

# Qualitative assessment of Policy Innovation Labs

## ESSRG/CEU Applied Policy Project

### Final Report

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## **Executive Summary**

The multi-stakeholder approach employed in the Contracts 2.0 project, and more specifically within WP4, is commendable for its attempt to bring together diverse stakeholders and lay down or reinforce the framework for science-policy interfaces in countries across the EU. However, the mid-term evaluation shows that there are certain challenges that prevents the labs from reaching their full potential.

Logistical constraints, irregular participation in meetings, and absence of key policymakers in some countries limit stakeholder involvement in the project. Additionally, PIL members often lack the communication, entrepreneurial and politico-legal expertise to mitigate these stakeholder engagement problems. Lastly, cross-PIL coordination and communication gaps prevent PILs from understanding these shared challenges and learning from each other's best practices.

At the same time, having policy champions among the authorities, building familiarity, trust and good networks with the policymakers is helps the labs with visibility, participation and getting their messages adopted. Some countries are also operating CILs and PILs simultaneously, which mitigates the impact of the lags in CILs' inputs. There is great potential for the PILs to learn from each other provided there is a more efficient communication.

We recommend bringing in a facilitator or coordinator to improve cross-PIL collaboration and increase both formal and informal exchanges. Stakeholder mapping exercise again to gauge the expectations of the policymakers and other stakeholders relevant to the contracts being produced to increase chances of their uptake and improve stakeholder engagement. Expert trainings or consultations could also help with the gaps in communication, policy and legal expertise that could greatly help the project going forward.

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## **1 Introduction**

The present report is based on research conducted as part of our Applied Policy Project at the Central European University to assess the usability and effectiveness of the Policy Innovation Lab (PIL) approach employed under the Contracts 2.0 project for organizing a science-policy interface. Commissioned by ESSRG in Hungary, the study aimed to identify the strengths and the weaknesses of the PIL approach both within the ESSRG and in the broader consortium, and provide insights into further improving the PIL approach

Following an initial literature review, we looked at three variations of the Policy Lab approach: the Northern Ireland Public Sector Innovation Lab (iLab), the Accelerator Labs at the United Nations Development Program (Global), and Nesta (UK). The review outlined the salient components of these labs and their adopted approaches. Based on this understanding of the variation in approaches to Policy or Public Sector Innovation Labs, we initiated our assessment of the PILs operating under the Work Package 4 (WP4) in the Contract 2.0 project.

The Contracts2.0 aims to improve the contractual design of public and private financed agri-environmental measures using Policy and Contract Innovation Labs (PILs and CILs) that employ a multi-actor approach. Our study is a process evaluation based on in-depth interviews with the leads of the PILs and CILs to assess the effectiveness of the multi-stakeholder partnerships in the PILs working towards this aim.

We conducted a process evaluation to monitor how well the PIL approach is working within Contracts 2.0, the extent to which they are being implemented as designed, and whether they are involving the necessary stakeholders to provide an early warning for any problems that may occur with achieving set targets. The evaluation was based on a review of project documents, process reports, and 8 virtual in-depth, semi-structured interviews and one written one with the PIL leads from the 9 Policy Innovation Labs in the consortium from the following countries: Belgium, Denmark, France, Germany, Hungary, Italy, the Netherlands, Spain, and the United Kingdom.

The report first presents the methodological framework and the criteria that can be used to assess the PILs. It then goes on to give an overview of the findings before delving into the shared challenges faced by the PILs as well as some of their individual practices that we highlight as potential learning points for the rest of the PILs. Finally, the reports provides a set of recommendations based on the challenges identified, which can help guide the way forward for the labs.

## **2 Methodology**

The interviews were conducted between April 15<sup>th</sup> and May 28<sup>th</sup>, 2021, following the dissemination of the interview guidelines among the participating labs. The questions asked

were general, applicable to all the innovation labs, but devised to make inferences about the likelihood of the PILs' progress, relevance and need, effectiveness, potential impact and sustainability within their respective contexts.

