



Mid-term Evaluation of the
Competitiveness and
Internationalisation
Operational Programme

Executive Summary

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**COMPETE
2020**

Operational Programmes in the evaluation



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1. Object, scope, and objectives of the Evaluation

COMPETE 2020

COMPETE 2020 is a public policy instrument aimed at strengthening the competitiveness and internationalization of the Portuguese economy, based on smart, sustainable, and inclusive growth, within the framework of the PT2020 Partnership Agreement, initially planned to be implemented in the 2014-2020 period, within the scope of the ESI Funds.

Within the European framework, COMPETE 2020's architecture and strategic options are aligned with the priorities defined within the scope of the Europe 2020 Strategy (EE2020) for smart, sustainable, and inclusive growth. In the context of the Programme's framing references at national level, we would highlight Portugal's Research and Innovation Strategy for Smart Specialisation 2020 (RIS3 2020), which identified the major smart strategies, translated into areas characterised by significant scientific, technological, and economic specialisation where Portugal and its regions have comparative and competitive advantages or have shown the potential to emerge as such.

This Programme was designed and programmed to respond to the main constraints on the competitiveness and internationalisation of the Portuguese economy, which were structured in three areas: i) insufficient profile of productive specialisation; ii) reduced skills and strategies of SMEs; iii) inadequate context conditions for business activity. With this in mind, and directly addressing the constraints identified, COMPETE 2020 adopted 5 Strategic Objectives and 6 Thematic Axes (later 8), including Technical Assistance.

In response to the constraints of the pandemic, three reprogramming were carried out: one in September 2020, involving an increase in co-financing rates and the transfer of appropriations to reinforce business support axes; another in December 2020, including new eligibilities, with support for working capital in sectors affected by the pandemic crisis and another in June 2021, following the REACT-EU (Recovery Assistance for Cohesion and Territories in Europe) initiative launched by the European Commission.

Status as of December 31st, 2021

As of the date of this evaluation, 107 252 operations had been approved, involving an eligible investment of 12 694 M€ and 7 352 M€ in incentives (83% financed by the ERDF, 9% by the ESF and the remaining 8% by the CF). Axes 2 and 1 (SME Competitiveness and R&DT&I) are noteworthy for the size they acquire in these three indicators, as they stand out as the axes with the most Community funding, but it was Axis 7 (ERDF REACT-EU) that received the largest volume of approved operations.

On the evaluation reporting date (31/12/2021), COMPETE had a commitment rate of 126% and a realisation rate of 55% - in line with the PT2020 average - figures largely influenced by the performance of axes 1, 2 and 7 (R&D&I, competitiveness, REACT-EU ERDF), which together account for 76% of total programming and 81% of the approved incentive.

In addition to having the largest amount of programmed funding and the highest realisation rates in the OP (only significantly exceeded by Axis 7), it is in Axis 1 and 2 that the highest commitment rates are recorded, reflecting high demand and showing room to accommodate execution constraints without compromising the financial execution of the OP. Only the axes relating to REACT-EU have an approved amount below the programme, since the launch of the respective calls only began in 2021 and there are still applications under analysis at the evaluation report date, at least partially justifying the levels of realisation and commitment (more pronounced in Axis 8) achieved.

Overall, the OP has a low selectivity rate, having approved 95% of the applications submitted by promoters, and this overall figure is largely influenced by the high approval rate for REACT-EU operations (98%). The level of selectivity is lower in IT promoted by public or non-profit organisations, the exceptions being support under the SIAC, training for PA workers and scientific and technological research, which had approval rates of 45%, 39% and 65% respectively. In the case of support for companies, selectivity is higher, with the approval rate for the IS standing at 64% (close to that recorded in the NSRF - 60% in June 2010). The lowest approval rate for business projects is 30 per cent for IT qualified and creative entrepreneurship.

Only 1% of projects were cancelled or annulled after approval, facilitating the implementation of the OP. The cancellation rates were more significant in the projects applied for under IT - Promotion of ICT in the Public Administration, Internationalisation of SMEs and Capacity Building for Modernisation (between 15-25%). In addition, 32 of the 50 operations selected in the area of training for PA workers were also cancelled/terminated.

