Evaluation brief: *The Economic impact assessment of programmes Innovations, Cooperation and Potential* (Czech Republic)

Key words: Economic impact assessment, clusters, operational programmes, questionnaire survey, interviews, counterfactual analysis.

1. Introductory information

- Programmes Innovation, Potential and Cooperation within the Operational Programme 'Enterprises and Innovations' were the three innovation-related components of the ERDF Co-funded national programme in the Czech Republic.
- The evaluation is presented in a published Czech-language report and a short English-language synthesis report titled: *Assessment of economic effects and the programme settings of the support programmes Innovations, Cooperation and Potential within the Operational Programme Enterprise and Innovations.*
- It was an interim evaluation commissioned by the Ministry of Industry and Trade of the Czech Republic to evaluate the economic effects, the programme setup and the conditions for selection of applicants.
- The study was undertaken during March and April 2011 and at a budget significantly under the maximum mark of 850,000 CZK (34,500 EUR) set out in the ToR. It was carried out by the private consultancy DHV CR.

2. Summary

The objectives of the overall Operational Programme were to increase the competitiveness of the Czech economy in part by bringing the innovation performance of the manufacturing and service sectors closer to the level of the leading developed European countries. The key policy objectives of the innovation-related sub-programmes are:

(1) to strengthen innovation activities of Czech enterprises (implementation of innovative technologies, products and services);

(2) to encourage cooperation of industry with the public-sector research base,

(3) to improve infrastructure for industrial research, technological development and innovation, and

(4) to allow a more effective utilisation of human potential in industry and improve business infrastructure.

The evaluation had two aims. The first one was to assess the economic impacts of the support provided in programmes Innovations, Potential and Cooperation within the Operational Programme Enterprise and Innovations. The second aim was to evaluate the setup of conditions for participation in these programmes (criteria for appraisal of proposals etc.), especially in relation to experience of the recipients of the support. These two questions are typical for a mid-term evaluation of any public policy or programme.

The approach and methodology were relatively standard for this type of evaluation. They consisted of a combination of surveys and interviews with representatives of beneficiaries, unsuccessful applicants, representatives of the managing authority and

implementation body of the operational programme and with representatives of consultancies[1] specialising in assistance to firms applying for support from the Operational Programme Enterprise and Innovations. In addition to collection and analysis of both qualitative and quantitative data, the study consisted of a counterfactual analysis that made use of data provided by the Czech Statistical Office.

The overarching conclusion was that the programmes were working well and making a material difference to the innovation capabilities of assisted businesses and that there remained a clear need for innovation support in the next funding period. Even though up to this point none of the study recommendations have been implemented, the evaluation unit plans to take them into consideration during formation of priorities and programme design in the next funding period. At this stage it is difficult to say whether they will be followed in full.

There are several aspects of the evaluation that worked particularly well. Firstly, the decision by the contractor to include a comprehensive description of their proposed research process in their bid documents, as well as a suite of complete (albeit draft) data collection tools, enabled the client to launch the work very quickly and involve methodologists, programme managers and beneficiaries in the final detail design of the process and questions. The decision to use sharply focused impact questionnaires – implemented online – and announced through an official invitation letter from the ministry to all in parties clearly helped to realise rather better response rates (40%+) than is typical for a voluntary business inquiry. Unfortunately, while the response rates were good, the small populations of assisted organisations meant the number of responses was arguably too small (e.g. 51 organisations in scope for the innovations sub-programme, meant the study had to work with just 23 replies). Secondly, the evaluation unit made the study a priority and devoted substantial internal effort to the exercise and spoke with the evaluator almost daily. This level of interaction was helpful given the timetable. Lastly, the direct involvement of the Czech Statistics Office provided ready access to data and methodological advice that was indispensable for matching the treated and non-treated samples.

Overall, the evaluation made a good job of delivering a useful and credible review in an incredibly short period. However, the 5-week timetable affected every aspect of the study and the unavoidable compromises really mean that none of the tools or techniques can be recommended as good practice examples of their kind, unless one needs to answer tough questions very quickly. The final report is also rather discursive, with no executive summary and a 20-page synthesis.

3. Further information

- The full case study may be found at: (url)
- Link to the evaluation study (short version): http://www.mpo.cz/dokument90382.html, full version is available upon request.
- Link to the Managing Authority that commissioned the evaluation: http://www.mpo.cz/dokument84272.html

[1] Direkta, eNovation, GrantHelp, Grantika, Mida Consulting