REGIO Evaluation Network meeting
Policy Objective 1 - Smart Europe – Common ERDF and CF indicators
29-30 January 2019, Brussels

Agenda

∗ Tuesday January 29, 2019 ∗

Venue: ALBERT BORSCHETTE Conference Centre, rue Froissart 36, Brussels – CCAB – Room 3C

09.00 - 09.30: Registration* and coffee

1. MORNING SESSION

9:30-11:00 *Indicators Specific Objective 1.i "Enhancing research and innovation capacities and the uptake of advanced technologies"*

11:00-11:15	COFFEE BREAK

11:15-12:30 *Indicators Specific Objective 1.i (continued)*

12:30-14:00 LUNCH BREAK

2. AFTERNOON SESSION

14:00-15:30 *Indicators Specific Objective 1.ii "Reaping the benefits of digitisation for citizens, companies and governments"*

15:30-15:45	COFFEE BREAK

15:45-17:30 *Indicators Specific Objective 1.iii "Enhancing growth and competitiveness of SMEs"*

17:30-19:00 **DRINKS**

∗ Wednesday January 30, 2019 ∗

Venue: ALBERT BORSCHETTE Conference Centre, rue Froissart 36, Brussels – CCAB – Room 3C

3. MORNING SESSION

9:30-11:00 *Indicators Specific Objective 1.iv "Developing skills for smart specialisation"*

11:00-11:15	COFFEE BREAK

11:15 - 12:30 *Indicators Specific Objective 1.iv (continued) + AOB*

* Registration of the persons who confirmed participation as indicated on the invitation letter.

Objectives of the meeting:
- Agree on the names of the indicators included in Annex I
- Discuss the definitions, measurement, and other metadata included in the indicator fiches – to be included in the guidance for the indicators. On these issues, there will be further opportunities for refinement when we discuss the guidance (after the adoption of the legislative texts).

Rationale
- Rationale for the extension of the list of common indicators: 1) increase policy coverage by common indicators; 2) introduction of common indicators for direct results, in the same logic as for the EMPL indicators. These will prove useful for the analysis of the effectiveness of the policy. It will enhance our (common) ability to communicate on the achievement of the policy.
- We invite a reflection on how these changes we are proposing will interact with monitoring systems and with the evaluation of the impacts of the future programmes.

Process:
- Each meeting is dedicated to one or two policy objectives.
- By specific objective, we will take each indicator at a time and discuss the comments received from you, and possible solutions (if needed).
- For PO1 – 100 pages of comments received for 40 indicators, from 18 Member States.
- All comments received from MS will be shared via our working group on CIRCABC.
- For the meeting we grouped and synthesized the key issues from the comments received.
- We will take on board the issues discussed during the meeting, and discuss them further with colleagues in the Commission.

Content
- In our discussion, we need to address the distinction between the usefulness of the indicator and the frequency of reporting. The key question to ask is the following: is the information provided by this indicator relevant, useful, etc. The frequency of measurement is a separate matter where we will discuss in the last meeting.
- Some indicators proposed are generic – they will be relevant for several specific objectives.
- Based on ratings for the RACER criteria received from MS, for each of the indicator we calculated the share of respondents (MS) who assigned high and very high scores to each of the criteria.
- The presentation used in the meeting summarizes the issues raised by the MS in the comments sent to us.

The Commission thanked the Member States for their participation in the consultations.

Legend:
<mark style="background-color: cyan">Changes in indicator name</mark>
<mark style="background-color: yellow">Changes in the fiche</mark>

SPECIFIC OBJECTIVE 1.i Enhancing research and innovation capacities and the uptake of advanced technologies

OUTPUT INDICATORS SO1.i

RCO01 Enterprises supported (of which: micro, small, medium, large)

RACER criteria: Relevant for 88%, Accepted by 100%, Credible for 100%, Easy for 81%, Robust for 94%

Issues raised:
- Name of the indicator: number of ERDF, CF
- Measurement unit: number of?
- Reporting frequency: every other year?
- Use in specific objective: should be used across specific objective
- Use with other common indicators: clear rules for the use of indicators for enterprises?
- Enterprise definition: non-profit enterprises; the same as in the state aid context
- Double counting: important since % of enterprises receiving multiple support could be high; enterprises which are not financially supported
- Time measurement: should be compatible with the forms of support (RCO02, RCO03 etc)
- What does "completion of support" mean?

Additional comments from Member States during the meeting:
- What should be understood by "selected enterprises"? Approved or contracted?
- Difficulties with RCO01 for various reasons: a) during the current period, the use of this indicator across specific objectives was rather uneven; could we consider only RCO02, RCO03 and RCO04? (and RCO01 derived based on their sum); b) disaggregation by size of enterprises – this is also an issue of data collection.
- The reporting by type of enterprise will generate administrative burden.
- Fields in the indicator fiche – in some cases, the purpose of each field is not clear. Some fields seem to be repeated in essence (example: the definition of the indicator is used in at least two separate fields; combining them could be useful).
- Association with result indicators: is the use mandatory, or is there flexibility for MS to choose the result indicators which are most relevant.
- A definition for completed projects would be very useful.
- When shall the size of the enterprise be measured: at the time of giving support, or at the time of completion?

Unit B2 replies:
- We prefer to keep the name of an indicator as short as possible (i.e. include only aspects which are necessary for the understanding of the name). This is useful for communication.
- Measurement unit: as with the name, we would keep the unit at the minimum necessary.
- Disaggregation – this is a new feature introduced; we need to understand whether this is in fact an issue of frequency of reporting. For several services in the Commission, knowing the type of enterprises supported (micro, small, medium, large) is very useful. In addition, the programmes need to know the size of enterprises supported also for evaluation. In terms of data collection, these data is already available in the MS monitoring systems (in e-cohesion, for state aid etc). We only propose that MS report this information to the Commission.

- It is also important to understand that the disaggregation by size of firm does not imply a proliferation of indicators. It is akin to the breakdown of EMPL indicators by gender – just a disaggregation by dimension.
- Use in specific objective: the possibility of using an indicator in any specific objective is marked by "*" in the annex.
- For any indicator without an "*" in the annex we invite the MS to reflect on whether they would need them in other specific objective (and therefore we need to add the *).
- <mark>The current fiches are too long for a guidance. Some of the fields are included for our database, but we are not planning to publish them all. We will keep the fiches short in the published guidance, and reduce the number of fields included.</mark>
- Use with other indicators: a simple rule for the future is the following. We have two types of indicators for support to enterprises: 1) indicators for the form of support (RCO02, RCO03, RCO04), and 2) indicators for the purpose of support (RCO05 + the result indicator). Therefore, for each enterprise supported there will be a need to think of how is it financed (grants, financial instruments etc) and for what purpose do we finance it (innovation, start-up etc). For RCO01, we propose to aggregate it based on indicators for the form of support (RCO02, RCO03, RCO04).
- Definition of enterprises: we use the same definition as in the state aid regulation (both based on the Commission Recommendation cited in the fiche). For ERDF and CF, we propose to include only profit-making enterprises for all policy objectives, except PO4 A more social Europe, where social enterprises are included.
- Double counting: we propose to remove double counting at the level of the specific objective primarily. Only for RCO01 we propose the removal of double counting also at the OP level, such that we can have one indicator which gives us the net number of enterprises financed (Annex VII in CPR). Please note we do not propose the elimination of double counting at OP level for the other indicators for enterprises. Double counting can be addressed effectively through the e-cohesion system.
- <mark>Time of measurement: a relevant comment states that the time of measurement for RCO01 depends on the form of support. This is, indeed, a better solution.</mark>
- Selection or projects: the MS should decide which rule to apply. Some use contracted, some other use selected. Precise legal guidance is difficult to provide since there are different legal forms in which a grant is given. There could be grant agreements with grant scheme mangers, which are prior to contracts with the enterprises.
- The link to results mentioned in the fiches are indicative; the MS will choose the indicators considered most relevant.
- <mark>On the measurement of the size of enterprise – it should be measured at the time of giving the support.</mark>

