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ERAC

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WORKING DOCUMENT

From: General Secretariat of the Council
To: ERAC (European Research Area and Innovation Committee)

Subject: Policy Support Facility exercise on a “Whole-of-government approach for a transformative R&I policy”

ERAC delegations will find in the Annex the Commission document: Policy Support Facility exercise on a "Whole-of-government approach for a transformative R&I policy", to be presented as an AOB item at the ERAC meeting of 12-13 April 2022.



**Note to the European Research Area Committee (ERAC) Delegates,
Meeting of 12-13 April 2022**

**Policy Support Facility exercise on a
“Whole-of-government approach for a transformative R&I policy”**

**under the
Horizon Europe Policy Support Facility (PSF)**

Date: 30-03-22

A. Aim

The aim of this PSF exercise is to identify and exchange good practice, engage in mutual learning and eventually deliver policy recommendations regarding the application of a whole-of-government approach to the design and implementation of national R&I strategies and plans that foster the transformations of our key socio-economic systems towards sustainability.

While the term “whole-of-government approach” has several definitions and different meanings in different contexts, it generally stands for the notion of ensuring policy coherence by applying a systemic, holistic, or cross-sectoral approach to both policy challenges and solutions in view of an overarching objective. The spectrum of practical implications of a whole-of-government approach ranges from “increased horizontal coordination between different policy areas in the central administrative apparatus to increased inter-governmental vertical coordination between ministries and agencies and coordination of service delivery from below as ways to regulate and enhance performance, effectiveness, and efficiency.”¹

For the purpose of initiating this PSF activity, a whole-of-government approach for a transformative R&I policy is defined as a process that ensures that R&I policies work in close synergy and are mutually beneficial with other sectoral policies.

B. Background

The twin digital and green transitions, the intention of becoming the world’s first climate-neutral continent and the need to prepare for future crises are objectives that call for a renewed and transformative European R&I policy that will contribute to a sustainable, competitive, and resilient future.

This requires a shift in the way we design and implement public policy. It requires stepping up directionality² efforts by steering R&I through all policy levers, i.e. mobilising resources, introducing reforms and steering innovation through regulation. It calls for the involvement of a wider set of actors and communities for a better citizen, industry and stakeholder’s engagement. It also requires strengthening evidence-based policy making through experimentation and anticipation (evidence-based policy, experimentation and strategic foresight). Lastly it calls for the alignment of R&I policy and other sectoral policies at all levels of governance through a whole-of-government approach towards delivering on the sustainability agenda.

A whole-of-government approach is a critical element of a transformative R&I policy. Elements inspired by this new approach have been manifested already in several key policy documents³ and EU initiatives:

¹ Christensen, T. and P. Læg Reid (2007), ‘The Whole- of- Government Approach – Regulation, Performance, and Public-Sector Reform’, Working Paper 6, Stein Rokkan Centre for Social Studies.

² The Council conclusions on the New European Research Area of 26 November calls on the Commission and MS to jointly develop and implement ERA actions in close cooperation with ERA stakeholders that address the main challenges to foster directionality. It defines “Directionality” as a process of strategic coordination between R&I and other relevant policy areas in order to strategically orient and prioritise R&I investments and prepare for the design and implementation of R&I driven policy initiatives that contribute to achieving the Sustainable Development Goals (SDGs) across Europe and beyond. The adoption of the ERA Pact and of the ERA Policy Agenda in late 2022 also reinforce this orientation further.

³ See key policy documents such as the European Green Deal (COM(2019) 640 final), the Annual Sustainable Growth Strategy 2021 (COM(2020) 575 final), the new European Research Area Communication (COM(2020) 628 final), and the Commission Staff Working Document on Delivering on the UN’s Sustainable Development Goals: a comprehensive approach (SWD(2020) 400 final). Council Recommendation on a Pact for

- The new European Research Area (ERA) Communication⁴ puts forward a revamped ERA with a new governance that could pave the way for a whole-of-government approach⁵ through the creation of the **ERA Forum**. This body, whose aim is to orchestrate the discussion with Member States on the implementation of the four priorities of the new European Research Area, will support Member States in the coordination and prioritisation of national R&I funding and reforms, between countries and with the EU.
- **Horizon Europe** has launch European **R&I Missions**, which address pressing societal challenges, boost interdisciplinary and cross-sectoral collaboration, drive a systemic change and improve citizens' engagement. Missions are a new way to think about the dynamic interactions between enabling horizontal policies (e.g. education, skills, training, research and innovation) and more directed vertical policies (e.g. health, environment, energy). Missions will stimulate multiple sectors and multiple forms of collaborations to work to address those challenges⁶. They will require alignment and complementarities with other policies and national and regional strategies. They are also an ideal context to launch a whole of government approach.
- The preparation and thereafter, the planning and programming of Horizon Europe, together with its missions and partnership, require a **number of changes and innovation to its governance** to make it a genuinely shared and co-created programme across Commission services, maximising its impact to deliver on the societal challenges Europe is facing. To this end, a Common Policy Centre (CPC) will ensure that all programming and planning activities are appropriately managed in a collective setting upholding a co-creation spirit. The CPC will provide services to all Directorates-General in the Commission involved in the implementation of Horizon Europe and will promote a common approach among them.
- To ensure a sustainable recovery from the COVID-19 crises, **the Recovery and Resilience Facility (RRF)** is providing large-scale financial support to public investments and reforms addressing the country-specific challenges identified in the European Semester and promoting the green and digital transitions. At national level, there are also some Member States that have taken the initiative to develop and implement their **national R&I policies** from a whole-of-government angle. **Ireland's Innovation 2020 strategy**⁷ for instance was launched in 2015 and is driven by a cross-Government Implementation Group comprising members of different departments and all public research funding agencies. The strategy takes account of Ireland's commitments under the SDGs, and acknowledges that “over the coming decades, we

