Evaluation of the Blue Growth Innovation and SMEs Programme

Executive Summary

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1. Object and objectives of the evaluation

1.1. The object of evaluation

The European Economic Area Grants (EEA Grants) emerged as a result of the participation of Iceland, Liechtenstein, and Norway in the international market of the economic areas covered by the European Economic Area Agreement. Since the Agreement was signed in 1994, the three countries have contributed to the social and economic development of 15 beneficiary states, one of which is Portugal, through the European Economic Area Financial Mechanism (EEA Financial Mechanism). The two overarching goals of the EEA Grants, of equal importance and to which all projects and initiatives funded by the EEA Financial Mechanism must contribute, are to reduce economic and social disparities in the European Economic Area and to strengthen bilateral relations between the Donor States and the Beneficiary States.

The 2014-2021 programming period is the fifth funding cycle of the EEA Grants to Portugal, and the allocation of the EEA Grants 2014-2021 in Portugal is distributed across five Programmes: Blue Growth Innovation and SMEs (EEA Grants contribution of €38.2M and National contribution of €6.7M); Environment, Climate Change and Low Carbon Economy (EEA Grants contribution of €24.6M and National contribution of €4.3M); Work-life Balance and Gender Equality (EEA Grants contribution of €6.1M and National contribution of €1.1M); Cultural Entrepreneurship, Cultural Heritage and Cultural Cooperation (EEA Grants contribution of €9.5M and National contribution of €1.7M); and Civil Society (EEA Grants contribution of €11.5M). The EEA Grants 2014-2021 also contribute with €3.2M to the Fund for Bilateral Relations (FBR), which aims to support initiatives that strengthen relations between Portugal and the Donor States, and with €2.0M for Technical Assistance to Portugal.

The Programme Agreement for the Blue Growth Innovation and SMEs Programme of the EEA Grants 2014-2021 establishes the rights and obligations regarding its implementation. The Directorate-General for Maritime Policy (DGPM) assumes the role of Programme Operator (PO), being responsible for its implementation and management, including the responsibility to provide financial reports, annual reports, and a final Programme report. The DGPM must also ensure the synergy of the Blue Growth Innovation and SMEs Programme with the Environment, Climate Change and Low Carbon Economy Programme (referred to as the Environment Programme).

The Blue Growth Innovation and SMEs Programme aims to increase value creation and sustainable growth in the Portuguese blue economy, as well as research, education, and training in marine and maritime areas. It is divided into three programme areas (PA), which not only complement each other but also benefit from synergies among them: PA1 – Business Development, Innovation and SMEs; PA2 – Research; and PA3 – Education, Scholarships, Apprenticeships and Youth Entrepreneurship.

To this end, in addition to funding partnership projects in the three programme areas, the Programme includes funding from the Fund for Bilateral Relations to support initiatives that contribute to the search for partners from the Donor States, the development of such partnerships and the preparation of joint applications, as well as for strategic cooperation, networking, exchange, sharing and transfer of knowledge, technology, experience and best practices between Portuguese entities and those from the Donor States.

The funding for the Blue Growth Innovation and SMEs Programme is budgeted according to the outcome it is intended for. The Programme Agreement determined three Pre-Defined Projects (PDP), with the remaining projects being selected through calls for proposals, consisting of five Calls and three Small Grant Schemes (SGS). The status of the implementation of the Blue Growth Innovation and SMEs Programme can be consulted in the following table.

Table 1. Status of the Blue Growth Innovation and SMEs Programme, as of September 2024

PA	Call	Grant available in the Call (€)	Applications Approved		Approval rate of the Grant available in the Call (%)	Applications Cancelled / Withdrawn (No.)	Projects in progress/concluded*			
			No.	Approved Amount (€)			No.	Approved Amount (€)	Financial Execution Rate (%)	Average Material Execution Rate (%)
PA 1	Call 1	14,200,000	23	9,435,984	66%	1	22	9,026,804	79%	98%
	Call 2	12,840,134	19	14,256,902	111%	1	19	13,614,408	50%	95%
	Call 3	1,176,471	2	410,057	35%		2	410,057	90%	96%
	2nd Call 3	1,500,000	3	1,385,287	92%		3	1,385,287	70%	98%

