**SOUTH EAST EUROPE**
Transnational Cooperation Programme

Fostering Evaluation Competencies
**EVAL-INNO**
in Research, Technology and
Innovation in the SEE Region

Programme co-funded by the
**EUROPEAN UNION**

# EVAL-INNO
NEWSLETTER

## EDITORIAL

**Dear readers,**

This issue of the EVAL-INNO newsletter is the first in a series of six providing information about project progress and announcing important activities of the project. Each edition will focus on specific evaluation issues, such as on evaluation types, tools, methodologies etc. Starting in May 2011 and running until April 2014, a broad range of activities are planned that aim at establishing an evaluation platform with out-

reach to a number of countries beyond partner countries. The partners of EVAL-INNO are convinced that the planned interventions will provide an essential contribution to the establishment of a better evaluation culture, supportive of research, technology, development and innovation policy in South-eastern Europe (SEE). The control of public spending for RTDI programmes is of growing importance. We cordially invite you to cooperate with us and

to use the opportunity to jointly build up a vital platform that focuses on the region's needs, enhances institutional capacities and provides cutting-edge knowledge to evaluators and the awarding authorities. ∎

**EVAL-INNO is a project funded by the South East Europe Transnational Cooperation Programme; it will run from May 2011 until April 2014.**

Project EVAL-INNO was selected in the SEE Programme 2nd call for co-financing with ERDF funds; partners from Montenegro and Serbia are co-financed by IPA funds. Together, ERDF and IPA funds cover 85% of project costs, and the remaining 15% are paid through public funds in partner countries.

## EVAL-INNO: Fostering Evaluation Competencies in Research, Technology and Innovation in the SEE Region

**The key objective of EVAL-INNO is to strengthen regional as well as national evaluation capacities, in order to improve the framework conditions for RTDI policies, programmes and institutions.**

Research, technology and innovation policy is a complex and increasingly broad field involving public intervention and funding. An evaluation of RTDI policies and programmes is essential to systematically assess past, current and future programmes and policies and to provide the information required to readjust programme owners' plans and policies.

While independent project evaluation in all Southeast European competitive funding schemes is common practice, the evaluation of programmes and policies setting the framework for funding instruments is rather rare in the region. Given the variety of funding instruments that have evolved in the last years and the limited public funding available, a reflexive approach needs to be systematically developed. Under tight financial regimes however, public spending for RTDI has to identify the best rationales and mechanisms for performance based innovation funding right from the start. An assessment of running or recently concluded RTDI

funding programmes examines whether initial objectives have been met and can help define recommendations for the readjustment of existing and planned measures. To address the lack of knowledge and practice vis-a-vis evaluation, EVAL-INNO is supporting regional and national RTDI evaluation capacity building. The aim is to increase the competence of evaluators and provide guidance for funding agencies and programme owners how to make the best use of evaluation results.

In contrast to the role of evaluation in relation to competitive funding for selection of the best available projects, RTDI

## Key Challenges

A lack of sufficient and endogenous capacities for the evaluation of RTDI programmes and accompanying support measures create a serious bottleneck for the entire innovation management cycle in SEE.

The following key challenges regarding evaluation capacities in the target region can be identified:

■ lack of qualified evaluators in the field of RTDI programme and policy evaluations;

■ evaluation beneficiaries at the policy-level are dispersed across sectors and governance levels, but exchange among them is limited;

■ lack of knowledge on professional tendering procedures (including public procurement laws) to obtain the best evaluation results;

■ difficulties accessing RTDI evaluation information and good practices, and a general lack of completed good practice RTDI programme, institution and policy evaluations.

In summary, RTDI evaluation capacities in SEE countries, and particularly in the Western Balkan countries (WBC) are still limited and public intervention is deemed necessary to tackle this imbalance.

## EVAL-INNO: Fostering Evaluation Competencies in Research, Technology and Innovation in the SEE Region

programme evaluations analyse and provide input to strategic decisions such as the readjustment of programmes or the set up of programming cycles. Furthermore, evaluations are a powerful tool to ensure transparency and accountability and contribute to efficient, new public management.

Generally, evaluation excellence can be promoted in many different ways: by elaborating harmonised standards and guidelines, by providing more education opportunities (MA and PhD programmes in evaluation theory and practice), by providing more and better access to quality training, or by sharing good practices through connectivity among evaluators — just to name a few.

All EVAL-INNO partners share the belief that upgrading evaluation capacities to meet international state-of-the-art standards will contribute to more evidence-based decision making in RTDI policy.

EVAL-INNO outputs and results will be promoted through a large international conference, which will take place in Vienna in early 2014. Furthermore, a business plan for sustaining the "Regional RTDI Evaluation Platform", built on a fee-based membership system, will be developed.  ■

# Policy Cycle and Evaluation in Innovation

*Nikos Sidiropoulos, Lena J. Tsipouri*
*University of Athens, Department of Economic Sciences*

In modern public management the policy cycle, applying equally to innovation and other public policies, is defined in terms of three broad stages: agenda setting and prioritisation; implementation; evaluation and learning[1].

