



## INTERNATIONAL EVALUATION CONFERENCE SUMMARY

Vilnius, 24 May 2017

“To obtain high-quality and good results from evaluation we must ensure it applies innovation. We must find new approaches and more reliable evaluation methods that allow us to decide on the most effective investment areas and techniques. Innovation and high value-added based economy will lead to a sustainable growth of Lithuania,” said Ms Loreta Maskaliovienė, Vice-Minister of the Lithuanian Ministry of Finance, when welcoming participants to the international evaluation conference.

In her welcome speech, Ms Daria Gismondi, Deputy Head of the Evaluation and European Semester Unit, European Commission’s Directorate-General for Regional and Urban Policy (DG REGIO), noted that innovation focused on the development of national productivity, competitiveness, growth and cohesion was the highest priority of EU policies. It is therefore essential to reinforce the implementation of smart specialisation strategies and innovation policy at the national level. Evaluation, learning from the experience of other countries and dissemination of information can significantly contribute to these objectives. Ms Martina Kadunc, Policy Analyst of Evaluation Unit (Policy Development and Coordination), European Commission’s Directorate-General for Research and Innovation (DG RTD), agreed with Ms Gismondi and invited participants to be more involved in research programmes that were direct contributors to innovation and the better implementation of the innovation policy in Member States.

On 18–19 May 2017, the Ministry of Finance of the Republic of Lithuania and Visionary Analytics organised the 7<sup>th</sup> international evaluation conference “Evaluation of Innovations and Innovations in Evaluation”. The conference, held in Sapiegos Vilnius Tech Park, welcomed 164 participants from 18 European countries. A third (28%) of the participants was foreign guests, and the remaining – participants from Lithuania.

The conference was organised with the view of sharing methodological practices, information and knowledge used by Member States in applying evaluation innovation, as well as ensuring a high quality of EU evaluation, which leads to the systematic use of evaluation results to improve public policy. This year’s conference was focused on two main themes:

- evaluation of innovations in EU investment programmes and other public policies, including but not limited to smart specialisation strategies, and
- innovations in evaluation, including methodological innovations and innovative approaches to the use and dissemination of evaluation results.

The theme of innovation was chosen not by accident. Research, development and innovation (R&D&I) are identified as one of the priority EU investment areas in 2014-2020. Investments in innovation aim to create services or products with the highest value-added. However, it is important to measure the benefits of EU funds, which requires new knowledge and innovative evaluation approaches to ensure a better evaluation and/or facilitate assessment of EU

investment benefits and/or help to better identify additional links, impacts and benefits for people and the environment. Evaluation as an evidence-based management tool shows the impact and efficiency of investments and offers opportunities to improve investment areas and techniques for the best result.

The conference programme consisted of plenary and parallel sessions, including a panel discussion on the future of evaluation of innovations. The conference included presentations by representatives from the European Commission, Lithuanian and other EU Member States' authorities, as well as well-known Lithuanian and foreign evaluation experts. A complete conference programme, presentations and a photo gallery are available on the EU investment website at <http://www.esinvesticijos.lt/en/events/evaluationconference2017>.

Below is a summary of individual conference sessions.

### **PLENARY SESSION A. The future of evaluation: key drivers and implications**

Dr Juha Kaskinen, Director of Finland Futures Research Centre, Turku School of Economics, University of Turku, opened Plenary Session A with an overview of global trends in innovation progress, putting special emphasis on complex future challenges, opportunities they created and threats they posed to modern societies. Today's business environment, being focused on sustainable living and sustainable business, needs a new type of goals. When responding to megatrends (globalisation, climate change, demographic changes, etc.), we have to create disruptive innovations – novel products, services, policies and practices that satisfy our needs in new ways (e.g. new protein rich food sources, mitigation of negative climate effects, augmented reality technology, etc.). All this creates its own effects, which are often contradictory. In order to adequately respond to these challenges, we have to create a sustainable environment and society, and to combine expertise from various sciences with futures studies knowledge, work and learning. It is important to analyse future trends using multiple methods, including foresight.