PA	Call	Grant available in the Call (€)	Applications Approved		Approval rate of the Grant available in the Call (%)	Applications Cancelled / Withdrawn (No.)	Projects in progress/concluded*			
			No.	Approved Amount (€)			No.	Approved Amount (€)	Financial Execution Rate (%)	Average Material Execution Rate (%)
	SGS 1	3,000,000	6	836,316	28%		6	836,316	89%	100%
	2nd SGS 1	1,029,469	7	939,503	91%	3	4	538,389	90%	99%
	SGS 2	1,000,000	8	490,506	49%	1	7	429,972	72%	96%
PA 2	Call 4	5,423,529	6	5,423,268	100%		6	5,423,268	90%	99%
	PDP 2	-	-	-	-		1	2,000,000	90%	90%
	PDP 3	-	-	-	-		1	2,000,000	90%	98%
PA 3	Call 5	1,550,000	12	2,726,263	176%		12	2,726,263	56%	100%
	SGS 3	350,000	29	711,460	203%	2	27	661,460	91%	100%
	PDP	-	-	-	-		1	2,000,000	90%	99%
TOTAL		42,069,603	115	36,615,546	N/A	8	107	35,052,224	71%	98%

*Source: EY-Parthenon, based on the Information System of DGPM. Note: *applications approved excluding the cancelled/withdrawn applications. Approval rate of the Grant available in the Call = approved amount of the applications approved / grant available in the call. Financial execution rate = paid amount / approved amount.*

1.2. Scope and objectives of the evaluation

The evaluation study of the Blue Growth Innovation and SMEs Programme arises from the obligation of DGPM as the PO, established in the implementation regulation of the EEA Grants 2014-2021. The evaluation covers the entire national territory, including autonomous regions, and focuses on the period from 2018 to 2024 (until September 2024). The Terms of Reference establish the main objectives of the study as follows:

- Evaluate whether the specific objectives of the Programme have been achieved;
- Assess the synergy with the Environment Programme;
- Evaluate the monitoring and oversight mechanisms of the Programme; and
- Evaluate the outcome of the bilateral relations between the national partners and the partners from the Donor States.

In pursuing these objectives, a set of evaluation criteria and Evaluation Questions (EQ) are established, with each EQ branching into multiple Sub-Evaluation Questions (SubEQ):

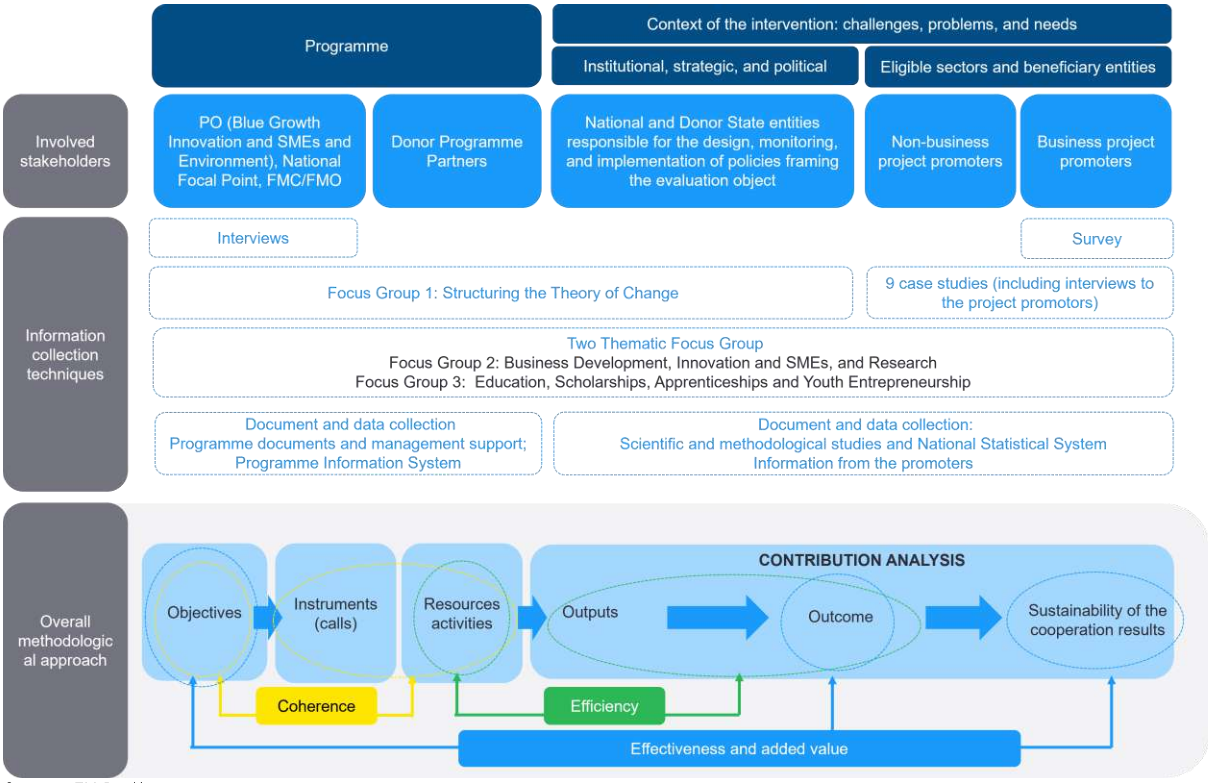
- Effectiveness – EQ1. Have the specific objectives of the programme been achieved?
- Coherence – EQ2. To what extent have the project results contributed/are contributing to ensuring synergies with the Environment Programme?
- Operational Efficiency – EQ3. Were the monitoring and oversight mechanisms of the Projects adequate for the implementation of the Programme?
- European Added Value – EQ4. What is the added value of the partnerships with entities from the Donor States at the project level?

