PXL

FEEDBACK REPORT ON MONITORING

10 Nov. 2015	Peer eXchange & Learning Workshop **Bologna** (Italy)

Representatives from Emilia-Romagna (IT), Sweden, and Wielkopolska (PL) presented their current work on monitoring innovation strategies for smart specialisation in a Peer eXchange & Learning Workshop organised by the S3 Platform and Emilia-Romagna. The presentations and following peer discussions provided the basis for this report.

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PART 1| PEER EXCHANGE & LEARNING – PXL

[ABOUT THIS REPORT]

PXL Methodology

Peer eXchange and Learning (PXL) is a methodology for reviewing specific elements of innovation strategies for smart specialisation (S3) and territorial development strategies and tackling the associated implementation challenges. It is an important instrument currently offered by the S3 Platform of the European Commission to EU Member States and regions.

PXL builds on the well-established peer-review approach of the S3 Platform. It supports transnational learning by bringing together regions and countries for an exchange of knowledge and experience, mutual learning and the exploration of ways in which innovation and development strategies can be effectively implemented, adjusted and revised.

PXL creates an open and trusted learning environment where practical and conceptual issues can be discussed and explored through the experience of individual regions and countries. It engages peers and experts in focused discussions on important issues that the regions and countries under review raised and guides them to distil a range of collective suggestions and lessons into a coherent picture.

PXL especially aims to tackle the challenges emerging during the transition from strategy design to implementation. It does so by: (1) focusing the discussion among regional and country representatives, experts and European Commission staff around a *thematic frame* which is typically a single theme, process or element of the strategy; (2) preferentially targeting a community of policy makers and practitioners who have already made substantial advancement in the definition of policy strategies and are at the stage of transforming planned objectives into results through concrete actions.

PXL Workshop

A PXL workshop has a single thematic frame (e.g. governance settings, priority definition, monitoring, policy mix, etc.). It runs over one full day and includes peer review of two to four regions and/or countries. Individual PXL sessions focus on one region or country and last around one and a half hour.

The workshop is opened by one or more expert presentations and a debate around the framing topic. This opening session should set the scene and provide a broad set of views, approaches and insights for the individual PXL session. The debate can take the form of a "YES & NO" dialogue between two experts who will alternately provide arguments in support and against common practices or believed-to-be-good practices in the field defined by the workshop's framing topic. This type of dialogue would help to stimulate the following discussion to go beyond traditional formulations of problems and solutions.

The workshop continues with individual PXL sessions. A presentation of each region or country's current work on the thematic frame is generally followed by a Q&A session. Specific issues identified by the regions and countries under review are then discussed at individual tables in two iterations, which ensure that participants can: *work together* to understand the actual problems; *propose solutions* to these

problems by discussing what worked well (good practices) and what did not work; and *learn together* how to deal with new policy issues in new contexts.

An S3 Platform team member facilitates each PXL session in line with the participatory leadership approach. Such a participative approach encourages all participants to share or participate in the discussion and the identification of key messages. It allows engaging participants in a dynamic and creative discussion, which benefits both the regions and countries under review and their peers.

PXL sessions are followed by a final session during which all participants (experts, representatives of the regions and countries under review, peers, and European Commission staff) summarise the results of the sessions, and discuss individually and mutually lessons learnt. At this point, the regions and countries under review have the opportunity to respond to any feedback collected throughout the workshop. Finally, they share their main insights with peers and mention any short- to mid-term plans to apply them.

Objectives and Expected Outcomes

Regions and countries volunteer to be reviewed in an attempt to source both critical and well-timed advice addressing specific issue they are currently facing in the implementation of innovation and development strategies. Regional and national policy makers may also view PXL workshops as a good opportunity to build their networks of counterparts across Europe.

PXL sessions aim to achieve the following outcomes: (i) to better *understand* the thematic frame of the whole PXL workshop; (ii) to *provide* general methodological feedback to each region and country under review; (iii) to *examine* the specific issues presented by each region and country under review and propose how they could be tackled or solved; and (iv) to *build up* awareness and knowledge about problems that are common across Europe.

During the workshop, the S3 Platform team members collect any relevant information and data covering different elements of each PXL exercise. To ensure regions and countries under review receive adequate feedback from their peers, the S3 Platform triangulates the feedback and information provided by three groups of participants through an online survey: regions and countries under review, their peers, and experts. Based on the feedback from three groups of participants, the S3 Platform team further develops summary/feedback reports.

PART 2 | CURRENT WORK ON S3 MONITORING

Monitoring is an integral part of smart specialisation, since it is an ongoing process that allows diagnosing if implementation is being done as planned. This report provides a brief summary of the information on the work on S3 in progress in the presenting regions and countries as presented during the PXL session in Bologna. Before these peer review presentations, a pro-contra debate took place between Edurne Magro (Basque Institute of Competitiveness Orkestra) and Fredrik Rakar (Kristianstad University). Both debated if monitoring smart specialisation was really something new or not.

