

Newsletter No. 3: January 2009

INNO-Appraisal at a glance

Dear Reader,

Welcome to the third 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.

Building upon evaluation studies conducted across Europe, the aim of INNO-Appraisal is to learn how evaluation practice can be improved and how policymaking itself can benefit from the practice of evaluation. More explicitly, INNO-Appraisal compiles, assesses and analyses all relevant appraisal exercises across the EU. These include evaluations, monitoring exercises, benchmarking studies and peer review reports related to innovation programmes. INNO-Appraisal aspires to become Europe's reference point regarding the appraisal of innovation programmes in the EU25, in line with the overall aim of PRO INNO Europe, which seeks to become the focal point for innovation policy analysis, learning and development in Europe.

What's new in this issue?

In this edition, our aim is twofold: firstly, to provide an update on the project's progress; and secondly, to inform the research and policy community about some of the major issues emerging during the second year of the project.

More specifically, this issue:

- Discusses the benefits of compiling a repository of information on existing R&D and innovation policy appraisals.
- Provides some basic information on the *Innovation Policy Appraisals Repository (IPAR)* - a new, structured online

tool constructed during the INNO-Appraisal project.

- Presents **progress** on the collection and completion of appraisal templates across the EU25.
- Underlines the most important **lessons learnt** and problems encountered during the completion and collection phase of the appraisal templates.
- Flags some of the important points to emerge to date from the collection and analysis of the **German** appraisal templates.
- Reports on an expert workshop held in Brussels as part of the INNO-Appraisal project concerning the development of an evaluation **concept for the EU Lead Market Initiative**.
- Identifies the next steps in the project's execution.

What are the benefits of a repository?

Over the last thirty years, recognition of the need to assess the efficiency, effectiveness and impact of government R&D and innovation policies has become increasingly clear – not only in terms of satisfying the demands of public accountability, but also in terms of the potential for evaluations of past actions to inform future policy.

In parallel, the spread of evaluation efforts has grown apace, though it has been more pronounced in some quarters than in others. The growth of an 'evaluation culture' has also been apparent, hand in hand with the emergence of 'evidence-based policymaking'. But despite the growing prevalence of R&D and innovation policy evaluation activities and evidence that evaluation is becoming increasingly professionalised, little is known on a systematic basis about the ways in which evaluation is being conducted across the EU or, indeed, about the quality

of these evaluative efforts and the diffusion of 'best practice' evaluation approaches.

The *Innovation Policy Appraisals Repository (IPAR)* sets out to rectify this deficiency. The database, constructed during the first phase of the project, characterises all appraisal activities logged in the INNO-Policy TrendChart database in terms of variables such as funding levels, sponsors, timing, topics covered, approaches and analytical techniques used, audiences targeted, etc. Consequently, analysis of this database now allows a comprehensive picture of evaluation activities to be constructed.

Critically, this will allow the growing communities of both evaluators and commissioners of evaluations to compare practices and benchmark their own activities, all of which should help improve the design of future appraisal exercises.

But this is not all. By linking the data characterising evaluations with existing data in the INNO-Policy TrendChart on the policy initiatives themselves, it will be possible to explore linkages and relationships between, for example, different types of policy instruments and different evaluation approaches or impacts. This should help identify potentially interesting examples of 'best practice'. Detailed case studies, to be carried out in the next stage of the project, will then elaborate more fully on these relationships and the ways in which the design of evaluations can be optimised in terms of both 'fit for purpose' and eventual impact.

The result should be a rich source of material for all those interested in both understanding current experiences of evaluation and learning from them.

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Innovation Policy Appraisals Repository: online soon

The INNO-Appraisal project has focused on innovation policy appraisals conducted in the EU25 after 2002. Of the 273 measures reported as evaluated by the TrendChart database, templates relating to 221 appraisal reports have been added to the *INNO-Appraisal Innovation Policy Appraisals Repository (IPAR)*.

The repository provides the full list of appraisals and links it to the associated TrendChart policy measures. In order to make the database user-friendly and practical, it is possible to search the repository with a range of search options. These offer ways to search for **types of policy measures** or for **certain evaluation approaches**. Thus, there are two ways to find relevant appraisal reports and to learn from them. The search can either target the appraisal reports directly or target the relevant policy measures; (1) free-text search by **title** of the appraisal or the policy measure, (2) through pre-defined **characteristics** of the appraisals or (3) by using **pre-defined characteristics of the associated measures**. The appraisals' criteria include timing, purpose, impact types, sponsors, analytical approaches used, collection methods employed, etc.), while the policy measures may be found using existing policy categorisations.

We expect the Repository to be online by the end of February on our website: <http://www.proinno-europe.eu/appraisal>.

The repository is still being updated and comments and suggestions would be highly appreciated.

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The survey - current progress

As part of the data collection process in the first phase of the INNO-Appraisal project, our team filled in templates which characterised 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.