The conclusions and recommendations arising from the answers to the EQs and SubEQs will be useful for the strategic planning of the next programming cycle. The study will also contribute to the principles of transparency and accountability by making its results available to beneficiaries and the general public. The study will thus be useful for a wide range of recipients and users of its results, namely: Financial Mechanism Committee, Financial Mechanism Office, National Management Unit, Programme Operator of the Blue Growth Innovation and SMEs Programme (DGPM) and the Environment Programme (General Secretariat of the Ministry for Environment and Energy Transition), among others.

2. Methodology

The overall methodological approach adopted in this evaluation, illustrated in the following figure, is structured with the aim of ensuring a well-founded answer to all the stated questions, including the involvement of various stakeholders and the application of different information collection methods.

Figure 1. Methodological approach



Source: EY-Parthenon.

The Theory-Based Evaluation(TBE) method, assumed as the theoretical framework, aims to explain how and why the effects were produced, based on the idea that a policy has at its core, either explicitly or implicitly, a Theory of Change (ToC) that stems from a reflection on the logic of the intervention: a plausible narrative about how the interventions trigger a set of outcomes, that is, how the policy is expected to work.

Among the methodological approaches of TBE, the Contribution Analysis assigns relevance to demonstrating the causal link between the results and the interventions, seeking to assess the contribution of the intervention to achieving the expected results, that is, a plausible causal link about the contribution of the intervention to the expected/observed results. The focus is not so much on the concept of "attribution" (cause-effect relationship between discrete variables) but rather on the analysis of the "contribution" of the interventions to the results through causal mechanisms: the situations, events, motivations and expectations, cognitive, social and institutional processes that influence the actions of actors and imply the production of the intervention results.

For this evaluation, a ToC was developed in the form of a results chain, organised by programme areas, complemented by the underlying rationale and the assumptions and risks. The ToC was tested throughout the evaluation process through comprehensive consultation with the different agents involved in the Programme, using various information collection and analysis techniques. During the evaluation, five interviews were conducted, three focus groups were organised, a survey was launched for project promoters, and nine case studies were developed.

The management and quality control mechanisms adopted in this study were developed throughout all phases of the evaluation process, with particular emphasis on the structuring and methodological consolidation phase, the information collection and analysis phase to support the evaluation, and the stakeholder consultation phase.

3. Main conclusions

The answers to the EQs provided an in-depth understanding of the implementation of the Blue Growth Innovation and SMEs Programme, based on the ToC that structures the rationale of the Programme and oriented by the specific focus of each question. This chapter presents the main conclusions of the evaluation, organised according to the evaluation criteria.