The list included one profile question (establishing the interviewee's role within the project, which additionally revealed some noticeable overlap between the Work Packages), and 11 research questions devised to gauge various aspects of the PILs' functioning. Four questions were context-specific, meant to understand variations between PILs in each country ("How does your PIL operate in your country's context? What makes your PIL unique and different from other PILs in Contracts2.0?"; "How does your country's administrative and political culture impact the outcomes of your PIL?"; "What do policymakers in your context expect from the PILs? What evidence do they think PILs are providing?"; and "How do the CILs and PILs differ from the current arrangement in the provision of environmental public goods?"). Two questions were formulated for stakeholder and participant analysis ("Who are the main participants in your PIL? What informed the selection of these participants? Are there any participants missing from your PIL that would greatly help it succeed?"; and "What are the functional relationships between the CILs and PILs and which areas of improvements can you suggest?"). The introductory question about the interviewee's understanding of the PILs' and project's objectives aimed to deduce what their understanding of the project's Theory of Change. Questions on the achievements, challenges, nature of scientific evidence and possible changes to project design ("If you could redesign the Contracts2.0 project, what would it look like? Would you still use PILs?") were then asked to see the effectiveness of the current approach in working towards the described objectives.

The information gathered from the interviews informs the overview of general observations, some common and individual challenges, and some of the practices undertaken by specific PILs that are worth highlighting. We have additionally managed to interview the leads from several Contract Innovation Labs (CILs). However, since the focus of our evaluation was aimed at WP4 and Policy Innovation Labs, the report does not adequately cover the functioning of the CILs, nor does it gauge their efficacy. At the same time, bearing in mind that the successful operation of PILs is in principle contingent upon the input provided by the CILs, we have observed that few countries, with the exception of the Netherlands, have finalized their CIL outputs, which should have served as an input for the PILs' operations. This poses a major challenge for our evaluation of the PILs, since both the full extent of their progress and efficacy could not be fully estimated at this stage of the project's development.

Ideally, the interviews should have been followed up with further interviews looking at select cases in depth and identifying the outliers or unique cases, however, given the time constraints that could not be done. While the data we have is not enough for a detailed assessment of the workings of individual PILs, based on our findings, we have developed an assessment criterion that can be utilized by the PILs for anticipatory impact monitoring.

## 2.1 Assessment Guidelines

Please rate your Policy or Contract Innovation Lab's performance across the following categories based on the indicators given (to be used for the assessment of each individual lab):

### Participation

Indicators	Rating			
Engagement of all relevant stakeholders in PILs/CILs	Marginal	Moderate	High	Very High
Involvement of policymakers in PIL	Marginal	Moderate	High	Very High
Level of influence of PIL participants at the administrative level	Marginal	Moderate	High	Very High
Level of cross-PIL engagement	Marginal	Moderate	High	Very High
Communication between CIL and PIL members	Marginal	Moderate	High	Very High

### Effectiveness

Indicators	Rating			
Development of transdisciplinary research outputs	Marginal	Moderate	High	Very High
Timeliness of the PIL outputs to the policy window (e.g. CAP cycle)	Marginal	Moderate	High	Very High
Contribution of PIL towards integrated knowledge base	Marginal	Moderate	High	Very High
Knowledge management within PIL	Marginal	Moderate	High	Very High
Knowledge management across PILs/ CILs	Marginal	Moderate	High	Very High

### Impact and Sustainability

Indicators	Rating			
Likelihood of uptake of novel contracts in your country	Marginal	Moderate	High	Very High
Willingness of policymakers to implement policies guided by the evidence PILs provide	Marginal	Moderate	High	Very High
Likelihood of farmers/pastoralists/CIL participants working collectively for provision of agri-environment public goods after end of project	Marginal	Moderate	High	Very High
Likelihood of PIL operating after the end of the project	Marginal	Moderate	High	Very High

## **3 Overview**

### **3.1 The setup of the CIL/PIL labs**

The process of establishing CILs and PILs has led to a variety of organizational arrangements that were justified by the disparate national contexts in which they were set up. In majority of the implementing countries, the same organizations coordinated both the CILs and PILs, making it easy to harmonize activities of the two labs. In fewer instances, different institutions manage the CILs and the PILs (either together or separately). In some instance, where the same institution managed both the CIL and PIL, the partners adopted 2 separate processes for the two labs with little interactions. In other cases, there are constant interactions between the CILs and PILs. In all scenarios, there core functions of the CILs remain to provide the input upon which the PIL members adopted the appropriate policy framework for agri-environmental schemes.