Research and Innovation in Europe and the Conclusions on the future governance of the European Research Area (ERA).

⁴ COM(2020) 628 final.

⁵ The ERAC Opinion on the Future of the ERA of December 2019 suggests that “existing barriers at national, including regional, and European level to a fully functioning ERA cannot be overcome by R&I policy alone. They need to be addressed by a broader set of horizontal and sectoral policies in a coherent whole-of-government approach” (ERAC 1201/20, 23 January 2020, p. 5).

⁶ Mission-Oriented Research & Innovation in the European Union, A problem-solving approach to fuel innovation-led growth by Mariana Mazzucato.

⁷ https://sustainabledevelopment.un.org/content/documents/19382Ireland_Voluntary_National_Review_2018.pdf, p.

will face profound challenges, and innovation and research will be centre-stage in developing our national responses”⁸.

C. Preparatory work

In 2019, the Commission organised two ERAC workshops to illustrate and reflect on the requirements of the whole-of-government approach for smart directionality in R&I investments. Following up on a workshop on ‘R&I investments for sustainability’ and an ERAC strategic debate in June 2019, the Commission organised a second workshop on 16 December 2019 to further reflect how the 3% R&D investment target can be accompanied with directionality to accelerate the transition towards a sustainable and climate neutral economy, in line with the new Commission priorities and the international commitments to achieving the Sustainable Development Goals by 2030.

The policy conclusions of the ERAC workshop as well as the ERAC strategic debate on 17 December 2019 revealed that in order to maximise directionality across all policies (systemic approach to R&I policy) – as well as national public R&I investment – a whole-of-government approach would be required.

The first debate in ERAC in March 2021 also proved to be useful and showed that there is a “coalition of the willing” among the interested Member States, in order to pursue this initiative further.

D. Synergies with other initiatives:

The Commission has set up an **expert group on the “Economic and Societal Impact of Research and Innovation” (ESIR)** to provide the Commission services with evidence-based policy advice to develop a forward-looking and transformative R&I policy agenda for Europe. *Inter alia*, ESIR aims at providing added-value in the area of policy reforms, for example, by shaping a “whole-of-government approach” for a transformative R&I policy. In this context, ESIR in its first Policy Brief of May 2020, for example, calls for promoting “coherent, resilience-enhancing investments at all levels of government through more coordinated European and national R&I actions, including Horizon Europe and national R&I funds”⁹. According to ESIR’s advice, “EU and national R&I programmes should be reinforced and increasingly coordinated around a common vision of the R&I needs of the future European society, away from fragmented or incoherent multi-level approaches”¹⁰.

The **OECD** and the **International Institute for Applied Systems Analysis (IIASA)** set up a Task Force on Task Force on Systems Thinking, Anticipation and Resilience¹¹ whose aim is to demonstrate the relevance and power of the systems approach to understand and act on the

⁸ Government of Ireland (2015), *Innovation 2020: Excellence Talent Impact – Ireland’s Strategy for research and development, science and technology*, p. 44.

⁹ See ESIR Policy Brief No. 1 “Protect, prepare and transform Europe: Recovery and resilience post COVID-19”.

¹⁰ See ESIR Policy Brief No. 1 “Protect, prepare and transform Europe: Recovery and resilience post COVID-19”.

¹¹ Sweden, the Netherlands, Austria, Finland, Norway and France have expressed their interest in the Task Force through voluntary financial contributions or attending their meetings.

critical systemic issues, and promotes integrative, cross-sectoral approaches to policy making and implementation¹².

The **OECD** has also launched a **project on “Societies in times of crisis and beyond: developing responsive and resilient science and innovation systems”**. The project aims at supporting the development of a transformative and modern R&I policy, which builds on the “whole-of-government approach”, but also stronger citizen engagement, directionality of policies and funding, and anticipation.