Effectiveness

C1. The performance of the Blue Growth Innovation and SMEs Programme, in terms of achieving the targets of the output and outcome indicators, is generally positive, with most targets being met or even significantly exceeded. However, there are outcome indicators that have not yet been calculated, which are particularly valuable for analysing the effects of the Programme and its sustainability, justifying a final effort by the Operator (and the promoters) for their accounting and analysis. The level of financial execution is high, although below what would be expected at this stage of the Programme's implementation, largely due to the extension of the deadlines for the analysis and validation of the Final Reports of the projects.

C2. There are evidences of a strong convergence between the scope of the supported projects and the specific objectives of the Programme, particularly with regard to the increase in added value, innovation and differentiation of the goods and services produced and marketed, improvement of fundamental and applied research conditions, deepening of relational capital between R&D stakeholders, development of ocean knowledge (e.g., sea and habitat mapping, ecological and environmental monitoring and modelling), and significant improvement of teaching conditions in the maritime area in Portugal.

C3. The effectiveness of the Programme is firstly associated with the coherence between the strategic approach, the specific and overall objectives, the conditions of the Calls, and the territorial and sectoral context; and secondly, with the considerable limitations of alternative sources of public and private funding for research, innovation, knowledge transfer and valorisation projects in the blue economy. The support from the Blue Growth Innovation and SMEs Programme was identified in many projects as critical, as it filled a gap in funding opportunities for fundamental research and applied innovation projects (namely, projects still in the prototype stage, proof of concept, or in product-market-fit validation).

C4. The programmatic adequacy was well reflected in the Calls, resulting in generally high levels of total demand and of qualified demand. The sectoral focus, the eligibility and encouragement of partnerships between business entities, the national scientific and technological system, associations and other non-profit organisations, and the support for projects with a "medium" investment dimension, emerge as distinctive characteristics of the Programme and the Calls, highly valued by the promoters.

C5. Among the three areas of the Programme, the support for business development, innovation and SMEs (PA 1) required the greatest effort to mobilise demand, prompting the relaunch of two Calls. Nevertheless, the communication activities and materials, along with the upward revision of the maximum funding per project, bore fruit when the Calls were relaunched in 2021, which then recorded significantly higher levels of total and qualified demand, thus allowing the allocation of the initially uncommitted fund. With regard to the support for the development of business and management skills, the low demand rate directed at the Call contrasts with the collected evidence pointing to deficiencies in this area, whether in more traditional and ageing sectors such as fisheries or in activities where the pace of technological evolution and opening to global markets impose serious challenges in terms of team and project management, indicating the lesser suitability of the chosen format (Small Grant Scheme) and difficulties in communicating the goals and conditions of the support.

C6. In the programme area dedicated to research (PA 2), the very high rate of qualified demand stands out, reflecting, on the one hand, the alignment between the Programme's objectives, the conditions of the Call, and the needs of the entities, and on the other hand, the extensive experience of this type of entities in identifying funding sources and submitting applications for national and European funds.

C7. In the education area (PA 3), a similar scenario is outlined, marked by high rates of total and qualified demand, justified by funding needs that do not find an adequate response in the financial market nor in the offer of support with public co-financing. The relevance and adequacy of the support from the Blue Growth Innovation and SMEs Programme is particularly evident in the case of investment in education, given the significant technological requirements (e.g., availability of simulators and equipment that allow training on board ships) and regulatory complexities faced by educational institutions and training entities in the blue economy area.

C8. The pandemic stands out as one of the main limiting factors to the launch and development of the supported projects, having prevented some in-person and mobility activities of researchers, technicians, and workers (which in most cases were replaced by online formats) and introduced additional difficulties in acquiring equipment due to the disruption of supply chains and, subsequently, the general increase in prices. Other factors, of two different types, also emerge as constraints to the launch and development of the projects: among the internal factors of the Programme (i.e. under the control of the OP and the other entities in the governance of the Programme), the extension of deadlines for the analysis of applications and Execution Reports stands out as a constrain; as to factor related to the conditions of the promoter and the market, the evidences point to difficulties in accessing equity and debt capital necessary to implement the project in addition to the Programme's funding, high turnover of specialised human resources, limitations of technical resources for legal and administrative support and market and regulatory changes that affect the applicability or profitability of the developed products and technologies. It is concluded that these constraints generated inefficiencies and increased costs for the Operator and the promoters, although, in the end, they did not prevent the achievement of their objectives and the attainment of targeted results.

