

Evaluation Helpdesk

Support to SMEs: Review of evaluations undertaken in Member States

Terry Ward

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Focus of evaluations

- 60 evaluations on support for TO3 in the 2014-2020 period published from 2015 to end-March 2020 reviewed by Helpdesk
- 17 attempt to assess impact of support, others concerned with reviewing procedural aspects and/or reporting on progress of programmes
- 43 evaluations of support for TO3 in 2007-2103 published in same period reviewed by Helpdesk also attempt to identify impact of measures
- Evaluations cover many different kinds of SME support, reflecting range of measures financed by ERDF, including support for:
 - general investment by SMEs
 - incubators and start-ups
 - internationalisation of SMEs
 - environmental protection and energy efficiency
 - innovation and development of new products
 - use of ICT
- Overlap with TOs1, 2, 4 and 5

Measures evaluated

- In many cases, support of SMEs focused on firms in 'smart specialisation' sectors – evaluation of coherence of support with strategy
- Targets of support can often conflict – firms in financial difficulty or strongest ones most likely to perform best or those with risky projects but with big potential paybacks
- Increasingly support takes form of financial instruments rather than grants or subsidies – of repayable rather than non-repayable support
- These raise issues in themselves over policy objectives – to support firms with highest prospective rates of return or those most likely to contribute to sustainable – two may conflict (social benefits vs financial returns)
- Financing can be directed at - investment by firms themselves, business services and consultancy, networking and forming international links, cooperation of firms with research centres, clusters and business parks
- All of above have implications for evaluation approach and unit of analysis to adopt

Issues with evaluations carried out on 2014-2020

- Only 8 of the 17 impact evaluations on 2014-2020 use methods designed to distinguish effects of measures from other potential factors affecting outcomes
- 5 use counterfactual methods – in only 1 case, do results on impact seem reasonably robust
- In 2 cases, resemblance of control group to firms supported is unclear
- In 2 other cases, number of firms supported and in control group are both small, raising issues of representativeness of findings -
- And in one these, no clear link between outcome variables chosen and measures being assessed
- 5 use theory-based approaches, in 2 along with counterfactual analysis
- These tend not to spell out theory involved in detail – simply outline intervention logic, without investigating whether links in predicted causal chain can be detected in practice
- Remaining 9 impact evaluations based mainly on analysing monitoring data and information collected from surveys and interviews – unable to identify contribution of measures examined to outcomes

Issues with evaluations carried out on 2007-2013

- Much same issues apply to impact evaluations on 2007-2013 period
- Many rely mainly on surveys and interviews to assess effect of support – by asking firms to compare situation before and after funding received
- 19 of the 43 use theory-based or counterfactual approaches or both
- As for later period, often issues with definition of control group or way method is applied which raise question-marks over robustness of results
- E.g. one evaluation applies a suitable counterfactual approach, but aggregates together a large number of measures of different kinds, which work in different ways and with different effects – so results uncertain
- Data used also an issue - almost all evaluations use data from monitoring system + surveys and interviews. In 11 cases combined with case studies and in 5 with official statistics
- Only 4 evaluations use administrative data - from company balance sheets and employment registers, which tend to be most reliable source