In this lively debate, the pro arguments addressed why S3 monitoring is important, what has to be monitored and how this can be done. The reasons behind conducting monitoring and evaluation exercises have focused on accountability and specifically on why specific policies have worked or have not. **Monitoring S3 should focus on 'smart' learning and on informing the entrepreneurial discovery processes** (with all involved stakeholders) about which goals the territory is achieving (focus on outputs/outcomes) as well as how the territory is achieving those goals (focus on behaviour). It is a **key activity for re-defining priorities and a first step towards a deeper evaluation**. This implies going beyond additionality concepts, indicators and ex-post analyses of individual programmes. Thus, a more holistic approach is needed. In addition, this implies **monitoring and evaluation are an on-going exercise**. It is also important to **maintain a transparent process of information and communication with the stakeholders involved in the strategy**.

S3 is a territorial strategy, which goes beyond policy; policy is one of its means for the strategy to be implemented. Taking that into consideration, S3 monitoring and evaluation should go beyond policy evaluation. First of all, it is monitoring about whether the region is achieving or not its goals (this can be done with benchmarking exercises). Secondly, it is about monitoring and evaluating the policy mix and not individual policies in isolation. Finally and most importantly, it is about monitoring the degree of contribution of policies to the selected priorities and the strategy as a whole. Some policies can work well, but maybe they are not contributing to the strategic goals. Therefore monitoring can be a strategic tool to give information and enable learning about the mismatches between policy and strategy. In addition, S3 monitoring should also focus on the entrepreneurial discovery process and is thus not only the result of it. Monitoring and evaluation should therefore not be considered static but dynamic processes.

All of the previous arguments have implications on how to monitor. First of all, S3 seek to find a unique strategy for each region. Therefore it is not very useful to have a set of indicators for all the regions since 'one size does not fit all'. Secondly, in order to provide a holistic and integrated evaluation of all the strategic elements (goals, policy-mix, entrepreneurial discovery process, contribution of each element to the strategy) it is **important to not only focus on inputs, outputs and outcomes, but also on behavioural aspects and therefore to triangulate different techniques** (quantitative and qualitative techniques and methods). Understanding how change comes about is central for monitoring. Furthermore, S3 implies the active involvement of different stakeholders from the quadruple helix and therefore **participatory approaches to monitoring and evaluation should be taken into account**. Last but not least, it is crucial to focus on the efficiency of the monitoring process and to **assess**

whether the monitoring and evaluation is cost-effective and actually useful for the target groups. It must be kept as simple as possible.

The contra arguments focused on the role for regions, the importance of the process and established approaches to monitoring. Is S3 monitoring anything new? The answer to this question will very much depend on what we want to measure. If we want to know about the general development of a region, we have been doing this already for decades. This is nothing new. Measuring outcomes of smart specialisation policies and of comprehensive programmes containing projects, actions and activities, all of this has been done before; we just have to use adequate indicators, especially output measures, like in any other programme. Monitoring and evaluation has been and still is an excellent role to take as a regional body.

Being an evaluator means stepping out of the programme logic and trying to find evidence of any effects on the real world the programme has produced, regardless of how new and fancy that programme might be, i.e. evaluators should not get trapped by new policy rhetoric. Our real challenges are as always: time, causality and attribution (keeping track of externalities); they are not re-inventing and developing "new ways of M&E". Asking stakeholders why monitoring is important and if its goals are being achieved is important but has already been done in the past in good monitoring systems.

A return to classics is thus warranted. **Given the experimental, entrepreneurial and innovative nature of smart specialisation, monitoring rigour becomes even more important**. As we are getting closer and closer to 2020, this programme is for real, and we want to see real results. Rather than adopting "new ways" of evaluating, this programme calls for a more classic approach of monitoring, focusing on results and outcomes, rather than hiding behind processes and programme-bound indicators. Monitoring should not only be about the process or learning.

What we can learn from this on-going debate is that a balance must be struck between not re-inventing the wheel (solid methods that have proven successful already exist) and experimentation (stronger involvement of stakeholders in the design of monitoring systems and collection of data). How this balance looks like will very much depend on the regional context, strategy and main target groups of monitoring. But taking these inherent trade-offs into account will be crucial for establishing a rigorous and accepted monitoring mechanism that will be actively put to use.

[EMILIA-ROMAGNA]

Emilia-Romagna has adopted a regional strategy for innovation back in 2002 based on a law promoting the industrial research, technology transfer and Innovation in the productive system of Emilia Romagna (Law no. 7/2002). This strategy foresaw not only actions to promote isolated excellence, but rather sought to build a framework of actions in order to create a regional ecosystem of innovation, i.e. an environment increasing the competitiveness of the region. The core of the ecosystem is represented by the High Technology Network, which operates within 6 thematic platforms. Emilia-Romagna's current approach to smart specialisation focuses on two aspects: reinforcing and innovating existing clusters as well as discovering emerging ones with a high potential for innovation and employment & supporting the evolution of the industrial system toward a higher capacity to manage the immaterial aspects of value chains. For doing this, the current innovation strategy identifies 5 specialisation areas (see Figure 1).