E. List of potential topics to be addressed

The following preliminary topics were identified by ERAC delegates (AT, CH, FR, PT) in the context of the ERAC strategic debates mentioned above as important for exchanging good practices and mutual learning in the context of this PSF exercise:

1. New governance structures for a “whole-of-government approach”:

What governmental structures are needed for R&I policy to become a central element within a “whole-of-government approach”? Which roles or functions can R&I policy play within a “whole-of-government approach”? How shall the interaction between R&I policy and sectoral policies be organised? How would agenda-setting be organised?

2. New policy designs and instruments for a “whole-of-government approach”:

What kind of policy mix (including different types of both financial and non-financial support) would be needed to achieve the twin transitions in a systemic way? How to design R&I policies to take the sustainability angle into account and to deliver on the sustainability agenda? What instruments are used at national levels? How is directionality capacity built? What are the right framework conditions? Can we identify general policy patterns and exemplary success stories?

3. New ways of actors’ engagement for a “whole-of-government approach”:

How to better engage with citizens/local communities/the young generation/other stakeholder groups? How to better mobilise and engage [schools and] higher education institutions in addressing the sustainability challenges? How can we leverage private sector R&I investment for sustainability?

This is a non-exhaustive list which will be further refined and revised in the context of a scoping workshop with interested Member States and Associated Countries.

F. Expected outcomes and working approach

This PSF exercise presents an opportunity to take stock of current or planned R&I policies and good practices at national level and to share experiences and foster mutual learning among policymakers and national authorities on the design and implementation of a transformative R&I policy with a whole of government approach. Based on the good practices identified in the course of this process, the exercise is set to produce a set of guidelines and key policy recommendations for decision-makers.

¹² Hynes, W., M. Lees and J.M. Müller (eds.) (2020), *Systemic Thinking for Policy Making: The Potential of Systems Analysis for Addressing Global Policy Challenges in the 21st Century*, New Approaches to Economic Challenges, OECD Publishing, Paris, <https://doi.org/10.1787/879c4f7a-en>.

Interested Member States and Associated Countries will engage in a PSF Challenge. The activities will facilitate the flow of information, experiences, lessons learned and the identification of good/bad practice.

The PSF on a “Whole-of-government approach for a transformative R&I policy” will require:

- *Participating countries* are expected to actively take part, contribute and exchange experiences depending on the modality of PSF chosen. Given the specificity of this topic, participating countries will be expected to be represented by participants that can ensure a cross-governmental coordination of the exercise. The project is based on open, frank and confidential knowledge exchanges between participants. It requires that everyone is willing to provide detailed information on their experience in view of allowing others to learn from it.
- *External experts* will support the PSF with knowledge supply. They will work under the guidance of the Chair, who will steer the whole PSF process. One of the experts may act as Rapporteur if needed, notably if the PSF Challenge approach is chosen.
- *Commission services* (Directorate General for Research & Innovation) through Unit G1 “Chief Economist – R&I Strategy & Foresight” together with the PSF Team in Unit A1 “ERA and Country Intelligence” will coordinate and support the work of this PSF exercise. Unit G4 dealing with missions and partnerships will be also closely involved.

G. Next steps and tentative timeline

ERAC delegates are invited to express their interest in the exercise and nominate two or three national representatives who can ensure a cross-governmental coordination of the exercise. We would encourage the nomination of a national representative that would come from a different ministry (e.g. Ministry of Finance) that would help boost national inter-ministerial coordination for this initiative. They are also invited to provide a short description of the major challenge(s) they wish to see addressed through this PSF and put forward their expectations from the exercise (via Annex I) the latest by 1 May 2022 cob.

In order to ensure effective exchanges of experiences and information and to achieve the best outcome and impact, the number of participating countries should be limited to those willing to actively engage and contribute. Moreover, the topics to be addressed should be sufficiently focused.

To this end, the first meeting will be devoted to discussing and agreeing on the scope and modality of the PSF only with participating countries. As an input to this meeting, all countries willing to participate to the exercise are asked to provide their initial written contributions as specified in Annex 1.

Responses should be sent to Krzysztof KANIA (krzysztof.kania@ec.europa.eu) and Annamaria ZONNO (Annamaria.Zonno@ec.europa.eu).

The following tentative time line is proposed:

- End April 2022: Feedback to Commission services from interested countries (Annex 1)
- June 2022: Scoping Workshop

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- Fall 2022: Implementation of the action

Annex 1

During the preparatory phase of the PSF exercise on a “Whole-of-government approach for a transformative R&I policy” volunteering countries are kindly asked to provide the following information:

- 1. Country:**
- 2. National Representative:**
- 3. Background information:**

Major challenge(s) you wish that the PSF exercise addresses

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Key expectations from the PSF exercise

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Please provide your **feedback the latest by 1 May 2022** to Krzysztof KANIA krzysztof.kania@ec.europa.eu and Annamaria Zonno (Annamaria.ZONNO@ec.europa.eu).