RCO02 Enterprises supported by grants

RACER criteria: Relevant: 88%, Accepted: 94%; Credible: 94%; Easy: 81%; Robust: 94%

Issues raised:
- Definition: is "conditional upon completion" still necessary?
- Are partner indicators to be covered by this indicator?
- Disaggregation by size required?
- Double counting at OP level?
- Time of measurement

Additional comments from Member States during the meeting:

- Forms of support – if support to enterprises is in the form of refundable grants (100% or mixed), is this included in RCO02? In the regulation, it is not clear whether this type of support will be possible in the future. In the case it is allowed, how should it be counted?

Unit B2 replies:
- On "conditional upon completion"- we agree it is no longer necessary since the time of measurement will be clearly stated in the fiche.
- On partner enterprises – if not supported by grants, they should not be included in RCO02; they can be included in RCO04 (non-financial support), if relevant. RCO2 refers only to enterprises which receive direct financial support in the form of grants.
- Disaggregation by size is not required for this indicator.
- No removal of double accounting at OP level for RCO02. The approach at the OP level is highly selective – only required for RCO01, in order to avoid generating additional administrative burden. For all other indicator, we will have to explain that double counting is not eliminated across specific objectives and over time.
- We proposed that time of measurement for RCO02 is the time when the final payment is made to the projects.
- Intermediate steps in implementation could be considered through a better use of forecasts for the indicators.

RCO03 Enterprises supported by financial instruments

RACER criteria: Relevant: 88%, Accepted: 88%; Credible: 88%; Easy: 69%; Robust: 88%

Issues raised:
- Used together with RCO01?
- How does it relate with the other indicators RCO05, RCO10 etc?
- On the purpose of support, it may prove difficult to identify the enterprises which meet the stated objectives since, in the case of financial instruments, there is no follow up with the banks providing the loans.
- Time of measurement
- Definition: an exhaustive list of types of financial instruments?

Additional comments from Member States during the meeting:
- For financial instruments, we should consider also the time of measurement for guarantees or venture capital.

Unit B2 replies:
- As mentioned, indeed, we would expect that RCO01 is used together with any other indicator for the form of support for enterprises (RCO02, RCO03, RCO04).
- For the other indicators for enterprises, it will be the choice of the MA to decide which indicator are most suitable for the purpose of support (ex: start-ups; cooperation with research institutions; digitalisation of products and services etc). The indicators we mentioned in the fiche in this regard are only suggestions, we do not mean a mandatory requirement. We will clarify in the revised fiches. We are open to suggestions from MS on how to convey this information best in the guidance.
- On data collection for the purpose of support, indeed this is an issue since no further reporting is required from the banks. The MA will find it difficult to collect this information directly, while for the intermediate bodies the situation may vary from case to case. For InvestEU, there is an intention to require minimum information on the companies which are going to be supported. In this situation, we will follow the same line and expect that the

minimum information for the enterprises supported through financial instruments would be collected at least at the time of the contract signature.

- For time of measurement, we propose the time when the last payment of the loan is made by the bank to the enterprise. This is because we expect that the payback period for the loan may be too long from the perspective of our reporting needs.
- <mark>As regards other forms of financial instruments, indeed we will need to clarify what is the time of measurement (ex: guarantees, venture capital etc). Suggestions from MS on this issue are welcome (i.e. what would be the best moment for measurement of achieved values in such cases).</mark>
- On the definition, <mark>we will try to provide a longer list with examples of financial instruments</mark>, but we will not aim at an exhaustive list since the indicators are not the place where issues of eligibility should be settled. The indicators follow the policy line, and are meant to cover whatever is eligible (if, in line with the definition). Eligibility is set in the legal text and it is addressed by the criteria for project selection.

RCO04 Enterprises with non-financial support

RACER criteria: Relevant: 88%, Accepted: 81%; Credible: 81%; Easy: 44%; Robust: 81%

Issues raised:
- Not an easy indicator because it is difficult to identify the enterprises (example: for online consultations). The indicator may prove easy if we clarify what exactly should be included in this indicator.
- Partner enterprises which do not received direct financial support in a cooperation projects should be counted in this indicator?
- If too broad, then RCO04 should not be included in RCO01 due to potential for methodological inconsistencies (i.e. if the participating enterprises are not direct beneficiaries).
- Double counting: when enterprises are not direct but final beneficiaries, elimination of double counting becomes time consuming/ difficult.
- Time of measurement: at what point can an enterprise be counted?
- Some MS use this indicator only if the enterprise can be identified.

Additional comments from Member States during the meeting:
- When is the time of measurement in case of enterprises supported by an incubator?
- Is there a potential overlap between RCO04 and RCO07 for enterprises participating in research projects?

Unit B2 replies:
- From the scores for "Easy", we understand that this indicator is perceived as difficult, also based on the experience with this indicator cumulated in the current period. We discussed this indicator at length also during the workshops organized in the summer.
- On measurement, we compared practices with Enterprise Europe Network (from DG GROW). They have branches across all MS and even more widely. One good practice from them refers to the threshold used for counting an enterprise which receives different types of non-financial support (ex: advisory services, phone call etc). <mark>A suggestion we have is to count only enterprises which have a more structured relationship with the provider of support (i.e. not a one-off relationship).</mark> EEN has established a Customer Relationship Management System where they register and profile the SMEs that receive support over time. As there are many different types of advice (advise on internationalisation, trade fairs etc) – we should only include in RCO04 what can be documented.

- Time of measurement: for repeated interaction, with an open ended form of advice, we could consider the possibility to include the enterprise in RCO04 the first time the enterprise receives support.
- In the fiche, we will include an indicative list of the types of non-financial support. The state aids rules also include a list of example of advice forms – we will use this as an inspiration.

RCO05 Start-ups supported

RACER criteria: Relevant 94%, Accepted 81%, Credible 63%, Easy 69%, Robust 69%

Issues raised:
- Name: start-ups have different definitions in national legislation; some consider start-ups only new enterprises in technological domains with high growth potential.
- When shall the age of the enterprise be measured: at application time, at the time of contracting, or end of implementation?
- Data on enterprises can be collected from the national registries.

Additional comments from Member States during the meeting:
- It may be more efficient for enterprises which begin the activity not the ones newly created. This implies the beginning of the fiscal activity of the enterprise.
- Will this indicator be used only for measures designed to support start-ups, or for any measure which provides support to start-ups?

Unit B2 replies:
- We fully agree with the comment on the name, and propose to change it to "New enterprises supported", in line with comments received from Member States. This would ensure also continuity with the current period.
- On the time of measurement of the age of the enterprise: we propose the time when they receive the support.
- Data on enterprise age can be calculated, indeed, automatically based on data extracted from the national registry of companies. What is needed in this case is the unique identifier of the enterprise supported.
- The indicator will cover all start-ups/ new enterprises supported, not just the ones created due to ERDF.

