Europe. This helpdesk offers practical business advice from experienced professionals (lawyers, business executives, IPR investigators) in person, on-line, and through workshops, e-learning materials, and training.

The indicators proposed by B2, the DG Enterprise unit responsible, in the working programme 2010 are shown in the table below.

Table 3.6 – IPR helpdesk indicators

	Indicator	Nature QL/QNT	Type	Evaluation question	Data available
	<i>European Helpdesk on IPR (2010)</i>				
1	Number of awareness actions and trainings	QNT	Output	Efficiency Effectiveness	N
2	Number of participants	QNT	Result	Efficiency Effectiveness	N

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	Indicator	Nature QL/QNT	Type	Evaluation question	Data available
3	Utilisation rate of the Help-line (number of queries answered)	QNT	Result	Efficiency Effectiveness	N
4	Range and quality of produced material	QL	Output	Effectiveness	N
5	Survey on users' satisfaction in terms of more efficient use of IPR	QL	Result	Relevance Utility Added-value	N
6	Degree to which the provision of requested services is within the requested time and agreed budget	QL	Output	Efficiency	N
	China IPR SME Helpdesk (2010)				N
7	Usage of websites (number of users, hits and downloads)	QNT	Result	Efficiency Effectiveness	N
8	Increased awareness among European SMEs of the realistic possibilities to protect and enforce their IPR when dealing with China or facing problems arising from China.	QL	Result Impact	Effectiveness Added-value	N
9	Numbers and variety of SMEs from across all participating countries and their representatives (sectoral, local, regional associations and chambers) requesting and attending workshops, using e-learning materials, and having their questions answered by the Helpdesk	QNT	Output/ Result	Efficiency Effectiveness	N

The indicators proposed for the monitoring of the two helpdesks attempt to monitor both short term results (usage of some of the services) and some longer term expected results and impacts, collected through surveys and other proxy mechanisms (number of hits/downloads). There is also a combination of qualitative and quantitative indicators that should provide a rather good picture of the measure performance.

E-skills

E-skills related measures have been included in all four annual Work Programmes so far under objective C (All forms of innovation in enterprises) and E (Entrepreneurship and innovation culture). The activities supported by the EIP each include a combination of studies/reports, conferences, awareness raising campaign activities and training activities. All activities fall under the Policy Communication and Action Plan on “e-Skills for Competitiveness, Employability and Workforce Development” and attempt to serve some of the objectives stated in the document. The EIP has been the main mechanism for implementing the specific actions.

The indicators proposed by the unit responsible (DG ENTR Unit D4) for the different measures are presented in the following table.

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Table 3.7: E-skills measures indicators

	Indicator	Nature QL/QNT	Type	Evaluation question	Data available
	<i>E-skills : Study on the impact of global sourcing(2007)</i>				
1	Number of participating countries and stakeholders.	QNT	Output	Efficiency Effectiveness	Y
2	Timely reports endorsed by stakeholders	QL	Output	Effectiveness	Y
3	Comprehensive picture of policy options and good practices. substantial policy conclusions endorsed by relevant stakeholders	QL	Result	Relevance Effectiveness Added-value	Y
4	Impact in influencing policy-making	QL	Impact	Effectiveness Added-value	N
5	successful organisation of the conference	QL	Output	Effectiveness	N
6	follow up measures taken by the Commission and participating countries	QL	Impact	Effectiveness Added-value	N
	<i>E Skills: Supply and Demand, European e-Competence Curriculum Development Guidelines, Financial and Fiscal Incentives, e-Learning Exchanges Mechanisms (2008)</i>				
7	Number of participating countries and stakeholders	QNT	Output	Efficiency Effectiveness	N
8	Timely reports endorsed by stakeholders.	QL	Output	Effectiveness	N
9	Comprehensive picture of policy options and good practices	QL	Result	Efficiency Effectiveness	N
10	Impact in supporting the exchange of good practice and influencing policy-making at EU level	QL	Result Impact	Effectiveness Added-value	N
11	Number of follow up measures taken by the Commission and participating countries	QNT	Impact	Effectiveness Added-value	N
	<i>E-skills week: awareness raising campaign and evaluation (2009)</i>				
12	Number of events	QNT	Output	Efficiency Effectiveness	N
13	Number of participating countries	QNT	Output	Efficiency Effectiveness	N
14	Number of stakeholders	QNT	Output	Efficiency Effectiveness	N
15	Timely organised activities and reports endorsed by stakeholders	QL	Output	Effectiveness	N
16	Well perceived messages and solutions	QL	Result	Effectiveness Added-value	N
17	Quality of the deliverables	QL	Output	Effectiveness	N
18	Follow up measures taken by the Commission, participating countries and stakeholders	QNT	Result	Effectiveness Added-value	N
19	Increased awareness on e-skills as a result of the national e-skills events as measured through a questionnaire to key stakeholders.	QL	Impact	Effectiveness Added-value	N
	<i>E-skills: ICT uptake and competitiveness (2010)</i>				
20	Number of participating countries and stakeholders;	QNT	Output	Efficiency	N

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	Indicator	Nature QL/QNT	Type	Evaluation question	Data available
				Effectiveness	
21	Timely reports including recommendations and good practices; workshops to validate conclusions and foster consensus on recommendations	QL	Output	Effectiveness	N
22	Comprehensive picture of good practices and policy options (including in competing world regions) and relevant conclusions	QL	Result	Efficiency Effectiveness	N
23	Satisfaction survey regarding the quality of the deliverables	QL	Output Result	Relevance Utility Added-value	N
24	Follow-up measures taken by the Commission, other public authorities and stakeholders	QL	Impact	Effectiveness Added-value	N

The review of the indicators used reveals a rather consistent approach across all activities, combining short-term output indicators with longer terms result and impact indicators that should allow an assessment – in quantitative or qualitative terms – of the level of up-take of policy recommendations by the Member States. This consistency is a result of the adoption of a common framework in all annual Work Programme fiches regarding the definition of indicators for assessing participation and the quantity and quality of deliverables, and for the implementation and the effectiveness of the measure activities. While at the time of the analysis data for most of the measures were not available, the Commission official responsible expected that the data would be available by the end of 2009 and suggested that there were no problems in their collection. The data necessary for the result and impact related indicators are expected to be collected through a survey conducted as part of the contract agreement, an approach that –more generally is considered particularly advantageous.

European SME week and SBA exchange of good practices and conference

The European SMEs week and SBA exchange of good practices have been jointly included in the Promotion of Entrepreneurship measure in the 2010 Work Programme falling under Objective E (Entrepreneurship and Innovation culture).

The **European SME Week** is a campaign consisting of events and other relevant promotion activities. It aims to promote and disseminate information on what the EU, national and regional authorities and other relevant organisations are doing to support small businesses. It promotes the image of entrepreneurship and entrepreneurs and recognises their essential role in the European economy. It aims to convince young people that entrepreneurship is a viable career option. The **SBA** (Small Business Act) activities involve the exchange of best practice, with the aim of ensuring that the most effective means of implementation are scaled up. It is based on the monitoring of EU and national activities by the Commission, organising the systematic exchange of good practice through events (including a high-level conference), online tools and an annual competition (European Enterprise Awards).

The indicators used for the two measures defined by DG ENTR Units E1 (SME week) and E4 (SBA) - the Units responsible for the implementation and monitoring of the measure - are shown in the table below.

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Table 3.8: SME week and SBA exchange of good practices indicators

	Indicator	Nature QL/QNT	Type	Evaluation question	Data available
	SME week				
1	Number of events and countries participating in actions	QNT	Output	Efficiency Effectiveness	Y
2	Quality of the SME Week and feedback from participants.	QL	Output Results	Effectiveness Relevance Utility Added-value	Y
3	Quality of the expert meetings and their deliverables	QL	Results	Effectiveness Utility Added value	Y
4	Level of publicity for the Week and the Awards	QL	Result	Effectiveness	Y
5	Actions delivered as planned and according to the budget foreseen.	QL	Output	Efficiency Effectiveness	Y
	SBA exchange of good practices and conference				
6	Conference of best practices attended by relevant stakeholders	QL	Output	Effectiveness	N
7	Catalogue of good practices available on Europa website	QL	Output	Effectiveness	N
8	Number of user visits to catalogue of good practices on web-site	QNT	Result	Efficiency Effectiveness	N
9	Feedback from national policymakers participating in the process	QL	Output Result	Effectiveness Relevance Added-value Utility	N

The review of the indicators of the SME week reveals a focus on the short term output indicators – number of activities and participants, with some indication of longer term results – in the form of an assessment of the quality of the activities by an exit survey. There is thus a clear focus on the operational elements of the SME week. Questions of added value of the campaign, longer term effectiveness – increased awareness of the role of the EU – are included under indicator no.2 that has been based on feedback received through a survey of participants. This was conducted as part of the contract with the external contractor responsible for the execution of the activities.

