



9th CONFERENCE

on the Evaluation
of EU Cohesion Policy

Shaping Transitions with Evidence

16-17 September 2021
Porto, Portugal

Workshop 3C:

An economy that works for people: R&I, SMEs competitiveness

Thursday 16 September 2021

11:45 – 13:00 GMT+1

#CohesionEval2021

Regional and
Urban Policy

Housekeeping

- **In the room:** microphones available
- **Online:** Post questions in the Zoom “chat”
Moderator will ask online questions to panellist.
- Video and presentations will be online here: [Conference Website](#)

Twitter: #CohesionEval2021 - #CohesionOpenData - @RegioEvaluation



CHAIR: Nicola De Michelis,

Director of Smart and Sustainable Growth and Programmes Implementation,
DG REGIO, European Commission

PANELLISTS:

- **Silvia Vignetti**, Director, Development and Evaluation Unit, CSIL Centre for Industrial Studies
 - **Slavo Radošević**, Professor of Industry and Innovation Studies, University College London
 - **Jana Drlíková**, Head of the Evaluation Unit, Ministry of Regional Development, Czech Republic
 - **David Alba**, Team Leader, Evaluation and European semester Unit, DG REGIO, European Commission
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Workshop 3C_1:

An economy that works for people: R&I, SMEs competitiveness

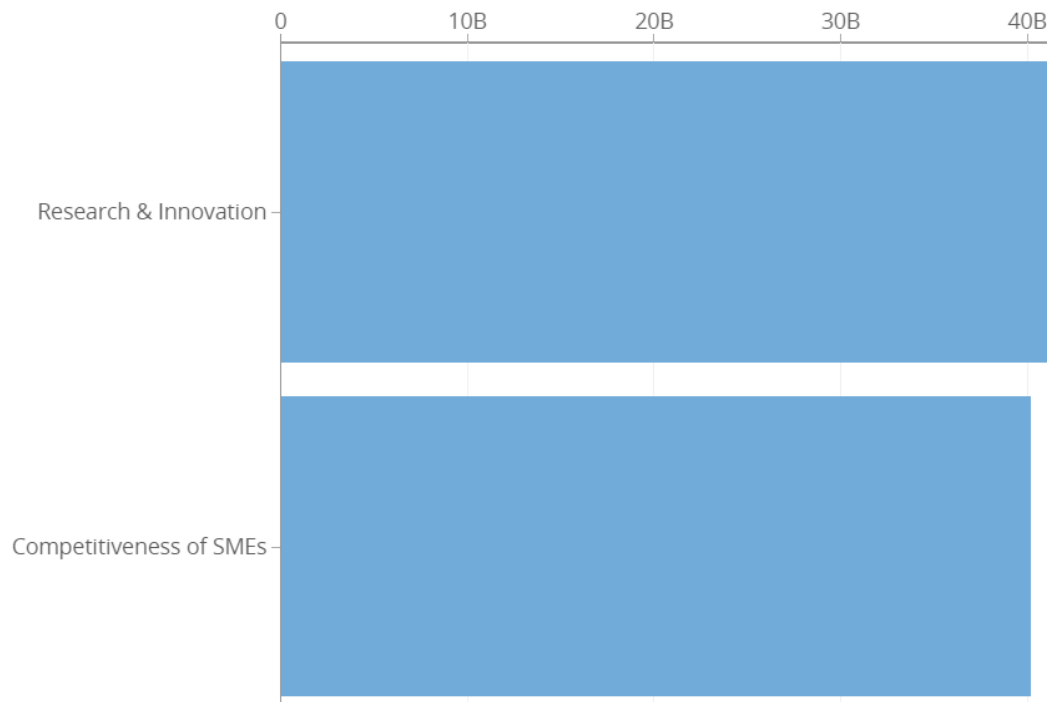
ERDF support in R&I, SMEs 2014-20

State of play

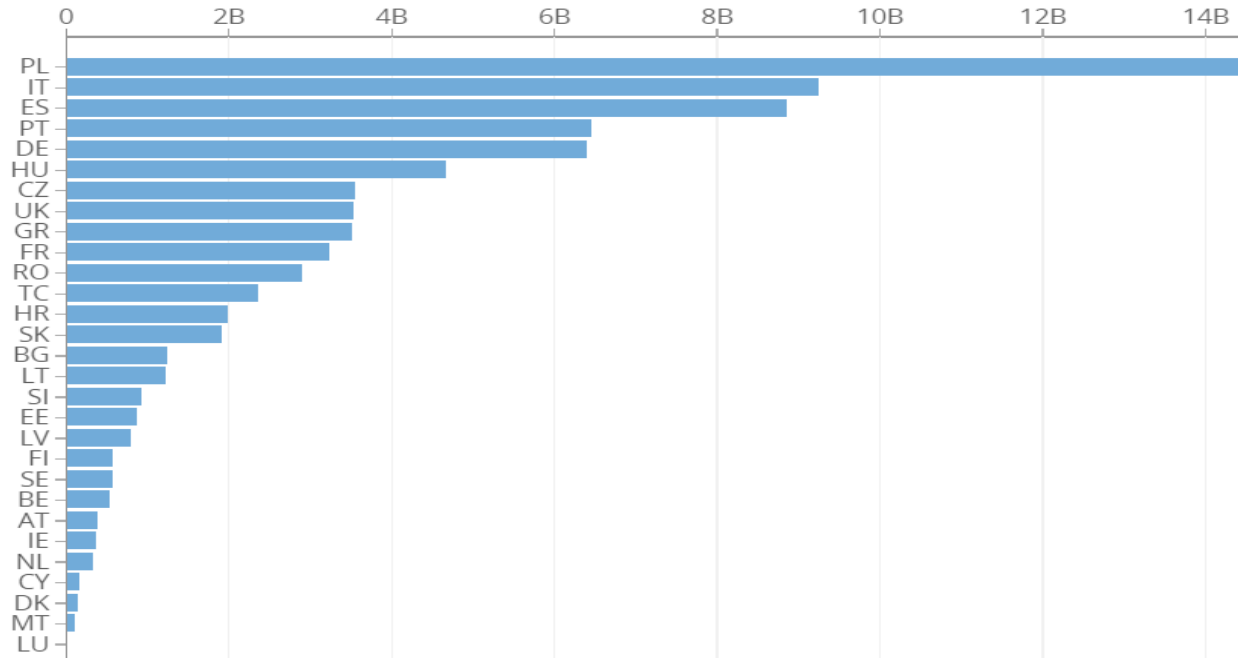
David Alba, Team Leader, Evaluation and European semester Unit, DG REGIO,
European Commission



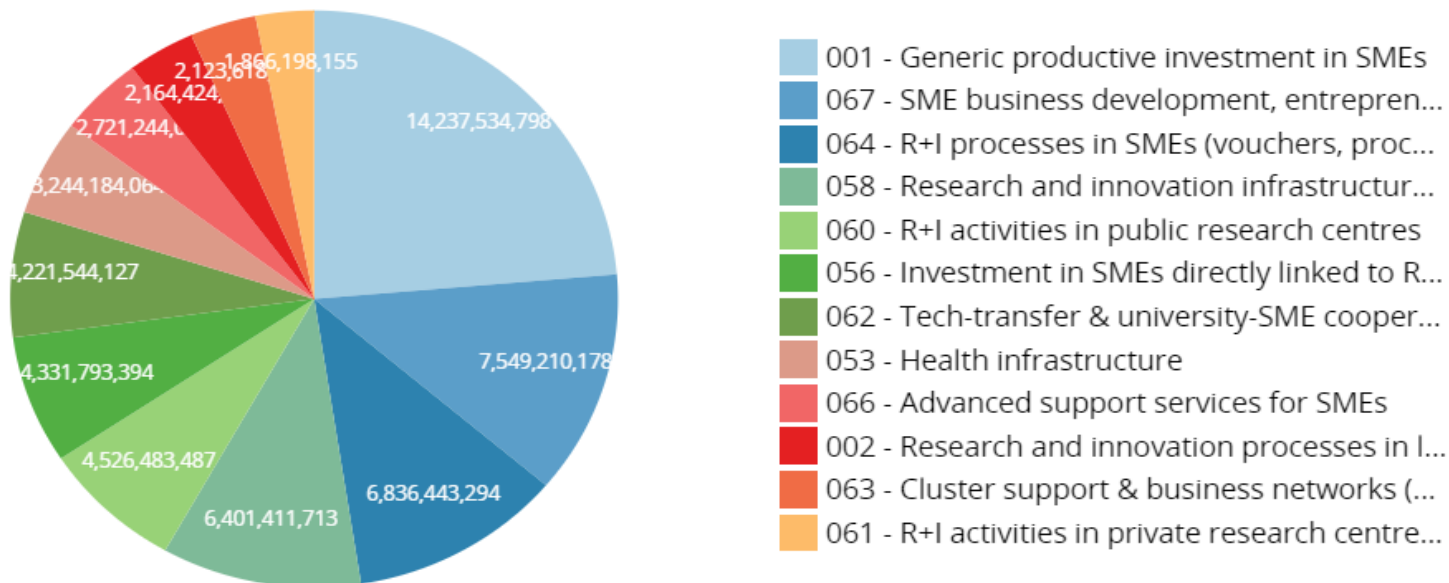
1. ERDF support in R&I & SME competitiveness 2014-20 by Theme (EU support planned)