Table 1. Number of projects, eligible investment and approved fund, by Axis

Priority Axis COMPETE 2020	Financial Allocation (M€)	% OP total	Approved Operations (nº)	Approved Fund (thousands €)	Approved Fund (%)	Commitment rate (%)	Realisation Rate (%)	Gross Approval Rate (%)	Cancellation Fee (%)
01 - Strengthening R&D&I	1 482	25%	2 836	2 309	31%	156%	48%	63%	3%
02 - SME competitiveness and public costs	1 748	30%	34 645	2 663	36%	152%	60%	93%	3%
03 - Employment	208	4%	1 391	281	4%	135%	32%	78%	11%
04 - Transportation	669	12%	22	684	9%	102%	42%	92%	0%
05 - Institutional Capacity	162	3%	441	226	3%	139%	39%	100%	17%
06 - Technical Assistance	115	2%	28	114	2%	100%	47%	100%	0%
07 - REACT-EU-ERDF	1 211	21%	67 887	943	13%	78%	93%	98%	0%
08 - REACT-EU-ESF	223	4%	2	132	2%	0%	59%	100%	0%
COMPETE 2020	5 817	100%	107 252	12 694	100%	55%	126%	95%	1%

Source: EY-Parthenon based on COMPETE IS

2. Methodology

This evaluation used the Theory-Based Evaluation (TBA) method to analyse impacts and involved structuring the logical framework of COMPETE 2020's intervention and the respective Theory of Change (ToC). The evaluation process involved a wide range of methods for collecting and analysing information, including collecting and analysing documents and statistical data, conducting 13 interviews/meetings, 4 case studies, 5 focus groups, and 3 surveys (2 to business promoters, distinguished among those with CRII/ REACT operations, and 1 to non-business entities).

The preparation of the ToC was also supported by a literature review and document analysis process and considered, with regard to assumptions and risks, a focus on the evaluation criteria that govern the evaluation questions posed in the Tender Specifications and, therefore, a focus on the results and not so much on the process of operationalising the typologies.

The TS does not identify intervention typologies subject to the most demanding in-depth option (option 2.2), so the evaluation fell more heavily on the IT included in Option 1.2, which provides for an approach based on the conclusions of the thematic evaluations and their application to the thematic OP, mobilising simple information-gathering techniques, such as listening to stakeholders or experts on the subject.

As part of the macroeconomic approaches, counterfactual scenarios were structured to allow a more quantitative approach to analysing the OP's contribution to the results and impacts achieved or likely to be achieved. Overall, the structuring of counterfactual scenarios made it possible to gauge, by comparison with the actual results, what would have happened in the absence of the intervention.

3. Main results

Effectiveness

- On the date of this evaluation, COMPETE 2020's commitment and realisation levels (126% and 55% respectively) are in line with the Portugal 2020 average (111% and 58%), although lower than expected. The OP's performance in terms of meeting realisation targets is positive overall, with the targets of most indicators having been achieved or being achieved, although there are still some indicators where the level of achievement of the respective targets is far from the set values.
- Among the factors that have most affected the realisation of projects are not only the constraints caused by the pandemic and the war in Ukraine, but also, in the case of non-business promoters, the length of public procurement procedures and analysis deadlines.
- In the field of research, technological development and innovation, the approved operations have a modest financial execution rate, mainly due to the difficulties in attracting demand to promote business investment

in R&I (low appreciation by companies of this incentive, complexity in the application process and unpredictability of calls for tenders), plus a relatively high level of selectivity. Even so, it is expected that the targets set for all operations will be achieved, with greater difficulty in terms of linking the SCTN with the business community, given the lack of a sufficiently deep-rooted culture of exploring collaborative logics that encourage the involvement of the various players.