Concerning the SBA exchange of good practices there is again a greater focus on output related to the implementation of the various activities. The results of the activity – particularly in relation to the take-up of identified best practice - are addressed partially through the measurement of visits to the best practice web site. According to the interviews with the Commission officials, there has been an effort to track the adoption of best practice at the Member State level, but there has been limited cooperation on this from the Member States.

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Information campaign on CE marking

The information campaign on CE marking was implemented in 2009 under Objective F (Enterprise and innovation related economic and administrative reform). The main objective of the project has been to raise awareness on the meaning of CE marking amongst economic operators (manufacturers, distributors), consumers and market surveillance authorities and to address the perceived confusion on the meaning of the CE marking. The activities supported included participation of Commission officials in events, promotional material, multi-media actions and marketing activities.

The measure has been implemented with the supervision of DG ENTR Unit C5 that has been responsible for the indicators presented in Table 3.9.

Table 3.9: Information campaign on CE marking indicators

	Indicator	Nature QL/QNT	Type	Evaluation question	Data available
1	Increased number of consumers actively looking for CE marking	QNT	Result	Effectiveness	N
2	More consumer awareness of CE marking as a conformity mark, not a mark of origin	QL	Result	Effectiveness	N
3	Increased number of non-CE marked products (which should be CE marked) stopped at borders/circulating on the market	QNT	Impact	Effectiveness	N
4	Increased demand for CE marking (where applicable) by importers (vis a vis third country products) and by retailers, i.e. economic operators in the distribution chain who refuse to purchase non-CE marked products	QL	Impact	Effectiveness	N

In contrast to all other measures examined, in the case of the information campaign on CE marking, the indicators proposed address exclusively medium and long-term effectiveness questions. Indicators relating to the operational elements of the measure (number of events, activities, and participants), addressing short term effectiveness and efficiency are not provided. The data from consumers (indicators 1 and 2) are expected to be collected through an ex-post and ex-ante surveys (although there is no information as to when the data will be collected) but there is no information on the data sources that will be used for indicators 3 and 4.

SME performance review

The SME performance review measures were implemented in 2008, 2009 and 2010 (as part of the measure Promotion of reform and better regulatory environment) under Objective E (Entrepreneurship and innovation culture). The 2009 measure fiche defines three level of objective:

- General: to provide an empirical and analytical foundation for SME policy measures and enable the Commission to effectively monitor the implementation of the Lisbon Partnership for Growth and Jobs at Member States and EU levels as regards SME-related policies.

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- Specific: to increase and disseminate knowledge on characteristics and specificities of SMEs in Europe, on economic performance and its main determinant factors, as well as other SME policy related issues.
- Operational: develop annual report with key information on SMEs, including country specific fact sheets, studies, publications and workshops as an input to the Commission Progress Report under the Growth and Jobs Strategy and as a support to the so-called “Lisbon reporting cycle”.

The following table provides the indicators have been proposed by the unit responsible for the implementation (DG ENTR Unit E3) of the measures.

Table 3.10: SME performance review indicators

	Indicator	Nature QL/QNT	Type	Evaluation question	Data available
1	Number of reports available (2009)	QNT	Output	Efficiency Effectiveness	N
2	Number of relevant participants to workshops (2009) and conference (2008)	QNT	Output	Efficiency Effectiveness	N
3	Number of visits to the website (2009)	QNT	Result	Effectiveness	N
4	Feedback on the available documents (2009)	QL	Output/ Result	Effectiveness Relevance Utility Added-value	N
5	Improved understanding of the situation of European SMEs (2009)	QL	Result	Effectiveness	N
6	Use of the recommendations for policy development at EU level and on the level of the participating countries (2009)	QL	Impact	Effectiveness Added-value	N
7	Geographical coverage (2009)	QNT	Output	Efficiency Effectiveness	N
8	Number of workshops, studies and meetings (2010)	QNT	Output	Efficiency Effectiveness	N
9	Level of satisfaction as assessed by the voluntary questionnaires (2010)	QL	Output/ Result	Relevance Effectiveness Added-value Utility	N

The proposed indicator set for 2009 attempted to capture all three outcome levels – output, result, and impacts – that respond to the defined objectives of the measure. The data for these indicators are not available to assess the feasibility of collecting data on results and impact and the Commission officers’ responsible indicated scepticism concerning the collection of information from national policy makers on the use, added-value and impact of the studies and other information provided. These indicators are included in the set but the relevant information may not be available until an ex-post evaluation. It is not seen as feasible or desirable – based on proportionality considerations – to conduct a survey among policy makers to collect the necessary data following the end of each annual cycle. The scepticism is also reflected in the absence of impact indicators for the 2010 measures.

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3.2 Main conclusions concerning the existing set of indicators

The above analysis of the indicators of the different measures points towards a number of key conclusions concerning the development method, the use, characteristics and the appropriateness of the indicators that are currently being used for monitoring EIP performance.

First of all, there are rather a lot of indicators; so much so that it is virtually impossible to achieve a consistent overview of performance across the major areas of policy implementation. A useful and fundamental question, therefore, is what purpose does this number of indicators serve?

Although guidance at a management level has been provided by the co-ordinating unit, there appears to be no overall set of principles or guidance statement in relation to the development of indicators in DG ENTR, over and above documents relating to the general framework for evaluation and impact assessment. Consequently, although there are common elements, there has not been a consistent approach in the selection of indicators for the measures supported. There is no common reference framework setting the minimum information requirements, characteristics that the indicators should have, the type of questions that should be addressed and the reasons for selecting – or not – one indicator against another. This has given rise to a confusing picture. There are now a large number of indicators in total, their development has been relatively ad-hoc and they appear to change fairly frequently.

The main driver of the development of indicators would seem to be the need to report to the EIPC on an annual basis. Naturally, reporting gives rise to comment and refinement and to requests for new and different types of information. In other words a dynamic is established in which the indicator framework is continuously evolving and there is a tendency for information requirements to accumulate. The EIPC has itself commented on this process, asked for simplification and suggested a series of criteria for the selection of good indicators among the current set.

The annual reporting cycle has another consequence, which is that it focuses on the operational management of the EIP rather than the broader concerns of the implementation of policy. This is reinforced by institutional arrangements. The definition of the indicators is largely made at the level of an individual desk officer or the Unit responsible for each measure, after internal discussions and consultations. Since there is no common reference framework used for determining indicators, their formulation is heavily influenced by what needs to be achieved. In other words, there is a strong tendency for the indicators to become more of an operational management tool than an indication of the success or otherwise of the policy programme.

Furthermore, the nature of the cycle as an annual process, embodied in annual work programmes, annual Implementation Reports and the need for annual reporting to the EIPC, tends to influence the type of indicator chosen, although there are some examples that contradict this. Many of the measures have a two or three year span and result and impact indicators may only be meaningful if they are collected after the completion of the respective activity, but with few exceptions there is no explicit

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reference made to a time dimension or evolution over time. The focus is on what happens in the current period.

A major consequence of these processes is that there is a very limited use of the result indicators proposed in the ex ante evaluation or of indicators that relate to longer-term outcomes.

Clearly the emphasis on short term outputs is reinforced by the fact that it is often more difficult to obtain information on longer term effects, even when it is possible to identify them. However, our judgement is that this is not the main consideration influencing the choice of indicators. Where longer term indicators are identified in advance, it is often possible to devise ways of collecting the appropriate information.

We should observe at this point that there was a clear view expressed by a number of Commission staff that it is the role of an ex-post evaluation to comment on the results and especially the longer term outcomes of programmes, since these exercises are able to conduct surveys and other data collection activities that are not available especially to smaller scale measures. Although there is an element of truth in this perception, we would point out that it would appear to be at odds with Commission policy statements on evaluation, which stress that evaluation is not an exercise to be conducted after the event, but rather a process that should be present throughout the development and implementation of a programme, informing and influencing it as it develops.

However, it should be clear that it is not intended to suggest that the management processes evident behind many of the current set of indicators are unimportant or that current indicators should not be used to support management processes. On the contrary, most of the current indicators are useful and valid at that level. Rather the intention is to suggest that a broader perspective be adopted, one that informs a selection from among the current set of indicators of those that can address broader accountability concerns and conform more closely to the requirements of an effective evaluation culture. This approach will also suggest where new indicators are required. Above all though, it is hoped that the new perspective will help to create a situation in which it is easier to see what is being achieved and how.

As a preliminary to this process, it will help if some of the strengths of the current system are also summarised. In particular it will be useful to identify the key elements that consistently characterise good indicators across the various measures that have been considered. The following might be noted:

- Any indicator set should include some coverage of immediate outputs expected from the measures or activities under consideration. These short-term outputs can often be seen as indicators at least of the potential for subsequent results and longer term outcomes. On other occasions they can serve as early warnings of potential problems in achieving the objectives of policy. Output indicators that have a clear link with longer term results and outcomes are therefore desirable.

