

th CONFERENCE on the Evaluation of EU Cohesion Policy

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Shaping Transitions with Evidence



Evaluation of the effectiveness of entrepreneurship and innovation support in the Operational Programme for Cohesion Policy Funds 2014-2020



This evaluation was commissioned by the Ministry of Finance in cooperation with the Ministry of Economic Affairs and Communications, the Ministry of Education and Research, the Ministry of Culture, the Ministry of Social Affairs and Enterprise Estonia. Evaluation was carried out by the University of Tartu and by the Tallinn University of Technology

FUNDS COVERED

- ▶ ERDF, ESF

PROGRAMMING PERIOD

- ▶ 2014-2020

PROGRAMME COVERED

- ▶ Estonian Operational Programme for Cohesion Policy Funds 2014-2020

THEMATIC OBJECTIVES

- ▶ TO1. Research and innovation
- ▶ TO3. SME competitiveness

TYPE OF EVALUATION

- ▶ Impact



YEAR OF COMPLETION

- ▶ 2020

MAIN OBJECTIVES

The objective of the evaluation was to receive an independent assessment of the relevance, efficiency, effectiveness, reciprocal and combined impact and sustainability of the entrepreneurship support and determination of how entrepreneurship support funded from structural funds has impacted productivity, export, employment, education cooperation between education and research institutions and companies and regional economic development in Estonia.

METHODOLOGY USED

Desk study, monitoring data review, online survey, interviews, expert assessments, quantitative (econometric analysis) and qualitative analysis methods. Quantitative methodologies used included a variety of matching and weighting methods, like propensity score matching, nearest-neighbor matching, inverse probability weighting.

DATA SOURCES

1. Monitoring data
2. Data on beneficiaries in the period of 2014-2020 & also 2007-2013

3. Enterprise Estonia's data on enterprises that received national business support
4. Data from the Commercial Register for 2013-2018, annual reports of enterprises
5. Register data of enterprises compiled by Statistics Estonia, publicly available data (field of activity, number of employees, form of business, etc.).