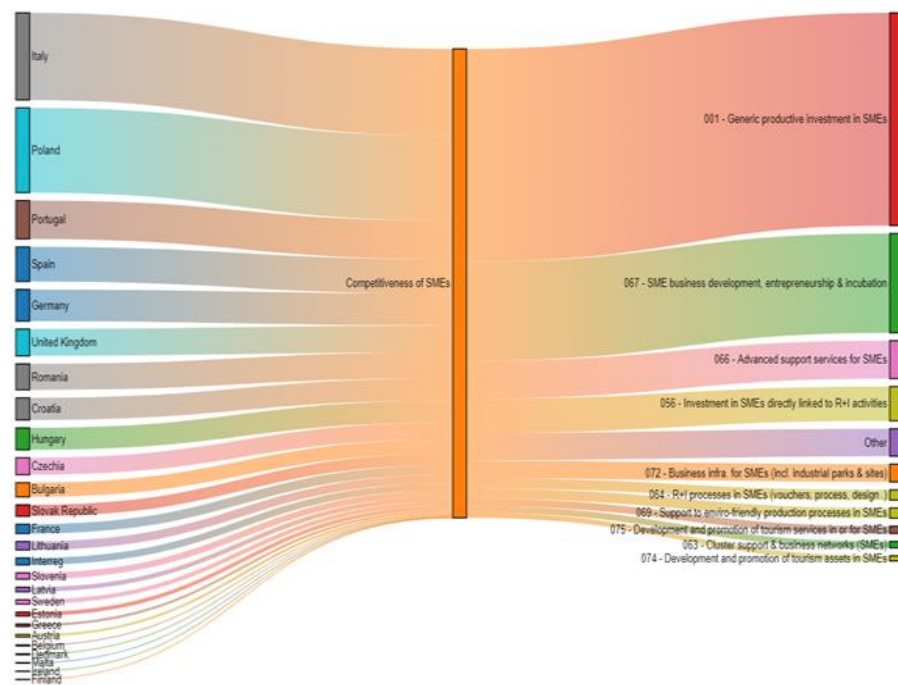
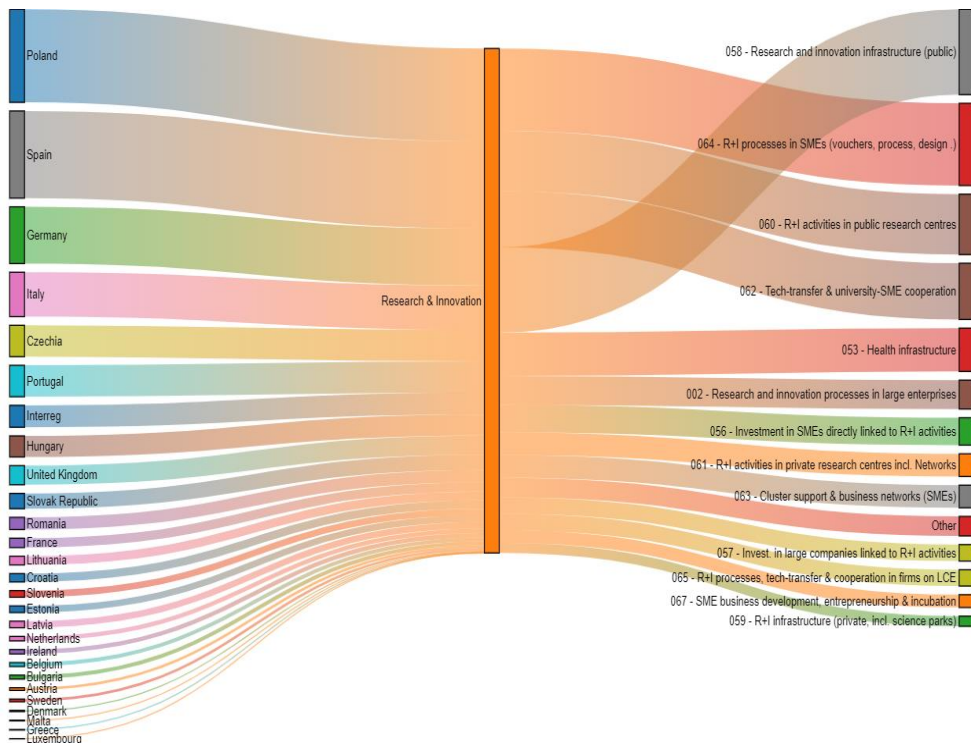
2. ERDF support in R&I & SME competitiveness 2014-20 by MS (EU support planned)



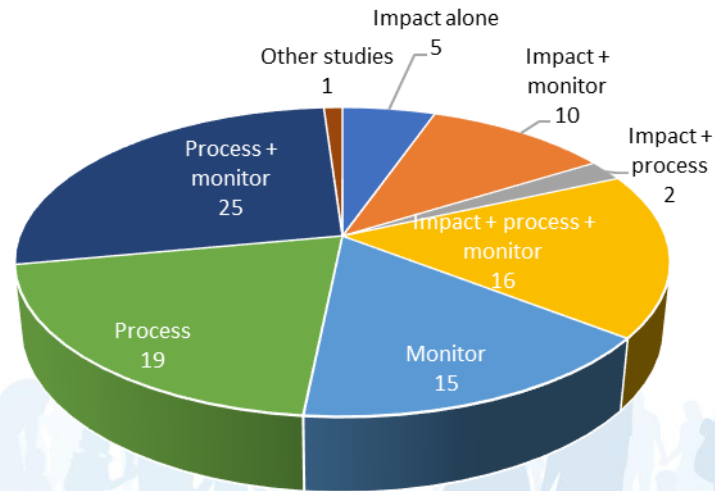
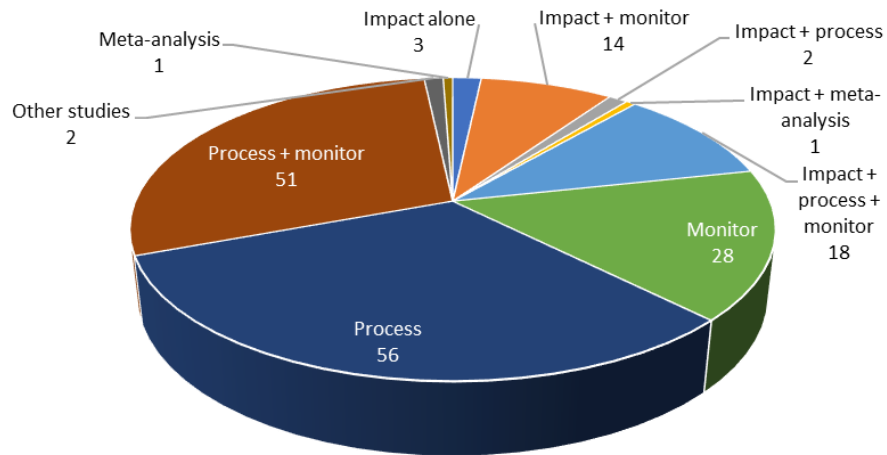
3. ERDF support in R&I & SME competitiveness 2014-20 by Col (decided amount end 2020)