Coherence

C9. The programme documents of the Blue Growth Innovation and SMEs Programme and the Environment, Climate Change and Low Carbon Economy Programme clearly identify the objective of generating synergies between Programmes and the mechanisms mobilised for this purpose, which materialised in outcomes, outputs, and Calls for Proposals. The nature of the alignment and articulation between outcomes and outputs was defined ex-ante, as a result of the type of projects and promoters that were decided to be supported in the two Programmes. In the context of the synergy, the Blue Growth Innovation and SMEs Programme supported projects of companies in the marine sector that use marine litter as raw material for innovative products or technologies, or that create conditions to collect it in order to use as a secondary raw material by third parties, whereas the Environment Programme supported initiatives for the prevention of marine litter production, particularly in the case of plastics This approach did not result in obvious synergies at the project level, but rather at the intervention level along the value chain, from a circular economy perspective, and among complementary target audiences.

C10. The publication dates of the Calls for the two Programmes ended up not aligning, despite the intention and efforts of the Operators. In the Environment Programme, the fund put out to tender proved insufficient to meet the significant volume of demand, while in the Blue Growth Innovation and SMEs Programme, the funding rate and maximum eligible amounts became clearly more attractive when they increased from Call 3 to the 2nd Call 3. Given the wide range of the potential complementarity between the Programmes and the variety of possible formats for their operationalisation, the clear definition of the objectives and the mechanisms mobilised to achieve the synergy right from the programming phase was pertinent and likely contributed to the articulation between the Operators. However, allowing for greater flexibility in the management of the funds allocated to the synergy and introducing incentives for the application of consortia or of integrated projects to both Programmes could have contributed to better adaptation to the demand and the production of more evident synergies.

C11. The cooperation efforts between the Blue Growth Innovation and SMEs Programme and the Environment Programme throughout the implementation period are also demonstrated by several joint communication events, allowing for the increased visibility of the supported projects, the presentation of new business and intervention opportunities to the Programmes' target audiences, and thus the promotion of potential partnerships and future projects.

Operational Efficiency

C12. The main limitations of the Programme's monitoring procedures are not related to their effectiveness - generally, the procedures adopted allowed for the compliance with regulatory provisions and the fulfilment of the Operator's reporting obligations, as well as the tracking and recording of the progress of each project and Programme indicators and the detection of irregularities, thus proving to be adequate in this regard - but with their efficiency, as they generated high administrative costs for the Operator and the promoters, disproportionate to the value of the fund being executed and endured even by promoters with previous experience in executing projects with national and European public co-financing.

C13. The processes of application, approval, and monitoring of project execution, and in particular, the process of submission, analysis, and approval of Execution Reports, were marked by a high administrative burden, due to the volume and detail of the information and evidence required, the need to adapt this evidence to the different legal and regulatory frameworks of the promoters and the partners and the high number of supported projects.

C14. The reporting process emerges as a constraint to project execution, increasing administrative costs and extending the approval period of Execution Reports and, consequently, the release of approved funds. The negative impact of these constraints on project management was exacerbated by the relative rigidity of budgets and the complexities of reprogramming procedures, which were particularly limiting in the case of start-up projects and projects with a strong research and innovation component – which are more subject to the risk of disruptions and changes to the conditions planned at the application stage.

C15. From the Operator's standpoint, high administrative costs are also identified, arising from the need to analyse and validate a large number of projects and from the significant technical complexity of some supported projects, which poses challenges to the analysis of coherence between the physical and financial progress of the project and the reprogramming requests. These conclusions should be read in light of the size of the Operator's technical team – which proved to be small, justifying the hiring of external support – and the limitations of the resources channelled for the implementation of the Programme's information and management system, supporting the Operator's functions.

C16. The reporting obligations of the Operator to the entities involved in the management and control of the EEA Financial Mechanism 2014-2021 were generally fulfilled, albeit with high administrative costs connected to the number and detail of the various reports. Considering the effectiveness of the reports and its sensibility to changes in the implementation of the projects and the Programme as a whole, the utility of the quarterly frequency of several reports is questioned.