RCO06 Researchers working in supported research facilities

RACER criteria: Relevant: 75%, Accepted: 81%, Credible: 63%, Easy: 50%, Robust: 63%

Issues raised:
- Indicator perceived difficult (easy: 50%)
- Main issue: not clear how to count the new jobs created during the project
- Researchers or R&D personnel?
- A definition of a research facility would be useful.
- Method of calculation of FTEs
- Is this an output or a result?
- Time of measurement

Additional comments from Member States during the meeting:

- If we only count the researchers working in the facility we may lose some information since there are situations where research facilities are used also by external researchers. Could we include also the external researchers.
- Which researchers are to be counted: the ones working in the research facility or in the institutions? (example: a lab vs a university).
- Time of measurement – during the current period we had the partial implementation. Is there any possibility to use this partial implementation possibility in certain types of indicators (ex: for enterprises)?
- For 2014-2020, the calculation of FTEs was a challenge. We would need an example of the calculation based on the Frascati manual.
- The output indicators should, in principle, refer to what we buy with the support. This indicator is not a direct measurement in this sense.
- For new innovation centres, there are no existing working research positions to begin with. The researchers will be employed by the members of the group owning the research facility. How should this be counted, since the new facility will not employ new researchers?
- Consider a clear demarcation between research facility and institution.
- Setting targets for this indicator will be a challenge.
- Measurement: for this indicator, do we count persons or positions (since one person can work in several research institutions)?

Unit B2 replies:
- The main purpose with this indicator is to measure the capacity of the research facilities supported. The way we do so (also in the current period) is by counting the number of research filled in working posts in the facility. This is a proxy measurement for capacity. This indicator is not meant to be used for job creation.
- Measurement based on the organigram would not be a good measure of active research capacities if there are many vacancies.
- Moreover, only the researchers working in the facility (i.e. lab) not the institution (i.e. university) should be counted.
- A solution would be to count the researchers working in the research facility at the beginning of implementation (at the time when the financing contract is signed).
- In terms of whom to count, we would include researchers.
- We will try to provide a definition but also not to be over-prescriptive.
- For the method of calculation we recommended the Frascati manual, but we will include some examples in the fiche.
- It is an output since it is meant to measure capacity, not job creation. Indeed, it is not a direct measurement of a physical output because, in this case, the output can be very diverse (from equipment to renovation of laboratories). This is why we proposed a proxy measurement.
- For time of measurement, we propose the time of final payment made at project level (not necessarily operation).
- On whether the indicator could cover also the external researchers, the problem we see is that it would be difficult to calculate FTEs for the external researchers. For the internal researchers, the FTEs could be calculated based on the employment contracts.
- We'll make sure we are clear in the distinction between facility and institution.

RCO07 Research institutions participating in joint research projects

RACER criteria: Relevant 94%, Accepted 88%, Credible 88%, Easy 69%, Robust 75%

Issues raised:
- Why "joint research projects"?

- Definition mentions cooperation for the duration of the project. Why not for a shorter duration?
- How does it relate to RCO06 for researcher?
- How is double counting to be considered for partners at project level, and also for trans-regional cooperation?
- Time of measurement

Additional comments from Member States during the meeting:
- For time of measurement, if we measure only for completed projects, we would make a step back from the current period when we can report also on completed outputs for non-completed projects.

Unit B2 replies:
- The purpose of the indicator is to emphasize the participation of research institutions in joint projects, in line with one of the priorities of cohesion policy to enhance cooperation in research.
- This indicator should be used only when cooperation is an objective in itself; ideally the cooperation supported should be sustained (continued) even after the completion of the project. If the cooperation is part of a wider project without being the main objective, then maybe another indicator would be better suited.
- RCO06 is meant to measure the capacity of a research facility supported; RCO07 measures the number of research institutions participating in joint projects.
- Double counting at project level could be addressed in principle. For trans-regional cooperation, we need to reflect more.
- Time of measurement – we will need to clarify in more details. Maybe we do not need to wait for the official completion of the project (final audit), but rather when the output is completed. In other words, we could consider keeping the current system for as many indicators as possible.

RCO08 Nominal value of research and innovation equipment

RACER criteria: Relevant 63%, Accepted 88%,, Credible 94%, Easy 88%, Robust 81%.

Issues raised:
- Is this an output or an input indicator?
- The indicator could cover only new equipment
- Double counting is not relevant since it would mean double financing.
- Which exchange rate should be used for conversion to euro?
- Time of measurement

Unit B2 replies:
- The purpose with this indicator is to measure the R&D equipment financed. Given the diversity of this equipment, it is difficult to find a physical indicator. Therefore, we propose a proxy measurement in terms of its nominal value (i.e. the acquisition price).
- Whether the equipment is new or not, this is an eligibility issue which cannot be settled with the indicator.
- On double counting we agree – we will remove it from the fiche.
- For the exchange rate, a possibility is to use the rate at the time of the acquisition.
- For time of measurement, we propose to report it when the equipment is procured and in operation.

RCO10 Enterprise cooperating with research institutions

RACER criteria: Relevant 88%, Accepted 88%, Credible 81%, Easy 75%, Robust 75%

Issues raised:
- Are partners counted?
- Duration of cooperation
- Double counting: difficult to remove for partner enterprises.
- Time of measurement
- Could a MS use a more narrow definition for the indicator than presented in the text? (ex: projects are led by the institutions, while enterprises are participating)

Unit B2 replies:
- As with RCO07, RCO10 is meant to measure cooperation in research.
- On partners, yes the indicator should count project partners, but not sub-contractors.
- On the duration of cooperation – same as for RCO07
- Double counting: if the partners are in the cooperation agreement, they are counted and therefore double counting could be controlled.
- Time of measurement: when the project is finalized, but not necessary formally competed.
- On the national definition narrower than the definition proposed, this should not be an issue for the measurement (it would be a subset of the indicator proposed).

RCO96 Interregional investments in EU projects

RACER criteria: Relevant 53%, Accepted 40%, Credible 33%, Easy 53%, Robust 40%

Issues raised:
- Why is this indicator relevant for the mainstream programmes?
- Include innovation in name.
- Define relevance at the EU level
- Project within or across countries?
- Double counting would imply double funding.

Unit B2 replies:
- The indicator will be kept for mainstream programmes if the related regulatory provision is included in the main regulation following the negotiations. Otherwise, we will propose to move it to the ETC indicators.
- On the name of the indicator, we agree to include innovation and call it: Interregional investments for innovation in EU projects.
- On relevance at the EU level, we need to reflect more.
- Projects both within and across countries.
- On double counting, we agree with the comment. We will remove it from the fiche.

Additional general questions
- Are all common indicators included in the Annex mandatory (reference to Art 7)?
- On data sources: if project is mentioned, does this mean specific collection or evaluation?

Unit B2 replies:
- We understand that the common indicators will be used when they are relevant. The choice of indicators should be consistent with the objective of the project. For instance, if the

support of certain action is only marginal to the main objective of the project, then we would not expect the action to be measured based on a common indicator.

RESULT INDICATORS SO1.i

RACER criteria: Relevant 75%, Accepted 69%, Credible 63%, Easy 56%, Robust 69%

RCR01 Jobs created in supported entities

Issues raised:
- This indicator is rather difficult to calculate.
- Shall it be measured at the level of line of activity or at the level of organisation.
- There is no guarantee for causality between the project and the result.
- Why is there a different definition for R&I? In effect, there are two definitions for one indicator.
- Targets can be set for the indicator only if the objective is to create jobs.
- Time of measurement: the results of the intervention may come even later than one year.
- Data source: surveys, registries could also be used.
- Net or gross job creation?