Figure 1: Emilia-Romagna's priority and specialisation areas
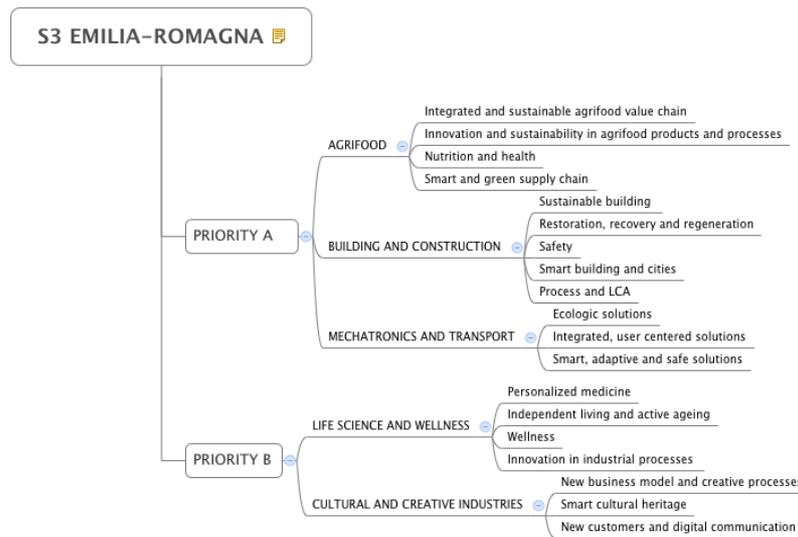
ASTER, a consortium for industrial research, technology transfer and innovation, oversees the monitoring of the S3. Monitoring captures output indicators, change indicators, result and framework indicators (see Figure 2).

Figure 2: Monitoring different levels of the innovation system
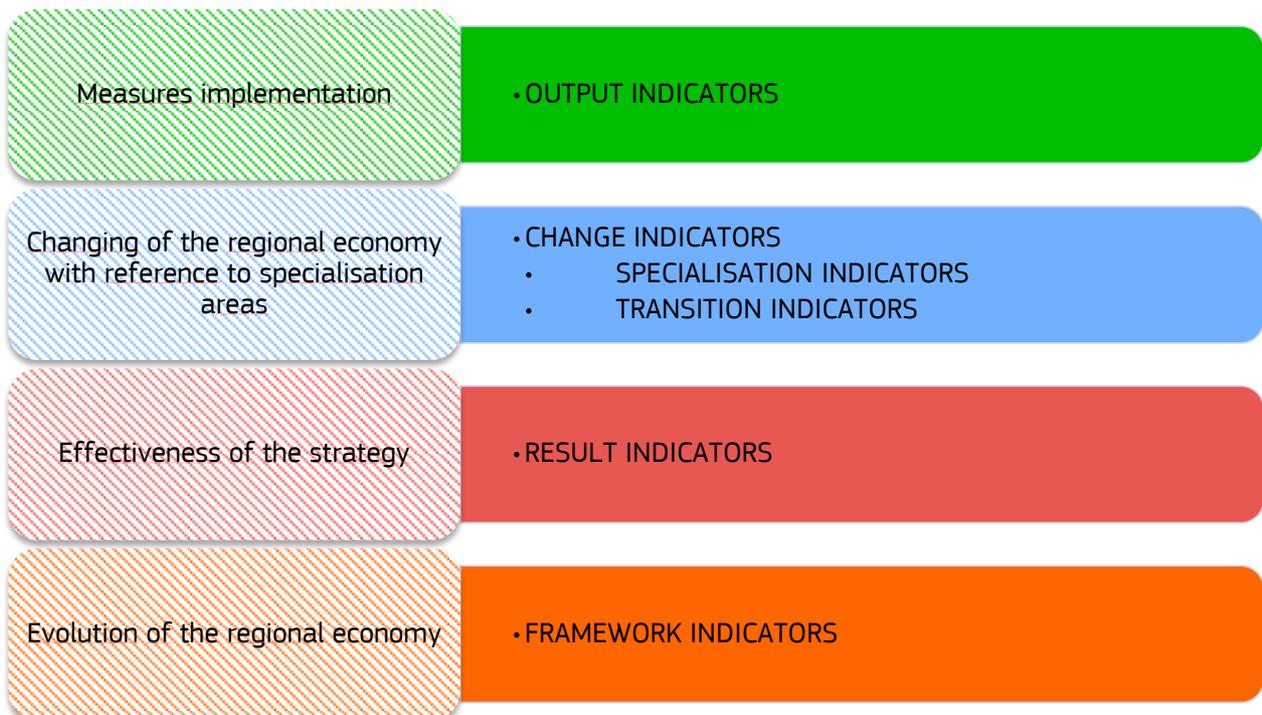
This differentiated approach allows catering to different target groups. Especially the change indicators are at the core of the smart specialisation idea to promote specialisations in related activity areas with proven strengths and potential. These indicators show how the regional economy is advancing in the

selected specialisation areas (agrifood, building and constructions, mechatronics and transport system, life science and wellbeing, and cultural and creative industries). They also capture how the regional economy is moving along the selected innovative drivers (sustainable development, healthy and active life, information society and innovation services). Figure 3 shows a draft version of the change indicators for each specialisation area.

