

2009

INNO-Appraisal at a glance

Dear Reader,

Welcome to the fourth INNO-Appraisal newsletter. *INNO-Appraisal* is one of the eight PRO INNO Europe initiatives funded by the European Commission's Directorate General for Enterprise and Industry.

INNO-Appraisal takes stock of and assesses appraisal exercises such as evaluations, monitoring, benchmarking, and peer review in the area of innovation policy across Europe, at European, national and regional level. It contributes to the improvement of the Commission's analytical capabilities in the area of innovation policy, thereby improving the regulatory and administrative environment for innovation in Europe and leading to more and better innovation.

We use the term "appraisal" to distinguish our activities from evaluation and to encompass the broader set *ex ante* and *ex post* methodologies employed for the assessment of innovation policy performance, past, present and future.

What's new in this issue?

This edition covers:

- the progress on the collection and completion of appraisal templates across the EU25,
- the current status of and preliminary results from the case studies; and
- an overview of the discussions and points emerging from the Workshop.

The survey – final result of the data collection

As part of the data collection process in the first phase of the INNO-Appraisal project, our team filled in templates in order to characterise innovation policy appraisals conducted after 2002 across the 25 EU Member States. These pre-filled templates were sent for validation and completion to the policymakers identified as responsible for the relevant policy measures.

Our results are based on the Inno-Policy TrendChart database, which reports 293 evaluated measures and 352 appraisals. Some measures and appraisals were not included as they did not meet the criteria for inclusion adopted by the project, while others not appearing in TrendChart were added.

As a result, the database now contains 258 templates, 161 of which were validated and completed by policy makers, thus giving an overall response rate of 69 %.

The figures for the templates sent to policy makers and returned by them are provided in the table below.

Overall figures for the survey: Number of templates returned/filled in (rate of response)			
Austria: 37/41 (90%)	France: 0/4 (0%)	Latvia: 0/0 (0%)	Portugal: 0/8 (0%)
Belgium: 5/13 (38%)	Germany: 18/18 (100%)	Lithuania: 0/0 (0%)	Slovakia: 4/4 (100%)
Cyprus: 1/1 (100%)	Greece: 17/26 (65%)	Luxembourg: 1/0 (0%)	Slovenia: 4/2 (50%)
Czech Rep. 24/50 (48%)	Hungary: 8/14 (57%)	Malta: 3/3 (100%)	Spain: 1/2 (50%)
Denmark: 0/6 (0%)	Ireland: 0/4 (0%)	Netherlands: 11/11 (100%)	Sweden: 8/8 (100%)
Estonia: 1/9 (11%)	Italy: 0/5 (0%)	Poland: 3/7 (43%)	UK: 8/12 (67%)
Finland: 7/8 (71%)			

The Case Studies

In an earlier phase, the project has already conducted a set of illustrative country case studies (Germany, Austria, Mediterranean countries, UK). Those country cases will be updated and improved for the final report in February. However, beyond those country cases, the project seeks to understand – in depth- a set of selected important issues around evaluation of innovation policy. Therefore, after feedback from the project steering committee of international policy makers and co-ordination with the Commission, the internal meeting in Manchester (March 2009) the team decided on four case studies on the following topics:

- 1) Impact assessment
- 2) Behavioural additionality
- 3) Usefulness of evaluations
- 4) Structural fund evaluations

We have decided that the cases are **thematic** rather than based on individual evaluations. This allows us to focus on the particularly interesting aspects of the evaluations we have examined, and enables a broader range of examples to be drawn from our survey data. Extensive use is thus made of the templates and reports we have collected, while the statistical analysis allows us to identify where the hot spots for learning are located. We also provide concrete examples to illustrate specific

issues and to learn from specific practices, rather than writing an abstract guidebook.

For all the themes covered by the case studies, we have taken care to include more qualitative issues which cannot be readily appreciated through the statistical analyses. These include: institutional arrangements (at national and organisational level) and the impacts of evaluations and the conditions under which they can be maximised.

Whenever possible, the cases take into account the whole policy cycle to enable us to draw more general lessons about the role of evaluation within the policy formulation, decision, implementation and re-formulation process.

