Mission-Oriented Innovation Policy workshop series: Observations from workshop 3[1] – Implementation of 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 Mission-oriented Innovation Policy (MIP), and the second workshop dedicated to the policy coordination function, this third workshop addressed policy implementation issues. 39 participants joined this workshop, representing 13 different countries. The main goal of the workshop was to identify good practices regarding the implementation of MIP, focusing on three discussion questions in particular.

Based on two years of MIP analysis, the 2021 OECD report found that the MIP implemented so far are, in contrast to *emerging* policy mixes traditionally analyzed in the academic literature, *deliberately* designed policy mixes. These policy mixes proactively bundle a range of policy instruments and include more than innovation policy alone. They enable a tailored instrument portfolio for each mission; are mainly direct interventions (e.g., grants, subsidies); and are generally less integrated at implementation level than at orientation and co-ordination levels. The OECD's analysis of MIP mixes demonstrates that the range of policy instruments jointly mobilized for any given mission has expanded, including demand-side instruments, connected to the supply-side ones.

The workshop's presentations of cases and discussions in break-out sessions provided many insights on the challenges of MIPs when reaching the stage of implementation, i.e. when it comes to not only bringing people around the table and agree on principles but also to commit resources to the agreed upon goals. Although the challenges very much depend on the national and thematic context, as well as on the 'trajectory' of the MIP (e.g. whether it has been initiated in a more or less 'directive' top-down or 'aggregative' bottom-up way), it seems that the key questions are similar for many participants: *How to integrate the plans of the different actors around the table?*

- How to transform coordination committees into actions?
- How to engage new actors, new networks?
- How to broaden the social base of the policy?
- How to reframe, retarget existing instruments?
- How to make this policy approach economically viable and attractive?
- How to monitor and evaluate these policies?

While no definitive responses were found for these questions the debates were lively and provided new ideas and leads for additional research.

Question 1) How to incentivise public and private partners to commit (financially and beyond) to the development and adoption of innovative solutions to the mission?
A diversity of partner and stakeholder involvement is not only important in mission design, but also in its implementation. Obtaining involvement and commitments, in particular from industry, can be particularly difficult due to missions' long-time horizon compared to the life cycle of policy instruments. Factors that support industry participation in MIP include pre-competitive competition and internalization of spillovers; the endorsement and endowment of a strategic agenda by public authorities; technical support to teams during the calls for proposal and all along the project duration; the participation of users and bodies influencing the demand. It is important to consider the industrial strengths of a country when focusing missions; particularly when the ambition is to gain economic competitive advantage from developing and exporting innovative solutions to pressing missions and their underlying value-chains. To maximize commitment of public and industry actors, they have to participate across the board: in mission definition, governance, funding, and in projects. Local or regional fields labs are an important instrument for developing and understanding user needs in, for example, the health sector, focusing more strongly on the societal dimension of missions. They also create opportunities for bottom-up implementation. Since every region is different and MIPs are very context-specific, exchanging experiences across regions, field labs and even sectors via an intermediary platform or governance body are important. There are examples of successful intermediaries that facilitated the upscaling of

---

mission solutions by bringing different actors together, providing information and assisting in policy coordination. Particularly lessons regarding citizen engagement are valuable to share in this context, as these processes are new to many missions. Direct user involvement in projects has been successful in places, although maintaining their commitment over a period of years is challenging. Workshop participants made it clear that if one wants to involve users and/or citizens, he/she has to do it seriously or leave it; go beyond lip service or it will backfire.

MIP always have to balance questions of stability and consensus and require multistakeholder deliberation. Sometimes more than just the frontrunners may need to be involved in order to scale up innovative concepts. It can be useful to provide more autonomy and funding to public-private partnerships that have the expertise and reflexivity to define initial solution pathways and facilitate breakthrough innovations in more complex areas. Sometimes framing mission policy explicitly not as innovation policy may trigger more commitment from certain stakeholders, like households but also sectoral ministries – in many cases they were brought to the table, but are not yet leading – they need to be more engaged.