The lab leads had ample leeway and discretion in the selection of participants for both labs in all of the implementing countries. Importantly, most of the labs have succeeded in attracting major stakeholders needed for operation of both CILs and PILs. In some countries, researchers and scientific partners are mostly responsible for coordinating PILs and CILs, whereas in the others they are led by policy or practice-oriented organizations that work in a corresponding area.

### **3.2 Administrative coordination, general reporting and monitoring**

The project in its conception established major reporting milestones regarding the various Work Packages. It is however unclear what the administrative reporting scheme is for the activities of the PIL and CIL. The functional relationships between CILs and PILs were highlighted during the assessment, however the interviews revealed very little about how the administrative reporting and monitoring system in place to track activities of the labs. Aside from the Spanish PIL that explicitly mentioned a two-stage reporting between the PILs and CILs, the interviews revealed little about this. Even in the Spanish case, it is unclear what follow up mechanisms are in place to ensure that the interactions are continued after the PILs and CIL meetings are conducted. In instances where some reports were developed, they became internal documents that are not centrally coordinated at the WP level.-The presence of a robust reporting and monitoring scheme could make it easier for partners to register the major successes of the labs in all of the countries.

### **3.3 Evidence and indicators**

The Policy lab approach can generally produce various types of scientific evidence. However, we have noticed that there is more inclination towards qualitative evidence in most implementing countries. From the assessment, it appears there is a disconnect between the project implementation and the project proposal. The appropriate indicators are yet to be developed for the expected outcomes stated in the project proposal. This makes it cumbersome to monitor and quantify the successes of the project. In recounting the major success of the project, we observed a general difficulty to point out success that strictly

related to the expected outcomes in the proposal. Most of the project's achievements thus far are qualitative.

## **4 Challenges faced by PILs**

### **4.1 Cross-pill interaction**

One of the challenges that we have identified in the course of our evaluation relates to the low levels of coordination *across* the PILs themselves. This issue repeatedly appeared in practically all of the interviews, as most PIL leads showed little awareness of the contexts in which their counterparts operated in the other countries. This gap in coordination efforts points to a missed opportunity for PILs to engage more actively in sharing their experiences.

While all PILs are supposed to follow the same operational manual, a practical divergence from the blueprint is inevitable given the variety of disparate national and regional contexts in which these PILs operate. The existing arrangement of occasional cross-PIL meetings is severely limited, as it is confined to a 60-90-minute-long call attended by PIL leads only. Such a framework only allows for brief and succinct updates on behalf of each PIL lead and therefore misses out on important learning opportunities that could be had.

The administrative, political and economic diversity of national contexts engenders deviation in how PILs were established, especially their composition and relationship with CILs. This also means that certain challenges faced by one PIL would be equally pertinent for other PILs operating in a similar national setup, and, conversely, challenges encountered by a number of PILs (as well as the practical solutions thereto) might have little relevance to the remaining Labs. The issue of cross-PIL coordination equally applies to all PILs as it came up in the discussion with most leads.

### **4.2 CIL/PIL relationship and stakeholder engagement**

A similarly prevalent challenge is related to is functional relationship between CILs and PILs. The Covid-19 pandemic has proved to be a major obstacle for the whole Contracts 2.0 framework, as it has caused a departure from the initial project timeline for most PILs, which are still awaiting inputs from their respective CILs in order to begin their operations.

However, our evaluation shows that even if the CIL outputs have already been finalised, the operation of PILs in many countries would run into an additional challenge, where active engagement of certain groups of stakeholders has been a prominent problem. Despite the extensive list of stakeholders, there are nonetheless some missing participants in a number of implementing countries. In most cases, these are national, regional and/or municipal policymakers who either did not engage with the Lab at all or initially signalled some interest, but subsequently failed to participate in the meetings, leading to decreasing attendance rates over time and requiring an extra effort on the part of the PIL leads to reverse that. For instance, in the French PIL, only 2 out of 40 invites sent out initially confirmed their participation in a scheduled PIL meeting. Further calls and interactions eventually increased the number to about 20 participants.



The lack of involvement as well as irregular participation of such a crucial group of stakeholders will prove to be a sizeable challenge for many PILs (e.g. Denmark, Hungary) in the upcoming stages of Contracts 2.0. Some stakeholders share very little during PIL meetings, which the UK PIL leads attribute to the fewer engagements, offered to build familiarized groups that connected better. Additionally, some lab leads are overburdened with working on their individual PIL/CIL in addition to other professional obligations and therefore cannot dedicate much time to the project.