- Support for the competitiveness of SMEs mobilised the necessary demand, except for the calls for qualified entrepreneurship, whose operations were highly demanding in their approval and registered significant loss rates, making it unlikely to reach the targets in this area. On the other hand, CRII incentives stimulated strong demand from companies, complemented by an overbooking effort, which led to the 2023 targets being exceeded on a large scale.
- The area of employment sustainability and quality has one of the lowest achievement rates in the OP (32%), as a result of a low capacity to mobilise target audiences, particularly in training in a business context. Job creation, in terms of the SIAC tenders, despite showing interesting levels of qualified demand, has difficulties in meeting its targets due to the high levels of selectivity resulting from the lack of guarantee by promoters of funding for the private investment components and the difficulty in attracting and retaining entrepreneurs. In the same vein, the implementation of the Social Innovation Fund has suffered significant delays, jeopardising its effectiveness and its ability to achieve the targets set.
- In vocational training, the actions associated with IS projects mobilised low levels of demand, while "Formação-Ação" stood out positively because it did not condition the capacity to free up human resources for non-work activities and was in line with the promoters' needs.
- In the transport component, the previous mapping proved decisive for satisfactory adherence, and most of the targets are expected to be met (some after the OP's time horizon, particularly in the non-TEN-T railways), despite the delays suffered due to the slowness of the environmental impact assessment processes and the granting of expenditure authorisations / multi-annual charges by the supervisory body, aggravated by the disruptions imposed by the pandemic crisis and the war in Ukraine.
- It is expected that the projects to promote ICT in public administration and services will prove successful in meeting the targets set, despite the high levels of accidents and selectivity, with only difficulties in terms of access to digital channels in the citizen segment, due to the prevalence of digital illiteracy and lack of knowledge of this type of service. In addition, there is potential for growth in the adoption of transversal ICT solutions for the Public Administration and the only-once principle.
- Also in the area of administrative and service capacity building, despite the late availability of the ESF IS, the need for actors to adapt and the misalignment with the budget cycle, the targets are expected to be met, and there is potential for improvement in terms of the objectives linked to the implementation of legislative/regulatory reforms.
- On the other hand, support for training PA workers has not been able to mobilise qualified demand, due to the lack of attractiveness of the instrument resulting from the combined application of the rules on the "territorial effect" and the "limits on the maximum cost per hour", plus the associated bureaucratic complexity.
- Under the REACT-EU measures, the targets are expected to be largely exceeded in terms of maintaining business activity and guaranteeing jobs (ERDF) and positive results in terms of contributing to testing in schools and the return to face-to-face teaching (ESF).

Efficiency

- The resources mobilised and the results generated by COMPETE have proved to be adequate for most IPs, given the objectives to be pursued and the challenges and opportunities it addresses. Demand for COMPETE 2020 more than quadrupled compared to the NSRF, even though REACT projects accounted for 60.5% of all candidate projects. This scenario put greater pressure on the Intermediate Bodies, and human and technological resources were not reinforced to the same extent, illustrating the efforts to improve operational efficiency that had to be mobilised.
- Even so, there are situations of less efficient use of resources, as confirmed by the consultation methods, namely in terms of the high complexity and bureaucracy of the processes, the shortage of qualified technical teams to support the beneficiary organisations, the existence of technological resources that are not very functional and interconnected from an operational point of view, and the lack of predictability in the calls for tenders.
- Considering the most prominent reasons for projects not being eligible, it can be seen that they are highly correlated with the measures they are applying for and many of these reasons are due to the lack of compliance with formalities associated with the promoter and the project, which may indicate difficulties in reading and understanding the NOT and the respective legislation or difficulties in speeding up the application submission processes themselves, as well as reasons related to the lack of merit. As a result, this creates obstacles to efficiency, both in terms of the work of the MA/IB that analyse these applications

and for the promoters, who see their efforts to get their projects approved go unrealised, in many cases with associated costs for the promoters.

- In this regard, possible aspects for improvement were highlighted, such as the simplification of processes through the introduction of more effective technological tools, higher levels of qualification and information for the human resources involved in the operationalisation of support (and the strengthening of these teams), and the focus on Simplified Cost Options (SCOs), which stand out as a clear advantage for minimising bureaucratic (and administrative) issues.