5. ERDF support in R&I & SME competitiveness 2014-20 diversity



7. MS evaluations of R&I & SMEs in 2014-20





New insights from evaluation findings of the regional RTD and S3 policy

Presentation by Prof. Slavo
Radosevic

9th Conference on THE
EVALUATION OF EU COHESION
POLICY, 16-17 SEPTEMBER 2021
"Shaping Transitions with
Evidence"

Alfandega Conference
Centre, Porto, PORTUGAL

Workshop 3C: An economy
that works for people: R&I,
SMEs competitiveness



ERDF support in between
need for experimentation
and accountability



Transformation or scale
effect of RTD investments



Institutional capacity for S3
design and
implementation

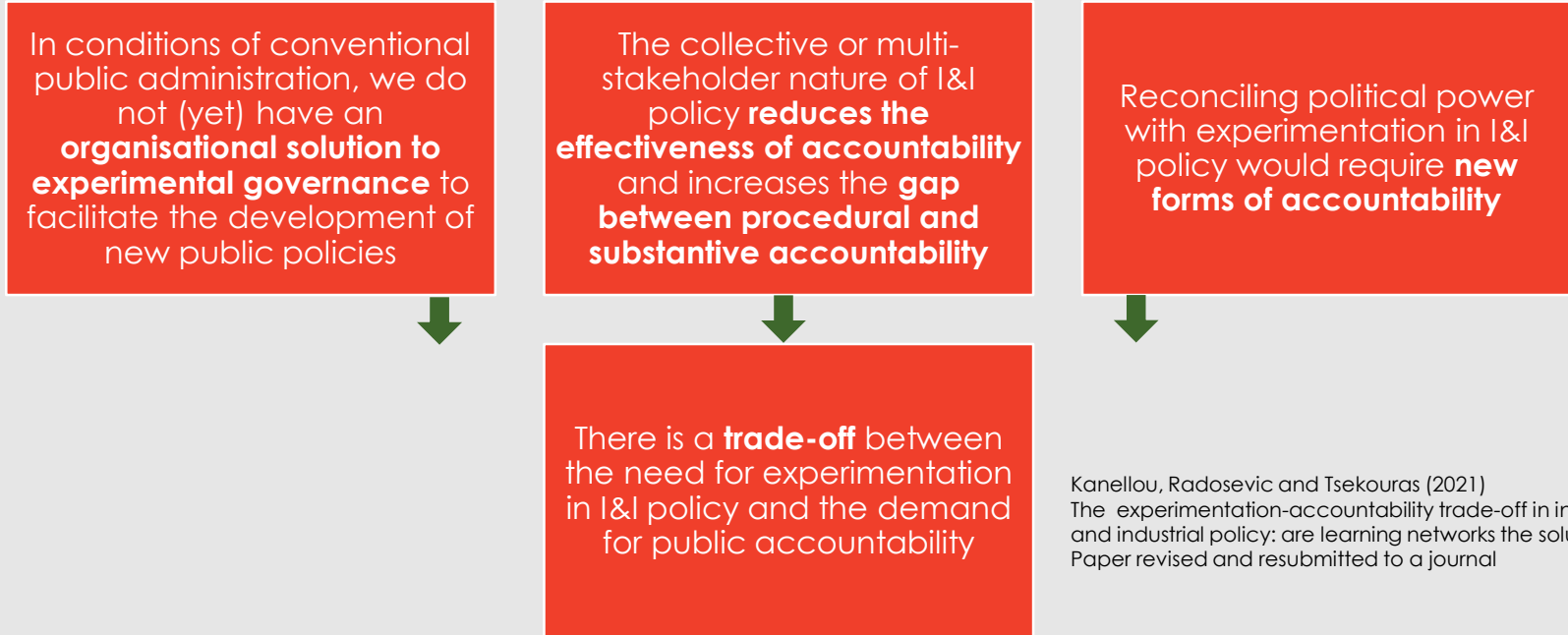
Outline



ERDF support in between
need for experimentation
and accountability

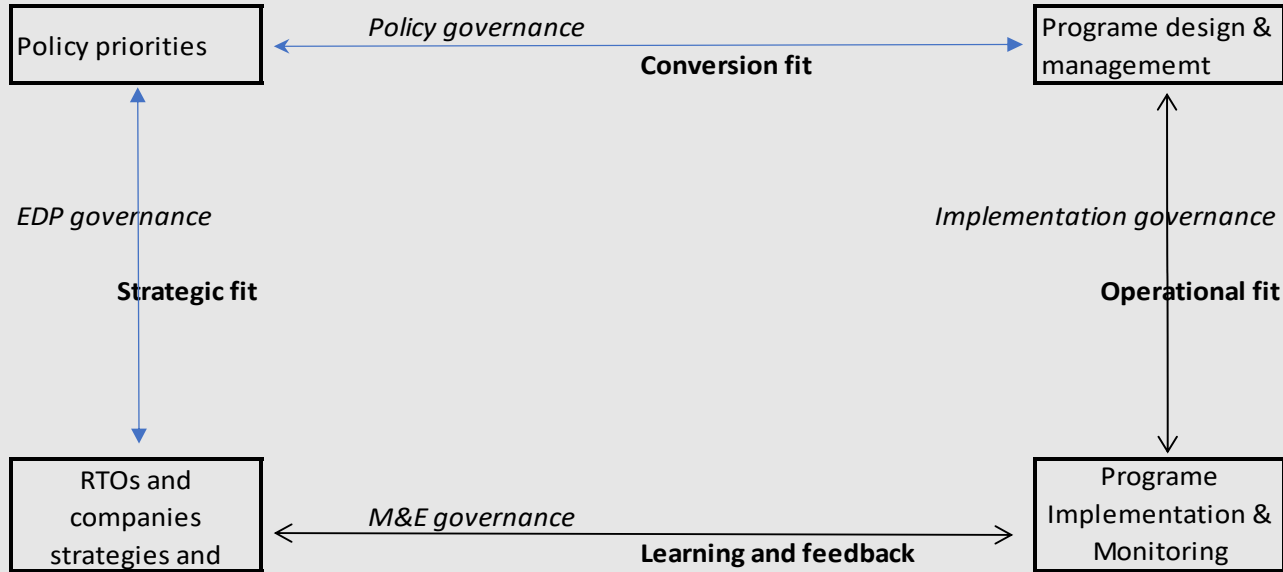
Outline

The experimentation-accountability trade-off in innovation and industrial (I&I) policy: three propositions