C17. The Programme Agreement for the Blue Growth Innovation and SMEs Programme clearly specifies the indicators associated with the outcomes and outputs, as well as their sources, calculation units, reporting frequency, and targets. All outputs and outcomes are covered by indicators, balanced in relation to the weight of each PA in the financial plan. The indicators are generally clear and easy to calculate, adequately reflecting the expected outputs and outcomes. Despite the overall positive assessment, the set of indicators would benefit from a more detailed description of the scope of each indicator and the explicit statement of the time horizon for their calculation, in the case of indicators that are measured only after the completion of the projects.

C18. The main limitations to the effectiveness of the monitoring methodology are related to the qualitative interpretation of the results. The relevance of the indicators for evaluating the results is not always clear, either because there are no baseline values for the indicators or contextual indicators that allow for comparison with the numerical result achieved. This difficulty in interpretation is exacerbated when there are very significant deviations between the indicator value and the expected target in several indicators, indicating not only some prudence in setting targets but, more importantly, their inadequacy. The absence of a historical record of results that could support the setting of targets at the programming stage is one of the main reasons for this difficulty, which justifies particular attention to the recording and interpretation of the results of the current cycle as input for setting future targets.

C19. The monitoring of outcomes depends on a set of indicators that are only calculated after the completion of the projects, based on surveys of the promoters, which makes continuous monitoring difficult. The high complexity and technical specificities of some of the projects also limits the ability to translate the results into quantitative indicators. For these reasons, the richness of the results obtained is not easily translated into numbers, so the inclusion of fields for a qualitative description of the project's progress and results in the Execution Reports is a good practice that should be maintained and more fully explored in future cycles.

European Added Value

C20. The projects supported by the Blue Growth Innovation and SMEs Programme are mostly characterised by the adoption of partnerships with national entities and/or entities from the Donor States. The partnerships fostered not only the complementarity of technical skills and knowledge sharing but were also important in several projects for the mobilisation of administrative, project management, and communication skills.

C21. The partnerships with entities from the Donor States played an important role in strengthening the internal skills of the promoting entity in technical areas relevant to the project, contributing significantly to the achievement of results and indicators. The type of involvement of partners from the Donor States was very varied, going beyond the sharing of knowledge and best practices: there were cases in which the partner entities were essential, for example, for the validation and testing of project results, the access to equipment, technologies and other resources or for the preparation of technical specifications for procurement tenders.

C22. Factors such as the clear definition of the role, responsibility, and activities of the partner entity, and the incentives and trust for sharing knowledge and best practices contributed to the success in developing partnerships. The pandemic was the main limiting factor for the launch and development of partnerships with entities from the Donor States, followed by the administrative and logistical burdens inherent to the partnership. The challenges in identifying partners from the Donor States should not be overlooked and were overcome with the contribution of the initiatives of the Fund for Bilateral Relations and the support of the Operator, but also with the independent research efforts of the promoters and their prior knowledge and collaboration experiences.

C23. The interest and the preparation of conditions for sustaining the partnership are evident in most of the supported projects – even in the case of partnerships with entities from the Donor States - with several examples of the continuity of the partnership already identified within other projects and applications for European funding. The establishment of trust relationships and teamwork practices, through the sharing of experience, knowledge, and resources and participation in international networks, plays a significant role in the sustainability of the partnerships.

C24. The loss of funding specifically allocated to partnership-related activities, the high turnover of human resources, and the loss of institutional memory can contribute to a gradual decrease in the frequency and quality of the exchanges and the sharing. For this reason, although not all initiatives can or should be continued, the relevance and suitability of the Programme's intervention logic, with a broad set of incentives for establishing partnerships, should be maintained.

4. Recommendations

The study's recommendations, supported by the conclusions provided, are presented below, and organised to facilitate their implementation by the intended recipients.