Impact and Sustainability

- On the national scene, the promoters supported by COMPETE in the incentive systems were more relevant in terms of GVA (12%), covering a small percentage of companies (<1%) and less relevant in terms of employment (7%). This is due to the fact that the OP has concentrated its support on more capital-intensive industrial sectors, contrary to the context, which has seen an increase in the number of companies and employment in the service sectors.
- However, they were not enough to produce changes in national sectoral productive specialisation, insofar as the changes that have taken place point to an increase in the weight of the services sectors (especially tourism and real estate), which tend to be attributed to the evolution of the macro context and external demand and not to the action of COMPETE, which concentrated the majority of funding on companies in the manufacturing sector.
- The changes were more significant due to a greater representation of more knowledge/technology-intensive and export-orientated activities, with repercussions on GVA and employment. COMPETE's IS support for the manufacturing Industry, geared towards its revitalisation and based on medium-high and high technology sectors and advanced competitiveness factors, was more important in boosting the productivity of supported companies, helping to maintain their relative weight in the sector's GVA in the economy.
- Comparing the universe supported by COMPETE's incentive systems with the universe that was potentially eligible but not supported shows that COMPETE's support focused on companies that were larger in size, export-intensive, innovative and had higher productivity levels. The larger size can be explained by the profile of the companies supported, given that the Portuguese business fabric is mostly made up of SMEs. The greater export intensity can be explained by the greater incidence of support for the manufacturing Industry (geared towards the production of tradable goods).
- In this sense, the differences between supported companies and those in the control group (non-supported) were accentuated by the better performance of the former, which showed greater resilience in the pandemic context, with the differences in performance becoming more pronounced in 2020 and 2021, in terms of GVA and employment. However, this differentiated performance is heterogeneous between sectors (higher in distribution and commerce, real estate and education, health and social support and lower in manufacturing).
- COMPETE contributed to the improvement of the competitiveness of the business fabric, through the effect of the projects supported on the performance at the level of GVA, employment and productivity of companies, and by the representativeness of the variations in the indicators under analysis in the overall national variation. The contribution of the OP was more relevant in the sectors where there were higher rates of penetration of support (manufacturing industry and information and communication). The contribution of the OP was also relevant to the increase in the internationalization of national companies (export growth and export intensity), showing significant differentials between supported companies and the control group and a high representation of the variation observed in the supported companies compared to the overall national variation in exports.
- Companies supported by COMPETE increased R&D expenditure although below the increase observed among companies not supported by PT2020, due to the higher starting value of the former. Indeed, the supported companies maintained an R&D expenditure ratio in GVA significantly above the national average, allowing the conclusion that COMPETE's support companies that tend to be innovative.
- The analysis of the surveys carried out confirms the contribution of COMPETE to the improvement of the levels of competitiveness and resilience of companies, orienting them towards innovation and internationalization, given that there was a substantial variation in the main business variables between the last year before the implementation of the projects and their cruise year (first year after the project ended/was made available) and in the contributions of the projects to objectives in these areas.
- In the same sense, the apparent productivity of labour grew significantly at the national level (highlighting the convergence regions, especially the Centre), with the Algarve and Lisbon being the regions most affected by the impact of the pandemic. These results are consistent with the analysis of the productive specialization profile and the counterfactual analysis, in which there is an improvement in productivity in the manufacturing industry (more representative) and in the supported companies, concluding by the relevant contribution of the OP.

- There was also a significant growth in business investment (GFCF) in all regions, which was leveraged by the support of the IS and COMPETE. The weight of the funds executed at the cut-off date under COMPETE in the total corporate GFCF was 6.6% in the Centre, 4.65% in the North and 2.95% in the Alentejo, and it was precisely in the Centre that the greatest gains in apparent labour productivity were verified.
- COMPETE had a relevant contribution to the increase in the internationalization of promoters, confirmed by the counterfactual analysis and the result of the investigations and consistent with the evolution of exports and export intensity, especially high-tech goods (above-average growth).
- Despite the consistent investment in R&D and innovation and its significant growth, especially business, Portugal has not yet reached the target set under EE2020 for the weight of R&D investment in GDP. Consequently, Portugal remains classified as a Moderate Innovator in the European Innovation Scoreboard 2022, despite being above the European average in the weight of companies with some type of R&D activity and companies that have introduced new or improved goods.
- The investment executed by business and non-business promoters in R&D under COMPETE represented, in the accumulated 2014-2021, about 3.7% and 4.4% of the total investment in R&D, respectively, boosting the work in co-promotion between the SCTN and the business sector. In this sense, its highlighted the need to intensify the incentives to R&D in order to capitalize on innovation as a catalyst for the growth of potential Portuguese output, mitigating the market failures that occur in this field and making this type of investment more dependent on the existence of financial incentives. The investment in R&D revealed greater representativeness in the thematic areas of National Strategy for Smart Specialisation "Transversal Technological and its Applications", "Health and Well-being" and "Territory", verifying an alignment with the intensity of COMPETE support in the field of Research, Technological Development and Innovation (Axis 1).
- Considerable growth in the number of trainees in actions promoted by employers' organizations and in LLL, with COMPETE being one of the main funding programs. Still, due to the reduced adherence, the actions were not enough to change the context, despite the strongly positive results in the supported participants, contributing to the qualification of HR, increased productivity and competitiveness, introduction of new tools and technologies and motivation and satisfaction of workers.
- Portugal has evolved positively in the eGovernment Benchmark ranking, positioning itself above the EU average in most parameters, which translates into the provision of quality digital public services and a remarkable penetration / use rate of these channels. Nevertheless, the country presents some heterogeneity in the positioning of Portugal in different parameters: positive emphasis on the provision of digital services and secure accessibility, but opportunities for improvement in terms of interoperability / information sharing performance. However, there are still relevant asymmetries between different areas (sectoral) and levels of government (PA, Central, Regional, Local).
- Despite the substantial contribution of the OP to reduce context costs (reduction of waiting times and reduction of costs borne by users), this contribution is still insufficient for Portugal to stand out in the rankings, as well as for substantial context cost reductions in the calculations carried out at national level. The auscultation processes corroborate the need to intensify more integrated approaches, involving relevant entities, allowing the citizen or company to solve a given problem with the minimum of interactions and time spent in each of them.
- Most promoters consider that the projects are financially sustainable and that the results will last after the completion of operations. However, it stood out the prospects of greater sustainability in business promoters and lower in the level of integrated projects in the typologies of knowledge transfer, development of innovation networks and qualified and creative entrepreneurship.