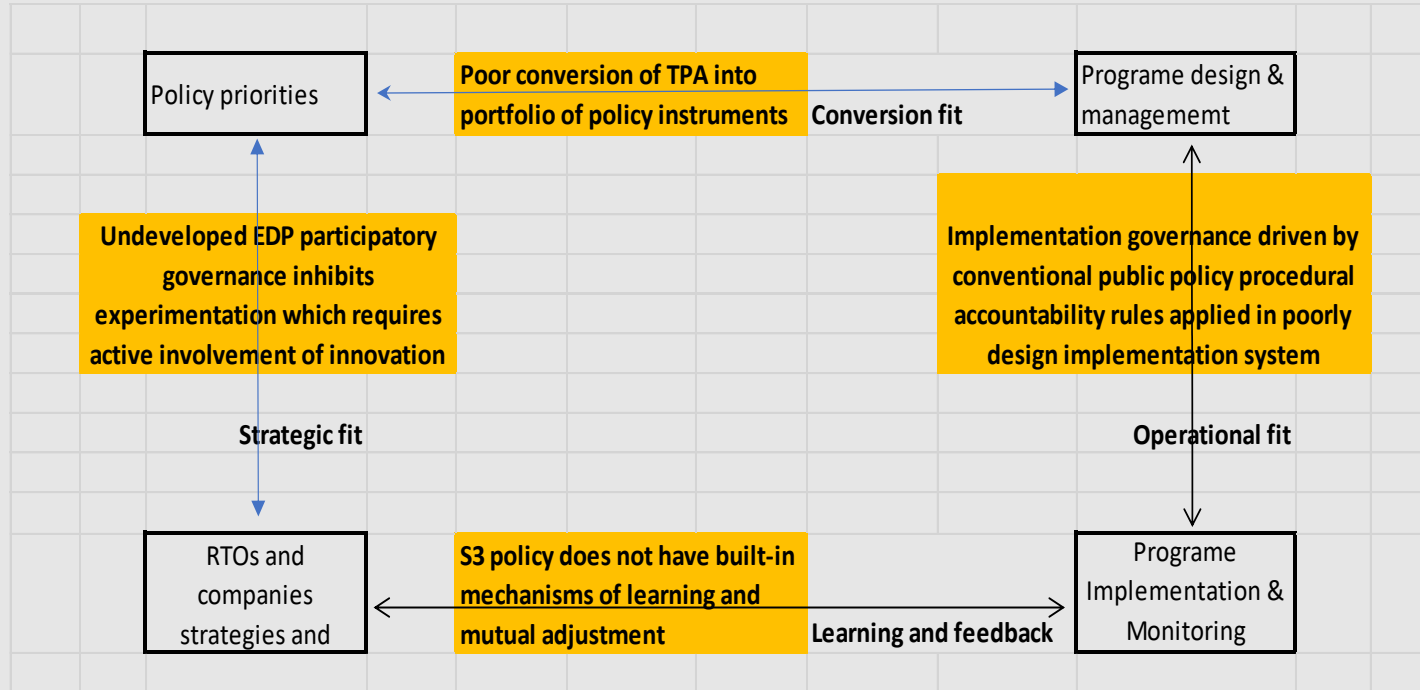
Kanellou, Radosevic and Tsekouras (2021)
The experimentation-accountability trade-off in innovation and industrial policy: are learning networks the solution?
Paper revised and resubmitted to a journal

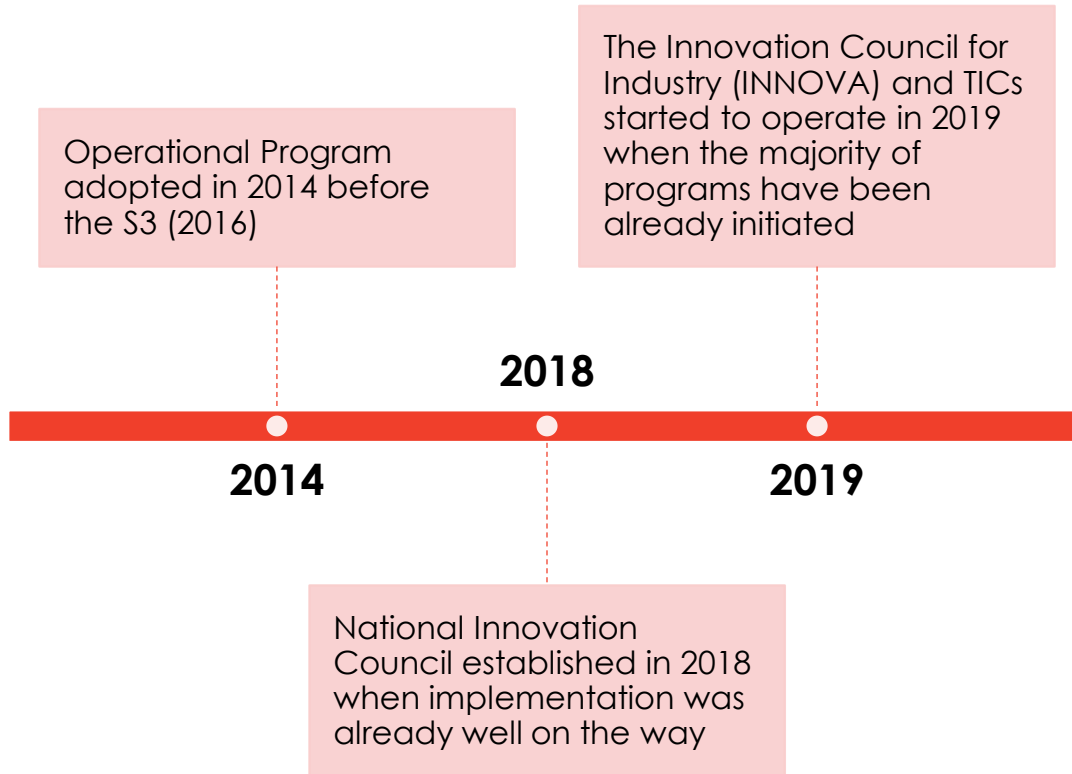
Dynamic Policy Cycle



Example:

Assessment of Croatian S3 policy cycle





Also,

Muddling through policy:
Major mismatches in the policy cycle

A need for diagnostic monitoring and 'learning networks' ('real time M&E network') as governance solution

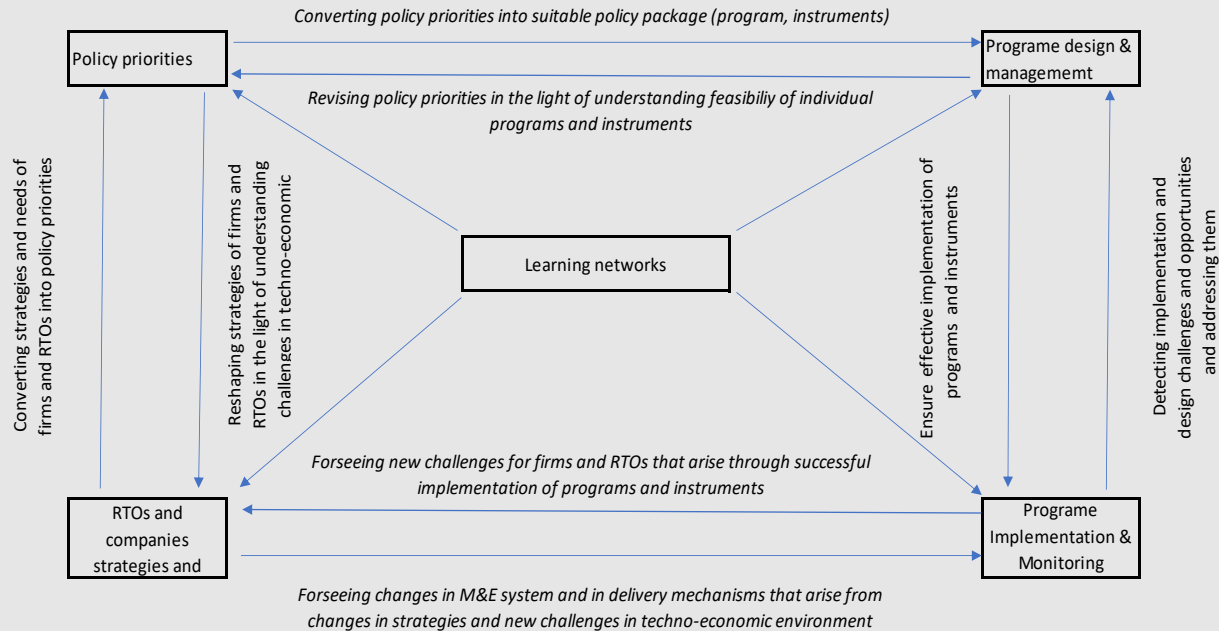
Diagnostic monitoring is 'the systematic evaluation of the portfolio of projects to detect errors as each of the specific projects evolves and to correct the problems (including the weeding out of inefficient projects) in light of implementation experience and other new information' (Sabel and Kuznetsov, 2017, p52).

The aim of 'diagnostic monitoring' is to identify potential unforeseen events and correct them or transform them into opportunities rather than ex-post project-by-project evaluation

Learning networks as the solution!