Unit B2 replies:
- This indicator is very important for the Commission as the objective of the policy is "Jobs and Growth". Therefore, we need to make an effort to measure it.
- As for level of measurement, we propose line of activity in order to avoid overestimation
- Indeed, there is no guarantee of causality. This cannot be achieved with monitoring, but rather through evaluation (and even that is not easy). What we can do with monitoring is to measure a result as close as possible to the intervention. This is why we propose line of activity.
- On two definitions for one indicator we agree with the comment. We introduced a different definition for R&I because research employment is different from employment in other lines of activities. In research, people work on temporary contracts, project based, across organizations etc. Ideally, we should have two indicators. Therefore, following your suggestions, we will propose to introduce a separate indicator for creation of research jobs, also because the time of measurement differs between the two indicators.
- We agree that the indicator should be used only when it is relevant.
- In terms of time of measurement, we need to consider the tradeoff between the cost of waiting for too long to measure (in terms of having nothing to report in the meantime) and the effect of measuring too early, before the results can materialize. This is why we propose one year after project completion for many of the result indicators introduced.
- On data surveys, we agree with the comments on the use of surveys, registries etc.
- The indicator measures the gross increase in jobs as a result.

RCR02 Private investments matching public support (of which: grants, financial instruments)

RACER criteria: Relevant 100%, Accepted 100%, Credible 87%, Easy 53%, Robust 93%

Issues raised:
- The indicator would be easy if it did not include the non-eligible part
- Is this a result or an output? It's a methodological question.
- Source of data: if a result indicator (i.e. including also non-eligible costs), data could be collected based on surveys of beneficiaries.

Additional issues raised:

- What is the purpose of the disaggregation proposed by grants and financial instruments? Would it be not possible to match the indicator RCR02 with the respective output indicators for the forms of support RCO02 and RCO03?
- What about entities which are publicly owned (ex: state-owned enterprises operating for profit).

Unit B2 replies:
- For this indicator, we propose to measure total investment stated in the financing agreement. This applies also to financial instruments, at least for loans.
- We consider this indicator as a proxy measurement for the willingness to invest resources additional to ERDF support in the respective projects. It could be considered a result if leveraging additional resources is sufficiently important for the project.
- Disaggregation – we could have two indicators (as in the current period), but since this is one indicator viewed from two perspectives, a disaggregation is more efficient as it requires setting one target for grants and financial instruments combined. In implementation, having this information separately for the two forms of finance is important, especially for financial instruments.
- On state-owned enterprises operating for profit we need to reflect a bit more.

RCR03 – SMEs introducing product or process innovation
RACER: Relevant 87%; Accepted 80%; Credible 60%; Easy 60%; Robust 60%

RCR04 – SMEs introducing marketing or organizational innovation
RACER: Relevant 87%, Accepted 87%; Credible 60%; Easy 53%; Robust 53%

RCR05 – SMEs innovating in-house
RACER: Relevance 73%, Accepted 73%; Credible 67%; Easy 60%; Robust 67%

(The three indicators were discussed together)

Issues raised:
- The indicator should be used only when innovations in SMEs is considered as the objective of the support
- Why separate product and process innovation from organizational innovation?
- Elimination of double counting – is there a risk?
- It is not easy to verify an enterprise's claim on innovation achieved
- Why does the indicator refer only to SMEs, and not to all enterprises?
- What happens if the enterprises delivers several innovations?

- Time of measurement: one year after project completion may not be enough since the time required to bring an innovation to the market may be longer (ex: in car industry, pharmaceuticals etc).
- Do state aid rules allow for support to innovations close to market?
- What is the difference between RCR03 and RCR05 (SMEs innovating in-house)?

Additional issues raised:
- A possibility to collect data for this indicator could be to use surveys, possibly in the context of the CIS run by the National Statistical Institute (ex: add specific questions for the beneficiaries of the Fund in the survey).
- Does innovation have to be a success (or just an attempt to innovate) to be counted?

Unit B2 replies:
- Indeed, as a principle, the indicators for direct results should be used primarily when they reflect the main objective of the intervention.
- The indicators separate product and process from organizational innovation, in line with the Community Innovation Survey (CIS).
- The indicator focuses on SMEs in order to keep it comparable with the survey data collected through the CIS. Micro enterprises are covered by this indicator, but for large enterprises the programmes will have to use programme-specific indicators.
- The indicator counts the number of SMEs supported, and not the innovations produced. Therefore, whether it delivers one or several innovations in the same specific objective, the enterprise will be counted as one.
- As regards the time of measurement, we propose one year after project completion for monitoring purposes, while the medium to long term effects can be looked at through evaluation.
- On state aid, there are several articles in the General Block Exemption Regulation (GBER) that explain that support is allowed to innovation close to market under certain circumstances.
- As regards RCR05, innovation can be done in several ways (either by using services contracted or by carrying out in-house innovation).
- As regards the surveys, we will include them as an additional data source in the fiche. One aspect which is important in this regard is the representativeness of the surveys: in order to obtain valid results, the survey needs to be representative for the population of the final beneficiaries of the Funds (i.e. the population of SMEs supported by the Funds). On the link to the CIS, this would require stratification according to the dimensions of the population of final beneficiaries of the Fund.
- On which innovation to count, we propose counting the SMEs which succeed in delivering innovation. We do not expect a 100% success rate of innovation, especially as we propose to measure results within one year after project completion. We will need to explain this issue clearly when building the narrative for these indicators.
- On how to check whether the innovation is genuine, this is an issue which relies on several aspects of implementation (not only the declaration of the SME), and especially on the selection criteria for the projects.

RCR06 – Patent applications submitted to European Patent Office

RACER: Relevant 56%; Accepted 63%; Credible 75%; Easy 63%; Robust 69%

Issues raised:
- Why consider only EU level patents? Could we consider counting all patents?
- Submission or registration of application?
- Is there a risk of double counting?
- Time of measurement: a patent submission may take more than one year

Additional issues raised:
- A possible source of data could be the registries of the patent office.

Unit B2 replies:
- With EU patents we want to ensure the comparability of data, since the conditions for issuing national patents may differ from country to country. Since several MS expressed the view that it would be useful to count all patents (not just the ones submitted to EPO), we will need to discuss more on the issue with our colleagues from the relevant services.
- On the process, the indicator should count patent applications accepted for examination (i.e. registered).
- Double counting should be eliminated if enterprises from different projects supported contribute to the same innovation, and therefore the same patent application. This would require collecting the number of the patent application.
- On time of measurement, we propose one year in the context of monitoring. For a medium to long terms perspective, evaluation is better suited.
- We will add the registries of the patent offices as an additional possible source of data.

RCR07 – Trademarks and design applications

RACER: Relevant 60%; Accepted 67%; Credible 67%; Easy 67%; Robust 67%

Issues raised:
- Comments similar to the ones for RCR06

RCR08 – Public-private co-publications

RACER: Relevant 47%; Accepted 60%; Credible 67%; Easy 40%; Robust 53%

Issues raised:
- Why co-publications and not simply publications?
- Why public-private? Could the indicator cover also non-profitable private entities?
- What kind of publications are to be counted?
- Double counting would mean double financing
- Time of measurement: a peer review process may take more than one year.
- Which databases are to be used for the collection of data for this indicator?

Unit B2 replies:
- We include "co-publications" in order to reflect cooperation between research institutes and the private sector.
- Reflections is needed on whether the indicator could be too restrictive (in terms of "co-publications" or "private-public"). We will reconsider the name of the indicator to make it less restrictive.