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- One such output indicator is the extent of the take-up of the services offered which is often already included.
- There is frequently a measure of the efficiency with which the service has been delivered and sometimes of the extent of the dissemination achieved (especially the take-up of good practice).
- In an important number of indicator sets there is at least one indicator of the quality of the activity/service offered; these are often derived from user-surveys or feedback questionnaires. They are clearly useful indicators of the relevance and/or utility of a measure.
- Many of indicators aim to be measurable (i.e. quantitative). This can support clear judgements about the effectiveness of measures, but also needs to be balanced by the qualitative indicators that often provide context and a broader view.
- Baseline indicators are absent in most cases and only in a few cases are specific targets provided.
- In the case of capacity building or policy learning focused measures, a number of indicator sets include measures of the actual use of the developed knowledge or expertise by the intended beneficiaries, an indication of the possible result of the measure. There are however a number of restrictions on the scope for such information to be collected.
- In some small scale measures where feedback from beneficiaries is necessary to assess the longer term effectiveness and added-value of the EIP supported activities, external contractors have been required to conduct surveys and other data collection exercises. This was suggested as an effective way to get the necessary feedback information for indicators addressing longer term impact and added-value questions. Such an approach can be applied more generally although it may not be useful in the case of a general call for tenders or where the Commission performs the activities directly.

Overall it appears that there is a fundamental issue regarding the orientation of the indicator system, but that there is also a strong basis for building a system that incorporates elements that would both permit a clearer assessment of the implementation of policy against core evaluation criteria and allow the effects of policy to be communicated more clearly.

Proposed set of indicators and recommendations

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In this section we describe the guiding principles and the procedures that should be followed for the development of an improved and more coherent set of indicators for the different measures of the programme, the reporting processes and their presentation. A new list of indicators for the main “projects” and a more generic set of indicators for the smaller scale ones are proposed.

4.1 Principles for setting indicators for EIP programme

The analysis above indicates the need for the adoption of a more coherent approach in defining the set of indicators for monitoring and reporting on the progress of the programme. It suggests that in many cases the focus of the selected indicators is much more on the management and delivery of each planned measure and less on assessing the success of the measure and its contribution towards the EIP’s overall objectives. More generally we would say that – with some exceptions- the main questions/issues that should be addressed by every monitoring system are only partially addressed by the existing set of indicators.

The recommended approach to the development of the indicators operates at different levels. First of all, it is necessary to have a clear statement of what the system as a whole aims to achieve. Next, it is necessary to set out the expected characteristics of specific indicators. Then it will be useful to say something about the balance to be achieved between different types of indicator with respect to the set to be chosen for any particular area of policy. Finally, this approach has to be applied in deriving a revised set of indicators in the selected areas of policy.

The Overall Aims

The current indicator system aims to provide the basis for an appraisal of measures and actions in relation to the policy embodied in the Entrepreneurship and Innovation Programme. The previous section of this Report questioned whether the emphasis on the more operational aspects of the EIP that has resulted from the annual cycle of the Work Programme and the process of reporting to the EIPC is the most appropriate way of achieving the central aims of the indicator system. In any event, it is proposed to restate some of the implicit principles of the current system, making reference to the well-established framework for conducting evaluations, which it is believed, should be at the heart of the whole exercise. These principles may be expressed as follows:

- The central aim of the system of EIP performance indicators should be to contribute to an assessment of the extent to which the measures and actions put in place under the EIP are achieving the specific objectives of the Entrepreneurship and Innovation Programme and the global objectives of the policy of the European Union from which these objectives are derived.
- In contributing to this assessment the indicators should conform to the standard framework established by the European Commission for the evaluation of policies and programmes.
- In particular, the indicators should contribute to an assessment of the relevance, efficiency, effectiveness, utility, sustainability and European added value of the EIP.

Proposed set of indicators and recommendations

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- At the same time the system of EIP performance indicators should contribute to the refining and development of policy and objectives within the established framework.
- Finally, the system of EIP performance indicators should promote the effective communication of the achievements of the EIP and its responsiveness to the needs of enterprises and the broader community and contribute to the effective discharge of the requirements of accountability on the part of those responsible for implementing the Programme.

It should be noted that the last aim stated for the indicator system is not independent of the objectives of the EIP as a whole. Nothing succeeds like success and a clear communication of the successes of the EIP will help to promote a further and more effective take-up of the measures and instruments made available under it.

The Characteristics of Specific Indicators

In defining specific indicators in conformity with the general aims of the system, standard evaluation practice would encourage those involved to take into account the SMART criteria for defining policy objectives. To the extent relevant they should be Specific, Measurable, Achievable, Relevant and Time-bound. In the specific context of the EIP a series of criteria enunciated by the EIPC during the course of the special workshop on EIP indicators in October 2006 should be taken into account. Guidelines that are still very relevant were provided:

- Indicators should be proportionate, easy to measure and kept as simple as possible.
- Indicators should not contribute to increasing the administrative burden.
- Logical models and a bottom-up approach should be used.
- Existing indicators and existing data should be used where possible.
- Indicators should not be volatile, though it was recognised that it was a challenge to have administrative and/or other data at hand to measure genuinely new activities.
- There should be a clear link to the Lisbon strategy throughout – there is therefore a need to also develop some “cross pillar” indicators.

A number of these guidelines are relatively pragmatic in nature and reflection during the course of the project has suggested others along similar lines:

- The indicators should be fully aligned with the objectives of each specific measure and should not introduce new targets diverting the focus of the programme activities from the EIP objectives.
- Whenever available, background and context indicators should be included for each measure.
- There should be attention to the danger of setting up artificial processes that divert the implementation of measures from their real objectives towards ‘window dressing’ or the meeting of targets that are easy, but not really significant.

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- There should be consideration of the time and resources necessary for the collection of the information needed and the possible data constraints.
- Above all, it is necessary to apply the principle of proportionality and to direct efforts to those aspects of the system that are most important.

Defining a Set of Indicators

In defining a particular set of indicators for a given policy area, it is important that each of the elements adds to the account given by the whole set. In line with the aims for all the indicators, each set should ensure that the information provided will help address the main evaluation issues. Foremost among these are the key evaluation questions of the efficiency of each implemented measure against the financial inputs and its effectiveness against the respective objectives. In addition, indicators throwing light on questions of the relevance and utility, sustainability and the added-value of the measures should be included. In general, indicators of results and longer-term outcomes are preferable to output indicators, although appropriate outputs should be included, especially if their indicators can serve as 'early warnings'. The following should be taken into account:

- *Output indicators*: although the monitoring of a wide range of outputs can be useful for internal management purposes and is necessary to assess the efficient use of inputs, for the purposes of reporting on the performance of the programme activities there should be a focus on a small number of key output indicators. Examples include the total investment volume in venture capital funds granted, the number of participants in a conference or the reports produced as part of a study. Populating the list with a large number of easily measurable indicators in an attempt to capture all outputs does not serve the intended purpose of the indicators. Similarly, qualitative output indicators can be relevant and complementary but should still address key evaluation issues (e.g. level of satisfaction from attending a conference, feedback from participation in a network)
- *Results indicators* are more difficult to measure but are those that provide key information on the extent to which a specific measure has achieved its stated objectives. It is thus necessary that for each measure at least one result indicator is defined that should be linked with the objectives of the measure as stated in its project fiche. It should also reflect the intervention logic of the specific objective under which the measure is supported. Examples include the number of partnerships developed, the number of SMEs assisted by the Network members, actual up-take of conclusions/recommendation of a study by policy makers, increased use of eco-innovative technologies.
- *Longer-term outcomes/impacts* reflecting economic and social effects should also be reflected in the indicator set. The overall contribution of the EIP to the Lisbon objectives needs also to be reflected in those indicators. It is clear though that in many cases such longer term effects can be difficult to measure in the given time frame and – even more important – difficult to associate with the EIP measures and supported interventions. Examples might include job and wealth creation from the supported firms or improvements of the policy or legal framework in the relevant areas at

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the EU or Member State level.

An appropriate evaluation framework should also examine the **relevance and utility and added-value** of the adopted and implemented measures. Concerning the first question, in most cases the relevance of the proposed measures in relation to the EIP objective is internally examined and addressed in the respective fiches. However, in keeping relevance and utility under review, the use of feedback from expected beneficiaries or stakeholders is often very useful. Finally, the added-value and leverage effect achieved by European intervention needs to find its place in the indicator system. Here it is necessary to bear in mind the question of additionality and, where possible, indicate net amounts rather than the apparent gross impact.

