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R&D Evaluation Methodology and Funding Principles

The Second International Conference - Notes on the breakout sessions

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1. Introduction

The Second International Conference on the R&D Evaluation Methodology and Funding Principles was held in Brno on February 26, 2015. It constituted an opportunity to discuss in detail the funding principles proposed in the draft version of the study's Second Interim Report.

The Conference was organised in two parts: in the morning, the study team presented the funding principles, with a specific focus on clarifying some issues that may not have been sufficiently clear in the report. A specific questions & answers session provided the opportunity for the audience to ask further clarifications.

In the afternoon, the conference was split up into 3 parallel breakout sessions. The intent of these sessions was to facilitate the discussion between the study team and most important, members of the audience themselves, on specific topics related to the evaluation methodology and its effect on the institutional funding as well as on the funding principles and the different scenarios.

Possible topics to cover in the three breakout sessions were as follows:

Breakout session A. The Evaluation Methodology, its added value and role

1. What are the main structural and performance problems in the Czech RDI system as a whole?
2. How should one decide which organisations should get institutional funding for research and which should not?
3. What information can a research assessment system provide to support national RD&I policy?
4. How much does the performance of individual research units and research organisations vary, and what are the different ways in which a research assessment exercise can provide value to the full range of high-, medium- and low performers?
5. What additional value can be derived from a research assessment exercise?

Breakout session B. Stabilization and motivation roles of institutional funding

1. In what respects does the current Czech RDI system need stability and in what ways should it change?
2. Does the current balance between institutional and targeted RDI funding provide the right balance to meet these needs? How does this vary across different types of research organisation?
3. In relation to the institutional funding, does the suggested 80/15/5 mix provide adequate incentives to change behaviour and performance? If not, what mix would provide this, and how would it vary among different types of research organisation?
4. How often should the new Evaluation methodology run? Why?
5. How can the funding allocation part of the new Evaluation Methodology support national RDI strategy ... and how should we protect this long-term relationship from the effects of the short-term political cycle?

Breakout session C. How can – and should – the Evaluation and Funding System foster change in the Czech RD&I system?

1. What are the change needs in the Czech RDI system?
 - i) Structure
 - ii) Performance
 - iii) Policy
2. How can the new Evaluation Methodology address these?
 - i) Assessment

- ii) Funding
 - iii) Other actions needed that do not form part of the proposed Evaluation Methodology
3. How should the new Evaluation Methodology evolve over time?
 4. What complementary reforms are needed in other parts of the RD&I system and its governance?

In the sections below we summarise the outcomes of the discussions during these breakout sessions.

2. Summary of the discussions in the breakout sessions

2.1 Breakout session A - The Evaluation Methodology, its added value and role

The following main topics were discussed:

Eligibility for institutional funding.

The topic for discussion was whether all research organisations should be entitled to receive institutional funding and which criteria should be set for eligibility. Two contrasting opinions emerged in the group. A first opinion was that *institutional* funding should be limited to organisations that meet the definition of ROs set by the European legislation (GEBR) and are founded by the State. This would limit the institutional funding to public universities, the institutes of the Academy of Sciences and the sectoral research organisations. Competitive funding was considered to be the correct approach for providing public support to private research organisations. Another opinion was that also private ROs provide valuable research services to public sector and respond to the State needs. From this perspective, institutional funding of these ROs ensures the ongoing availability of these research organisations' specific expertise to the benefit of the public sector. No agreement on this controversial topic has been reached.

The balance between institutional and competitive funding.

The high level of competitive funding versus institutional funding in the Czech republic (compared to international practice) was set against the historical context and the need to ensure and increase quality performance in the Czech RD&I system. There was consensus that there still is a need for competition in the system in order to stimulate the performance and excellence of ROs. However, it was also considered that once the evaluation results show that the ROs' institutional conditions are sufficiently developed and/or the performance-based research funding system is sufficiently efficient in fostering performance and excellence, then there should be an increase in the share of institutional funding compared to the competitive one.

The sustainability of the new research centres and the role of the new EM.

The sustainability of the new RD&I centres is a pressing issue for the current RD&I policy making. The group felt that in order to increase the interest of policy-makers in the new EM, it would be useful to clarify the potential contribution of the new EM and funding system to the decision-making on measures that would ensure sustainability of the new research centres. It was agreed that the new EM will inform the policy makers on the quality and performance of the RD&I system, including the new research centres, which should constitute an important input for the decision-making process.

The feasibility of the new EM.

There was a common understanding that an agreement on the new EM within the research community is a necessary first step and that such an agreement is possible. To overcome the general lack of trust in the research community, it would be useful to introduce the new EM step by step and to agree upon the principles first. In a second phase, more technical details of the new EM can be discussed based on the previous agreement on the basic principles. This might help reach an agreement within the community, which is a prerequisite for reaching an agreement with the policy-makers.

2.2 Breakout session B - Stabilization and motivation roles of institutional funding

Major issues addressed were as follows:

Stability.

