



FEEDBACK REPORT ON MONITORING

23
October
2018

Peer eXchange & Learning Workshop
Vilnius (Lithuania)

Representatives from Lithuania (LT), Friuli Venezia Giulia (IT) and Lower Austria (AT) presented their current work on Monitoring for Research and Innovation Strategies for Smart Specialisation (RIS3) in a Peer eXchange & Learning Workshop in Vilnius. The workshop was organised by the Smart Specialisation Platform (S3 Platform) of JRC in collaboration with MOSTA (Research and Higher Education Monitoring and Analysis Centre). The presentations and following peer discussions provided the basis for this report.

CONTENTS

Part 1 Workshop findings and key lessons	2
Part 2 PXL Questions and Recommendations	5
[Lithuania].....	5
[Friuli Venezia Giulia].....	9
[Lower Austria].....	12
Annex Peer eXchange & Learning - PXL	15
[About this Report].....	15

PART 1 | WORKSHOP FINDINGS AND KEY LESSONS

KEY LESSONS

- Clear logic of intervention and objectives are two fundamental pre-requisites for an effective monitoring system. Bad indicators, which are not policy responsive, are often the result of a vague logic of intervention/theory of change.
- Producing data does not mean that they will be useful. It is necessary to give a meaning at the measuring process. There are a few questions that we should have in mind when building our monitoring system. Are the data useful? Can I collect them in time? Do I have the necessary resources for collecting and analysing them?
- The RIS3 policy framework includes different levels of government. Every level has its own specific information requirements with respect to monitoring. This however can lead to the proliferation of indicators and data collection activities which can be extremely burdensome. When resources are scarce it is better to employ second-best solutions effectively than ideal solutions badly.
- The increasing importance of using different data sources, beyond official statistics, such as *ad hoc* surveys, focus groups and interviews, to collect valuable information for monitoring RIS3 progress.
- It is crucial to plan stakeholder engagement since the initial design phases of the monitoring system and keep them involved in monitoring activities. When actors have a say and can provide inputs, they are more likely to develop a greater sense of ownership of the policy. This in turn can exert a disciplinary pressure on policy makers to pursue policy objectives and increases the chance that policy actions are not discontinued or downplayed when government changes.
- Monitoring by itself does not improve policy performance unless there is clarity and continuity in monitoring activities and effective working relationships between the implementing authorities and other stakeholders. So, it is critical to develop effective communication flows between all the different actors that are involved. Information should always be communicated using language that is easily understandable and in a format accessible to all. Documentation should be simple, clear, brief, timely and accessible.
- It is important to engage evaluators in monitoring activities, by sharing and debating with them monitoring information. Evaluation questions may in fact enhance the effectiveness of monitoring activities by improving the selection of more suitable and policy responsive indicators. Furthermore, data sources for future evaluations should be addressed while designing policy instruments so that monitoring activities could contribute to provide useful information for evaluation purposes.
- Monitoring information can be extremely useful to improve the quality and effectiveness of policy instruments.

This report summarises the debate and outcomes of the PXL workshop on Monitoring for Research and Innovation Strategies for Smart Specialisation (RIS3) held in Vilnius, on 23 October 2018.

Given its experimentalist and result-oriented approach, Smart Specialisation places a strong emphasis on the role of monitoring within the policy cycle. Setting-up a monitoring system however is not an easy task. RIS3 monitoring design and operationalisation are quite demanding in terms of analytical capacity, data collection and stakeholder engagement.

These different issues were addressed in the workshop through the cases of Lithuania (LT), Friuli Venezia Giulia (IT) and Lower Austria (AT)¹.

Before the peer-review sessions, presentations were given by the JRC team and an external expert. These talks provided some conceptual and empirical insights that helped to frame the "Monitoring for RIS3" topic.