European Added Value

- The ESI Funds enabled a substantial part of the investment made and the results achieved by the projects supported. This additionality effect of the OP was more relevant for non-business promoters, but the amplifying and accelerating effects of the ESI Funds gained importance on private investment by companies.
- In the case of companies, the effect of additionality is revealed in the qualification and business innovation, but especially in areas where there are market failures associated with the risk and return of these projects, and where the absence of incentive for investment (business R&D or vocational training) is recognized.
- In addition to the additionality effect, which is more relevant in smaller companies with less access to credit, other effects are evident for the projects that would be carried out in the absence of support. The OP functioned as an investment amplifier, but also as an investment accelerator. In addition, the OP also proved to be an investment facilitator, as there was a deadweight effect.
- COMPETE will allow to mitigate the loss of 63% of the approved eligible investment (it would not be invested in the absence of support). This is divided between the projects that would not be implemented (58%) and the investment lost through the reduction of the financial dimension of the projects that would continue to

be implemented (5%). To these effects is naturally added the effect of accelerating the term of execution of investments.

- The OP presents, on average, an investment leverage of € 2.19. The leverage effect is higher in the intervention typologies "Business investment in non-SME innovation" (€ 3.90), Qualification and SME innovation", in line with the lower co-financing rate applied to these companies, but also in the "Internationalization of SMEs" and "Innovation clusters and networks".
- The European Added Value of the ESI Funds is also manifested through the set of specific guidelines, rules and procedures applicable to the use of the Structural Funds. The effectiveness of the interventions was strengthened through a greater focus on results, previous mappings carried out, a greater focus of support in areas covered by sectoral/regional framework.

Internal and external relevance/coherence

- The programmatic architecture of the OP was, overall, consistent with the diagnosis made and with the objectives that were intended to be achieved and ensured the proper articulation with the different thematic/sectoral strategies. The instruments mobilized proved to be adequate to respond to the challenges identified, in a macroeconomic environment of recovery, but unfavourable and associated with the structural weaknesses of the Portuguese economy. The adjustments made through the reprogramming have proved relevant to respond to the new challenges posed by the pandemic crisis and the war in Ukraine.
- There was a complementarity between the COMPETE instruments and other policy instruments, with highlight for the complementarity of the Incentive Systems with other programs and the internal complementarities between R&TD - Co-promotion, R&TD - Individual, Productive Innovation and SME QI. The supported promoters used REACT-EU to improve their liquidity, thus complementing it with their other projects. In the non-business promoters, the complementarities with others in the training and modernization of the PA and in the field of transport with other policy instruments stood out.
- Support at the business level has greater penetration in the North and Centre regions and has tended to be more oriented towards the revitalization of the manufacturing industry based on medium-high and high technology sectors and advanced competitiveness factors, in line with the defined objectives. The support penetration was also clearly higher in larger companies (especially in terms of GVA and employment), in line with the objectives of strengthening competitiveness in the larger segments.
- At the level of R&I, the insufficient capacity to leverage the knowledge generated by the SCTN, the reduced articulation between R&I entities and also the reduced critical mass and internationalization capacity were identified, with repercussions on the adherence to the instruments. In addition, there was the continuation of a broadband approach, the result of having the National and Regional Strategies for Intelligent Specialisation with a broad spectrum in the themes. The instruments of the modernization and training of the PA are highly coherent with the programming and with the strategic references, with the exception of the absence of instruments aimed at the training of PA workers in a more comprehensive approach, disconnected with the ERDF OTs supported in IP 2.3.
- The competitive approach, the non-adoption of effective criteria of positive discrimination of certain projects, was a deterrent to projects with greater potential for impact on the reduction of context costs. Among the factors deterring the demand for training projects are the regulatory provisions associated with the ESF, the application of deductions to the incentive due to a funding gap, the rules applicable to training support for PA workers and the maximum reference costs.
- It is noteworthy that important complementarities emerged over the period between the support of the PO, SRSP, TSI, at the level of support for the training of the PA. In addition, the flexibility and adaptation of the OP to the evolution of the economic, political and technological context in modernization and capacity building was evident.
- The generality of the strategy and rationale of intervention of COMPETE 2020 remains relevant for the next programming period, being assured the possibility of continuing the intensification and improvement of support in the business field, but it is important to ensure in the future an adequate complementarity with other support instruments and an effective adaptation to the new priorities emerging and now integrated in COMPETE 2030, in particular, associated with the climate transition.
- Although it remains relevant and the present evaluative exercise reveals potential for progress in the adoption of digital government solutions and in the reflection of interventions in an effective reduction of context costs, COMPETE 2030 does not provide for the maintenance of support for training and administrative modernization, creating some disruption and discontinuity compared to previous frameworks, which is possibly justified by the strong focus on this area incorporated in the RRP. However, the distinct approach of this instrument inhibits the mass adoption of cross-cutting ICT solutions (widely supported in the context of the PRR) and digital government and will not allow adequate coverage of target audiences, namely those of smaller size and government areas with greater atomization of potential target audiences (e.g. health/hospitals and higher education, but also other government areas not covered by the PRR, in this area).