The opening plenary session was continued by Dr Peter Fisch, Independent Research Policy Analyst (Germany), who presented the progress and open issues of European research and innovation programmes. The speaker looked at the history and specificities of European Framework Programmes for Research and Innovation and presented the evolution of evaluation from a marginal activity to a key management tool. According to him, addressing issues like improved data availability and more stringent synchronisation with the political decision-making cycle could contribute to the improvement of evaluation culture. Finally, the presentation pointed out some critical issues related to high expectations of policy-makers from evaluation and the quality and relevance of the evidence provided. Dr Fisch concluded that evaluations that focused on purely procedural matters and methodological rigidity often missed the essence and different side effects of decisions relevant to people and the environment, etc.

Mr Bénédict Wauters, Director for Innovation and Impact Evaluation, Flemish Department for Employment and Social Economy (Belgium), presented an alternative approach to evidence-based decision-making and discussed 'the collapse of the pyramid' in traditional evaluations and studies. According to him, many are struggling to reconcile the realities of programme management with the assumptions of (quasi-)experimental designs. Even when it is technically feasible to conduct such an evaluation, the findings are not always easy to translate to operations. Rather than taking a hierarchical view, decision-makers should consider an embedded view and apply evaluation methods that help them learn and empower participants in the process.

The last speaker in Plenary Session A was Mr Ramūnas Dilba, Director of EU Investment Department, Lithuanian Ministry of Finance. He presented the development and key achievements of the evaluation system in Lithuania and the lessons learnt. A significant progress has been made in the Lithuanian evaluation system over the past decade, mainly through the institutionalisation of an evaluation function, the development of a well-functioning centralised system for the planning and coordination of ESIF evaluation, a learning network (Evaluation Coordination Group) and regular evaluation capacity building (ECB) activities. All this has

contributed to the increased scope and quality of evaluation activities, the use of sophisticated evaluation methods, the increasing evaluation capacities of civil servants and the improved use of evaluation results. However, to strengthen an evidence-based management culture and move to a higher added value, it is important to consider relevant evaluation challenges: ensuring a more targeted (more pragmatic) planning of evaluations, improving monitoring systems and carrying out more targeted ECB activities.

At the end of Plenary Session A, chaired by Mr Ramūnas Dilba and Dr Žilvinas Martinaitis, the following questions were raised: how to further strengthen the evaluation structure (design) and capacities in a systematic manner? Will some of the evaluation competences become redundant due to a rapidly changing environment, i.e. will the evaluation system undergo evolution or revolution? How can we evaluate innovations systematically, if the definition of innovation remains problematic?

## **PARALLEL SESSION B. Economic horizons: challenges and opportunities**

Parallel Session B was kicked off by Ms Martina Kadunc, Policy Analyst of Evaluation Unit (Policy Development and Coordination), European Commission's Directorate-General for Research and Innovation (DG RTD), and her presentation about the lessons learnt from the interim evaluations of Horizon 2020. The main ambition of the interim evaluation conducted on behalf of the European Commission is to improve the implementation of the programme for the years to come, based on the ex-post evaluation of FP7 and the support of a high level group. The evaluation will be carried out in close cooperation with stakeholders and its results will be clearly communicated (e.g. by infographics). The lessons learnt covered such issues as clear intervention logic and its close links with different programme indicators, a need for better communication of social impacts of the programme through success stories, case studies, etc.

Dr Jan-Philipp Kramer, Senior Project Manager / Head of Brussels Office Senior Manager at KPMG (Hungary), delivered a presentation about managing complexity and insights from a Contribution Analysis in the field of large enterprise support. The presentation focused on the experience gained through "Work Package 4" of the ex post evaluation "Support to Large Enterprises". The evaluation applied theory-based evaluation and examined the cause-effect relationships. It included contribution analysis, theory of change, multiple interviews, cases studies, etc. The speaker discussed the direct effects as well as indirect and wider consequences of EU investments. The evaluation showed that support from the European Regional Development Fund (ERDF) was only one of the factors that made large enterprises invest.

