Evaluation of the Indicators of the Entrepreneurship and Innovation Programme

Operational Guidance on Indicators

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Introduction

The central aim of the system of performance indicators for the Entrepreneurship and Innovation Programme should be to contribute to a refining and development of policy and implementation, on the basis of an assessment of the extent to which the measures and actions put in place under the Programme are achieving both the specific objectives of the EIP and the global objectives of EU policy.

In order to achieve a coherent and consistent system of indicators, it is necessary to make reference to the framework established for the evaluation of EU policies and programmes and particularly the elements highlighted in the Internal Charter for Evaluation in DG Enterprise and Industry.

Evaluation has been defined as the "judgement of interventions according to their results, impacts and needs they aim to satisfy"[1]. Current evaluation practice emphasises that the making of this judgement ought to be a continuous process, rather than an afterthought and this should be a major determinant of the system for monitoring developments that focuses on the use of indicators.

In particular, indicators should be designed so that they help address the major evaluation questions - the relevance, utility, effectiveness, efficiency, sustainability and value-added of a policy or programme.

What are you trying to achieve ?

With these objectives in mind the development of indicators at an operational level depends on two central questions:

- What is the specific programme or measure under consideration trying to achieve ?
- What can best illustrate the extent to which the objectives are in fact being achieved?

Establishing what a programme or measure is intended to achieve is best done by explicitly examining the Intervention Logic that lies behind it. An account of the intervention logic of a policy or programme starts with the needs to be addressed and then sets out in a systematic way the hierarchy of objectives from the global level (corresponding in some cases, for instance, to principles established in the Treaty) down to the operational level where specific measures are implemented. It should also specify the corresponding effects that are anticipated, starting with the immediate outputs and going on to intermediate results and eventually the longer term impacts and outcomes. The mapping of an intervention logic will generally reveal the critical points for the success (or failure) of a policy and its implementing measures and, depending upon where within the hierarchy of objectives attention is focused (defined in practice by the relevant fiche in the Annual Work Programme), will point to potential indicators of the extent to which the policy is succeeding. It is therefore an essential analytical tool for determining in which areas indicators are needed and often in suggesting what these indicators might be.

It is then a matter of exercising judgement and some imagination in identifying specific indicators.

Practical Considerations

In exercising this judgement, there are a number of practical considerations that should be taken into account in addition to the general orientations that have been outlined. These may be summarised as follows :

- Standard evaluation practice encourages those involved to take into account the SMART (Specific, Measurable, Achievable, Relevant and Time-bound) criteria for defining indicators.
- Indictors should not disrupt the measures they are trying to promote.

[1] 'Evaluation of EU activities', DG Budget, January 2005

- Indicators should be developed with due regard to the principle of proportionality, they should be easy to measure and be kept as simple as possible. There should be consideration of the administrative burden imposed, 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.
- There should not be too many indicators. They are meant to assist understanding of how policy is developing, not obscure it in a mass of indigestible detail.
- Indicators are not intended of themselves to give a complete picture. They are intended to 'indicate' important developments and sometimes will only do so indirectly, when it is not possible to capture the direct effects.
- Nonetheless, remember that indicators are most useful when they serve as early warnings that policy is not developing as intended.
- Indicators should not be volatile. It is important to establish a continuity in the monitoring system.
- 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.

It is worth remembering that a system of performance indicators should contribute to the effective communication of the achievements of EU policy, illustrate 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.

Implementation

In practice, implementing the principles outlined for most measures will mean the selection of around 10 indicators, with a good mixture at the different levels, taking into account the following considerations :

- *Output indicators* are useful for internal management purposes,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. 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 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. Examples include the number of partnerships developed, the number of SMEs assisted, actual up-take of conclusions/recommendation of a study by policy makers, increased use of innovative technologies.
- *Longer-term outcomes/impacts* reflecting economic and social effects should also be reflected in the indicator set. The overall contribution of programmes and measures to the Lisbon objectives needs also to be reflected in these indicators. Examples might include job and wealth creation from the supported firms or improvements of the policy or legal framework in the relevant areas at the EU or Member State level.

The precise set of indicators chosen will, of course, very much depend on the nature of the specific policy measures. By way of example, however, the following table sets out a possible set of indicators relating to campaign activities. It encompasses the effects of policy at the three different levels and across the set constitutes responses to most of the core evaluation questions.