The above represents the framework of principle to be adopted for the selection of indicators for each measure. At the same time though, there are a series of pragmatic considerations:

- We should remember that indicators should conform to the SMART criteria, i.e. the indicators need to be specific, measurable, achievable, relevant and time-bound.
- For each proposed indicator there needs to be a clear reference to the data source and collection mechanism (existing database, reporting by beneficiaries/intermediaries/Commission, survey, ex-post evaluation) and the appropriate timing (collection of data during or after the implementation of the measure, at a later stage, through external evaluation).
- The proposed indicators need to have realistic data collection requirements proportional to the input and resources dedicated to the respective interventions. The administrative burden on Commission officials, national partners, intermediaries or stakeholders and the resources required have been referred to as considerable obstacles by a number of interviewees. Too many indicators or indicators that require extensive data collection are considered as imposing a disproportionate burden. This should not lead however, to a rejection of indicators that require data collection from external sources and a reversion to a limited focus on easily measurable outputs. There should be an effort to identify the best possible mechanisms for the selection of the necessary data and, whenever possible, the use of existing sources. In the case of small non-repetitive projects, the organisation of joint/common data collection mechanisms for more than one measure needs to be developed on a systematic basis. Furthermore, it has been suggested that for a number of measures – primarily those related to policy benchmarking and best practice dissemination - the members of the EIPC could play a role in terms of actively helping in the reporting of developments at the national level and in the process of collecting corresponding data concerning results and impacts.
- Whenever appropriate and possible, the proposed indicators need to be accompanied by target and background values in order to allow progress to be assessed. Such targets were set in the case of the financial instruments for a seven year period in the ex-ante evaluation. Progress towards these targets should be easy to monitor through the indicator system.

It should be stressed that one should not expect to have appropriate indicators addressing all the

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questions set out above for all measures implemented. However, it is necessary to go through the process of applying the framework for each measure, balancing the monitoring needs against the criterion of feasibility and making justified decisions for introducing (or not) any particular indicator and the respective background or target values.

4.2 Proposed list of indicators – covering main objectives and measures

On the basis of the principles set out above, CSES has developed a new set of indicators for each of the four main measures under Objectives A-D examined in Section 3. We also propose a more generic set of indicators for the most typical small size measures and activities implemented under EIP (studies/reports, campaign activities, training activities/seminars, information provision services and specific policy promotion measures). Given the variety of measures supported, this latter set will need to be adapted depending on the type of activity. In some cases, a combination of more than one of the proposed sets will be necessary.

The indicator sets are presented in a consistent format, stating their nature, what type of evaluation question they are expected to address, the necessary data sources and the proposed frequency of reporting. With few exceptions, the indicators proposed have already been used in one or more measures although not all of them have been tested so far.

We do not provide target or background values since we do not have the necessary information for most of the activities. It is appropriate, however, to point out one obvious contextual indicator that is relevant in each case, namely the budget devoted to the measure in question. Providing an indication of the budget, for instance, the sum devoted to the measure in the relevant time period allows the relative significance of the resources devoted to the measure to be easily seen. It also provides a basis against which other indicators can be used to assess efficiency. We therefore feel that the budget should be among any contextual indicators that are provided.

The question of over-arching indicators has also been raised at various points. Following the discussion of the Interim Report, we also make some suggestions on how appropriate indicators might be developed.

Finally, a comment on the reading of indicators is necessary. One of the important concerns raised during the workshop for Commission staff is the interpretation of indicators and especially the possible presumption of a direct cause and effect linkage between measures and outcomes that the indicators could be considered to provide. In many areas such a linkage is indirect – especially when referring to long term impacts - and strong claims are probably unfounded if they are not based on a thorough evaluation exercise which can only take place during a proper evaluation study.

The indicator system proposed for the monitoring of the EIP here should not be seen as making such claims – given the resources and time that can be dedicated - and that is something that should be

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accepted by all sides – reporting officials, the EIPC members and all other stakeholders. It is thus necessary that the necessary disclaimers and caveats are clearly stated explaining the existing limitations and any assumptions made.

A. Financial instruments

In the case of Financial Instruments, a large part of the existing indicator set used for GIF and SMEG addresses the main evaluation questions and conforms to the SMART criteria. It is recommended that the output and some of the result indicators are retained. (See table 4.1). The same applies to the reference to the share of eco-innovation projects (no.2) referring to outputs and SMEs in different technology sectors (no.6). It is also possible to present the same indicators as ratios to the total budget allocated during the specific period – thus providing a direct indication of efficiency.

However, it is also necessary to include an indication of the leverage effect of the Financial Instruments – the extent to which – the two measures are addressing the market failure that is at the core of their rationale. In the past the rather technical character of these indicators has led to misunderstandings and confusion and the Commission officials decided not to use them. The interim evaluation report⁹ used two leverage indicators (no.7 and 8) that can be reported annually and be based on the data already provided from the financial intermediaries. DG ECFIN proposed that these indicators are better labelled as gearing effect indicators. Either way, it is necessary that these two indicators are complemented by a brief technical note explaining the calculation method and providing an interpretation.

Similarly, concerning the long term impact, although job creation is clearly of interest from a global perspective, it may not be the most appropriate indicator – given that such data are not collected by the intermediaries. The Interim Evaluation Report could only provide rough estimates of jobs creation, based on a survey. Turnover growth and the number of high growth enterprises supported (based on the indicator developed in the OECD's Entrepreneurship Indicator Programme) are more straightforward measures, since these are likely to be monitored by the financial intermediaries and collection of the data would not require diversionary activities. However, as reported by DG ECFIN even such data are not directly available to the EIF. It is proposed that a survey of a sample of SMEG and GIF beneficiaries should be conducted at one or ideally two points during the programme to provide data based on a sample of beneficiaries. The Commission Services pointed out that the quality control and update of the addresses of SMEG beneficiaries for the survey may create additional burdens for SMEG financial intermediaries, given the extremely high number of financial beneficiaries under the programme (over 300,000). Still, they consider that such a survey could be justified, taking into account the importance of the programme. For GIF, in contrast, the number of final beneficiaries will be significantly lower (around 1,000), creating also a lower burden on the financial intermediaries.

⁹ GHK-Technopolis Group, Interim evaluation report on the Entrepreneurship and Innovation Programme – Final report

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The survey – which should still remain limited in size - might also help in generating qualitative indicators that might include, for instance, indications of how critical the assistance with finance has been in the development of the businesses or the types of businesses supported. When applicable and relevant, the eco-innovation dimension should be considered separately and an analysis provided of survey findings derived from beneficiaries with eco-innovation projects.

Finally, the Global Competitiveness Report has indicators on the change in venture capital availability and access to loans – based on an EU average or reporting for individual countries. These are well established indicators that reflect the actual aims of the measures and conform to the SMART criteria. It is clear that the contribution of the financial instruments to these aims is only partial and indirect. Still, reporting the change taking place between the initial period and the end does provide contextual information and contributes to an understanding of the continuing relevance or otherwise of the measures.

Table 4.1 – Proposed indicators for financial instruments

	Indicator	QNT/QL	Type	Evaluation question answered	Data source	Time-frequency of report
1	GIF: Investment volumes in venture capital funds (amount signed)	QNT	Output	Efficiency Effectiveness	EIF	Annual
2	- of which: Eco-Innovation	QNT	Output	Efficiency Effectiveness	EIF	Annual
3	GIF: Investment volumes in investment vehicles promoted by business angels (amount signed)	QNT	Output	Efficiency Effectiveness	EIF	Annual
4	SMEG: Total EC commitments to debt finance	QNT	Output	Efficiency Effectiveness	EIF	Annual
5	GIF/SMEG: Number of start-ups/SMEs receiving new financing	QNT	Result	Efficiency Effectiveness	EIF	Annual
6	- of which: technology based SMEs ¹⁰ (ICT, environment/energy, life sciences)	QNT	Result	Efficiency Effectiveness	EIF	Annual
7	Gearing effect of GIF (target fund size/EC capital)	QNT	Result	Effectiveness Added-value	EIF	Annual
8	Gearing effect of SMEG guarantee (e.g. loan volume/cap amount)	QNT	Result	Effectiveness Added-value	EIF	Annual
9	Feedback from SMEs on added-value, utility and relevance (e.g. firms stating FIs as only/significant source of finance)	QL	Result Impact	Utility Relevance Added-value	Survey	Three year period or End of EIP
10	Contribution to the performance of beneficiaries (growth of sales, jobs	QNT	Result Impact	Effectiveness	Survey	Three year period or

¹⁰ Initially: GIF and SMEG: number of SMEs supported, classified by sector of activity (SMEG: NACE classification)