The group agreed that the Czech RD&I system needs stability at different levels:

- Stability of research careers: Many researchers work on limited-time contracts with unclear career perspectives.
- Stability of the budget for institutional research funding. A mid-term view (5-6 years) is needed and foreseen by the new system, whereas the Metodika influences the researchers' behaviour towards short-term perspectives¹.
- Stability in the transition from the present to the new system. A proper starting point is needed.
- Stability of funding volume for the RO. If new players enter the system, the budget available for institutional research funding needs to increase accordingly.
- Stability of funding rules would make the funding more predictable and well designed funding rules are needed.
- Stability of long-term policies: The group agreed that the prevailing short-term policy cycles and a lack of long-term strategic thinking threaten the development of the RD&I system in the Czech Republic. Several participants observed a lack of strategic thinking and acting at all levels of the RD&I system. Strategies are often "done to be done", but not followed.

Institutional versus competitive (targeted) funding).

Percentages of institutional funding as a share of a research organisation's total funding differ widely in the Czech Republic. In total, the share of competitive funding is high compared to the situation in other countries. However, some Czech sources of targeted funding can be considered "quasi institutional funding" but the funding rules are not adequate for institutional development. A thorough analysis of the overall funding situation of Czech RO is needed; in particular, the (changing) role of the funding from the Operational Programme has to be considered. Generally the group advocated a relative increase of institutional funding and a corresponding decrease of competitive funding. In those cases, where the funding ministry is not the one with an

¹ There was a discussion about whether or not the 'coffee mill' could be reformed in such a way as to provide the stability and predictability of funding needed, with the sceptics prevailing.

interest in a particular RO, the role of founding ministries in the governance of institutional funding should be strengthened.

In relation to the institutional funding, the suggested 80/15/5 is considered adequate, although some participants felt that the 20% share of performance-related funding might be too high to safeguard stability. Both, the PRFS and the PA are expected to influence culture to the positive. The fully fledged evaluation should not take place more often than every 5 or 6 years. A mechanism for monitoring performance in the meantime should be set up. Moreover, cases of very dynamic development cannot be accommodated properly in the present concept.

(Missing) Ownership.

Substantial efforts are invested in the ongoing project and the related public consultation: the project team as such, the IPN team, and the representatives of the Czech RD&I community participating in the consultations, but the ministries and the RD&I Council are not represented. The research community should overcome in-fighting and develop ideas for a long-term RD&I strategy for the Czech Republic.

2.3 Breakout session C - How can – and should – the Evaluation and Funding System foster change in the Czech RD&I system?

The following main topics were discussed:

Governance and policymaking capacity.

The group agreed that RD&I governance mechanisms are weak in the Czech Republic. This is consistent with the findings of various studies and implies it is difficult to steer the overall research and innovation system – and to generate strategies that are implemented across the whole system. The failure to implement overdue civil service reforms that separate the civil service from the political level leads to instability, a loss of organisational memory and undermines ministries' capacity to act as principals to the various agents in the Czech system, engaged with RD&I. These aspects need strengthening, both for the benefit of the RD&I system as a whole and in order to make the new Evaluation Methodology fully effective. Experience shows that it is not possible to implement an alternative 'technical' way to make policy decisions about RD&I. Even 'hands-off' decision-making (as was formerly done with funding via the formulae of the 'coffee mill') represents a de facto policy decision – in this case amounting to a choice not to have a strategy. There is therefore no 'technical' alternative to developing better governance and policymaking mechanisms. Rather, more effort is needed to promote the maturation of the political and policy systems associated with RD&I.

Coping with structural changes in the RDI system.

Recent funding programmes such as centres of excellence and competence centre programmes are intended to alter the structure of parts of the research-performing system, building critical mass and in some cases also stronger academic-industry links. Structural Funds investment in some cases have the effect of attracting people from elsewhere towards the principal universities and institutes that (unlike Prague) benefit from Structural Funds investments. Arguably, these cause discontinuities. The new Evaluation Methodology itself is likely to encourage the building of critical mass and therefore restructuring within the RDI system. It was important that the new Evaluation Methodology should be flexible enough to handle these changes.

Activities and organisations that mostly support – rather than do – research.

The new Evaluation Methodology is intended to apply not only to traditional research-performing organisations but also to organisations such as museums, libraries, networks whose primary function is to **support** research activities. While some of these actually do themselves conduct research, this is a comparatively marginal activity. The group argued that these organisations should not be funded through the Evaluation Methodology but should be more directly funded for the important but largely non-research activities that they perform.

The respective roles of the Academy and the universities in research.

The group rehearsed some of the well-known aspects of this discussion but decided it probably could not resolve in one afternoon an argument that has been in progress for about a quarter of a century. It recognised that if in the new Evaluation Methodology the funding for both were put into a single pot, this would set the Academy and the universities in direct competition with each other. A decision about this is essentially one to be taken at the policy level.

The humanities.

The group recognised that the new Evaluation Methodology has field- and area-specific aspects intended to address inter-discipline differences. The peers and panels review field-relevant outputs and performances and use their judgement to assess these on a scale that is both consistent across disciplines and recognisable internationally. Nonetheless, the peculiarities of the humanities in terms of language, publication patterns, definitions of scholarship, the low usefulness of traditional bibliometric indicators etc are recognised. Particular care will be needed in implementing the new Evaluation Methodology to make sure that these are handled as well as possible – recognising that these are issues with which all research funders struggle and that there are no perfect solutions.

The European Research Council.

The group considered whether the award of ERC grants – and more widely of ERC proposal assessments for non-funded applications that could be financed at the national level – should be incorporated in the new Evaluation Methodology. While the judgements of the ERC's peers and panels are widely recognised as indicators of excellence or potential excellence, it was not clear that these indications were sufficiently numerous to be useful in the new Evaluation Methodology.

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