R1. Promote the integration and complementarity of the support instruments for innovation, research, and education to enhance the Programme's impacts and minimise efficiency losses

The structuring of the Programme around three programme areas allowed for the coverage of a wide range of entities, sectors, and activities, generating complementarities that enhance the achievement of overall results. To ensure support for projects with the potential to scale up, leverage other public and private resources, and generate new effects in the intervention context, it is recommended to:

- Maintain the three programme areas and encourage the application of integrated projects to various Calls, through the timely dissemination of the Call's schedule and summary sheets of each Call before its launch, and the conditions of the Calls (e.g. valorization of integrated projects through the evaluation criteria in the application phase and/or the increase of the grant or the co-financing rate).
- Maintain the modality of Pre-Defined Projects supporting "pillar" entities of the National Scientific and Technological System (SCTN), which can use their knowledge, resources, and experience to replicate and disseminate the results of the supported projects and contribute to the consolidation of the R&D ecosystem.
- Integrate the support for "on the job" training projects in the Calls for innovation support, namely through incentives for the introduction of training activities to improve management skills in broader business development projects.
- Consider the eligibility of Collective Actions, for example, through a Pre-Defined Project. The Support System for Collective Actions is a typology mobilised in PT 2020 and PT 2030 (the Partnership Agreements between Portugal and the European Commission to apply the European Structural and Investment Funds) that finances projects with a collective nature - usually developed by business associations, chambers of commerce and industry and public agencies, in partnership with private entities - that can address common risks and opportunities for a wide range of companies in a specific sector and ensure the broad dissemination of their results.
- Integrate the support for education and Ocean literacy projects in the same Call, avoiding the dispersion of support across a large number of small-scale projects.

Together, these measures can contribute to attracting larger-scale projects and minimising the administrative burden associated with the analysis and monitoring of a large number of small-scale applications.

Alignment with the conclusions: C2, C3, C4, C5, C6, C7, C15.

R2. Boost the R&D and Innovation ecosystem, favouring the coverage of the entire innovation cycle and projects with high potential for economic value creation

The focus on supporting the R&D and Innovation ecosystem, and in particular, business R&D, was a successful experience that should be continued and intensified based on the lessons learned. It is recommended to:

- Ensure the continuity of support instruments dedicated to stimulating business R&D and the comprehensive coverage of the business innovation cycle, beginning with the technical and/or economic validation of R&D results (proofs of concept, industrial research and experimental development, and demonstration initiatives), moving through the industrialisation phase and entry into the national and international markets.
- Value projects that include activities for disseminating results and the application of R&D (e.g., patents, creation of technology-based start-ups/spin-offs), through merit criteria and increases in the allocated grant.
- Encourage participation in R&D projects funded by European programmes (e.g., Horizon Europe), in order to take advantage of synergies and complementarities, and leveraging the results induced by the EEA Grants.
- Ensure the continuity of the support to the scientific and technological research infrastructures - maintaining strong selectivity mechanisms that avoid the dispersion of support and foster the consolidation of the R&D ecosystem - and fund structures/entities that support the dissemination of results and knowledge transfer activities throughout the innovation cycle (e.g., joint knowledge transfer offices, CoLABs).

Alignment with the conclusions: C2, C3, C5.

R3. Strengthen the mechanisms for the dissemination of the information about the Programme, simplify the language in the communication materials and initiatives, and ensure the suitability of channels and content to the target audiences, particularly among the business promoters

Greater knowledge of the support and a perception of lower complexity in access are essential vectors for business promoters to sustainably adhere to the Programme. To this end, it is suggested to:

- Develop simple and accessible measures for the dissemination of the information about the Programme (e.g., webinars, tutorials focused on merit criteria and demonstrating the "minimum" requirements for an application to receive a positive merit assessment).
- Organise presentation and clarification sessions for each Call, to disseminate the objectives and priorities targeted, eligibility conditions for promoters and projects, etc., particularly directed at business promoters and seeking to involve their service providers/consultants.
- Develop materials and communication measures specifically aimed at raising awareness of the importance of training and continuous learning.
- Develop a database of potential partners, based on the experience of supported partnerships and the knowledge of partner entities from the Donor States, and updated throughout the programming cycle.
- Launch actions to disseminate the results of the support, sharing success stories.

Alignment with the conclusions: C5, C22.

R4. Restructure the coordination mechanisms with the Environment Programme

The coordination between the future Blue Growth Innovation and SMEs Programme and the Environment Programme is relevant and should be kept. To strengthen the synergies, it is recommended to:

- Expand the scope of synergies beyond the theme of marine litter to include, for example, the preservation and monitoring of ecosystems.
- Align the opening dates of the Calls and encourage the application of consortia or of different components of the same project to both Programmes, through merit criteria and/or increases in the allocated fund.
- Consider the funding of a Pre-Defined Project financed and managed by both Programmes.
- Develop materials and communication measures specifically aimed at raising awareness of the synergies between Programmes.