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/ target population (Contractor/ Commission)	End of measure
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

Similar tables suggesting indicator sets are provided in the Report on the Evaluation of the Indicators of the EIP, relating to other generic activities, such as studies or reports, training and seminars and information provision services. The Report provides more specific proposals on the indicators for the major activities under taken under the EIP.

Collecting information on indicators

The collection of appropriate information for the indicators chosen for a particular area often poses a series of practical problems. Broadly there are the following sources of information:

- Statistical data and statistical/econometric analysis
- In-depth studies
- Surveys
- Reports from those managing programmes or projects
- Registered use of facilities and information (e.g. downloads from a web site)
- Feedback from users and other stakeholders

Specially commissioned in-depth studies and econometric analysis can obviously be very helpful in providing detailed information and, particularly in identifying the effects that are directly attributable to a measure, but they are relatively expensive and time-consuming to organise and are not generally repeated on a regular basis. Pre-existing reports may nonetheless be useful especially in establishing a baseline.

Published statistics can be useful, especially in establishing the background or context in which a policy operates, its continuing relevance and sometimes its value-added and additionality.

The major sources of information for indicators relating to particular measures, however, are reports from those involved in the management of the measure and surveys, particularly of users, both immediate and end-users. The flow of information from these sources is often considerably easier to organise if it is anticipated at the inception of a measure and if, for instance, provision for the appropriate feedback is built into contract requirements.

In some instances, surveys can be very detailed, but they do not always need to be large or extensive to provide valuable information. Exit surveys at the end of a project of after an events for instance, can be relatively short, but nonetheless gather useful information about a series of issues. They can ask questions, for instance about the relevance of an event to participants or the usefulness or cost-effectiveness of a measure. They may even seek information about the follow up – intention to change practice or implement actions highlighted by the measure.

This sort of core information can be supplemented by feedback provided by Member State authorities or other stakeholders, particularly in relation to the dispersion of the effects of actions taken, or by information on usage of instruments, collected in an automatic basis, such as visits to websites or the download of documents or by reference to citation indices or similar reference works. Again it is useful to be able to plan access to this type of information from the beginning of any action.

Glossary

The following provides a brief explanation of some of the terms used in the Report on EIP Indicators and in these guidance notes. The definitions are largely derived from the Commission's document on 'Evaluating EU Activities'.

Additionality - Extent to which an intervention can be attributed with effects that are over and above those that would have been evident in any case or in the absence of the intervention.

Baseline – The situation against which subsequent changes are judged.

Effectiveness - The extent to which objectives set are achieved.

Efficiency - The extent to which the desired effects are achieved at a reasonable cost. The relationship between resources employed and results achieved.

Evaluation - Evaluation is a key management tool, able to generate a wealth of relevant information (about the performance of a policy or intervention) that is essential to evidence-based decision-making for planning, designing and implementing EU policies as well as for managing the institution. The aim of evaluation is to lead to :

- better informed decision-making
- better regulation and coherence with the Strategic Planning and Programming Cycle
- a focus upon results and transparency

Impact - A general term used to describe the effects of an intervention on society. Impacts can be either positive or negative and foreseen or unforeseen. Initial impacts are called results, whilst longer-term impacts are called outcomes. The term is also used specifically to mean longer term outcomes.

Indicator - A characteristic or attribute which can be measured to assess an intervention in terms of its outputs or impacts.

Inputs - The human and financial resources involved in the implementation of an intervention.

Intervention logic – The intervention logic of a policy or programme describes the hierarchy of its objectives from the global policy level down to the operational level where specific measures are implemented, together with an account of the corresponding anticipated effects, from the immediate outputs and intermediate results to the longer term impacts and outcomes.

Monitoring - The continuous process of examining the delivery of programme outputs to intended beneficiaries, which is carried out during the execution of a programme with the intention of immediately correcting any deviation from operational objectives. Monitoring often generates data, which can be used in evaluations.

Outputs - The first goods or services produced by an intervention

Outcomes - The longer-term impacts, usually expressed in terms of broad socio-economic consequences, which can be attributed to an intervention.

Relevance - The extent to which an intervention's objectives are pertinent to needs, problems and issues to be addressed

Result - The initial policy impact of an intervention

Utility - The extent to which effects correspond with the needs, problems and issues to be addressed.