Mr Pijus Krūminas, Researcher at Visionary Analytics (Lithuania), presented a 'regional innovation paradox' referring to a comparatively greater need to spend on innovation in lagging regions and their relatively lower capacity to absorb public investments. The presentation provided a sneak peek into the findings of the EU-funded R&D&I policy mix evaluation in Lithuania, which had used qualitative and participatory methodologies, including surveys, case studies and international benchmarking. The speaker discussed challenges faced when promoting R&D&I activities in the businesses sector with the view to ensure technology transfer and commercialisation of R&D results and to strengthen the capacity of researchers. The evaluation shows that the 2014-2020 policy mix is more diversified than 2007-2013, but overcoming the regional innovation paradox requires further changes. These findings are especially relevant to the use of ESIF and the implementation of national or regional smart specialisation strategies.

The last speaker in Parallel Session B was Ms Katre Eljas-Taal, Director of Technopolis Group Baltic (Estonia). She delivered a presentation about the impact of new business models on the business environment. New business models where individuals act as service providers are identified as economic form which was rapidly developing and was on the course of changing the meaning of the conventional economic environment. They are consumer-centred and increasingly popular in the collaborative/shared economy. Technology supports changing consumption patterns and more diversified employee skills, enabling employees to flexibly participate in the labour market (in particular in transport, accommodation, finance, online services, etc.). However, the new business models raise many questions and have unexplored effects in the

areas of consumer protection, competition, taxation and labour market. These developments force us to reconsider the meaning of traditional business.

At the end of Parallel Session B, chaired by Ms Daria Gismondi, questions were raised about evaluation of innovations in the future: how to measure constant evolving R&D&I activities better and what methods are the most useful when responding to individual evaluation questions?

### PARALLEL SESSION C. Social horizons: challenges and opportunities

Parallel Session C was opened by Dr Žilvinas Martinaitis, Partner and Research Manager at Visionary Analytics (Lithuania), and his presentation about big data analysis and its prospects for evaluations. The speaker presented advantages and limitations of big data analysis and looked at the existing technical and legal obstacles to use big data in evaluation. The presentation was focused on online vacancy database *Vacancy Analytics*, developed by Visionary Analytics. The database contains real-time data. The session included a demonstration of how the database worked in practice, what data it used and what questions could be answered in evaluations and decision-making based on the available information.

Dr Anna Adamecz-Völgyi, Research Fellow at Budapest Institute for Policy Analysis, presented a case study of a Hungarian reform which was based on innovative approach to policy evaluation. It proved the assumption made in the evaluation that increasing the compulsory school leaving (CSL) age from 16 to 18 had a direct effect on forward-looking decision-making about secondary school track choice and increased the drop-out rate in vocational schools. Legal changes increased the probability that children would choose the academic high school track instead of vocational schools. At the same time, those choosing vocational schools are more likely to drop out under the higher CSL age scheme. This policy decision has mostly affected children whose parents have lower education. Positive effects are felt by women, while negative effects by men. Potential explanations of increased drop-out rates include a decrease in the quality of teaching in vocational schools due to supply constraints and a shift in student composition to include more students from lower socio-economic backgrounds.

Ms Neringa Viršilienė, Head of Evaluation Group at ESTEP Vilnius (Lithuania), discussed the use of composite indexes in impact evaluation and the impact of EU investment on the quality of life. The presentation was based on two impact evaluations of complex EU-funded interventions aimed at improving the quality of life in Lithuania. Taking into account the EU 'Beyond GDP' initiative, the idea of these evaluations was to develop an index that would give a comprehensive overview of demographic, social, economic and environmental changes at national (NUTS1) and municipal (LAU1) level during the period of 2007-2014. The interdependence between the quality of life index and the EU funds was measured using principles of statistical analysis. Evaluation results were visualised and presented online using a GIS platform. The speaker also highlighted other subjective factors that had some effect on the quality of life.