See Kanellou, Radosevic and Tsekouras (2021) The experimentation-accountability trade-off in innovation and industrial policy: are learning networks the solution? Paper revised and resubmitted to a journal

Learning Networks in dynamic policy cycle



Source: Kanellou, Radosevic and Tsekouras (2021) The experimentation-accountability trade-off in innovation and industrial policy: are learning networks the solution? Paper revised and resubmitted to a journal



Transformative vs. scale
effect of RTD investments

Outline

ERDF RTD 2007-12

Poor sustainability = Scale effects dominate + Missing transformative effects

Expanded scale effects

- Increased science – science collaboration ... but
- Enhanced applied R&D....but
- Increased number of students.... but
- Massive investments in RTD infrastructure.... but
- Support to R&D excellence....but
- Expanded EU RTD excellence.... but
- Increased regional R&D intensitybut

Missing transformation effects

-not science – industry collaboration
-BES not using results of PRO applied R&D
- not research based university
-not access of large firms to public RTD infrastructure
-not industry commons generated
-not local R&D relevance
- EU value added is unintended consequence
-regional R&D concentration

Towards transformational approach of the S4: lessons from 2007-13 ERDF RTD evaluation

Explore and identify **region specific system failures**. This requires an in-depth understanding of **how the current regional ecosystems operate**

Do not start from the market failure and the individual policy instrument but from **the system failure** within which the individual instrument is used to correct the system failure

Individual instruments cannot achieve structural transformation and catalyzing effects. This is possible only if **synchronized portfolio of instruments is deployed** and then evaluated.

Internal contradictions of ERDF support of RTD is that it is not place based policy instrument, but R&D excellence based. **Integrate functional support into place-based policy context**



Institutional capacity for S3
design and implementation

Outline

Institutional capacity: what it is and how to measure it?

'The capability of an institution to set and achieve social and economic goals, through knowledge, skills, systems, and institutions' (UNDP and UNISDR definition)

The S3 requires the institutional capacity, which goes beyond the state capacity

Institutional capacities for S3 include organisations' abilities to undertake the **strategy-setting capacities, coordination, implementation** (technical, operational and policy capabilities), and **monitoring & evaluation** (M&E) capacities (Radosevic, 2020)

The assessment of the institutional capacities **cannot be confined to implementation** but also need to include strategy design, M&E capacities, and in the context of S3, especially, **policy co-creation capacities**

Institutional capacity for S3



Institutional capacity for policy design = the capacity to design S3 and its policy instruments



Institutional capacity for policy co-creation = capacity for joint formulation and negotiation of the policy objectives and instruments between public and private stakeholders



Implementation capacity = the capacity of stakeholders (managing authorities, intermediate bodies, and beneficiaries) involved in the S3 to achieve policy objectives effectively and efficiently



Monitoring & evaluation capacity = the capacity to systematically collect and analyze information and use it to assess project, program or policy performance

Example: Assessment of Croatian S3 policy cycle

	Policy implementation capacity	Policy design
Job expectations	Clearly defined by the nature of the activity	Not clearly designed tasks. Ad hoc activities driven entirely by daily needs
Performance Feedback	Proximity to end users gives prompt feedback on performance	As objectives and expectations are not clearly defined, there is no feedback
Environment and Tools	Available technical tools and handbooks serve as the standard or reference	No understanding of the best practice or professional standards
Organizational Support	Self-contained units with appropriate management support	Isolated units within ministries, which also have other responsibilities
Incentives	EU 'top up' makes huge differences in retention of staff	Chronically 'understaffed' and inadequately remunerated
Skills and Knowledge	On the job training / Not strategic approach to training	Few training opportunities (e.g., within strategic projects)
Overall outcome	Satisfactory or very good administrative capacity	Undeveloped and fragmentary capacity for policy design

S3 policy design is disadvantaged in comparison to S3 policy implementation – at both individual and organizational levels of institutional capacity

- Institutional capacity for **S3 policy design** is **undeveloped and very fragmentary**
- Institutional capacity for policy **co-creation** has been **developed in fragments**, but by now, it has been lost and would need to be rebuilt
- Institutional capacity for **implementation of S3** has been developed to a **satisfactory degree**.
- The S3 governance system has a **very rudimentary M&E capacity**, while the overall system has **an undeveloped capacity for self-monitoring and adjustment**

Types of implementation capacity



Administrative absorption capacity = the capacity to **prepare and implement administrative work** for or by applicants and administrative capacity of state administration. For further see Horvat (2005)



Absorptive capacity = "The extent to which a member state is able **to spend effectively fully and efficiently** the allocated financial resources from the Structural Funds (PER, 2002) (Borja et al., 2001). **AAC and AC capacity do not guarantee the structural transformation** of the



innovation system which may grow and enlarge in size and competences but still retain all its weakness such as weak commercialization and weak science – industry collaboration or continuing low productivity and low technological



Transformative capacity = The extent to which a member state or region can use the EU cohesion funds to **transform its innovation system** in the way that it ensures future **technology-based growth and sustainable development** (Radosevic et al, 2021)

Example:

Assessment of Croatian S3 policy institutional implementation capacities, in nutshell

Croatian S3 **meets** threshold requirements for **administrative absorption capacity**

Governance requirements for effective and efficient **absorptive capacity** are **uncertain and very much 'work in progress.'** i.e. effective and efficient absorption is beset with problems and challenges many of which have been identified in reports produced within the World Bank PER project

S3 governance **for transformative capacity** is **unlikely without significant changes** in the governance system.

Instead of conclusion:

Key challenge for S4

- **How S4 governance can improve the transformative capacity of the innovation system?**



THANK YOU

MINISTRY OF REGIONAL DEVELOPMENT
National Coordination Authority

Challenges/lessons learned/experience from the MS **The point of view of the Czech Republic**

Jana Drlíková, M.A.

Head of the evaluation unit, National Coordination Authority,
Ministry of Regional Development, Czech Republic

16. 9. 2021

What we did from 2007...

Total: **841** evaluations, analyzes, studies

R&D: **172** evaluations, including process evaluations

R&D: **20** results evaluations



All outputs are available in Evaluation library [here](#).

Research and development



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What we know about R&D I.

Results of research centres:

- 4 000 FTE jobs for researchers
- 400 researchers abroad
- more than 25 000 students using their infrastructure
- cooperation between research institutions and industry has risen
- increasing professionalization of management of research projects
- higher performance of the centres (patents, publications in number and in quality)
- involving of research teams into international projects
- integration of research centres into international R&D network

8 Centres of Excellence (CE)

40 regional research centres (RRC)

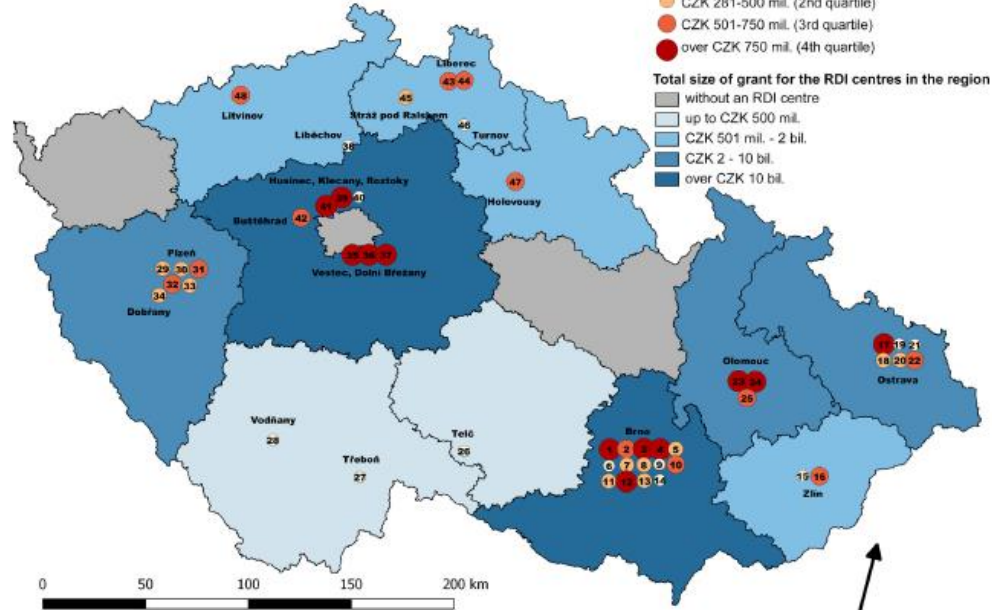
The RDI centres by the size of the allocated grants and the total amount of subsidies provided to the individual regions

