

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

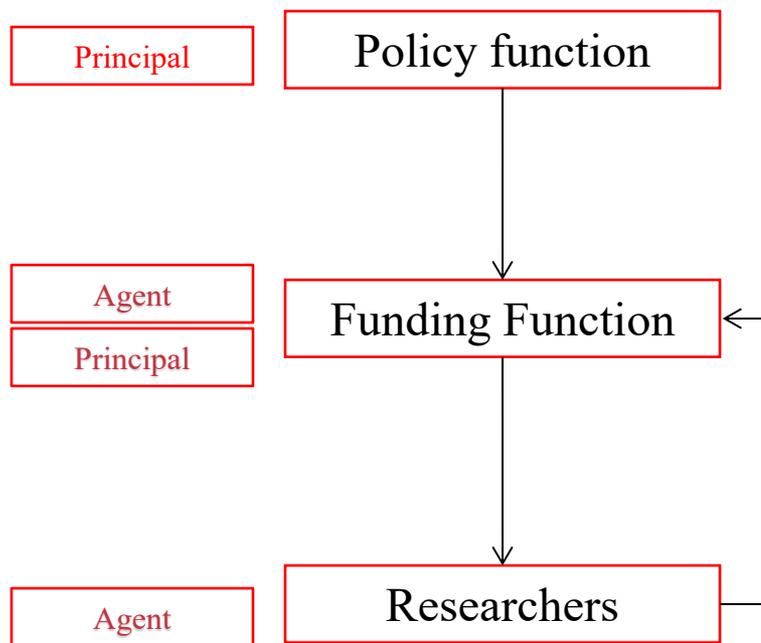
Since ERA, the agenda-setting function has become more explicit

- 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

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?
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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?

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

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