MAIN FINDINGS

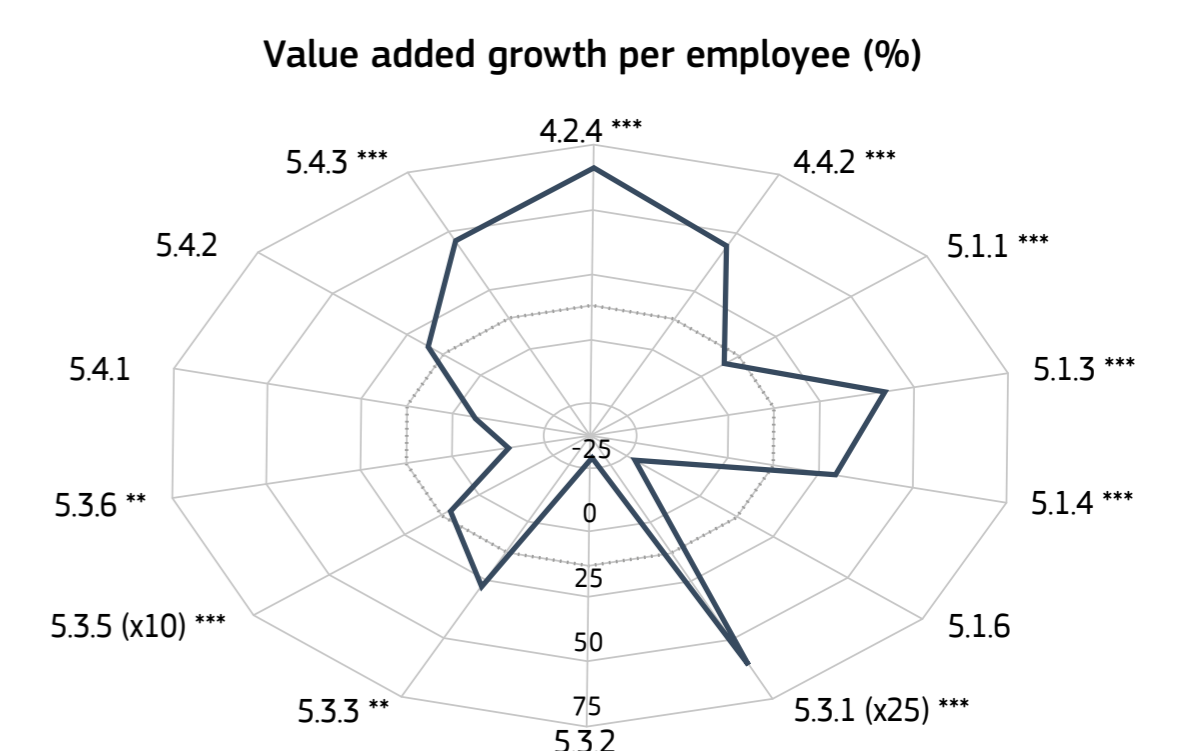
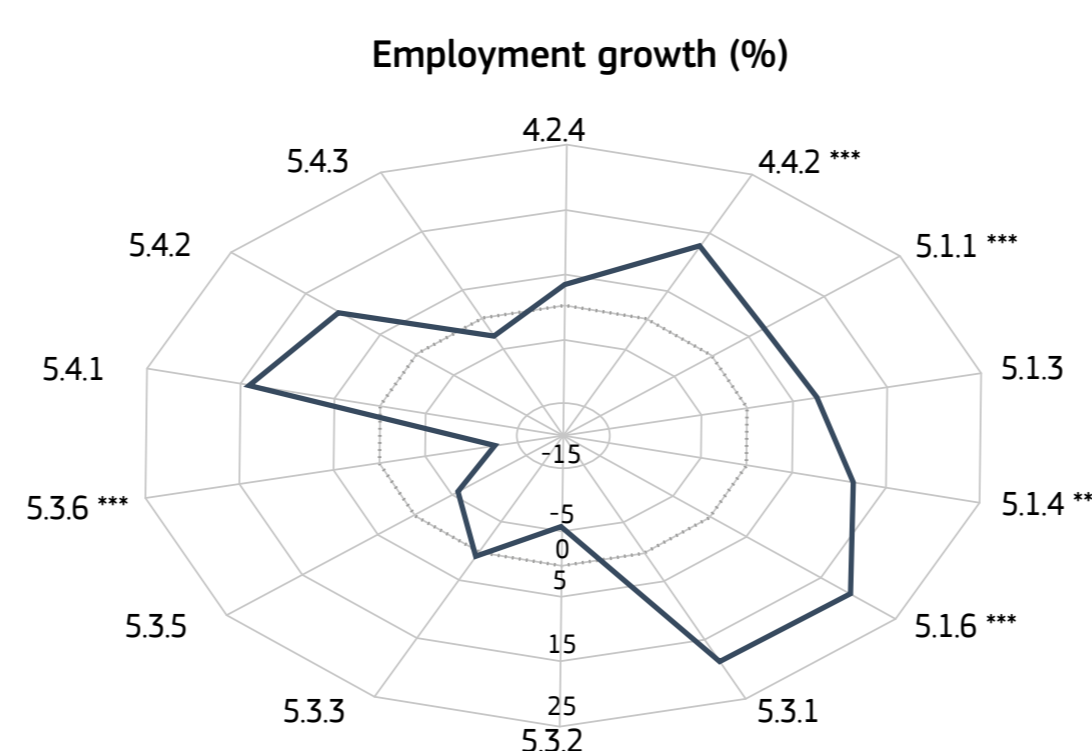
- ▶ Most of the entrepreneurship support from the structural funds had a simultaneous positive impact on both value added and employment growth
- ▶ The greatest positive impact on the growth of employment came from the actions aimed at developing AN entrepreneurial environment. Of these, the strongest positive impact came in turn from the action for managing the development of tourism products, which increased the number of employees by approximately 18%. A significant positive impact also came from the actions for R&D activity voucher (12,5%) and the counselling and developing of regional undertakings at county development centres (6,5%)
- ▶ The econometric impact assessment highlights significant positive impact on the workforce's productivity. Compared to the control group, the value added per employee at the supported companies is an average of 67% higher and the turnover per employee is an average of 46% higher

- ▶ In the case of creative industry incubators, the growth of value added per employee was an average of 2.8-fold. In actions with a positive impact on workforce productivity, there was also a positive impact on the capitalisation of the company
- ▶ The strongest impact was seen in areas of activity with higher growth potential, such as ICT, professional services sector, technical and research fields
- ▶ The analysis of combined impact suggests that the influence arising from the support favours structural economic changes oriented to long-term growth.

CONCLUSIONS

Recommendations

- ▶ To move in the direction of integrated support measures that are fewer in number but follow the logic of the company's life cycle and different development stages
- ▶ When planning the next programming period activities, the demand-side policies need to be more purposefully developed and funded
- ▶ Improve availability of financial instruments (including possibilities for bridge financing) for entrepreneurship, support organizations and companies operating in peripheral regions.
- ▶ Prioritize the criteria of job creation and/or preservation in granting support outside larger cities and towns



In activity 5.3.1 growth in value added is divided by 25; in activity 5.3.5 by 10 ***, **, * denotes statistical significance at 1%, 5% and 10% level.

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LINK

Report is available in English.
<https://rtk.ee/hindamine#hindamiste-tooplaan-ja-aruaanded-2014-2020>
 Please find it by following the instructions:
 1. "Hindamiste tööplaani ja aruaanded perioodil 2014-2020" – Evaluation plan and reports
 2. 2020 Lõpparuanne ENG – Report is in English