Table 1: Change indicators for "areas of specialisation"

ID	Expected change	Specialisation indicator	Unit	Reference year	Baseline	Source
Co1	Growth of regional innovative potential	Patents per AS	No.	2013	tbd	EPO
C02		Patents in the selected OT per AS	%	2013	tbd	EPO
C03	Growth of R&I in public research system	Research grants in regional universities per AS	No.	2013	tbd	MIUR-CINECA
C04		Research grants in regional universities in the selected OT, per AS	%	2013	tbd	MIUR-CINECA
C05	Reinforcement of research-business relations	Number/value of research-business contracts per AS/OT	No./k€	2016	tbd	Research dashboard – ASTER
C06		Percentage of total of number/value of research-business contracts per AS/OT	%	2016	tbd	Research dashboard – ASTER
C07	Innovative regional entrepreneurship	Innovative start-up per AS	No.	2013	143	Company registry
C08		Percentage of total of innovative start-up in the selected OT per AS	%	2013	tbd	Company registry
C09		Number of innovative SMEs per AS	No.	2015	tbd	Company registry

An online portal will visualise the monitoring data, that will partly be open data and freely accessible. This will be a key communication tool to inform stakeholders and the broader public about the implementation of S3 in the region.

[SWEDEN]

Sweden's Smart Specialisation Strategy is based on multi-level cooperation. It entails joint action between the local, regional and national levels through regional partnerships, government agency collaborations, and networks and forums in which dialogue based on the strategies adopted is assured.

How VINNVÄXT works

The purpose of the programme was to help strengthen global competitiveness and innovativeness in areas with growth potential through a call for proposals. The areas that receive financing can be based on Swedish areas of strength and also on new combinations of cross-sectoral cooperation. VINNVÄXT uses competition (calls for proposals) and rewards the best submissions. A limited number of growth initiatives receive up to EUR 1 million per year. Usual funding period is 10 years. The programme focuses on a region's strengths. Participants are companies, researchers and political/public sector. Long-term results of structural renewal are expected in the regions. A transition from traditional business support to "infrastructure" for innovation and sustainable growth is expected to emerge within ten years from initial funding.

Different policy initiatives have been promoting smart specialisation in Sweden in the past 15 years. VINNVÄXT is a very good example and has proved to be successful. It is a long-term programme with a clear focus on regional (and national) areas of strength, launched in 2002 by VINNOVA, Sweden's innovation authority. Thanks to this programme, strong collaborations have developed in innovation and competitiveness within different areas and in different regions. Results and effects are monitored on a regular basis. VINNVÄXT can be considered an early practice of "smart specialisation strategies".

Sweden's National ERDF Operational Programme includes the development of national process support to promote the re-use of knowledge and experience. The idea is that this support will promote smart specialisation through the coordination and strengthening of the regional efforts being made in the area of innovation.

In Sweden, responsibility for regional growth efforts rests with the 21 bodies responsible for regional growth; they also coordinate and decide on regional development strategies and any supplementary strategies and action plans. This work is monitored annually by the Swedish Agency for Economic and Regional Growth. The national government formally does not from the regions to develop supplementary innovation strategies. Instead, they can choose to include more extensive sections on innovation in their regional development strategies. However, regional innovation strategies exist or are being developed in a number of regions. The regional strategies on smart specialisation are now more advanced than 5-10 years ago. Still, regions define smart specialisation in different ways. The regional operational programmes include two approaches to the concept of smart specialisation: some programmes have more highly refined indicators for monitoring this concept than others.

Monitoring Smart Specialisation

In Sweden at the moment there is no national monitoring system of smart specialisation strategies. Monitoring and indicators have been developed regionally, connected to the structural funds programmes (that are not aligned nationally). VINNVÄXT, which has promoted smart specialisation since 2002, has developed joint learning, evaluation and follow-up activities between the initiatives and the national level (VINNOVA). VINNVÄXT is a frontrunner in these activities.

There is no prevailing national evaluation system for smart specialisation in Sweden today. Different ways of monitoring, evaluating and learning have been created. The interactive way of working and learning together is a strong point. Evaluation, monitoring and learning activities are mostly conducted as a necessary component of national programmes/ EU structural funds programmes. There is a need for a broader learning platform involving different levels (multi governance) and different policy areas.

[WIELKOPOLSKA]

Poland has decided to adopt both, national and regional smart specialisation strategies. As a result, there is a National S3 with 19 priority areas, divided into 5 groups in parallel to 16 regional strategies (one in each region). As a result, this PXL peer review focused on Wielkopolska in the Polish multi-level system.

Wielkopolska and Poland share major successes in the design and implementation of their S3 monitoring: a coherent national-regional system, a swift implementation of the logic of intervention structure in the M&E system, a monitoring and evaluation system as a part of entrepreneurial discovery process and institutional capacity at regional level. However, some bottlenecks were also identified during the presentation:

- Competence building,
- Convincing the decision-makers to use the M&E results,
- Institutional capacity building at national level,
- Difficulties in making changes to Regional Operational Programmes if M&E shows it is necessary.

