Mission-Oriented Innovation Policy workshop series: Observations from workshop 2[1] – Coordination in missions

JH Wesseling[1], Philippe Larue[2], MJ Janssen[1], J Torrens[1], L Fünfschilling[3] A Geurts[4], M Weber[5], K Frenken[1], I Wanzenböck[1]

[1]MIPO|Utrecht University; [2]OECD; [3]Lund University; [4]TNO; [5]Austrian Institute of Technology

After our first workshop focused on the strategic orientation function of MIP, this second workshop discussed the policy coordination function, so that the third workshop may focus on policy implementation. 41 participants joined this session of the workshop, representing 14 different countries.

The topic of 'coordination in missions' addresses the question of *'How do we create the coordination structures (formal and informal arrangements and incentives, etc.) that make people and organizations collectively move towards mission objectives?'*. Mission-oriented Innovation Policy (MIP) can be seen as a coordinated package of R&I policy measures, aiming to address societal missions a) across the innovation cycle; b) using various instruments; c) across policy fields and sectors; d) that target ambitious and concrete goals; e) within a defined time-frame. MIP coordination can concern alignment of plans between domains/agendas, between different public organisations (vertical and horizontal), within the quadruple helix, between policy instruments (e.g. R&D and market) and even between new (MIP) and existing (generic IP) governance structures. The guiding questions below were formulated to guide the expert presentation and breakout discussion groups.

Via what governance arrangements can missions mobilize and coordinate different actors to invest (time, money, ideas, views) in addressing particular challenges, across policy fields, sectors and disciplines?
Despite MIP-coordination experiences still being limited, the workshop highlighted a range of actual governance arrangements experimented in various initiatives. Variability in the design of these arrangements is a consequence of different types of missions requiring different governance. Moreover, mission governance may be embedded in existing Science, Technology and Innovation (STI) institutional settings and build on existing coordination structures, also causing differences across contexts. Recent OECD research distinguishes between:
   a. National mission-oriented strategic frameworks, led by center of government and high-level committees, coordinate multiple missions in pursuit of ambitious, long-term challenges. Examples are Horizon Europe, Mission-driven Top Sectors policy [NL], Moonshot R&D program [JP], and High-Tech Strategy 2025 [DE].
   b. Challenge-based programs, led by a ministry or public agency, are more focused and seek incremental or breakthrough results on the mid- to long-term. Examples are Pilot-E [NO] and Industrial Strategy Challenge Fund [UK].

Specifically, one country[1] combined two lines of governance into a top-down 'spider in the web'-structure. One line builds on the existing, economic growth-oriented, STI-policy network, comprised of numerous firms, government parties, knowledge institutes (Triple Helix). This network builds on existing innovation ecosystems, existing funding schemes and is trusted in the direction it provides to research and innovation. This existing structure is married to the challenge-led MIP governance structure, resulting in a complex spider-in-the-web structure. By effectively building on existing structures this governance arrangements allows for immediate, high-throughput MIP. However, such arrangements may risk capture as well as marginalization of end users and interest groups, potentially resulting in less transformative missions and less alignment with societal interests.

To overcome this issue, cases presented by other participants sought to involve the public via public workshops and opening MIP plans up to public comments. It often appears more difficult to engage the public and local governments and communities, than it is to involve industry and science; particularly when focusing on technological innovation. This complicates a) connecting top-down policy with the local level, and b) moving beyond occasional experiments and living labs into upscaling. More space needs to be created for meaningful stakeholder mobilization, systems integration (e.g. through Climate KIC's 'deep demonstrations' which requires a different 'systems' mindset) and behavioral solutions to

---

[1] Due to the Chatham House Rule, unless explicitly approved, the workshop summary is anonymized of participant and country. For figures that illustrate the summary – see also the expert presentations

missions (these may fall outside the scope of innovation policy, but at least ensure support via coordination with sectoral policies). Breaking-down complex missions to more specific, locally embedded goals may contribute to this.

What coordination problems can be expected when working with missions? How to diagnose and solve these problems?
Coordination problems include: coordination costs and fatigue; power relations between partners; cultural and professional differences across geographical, jurisdictional and professional levels; coordination and prioritization between missions; vertical coordination problems (municipal, regional, national, international alignment of missions); stakeholder involvement (social organizations and citizen participation) and commitment (industry investment) issues; creating new networks necessary for MIP due to overreliance on existing networks; committing ministries beyond their individual agendas to prevent fragmented policies; prevent cooptation of mission budget for other (notably economic-growth oriented) policy goals; time restraints; balancing short-term action aimed at diffusion and implementation of known solutions with long-term actions that support radical innovation research and development; mobilizing stakeholders and resources with an unproven mission approach (due to newness and evaluation issues).

The first two problems may require a pragmatic (functional) approach, with a central (dedicated) budget and support from high level policy and political leaders. Empowering mission leaders via resource control, political support and personal convincing power helps mobilize communities – a typical *vertical* coordination problem. Other problems stimulate project directors to collaborate and find synergies; focus on creating new and different kinds of (centralized and decentralized) networks; or share experiences amongst ministries and agencies. All of these approaches aim to improve collective learning and overcome horizontal coordination problems. Similarly, involving partners in governance panels increases commitment (but risks capture) as their values are better reflected in the mission's coordinated action.

What are the main coordination and administration costs (including informal costs such as time spent in meeting, reporting etc.) of mission-oriented policies, and how to mitigate these costs?
Although no clear cost overview emerged, participants noted that the costs of extensive governance arrangements and the associated multi-stakeholder interactions, characteristic of missions, can become substantial. They therefore stressed the importance of making the indirect policy costs (i.e. the costs of running the programs) more visible. In addition to reducing coordination and administration costs, one country indicated the importance of an *additionality-based exit-strategy*, to reduce policy costs. Evaluation should point out whether first generation programs should either evolve into second generation programs, or whether they should be ended, because there is enough industry interest to take over the solution development and commercialization process – saving public money. Similarly, in-kind contributions both help to save budget and guarantee stakeholder engagement, but they may lower the level of mission-ambition as known solutions are favored.

How to effectively and efficiently combine the diverse policy instruments underpinning missions, through portfolio approaches like instrument packaging?
Like any innovation, innovations that help overcome societal challenges require different types of policy support as they, and their surrounding innovation ecosystems, mature. One way of providing adequate support to innovations over the course of their development, is to set up a comprehensive mix of policy instruments that range from, crudely speaking, research to market support. To overcome the many administrative costs and possible disruptions of an innovation applying for such diverse support at different funding organizations, one country developed an 'integrated innovation pipeline'. The idea of this one-stop-shop scheme that gathers different funding organizations is that innovations, provided by industry, that continue to meet the criteria and milestones defined by the MIP, get fast-tracked policy support through all successive stages of innovation. The main added value of such integrated scheme is to accelerate the development and market introduction of innovations. In this bottom-up way, through better portfolio management, another result of such scheme is that more radically innovative and ambitious projects can be supported that would otherwise not be possible, while still relying upon existing policies and funding – now governed by the MIP.