Innovation policy is composed of regulatory interventions, aiming at creating an enabling environment for the business and public sectors to innovate, as well as financial intervention to help eliminate market failures. The latter is particularly relevant within the European Union, where State aid rules prescribe exhaustively what can and what cannot be supported by public intervention to ensure a competitive level playing field.

When looking at the entire policy cycle in EU member states, several trends and remarks can be made:

■ *Agenda setting and prioritisation* have improved significantly over the last decade. Strategy documents, green and white papers and stakeholder consultations have been built up in all member states and are used as the drivers for implementation. When setting agendas, milestones and indicators are the inputs for evaluations to assess whether policies have met their targets or not.

■ *Implementation* refers both to ensuring necessary resources and effectiveness of delivery. During the current tight financial conditions, public spending for innovation has been reduced and evaluation to identify proper rationales and mechanisms to safeguard the optimum use of taxpayers' money has become more significant than in the past.

■ The element closing the cycle is evidence based which aids feedback and constantly improves both agenda setting and implementation. Evaluation is the cornerstone of evidence-based policy. Ex-ante, interim and ex-post evaluations as well as impact assessments and institutional evaluations offer the necessary information to select the best policies and projects, to compare targets with achievements, to identify and correct weaknesses over time and to benchmark progress between peers.

There is enough technical knowledge available describing how to properly and meaningfully tender evaluations. Alternative evaluation tools and processes have been developed over the years, and are organised into knowledge that can be easily transferred between organisations, regions and countries. Effective evaluations are external, tendered and timely, to help redesign the next cycle using appropriate tools; interaction with other evidence-creating techniques (foresight, benchmarking) and their results have to be transparent. Such evaluations offer significant learning opportunities individually and collectively, when aggregated to demonstrate the efficiency and effectiveness of similar policies across countries.

However, despite significant efforts and rhetoric, innovation evaluations continue to be less widespread than good practice calls for. Within the EU, one can find countries which have a long-term, built-in culture of institutional and programme evaluation (the Anglo-Saxon model), countries that created an innovation evaluation culture within the last decade or so (Germany, Switzerland and Austria are prominent examples of this) and countries where evaluation is still underperforming[2] due partly to mismanagement, a false sense of saving public funds or a wrong perception of the role of evaluation, seen occasionally as a threat rather than as an opportunity. The majority of evaluations in Europe

# Useful resources: Definitions

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| **Appraisal** | An overall assessment of the relevance, feasibility and potential sustainability of a development intervention prior to a decision of funding. | Note: In development agencies, banks, etc., the purpose of appraisal is to enable decision-makers to decide whether the activity represents an appropriate use of corporate resources. |
| **Evaluation** | The systematic and objective assessment of an on-going or completed project, programme or policy, its design, implementation and results. The aim is to determine the relevance and fulfilment of objectives, development efficiency, effectiveness, impact and sustainability. An evaluation should provide information that is credible and useful, enabling the incorporation of lessons learned into the decision–making process of both recipients and donors. Evaluation also refers to the process of determining the worth or significance of an activity, policy or program. An assessment, as systematic and objective as possible, of a planned, on-going, or completed development intervention. | Note: Evaluation in some instances involves the definition of appropriate standards, the examination of performance against those standards, an assessment of actual and expected results and the identification of relevant lessons. |
| **Review** | An assessment of the performance of an intervention, periodically or on an ad hoc basis. | Note: Frequently "evaluation" is used for a more comprehensive and/or more in depth assessment than "review". Reviews tend to emphasize operational aspects. Sometimes the terms "review" and "evaluation" are used as synonyms |
| **Audit** | An independent, objective assurance activity designed to add value and improve an organization's operations. It helps an organization accomplish its objectives by bringing a systematic, disciplined approach to assess and improve the effectiveness of risk management, control and governance processes. | Note: A distinction is made between regularity (financial) auditing, which focuses on compliance with applicable statutes and regulations; and performance auditing, which is concerned with relevance, economy, efficiency and effectiveness. Internal auditing provides an assessment of internal controls undertaken by a unit reporting to management while external auditing is conducted by an independent organization. |

Source: OECD (2010) Glossary of Key Terms in Evaluation and Results Based Management

are concerned with direct financial support for innovation activities. Mid-term evaluations constitute the majority of cases with a bias against ex post evaluations. Effectiveness and consistency appear to be slightly more important than programme efficiency, while in-depth examinations of project efficiency are much less common (below 50%)[3].