The size of grant for the RDI centre

- up to CZK 280 mil. (1st quartile)
- CZK 281-500 mil. (2nd quartile)
- CZK 501-750 mil. (3rd quartile)
- over CZK 750 mil. (4th quartile)

Total size of grant for the RDI centres in the region

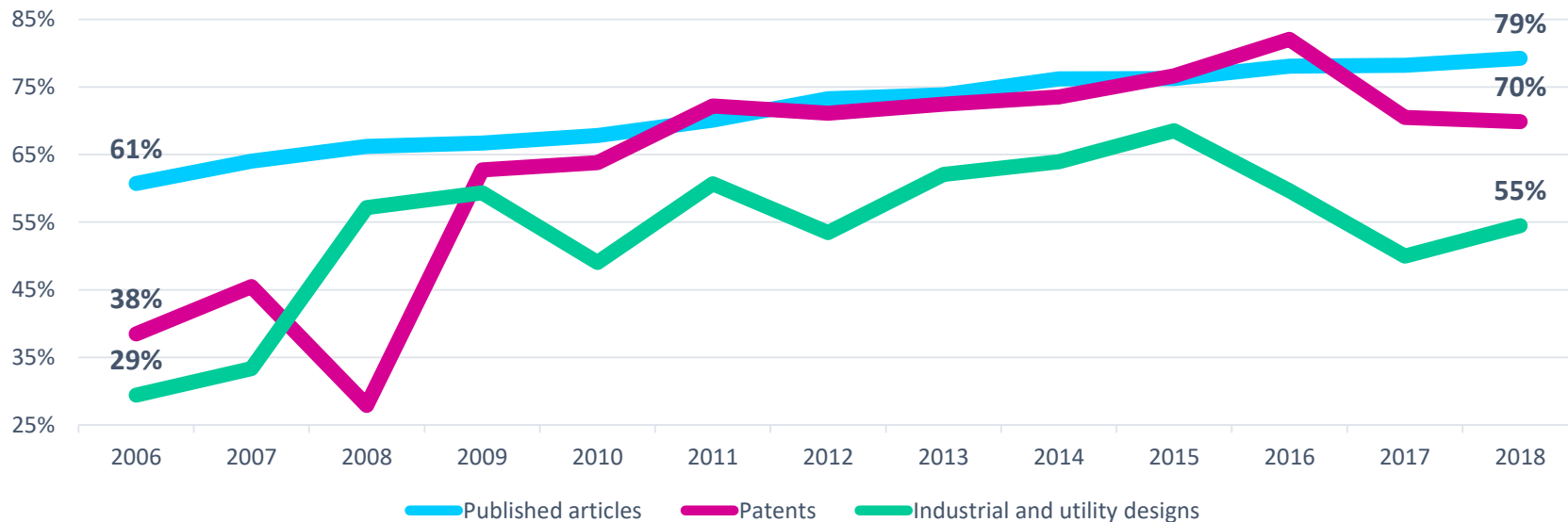
- without an RDI centre
- up to CZK 500 mil.
- CZK 501 mil. - 2 bil.
- CZK 2 - 10 bil.
- over CZK 10 bil.



What we know about R&D II.

PERFORMANCE OF SUPPORTED RESEARCH CENTRES (OP RDI)

Share of institutions with R&D centers within the total results of the Czech republic



Innovations



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What we know about research and innovation I.

- Positive effect on the growth of added value (by approx. 33%) in enterprises
- Labour productivity (by about 18%)
- Interventions had positive effect on innovation of companies
- New products with higher added value
- Bigger expansion to foreign markets
- New products are about 2 years quicker on the market



Challenges (not only) for evaluations



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Challenges I.



Time



Experts



Indicators, data



Challenges II.



Clear effect



Aiming / definition



Public aid



Questions for panelist

TIME

The results in R&D are seen after longer period of time. How do you convince your management that even „old“ results are still useful and valuable?

INNOVATIVENESS

We know that there is limited interest for high level of innovation from beneficiaries. How to overcome this gap between what we want from the market from the strategical point of view and the everyday reality of companies?

Some Food for Thought



How many
innovations do
we really
need?



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Thank you

jana.drlikova@mmr.cz



Shaping Transitions *with Evidence*

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Porto, 16-17 September 2021***

Lessons from ex-post evaluations of R&I and SMEs competitiveness

Silvia Vignetti, CSIL

BACKGROUND

LESSONS DRAWING FROM PAST EXPERIENCES, IN PARTICULAR:

- Evaluation of investments in **Research and Technological Development (RTD) infrastructures and activities** supported by the European Regional Development Funds (ERDF) in the period 2007-2013
 - **Project duration: 2014-2016**
- Ex post evaluation of Cohesion Policy programmes 2007-2013, focusing on the European Regional Development Fund (ERDF) and the Cohesion Fund (CF) - Work Package 2, **Support to SMEs – Increasing Research and Innovation in SMEs and SME Development**
 - **Project duration: 2019-2021**

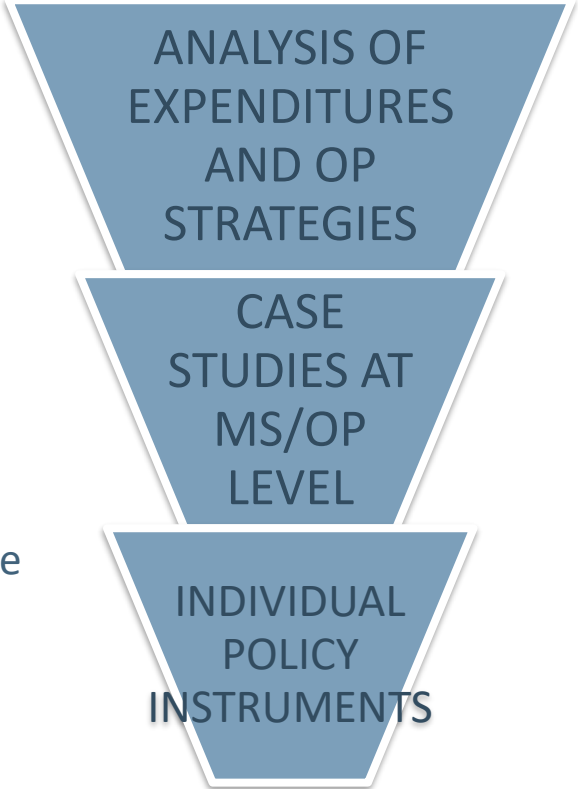
SCOPE (1): width and depth

SMEs evaluation:

- Analysis of expenditure data of 50 OP in 20 MS and related strategies
- 8 case studies at the level of individual OP
- In depth analysis of 3 policy instruments

R&I evaluation

- Mapping of projects and beneficiaries of 53 OPs in 18 MS
- 7 case studies at the level of MS (multiple OPs)
- 21 deep dives for 21 policy instruments
- 4 cross-cases analysis