Public as well as private - end-users and procurers often tend to drop out of the mission-oriented initiatives. This is in particular an issue when moving from experiments to scaling, i.e. when initiatives start to require serious commitment and finance. This is the critical phase of mission-oriented policy initiatives, and the key question is how to either incentivize, financially or by other means, and strengthen the "attractiveness" of the mission. In general, if all relevant stakeholders sign a mission agreement at the highest political level (e.g. Dutch Climate Agreement or new standards), it makes it easier to work with them at the project implementation stage – there is more commitment – and it facilitates the long-term planning logic amongst these stakeholders.

Question 2) How to combine complementary policy instruments and actions (including supply-side and demand-side instruments) into a coherent policy mix?
The interplay of top-down "strategic" coordination mechanisms (to create the political "common ground") and empowerment and delegation of responsibility of bottom-up "operational" coordination mechanisms is a crucial issue. Tendencies are that synergies are orchestrated top-down. Depending on the political-administrative cultures, countries show different approaches towards the creation of implementation structures to enable the bottom-up component of implementing policy initiatives. Some countries are building coordination mechanisms between ministries (at the strategic level), but overlook the coordination possibilities between ministries and supportive institutes and agencies at the operational level. Practitioners note that even when coherence between departments is achieved, this does not necessarily lead to coherence of policy instruments or design of a bottom-up policy that is coherent. Other countries first build a broad strategic agreement, before delegating responsibilities for establishing appropriate "operational" coordination mechanisms among key actors and stakeholders.

The uniqueness (heterogeneity) amongst countries and of mission challenges is very important also for implementation, and often over-looked when striving for the "ideal" model of implementation. In some countries one can see a transfer from a political towards a functional approach towards governance and policy. Governance can happen outside of ministries; examples are mission-teams that are outside of ministerial politics (although the discourse always risks capture by certain interests). Participation of citizens, entrepreneurs, researchers, NGOs can create more operational capacity and expertise. Challenges however arise around the mandates of such multistakeholder governance bodies.

Question 3) How to effectively implement a portfolio approach that supports innovative solutions at different levels of technological and commercial readiness?
MIP allow for *defining collectively the level of ambition* ('depth' of exploration) for each mission as part of their strategic agendas. MIP also use various types of *solution portfolio strategies* which differ according to whether they explore a) alternative technological options; b) socio-technical options; c) components of the value-chain; d) different generations of technologies. There are examples in practice of each of these – se the 2021 OECD report.

It is important to consider *scaling mechanisms[2]*. There are many of them, such as the building of confidence in the future, reliable yet flexible institutional settings to enable scaling and generalization, economies of scale and scope, promising narratives, etc. Implementation strategies need to nurture these scaling or generalization mechanisms, and it would be good to better understand the diversity of these mechanisms, and the conditions under which they promise to work.

---

[2] To be broadly understood as including also replication-adaptation, institutionalization, learning, behavioural change/new practices from end-users to policy actors, etc.

Field labs can play an important role for the scaling phase. They are not only important for learning about the techno-economic and organizational aspects of experiments, but they also serve as important "signposts", as signals for potential investors and procurers, and as regulatory sandboxes for testing and learning about new institutional environments. These signposts strongly affect our future expectations.

Ministries compete amongst each other and every ministry has its own logic. This, and the powerful position of project funders in some countries, make collaboration, new implementation structures and other dedicated mission mechanisms, difficult. In some cases, it is more feasible to build on existing agreements, programs or initiatives that have gained momentum and redirect them in line with the mission – although this risks capture. When working on MIP implementation, it is important to resolve the procedural issues in policy implementing organizations, such as those regarding innovation procurement and tendering. Existing procedures and strategies may be in place for a long time, causing challenges in accepting mission-rationalities.

Finally, it is important to note that missions not only require new, innovative solutions, also the phase-out of existing, harmful practices and technologies. Destabilization (of what we call the *regime*), for example through regulation, taxation and bans, are powerful mission tools that are well in line with the mission rationale, and require less upfront public investments. However, such processes, also known as exnovation are still politically controversial.