



External impact analysis of R&D project funding

Statement by the Commission for Technology and Innovation CTI

1 Background

The CTI commissioned INFRAS and the KOF Swiss Economic Institute at the ETH Zurich in a WTO tender to conduct an impact analysis of R&D project funding. The impact analysis related to two funding measures: the 2011/2012 special measures, already evaluated in 2012/2013, whose overall impact was subsequently assessed; and regular R&D project funding, which was subject to an external assessment for the first time. In the now completed first phase of the analysis, the concept and implementation of the funding area were evaluated and the first full survey conducted on the impact of R&D project funding among research and industry partners. A report has now been published containing the findings from this first phase. In a second phase, the survey relating to the impact of regular R&D project funding will be repeated in order to obtain data on the long-term impact such funding.

The impact analysis is based on an extensive mix of qualitative and quantitative research methods, and concludes with ten recommendations. The CTI gives a detailed response to these recommendations in the statement below.

2 Statement on recommendations

R1. Retain basic concept

The CTI shares the view held by the authors of the impact report that the basic concept of R&D project funding should be retained. The programme should continue to focus on fostering cooperation between public research institutions and businesses, while providing financial support to the research institutions only. This policy adheres to the legal framework in which CTI funding activities take place. Bottom-up funding will continue to be the guiding principle in innovation promotion.

R2. Selectively adjust instruments

The authors judge the funding instruments available to be a coherent set of instruments in which only minimal changes are required. The CTI agrees with the proposal to abolish the CTI Voucher and already set this in motion when drafting the Contributions Ordinance for Innosuisse. Since the Voucher became obsolete in many areas with the subsequent introduction of innovation mentoring, this funding instrument is no longer provided for in the new Contributions Ordinance from 2018. The CTI understands the proposal to enhance the innovation cheque, innovation mentoring and National Thematic Networks (NTNs) instruments. From the CTI's point of view, these instruments provide an effective and efficient way of allowing SMEs better access to project funding. The gap between basic research and applied research, as identified by the authors, will be closed by the Bridge pilot scheme, introduced in 2017, between the Swiss National Science Foundation and the CTI. The CTI would like to await the experiences of this pilot scheme and evaluate them before considering further funding possibilities.

R3. Cooperate with other innovation promotion bodies

The CTI agrees with the authors' recommendation to step up cooperation with SECO and with regional innovation promotion agencies. Besides aligning funding in Knowledge and Technology Transfer (KTT) and the Start-up funding area, the CTI is seeking through its new concept of Enterprise Europe Network Services (EEN Switzerland) to create closer links with regional promotion agencies in international cooperation activities. Regional promotion agencies and their SMEs will receive tailor-made support in their search for suitable international cooperation partners and appropriate international

funding opportunities. A central contact point will make it easier for SMEs and their regional partners to navigate the complex international funding portfolio and will improve matchmaking. However, the CTI believes that the regional promotion agencies should still retain responsibility for their SMEs.

R4. Support more projects that benefit society

The CTI shares the authors' opinion that the potential for socially innovative projects could be exploited to an even greater extent, e.g. in areas such as health, age, family, integration and social security. In recent years the CTI has already initiated various initiatives to this end, e.g. special information events and dialogue platforms on CTI funding opportunities in this area have been held. Quantifying the economic benefits to society and to businesses of such innovation projects is one of the biggest hurdles. However, meaningful and verifiable calculations must already be made when evaluating applications if the CTI is to meet its statutory obligation to promote innovation. Various examples from the recent past demonstrate that it is possible to conduct and successfully conclude high-quality projects in the above-mentioned fields. Information transfer and knowledge transfer are further boosted when, for example, mentors receive coaching and appropriate experts are available.

R5. Consider earmarking more funds during recessions

The aspects related to this recommendation fall under the authority of Federal Council and Parliament and cannot be further commented upon by the CTI as an executive body. However, the CTI is pleased to note that the special measures it introduced have been shown to have a positive impact.

R6. Reduce deadweight loss

Reducing deadweight loss is a key task for any promotion agency, and is therefore a particular consideration in all of the CTI's activities. Nonetheless, the CTI points out that some degree of deadweight loss is unavoidable, and that it is not aware of any funding activity by its sister organisations abroad in which it is avoided entirely. Furthermore, there is a considerable difference in innovation promotion between projects that could be carried out by a business without the support of the CTI, in the same timeframe and on a similar scale, and those that could be carried out but at a later date and/or on a smaller scale. Since the time aspect plays a key role in turning projects into successful innovations (successful market implementation) in the internationally competitive environment in Switzerland, many of the projects which could be carried out at a later stage will prove worthless, as the competitive edge will be lost. In addition, it should not be forgotten that Switzerland is the only country in Europe in which there is no direct funding to the private sector. The CTI, therefore, feels that the statement regarding the observed deadweight loss effects can be qualified. The CTI will continue to keep deadweight loss as low as possible.

R7. Enhance project benefits for businesses

The CTI will pay special attention to this recommendation in its future activities. In particular, it understands the importance of developing the National Thematic Networks on specific areas of innovation that are vital to the Swiss economy, increasing the benefits to companies by providing networking opportunities with other economic partners. The assessment of these benefits in the impact analysis currently being drawn up will provide a basis for these activities.

R8. Maintain and strengthen communication activities

The CTI will continue to develop its communication activities to raise the commission's profile and illustrate the added value of its funding activities.

E9. Eliminate isolated shortcomings in the assessment process

The CTI already addressed this point when it drew up a new application form, and will take the recommendation on board in accordance with the statements made under Recommendation R4.

E10. Institutionalise standardised impact assessment

The CTI supports this recommendation unreservedly. The impact analysis and the many valuable suggestions it makes provide a stimulus for drawing up impact analyses on a regular basis and according to recognised methodological principles.

Final comments and thanks

The CTI would like to thank all the people and institutions involved for their support, in particular INFRAS and KOF at the ETH Zurich for competently carrying out the evaluation. Thanks also go to the advisory group and the research and industry partners who took part in the online survey. The CTI is pleased to acknowledge the predominantly positive findings, and sees the recommendations made in response to the weaknesses identified as an incentive to continue improving its funding activities.

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For the CTI

Walter Steinlin

President

Commission for Technology and Innovation CTI