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	Indicator	QNT/QL	Type	Evaluation question answered	Data source	Time-frequency of report
	created/maintained, new products or services developed)					End of EIP
11	Contribution to long-term growth prospects of beneficiaries (%SMEs stating positive prospects due to financing)	QL	Result Impact	Sustainability	Survey	Three year period or End of EIP
10a	SMEG: Total (or average) turnover growth of SMEs financed	QNT	Impact	Effectiveness	Survey	Three year period or End of EIP
10b	GIF: Number of high growth enterprises (i.e. enterprises with annual turnover growth of over 20% over a three year period) among beneficiaries	QNT	Impact	Effectiveness Added-value	Survey	Three year period of end of EIP
11	Total jobs created or maintained in SMEs receiving financing	QNT	Impact	Effectiveness Efficiency	Survey	Three year period or End of EIP
12	Change of venture capital availability indicator (EU average) 2007-2013 (between beginning and end of programme)	QL	Impact	Effectiveness	Global competitiveness report	End of EIP
13	Change of access to loans indicator (EU average) 2007-2013 (between beginning and end of programme)	QL	Impact	Effectiveness	Global competitiveness report	End of EIP

B. Enterprise Europe Network

In the case of the Enterprise Europe Network, our assessment is that the 17 indicators reported at this point provide a partial view of the programme's effectiveness. Given that the Network members have already agreed – following a consultation - on a new set of 35 indicators that include 8 result and 8 impact indicators these should be included in the proposed list. In contrast, we consider that the long list of output indicators used for operational purposes is not essential for communicating the performance of the measure to the EIPC and other external stakeholders, except perhaps when attention needs to be drawn to unexpected levels. Thus we propose to aggregate for reporting purposes the indicators relating to the number of participants in events, the number of SMEs' queries answered, the SMEs receiving different types of services and SMEs participating in events. A single indicator could adequately summarise these outputs and short term results.

The number of participants and beneficiaries represents an indicator that stands in between outputs and results (since it also reflects the number of activities organised) In our view this indicator is sufficient and the most relevant for reporting to the EIPC on an annual basis. In addition, we propose the

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inclusion of a quality indicator based on the client satisfaction rate, since this addresses issues of relevance, utility and the added-value of the services provided (indicator no.7)¹¹. Similarly, the intended client benefits assessment survey performed by the network should be the basis for reporting on the impact indicator (no.8). For both indicators a three year reporting period is necessary. Finally, we consider that two more indicators (no.9 and no.10) addressing the more specific objectives of establishing the network coherence and image should also be included. Both are reported by the network members. There are some questions raised as to the capacity of the service recipients to distinguish between the support provided by the Network and other services, and thus distinguish the Network brand, especially if the survey takes place some time after the provision of the service.

According to the Agency and other experts an indicator of complementarities with the regional business and innovation services should also be provided, addressing a question of added-value. However this may pose difficulties for the Network members in the short term since it is not included in the current list agreed and will create additional requirements. Furthermore, the Commission services responsible were reluctant to add new indicators beyond those agreed with the network members. Over the longer term, however, an indicator of the regional coherence of support services is a worthwhile objective.

Table 4.2 – Proposed indicators for Enterprise Europe Network

	Indicator	QNT/QL	Type	Evaluation question	Data source	Report time/frequency
1	Number of participants in local and regional events organised by Network members	QNT	Output Result	Efficiency Effectiveness	Network	Annually
2	No. of SMEs queries received and answered (separate or consolidation of all types)	QNT	Output Result	Efficiency Effectiveness	Network	Annually
3	No. of SMEs receiving support services (separate or consolidation of all types of services – IPR, technology reviews, business reviews, financing)	QNT	Output Result	Efficiency Effectiveness	Network	Annually
4	No. of partnership proposals produced and disseminated to SMEs (Business, Technology, Research)	QNT	Output	Efficiency Effectiveness	Network	Annually
5	No. of SMEs participating in brokerage events and company missions	QNT	Output Result	Efficiency Effectiveness	Network	Annually
6	Number of SMEs concluding partnership/business/technology agreements	QNT	Results	Efficiency Effectiveness Added-value	Network	Annually

¹¹ According to the information provided by the responsible Commission officials the new performance enhancement system (PES2) for the network will include a client satisfaction survey that will assess how the services helped them build partnerships and strengthen competitiveness. However, the specific questions to be asked were not available.

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	Indicator	QNT/QL	Type	Evaluation question	Data source	Report time/frequency
7	Clients satisfaction rate (% SMEs stating satisfaction, added-value of specific service)	QL	Result Impact	Relevance Utility Effectiveness Added-value	Network clients satisfaction survey	3 years
8	Clients performance assessment (growth of sales, jobs created/maintained, new products or services developed)	QNT	Impact	Effectiveness Added-value	Network clients benefits assessment survey	3 years
9	Number of major contributions (e.g. as speaker, trainer, chairman, coordinator, reporteur, evaluator, etc) to network and consortia activities	QNT	Outputs	Effectiveness	Network	Annually
10	Recognised Network brand and brand Culture (e.g. brand awareness among SME population)	QL	Result	Effectiveness	Network survey	2 years

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C. All forms of innovation in enterprises

In the case of Objective C the proposals for the indicators concern the existing active measures under Europe Innova and PRO-Inno Europe.

Concerning the Europa Innova public-private partnerships, there are few changes in relation to the existing set. The main change proposed relates to indicators 2-5, where currently a number of issues are conflated. In particular it is important to separate out the question of impact from the other elements. Furthermore, following the proposal of the unit responsible, in indicator 3 there is the addition of the number of regions involved as an additional measure of outputs. Impact is reflected in indicators 6 and 7 that include the uptake of the project tools and methods by non-project participants after the end of the project. This would be based on a survey at the end of the measure and a feedback by the project participants on the quality of the measure activities, its added-value and relevance. An indicator addressing directly the partnerships' effectiveness and added-value should also be examined in qualitative terms based on feedback from partnership members. Concerning the use of the tools by the Enterprise Europe Network the focus should be on the tools actually used that can be reported through the EACI at the end of the measure period.

With regard to the horizontal promotional activities, an indicator of outputs – the number of activities organised – is added to the existing list to better capture the operational elements.

Finally, in the case of European Innovation Scoreboard and Innobarometer, it is proposed that the internal evaluation used in the latter should also be applied for the former. We consider that, given that the focus of these studies and reports is primarily on informing Commission officials, an internal evaluation – based on a brief survey among the Commission officials – should provide good indications of the effectiveness and added-value of the measure. Alternatively, following the proposal of the Commission services, a survey of the Member State policy users (e.g. the EPG subgroup) could be conducted. Conversely, the number of downloads could be used as a proxy for the report's acceptance and relevance, in the case of the Innobarometer.

Table 4.3 – Proposed indicators for Europe Innova activities

		QNT/QL	Type	Evaluation question	Data source	Report time/ Frequency
	Activity: Accelerating innovation through public-private partnerships					
1	Number of organisations and experts participating in partnerships	QNT	Output	Efficiency Effectiveness	Commission	Annually
2	Number (by type) of new concepts, methods and approaches developed, tested and promoted	QNT	Result	Efficiency Effectiveness	Commission /Beneficiaries	Annually
3	Number of SMEs and number of regions involved in the testing of the new concepts	QNT	Result	Efficiency Effectiveness	Commission	Annually

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		QNT/QL	Type	Evaluation question	Data source	Report time/ Frequency
4	Number of innovation professionals across Europe, who shared (directly or indirectly) the knowledge gained from developing, testing and promoting the new concepts	QNT	Result	Efficiency Effectiveness Added-value	Commission/ Beneficiaries	Annually
5	Number (by type) of new methods and tools proposed and used by the project partners	QNT	Impact	Efficiency Effectiveness Added-value Sustainability	Commission/ Network	End of measure
6	Take up of tools developed and methods by non-project partners, (including the Network) (number of tools used)	QNT	Impact	Effectiveness Added-value Sustainability	Survey	End of measure
7	Feedback from participants on relevance, effectiveness and added-value	QL	Result Impact	Effectiveness Added-value Relevance	Commission survey	End of measure
	Activity : Horizontal promotion activities					
8	Number of activities organised (by type)	QNT	Output	Efficiency Effectiveness	Commission	Annually
9	Circulation numbers of newsletters and other publications	QNT	Output	Efficiency Effectiveness	Commission	Annually
10	Attendance at thematic workshops, annual partnering events, Europe INNOVA conferences and other Europe INNOVA events	QNT	Result	Effectiveness	Commission	Annually
11	Number of portal visitors	QNT	Result	Effectiveness	Commission	Annually
12	Feedback on relevance and added value of promotion activities	QNT	Result Impact	Relevance Effectiveness Added-value	Exit/online Survey	Annually
	Activity : European Innovation Scoreboard)					
13	The number of downloads of the EIS from the Trend Chart website (proxy for acceptance/use)	QNT	Result	Relevance Effectiveness	Commission	Annually
14	Relevance and utility of collected statistics, which are not covered by other statistical instruments	QL	Result	Relevance Added-value	Survey of Commission officials or MS policy users	End of measure
15	Commission staff assessment of the quality provision of indicators on EU innovation performance	QL	Output Result	Effectiveness Added-value	Survey of Commission officials or MS policy users	End of measure
16	Public attention raised by the publication of the EIS (as measured by the press coverage)	QNT	Result	Effectiveness Added-value	Commission	Annually