The data collection process of the first phase is almost over and we would like to share the overall figures. Our data is based on the Inno-Policy TrendChart database, which reports 273 evaluated measures and 332 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 repository now contains 231 templates. Of these, 143 templates were filled in by the project team. A further 88 are only available in native languages not covered by the project team but were filled in by national correspondents. Of these 231 templates, 132 were validated and completed by policy makers, an overall response rate of 57%.

The overall 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%)	Slovakia: 4/4 (100%)
Belgium: 5/13 (38%)	Germany: 18/18 (100%)	Lithuania: 0/0 (0%)	Slovenia: 4/2 (50%)
Cyprus: 1/1 (100%)	Greece: 17/26 (65%)	Luxembourg: 1/0 (0%)	Spain: 1/2 (50%)
Czech Rep. 24/50 (48%)	Hungary: 8/14 (57%)	Malta: 3/3 (100%)	UK: 8/12 (67%)
Denmark: 0/6 (0%)	Ireland: 0/4 (0%)	Poland: 3/7 (43%)	
Estonia: 1/9 (11%)	Italy: 0/5 (0%)	Portugal: 0/8 (0%)	
Countries yet to be explored:			
Finland	Netherlands	Sweden	

Lessons learnt through the validation process

To provide the reader with a more explicit insight to the first phase of the project, it is useful to point out some of the most common problems encountered during the collection and completion of the appraisal templates.

First, the responsible policy managers were sometimes rather reluctant to provide assistance for the verification of the filled-in appraisal templates. A major concern was primarily a lack of time, since the templates were considered by some to be quite long

and that validation would require considerable effort particularly as, in the case of older evaluations, there would be a need for re-familiarisation.

Difficulties were also experienced in tracing the appropriate persons to verify the template, often as a result of staff rotation in the public organisations.

At the same time, finding the responsible person did not automatically signify the verification of the templates. In several cases, it was necessary to follow a fairly bureaucratic procedure involving communication with line managers to inform them of

the aims of the project and the specific contribution needed. In a small number of cases, programme managers refused to take part.

On a positive note, the availability of external evaluations was high, although the same was not true for internal evaluations. In general, it was not possible to access the reports from internal evaluations through programme owners/managers. It was also uncommon for the terms of reference to be made available to the public once the study was commissioned. However, evaluation reports generally referred to the main aspects of the terms of reference.

While the above mentioned problems are not new to policy research studies requiring the assistance of public administrators, they highlight a future need to find improved methodologies for engaging the cooperation of such actors. The extent of the problem effectively depends, to some extent, on the prevailing governance culture in each country: personal contacts are said to be more effective in southern European and / or small countries. In other contexts, organised efforts that bring together officials and engage their cooperation may be more effective.

A brief overview of Germany's evaluation policy culture

To give a flavour of the evaluation policy being followed in Germany, a brief overview of its current situation is presented below.

Regarding Science, Technology and Innovation (STI) policies, two **main actors** exist: the Federal Ministry of Economics and Technology (BMW_i) and the Federal Ministry of Education and Research (BMBF). Programme administration itself is

regularly handled by external programme managers: several public or private agencies deal with programme implementation and administration while the ministries define the policy objectives and focus on the strategic design of the measures.

Evaluations are regularly foreseen during the design stage of the policy measures. In particular, all **BMW_i** programmes undergo interim and/or *ex-post* evaluations, while there may also be additional accompanying research. The **BMBF** approach is less systematic in the sense that there are a number of thematic R&D programmes that operate without any (external) evaluation. Apart from that, open tender procedures and the commission of an evaluation study to an external agency or institute are standard practices.

Generally, the **evaluation culture** surrounding innovation policy measures in Germany is at a fairly high level. All programmes are evaluated, albeit, some of them only on an internal basis. Appraisal reports are often publicly available, but only in German.

Based on the characteristics of the appraisals collected so far in the project, some conclusions can be drawn. Evaluations of German policy measures seem to be either **accompanying** or **interim**. There are no 'real' *ex-post* evaluations for the period 2002-2007 since most of the programmes are long-term measures and policy-makers typically seek to improve programmes through intelligent information delivered, for example, by accompanying or interim evaluations.

All the evaluation studies cover **output or outcome issues** and evaluate whether the measures' goals have been achieved. The quality of outputs (e.g. patents, prizes, excellence rankings) is assessed more often than the average across the other countries

covered by INNO-Appraisal. The coverage of efficiency issues, such as programme or project efficiency, is again slightly above the average of the full INNO-Appraisal sample.

Questions of **additionality** are addressed in about half of the German evaluation studies, about double the average incidence in the full sample. The frequent occurrence of strategy development, regularly as a set of recommendations, shows that this topic is not restricted to formative approaches. Many appraisals of innovation measures in Germany cover **impact dimensions** in a broad perspective i.e. programme effects on the participants and beyond. In particular, almost all appraisals consider economic and technological impacts. Social, or rather societal impacts, particularly the creation of new jobs, are also of high interest.

Data collection methodologies tend to combine quantitative and qualitative methods, including the use of monitoring data provided by the programme managers. Other approaches include participant surveys and additional interviews (often with experts) by the evaluators themselves. Non-participant surveys, peer reviews and the use of technometrics and/or bibliometrics research are rarely applied.