Fabrizio Guzzo (Territorial Development Unit, DG JRC, European Commission) illustrated the results of a recent survey on the Smart Specialisation experience across European regions and countries carried out by JRC. The results of the survey show that the integration of monitoring and evaluation mechanisms represents the most challenging of the six steps of the RIS3 design process. Lack of data and/or data availability when needed, lack of evaluation studies and monitoring information on past policies and lack of skills and capabilities within the public administration are the most frequent cited problems in relation to monitoring activities. No significant enhancement in the quality and effectiveness of monitoring activities could be detected by respondents thus far. On a more positive note, the survey revealed that there is general agreement that the purpose of monitoring goes far beyond mere audit requirements and that national and regional authorities devote more resources to monitoring activities. Furthermore, even though monitoring relies mostly on official statistics and administrative data, the need for timely information and for monitoring the progress of priority areas has prompted RIS3 teams to increasingly use *ad hoc* surveys (on beneficiaries and stakeholders), focus groups and interviews to collect valuable information for monitoring purposes. Finally, when it comes to highlighting the main obstacles to the use of monitoring and evaluation information to improve strategies' performance and policy making, respondents tend to identify, in the first place, those that refer to technical aspects: "measures require long periods of time before they can be expected to yield the major outcomes sought", "data may not be broken out in sufficient detail to be useful" and "availability of monitoring and evaluation findings when needed". Obstacles referring to the coordination mechanisms and political dimension are less worrying for respondents (e.g. disconnection with managements, lack of stakeholder engagement and lack of authority and interest to make changes).

In her presentation, Claire Nauwelaers (STI Policy Expert) illustrated the main components of the process of designing a monitoring system for RIS3: first, the identification of the system's goals, around which a consensus is to be achieved by key actors; second, the integration of key principles to ensure the quality

¹ The presentations and background documents are available at:

<http://s3platform.jrc.ec.europa.eu/-/peer-exchange-and-learning-pxl-workshop-on-monitoring-for-smart-specialisation-strategies?inheritRedirect=true>

and the adequate functioning of the proposed monitoring system; third, the adoption of a suitable framework for its governance. This includes the allocation of clear responsibilities for building and implementing the system with the aim to ensure clear ownership, the identification of the main users to ensure political endorsement of the system and the involvement of key stakeholders in the production of the system. And last but not least the definition of key input, output and result indicators which are at the heart of the system. The presentation illustrated those points on the basis of recent experiences of developing RIS3 monitoring systems.

Finally, Carlo Gianelle (Territorial Development Unit, JRC, European Commission) briefly presented the PXL methodology and the organisation of the peer review sessions. This helped to frame the following discussions.

During the PXL sessions, a number of problems and challenges were identified. Firstly, it is particularly challenging for national and regional authorities to monitor the progress of the specific research and innovation priority areas selected in the strategies. Existing indicators and official statistics, which supply data at a higher level of aggregation, generally do not provide useful information in this respect. Accordingly, new indicators and data sources should be identified and used, but this is not an easy task. It requires adequate human and financial resources. Secondly, an open and inclusive discussion is needed if regions and countries are to reach a consensus on what RIS3 success should look like, how it should be measured and what indicators should be used to assess it. However, as participants emphasised during the meeting, engaging stakeholders in monitoring design and implementation represents an important challenge. Finally, Smart Specialisation is a multilevel policy framework in which each level of government has its own information requirements with respect to monitoring. For example, at EU level, there is a need to identify common indicators and aggregated data (common indicators are a powerful tool to communicate aggregated policy achievements across Member States); whereas, at regional level, public administrations and stakeholders need specific information on the progress in priority areas, feed-back on the effectiveness of policy instruments, etc. This can lead to the proliferation of indicators and data collection activities which can be extremely burdensome for some regions, notably the ones with weaker capabilities and resources.

Besides the abovementioned challenges, the peer-review sessions provided an interesting picture of some of the efforts on monitoring deployed by national and regional authorities. Despite the differences among countries and regions in terms of monitoring capacity, overall we can observe a greater importance attributed to monitoring and its role in improving strategy performance and policy making across EU countries and regions. The Lithuanian case offers a very interesting example of "reflexive institutions" that are currently using monitoring results to inform the RIS3 revision process. Noteworthy are the cases of stakeholder engagement in the design of policy instruments and calls for RIS3 (Friuli Venezia Giulia and Campania), and the interactions of RIS3 teams with evaluators to improve the quality of monitoring activities and soundness of the indicators (Friuli Venezia Giulia).