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		QNT/QL	Type	Evaluation question	Data source	Report time/ Frequency
	Activity: Innobarometer					
17	Relevance and utility of collected statistics, which are not covered by other statistical instruments	QL	Result	Relevance Added-value	Survey of Commission officials or MS policy users	End of measure
18	Assessment of the quality provision of indicators on EU innovation performance	QL	Output Result	Effectiveness Added-value	Survey of Commission officials or MS policy users	End of measure
19	The number of downloads of Innobarometer (proxy for acceptance/use)	QNT	Result	Relevance Effectiveness	Commission	Annually

For PRO-INNO Europe, the proposed set maintains the existing indicators but also proposes indicators concerning the new policy tools being developed, that are to be reported on an annual basis by the Commission, plus an impact indicator on the actual up-take and use of policy proposals by the Member States or regional authorities. This exercise will require the help of the Member State representatives. Concerning mobilisation indicators (no.4), the Unit responsible expects that the current and future actions will be able to collect the necessary data although this may not be possible for previous periods.

We should also note the initiative of Unit D2 on the definition of indicators for the Innovation Policy Cooperation Initiatives. A first meeting of this panel took place on the 19th of January and proposed result and impact indicators relating to the uptake of policies that can be used to fine-tune or expand upon the proposed indicator number 5.

In relation to Inno-action that supports three different types of activities, the set of indicators proposed for the European Innovation Weeks includes a direct output indicator of awareness actions to help assess the short-term efficiency and effectiveness of this action. Additional and separate indicators are proposed for the European Label for Cluster Management focusing on the delivery of the three main tasks (creation of a cluster managers club (creation of European label for cluster management excellence and the relevant training programme), the number of cluster managers involved and a test of the sustainability of the Label measure at the end of the EIP programme period.

For the information days the indicators proposed should report on the number of days organised, the number of participants and provide feedback on the quality and added-value of the information received, based on a brief exit survey.

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Finally, for the promotion of PRO-INNO results through networking meetings and an on-line portal, the indicator set should also include an assessment of the quality and added-value of the tools (events and IT tools) based on an online survey of PRO-INNO stakeholders instituted by the contractor.

Table 4.4 – Proposed indicators for PRO-INNO Europe activities

		QNT/QL	Type	Evaluation question	Data source	Report time/ Frequency
	Activity : Inno-Nets					
1	Number of public bodies and innovation agencies actively involved in the platforms	QNT	Output	Efficiency Effectiveness	Commission	Annually
2	Number of joint policy initiatives developed under the activities	QNT	Result	Effectiveness	Commission	Annually
3	Number of new or improved policy tools developed	QNT	Result	Effectiveness	Commission	Annually
4	Mobilisation of additional funds for trans-national pilot actions on innovation support in Europe	QNT	Result	Effectiveness Added-value	Commission	Annually
5	Up-take of policy proposals developed by member states	QL	Impact	Effectiveness Added-value	Survey or Monitoring tool	End of measure
	Activity: Inno-actions					
	Innovation weeks					
6	Number of awareness actions organised	QNT	Output	Efficiency Effectiveness	Commission	Annually
7	Number of relevant public actors participating in events	QNT	Result	Efficiency Effectiveness	Commission	Annually
8	Number of SME and citizens actively involved in the relevant activities	QNT	Result	Efficiency Effectiveness	Commission	Annually
9	Feedback on relevance, effectiveness and added-value of innovation awareness events	QL	Result impact	Relevance Effectiveness Added-value	Exit survey	Annually/End of measure
	European Label for Cluster Management Excellence					
11	Delivery of activity outputs (creation of Cluster managers club, European label, training programme) (YES/NO)	QNT	Outputs	Effectiveness	Commission	End of measure
12	Number of cluster managers and organisations involved	QNT	Results	Efficiency Effectiveness	Commission	Annually
13	Sustainability of European Label of Cluster management (e.g. number of clusters managers certified)	QL	Impact	Effectiveness Sustainability	Commission/ EIP evaluation	End of EIP
	Information days for SMEs					
14	Number of information days organised	QNT	Outputs	Efficiency Effectiveness	Network	Annual
15	Number of SMEs participating	QNT	Outputs	Efficiency	Network	Annual

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		QNT/QL	Type	Evaluation question	Data source	Report time/ Frequency
				Effectiveness		
16	Feedback of quality, relevance and added value by participants	QL	Results	Relevance Effectiveness Added-value	Network exit survey	Annual
	Activity: Promotion of PRO INNO Europe Results					
17	Number of publications and events undertaken to promote the results	QNT	Outputs	Efficiency Effectiveness	Commission Contractor	Annual
18	Number of participants in events	QNT/QL	Outputs	Efficiency Effectiveness	Commission Contractor	Annual
19	Number of downloads of promoted tools	QNT	Results	Relevance Effectiveness	Commission Contractor	Annual
20	Feedback on publications/events/IT tools by PRO-INNO stakeholders	QL	Results Impacts	Relevance Effectiveness Added-value	Survey	End of measure

D. Eco-innovation

For the Eco-Innovation measures our proposal is to eliminate the target values used (indicators 4-6 in table 4.5) for output indicators 1 and 2. They represent values that should be linked with indicators 1 and 2. Concerning indicator 1, in addition to the total number of projects approved the number of applications received could also be stated as an additional indication of relevance. In addition, an indicator (no.3) reflecting the leverage or gearing effect should look into the ratio of the total value of the projects against the EU funding committed. Indicator no.4 concerning the actual number of new technologies and products developed – or expected to be developed – reflects directly the expected results of the measure and it is the type of information that can be collected and reported either annually - based on the beneficiaries' proposals – or, probably more appropriately, at the end of the measure period based on their final reports. The same applies to the proposed environmental impact indicator which can be based on the reports of the beneficiaries. Overall economic benefits can be assessed most adequately over the longer term, although the reports of beneficiaries can also provide indications. A qualitative assessment of the measure relevance, utility and added value should come through surveys at the end of the measure or on a periodic basis (e.g. every three years) or in the final reports submitted. In order to minimise additional administrative burden, the reporting should attempt to fit with the reporting requirements of the beneficiaries.

In relation to the Network environmental services we consider that the existing set meets the intended purposes effectively. Given the objective for the provision of services after the end of the support period, one could also include an indicator to capture the extent that environmental services are still provided by Network members at the end of the EIP programme period. This can be documented by the EACI.

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Table 4.5 – Proposed indicators for Eco-Innovation measures

	Indicator	QNT/QL	Type	Evaluation question	Data source	Time Frequency
	Measure: Eco-innovation: first application and market replication projects					
1	Number of the eco-innovation first application and market replication project proposals received and proposals approved	QNT	Output	Efficiency Effectiveness Relevance	EACI	Annual
2a	Number of SMEs participating in the approved projects	QNT	Output Result	Efficiency Effectiveness	EACI	Annual
2b	- % of which are start-ups		Output Result	Efficiency Effectiveness	EACI	Annual
3	Leverage effect of funding (Total value of projects supported/EC funding)	QNT	Output Result	Efficiency Effectiveness Added-value	EACI	Annual
4	Number of new and improved eco-innovative products, techniques, services or processes in the market	QNT	Result	Effectiveness Added-value	EACI based on reports of beneficiaries	End of measure
5	New clusters or joint ventures created based on eco-innovations (e.g. number of companies involved)	QNT	Result	Effectiveness Added value	Report of beneficiaries	End of measure
5	Total expected environmental benefits from the financed projects as reported by project beneficiaries (reductions in the greenhouse gas emissions, resource efficiencies and, waste reduction, reduction of air/water/soil pollutants)	QNT/QL	Impact	Efficiency Effectiveness Added value	Report of beneficiaries	End of measure
6	Economic benefits for project beneficiaries (increased number of customers of the participating beneficiary in existing and new markets, increased job and turnover experienced)	QNT	Impact	Efficiency Effectiveness Added value	Report of Beneficiaries or EIP evaluation	End of measure/ End of EIP
7	Feedback of beneficiaries of contribution of funding (added-value, additionality, relevance)	QL	Output	Relevance Effectiveness Added-value	Survey of Beneficiaries or EIP evaluation	End of measure/ End of EIP
	Measure: Enterprise Europe Network - Environmental Services for SMES					
8	Number of local organisations with whom cooperation agreements are signed	QNT	Output	Effectiveness	EACI	Annually
9	Number of SMEs participating in workshops	QNT	Results	Efficiency Effectiveness	EACI	Annually
10	Number of SMEs that received environment-related services	QNT	Result	Efficiency Effectiveness	EACI	Annually
11	Feedback on provided service by SMEs benefiting (quality of service, contribution to performance)	QL	Impact	Efficiency Effectiveness Added-value Utility	Feedback survey through Network	End of measure
12	Documentation of good practices for 3 sectors of activity showing the potential	QL	Output	Efficiency Effectiveness	EACI	End of measure

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	Indicator	QNT/QL	Type	Evaluation question	Data source	Time Frequency
	advantages and improvements for all SMEs in these sectors (YES/NO)					

E. Other measures/activities

With regard to the small budget measures supported by the EIP, the intention of this project is to develop a generic set of indicators that could be applied, with appropriate adjustments in each case. The review of the measures has indicated the important level of variation in terms of the activities supported and in that way the measures address the EIP objective under which they fall. The proposed sets of indicators differentiate among four broad categories of activity and can be used either separately or in combination in the case of measures supporting more than one type of activity.