The modes of **data presentation** regularly include descriptive statistics, while data analysis methods are quite different. Although studies regularly build on rich qualitative and quantitative data, case study analysis is employed in half the cases, and econometrics are applied in only one third of them. However, compared to the full EU25 sample, these numbers are still high. While the findings revealed a high coverage of additionality topics, a full counter-factual approach is seldom employed; neither are more specific methods such as network analysis, or input/ output analysis.

Appraisals pay extensive attention to the **terms of reference**, to which they relate their design and explain the rationale for the design and methods used. Many of the studies rely largely on descriptive statistics. However, if other methods, such as econometrics, are used, their documentation is sometimes rather brief.

In general, the appraisals structure their analysis sections in a clear way and draw their **conclusions** in a straightforward and logical fashion. Frequently, a clear documentation of data sources is provided. Finally, the coverage of the general context of the measure is reasonably good, which corresponds to the frequent application of questions relating to context analysis and the broad coverage of impacts.

Overall, this first assessment indicated a high **level of quality** for the German appraisals in our sample. In particular, it seems that high quality scores are related to: a broad context analysis (e.g. complementarity with other programmes, external/internal consistency, etc.), a broad coverage of impacts (technological, economic, and social) as well as full additionality approaches (i.e. an ideal methodology combined with a control group approach).

Workshop on the Evaluation of the Lead Market Initiative

On December 8th 2008, the INNO-Appraisal project organised an expert workshop in Brussels to discuss a concept for the evaluation of the EU Lead Market Initiative (LMI), thereby providing a forum for new developments in evaluation practice for innovation policy in Europe. Participants included EU Commission officials, policy makers from France, the UK, Finland and Germany, an expert from the OECD and academic experts from four other countries.

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The [Lead Market Initiative](#) that was adopted on December 21st 2007¹ calls for urgent and coordinated action along six ambitious action plans, with a timeline of 3-5 years. Action plans consist of a tailored policy mix of demand-side policy measures in the fields of legislation, standardisation and labelling, public procurement and complementary activities (mainly through CIP and FP7). The Competitiveness Council of May 2008 endorsed the concept and expressed their strong interest and commitment to exploit synergies in the use of existing national and regional instruments or actions in order to create the right framework to foster lead markets.

One element of the initiative concerns the application of an evaluation concept to support a mid-term progress report (June 2009) and final report (2011). A group of experts on demand-oriented innovation policies has already conducted a small-scale study to develop a concept for the monitoring and evaluation of the implementation and impact of the LMI. This study was carried out under the umbrella of the [Inno-GRIPS](#) project. The study team for the workshop comprised Jakob Edler, Luke Georghiou, Elvira Uyarra ([MIoIR, University of Manchester](#)) and Knut Blind ([TU Berlin FhG-ISI Karlsruhe](#)).

The LMI is a novel and ambitious instrument, both in its largely demand-based policy toolbox and in its aim to link societal needs with economic development through stimulating innovation. Thus, the proposed evaluation concept also explored new ground, linking new methodological combinations and the use of indicators to delineate markets, the exploration of new data sources and a set of qualitative and survey-based approaches to understand appropri-

ateness, implementation and (potential) impact of the LMI. The participants of the workshop agreed that, given the novelty and potential scope of the LMI, an evaluation concept must be designed to be both formative and summative. It has also become apparent that evaluation schemes or practices for demand-based instruments in general are very rare – as has been confirmed by our analyses of the [INNO-Appraisal Repository](#). Hence, this concept will help pave the way for the development of tools needed to support and improve innovation policies that are increasingly linked to demand and societal challenges.

The discussion provided extremely valuable feedback and delivered a set of additional ideas on which the concept was finalised and sent to the Commission at the end of January.

The study: future steps

- The **collection and completion of templates** along with the verification phase will be completed, focusing on the collection of data at the country level. At the European level, we will collect available appraisals in order to have a complete overview. At the regional level, a small set of regions will be selected and studied to draw specific lessons.
- The completion of the first phase will mark the start of the **full analysis of the data collected**.
- In parallel, the **design of the second phase** will be finalised. This will consist of a series of **case studies** of appraisals covering different policy measures within the innovation policy cycle based on agreed classifications. Good practice will form a focus, as will efforts towards maximising the impact of evaluations.
- The **end of the first phase** will be marked by a **Workshop**. This will pre-

¹ "A lead market initiative for Europe" - COM(2007)860 (21.12.2007)

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sent a summation of the final results of the appraisal data analysis and introduce **the second phase** by presenting the design and preliminary results of the case studies selected.

**We hope you have enjoyed reading
our third issue!**

The upcoming Newsletter:

Our next issue will continue to provide updates of the project's progress. It will focus on presenting:

- the final outcomes of the aggregate analysis of the appraisal survey results,
- the selection of case studies along with the design plan and issues to be examined; and
- an overview of the discussions and points emerging from the Workshop.

We hope you will find it interesting!

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