The governance of the Polish S3 strategy is structured at multiple levels. The Ministry of Economy coordinates the National Smart Specialisation and other economic and innovation strategies (Strategy for Effectiveness and Innovativeness of Economy and Enterprise Development Programme). The Ministry of Economy (Innovation Unit) is responsible for the implementation of the national S3. The Ministry coordinates 19 national working groups, where the representatives of business and science meet in each area of specialisation in order to discuss its vision for development and possible changes and updates.

The Ministry of Infrastructure and Development coordinates regional innovation strategies in Poland and manages National Operational Programmes. The National Group for Smart Specialization is an informal body consisting of both ministries, all regions, the Ministry of Science, the Polish Agency for Enterprise Development and the National Centre for Applied Science. This group decided to adopt a coordinated monitoring system for smart specialisation, where data, which so far has not been publicly available, can be gathered, visualised and analysed centrally and shared with the regions. The system gathers basic and advanced indicators along the 4 main and most popular intervention categories: innovativeness, R&D, internationalisation and cooperation. The indicators are collected according to the logic of intervention: general and smart specialization context, result, strategic result, output and input. These indicators are used mostly for comparisons and benchmarking of regional performance and change. Apart from that, each region has a set of monitoring indicators specific to their S3. The national system also provides financing for large specialized analyses that are needed by the regions and can contribute to their smart specialisation.

Working Groups for Smart Specialisation areas are involved in the design and monitoring (in the future) of the national innovation strategy. At the regional level, the governance of Wielkopolska S3 is organised by three bodies:

- Regional government (Marshall's Office) – Department of Economy coordinates S3 – specifically the Wielkopolska Innovation Observatory,
- Inter-departmental team (Department of Economy, Department of Regional Policy, Department of ROP Implementation, Department of ESF, Department of Education) are responsible for coordinating S3, ROP and other funding sources,
- Wielkopolska Smart Specialisation Forum constitutes an institutionalised entrepreneurial discovery process. The tasks of the Forum include: discussion of the results of research and analyses concerning each specialisation areas and possible connections with national smart specialization, discussion of the conclusions of S3 monitoring and evaluation, formulation of recommendations concerning policy mix for S3, support for identification of new priority areas, learning about new trends which can become sources of competitive advantage for priority areas, and analysis of experiences of ROP beneficiaries, especially in Thematic Objective 1 including suggestions for improvements of its implementation.

Together, they create an Inter-departmental team that regularly meets to discuss the issues related to S3, which is not only a result of the entrepreneurial discovery process, but also an exercise in institutional discovery and competence building. It started with the strategic programme 'Innovative public administration' adopted in the previous innovation strategy and further developed in S3. The entrepreneurial discovery process will be continued throughout the programming period on the basis of the Wielkopolska Smart Specialisation Forum, with very active working groups for each specialisation. At least half of the members of the Forum must always be companies representing from the selected priority areas, while the other half includes representatives from science, intermediaries (business support institutions) and local governments where the sectors constituting the priority areas are concentrated.

The Wielkopolska Innovation Observatory based at the Department of Economy is responsible for monitoring activities, while the evaluation will be performed externally to provide independent expert opinions. Wielkopolska Innovation Observatory is one of a network of 4 regional observatories coordinated by the Regional Policy Department in Marshall's office, responsible also for the socioeconomic strategy of the region and Regional Operational Programme.

For the national strategy, monitoring is organised around a list of common indicators for the most typical interventions; the launch report will be ready by the end of the year. The Ministry of Economy starts official partnerships for monitoring and evaluation of smart specialisation with research centres with experience in that area. A full monitoring system will be developed as a part of Action Plan by 2016.

The first results of this M&E system at national level can be visualised through "innovation data" indicators (where a region can compare itself to another) and location quotients for economic sectors.

Table 2: Indicators for different policy levels

Policy level	Type of indicator	M&E stage
Policy/strategy goals	Context indicator (general and smart specialization)	monitoring
Strategic objectives	Result indicators	monitoring
Actions/instruments	Output indicators	monitoring
Policy/strategy goals	Strategic result (formerly impact)	evaluation

At the regional level, the first monitoring report is being prepared by Wielkopolska. This annual monitoring report (with context, input, output and result indicators) is part of a set of actions for M&E for this programming period (see Table 2), including:

- Evaluation – strategic result indicators,
- Innovation survey of companies' needs (in 29 economic sectors, once every 3 years),
- National and international benchmarking (national – common indicator list),
- Targeted analyses concerning areas of specialisation,
- General analyses of great societal challenges and new socio-economic and technology trends that can influence the region.

The first results are regional maps showing economic specialisation, scientific specialisation (OECD areas of science), and a survey on companies' innovation needs.

Both for the regional and national level, the implementation of an M&E system aims at providing reliable, comparable and up-to-date data. This enables a responsible governance of S3 implementation and revision.

PART 3 | PXL QUESTIONS

[EMILIA-ROMAGNA]

Questions/issues posed for peer discussion

QUESTION 1	How to combine the level of specialisation with a limited number of significant indicators?

QUESTION 2	How to connect a specific strategy with some general results?

QUESTION 3	How to take into consideration the different (temporal) dynamics of indicators?