Studies/reports

Studies conducted by the Commission, external consultants or groups of experts are quite common under the EIP (e.g. SME performance review, E-skills study on the global sourcing, study on SMEs organisations representativeness). The proposed set of indicators (Table 4.6) provides a balance of qualitative and quantitative assessment of the operational elements and outputs (number of reports, timely delivery), results and impacts. Results can be assessed either using a proxy indicator like the number of downloads of the reports, or depending on the nature of the study – through internal or external evaluation exercises. Depending on the size of the measure and the target audience internal evaluation by the Commission officials can be used against predefined quality targets while feedback from experts, or other target groups can be collected through surveys at the final meetings or based on online surveys after the end of the measure activities. Providing the impact indicators relating to the take-up of recommendations may not always be possible during the implementation of the measure – something that should be considered – but should be something that officials responsible for studies try to assess.

Table 4.6 – Proposed indicators for measures including studies/reports

	Indicator	QL/QNT	Type	Evaluation question	Data source	Data available
1	Number of reports/studies produced	QNT	Output	Efficiency Effectiveness	Commission	Annually
2	Number of participants in organised workshops and report meetings	QNT	Output	Efficiency Effectiveness	Commission	Annually
3	Number of visits/downloads of the reports from the websites	QNT	Result	Relevance Utility Effectiveness	Commission	Annually
4	Internal evaluation of quality, coverage of topics/issues and added-value (based on initial targets/objectives)	QL	Result	Effectiveness Relevance Utility Added-values	Commission	End of measure

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	Indicator	QL/QNT	Type	Evaluation question	Data source	Data available
5	Feedback from stakeholders /experts (target groups) on the documents provided concerning quality, relevance and added-value	QL	Output Result	Effectiveness Relevance Utility Added-value	Survey (e.g. Exit survey after meetings)	End of measure
6	Up-take of recommendations for policy development at EU level and on the level of the participating countries (e.g. number of countries adopting or national policy makers assessment of contribution)	QL	Impact	Effectiveness Added-value	Survey	End of measure/ EIP

Campaign activities

Campaign activities are also very common under the EIP. The information campaign on CE marking, the e-skills awareness raising campaign and the European SME week are such examples. Outputs like events organised, conferences, media activities, web-pages or printed material are essential output components of the campaign that should be reported and the same applies to the respective numbers of participants. Indicators concerning the quality, relevance and added-value based on feedback from participants through exit surveys – whenever feasible – should also be reported. Given that in most cases the campaigns are implemented through an external contractor, feedback surveys should be integrated in the contract whenever possible. Similarly media monitoring – a rather typical activity - should be part of the responsibility of contractor. Finally, the measurement of impacts can be done through indicators of increased awareness of the target population or actual change of practices as measured through a survey or relevant generally available indicators (like the Entrepreneurship attitude of the Eurobarometer). It is not always going to be possible to use the proposed indicators and it can also be the case that the budget of the activities supported is rather small to lead to major global changes. Nonetheless, there should still be a process of assessing the appropriateness of using such indicators.

Table 4.7 – Proposed indicators for measures related to campaign activities

	Indicator	QL/QNT	Type	Evaluation question	Data source	Time Frequency
1	Number of events, media activities organised and material produced	QNT	Output	Efficiency Effectiveness	Commission/ Contractor	Annually
2	Number of participating countries and stakeholders	QNT	Results	Efficiency Effectiveness	Commission/ Contractor	Annually
3	Feedback from participants on quality, relevance and added-value of activities	QL	Output Results	Effectiveness Relevance Utility Added-value	Commission/ Contractor based on exit/ final survey	End of measure
4	Level of publicity for the Week and the Awards (number of media publications/clippings)	QL	Result	Effectiveness Added-value	Commission/ Contractor	End of measure
5a	Increased awareness on campaign topic as a result of campaign events	QL	Impact	Effectiveness Added-value	Survey of key stakeholders/	End of measure

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	Indicator	QL/QNT	Type	Evaluation question	Data source	Time Frequency
					target population (Contractor/Commission)	
5b	Follow up measures taken by the Commission, participating countries and stakeholders (if applicable)	QNT	Impact	Effectiveness Added-value	Commission/ Contractor survey	End of measure
5c	Change of attitude or up-take of messages promoted by target population (e.g. in case of Entrepreneurship through Eurobarometer)	QNT/QL	Impact	Effectiveness Added-value	Existing statistic or ex-post EIP survey	End of measure or EIP

Training/seminars

Concerning the training activities and other seminars that are often supported through the EIP, the proposed set (Table 4.8) includes output indicators (number of events organised), result (number of participants) and a qualitative assessment of both quality and added-value based most often on exit surveys of participants. On some occasions, it may also be possible to examine the performance of the individuals or the SMEs they were employed at the end of the measure period.

Table 4.8 – Proposed indicators for measures including training activities

	Indicator	Nature QL/QNT	Type	Evaluation question	Data source	Report time/frequency
1	Number of trainings events organised	QNT	Output	Efficiency Effectiveness	Commission	Annually
2	Number of target beneficiaries participating in training events	QNT	Result	Efficiency Effectiveness	Commission	Annually
3	Feedback by participants on quality, relevance and added-value of training/seminar and material provided	QL	Output Result Impact	Relevance Efficiency Effectiveness Added-value	Exit survey	End of activity/ measure
4	Improved performance of beneficiary in relation to targeted issue (if applicable)	QL	Impact	Effectiveness Added-value	Survey at end of measure or EIP	End of measure/ EIP

In a few cases measures support stand-alone activities like conferences or seminars that are not necessarily integrated in the framework of a broader measure. In such cases, proportionality suggests that the indicator set should not aim to capture more than outputs and short/medium term results on the basis of data on participants and an exit survey providing feedback on the quality, relevance and possible use of a conference or seminar.

Table 4.9 – Proposed indicators for stand-alone conferences/seminars

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	Indicator	Nature QL/QNT	Type	Evaluation question	Data source	Report time/frequency
1	Number of target beneficiaries participating in the event	QNT	Result	Efficiency Effectiveness	Commission	Annually
2	Feedback by participants on quality, relevance and added-value of conference/seminar	QL	Output Result	Relevance Efficiency Effectiveness Added-value	Exit survey	End of activity/ measure

Information provision services

Information provision services developed and provided by the Commission or a contracted organisation include measures like the IPR Helpdesk. The indicators for such measures should provide some indication of the extent of information material provided (e.g. web pages, leaflets), proxies for the use of the service (number of website hits, downloads of reports, email or calls), and the results in terms of queries answered or SMEs helped. Typically such services conduct periodic client satisfaction surveys providing inputs on the relevance, effectiveness and added-value that the indicator set should reflect. An indicator of the service's longer term performance may also be included based on a survey conducted by a contractor.

Table 4.10 – Proposed indicators for measures including information provision services

	Indicator	QL/QNT	Type	Evaluation question	Data source	Report time/frequency
1	Number of information material (leaflets, web pages, etc.)	QNT	Output	Efficiency Effectiveness	Commission/ Contractor	Annually
2	Number of users of services (e.g. use of help lines/services/website)	QNT	Result	Efficiency Effectiveness	Commission/ Contractor	Annually
3a	Number of queries answered	QNT	Result	Efficiency Effectiveness	Commission/ Contractor	Annually
3b	Number of SMEs used service	QNT	Result	Efficiency Effectiveness	Commission/ Contractor	Annually
4	Clients/users satisfaction rate	QL	Result Impact	Relevance Utility Effectiveness Added-value	Survey Commission/ Contractor	End of activity/ measure
5	Clients/users' assessment of performance (e.g. growth of sales, jobs created/maintained, new products or services developed) if applicable	QNT	Impact	Effectiveness Added-value	Survey Commission/ Contractor	End of measure/ EIP

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4.3 Recommendations on data collection

A final task of the evaluation is to recommend mechanisms and instruments for the collection of information on indicators corresponding to the different EIP measures.