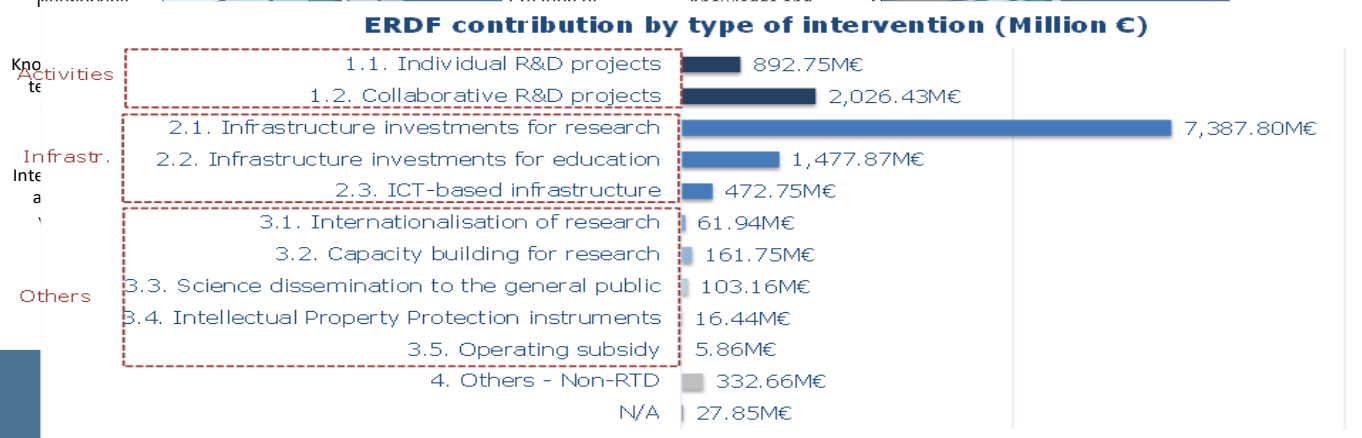
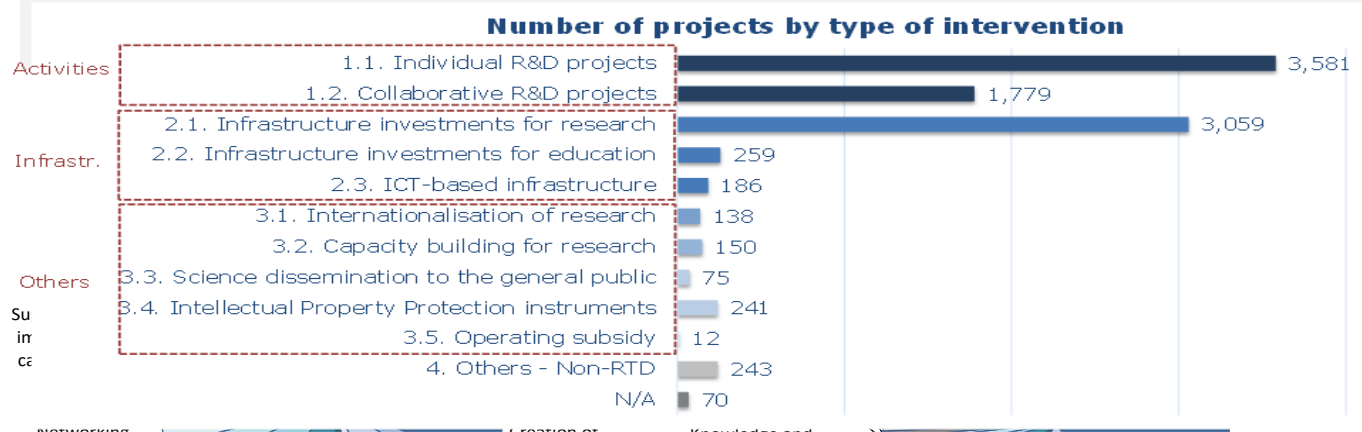
ANALYSIS OF
EXPENDITURES
AND OP
STRATEGIES