During peer discussions, participants self-organised into a number of groups/tables, all of which had representatives from various EU Member States and regions. Each table was offered to choose one of the questions prepared by the representatives. A total of 3 questions have been selected and discussed. A summary of these discussions is presented below.

EVOLUTION OF QUESTION 1

QUESTION	How to combine the level of specialisation with a limited number of significant indicators?

RECOMMENDATIONS	First and foremost, monitoring should tackle implementation (and not impact). In this understanding, monitoring deals with implementation (is intervention progressing as planned? are we achieving what we wanted to achieve? is the context changing?). Evaluation, on the other hand, examines the impact (is what we are doing the right thing to do? can it be done in a better way?).
	Decide who the target group is (decision makers, stakeholders etc.) in order to select the most relevant indicators for varying information needs: a few key indicators for politicians and policy makers, many more specific indicators for industry. In other words, establish a hierarchy of indicators.
	Use the monitoring results to change the behaviour of stakeholders (e.g.

	companies), similar to the role of business intelligence.
	Ensure the right balance between costs and benefits of the monitoring. As a rule of thumb, your monitoring should not cost more than the development of your S3.
	Tailor your monitoring in a way to capture developments in your prioritised specialisation areas.
	Distinguish indicators by subjects/beneficiaries: research and technology organisations that make innovations through public programmes & businesses making innovations for the market.
	Monitor also changing context.
	Decide for what you want to use monitoring at different levels.

LESSONS LEARNT	While you monitor different specialisation areas, it is important to see the bigger picture, i.e. if these areas contribute to making your region or country more innovative.
	Ask yourself continuously why you are monitoring. This ensures clarity and targeted action.

EVOLUTION OF QUESTION 2

QUESTION	How to connect a specific strategy with some general results?

RECOMMENDATIONS	Ensure that your strategies are based on solid evidence and that they state clearly and openly the underlying intervention logic.
	Use contextual indicators to verify if implementation is on the right way and if the broad self-declared goals are being attained.
	Use monitoring as a disciplinary measure to reduce the number of relevant indicators and to truly concentrate and prioritise innovation funding and support. For this, it will be important to also to monitor calls (applications, number of selected projects etc.).

LESSONS LEARNT	Can the monitoring system be used to ensure that prioritisation and specialisation are maintained during the programme and implementation phase?

Evolution of Question 3

QUESTION	How to take into consideration the different (temporal) dynamics of indicators?

RECOMMENDATIONS	Acknowledge the inherent time lags for each indicator and clearly state when what kind of data can be collected.
	Use both short-term and long-term indicators, the latter possibly in the form of composite indicators consisting of many short-term indicators.
	Benchmark the development of your specialisation areas with other regions and countries that prioritise the same areas.
	Choice of indicators will depend on how data will be used by stakeholders.
	Consider changing target values when appropriate, but be transparent about why it has to be changed. Some indicators may not require any target values, like contextual indicators that are not directly linked to programme implementation.
	Address new data challenges and use stakeholders to fill gaps in your data. Open data can be a very useful tool in this endeavour.
	Wait until you have defined all relevant, reliable and valid indicators and collected the respective data before doing an evaluation.

LESSONS LEARNT	Stay creative and be engaged in learning exercises during S3 implementation and don't see monitoring as a straightjacket.
	Monitoring is a great communication tool regardless of political changes.
	Put more efforts into making real use of the monitoring system and involve all relevant governance actors.
	Avoid one-size-fits-all approaches for monitoring and indicator selection. Design your monitoring system in a tailored way to your region or country. You cannot simply 'copy-paste' indicators from other territories at varying levels of socio-economic development and with different innovation systems.

[SWEDEN]

Questions/issues posed for peer discussion

QUESTION 1	How can "system-oriented" results and effects be part of a monitoring and evaluation system for smart specialisation?

QUESTION 2	How to create broader learning processes between national and regional levels in order to promote smart specialisation?

QUESTION 3	How can we learn more about SMEs obstacles and opportunities when participating in S3 projects and in the diffusion of innovation? How can different policies be evaluated?

During peer discussions, participants self-organised into a number of groups/tables, all of which had representatives from various EU Member States and regions. Each table was offered to choose one of the questions prepared by the representatives. A total of 3 questions have been selected and discussed. A summary of these discussions is presented below.

EVOLUTION OF QUESTION 1

QUESTION	How can "system-oriented" results and effects be part of a monitoring and evaluation system for smart specialisation?

RECOMMENDATIONS	The first element to clarify is *what system are we referring to*? Is it the innovation-support system (innovation institutions and infrastructure) or the actual innovation system? In the latter case, what we want to achieve often manifests itself *informally*:
	• Surveys are costly, but are powerful instruments to capture also more informal processes and changes.
	• Establish and maintain a dialogue with the strategy *implementation agents* and try to understand whether there has been a systemic change.
	From the geographical point of view: analyse *geo-referenced data* and try to understand whether funds are flowing always to the same places or not. Shifting patterns of funding to territories within the state also help seeing whether there has been a systemic transformation.
	Think of how to enhance the "working level" coordination among different funding levels (EU-national-regional) and how to bring these levels together when implementing processes, projects.
	Aim at having data transparency at all levels.

