

MINISTRY OF REGIONAL DEVELOPMENT

National Coordination Authority

Executive Summary

**Ex-post evaluation of the
programming period 2007–2013
in the area of corporate research,
development and innovations**

August 2018



Executive Summary

The report represents an overall evaluation of cohesion policy contributions in the Czech Republic in the field of corporate research, development and innovations. The Operational Programme Enterprise and Innovations strategy (OPPI), the part of which is a support of industrial research and development (R&D; by means of Potential and Prosperity programmes), is based on an increase in industry competitiveness and development of business services while preserving conditions of sustainable development at the same time.

The subject matter of research realized under this evaluation was detection and evaluation of likely effects of the assessed Potential and Prosperity programmes on a growth of a series of quantities in supported businesses and evaluation of the assessed programmes impacts, in relation to socio-economic development in the Czech Republic and to a current state and trends in a corporate R&D. The initial and, with the course of this evaluation, tested hypothesis was that implemented interventions bring also other effects than those already described under theories of change elaborated for the assessed OPPI support programmes.

The evaluation report shows that the Potential programme in many cases positively affected a series of quantities in supported businesses. From the competitiveness point of view (which is the aim the programme should primarily reach), an unambiguously positive impact of the programme on the added value growth and probably also on the labour productivity growth is possible to consider as fundamental. An estimation shows that also the sharp increase in personal costs was delivered, and that the increase was characterised by at least comparable, or even higher dynamics than the growth of the labour productivity. From the point of view of the economic theory labour costs shouldn't grow faster than labour productivity which is probably this case. The programme is possible to evaluate as successful from the point of view of a higher growth of the added value or the labour productivity, however in view of the fact of personal costs dynamics it is not possible to state that it contributed to an improved competitiveness of supported companies. A fact that the programme didn't affected a number of newly created jobs in comparison with the control group represents a relatively interesting discovery.

Another effect of the programme is represented by an extension and creation of research and innovation capacity of companies and thus by a considerable technological progress, thanks to a which an acceleration of research and development activities was taking place. New products and services with a higher added value were developed in companies. A higher degree of cooperation with external scientific fellow-workers was verified. As a follow-up to the technological progress, a development of products/services, which weren't primarily considered and planned, was delivered. For future, it is possible to recommend to keep supporting of industrial research and development, developing cooperation of companies and research institutions and cultivating innovation infrastructure.

Under the Prosperity programme no effect of a support (or incubation of companies) on their financial indicators was proven. The only effect, which is statistically significant (at the 90% significance level), represents an effect on termination of operations of companies during or after finishing incubation; incubated companies are characterised by a 7% lower rate of termination of operations. It is reasonable to anticipate that incubators positively affected a lifespan of the companies. However it is necessary to take into account that results of the analysis are to a considerable extent influenced by accessibility of data, or more precisely by willingness of addressed

incubators to provide data on incubated companies (their identification number) and by an overall rate of return of questionnaires. Due to this fact it is necessary to perceive the analysis results as indicative.

For business incubators (PI) and research and technological parks (VTP) (i.e. beneficiaries of the programme support), it was verified that improved cooperation of universities and research institutions with a corporate sphere and development of innovation infrastructure for research and development were delivered thanks to the project implementation. For incubated companies, it was found out that the most of the companies succeeded to market a new service/product in the last years (2014–2016) and that both a higher degree of involvement of external research and development workers for almost half of them and an increased differentiation of current services were delivered.

It was also found out that PI/VTP were the most frequently financed by combination of own resources and grant/grants. Some entities were not able to offer services without grants, on the other hand some of them are fully financed from own resources.

In the report the following endogenous factors determining PI/VTP performance were identified: high-quality management, individual approach to clients, quality of services offered and PI/VTP occupancy rate. And exogenous key factors determining PI/VTP performance mentioned below were found out: PI/VTP place location, regional conditions, co-operation with a university workplace, grants, a long-term support of a region, a „VTP brand“.

For the future, the evaluation team recommends to support industrial research, to develop cooperation of companies and research institutions and to develop innovation infrastructure, as a follow-up to findings and conclusions in the evaluated Potential and Prosperity programmes. Ensuring a continuous data collection and an accessibility of relevant data for supported interventions are necessary. In the course of preparation and planning of future interventions it is desirable to interconnect monitoring indicators with the goal of a programme.

The evaluation design of the contract was constructed as a result of qualitative and quantitative methods, CIE was used for both of the evaluated programmes.

Inaccessibility of some data for key analysis realized, whether they are not available at all (e.g. ČSÚ data) due to legislation in force or sufficient and complete (e.g. project documentation, Bisnode commercial source), and also a lower rate of willingness of addressed stakeholders to provide needed collaboration (mainly questionnaire surveys, providing information on incubated companies) turned to be limits of the contract.