The case studies are selected in order to cover different policy measures within the innovation policy cycle based on agreed classifications. The selection of evaluation reports and measures when covering the cases tries to represent a broad range of different kinds of evaluations and countries. Good practice will form a focus, as will efforts towards maximising the impact of evaluations.

In the following we present the current state of the theme cases that will be finalised early in 2010.

2009

The Individual Case Studies

The case study on **impact assessment** shows the main use of impact assessment and how – and under what circumstances – usefulness can be improved. In addition to the statistical data, a set of interviews deepened the understanding of the context conditions and the intentions of policy makers when they commission and conduct and use evaluation in the policy cycle. One of the main findings so far is that there is no clear link of impact assessment on the one hand and usefulness on the other hand.

The case study on **Behavioural Additivity (BA)** looks systematically at how BA is used, how it links to the other properties of evaluations and what shortcomings the concept and its applications have. In addition to the analysis of the INNO Appraisal statistics, the authors have yet performed a text analysis on a set of evaluation reports that claimed to apply BA. Interestingly, the findings show that despite the popularity of the term Behavioural Additivity the concept is ill defined, applied in very different ways and often not used to its full potential. The major argument for the future is to improve the conceptual underpinning of BA so that the black box of behaviour can be opened and the meaning of policy, as regards influencing the behaviour of firms, can be better understood.

The case study on "**What determines usefulness** of evaluations?" conceptualises usefulness by defining its various dimensions and explains some preconditions for its optimisation. It starts with an in depth database analysis which links, in an exploratory fashion, most of the variables in our evaluation report templates (methods used, purpose, aspects covered etc.) with usefulness. A set of first important findings emerged already, such as the fact that summative evaluations are regarded as being

more useful than formative, planned evaluation being *less* useful than non-planned and that quality itself is not a clear determinant of usefulness (pointing to the meaning of contexts and time windows). A first strong conclusion is that there is a need for better indicators of usefulness (as INNO-Appraisal data is based on the self assessment of policy makers) and a need for a more qualitative analysis in order to support and contextualise the statistics.

The final case study explores **evaluation needs** and **practices** in the context of **structural funds (SF)** within the context of evaluation practice and culture of a set of selected countries (Malta, Poland, Greece). The study analyses what kinds of requirements are connected to the use and implementation of structural funds and how those requirements are met in the three countries. The case study shows that despite specific requirements, the nature of the evaluations done in the context of SF does not differ significantly from other evaluations. However, despite the requirements, such evaluations are *lower in quality*. Most importantly, however, the requirements as regards evaluation within the SF have made a major difference in the countries with regard to the building of evaluation practice, processes and culture. In the future, SF evaluation should be more flexible and better, concrete guidelines for implementing should be given.

The Workshop

The purpose of the workshop in September 2009 in Brussels was to discuss with around 20 selected participants

- the findings of the statistical analysis
- the in-depth analyses of selected evaluation issues in RTDI policy bases on the case studies.

2009

19 external experts from 9 different countries (Austria, Belgium, France, Germany, Greece, Italy, Spain, Turkey, UK), mainly from ministries and innovation policy agencies, as well as from the EU DG Research and the OECD participated. Together with the project team (7) and the EU official, Alberto Licciardello, the total number was 26 participants. Four of the 19 external participants were members of the INNO-Appraisal steering committee.

The agenda was designed in order to achieve the two aims stated above. In each session, a project member presented key aspects and findings, and one participant acted as discussant.

The first day was devoted to a presentation and discussion of the main findings across the whole dataset. It involved a live demonstration of the repository on the web. This repository has proved to be very popular (based on hits on the web) and is a major deliverable of the project, supporting the policy intelligence remit of PROINNO very broadly. In the course of its design, an exchange with TrendChart has led to some improvements in the ways in which TrendChart deals with the evaluation dimension.

A second presentation presented an overview of evaluation practice in Europe, based on the descriptive statistics of the overall data set of evaluations.

A further presentation summarised the main hypotheses and correlation across the whole data set. This was intended to convey an impression of how specific aspects of the evaluation exercise link to each other, i.e. which properties co-exist and how do properties of the evaluation (use of methods, ToR, etc.) impinge upon quality and usefulness. This presentation was a broad *tour d'horizon* and stimulated an intensive debate.

The second day was devoted to four in-depth issues: Impact assessment, Behavioural additionality, Usefulness of evaluations and Structural fund evaluation (see The Case Studies – above).