- In the definition of the indicator, we proposed to count the articles submitted to a peer-review journal (i.e. not necessarily published yet). We will add in the definition that the publication is a direct result of the project supported.

SPECIFIC OBJECTIVE 1.ii Reaping the benefits of digitalisation for citizens, companies and governments

OUTPUT INDICATORS SO1.ii

RCO12 – Enterprises supported to digitise their products and services
RACER: Relevant 93%; Accepted 87%; Credible 93%; Easy 80%; Robust 93%

Issues raised:
- Why is this indicator needed if we have RCO01?
- Does digitisation imply innovation? What is digital innovation?
- What is the difference between "AND" and "OR" in the names of the indicators?

Unit B2 replies:
- Indeed, if used in this specific objective, RCO01 could be interpreted as digitalizing their products and services, but it would also cover situations when they invest in IT hardware. In any case, given the significant overlap between the two indicators, we will reflect on whether it is opportune to retain only RCO01.
- In principle, if digitisation involves adoption of new technology, then it would be interpreted as innovation. In any case, we will include a definition of digital innovation in the definition.
- On "AND" and "OR" – we need to reflect on it and adjust all names accordingly.

RCO13 – Digital services and products developed for enterprises
RACER: Relevant 93%, Accepted 73%; Credible 53%; Easy 53%; Robust 60%

Issues raised:
- Services, processes and products should all be in the name.
- Measurement unit should include, as the definition, products, processes and services. consider stand-alone applications for the measurement unit.
- Is this an output or a result?
- New or improved digital applications?
- Double counting may not be applicable
- The definition of the indicator is not precise since a digital service can consist of several components, and therefore it can be interpreted differently by different institutions.
- Could the value of services and products developed be used instead?

Unit B2 replies:
- Agree, we will include also processes in the indicator name. We will also clarify the measurement unit accordingly.
- In terms of type, we see this as an output, while the corresponding result is defined in terms of the users of the applications developed.

- If we are to include upgrading, then it should be substantial upgrading (i.e. rule out maintenance issues). We will define significant upgrading in terms of a new functionality.
- Double counting may be relevant if several projects contribute to modules for the same stand-alone application.
- Given the difficulty to count the components of a digital service, an alternative could be an indicator which measures the value of these applications developed. We will need to explore this alternative with our colleagues.

RCO14 – Public institutions supported to develop digital services and applications
RACER: Relevant 87%; Accepted 93%; Credible 80%; Easy 80%; Robust 93%

Issues raised:
- Some countries explain that, if public institutions are not that many, the value of the indicator will be very low.
- Processes should be added to the name and definition.
- Would the definition cover municipal companies?
- Are state universities and scientific institutions covered by this indicator?
- The list of public institutions should not be closed, but also include administrative bodies.

Unit B2 replies:
- In terms of values, indeed this indicator may not prove informative for all countries. It would be more relevant in countries with many public institutions (ex: municipalities) supported.
- We will add processes to the name and definition of the indicator.
- Municipal companies could be counted as enterprises.
- The indicator is meant to measure public authorities, in the context of e-government. We will emphasize this in the definition. Therefore, universities should not be counted.
- The list could be extended to other types of public authorities.

RCR11 – Users of new public digital services and applications
RACER: Relevant 87%; Accepted 80%; Credible 73%; Easy 60%; Robust 67%

Issues raised:
- Include "new or upgraded" in the title
- How are the users defined? It is difficult to distinguish individuals from enterprises as users.
- Distinguish between internal and external users
- Why calculate the number of users per year?
- One year may not be enough; there could be more users over a longer period of time.
- Double counting is close to impossible.

Additional issues raised:
- Implications of privacy issues – it makes it difficult to identify the individual using a given service, and therefore double counting is not feasible.
- (Also for RCR14) Consider an option to add "upgraded" in the title.
- If we count all users in RCR11, then RCR 14 becomes redundant (it would be a subset of RCR11).

Unit B2 replies:
- On "upgraded" in the title – we will included it in the title, and explain in the definition that it refers to substantial upgrades (ex: a new functionality) not regular maintenance of software.

- In principle, we proposed users to be defined as individuals, but we acknowledge the difficulty to distinguish individuals from enterprises. Therefore, ==we propose to use only the terms "end users"== in the definition, with the assumption that they would be counted based on the number of times the website/ service is accessed. This would address also the privacy issue.
- On types of users (internal and external) – although the distinction could be useful, we would propose to maintain the indicator as a measure of the total number of users in order not to multiply the number of indicators for the same topic.
- We propose the reference period for the measurement of result of one year in order to ensure comparability of data across programmes. Moreover, the period of one year helps factor in also the seasonality of the use of the service (if applicable).
- We agree with the comment that the number of users may grow over time, not in the least because of a network effect. The more popular an application becomes, the more people learn about it, and the higher the number of users. But, as with the other result indicators, waiting for too long to collect data on results may defeat the purpose of policy communication as we would have nothing to report in the meantime.
- ==We agree that removing double counting in this case would be very difficult. We agree to take it out of the fiche since we will be counting the number of users that access the service.==

RCR12 – Users of new digital products, services and applications developed by enterprises

RACER: Relevant 73%; Accepted 53%; Credible 73%; Easy 40%; Robust 60%

Issues raised:
- Similar comments as for RCR11
- It does not really matter who develops the applications; what matter are the users. Could we merge all indicators of users into one indicator?
- Could users of mobile applications be included?
- Types of users

B2 replies:
- On users of mobile applications, yes – they should be included, if these applications are financed
- On types of users, we propose "end-users" a for RCR11

RCR13 – Enterprise reaching high digital intensity

RACER: Relevant 60%; Accepted 40%; Credible 53%; Easy 33%; Robust 53%

Issues raised:
- The definition provided for high digital intensity is rather obsolete for highly digitalised economies.
- There are too many conditions included in the definition of high digital intensity.
- When is this indicator to be used?
- There is low risk of double counting
- Sources of data: include surveys

Additional issues raised:
- Consider the Community survey on ICT – as a subsample which would cover beneficiaries of the interventions.

B2 replies:

- High digital intensity is a concept proposed by DG CONECT for the Digital Scoreboard. This definition will be updated by DG CONECT. We propose this indicator since a) it is relevant for our investments, and b) having the same definition as in the scoreboard would ensure comparability of the data collected from the projects with the scoreboard statistics.
- In effect, the conditions mentioned are dimensions which are quite common for many companies.
- This result indicator would be useful for projects whose objective is to improve the digital intensity of companies.
- Double counting would apply if the same company participates in several projects. We prefer to keep it.
- We will include surveys as an additional option for data sources.

RCR14 – Enterprises using public digital services
RACER: Relevant 71%; Accepted 50%; Credible 64%; Easy 36%; Robust 57%

Issues raised:
- Include applications in the title
- Proposal to merge all indicators on users (with enterprises also considered users) into one indicator

Additional issues raised:
- Add "new and upgraded" in the title as for the other indicators
- Removal of double counting from IPs could be considered
- It is difficult to distinguish enterprises among users. RCR 11 would be a general indicator covering all users.

Unit B2 replies:
- The indicator is meant to measure the results of investments in e-government, e-health
- We will include applications in the title
- We will include also "new and upgraded"

SPECIFIC OBJECTIVE 1.iii Enhancing growth and competitiveness of SMEs

OUTPUT INDICATORS SO1.iii

RCO15 Capacity of incubation created
RACER: Relevant 73%; Accepted 73%; Credible 73%; Easy 60%; Robust 60%

Issues raised:
- New or improved capacity? Include "improved" in title?
- Discrepancy between indicator name and the definition: enterprises supported or that could be supported?
- Double counting is not applicable since this is an indicator of capacity

Additional issues raised:
- Indicators from specific objective 1.i are very relevant also for this specific objective.