4. Recommendations

R1. Stimulate Business R&D, with a focus on reducing market failures on the innovation cycle level

- Ensure the continuity of support instruments which aim to stimulate business R&D;
- Support the entities/platforms of innovation and collaboration, by promoting the articulation between SCTN's players and interface entities and between these and private companies, valuing their role as agents that stimulate R&D+I and the transfer and valorization of knowledge;
- Value R&D projects that encourage activities to disseminate results (through eligibility/merit conditions or bonuses);
- Introduce incentives for the creation of agendas in strategic R&D areas directed to companies, aimed at financing and planning the R&D projects' pipeline in the medium-long term and cooperation with other R&D+I stakeholders;
- Promote full support on all stages of the business innovation cycle;
- Ensure support for R&D projects with high economic and financial potential;
- Ensure greater agility and speed of evaluation of R&D projects with i) positive results and ii) that have already been supported in embryonic stages, through financial allocations for their industrialization;
- Ensure greater monitoring by OIs on R&D projects that, due to their size and/or importance, prove to be strategic for the national/regional economy;
- With regard to SIACs focused on R&D, entrepreneurship and innovation, projects with holistic and transversal approaches, structured in diagnosis, R&D, results, should be privileged.

R2. Promote the local R&D and Innovation ecosystem

- Ensure a continuous support for scientific and technological research infrastructures, whose investment in R&D has already proved to be relevant on total national investment in R&D;
- Implement supporting programs that stimulated the R&D+I ecosystem, i.e. programs that allow to support knowledge transfer activities in a more transversal way (e.g. joint knowledge transfer offices, CoLABs): in particular, to arouse actions that encourage open innovation, but also R&D process and more territorialized base innovation, going beyond the NUTS II regional level (i.e. stimulating more specific territorial dynamics);
- Promote the focus on generating results and economic-financial impacts and ensure rationality of "dispersed" initiatives that have been emerging in recent years (e.g., OTICs, GAPIs, PCTs and competitiveness clusters, PDR Competence Centers, Interface Program, CoLabs), solidifying the existing base of support instruments;
- Strengthen support for initiatives that boost the ecosystem (higher co-financing rates for collective efficiency initiatives to boost the SCTN and knowledge transfer to companies), requiring, simultaneously a commitment on the results;
- Articulate the Community funding (FEDER) with funds from the National Budget, to create conditions for the provision of more attractive support in terms of allocation and supports' types. Such support must be duly framed in the national (ENEI) and regional (EREI) strategies, therefore stimulating a technology-based economy of high added value, that privileges excellence, cooperation and internationalization of science and technology and business R&D;
- Promote synergies of available Community funding (FEDER of PT2030) with other European instruments that support research, science and technological development (e.g., Horizon Europe).

R3. Enhance the attractiveness of vocational training and Lifelong Learning (LL) through the adequacy of instruments, offers' dissemination and process simplification

The results of the Training-Action measure are clearly positive. As such, the measure should be maintained, despite having a cost result per unit much higher than those observed in the training modalities promoted by companies within the scope of their projects. To stimulate adherence to this measure, it is proposed:

- Simplify, in the case of business investment projects supported by the SI's, the application processes and the payment submission in the training component;
- Consider attractive bonuses in the case of business projects with a training component, as well as incentives for investments that include training during working hours;
- Consider reviewing the application of the *de minimis* regime to training modalities which are traditionally in low demand and need to be stimulated;
- Promote a continuous awareness of the importance of training and continuous learning, using results' dissemination and benefits of human capital training to companies.

