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Needs and challenges for M&E of P2Ps

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What kinds of 'theories of change' underlie P2Ps?

- Common research effort provides signals that set common agendas among MS
- Alignment of agendas leads to
  - *Increased knowledge outputs and human capital development in domains of importance to Europe*
  - *Comparative advantage in those areas – both in research and in innovation*
  - *European added value as a result*
- Social benefits of alignment are realised through normal impact mechanisms

- Methodological challenge: understanding the net effects of coordination

The focus of the FPs was originally on achieving direct benefits of research without impinging on national policy

- Common research has been done since the Iron and Steel Community
- Multilateral European research cooperations are even older
- From 1984, FP1 legitimised the expansion of Community R&D programmes beyond energy and IT, becoming *the Commission's industrial policy*
- Until FP6, just about any cross-border R&D action by the Commission was justified as having European Added Value
- The Commission respected the subsidiarity principle and kept out of national R&D policy, the budgets kept going up and everyone seemed happy

Since ERA, the agenda-setting function has become more explicit

- Detaching EAV from subsidiarity, so that any project deemed interesting by Europe automatically has EAV
- Moving the focus of the FP from solving problems to seizing opportunities
- In particular, using this idea to tackle societal 'Grand Challenges' such as environment, ageing, health and thereby incidentally shifting the focus of the FP from industry to society as a whole
- Building very large and partly self-governing coalitions of existing EU actors, which define research agendas and align with the Commission in seeking funding for them – not only from the EU level but also from member states
- Shifting the role of the Commission from execution towards setting R&D policy, with implementation delegated to actor coalitions and/or specialised implementing agencies

Evolution of instruments towards more devolved governance

- Old-style Cooperation (collaborative, networked …) continues, reappearing in H2020 Societal Challenges
- New quasi-institutions are established, with governance detached from the MS, eg ERC, EIT
- There is greater effort on coordinating MS-governed activities, eg ERANETs, JPIs (P2Ps), Article 169/185
- PPPs appear, with governance devolved to the beneficiaries, eg ETPs, JTIs, Article 187
- The style of intervention is moving towards a "strategic European process" that shifts the role of the Commission from execution to coordination without necessarily returning much power to the national level

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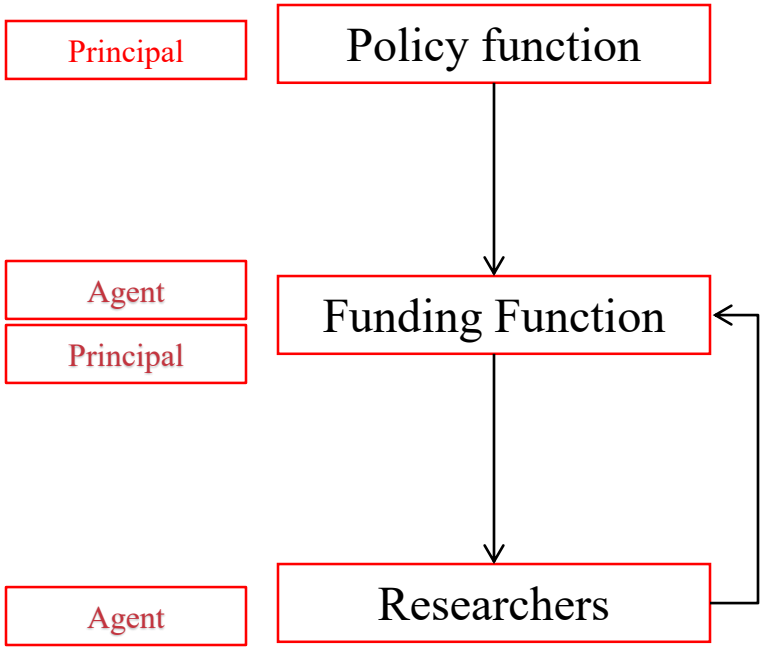
Devolution of management poses difficult governance challenges



- Double principal-agent relationship
- Mixed views about who 'owns' the intermediary level
- The role of beneficiaries in governance increases the risks of adverse selection and lock-in
- Checks and balances needed to constrain the power of the beneficiaries in deciding funding

Braun, Dietmar (1993) Who governs intermediary organisations? Principal-agent relations in research policy-making, Journal of Public Policy, 13(2) 135-162
Van der Meulen, Barend (1998) Science policies as principal–agent games: institutionalization and path dependency in the relation between government and science, Research Policy, 27 (4). pp. 397-414

PPP/P2P can have long lives. The focus of evaluation may need to go from formative to summative

1. Early: is this PPP/P2P working?
   1. *Does it conform to the programme model?*
   2. *Does it have the right governance and processes in place?*
   3. *Is it equipped to produce and maintain quality*
   4. *Does it appear to be sustainable?*
2. Growing: is it beginning to produce good work, relevant to the stakeholders and with potential for wider impact? Is it setting new agendas, as intended? Governance?
3. Maturing: is it beginning to have visible impact beyond the stakeholder group while maintaining quality? Governance?
4. Late in life: what has it achieved (outputs, outcomes, impact)? At a good quality level? Succession/continuation? Governance?

P2P evaluation needs to understand the value added by the P2P itself

- Dealing with the principal-agent problems, avoiding capture, moral hazard and adverse selection
- Analysing the objectives and additionality that may be specific to the act of cooperation
- Understanding cost-of-complexity in governance, administration and execution and whether this is compensated by having a more effective programme or greater additionality
- Appraising the effects of adding an inherently temporary – though sometimes quite long-lasting – ingredient to the funding 'offer' to the beneficiaries

Some issues from P2P evaluations

- There are narrow limits to the *agency* of the programme where there is not a 'real common pot'
- Effects of unequal funding and capacity available from different partners (cp the Baltic States in BONUS)
- Implicit competition with national agencies for budget (NMR)
- Lack of dedicated strategic intelligence
- 'Lowest common denominator', '100 flowers' or narrow strategies
- Difficult to impose directionality
- Lack of exit plans – what does success look like?

Report of the Expert Group, Meta-Evaluation of Article 185 Initiatives, Brussels: EC DG-RTD, 2017

Competence centre (PPP) experience suggests devolving responsibility works if governance challenges are managed

- Big economic impacts, over extended periods of time
- Changing research culture in universities and companies
- Key effects result from integrating and changing education
- Producing more industrially usable PhD-holders
- Importance of "sweat equity" (ERCs)
- Governance, balance of power are key to success in centres
- Integrated programmes and centres work best
- Behavioural additionality does not conquer the market failure associated with fundamental research – when the high subsidy runs out, the party's over

Peter Stern, Erik Arnold, Malin Carlberg,Tobias Fridholm,Cristina Rosemberg and Miriam Terrell (2013) Long Term Industrial Impacts of the Swedish Competence Centres, Vinnova Analysis 2013: 10

A strong role for industry in PPP governance can limit programme effectiveness

- Principal/agent problem with PPPs: with the best will in the world, the partnership's actions are shaped by their own perspectives
- A further result can be thematic lock-in
- Dominance by a small number of organisations
- Strong industry role in agenda-setting reduces the focus on societal needs, over-producing private benefits and under-producing public ones
- Industry governance also causes a focus on short/medium-term problems, hence high TRLs
- Projects tend strongly to be incremental and don't challenge existing sociotechnical regimes