The analysis of the existing indicators and processes used for the data collection and the discussion with Commission officials has led to a number of conclusions some of which were discussed further during the workshops.

One important question is the use of survey mechanisms or tools for the collection of qualitative information. Currently the use of surveys is very limited and not favoured by some Commission officials since they are considered expensive and probably disproportionate for the small budget measures. The experience of other colleagues suggests that this is not necessarily the case and discussion at the workshops provided support for a more extensive use of them.

In the recommendations above relating to specific sets of indicators across the range of measures, surveys were suggested on a number of occasions, especially as a way of providing information that could feed into assessments of measures' relevance, utility, added-value and effectiveness.

In fact, there were a number of differences between the surveys suggested in terms of the size and significance of the particular measure, the targets addressed and the level of detail required in the answers. On some occasions, the targets for instance, would be SMEs, on others, Member States, while in yet other cases the targets would be much more restricted, relating, for example, to participants in a particular conference.

With such differences it is not possible to propose a uniform template or standard approach to surveys. Nonetheless, there are some common features across similar kinds of survey and for some of the more substantial requirements it may also be possible to have joint surveys providing information for indicators in different areas. The following considerations reflect some of the common features:

- Any survey conducted with a view to providing information for the indicator system should reflect the new orientations of the system as a whole and, in particular, align the information sought with the aim of throwing light on the main evaluation issues (relevance, utility, efficiency, effectiveness, added-value and sustainability)
- Short surveys can be particularly useful in providing information on relevance and utility
- More substantial surveys can contribute to assessments of efficiency, effectiveness, added-value or sustainability
- These might also explore issues of additionality.

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- Surveys can take a number of forms, each with their strengths and less positive points. They can include :
 - Mail survey
 - Telephone survey
 - Interviews
 - On-line survey
 - Event exit survey
 - Project participants' survey
- Most are built around questionnaires, which can provide both quantitative and more qualitative information
- The appropriate target group and its representativeness need to be considered carefully; where the aim is to obtain statistically significant data, the target group needs to be of a sufficient size and of a representative nature
- More substantial surveys especially, need to be piloted – tested out on small sub-groups of the target population
- Proportionality, however, is an important consideration; the complexity of a survey needs to correspond to the size and significance of the measure to which it relates; due regard is also necessary for the burden being imposed on respondents

For the EIP indicators, it appears that three types of survey might be envisaged relating to the indicator system:

- A survey of enterprises that are potential beneficiaries of a measure
- A survey of Member State authorities on best practice and policy recommendations adopted
- A closed-group survey of participants in an event, activity or programme

It might be possible to organise a common survey relating to the first two types or to make use of a common framework, such as feedback through the Network, the Eurobarometer or the European Business Test Panel. Care should be taken not to group too many measures in a survey, since this may create confusion and it will usually be important in the design of the survey to separate out different target groups, even within the SME population, so there will be a limit to the extent of common surveying for this reason. Nonetheless, we believe that there is scope for joint surveys covering a number of different measures.

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Further analysis is necessary of the precise requirements of each area where surveys might be used, but the use of such tools ought to be built into the planning of actions. It has been seen, for instance that it has been possible to include survey activity in the contracts of the external contractors that are responsible for the implementation of activities. Similarly, exit surveys can be used routinely for seminars and conferences where relatively simple questions can be posed, but still provide significant results. In addition, when a specific activity brings together particular target groups in an action, it may also serve as an opportunity to generate information on the measure in general or to collect contact information upon which to base electronic surveys after the end of the measure.

We should note here the dangers of survey fatigue and administrative burden (primarily in terms of time), but surveys do not have to be long and detailed to provide important information. Alternatively, it should not be difficult to develop and use a single or common electronic survey tool. This could have a standard format and template. Online surveys can have important efficiency advantages, as long as the target group has sufficient incentive to make use of them and, although there is still a level of exclusion linked to access to the internet, this is expected to reduce further over time.

The EIPC can also play a positive role in this respect. The EIPC members could be more active in supporting and developing surveys and other instruments to provide feedback on developments at the Member State level, especially in relation to the take-up of recommendations and best practice.

The question of timing is also an important issue. It has been suggested that some indicators need not be presented on an annual basis and are most usefully presented after an action or programme has been completed. However, engagement with the evaluation cycle is a theme that has been stressed and judging measures and actions against the key criteria and assessing their overall performance has to be behind the development of useful indicators. In this process, it needs to be appreciated that evaluation has to be continuous and, in particular, the suggestion that assessment of the longer term impacts can be left to ex-post evaluation needs to be challenged. It is necessary, therefore, to look for preliminary indications of results and outcomes, even if these are provisional in nature and it may be necessary to undertake intermediate surveys in important areas. In the cycle as a whole, of course, the Interim and Ex-post evaluations mark important points and present an opportunity for an overview and a more general examination of the performance both of particular measures and the Programme as a whole. The on-going indicator exercise should measure itself against the general evaluation process and contribute to it, especially by providing evidence of change over time.

4.4 Recommendations on overarching indicators

In the recommendations on the development of the indicator system made by the EIPC after the special workshop on EIP indicators in October 2006, there was reference to the ‘need to develop some “cross pillar” indicators’ and this theme was also touched upon in the recent workshops after the Interim Report.

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The initial discussion on what these indicators might be was a little inconclusive. It was felt in particular that it is very difficult in looking at developments in the enterprise landscape to separate out, at a global level, the results of the actions of the Commission from those of Member States or from developments taking place in the economy generally.

There are econometric techniques that can assist with issues of this kind, but it should also be appreciated that indicators should not primarily be seen as instruments for identifying causality, especially in relation to the effects of specific policy measures over the medium to long term. This is simply putting too much weight on an instrument that, after all, is intended to provide an indication rather than a definite conclusion.

Rather, the importance of overarching indicators should be seen as in establishing the context in which the other indicators are to be seen. They can be important in indicating the continuing relevance of various policy objectives for instance and even in providing a perspective on the relative scale of actions, thus helping to communicate the real significance of the actions undertaken under the EIP.

One way of providing this context has already been suggested. It is proposed that the annual and total programme budgets for the various actions be provided along with the other indicators. This will indicate the scale of the action and also provide the basis for calculating various ratios that are important in gauging efficiency, for instance.

In addition, the other part of the same recommendation from the special EIPC workshop should be picked up. The EIPC commented that ‘there should be a clear link to the Lisbon strategy throughout’ before referring to the need for “cross pillar” indicators’. The main measures of enterprise and innovation, including some of those developed by the Global Competitiveness Report or the Global Entrepreneurship Monitor could be used. In view, however, of the current reformulation of the Lisbon agenda in a set of objectives for 2020, it is perhaps as well to wait for further developments in this area, before deciding on the appropriate specific indicators.

4.5 Further Recommendations

After the discussion of the proposals contained in the Interim Report, it is now appropriate to formulate a final set of recommendations. These are as follows:

- A distinction should be made in the elaboration of the indicators used for the EIP between the operational requirements for the effective management of the Programme and the grounds for developing a clear assessment of performance against the declared objectives of the Programme.
- The current system is dominated by the former considerations and should be replaced by a system clearly targeted at providing a clear assessment of performance against the declared objectives.

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- Any assessment of performance should make reference to the established evaluation framework and the classic evaluation criteria, in particular.
- A statement should be made of the overall objectives of the indicator system, possibly along the lines suggested in section 4.1.
- One of these objectives should be the clear communication of the achievements of the Programme, by way of discharging the requirements of accountability and addressing the legitimate interest of all stakeholders.
- It could be helpful to all concerned if a clear position were established on the extent of the resources that are available for evaluation purposes at the level of specific measures.
- A factor inhibiting a clear overview of performance is the sheer number of indicators currently being used. This number should be reduced.
- The emphasis in the new indicator set should be shifted towards results and longer-term outcomes as opposed to outputs.
- It is suggested that a series of overarching indicators be developed alongside those proposed, providing a context for the more detailed indicators, and reflecting issues that are at the core of enterprise and innovation policy.
- Indicators should support policy implementation and development as part of an active evaluation culture.
- Special care should be taken to ensure that indicators do not actually inhibit the effective implementation of policy.
- The development of indicators is a process that necessarily reflects the lessons of experience and the evolving policy framework. Nonetheless a certain amount of stability in indicator systems is desirable, if only to facilitate comparisons across the different time periods during which a policy is pursued. An aim of some importance therefore in the indicator system ought to be to achieve a degree of stability in the indicator sets used.