Evaluation brief: *Evaluation of Measure 3.3. of the Economic Competitiveness Operational Programme (ECOP) – 'Reinforcement of corporate R&D capacities and innovation skills'* (Hungary)

Key words: R&D capacities, innovation skills, interviews, online surveys, econometric impact analysis.

1. Introductory information

- The evaluation addressed three components (sub-programmes) of the Structural Funds funded Economic Competitiveness Operational Programme: *Support of the innovation tasks of new technology and knowledge intensive microenterprises and spin-off companies* (ECOP 3.3.1.); *Development of corporate research infrastructure related to the creation of new researcher workplaces* (ECOP 3.3.2.); and *Promotion of enterprise innovation* (ECOP 3.3.3.).
- This ex-post evaluation was commissioned by the Hungarian National Development Agency to assess the relevance, framework conditions, progress, results and impacts of the components and the measure.
- The evaluation was carried out by KPMG Tanácsadó Kft. and it is presented in Hungarian in its full length both with English and Hungarian executive summary.
- The evaluation was carried out during a six-month period with a 250-person day budget.

2. Summary

The ex-post evaluation was focused on the three components of the measure entitled, 'Reinforcement of corporate R&D capacities and innovation skills'. The measure and its three components were aimed at improving the competitiveness of the corporate sector through strengthening its research and development potential, capability, and developing innovative, technology-intensive activities.

The main aim of the evaluation was to provide input into the development of the research, development and innovation measures for the allocation of Structural Funds during the 2011-2013 programming period.

Based on the specification, the evaluation used a mixture of data collection and analysis methods to address 13 evaluation questions across a number of evaluation areas. The methodology of the evaluation consisted of:

- Literature review and descriptive statistics based on relevant programme and policy benchmark documents;
- Database analysis that comprised monitoring data extracted from the monitoring database of the intermediary bodies and data received from the Hungarian tax authority;
- Online questionnaires targeting both the beneficiaries of the three components and non-successful applicants;
- In-depth, face-to-face interviews and focus-group discussions to reveal additional, more qualitative information regarding participant experience and the impact of the projects;

- An econometric impact analysis was carried out in two different ways on each of the three operational programme components:
  - First a paired comparison model: This sought to identify the net impact among beneficiaries and non-successful applicants. This model used a matched control group of non-applicants
  - Secondly an unpaired comparison model: This tested the sensitivity of the results in the two populations: project beneficiaries and unsuccessful project applicants

The novelty of the study was that it included an econometric impact analysis in addition to the traditional evaluation tools such as online questionnaires, interviews and desk research. The econometric analysis with a well-defined control group proved to be a useful tool in addressing strategic, long-term effects and questions of sustainability along a number of well-established variables such as income and employment, but only for one component which had large enough population to carry out the detailed analysis. The resource intensive nature of the analysis was underestimated by the evaluators which has to be kept in mind for future evaluations.

The combination of qualitative and quantitative methods in a thoughtful methodology provided the evaluators with solid evidence that enabled addressing the different evaluation questions and creating a robust report. The study resulted in a series of clear conclusions set out in a comprehensive report. The executive summary was well drafted, and did not shy away from reporting several quite critical findings. The very long list of recommendations were rather generic, however, and invited the Agency to consider ways in which it might simplify its administrative requirements, increase the openness of its support measures and provide contractors with more and better support.

3. Further information

- Full case study can be found at: (url)
- Link to the evaluation study: http://www.nfu.hu/download/29865/KPMG_GVOP33_vegso_ertekelo_jelentes_ENG.pdf
- Link to the Managing Authority that commissioned the evaluation: http://www.nfu.hu/ (Contact: Mr. Péter Szűrszabó, Head of Evaluation Unit, National Development Agency).