Alignment with the conclusions: C9, C10, C11.

R5. Consolidate the measures for simplification and promotion of operational efficiency in the implementation of the Programme, from the perspective of both the Operator and the beneficiaries

To simplify the implementation of the Programme, without compromising the achievement of objectives and regulatory compliance, it is recommended:

- Prioritise the development of an electronic management and information system for monitoring and managing the EEA Grants programmes, which could also function as an interface for communication with beneficiaries throughout the project lifecycle (application, contracting, submission of reports and payment requests, closure) in a coordinated approach between the Operators and the National Management Unit. This coordination should be conducted at the strategic level (involving decision-makers) and at the operational level (between the technical units of the Operators and the team responsible for developing the system).
- Strengthen the Operator's technical team and anticipate the subcontracting of external technical teams at times when an overload of tasks associated with the analysis of execution reports is expected. It is considered that external subcontracting provides a margin of flexibility in specific cases of temporary mismatch between the Operator's resources and those responsibilities, but it should be used as a last resort due to the inefficiencies it may introduce (i.e., the need for training new resources, duplication of tasks, loss of institutional memory).
- Assign a manager or point of contact to each application/project, facilitating the flow of communication between the beneficiary and the Operator throughout the project lifecycle and ensuring timely information to beneficiaries whenever non-compliance with the established deadlines for analysis (of applications and of execution reports) is anticipated).
- Consider the introduction of Simplified Cost Options (SCO). SCO are a simplified way of reimbursing support, applied in the case of European Structural and Investment Funds (ESIF), as an alternative to actual costs. SCOs

are part of the simplification and results-oriented efforts and can take the following forms: flat rates, standard scales of unit costs, and lump sums.

- Place greater emphasis on developing a more flexible and simplified regulatory and administrative framework in the interactions with promoters. This involves not only investing in electronic management and information systems and establishing communication channels, but also:
  - Simplifying the information requested at the application stage (with a focus on the qualitative description of the activities and expected results), allowing for a shift from the current logic of detailed ex-ante verification to a logic in which verification and inspection are reinforced after approval;
  - Reviewing the application and execution reporting forms to mitigate the existence of redundant information and documents;
  - Limiting the scope of interim execution reports to the period since the submission of the last report (rather than a cumulative reporting logic);
  - Introduction a range of flexibility that allows for changes in budget lines to minimise the occurrence of reprogramming and focus the resources of both the Operator and the promoters on significant project reprogramming.

Alignment with the conclusions: C8, C12, C13, C14, C15, C16.

R6. Improve the Programme's monitoring system by expanding and enhancing the set of indicators and by anticipating the resource needs for the Programme's impact evaluation

To ensure the monitoring and evaluation of the multiple effects of the Programme, it is recommended to:

- Introduce complementary indicators to the operating profit growth indicator that allow for a more complete reflection of the trend of supported companies (e.g., median growth value, percentage of companies whose turnover increased between the application time and after project completion) and labour productivity indicators (e.g., percentage of companies that record increases in gross value added per worker).
- Develop and disseminate indicator forms in advance that detail the scope and calculation method, as well as the timeframe for calculating result indicators after project completion.
- In the case of result indicators whose calculation depends on the application of surveys to final recipients after project completion, consider calculating them at an intermediate stage of execution, therefore ensuring the availability of a greater amount of data for the analysis and interpretation of the expected effects and behavioural changes.
- Mobilise the information accumulated in the current programming cycle (e.g. results and average funding by project type and per indicator unit), to establish baseline values for the indicators and targets more adjusted to the objectives and available grant of the next programming cycle.
- Review the mandatory reports of the Operator and other entities involved in the management of the EEA Financial Mechanism in an integrated manner, favouring semi-annual reports, without prejudice to the possibility of introducing additional simpler reports in advanced stages of Programme implementation or if significant risks are identified. The development of the electronic system for monitoring and managing the EEA Grants programmes, to which the various entities involved in the management and control of the EEA Financial Mechanism have access (with control over the information each entity can access, based on their responsibilities and needs), may also eliminate the need for some reports.

Alignment with the conclusions: C17, C18, C19.

Contracting entity

Contracted entity responsible for the evaluation

Funding source

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