Summary of the workshop

The high level participants confirmed that INNO-Appraisal is an important project; it raises awareness about evaluation practice, effects and shortcomings in European countries in the area of innovation policy; it delivers a service to the community in terms of the repository, the overall analysis and the in-depth issue analysis - all of which are major outcomes. In addition, the project already links with other activities in the field, mainly the OMC-net on evaluation and the OECD activities on Behavioural Additionality, next to a set of national links to evaluation communities (e.g. Austria, Germany). The links within other elements of PRO-INNO are also very significant. There are indications that the project functions as a crystallisation point for evaluation discourse in innovation policy in Europe.

While many of the findings are not entirely new, they have been derived from the basis of a novel and broad analysis and can be contextualised in a new setting. In this way, they make a valuable contribution to the institutionalised memory of the evaluation community.

On that basis, a strong suggestion was made to continue the work of INNO-Appraisal in some form (e.g. within the TrendChart agenda) in order to maintain a repository of evaluations and the opportunities for further analysis along the lines of INNO-Appraisal. The additional on-going costs, now the repository is set up, would be minor, and existing correspondent networks could be used. In addition, INNO-Appraisal and

2009

potential future activities should link up globally: an evaluation seminar organised by China in the context of an OECD activity would form one obvious opportunity.

All participants agreed that the workshop came at the right time, providing both a presentation of the technical approach and the findings based on this approach. This was done in order to allow the experts associated with the study the opportunity to comment on the technicalities and understand the basis of the data and the analysis. In a next step, the findings will need to be packaged the other way round, i.e. start with the major findings and have the technical approaches as back up.

The outcomes to date shed some intriguing light on the conditions for the usefulness and impact of evaluations, for instance, the finding that evaluations that are a planned and integrated activity within the programme are not necessarily more useful, or the fact that the ToR may not be the most important guidance for evaluations.

Consequences for the project

The workshop also resulted in concrete recommendation for the remaining five months of the project. Most obviously, there is a need to link evaluation practice with the characteristics of policy measures. The TrendChart database categorisation is not best suited for this link thus the team will develop a simpler typology for the various policy measures under review.

A typology of countries is also desirable, using a restricted set of criteria. This would mainly focus in on the depth and breadth of innovation policy and how this is matched with evaluation practice in different countries or country-types.

The project does not cover the regional level. The complexities of the national level

analysis so far have indicated that the inclusion of a further level of evaluation practices would overburden the current resources. Moreover, the variation in regional characteristics would restrict the utility of some of the avenues of analysis so far explored. For example, a region such as Baden-Wuerttemberg would be many times bigger and have many more innovation policy measures than most small countries in the EU.

However, in the future, the richness of the the regional dimension of innovation support and evaluation should certainly be explored in the light of the findings at national level.

One of the clear messages of the workshop was that the overall analysis and assessment based on the survey of evaluation reports should take greater consideration of the contexts and characteristics of policy makers and policy formulation practices. In particular, the usefulness of specific evaluations cannot be understood in the absence of this context knowledge. For example, the real purpose of an evaluation can be restricted to legitimization (accountability) only, or it can be more concerned with policy learning. Both purposes are legitimate and justified, but have very different implications for evaluation practice. This being so, the link between the usefulness of the evaluations to their quality (however, that is defined) is far from straightforward. Thus, while the overall quality of the evaluation process and reporting might be poor, evaluations may still be entirely adequate to the purpose of the evaluation at that particular point in the policy cycle and, consequently, the utility of the evaluation could nevertheless be high. It is not possible to control for these considerations in our quantitative analysis but this issue will be addressed through qualitative interviews with policy makers in the coming phase of the study. .

2009

The study: future steps

1. Further in-depth analysis of the collected **templates**.
2. Qualitative, context-specific interviews with policymakers
3. The completion of the case studies.
4. Final report (February 2010).

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We hope you have enjoyed reading our third issue!

Coming next:

The next (and last) edition of this Newsletter will present the final findings on the evaluation of innovation policies in Europe. We hope you will find it interesting!

Contact us:

If you have any questions regarding INNO-Appraisal or would like to share information on matters relating to the evaluation of innovation support measures with us – please get in touch!

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