Unit B2 replies:
- <mark>The intention with this indicator is to measure the increase in incubation capacity,</mark> not the improvements in services of an existing indicator. For improvements of incubation services, we should consider a separate indicator, if necessary. In this case, however, we would need a definition of what would constitute a significant improvement in capacity.
- We meant number of enterprises that can be supported (since it is an indicator of capacity).
- <mark>We agree with the comment on double counting. We will take it out of the fiche.</mark>
- We agree that the indicators included for specific objective 1.i are very relevant for 1.iii. In fact, these indicators are marked "*" such that they are used whenever relevant.

RESULT INDICATORS SO1.iii

RCR16 High growth enterprises supported
RACER: Relevant 53%; Accepted 27%; Credible 40%; Easy 13%; Robust 40%

Issues raised:
- Targets will be difficult to estimate
- Is there an expectation of impact on growth?
- Time of measurement not clear – what do the three years mean?
- Company data is recorded with a time lag in public registries.

Additional issues raised:
- This indicator will generate a lot of administrative burden
- It will be difficult to report on such indicators every two months or six months – because it is not possible to take data for these indicators from the projects; they will require surveys. The same applies for RCR17
- What do we want to measure with this indicator exactly? If the enterprises are already of high growth type to begin with, there is no change after the intervention. What is the result in this case?
- Given that this indicator counts enterprises supported, it is similar to RCO01. Then, it is not clear why RCR16 is a result indicator, because it is a subset of RCO01. It is more the definition of the beneficiary not really a result (since the project is not expected to generate the high growth).
- Can these results (RCR16, RCR17) include also other enterprises that are not supported by incubators? (same applies for the other result indicators for this specific objective)

Unit B2 replies:
- This indicator is meant to be used when the MA is targeting these type of enterprises (i.e. highly dynamic) for support.
- In terms of impact on growth – no, the indicator is meant to measure how many of these enterprises are supported, not the changes in growth rates
- The definition of this indicator is based on the definition of the similar statistical indicator from Eurostat. The definition relies on a moving average of growth rates over the three years, it does not meant measurement after three years.
- One advantage of this indicator is that it can be calculated based on registries. The time lag for registration in public registries is likely to differ across countries – therefore, the use of registries as a data sources would be recommended in countries with more efficient registries, where company data is published relatively on time.
- Frequency of measurement: there is indeed a difference between the frequency of data collection and the frequency of reporting indicator values to the Commission. From the procedural perspective, the frequency of reporting should be raised in the Council. From our perspective, we propose that the MA reports whenever data becomes available. This means

that it is not necessary to measure each and every indicator every two months. We expect the results to be reported when the data becomes available.

- We agree with the comments that there is no change reflected in RCR16. This indicator reflects more of a policy priority rather than change. We agree with the comment that, in fact, this is an output indicator. <mark>We will have to consider moving this indicator to the list of outputs.</mark>
- Indeed, for RCR16 and RCR17 – all enterprises relevant from the supported projects should be included.

RCR17 3-year old enterprises surviving in the market

RACER: Relevant 87%; Accepted 53%; Credible 47%; Easy 33%; Robust 33%

Issues raised:
- Start-ups or young/ new enterprises? (as for RCO05)
- When is the enterprise age established?
- Is "survival on their own" required?
- Can we add active in the market? Possibly a minimum turnover?
- Target may prove difficult to estimate
- Time of measurement: 3 years after support?

Additional issues raised:
- Three years after project completion makes sense if we want to keep this indicator
- An active enterprise could be defined in terms of the national average turnover for a 3 year old company
- The time of measurement – if the period for signing the financial agreement takes a long time (ex: when the call for proposals is repealed, or time needed to evaluate the proposals takes longer than expected), then some of the companies applying for support may become older than three years by the time the agreement is signed. Maybe time of submission of proposals would be a better option?

Unit B2 replies:
- <mark>As discussed for RCO05, it could be replaced by "new enterprises"</mark>
- <mark>We proposed to establish the age of the enterprise when signing the financing agreement. We also understand the comments received on the time needed to sign the financing agreement, and therefore could reconsider the proposal and include the age measured at the time when the enterprises apply.</mark>
- <mark>We will reconsider "surviving on their own"</mark> (which is meant as "with no public subsidy") since it would be difficult for the MA to measure it.
- Certainly, <mark>"active in the market" would be useful</mark> to include in the definition, but it will be difficult to establish a common threshold for all countries. Therefore, we would need to consider further how to define "active in the market." Suggestions are welcome.
- As for time of measurement, the same comment applies as for the other indicators – it would be a long time to wait three years to measure results within the limits of the programming period. While we agree that a three year measurement would provide a better result, we are also aware of the need to report on policy results as soon as we can. Moreover, measurement one year after project completion is already a novelty introduced for Cohesion Policy, and therefore three years later would be even more challenging for the Managing Authorities.

RCR18 SMEs using incubator services one year after the incubator creation
RACER: Relevant 80%; Accepted 80%; Credible 67%; Easy 53%; Robust 60%

Issues raised:
- Why include the duration in the title?
- Why annual users?
- Double counting is difficult to eliminate?

Additional issues raised:
- It is not clear why this is a result indicator, especially since RCO04 (enterprises receiving non-financial support) is an output indicator
- Collecting data for this indicator implies that the incubator has a monitoring system where they register the enterprises supported

Unit B2 replies:
- We agree with the comment on the title; it's not necessary to mention "one year" since this would be, in any case, clear from the fiche.
- The reference period of one year for measurement is proposed in order to ensure comparability of data across projects.
- Double counting could be considered at the level of the incubator (i.e. not count the same enterprise twice, regardless of the number of services provided to it).
- On the monitoring systems of incubators –we explained earlier that the European Enterprise Networks do have a monitoring system that records the enterprises receiving support. We could consider a similar model (but not necessarily linked at European level).
- As regards the distinction from RCO04 – the use of incubator services is a result for the incubator, while RCO04 can measure any enterprise receiving non-financial support (regardless whether through an incubator or not). RCR18 is to be used only for project creating new incubation capacity.

RCR19 Enterprises with higher turnover
RACER: Relevant 67%; Accepted 53%; Credible 60%; Easy 33%; Robust 53%

Issues raised:
- Difficult definition
- Would this indicator be relevant in other specific objectives? (i.e. include *?)
- Include a minimum level of turnover growth?
- What is the difference from RCR16?
- Remove "sustain" from the definition?
- Measurement after two years
- Use of public registries as a data source

Additional issues raised:
- Time measurement: what do we mean by one year after completion? Usually, reference time for the turnover of enterprises is the end of a calendar year, with enterprises having a period of 3 months for reporting. What would this imply for a project finishing, for example, in

September? Therefore, we propose the time of measurement as one calendar year after the year of completion (the same applies for RCR25).

- For time measurement, we should consider fiscal year (not calendar years) since they are likely to differ across countries.
- For time measurements, if we choose to measure results too early, there are unlikely to be robust, and the policy would lose credibility.
- These indicators are difficult to quantify because they require access to public registries – access for which, in some countries, we need to pay.
- On data sources, the beneficiaries tend to make mistakes, and therefore the use of public registries could be a more reliable option. This may imply a longer time needed for data collection and reporting.
- These indicators may be sensitive not only to implementation of projects, but more generally to the economic environment (ex: labour costs, social security policies etc). Therefore, we suggest selecting only one indicator with a strong methodological support.