R4. Stimulate qualified demand and strengthen the attractiveness of instruments with lower adhesion

- Publish a Call for Tenders and safeguard its compliance, given its importance for effective management of expectations by promoters and for better predictability of potential demand;
- Make the Call for Tenders easier to understand, by promoting awareness among promoters regarding the requirements of the applications;
- Consider the opening of specific Calls for Tenders for specific thematic areas of ENEI or the thematic areas of RIS3, to enhance the effectiveness and impact of the financial support;
- Reflect on the needs and challenges of the most advanced services activities, and afterwards design and launch Call for Tenders more directed to the tertiary sector;
- Disseminate the advantages (and success stories) associated with instruments involving cooperation between national companies or interface entities/foreign companies. Simultaneously, establish communication channels between the national and international entities mentioned;
- Consider the concentration of support schemes for projects of a more structured nature, which include support for R&DT, productive innovation and qualification and internationalization in unique competitions;
- Continue to mobilize SI Innovation (SI Inovação) to support projects that generate multiplier effects, although in a more selective and prioritized way for projects of knowledge valorization with emphasis on internationalized activities of high added value.

R5. Implement mechanisms of greater automatism and efficiency in the processes of (i) preparation and submission of applications and (ii) monitoring and evaluation of projects, through the simplification of procedures, the introduction of greater automatisms and better communication of eligibility criterias

I) Preparation and submission of applications:

- Clarify and better communicate the conditions of admissibility/eligibility of promoters and projects for each typology, on websites, forms, application tools and user guides;
- Simplify the application procedures by approximating the criteria/forms of the model;
- Develop and implement more simplified application processes for projects of smaller financial dimension within the scope of SI Innovation (*SI Inovação*), SI Qualification (*SI Qualificação*), SI Internationalization (*SI Internacionalização*) and SI I&DT;
- Minimize information requests to promoters, through greater systems integration. In that way, redundancies at the documentary level will be avoided, in particular on financial statistical information;
- Control the management of information through the configuration of digital tools, for example, on measuring the corporate relations of some companies to detect suspicions of fraud;
- Introduce functionalities that allow the automatic filling of qualitative and quantitative fields that are relevant to the scoring and compliance with the rules of admissibility and merit;
- Develop tools for self-diagnosis promoters and projects' admissibility, in order to clarify concepts and criteria, minimizing the number of projects rejected for lack of framework;
- Design and develop tools that allow to understand which are the eligibility criteria and/or merit criteria that are most discriminatory and critical for the analysis and approval of applications or for the execution of projects.

II) Monitoring of projects:

- Reduce delays associated with the certification of expenses and payments;
- Strengthen the technical teams (AG/OI), filling the lack of HR that is currently incompatible with the requirements of evaluation, monitoring and control;
- Ensure that evaluators / IO's can have greater availability to carry out a closer, qualitative, and strategic monitoring.

R6. When analyzing applications, value the track record of the promoter and management team

- Consider including the experience and track record of the promoter in previous projects under COMPETE and other public support programs in the merit criteria;
- Consider merit criteria that evaluate the competencies of the application team, to understand the effective capacity to achieve the objectives established in the application.

R7. To give relevance to the evaluations of the projects supported from a results perspective

- Promote a more effective and assertive monitoring of projects through the measurement of their results, via their long-term evaluation;

- Overcoming the shortcomings in the production of relevant information on project results in the information systems of the PO/OI.

R8. Foster the implementation of integrated administrative modernization operations oriented to life events / macro-services, involving multiple agencies and based on a robust strategic framework that prioritizes the areas of government / life events / services to be intervened

- Develop a diagnosis that identifies life events / services more impactful in the relationship between the administration and citizens / companies and where the greatest administrative burden and context costs on citizens and companies, as well as the main constraints are verified;
- Develop a strategic/action plan for intervention in these life/service events, which identifies the responsible entities, intervention needs, and funding sources;
- Exploit complementarities with the Technical Assistance Instrument, in particular for interventions relating to deeper structural reforms and benefiting from the instrument's potential to intervene in highly complex dimensions;
- Design support instruments directed specifically to the entities responsible for these intervention needs, in the form of invitation notices or Call for Tenders with criteria of positive discrimination for joint projects subordinated to the defined strategic framework.