The issues/questions posed by the representatives of Lithuania (LT), Friuli Venezia Giulia (IT) and Lower Austria (AT) fostered a lively debate in the smaller group discussions. Specific recommendations and lessons learnt for each question are presented in detail in Part 2 of this report.

PART 2 | PXL QUESTIONS AND RECOMMENDATIONS

[LITHUANIA]

Questions/issues posed by the country for peer discussion

QUESTION 1	How to evaluate progress at RIS3 priority level?
QUESTION 2	How to evaluate RIS3 return on investment (ROI) and direct effect?
QUESTION 3	How to promote stakeholder participation in policy evaluation processes, and, how to ensure impartiality?

During peer discussions, participants were divided in three groups/tables, all of which had representatives from various EU Member States and regions. A facilitator from JRC was present to steer the work of each table. Each table was offered to choose one of the questions prepared by the representatives. A summary of these discussions is presented below.

EVOLUTION OF QUESTION 1

QUESTION	How to evaluate progress at RIS3 priority level?
	
RECOMMENDATIONS	Use new data sources such as surveys, focus groups, etc. to monitor progress at RIS3 priority level (examples from Puglia, Northern Netherlands, and Lower

Austria).

Stakeholders are an important source of information on policy interventions. They can be targeted by surveys, be involved in focus groups and interviewed. This involvement allows more information on the results of the policy to be obtained via direct feedback from users, consultation with multiple perspectives and the representation of different interests. The information provided may certainly contribute to strengthening the effectiveness of policy intervention.

Collect feed-back on policy instruments from intermediary organisations (eg. clusters, etc.) and other stakeholders (Campania and Friuli Venezia Giulia) through the organisation of workshops, questionnaires, etc.

Open data analysis to check progress of priority areas and the evolution of the territorial innovation ecosystem (Tampere).



LESSONS LEARNT

Maintaining an open debate with relevant actors. Keeping stakeholders informed about policy results and how their input is used certainly helps to maintain their interest and involvement in the policy.

Open data analysis can provide useful information to monitor RIS3 implementation.

Monitoring systems need to be designed according to available resources. Combine qualitative and quantitative methods and different data sources in an innovative way to get the most out of them and keep the cost down.

Involving additional external expertise (eg. researchers, university departments, research organisations, etc.) in monitoring activities to address skills and knowledge gaps and build capacity within the public administration.

EVOLUTION OF QUESTION 2

QUESTION How to evaluate RIS3 return on investment (ROI) and direct effect?



RECOMMENDATIONS

Follow and monitor single pilot projects and/or more experimental initiatives (rather than all the financed projects) and assess them at different implementation stages. The idea is also to assess projects' spill-over effects on other actors and the capacity to achieve critical mass.

Use qualitative analysis to support assessments when the quantification of benefits is too difficult or demanding. Mind that public investments also entail indirect returns.

Assess whether the expectations of beneficiaries and stakeholders on the quality and effectiveness of the employed policy instruments are fulfilled (by using surveys, focus groups, interviews, etc.).

Producing data does not mean that they will be useful. It is necessary to give

a meaning to give a meaning to the measurement process. Before starting collecting data, there is a need to clarify their intended use.



LESSONS LEARNT

Measuring return on investment for single projects is perhaps too ambitious and poses an important burden on administrations in terms of data collection and analytical requirements.

Stakeholders have to be included in the selection of expected results and indicators. There must be a common and clear understanding of what we want to measure and why.

EVOLUTION OF QUESTION 3

QUESTION

How to promote stakeholder participation in policy evaluation processes and how to ensure impartiality?



RECOMMENDATIONS

Engage intermediary organisations in the RIS3 process to get a better understanding of SMEs innovation needs and gather additional information.

Once priorities are selected, stakeholders tend to lose interest in the policy (namely the actors that feel excluded by the selection process and do not see any particular reason/incentive to participate). So it is important to provide more opportunities for continuous Entrepreneurial Discovery Process, by creating platforms for ongoing discussion on the evolution of priority areas and the identification of new ones. This can help to involve relevant stakeholders in the process, in the first place, and keep them engaged over time.