Ms Weronika Felcis, Independent Evaluation Consultant (Poland-Latvia), wrapped up Parallel Session C with a presentation about the impact of systems thinking in evaluation of the 4<sup>th</sup> industrial revolution. The presentation focused on sustainable goals (including the energy sector) within the context of rapid technological and efficiency development. According to the speaker, theory of change and utility-based evaluation can help understand causal links, however, systems thinking analysis is better suited to comprehend how global and local problems are interconnected. The presentation included an overview of the context of the global problems for national policies, alternative approaches and systems thinking analysis, including its advantages for the use in evaluation.

Parallel Session C, chaired by Dr Jiří Remr, ended with a discussion about future improvements of social policy evaluation. One of the participants noted that evaluations were very focused on accountability and reporting. However, to have a more significant impact of evaluation it is important to give appropriate weight to the learning process: evaluations could cover fewer questions, but provide a more in-depth analysis and examine the main causes of change. There

was also a discussion about quality of life policy evaluations and the fact that maybe only objectives that could be quantified and measured were pursued.

## **PLENARY SESSION D. Methodological innovations: new research designs, methods and implications for evaluations**

Plenary Session D focused on methodological innovations and included a presentation of three different innovative evaluation methods and their actual application in different types and areas of evaluation.

Ms Emanuela Sirtori, Partner and Project Manager at CSIL Centre for Industrial Studies (Italy), presented the application of Bayesian Network Analysis (BNA) in the evaluation of business support measures. BNA is a new approach aimed not only to determine the economic effects produced thanks to the support received, but also to disentangle the drivers of change in the behaviour of the firm when it is exposed to a policy. The evaluation approach involves two steps: first, the reconstruction of the intervention logic of the policy instrument according to the theory-based impact evaluation method; second, the test of the theory by means of BNA. BNA combines graphical map analysis and statistical analysis to reveal complex interdependencies between variables and the strength of causal links. It can be a crucial tool to reveal the mechanisms, both expected and unknown, which explain the changes in, among other things, the firm's behaviour due to public support.

Mr Haroldas Brožaitis, Managing Director of PPMI (Lithuania), and Mr Vilius Stančiauskas, Research Manager and Senior Researcher, delivered a presentation about the construction of unorthodox control groups for counterfactual R&D impact assessment. The presented methodology was applied in a recent evaluation commissioned by the European Commission's Directorate-General for Research and Innovation (DG RTD) to assess the economic impact and European added value of the EU programmes FP7 and Horizon 2020. The quantifications followed a strict counterfactual logic and the performance was always compared to the results of the control group. PPMI researchers constructed three unorthodox control groups for counterfactual R&D assessment: results of FP7 beneficiaries (research capacity) (size and composition of research teams), results of knowledge and technology transfer (patent analysis) and scientific publications produced by FP7 researchers (unorthodox bibliometric analysis). This methodology proved to be valuable and allowed researchers to make multiple estimations. However, the process as such required a lot of resources to analyse and process data for further analysis.

Ms Katrin Pihor, Member of the Board, Head of Economic Policy Programme at Praxis Center for Policy Studies (Estonia), presented the evaluation of EU transport projects in Estonia, carried out using spatial data analysis and mobile positioning data. The evaluation of 2007-2013 investments of the EU Structural Funds in the transport sector, commissioned by the Estonian Ministry of Finance, included spatial analysis of the Estonian Business Registry data. It was combined with mobile positioning data on visitors within the impact areas. The evaluation was aimed at measuring the possible impact of transport investments on business locations, economic outcomes and jobs. The presentation focused on the lessons learnt from unorthodox evaluation methods. The evaluation findings confirmed the theory that the transport infrastructure was a necessary but not sufficient condition for regional economic development.