LESSONS LEARNT	All the regions countries in Europe seem to be facing similar questions and problems. The extent to which they are facing such questions and the approaches they take may still be different, because the political logic behind it differs.

EVOLUTION OF QUESTION 2

QUESTION	How to create broader learning processes between national and regional levels in order to promote smart specialisation?

RECOMMENDATIONS	An example of good practice is the initiative *National Technology Clusters* developed in Italy (not related to Cohesion funds). They are a joint initiative between the national level and regions: they are 12 inter-regional clusters financed at the national level, but the coordination and animation of the initiative is done by the regions.

LESSONS LEARNT	S3 should be seen as an opportunity for improving cooperation within regions and among regions, and between regions and the national level. To do so, it is important to have coordination bodies, "agencies" that work effectively.

EVOLUTION OF QUESTION 3

QUESTION	How can we learn more about SMEs obstacles and opportunities when participating in S3 projects and in the diffusion of innovation? How can different policies be evaluated?

RECOMMENDATIONS	First of all, we need to define "SME" in the Swedish context, since it may differ from the definition used in other countries. In Sweden an SME may have about 50 employees and be active in different sectors. SMEs should be able to clearly see the benefit of participating in S3 projects: ▪ As individual companies, ▪ In collaboration (also in a network with a large company; through future labs or cooperative processes), ▪ Importance of foresight processes to see future benefits, ▪ Importance of communication platforms,

	▪ Possible role for Public Procurement of Innovative Solutions (PPI).
	Try to understand *why* SMEs are not so much involved in projects: They may just lack resources, or they may lack *capabilities* and *awareness*. To tackle the latter points one should put in place a support system (may be highly costly) and support the matching of supply and demand (e.g. universities & SMEs).
	Also, it is important to work with and through *intermediate agents*, like Local Development Agencies or Business Development Agencies, in order to engage with SMEs.

LESSONS LEARNT	The problem faced by Sweden is common to several regions and countries. It is addressed differently depending on the context.
	It is important to understand the support system to SMEs and how it links with companies, in order to be able to improve our policies.
	Multilevel governance is never a straightforward issue.

[WIELKOPOLSKA]

Questions/issues posed for peer discussion

QUESTION 1	Which skills should a regional administration have in terms of monitoring and evaluation to make the system stable and not expert-dependent? How to build on such skills?

QUESTION 2	Which are the best methods of communicating the M&E results to the decision-makers and regional stakeholders?

QUESTION 3	Does the M&E system in Wielkopolska and Poland seem sustainable? Can you suggest improvements?

During peer discussions, participants self-organised into a number of groups/tables, all of which had representatives from various EU Member States and regions. Each table was offered to choose one of the questions prepared by the representatives. A total of 3 questions have been selected and discussed. A summary of these discussions is presented below.

EVOLUTION OF QUESTION 1

QUESTION 1	Which skills should a regional administration have in terms of monitoring and evaluation to make the system stable and not expert-dependent? How to build on such skills?

RECOMMENDATIONS	Have internal expertise inside the regional administration to understand and assess what experts say and to know which crucial questions to ask to experts. Public administration should have basic competences in M&E so that it can determine research questions, gather and process data, etc. To know the dynamics of the public administration and be involved in the policy making: institutional learning is an important success factor for S3 design, implementation and revision.

LESSONS LEARNT	Systems that are expert-led or expert dependent are not sustainable in the

	long-term. Monitoring the transition path in innovation areas should be partly done within administrations.

Evolution of Question 2

QUESTION 2	Which are the best methods of communicating the M&E results to the decision-makers and regional stakeholders?

RECOMMENDATIONS	As there is no real culture of bringing the results of M&E activities into the decision-making process, it seems important to differentiate the M&E by audience (depending on the stakeholders). Visualise and keep it simple, as Wielkopolska did with the S3 data portal. Make the various stakeholders commit to your goal.

LESSONS LEARNT	Using maps and infographics in simple dashboards with simple and targeted expert interpretation.

Evolution of Question 3

QUESTION 3	Does the M&E system in Wielkopolska and Poland seem sustainable? Can you suggest improvements?

RECOMMENDATIONS	Improve the benchmarking to go further than the common indicator list at country level and further than the first monitoring report at the regional level. Wielkopolska should compare itself with regions that have similar smart specialisation planned (Eye@RIS3 tool: http://s3platform.jrc.ec.europa.eu/map) or are structurally similar (http://s3platform.jrc.ec.europa.eu/regional-benchmarking). Nevertheless, the M&E system in Wielkopolska looks sustainable as it covers all relevant levels, uses many different sources and includes many points of views (i.e. through the smart specialisation forum).

LESSONS LEARNT	The national cooperation system is important and needed for benchmarking and developing an M&E methodology.
	International benchmarking at the level of similar specialisations and/or similar regions is crucial.
	Close cooperation between national and regional level and common data acquisition worked well in Wielkopolska.
	The stakeholders should be involved in the monitoring system.