CASE
STUDIES AT
MS/OP
LEVEL

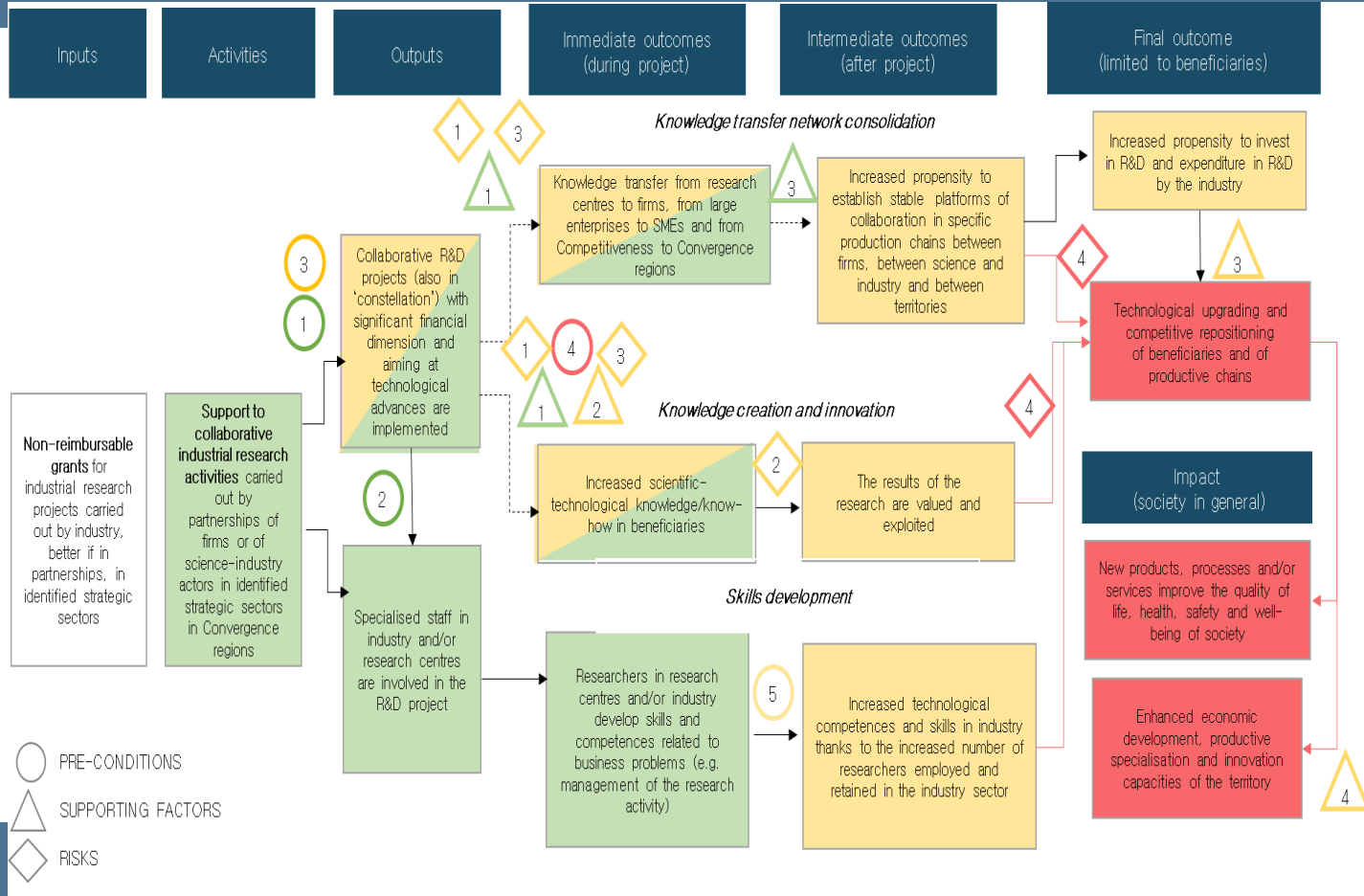
INDIVIDUAL
POLICY
INSTRUMENTS

Mapping: examples

Types of funded projects, number and million EUR

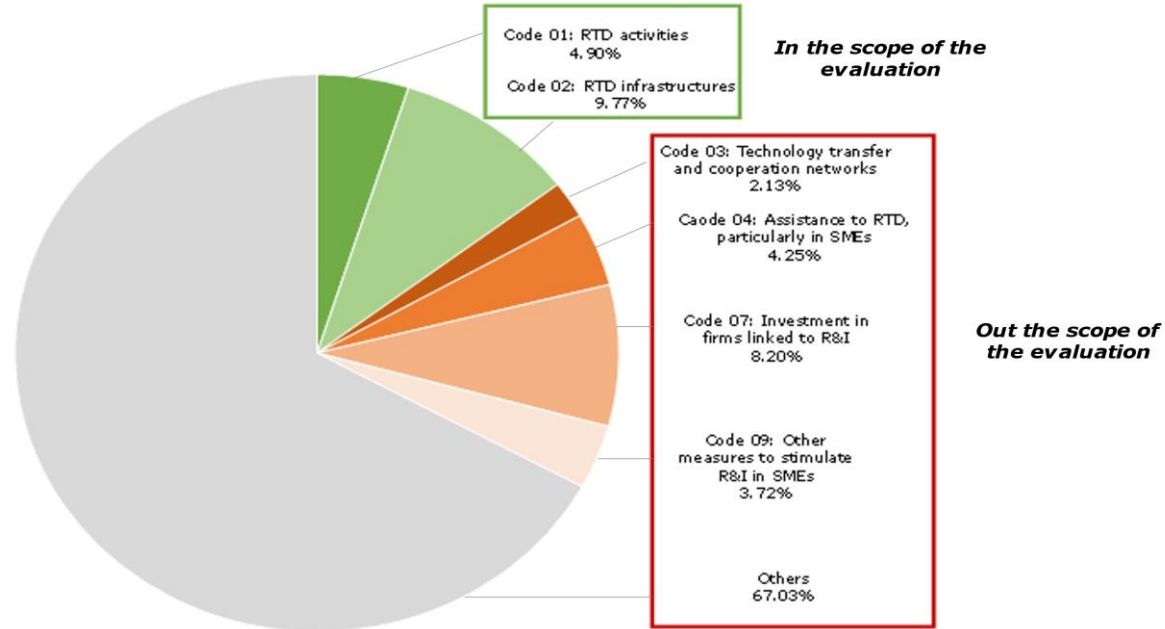


Deep dives: examples



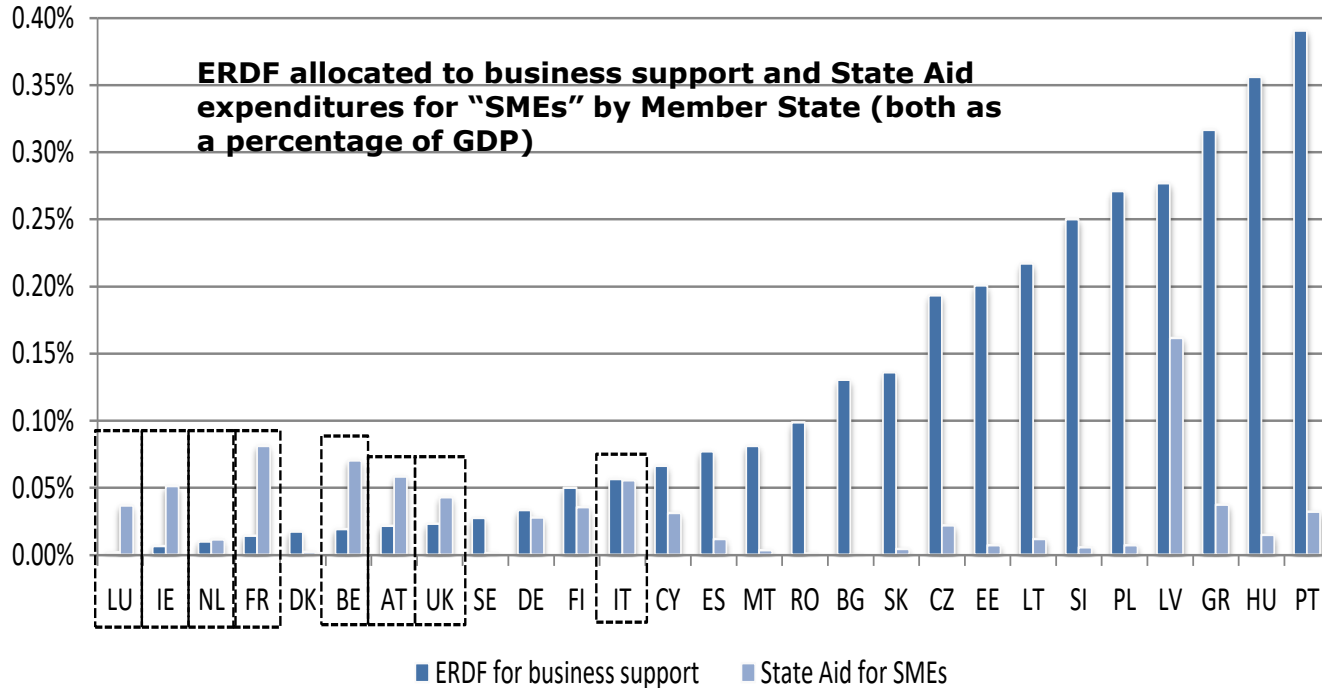
SCOPE (2): blurred boundaries

ERDF allocation for the 53 selected OPs by code of expenditure



Source: Authors' elaboration based on DG REGIO 2007-2013 Cohesion data from closure reports

SCOPE (2): ERDF in the wider policy mix



Source: CSIL based on DG Regio and 2014 State Aid Scoreboard

EVIDENCE

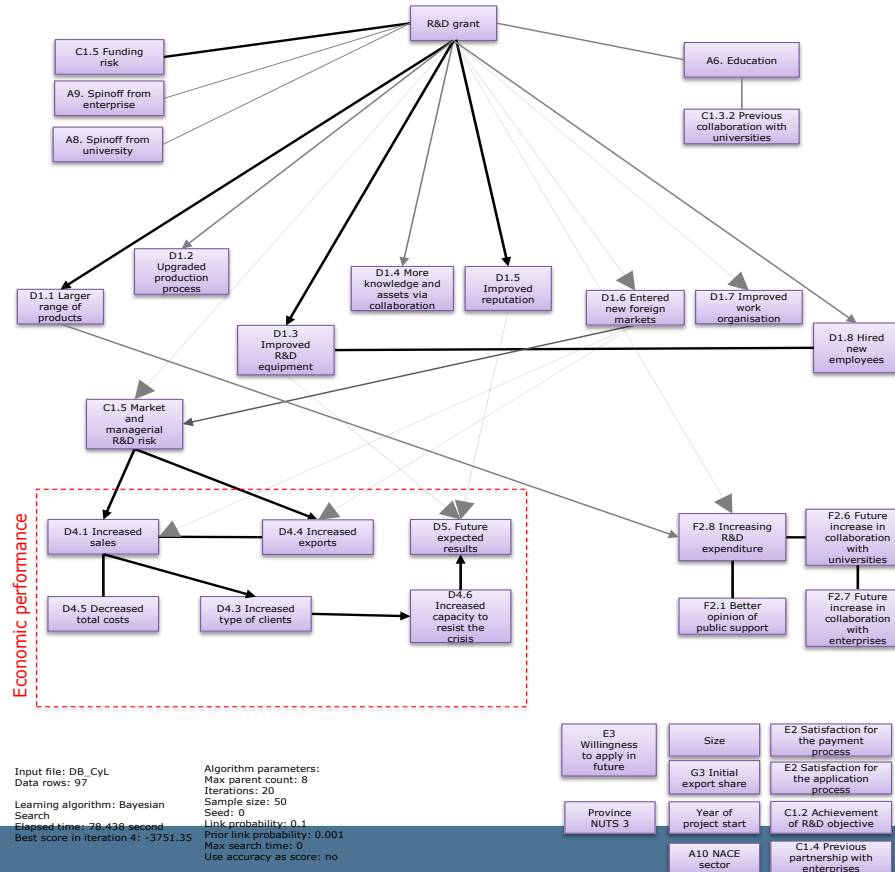
Objective:

- Expenditure data
- Statistical data on socio-economic context, R&D performance, SME competitiveness
- Analysis of programme strategies
- Monitoring indicators (high variability in terms of reliability)
- Secondary evidence (evaluations at MS level)

Subjective:

- SMEs study: 400 interviews to stakeholders, 700 questionnaires collected, stakeholders seminar
- R&D 200 interviews to stakeholders, stakeholders seminar

Example of use of surveys data



Summing up

Contribution of past evaluations:

- Provide a detailed overview of where the money was spent and to do what
- Describe the trajectories of change of target variables
- Discuss contribution of ERDF and role in the broader policy mix
- Discuss contextual factors enabling/hampering materialisation of results

Remaining challenges:

- Always adopt a counterfactual approach
- Provide conclusive answers on attribution of impact
- Reconciling evidence and level of analysis for a conclusive answer
- Providing answers to all (too many?) evaluation questions



CENTRE FOR INDUSTRIAL STUDIES

THANK YOU

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