The target of EVAL-INNO is to systematically examine effective evaluation tools and see how they can be integrated into the policy cycle of participating countries by building a new, efficient and adaptive innovation evaluation culture. ∎

1 OECD (2005), Governance of Innovation Systems: Synthesis Report, Paris

2 European Commission, Enterprise and Industry Directorate-General, European Union (2010), PROINNO EUROPE, European Innovation Progress Report 2009, Inno Policy Trendchart

3 Manchester Institute of Innovation Research, Atlantis Consulting, ISI-Fraunhofer, Joanneum Research, Wise Guys Ltd. (2010) PROINNO EUROPE, INNO-Appraisal, Understanding Evaluation of Innovation Policy in Europe, Final Report

# Ethics in Evaluation

*Martin Felix Gajdusek, Centre for Social Innovation (ZSI)*

A transparent and fair assessment of research and technology policy measures must respect certain rules. Ethical questions concern all types of evaluations, be it in development assistance, other fields of public intervention, or community programmes, and — our focus here — RTDI evaluations. The complex interaction between evaluators, agencies in charge of programmes and programme owners commissioning an evaluation requires a set of ethical principles that form a code

of conduct. In practice, evaluation standards define the main elements of rules and values.

The competence of evaluators is important for all types of assessments. An evaluation team must have expertise and must inform about the professional capacity required for an evaluation, as well as all content specific and methodological limits that can be expected from an evaluation. The ability to conduct systematic planning and to structure and organise the holistic process of

evaluation are key requirements for carrying out evaluations. The approach of an evaluator (or a team) and the underlying moral concept, theories and assumptions must be clear to the user of a study, therefore transparency is a basic requirement throughout the whole process.

Basic ethical principles beyond the high competence of evaluators concern impartiality, possible conflict of interest and evaluator honesty and fairness. The credibility of results strongly

depends on the impartiality of evaluators and therefore commissioning institutions have to be informed about all matters that could indicate a conflict of interest.

Respondents in an evaluation should be provided with sufficient information about a study and the option to consent to participate or not; they should know about possible impacts and have the opportunity to receive the results. Commissioning institutions and involved agencies and

## Ethics in Evaluation

programme owners must be ensured sufficient access to data and respondents, freedom of research has to be respected in the process. Customers have to declare their expectations and should have the required competencies to understand the various instruments and methods applied, particularly in relation to selecting the best offers of external evaluators.

In practice, context-free ethics does not exist, so some usual dilemmas appear, including evaluation timing, the proponents of an evaluation team and its impartiality, different evaluation expectations and the use of results or the public availability of results.

The development of EVAL-INNO "Standards of RTDI Evaluation" is planned for 2012. Based on worldwide accepted standards and adapted to regional specificities, ethics in evaluation will also be an important point. EVAL-INNO aims to enhance evaluation capacities, and ethics will form a part of the training modules addressed to evaluators and evaluation clients. ∎

## Training activities

EVAL-INNO focuses on capacity building and institutional support in SEE through training activities

The main target groups of EVAL-INNO activities are policy makers and entire policy delivery systems, along with RTDI evaluators and potential RTDI evaluators in the region. EVAL-INNO's aims are:

- to promote the role of RTDI evaluation as a crucial condition for reflexive learning innovation systems;
- to develop needed capacities and competencies for comprehensive RTDI evaluations;
- to provide procedural and methodological know-how and tool kits both for evaluators and for awarding authorities (evaluation customers).

For both target groups — evaluators and awarding authorities — distinct training modules with an emphasis on methodological and procedural issues have been prepared and implemented. Special training and knowledge describing the optimum use of public procurement for RTDI evaluations will be provided to ensure the involvement of independent evaluators. Training modules and sessions have been developed and planned in four countries; these will be open to participants from West Balkan countries.

## Regional RTDI Evaluation Platform

An easily accessible and systematically structured platform has been programmed and is subdivided into four distinct databases (strategic documents, including evaluation studies and reports; innovation infrastructure; innovation stakeholders and actors; evaluators and potential evaluators) which will be continuously updated. The platform serves the information needs of both evaluators and awarding authorities (agencies, programme owners and ministries). You will be informed about further details when the platform is fully operational in 2012.

## RTDI Evaluation Standards

The elaboration of widely accepted RTDI evaluation standards in EVAL-INNO will contribute to fostering an evaluation culture and evaluation ethics in the region. Standards for RTDI evaluation will be developed and published which take into consideration country-specific situations. These standards will be published in English and translated into five regional languages. You will be informed about this ongoing activity with the next issue of the newsletter in 2012.

## Programme Evaluations and Benchmarking

The three RTDI programme evaluations and comparative benchmarking of intermediary innovation organisations in six partner countries, that will be carried out in EVAL-INNO marks a new approach in some of the partner countries. Based on sound methodological designs, best practice evaluation cases will be featured in 2012 and 2013.

## Partners – Who we are

**Centre for Social Innovation, ZSI (Leadpartner)**

**National and Kapodistrian University of Athens, NKUA Center of Financial Studies, CFS**

**Applied Research and Communications Fund, ARC Fund**

**Public Foundation for the Development of Industry, IFKA**

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