LESSONS LEARNT

Relevant stakeholders (such as SMEs and intermediary organisations) should participate in establishing objectives, indicators, targets and corrective actions for the policy, as well as in gathering and sharing information. This gives different actors an opportunity to take part in the decision of what constitutes success, how to measure it and what indicators should be used to assess it. In addition, a high degree of stakeholder engagement increases the probability that the outcomes of monitoring activities will be used in management and policy making.

It is necessary to manage participants' expectations in an honest and transparent way: clearly define and communicate what can be done and what cannot be done. Besides, clear rules and guidance are necessary to promote stakeholder engagement in the RIS3 process (priority-setting, etc.).

Keeping stakeholders informed about policy findings and how their feedback is being used certainly helps to maintain their interest and involvement in the RIS3 process. So it is critical to develop effective communication flows between all the different actors. Information should always be communicated using language that is easily understandable and in a format accessible to all. Documentation should be simple, clear, brief, timely and accessible.

Collaboration with universities can improve the quality and effectiveness of monitoring activities, as universities can provide expertise and resources that are generally not available in the public administration.

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[FRIULI VENEZIA GIULIA]

Questions/issues posed by the region for peer discussion

QUESTION 1	How to identify appropriate result indicators measuring expected changes?
QUESTION 2	How to guarantee the involvement of stakeholders in the revision of the monitoring system and the effective dissemination of monitoring data?
QUESTION 3	How to use monitoring results to improve RIS3 policies?

During peer discussions, participants were divided in three groups/tables, all of which had representatives from various EU Member States and regions. A facilitator from JRC was present to steer the work of each table. Each table was offered to choose one of the questions prepared by the representatives. A summary of these discussions is presented below.

EVOLUTION OF QUESTION 1

QUESTION	How to identify appropriate result indicators measuring expected changes?
	
RECOMMENDATIONS	<p>Engage relevant stakeholders (universities, clusters and other intermediate organisations) in the identification of monitoring objectives, indicators, targets and data sources. Stakeholders are also an important source of information on policy interventions. Use surveys, focus groups and interviews to collect their feed-back.</p> <p>Collecting data to check the progress of research and innovation priorities can be particularly costly and demanding in terms of human resources and skills. Before starting collecting data, there is a need to clarify their intended use.</p> <p>Indicators that will be provided by the national level (Italian Agency for Territorial Cohesion), through its initiative on RIS3 monitoring, can be used as a basis for the discussion on the identification of useful indicators for monitoring the research and innovation priorities of the Friuli Venezia Giulia RIS3.</p>



LESSONS LEARNT	<p>Clear logic of intervention and objectives are two fundamental pre-requisites for an effective monitoring system. Bad indicators, which are not policy responsive, are often the result of a vague logic of intervention/theory of change.</p> <p>The choice of monitoring objectives and indicators should be the result of a deliberative process. More specifically, relevant stakeholders (such as SMEs, intermediary organisations and competence centres) should participate in establishing objectives, indicators, targets and corrective actions for the policy, as well as in gathering and sharing information.</p> <p>Engaging different groups helps to build consensus and increase commitment to reaching the desired results. It can also reinforce mutual trust between government and other stakeholders (and among different groups of actors).</p> <p>The RIS3 policy framework includes different levels of government. Every level (EU, national and regional) has its own specific information requirements with respect to monitoring. This however can lead to the proliferation of indicators and data collection activities which can be extremely burdensome.</p>
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EVOLUTION OF QUESTION 2