Unit B2 replies:
- We are not convinced that this indicator would be relevant for other specific objectives, since it refers specifically to competitiveness of SMEs
- We agree with the suggestion of a minimum level of turnover growth, although it is challenging to define this minimum level. We will explore the possibility to establish a threshold (in terms of an average, or standard growth rates etc)
- RCR19 is expected to be used when the objective is to increase the turnover of the company.
- "Sustain" refers to maintaining the same growth rate. We will need to clarify it better in the definition.
- As for the data sources, this is indeed an ideal indicator for data collection from public registries. The Managing Authority will only need to know the unique identifiers of enterprises supported.
- On time of measurement, the comments received indicate a need of further reflection on whether a flexible period for data collection (between 1 and 3 years) would be a better option for these indicators, accommodating the varying preferences across Member States. The main issue here is the comparability of data.
- The proposal for fiscal year is an excellent suggestion which would help cater to differences in reporting cycles at country level.
- On sources of data – we understand that access to public registries differs across Member States. In previous meetings we learnt that some Member States have concluded institutional agreements at national level in order to provide access to public registries to the Managing Authorities of EU funds. Given this diversity, we proposed several methods of data collection (beneficiaries, surveys, registries).
- As for causality of results – this issue applies to most of the result indicators. They are likely to be influenced by other factors as well (the same applies, for instance, also to innovation in enterprises). Monitoring data can at best provide an indication whether results are generated in the right direction. Therefore, with monitoring data, the best we can do is to measure results as close as possible to the intervention funded, with the understanding that causality is to be determined in evaluation. And, in order to be able to evaluate these effects, we need to collect this data. Therefore, this data will be useful both for communicating on the results in supported projects, and for evaluating the causality effects of these interventions through evaluation.
- On the number of indicators – we already mentioned that not all indicators proposed are to be used in one programme. These are rather options which seek to cater to different needs across Member States. If we choose only one indicator - that would imply constraining everybody's choices to only one option. And since it is unlikely that one indicator would be suitable for all programmes, this wold lead to the introduction of programme specific

indicators which are not comparable and cannot be used at EU level for accountability, communication, and evaluation.

RCR25 Value added per employee in supported SMEs
RACER: Relevant 33%; Accepted 20%; Credible 13%; Easy 13%; Robust 20%

Issues raised:
- Indicator perceived as difficult and not robust
- Aggregation of average values from programmes to the EU level renders the indicator meaningless.

Additional issues raised:
- Some of the general issues raised for RCR19 apply also to RCR25

Unit B2 replies:
- In our view, value added per employee is one of the most relevant measures for smart specialisation. We agree with the comments that the aggregation of average values from projects, to programmes, and then to the EU level is not feasible. In fact, we were planning to use ranges of average values from programmes. As a solution, we propose to count the number of enterprises with a higher value added per employee. Also in this case, we will need a threshold for the growth in value added per employee.

SPECIFIC OBJECTIVE 1.iv Developing skills for smart specialisation, industrial transition and entrepreneurship

OUTPUT INDICATORS SO1.iv

RCO16 Stakeholders participating in entrepreneurial discovery process
RACER: Relevant 63%; Accepted 50%; Credible 50%; Easy 38%; Robust 25%

Issues raised:
- Not clear what is the demarcation between ESF+ and this specific objective
- Include "organisational stakeholders" in the title such that businesses could be included
- How much involvement of stakeholders?
- What is entrepreneurial discovery?
- Counting stakeholders is subjective and difficult to control.
- How to filter duplication?
- Time of measurement?

Additional issues raised:
- What is the added value of counting stakeholders' participations for cohesion policy? For example, if we get 100 participations, what does that tell us?
- Is there a difference between stakeholders and partners? This distinction is made in the current period. In our view, this indicator should be inclusive, i.e. include also stakeholders responsible for horizontal principles.

- Although this is an interesting indicator, it will be difficult to set a target for it. If there is one national strategy and several at regional level, there is a diversity of outcomes across regions. In some regions, there was a lot of participation at the beginning, but at the end it thinned out. Therefore, the MA needed to make a serious effort to help sustain the process. Therefore, it will be difficult to establish a credible target for this indicator, and then also achieve it for all smart specialisation strategies across programmes.
- For which projects this indicator could be used?
- This is an indicator that goes beyond the programme since it is established at the level of the strategy. Therefore, it will be difficult to match the stakeholders with the programmes. Moreover, if there is no allocation associated with this indicator, it is difficult to measure it.
- On the robustness of this indicator - we may face the situation that meetings are organised just to meet the target for the indicator, with little genuine added value from the perspective of content.

Unit B2 replies:
- This specific objective is dedicated to investments in skills for smart specialisation, not general training. Examples: technical skills for 3D printing; training in innovation management.
- Following the comments received, we also considered whether the indicators we proposed should be limited to this specific objective, and reached the conclusion that they may be necessary also in the other specific objectives for smart specialisation. This implies adding a * for all these indicators.
- Indicator RCO16 is meant to reflect the inclusiveness of the process of stakeholder consultations in the context of smart specialisation strategy. For the next programming period, stakeholders' consultations will be ongoing throughout the period, and possibly financed by ERDF.
- For this indicator we propose counting the participation to stakeholder consultations. Moreover, participation is to be interpreted in terms of institutional representation, meaning the following: if two or more representatives of the same stakeholder organisation participate to a meeting, they would be counted as one.
- In terms of measurement, this is an indicator measured at the level of the strategy of smart specialisation, and therefore part of the monitoring system established at the level of the strategy. Therefore, it could be based on the data collected from the lists of attendance to the meetings.
- We agree with the suggestion to include "organisational" in the title. In addition, the title should indicate "participations" in order to clarify the meaning of the indicator.
- In terms of involvement of stakeholders, in our view we cannot be so precise as regards the frequency, length and involvement of stakeholders ex ante.
- Entrepreneurial discovery was defined already in the context of establishing the smart specialisation strategies. We will include in the references the JRC report explaining the process of entrepreneurial discovery.
- On whether the indicator is subjective, we agree with the view that the extent of stakeholders' could be an issue and cannot be easily measured, but counting the stakeholders' participation to meetings is feasible based on attendance lists.
- On double counting – this issue is no longer relevant if we agree to count participations.
- On time of measurement – as the consultation process is expected to last throughout the programming period, we suggest that the Managing Authority decides the frequency of data collection for this indicator, depending on the schedule of the meetings planned for consultations.
- On the value added of the indicator, this measure is meant to reflect the inclusiveness of the process. Comparable data across countries would provide a context for the interpretation of this indicator.

- We will ask whether partners can be included in the scope of the indicator.
- On establishing targets – this issue applies for several indicators. We expect target setting will not be easy especially for the new indicators, where there is little prior experience (although for this indicator we already have an experiences accumulated with stakeholders' participations for the current strategies). We have proposed to discuss this issue in a dedicated session in the future, where we can understand together what kind of assumptions would be optimal, what types of tradeoffs would be suitable etc. In addition, it will be possible to change targets, especially following the mid-term review that will include an analysis of implementation.
- On where to use this indicator – this is a process indicator, and therefore will have to be established at the level of the strategy, not in projects.
- As the technical assistance will follow the policy objectives, the indicator could be used when technical assistance is allocated to cover the costs of the partnerships steering the smart specialisation strategy. If the strategy is outside the programme, and not financed by the programme, then indeed the indicator is less relevant. We will reflect more on the relevance of the indicator in a context where the smart specialisation strategy has existed in the country for a long time, with a weak link to ERDF financing.