Plenary Session D, chaired by Ms Martina Kadunc, was wrapped up by a discussion about the importance of methodological innovations in evaluation. In most cases, innovations in evaluation methodology are brought by methodologies applied in other areas (e.g. health, education). The use of methodological innovations also depends on demanding contracting authorities that purchase services of evaluation and/or evaluation studies.

## **DAY 2. Opening of Day 2 of the Conference and welcome address**

Day 2 of the conference was opened by Mr Ramūnas Dilba, Director of EU Investment Department, Lithuanian Ministry of Finance, who welcomed participants and encouraged them

to learn something new and share best practices. After all, research suggests that success stories and best practices contribute to the improvement of public policy.

## **PLENARY SESSION E. Participatory based evaluation approach: key questions and answers**

Ms Jurgita Domeikienė, Director of Public Governance and Social Environment Department at the Prime Minister Office, the Government of the Republic of Lithuania, launched the session with a presentation about Lithuania's experience with open governance and open consultations. According to the speaker, Lithuania has neither a single approach to public consultation nor a systematic development of governance culture where the initial idea is considered, developed and assessed together with beneficiaries of the relevant governance solution and public service. This situation is being addressed by methodological documents, training, good practices and the dissemination of information. The speaker presented relevant good practices. A later stage will include a number of pilot public consultations covering the entire consultation process in accordance with recommendations of the Organisation for Economic Co-operation and Development (OECD) and foreign good governance practices.

Dr Jiří Remr, Senior Researcher and Evaluator at the Institute for Evaluations and Social Analyses (Czech Republic), presented co-production as an innovative framework for impact evaluation. According to the speaker, counterfactual impact evaluation (CIE) is not the most suitable approach as it underestimates or completely ignores the stakeholders' motivation to participate in the intervention and affect its results. In this case, the level of beneficiaries' engagement may have a substantial effect on the performance of the intervention. The concept of co-production provides a useful framework for evaluating such service-based interventions. Within this framework, the outcomes and impacts are considered to be produced jointly by providers and beneficiaries. Measuring the net effect must then consider the effect co-produced together with beneficiaries. The presentation included a case study on a training course, illustrating the benefits of co-production.

Ms Danutė Burakienė, Head of Evaluation Division, EU Investment Department, Lithuanian Ministry of Finance, presented Lithuania's experience with and lessons learnt from participatory evaluation, its advantages and disadvantages, possibilities and benefits. The speaker presented the findings and insights of the meta-evaluation on the use of the participatory evaluation approach in Lithuania, commissioned in 2016 by the Lithuanian Ministry of Finance. Despite the progress in Lithuania, evaluation as a dialogue with multiple stakeholders remains an important challenge in achieving high-quality evaluations and use of evaluation results. The meta-analysis, discussions with members of the Evaluation Coordination Group and methodological guidelines are expected to contribute to a wider and better application of the participatory evaluation approach in Lithuania.

Plenary Session E, chaired by Dr Žilvinas Martinaitis, ended with a discussion about benefits of a wider involvement of stakeholder groups in evaluation, consultation and policy decision-making in general. All participants in the discussion agreed that the involvement of stakeholders required more resources, but eventually it paid off and created added value, even though it was only when politicians actually took into account the wider spectrum of opinions when making decisions relevant to the public or a specific group of individuals.

## **PLENARY DISCUSSION F. The future of evaluation of innovations**

Participants of a moderated panel discussion:

1. Dr Peter Fisch, Independent Research Policy Analyst, Germany;
2. Ms Weronika Felcis, Independent Evaluation Consultant, Poland-Latvia;
3. Prof Katarina Eckerberg, Umeå University, Sweden;
4. Mr Simas Dunauskas, Innovation Policy Analyst at Research and Higher Education Monitoring and Analysis Centre (MOSTA), Lithuania;
5. Dr Žilvinas Martinaitis, Partner and Research Manager at Visionary Analytics, Lithuania.