QUESTION	How to guarantee the involvement of stakeholders in the revision of the monitoring system and the effective dissemination of monitoring data?
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RECOMMENDATIONS	<p>Engage key stakeholders in the current work on the review of the strategy's indicators.</p> <p>Develop an effective communication strategy to increase the impact of monitoring through public awareness. Making findings public creates more leverage, and strategies that include periodic information sessions and public disclosure of policy information help to raise awareness.</p> <p>Launch online surveys to collect valuable monitoring information and feedback on policy instruments.</p>
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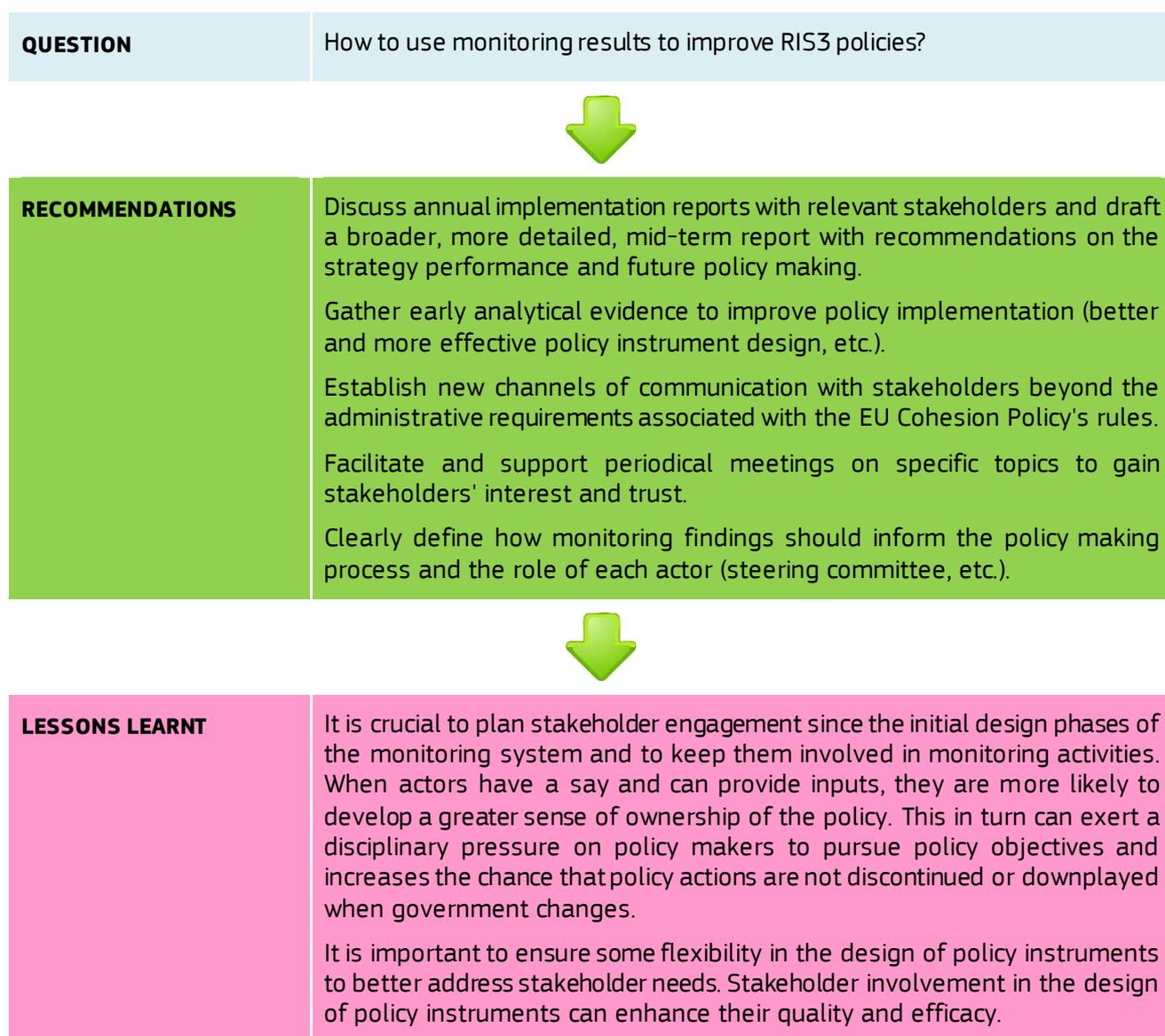
LESSONS LEARNT	Stakeholders need to be selected on the basis of their interest in the process, experience, skills and legitimacy in the region. The focus should be on key stakeholders (such as clusters, intermediate organisations, etc.), as the deep involvement of core partners is better than the marginal involvement of many.
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Keeping stakeholders informed about findings and how their feedback is being used certainly helps to maintain their interest and involvement and limit “stakeholder engagement fatigue”, which occurs when information is not shared or feedback is regularly ignored.