R9. Maintain and improve instruments to support digital transformation and capacities of public administration, maximizing the coverage of target audiences, in complementarity with other current instruments

- Analyze and establish clear investment and financing boundaries between the national PRR and other sources of financing, based on the investments provided for the current strategic references;
- Ensure continuity of support of the public administration's capacities and digital transformation through the reprogramming of European support instruments or through the identification of other sources of funding;
- Assess opportunities to, in line with the European regulations applicable to the 2021-20217 programming period, make adjustments to the instruments, including:
 - Positive discrimination (e.g., differentiated incentives rates) of smaller beneficiaries and/or not supported by the PRR, as direct or final beneficiaries;
 - Positive discrimination of joint projects and projects with common benefits, to the detriment of exclusive benefits for the entity itself;
 - Flexibility of the calendars (in the sense of increasing the deadlines) of implementation of the projects, in particular those of greater complexity;
 - Allow the existence of multi-fund operations and/or the possibility of introducing a simplified regime that permits the eligibility of expenses inherent to PA's digital transformation projects up to a certain limit;
 - Allow the application of net savings/revenues generated by the projects in expenses that contribute to the improvement of the service, rather than being deducted from the incentive amounts.

R10. Strategically reorient support for the training of public administration workers, allowing them to be better prepared to embrace the processes of digital transition, simplifying procedures and reinforcing the attractiveness of the instruments for the target audiences

- Conduct a prospective exercise on the impact of the ongoing digital transition process on the establishment plan of AP, involving the relevant entities and considering support instruments;
- Identify training needs (upskilling and reskilling) and target audiences;
- Develop training plans appropriate to the identified needs, build and communicate training offer, considering potentially deterrent factors;
- Identify existing support instruments and evaluate gaps in the coverage of identified training needs;
- Design instruments complementary to those currently in force.

R11. Intensify information, guidance, and training campaigns for target audiences on the use of digital public services

- Maintain and intensify campaigns that disseminate digital public services, their functionalities, and benefits to citizens;
- Establish protocols to referral of citizens who travel in person to AP services to citizen spaces available in their areas of residence / work;
- Develop "courses" of very short duration, simplified in format, language, and graphic interface in order to become easy to access and understand, by target audiences little qualified from the digital point of view in order to enable them to use digital services;
- Position the access and usage of digital public services in the mass programs of digital training accessible for the Portuguese population.

R12. Stimulate data sharing in the Public Administration to streamline administrative processes and procedures (including those associated with the ESI Funds), reduce context's costs and monitor the results of public policies

Create a working group (or use existing ones, for example within the framework of the CTIC), to:

- Identify critical datasets for the improvement of public service and enable the adoption of the only once principle and their data owners;
- Identify the specific obstacles that prevent the sharing of this data between public administration entities, in the most varied natures (e.g., cultural, legal, technical, governance);
- Raise awareness (through sharing use cases, dissemination of good practices and knowledge about the added value of data sharing for the benefit of the public service);
- Issue recommendations for the resolution of these specific obstacles and for the capitalization of the data held for management.

Policies/Data governance model in the public administration:

- Evaluate the most effective data management models in the public administration, institute a Chief Data Officer, empowered to propose and execute the data policy of the Portuguese public administration;
- Ensure high sponsorship and political commitment to the resolution of the identified obstacles and to induce the effective data sharing in the public administration and eliminate cultural obstacles that persist;

Legal aspects / data protection

- Encourage the early involvement of Data Protection Officers in resolving identified obstacles to data sharing, seeking to build technical solutions that do not run into legal constraints;
- Reconcile technical solutions that enable data sharing with sound legal approaches/opinions that avoid later negative opinions and test these solutions in advance;
- Assess, in compliance with national and Community legislation, possible legislative changes that mitigate limitations on data sharing.
- Evaluate the introduction of benefit-sharing mechanisms between bodies arising from data sharing that encourage, in particular data owners, to embrace these objectives and processes.

R13. Ensure greater development of transport infrastructure operations, based on medium and long-term planning and by streamlining procedures

- Ensure the existence of a medium and long-term investments planning in transport infrastructures that ensures the timely and careful selection/identification of investments to be financed using the FEEI Funds;
- Promote a prioritization of AIA processes related to investments in transport infrastructure co-financed by European funds;
- Introduce measures to expedite multiannual burden-taking authorizations and other guardianship authorizations;
- Promote (on the part of the beneficiaries) greater maturity of the projects at the time of applications' submission, anticipating as many procedures as possible prior to the start of the works.