The panel discussion moderated by Dr Mantas Vilyis, Director of the Lithuanian Innovation Centre, received a lot of attention and attracted near 100 participants. The session was kicked off with two short presentations followed by a moderated panel discussion.

At the beginning of the session, Mr Simas Dunauskas, Innovation Policy Analyst at Research and Higher Education Monitoring and Analysis Centre (MOSTA, Lithuania), presented the development process of smart specialisation in Lithuania, its priorities, monitoring and first results. The development process was framed by the entrepreneurial discovery process (EDP) and various methods, such as analysis, foresight, survey and panel discussions with stakeholders from the public, academia and business sectors. The process resulted in identifying six broad priority fields with 20 priorities. Despite the promising smart specialisation development process, its implementation phase is hindered by constraints, including delayed financial measures. The speaker presented the findings of the first smart specialisation monitoring report, which are based mostly on results of the measure *Intelektas*, analysis of participation of Lithuanian researchers in Horizon 2020 projects and analysis of scientific publications.

Dr Žilvinas Martinaitis, Partner and Research Manager at Visionary Analytics (Lithuania), presented methodological approaches to evaluation of the smart specialisation strategy in Lithuania and discussed the methodological approach to monitoring and evaluation, its logic and main challenges: to what extent it makes sense to assess the progress in the implementation of very different R&D&I priorities using the same criteria, when conduct the evaluation, how to link priorities with the existing data structure, etc.

The discussion that followed raised questions about the optimal number of priorities for a country. The idea was expressed that small countries could not ensure consistent development of 20 R&D&I priorities. On the other hand, it is very risky to have a very small number of priorities. There was also a question about the benefits of entrepreneurial discovery process for the R&D&I policy and evaluation. The participants in the discussion agreed that the prevailing rules and procedures as well as administrative culture stifled innovation – some of them usually did not bring expected results, which, looking from the reporting perspective, meant a non-optimal use of resources. On the other hand, investing in the “guaranteed success” only, the country often drives out private investments and finances activities that are neither innovative nor with a significant potential of any breakthrough. Dr Peter Fisch noted that it was part of the DNA of innovations that there were specific uncertainties regarding the different sorts of impact they generated. Against this background, it seems dangerous to focus exclusively on the monitoring of a set of pre-defined indicators measuring the intended and predictable effects. Instead, the evaluation approach should foresee a sufficient degree of freedom and curiosity to scan a much wider range of effects, so that the “hard” facts from the detailed monitoring system are complemented by a wide and diverse range of “soft” observations and indications. Managing such a dual approach requires more time and a different mentality than a simple data collection approach. But over time it pays off. Ms Weronika Felcis argued that prioritising should be based on indigenous competitive advantages rooted in the local culture, while evaluation of such policy required a whole new ways of thinking and methodological innovations in evaluation.

At the end of the conference all participants could vote for the best (most interesting) presentation at [www.poll.si](http://www.poll.si). Those who could not vote online were able to mark their choice on a piece of paper and put it into a special box. The **most interesting presentation** of the conference was voted “Evaluating European Research and Innovation Programmes – progress made and open issues” (20% of the votes). Its author, Dr Peter Fisch (Germany), was awarded a special prize. Among other presentations that also received a lot of attention from the participants were “Evaluating Business Support Measures: the Bayesian Network approach” by Ms Emanuela Sirtori from Italy (17%), “Complex future challenges as possibility and threat of societies” by Dr Juha Kaskinen from Finland, “Collapsing the pyramid: how to avoid having to ask the question how to influence decision-making with research” by Mr Bénédict Wauters from Belgium and “Beyond GDP or how EU funds change quality of life: use of composite indexes for impact evaluation” by Ms Neringa Viršilienė, from Lithuania (12% each).