Information should always be communicated using language that is easily understandable and in a format accessible to all. Documentation should be targeted, simple, clear, brief, timely and accessible.

There is an increasing importance of using different data sources, beyond official statistics, such as *ad hoc* surveys, to collect valuable information for monitoring RIS3.

EVOLUTION OF QUESTION 3



[LOWER AUSTRIA]

Questions/issues posed by the region for peer discussion

QUESTION 1	How to measure indicators at strategic level?
QUESTION 2	How ambitious should the targets be and should they be conditional for bonus?
QUESTION 3	At which level should indicators/target values be discussed?

During peer discussions, participants were divided in three groups/tables, all of which had representatives from various EU Member States and regions. A facilitator from JRC was present to steer the work of each table. Each table was offered to choose one of the questions prepared by the representatives. A summary of these discussions is presented below.

EVOLUTION OF QUESTION 1

QUESTION	How to measure indicators at strategic level?
	
RECOMMENDATIONS	<p>Eurostat and the Horizon 2020 projects' database can provide useful data to populate result indicators and carry out benchmarking analysis.</p> <p>Use other data sources (beyond administrative and official statistical sources) and methodologies to collect valuable information for monitoring purposes (example of a network analysis exercise to map cooperation activities in Tuscany).</p>
	
LESSONS LEARNT	<p>It is essential to identify specific indicators to monitor progress in the research and innovation priorities areas selected in the strategy.</p> <p>Further efforts are necessary to make data available and accessible.</p>

EVOLUTION OF QUESTION 2

QUESTION	How ambitious should the targets be and should they be conditional for bonus?
	
RECOMMENDATIONS	<p>Target values should be discussed and agreed with stakeholders. They should be neither too ambitious nor too easy.</p> <p>The effectiveness of selected indicators to monitor public intervention should be constantly checked and, if necessary, reviewed. If the targets are not met, this should lead to a review of the policy and instruments.</p> <p>Avoid situations characterised by "formal achievement". Moreover, quantity does not always translate into effectiveness/quality.</p> <p>Clearly define how monitoring findings should inform the revision process of the strategy.</p>
	
LESSONS LEARNT	Quantitative and qualitative methodological approaches in monitoring activities should be both used and combined, as it is very important to detect the behavioural changes induced by policy interventions.

EVOLUTION OF QUESTION 3

QUESTION	At which level should indicators/target values be discussed?
	
RECOMMENDATIONS	<p>Clear logic of intervention and policy objectives are two fundamental pre-requisites for an effective monitoring system. Work on the alignment of means (policy instruments) with ends (policy objectives) and the establishment of clear links between output and result indicators.</p> <p>Engage relevant stakeholders in defining monitoring objectives and result indicators.</p> <p>Define indicators that are policy responsive, i.e. indicators that are closer to the specific public intervention to be monitored. Measures such as GDP per capita, employment rate, etc. are generally too distant from the policy action whose progress they intend to measure.</p>



LESSONS LEARNT	<p>It is necessary to achieve a common understanding and consensus among public authorities and other relevant stakeholders on what policy success should look like and how it should be measured (indicators and targets).</p> <p>Clear logic of intervention and objectives are two fundamental pre-requisites for an effective monitoring system. Bad indicators, which are not policy responsive, are often the result of a vague logic of intervention/theory of change.</p> <p>Indicators and their effectiveness in measuring progress towards expected results should be constantly checked and debated. There should always be room for reviewing indicators: if the selected indicators are not useful to measure policy progress they need to be changed.</p>
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ANNEX | PEER EXCHANGE & LEARNING – PXL

[ABOUT THIS REPORT]

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 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 sessions. The debate can take the form of a dialogue between experts who will alternately provide arguments in support of 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 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 to identify 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 may mention any short- to mid-term plans to apply them.

Building on the general structure described above, the format of the workshops is tailored according to the topic's requirements and needs expressed by regions and countries.

Objectives and Expected Outcomes

Regions and countries volunteer to be reviewed in an attempt to source both critical and well-timed advice addressing specific issues 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 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 collects any relevant information and data covering different elements of each PXL exercise. A brief summary/feedback report will be drafted and circulated by the S3 Platform team as a final output of the workshop.