RCO17 Investments in regional/local ecosystems for skills development
RACER: Relevant 60%; Accepted 60%; Credible 47%; Easy 47%; Robust 27%

Issues raised:
- Indicator perceived as relevant, but not robust.
- What is an ecosystem?

Unit B2 replies:
- The main difficulty with this indicator is the definition of the ecosystems and their identification for measurement. The indicator is based on the related OECD study on the usefulness of such ecosystems for skills development.
- We understand from the comments received that this indicator will be very difficult to measure, and therefore will propose to remove it from the common list.
- This would imply also the removal of the corresponding result indicator RCR24

RCO101 SMEs investing in skills development
RACER: Relevant 87%; Accepted 80%; Credible 53%; Easy 67%; Robust 60%

Issues raised:
- Change title to "SMES investing in skills for smart specialisation"
- Why just SMEs?
- How does the indicator relate to RCO01?
- Eligible costs

Unit B2 replies:
- We agree with the suggestion to change the name of the indicator.
- The indicator is confined to SMEs since they are a policy priority.
- The indicator will be a subset of RCO01.
- According to the Commission's proposal, costs related to trainings for skills for smart specialisation will be eligible. In any case, the definitions of indicators are not meant to establish eligibility of costs, but rather follow the provisions of the regulation in this regard.

RCO102 SMEs investing in training management systems
RACER: Relevant 86%; Accepted 71%; Credible 36%; Easy 57%; Robust 36%

Issues raised:
- Overlap between RCO101 and RCO102

Unit B2 replies:
- For RCO101, we do not assume an internal training system for the SMEs. The training can be one-off. We agree with your comments that the distinction between the two indicators may be difficult, and therefore consider merging the two indicators into RCO01, i.e. one indicator dedicated to all investments in skills for smart specialisation in SMEs.

SPECIFIC OBJECTIVE 1.iv

RESULT INDICATORS SO1.iv

RCR24 SMEs benefiting from activities for skills development delivered by a local/ regional ecosystem
RACER: Relevant 73%; Accepted 67%; Credible 53%; Easy 53%; Robust 47%

Unit B2 replies:
- Given the removal of the corresponding output indicator RCO17, we will reflect also on removing this result indicator since we expect it would be as difficult to measure as RCO17.

RCR97 Apprenticeships supported in SMEs
RACER: Relevant 64%; Accepted 71%; Credible 64%; Easy 64%; Robust 57%

Issues raised:
- Why is this a result and not an output?
- Apprenticeships could be shorter than project duration.
- Which domains are eligible?
- Double counting should be added
- Time of measurement – change to "when the apprenticeship is over."

Unit B2 replies:
- The main objective is to measure especially (but not only) the link between academia and the business sector.
- In our view, this indicator would measure a result if the apprenticeship would result in upgrading skills for smart specialisation (the same applies for all result indicators on training included in this specific objective). An output would be expressed in terms of participations or apprenticeships paid for, while the result implies a completion of the apprenticeship. We will clarify this in the definition.
- We agree with the comment that apprenticeships could be shorter than project duration; therefore, we will adjust the definition accordingly. In this case, however, we would need a different measurement unit such as FTEs in order to make the data comparable.
- As for eligibility, the indicator covers all domains which are included in the smart specialisation strategy and which are eligible according to the regulation proposed.

- On double counting – in our view, it is not that relevant in this context, especially in the case of FTEs as measurement unit.
- <mark>We will reflect on the proposal to change the time of measurement to the time when the apprenticeship is over.</mark> This would, in principle, imply measurement also during the project implementation (i.e. before project completion).

RCR98 SMEs staff completing Continuing Vocational Education and Training (CVET) (by type of skills: technical, management, entrepreneurship, green, other)
RACER: Relevant 79%; Accepted 79%; Credible 71%; Easy 64%; Robust 64%

Issues raised:
- Proposal to merge the three indicator for training into one.
- Need to confirm that the ESF system of data collection is not required for these indicators.
- Participation or completion of training?
- Double counting – unique participants? For ESF, for instance, one participant cannot be counted twice in the same operation, but can be counted several times across operations.
- Time of measurement: when the training is completed, or when the project is completed.

Additional issues raised:
- If types of skills are to be maintained, there maybe there could be different indicators since the monitoring systems have only one value for a given indicator. Otherwise, we will need to organise it as RCR98a, RCR98b, RCR98c etc.
- Clarify what type of training providers can be supported in this context?
- Suggestion to learn more from ESF on the issue of double counting for training programmes.
- The approach proposed for double counting would generate difficulties in the case of disaggregation by types of skills since one participant can attend different trainings for different skills.

Unit B2 replies:[1]
- All indicators on training measures results of investments in skills for smart specialisation.
- There are two dimensions for these indicators: type of training and type of skills acquired through training.
- We see the merit of the comments suggesting merging the three indicators since we understand that reporting all three indicator disaggregated by types of skills is likely to generate significant administrative burden. <mark style="background-color:cyan">Therefore, we will propose merging the three indicators into one dedicated to all forms of training for skills for smart specialisation, while maintaining the disaggregation by type of skills.</mark> The advantage of one indicator (while maintain the disaggregation for reporting in implementation) is that the target would be required only at the level of the indicator, and not for by type of skills.
- As for data collection, since this is an ERDF indicator, it will follow the definition agree upon and included in the indicator fiche.
- The achieved value of the indicator is to be determined based on the completion of training, and not just participation.
- We propose to remove double counting at project level, at the level of the SMEs. We expect that removal of double counting beyond the project level is not feasible as the MA would have difficulties in identifying it across projects (also due to privacy issue and confidentiality of data).

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[1] Measurement unit cannot be participants since it has a specific legal definition for ESF.

- If trainings will be organised by specialised companies, ==it will not be the SMEs reporting on staff trained, but the training providers.== We will need to reflect on the removal of double counting in this case (for instance, if one SME participates in more than one project).
- As for the time of measurement, for simplicity, we proposed to measure achieved values when the project is completed. From the comments received, however, we understand there ==could be a preference for measurement when the training in completed, i.e. for partially implemented operations.== We will need to think more about the implications for data comparability.
- For types of skills, indeed a solution would be to label them as a,b,c,d,e in the monitoring system.
- ==We agree with the comment on the implications of the approach for double counting for the disaggregation by types of skills, and will need to analyse the issue further.==
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RCR99 SMEs staff completing alternative training for knowledge intensive service activities (KISA) (by type of skills: technical, management, entrepreneurship, green, other)

RACER: Relevant 71%; Accepted 71%; Credible 71%; Easy 64%; Robust 64%

Issues raised:
- Same comments as for RCR98

RCR100 SMEs staff completing formal training for skills development (KISA) (by type of skills: technical, management, entrepreneurship, green, other)

RACER: Relevant 71%; Accepted 79%; Credible 71%; Easy 64%; Robust 64%

Issues raised:
- Same comments as for RCR98

Additional general issues discussed:

Issues raised:
- Are these common indicators meant to be used also for simplified cost options and payments against conditions?
- Include the measurement units in the annex

Unit B2 replies:
- The common indicators proposed are designed primarily for operations with payments based on costs. SCOs and payments against results require reference data specific to the Member States, and therefore the indicators applied would need to be designed specifically for the purpose.
- We would prefer to keep the measurement units in the guidance, but not include them in the annex.