PART 4 | ADDITIONAL COMMENTS AND RECOMMENDATIONS

[STRUCTURED FEEDBACK FROM EXPERTS, PEERS AND EC]

PXL as a new format

Our feedback survey provided additional input from experts, peers and participants on each of the presentations and on the workshop as such (17 responses in total). Table 3 below gives an overview how experts, peer policy makers and other participants graded the usefulness of the workshop along different dimensions. In total, the workshop was perceived to be good and useful, which seems to confirm that there is demand for continuing peer exchange and learning activities on monitoring. On average, peers were most satisfied with the usefulness of the workshop and the best average assessment was for the networking with peers and gaining new general insights on monitoring. Experts were less convinced than peers that general and actionable insights could be gained from the workshop.

Table 3: Average grades for the usefulness of the workshop (1=excellent, 5=failed)

	Expert (n=4)	Peer policy maker (n=9)	Other (n=4)	TOTAL (n=17)
Networking with peers	2.0	1.7	2.5	2.1
Networking with experts	2.3	2.0	2.5	2.3
Gaining new insights on monitoring in general	2.5	1.7	2.3	2.1
Taking actionable insights home to improve the monitoring system in your country/region	3.0	2.0	2.0	2.3
TOTAL	2.4	1.8	2.3	2.2

KNOWLEDGE FOR MONITORING

Admittedly, it is difficult to summarise the very lively discussions on such a variety of topics, Nonetheless, two threads that have emerged from the discussions seem to about **the tensions 'simplicity vs. specificity' and 'statistics vs. ownership'**. On the first tension, it is clear that **S3 requires that monitoring also tracks developments in prioritised areas**. In that sense, indicators have to be quite specific and different to the usually adopted horizontal indicators. Yet, it is difficult to reconcile this need for covering increasing complexity at various levels of government with the need to keep monitoring data simple enough to be used by policy makers and stakeholders. On the second tension, official statistics are of course the first and foremost source of information for monitoring. While being reliable, they only depict reality with a time lag and cannot easily measure the interconnectedness of people and organisations. At the same time, stakeholders want to feel some ownership over the monitoring process, which would require some more participatory role for them. Doing this in practice is costly and time-

intensive. This is why **stakeholder involvement in monitoring should happen at already existing fora and events wherever possible**.

The survey feedback also included the following specific recommendations for the peer reviewed regions and states:

Emilia-Romagna:

- Develop a simplified version of the system for high-level political communication, in particular with a view to targets.
- Whereas the broad system should of course be kept in the background for detailed inquiry and learning, clarify the relation between result indicators, the intervention logic and the S3 priority-specific targets. They seem to be too horizontal and not always pertinent. In the experts' view, result indicators should be target group specific, i.e. sector/technology specific (even though they should reach beyond the immediate beneficiaries that received funding if possible).
- Only impact indicators should be horizontal and refer to global strategy objective.
- Use qualitative techniques and involve stakeholders. Define target groups for the interventions (i.e. not necessarily stakeholder groups) and link them with result indicators.
- The monitoring system seems quite complex with too many indicators.
- The best achievement of the workshop has been the contribution of the peers and experts to the Emilia-Romagna presentation.

Sweden:

- Better analysis, formulation of challenges and definition of target group(s) is needed.
- The Swedish presentation was not sufficiently focused on the subject of the workshop.

Wielkopolska: A very well designed M&E system; it will be very interesting to see how it will be implemented.

Participants took several **broader lessons learnt** home. Here is how they articulated them:

- You have to know for whom you monitor and for what purpose.
- **Simplicity matters in communication**.
- Ownership matters to make the process meaningful for learning.
- **You are doing monitoring for yourself**.
- **Be target group specific**.
- You will want to see if
    o you are spending money on the right people,
    o something improves in the group of relevant stakeholders, ideally systemically beyond those receiving support (if this is the case, move to a more global horizontal perspective).
- Do not put targets on all indicators; some ought to simply produce evidence. **Define a limited set of pertinent targets and use the rest for information, learning & communication**. For instance, when you are target group specific, you will not want to spend an amount *x* on S3

domain *y*, you will just want to see if the domain "goes well" and how it "performs" with a view to others. Targets, in this case, would limit a dynamic evolution which is not what S3 wants.

- Do not use poor or outdated indicators, particularly not when connected to targets.
- Have courage to be incomplete and **fill gaps consciously with qualitative analysis and stakeholder analysis**. This is a much better approach than pseudo-correct figures.
- Monitoring and evaluation are in an early stage and still face many challenges to be overcome.
- **Better analysis, formulation of challenges and definition of targets and target group(s) is essential**. This is a common problem to all regions.
- We need a better conversation between stakeholders and public bodies.
- Monitoring is the basis for evaluation. Compare what has changed since the start, involve stakeholders and remember to visualise.
- **Monitoring is a very difficult exercise but it can give extremely critical input to policy makers**.
- Monitoring and indicators have to be related to strategy results and output for each priority area.
- There is too much focus on governance and public actors – and **too little knowledge about the private sector and its role in societal development**. For some reason civil servants take this for granted.
- Communication of monitoring results is a constant dialogue with society, stakeholders and policy makers.