### **4.3 Stakeholder expectations and (mis)communication**

We have also observed that very few PILs registered explicit expectations that its stakeholders, most importantly policymakers, had towards the projects. In most cases, the primary source of motivation that compelled the policymakers to participate in PIL meetings was curiosity and open-mindedness towards novel approaches to policymaking. However, the lack of clarity with regard to the outcomes of the PILs might shift the cost-benefit analysis (how and what exactly do they gain from it) in the mind of the policymakers and could thus account for their low participation rates.

In fact, lack of expertise in various fields emerged as a recurring challenge based on our interviews. Communication across different levels such as between the scientists and policymakers, farmers and the PIL researchers, and within the PILs was one of the key challenges brought up by almost every lab. The issues ranged from language barriers to difficulties with conveying key messages given the technical language and jargon, and lack of willingness to share information and freely voice opinions limiting effective participation in meetings.

### **4.4 Regulatory obstacles**

Another common issue first brought up during our interview with the Belgian PIL was a lack of understanding of legal “bottlenecks” that are imposed by the domestic legislation, regulations as well as the Common Agricultural Policy (CAP) in realization of effective environmental schemes. An additional challenge, identified by the UK PIL but also pertinent to the others, was lack of expertise in policy entrepreneurship and lobbying, which results in failure to recognize windows of opportunity and correct reading of the policy landscape. This is especially salient given the disconnect between the policymakers and the PILs that was found to be a major challenge in some countries.

### **4.5 Resource mobilization and logistics**

Resource mobilization and utilization have also emerged as a challenge in some PILs. In Italy, communication gaps between the farmers and the PIL have resulted in low uptake or even complete rejection of some of the measures related to conservation of biodiversity such as the Rural Development Program. As a result, the funding allocated for that purpose has not been fully utilized. The reverse is a problem we saw in the Spanish context. While there was

an openness to adapt the proposed measures among the policymakers, they did not have the resources or technical experts for the implementation of the program.

Logistical constraints on the project have become especially salient in the context of coordinating CILs and PILs. The location of some CILs provides a challenge for the project team and sometimes policymakers. In Denmark, the distance between the CIL and PIL is about a day's journey, hence a difficulty in connecting the PILs and the CILs. The German PIL has also experienced a similar constraint where coordinators travelled at least 6 hours northwards to attend a PIL meeting. The Covid-19 pandemic reduced the significance of the physical distance, thereby leading to a higher participation in PILs (as many policymakers are already experienced in this). However, at the same time, because of the move online, the participation rates of the German CIL have drastically reduced.

## **5 Instructive PIL practices**

### **5.1 Curating Policy Champions**

We found a generally low level of participation from policymakers across the PILs assessed, however, in some context the PILs are managing the challenge through solid partners. The importance of personal and professional connections to policymakers cannot be overemphasized. Recognizing that as scientists and researchers, many PILs leads have a difficulty in engaging the policymakers with the right influence for the needed impacts for the project.

Some PILs have successfully managed to resolve this predicament. In Spain, the PIL has benefited immensely from the connections that a PIL member has with many policymakers in Madrid. The member's involvement in the project elicits participation from Spanish policymakers due to their shared personal history of collaboration. The French PIL has similarly benefited from the positions occupied by some of its members and the attendant connections with policymakers. We have found that their familiarity and relationships with certain actors affected the quality of interactions within the PIL and CIL.

The PIL in Spain seems to have formed some clear expectations on the part of policymakers from the outset of the project, which has led to the latter's more active and meaningful involvement in the process. In the Spanish and Belgian case, the labs have already built some level of trust with policymakers, although some technical constraints on participation still persist. Additionally, in Denmark, the first PIL meeting coordinated by the Ministry inspired much higher participation rates compared to the subsequent ones organized by the PIL leads.

In countries where practice partners lead the PILs, we have observed a good relationship with policymakers. In the UK, Natural England's prior involvement with DEFRA projects provides the needed trust and connection to involve relevant policymakers in the project. In Germany, where the DBV is heavily involved with farmer organisations and key policymaking, we have observed an effortless engagement with policymakers.

## **5.2 Collaborative initiatives**

The PILs and CILs currently have the opportunity to learn from the experiences from other countries. This provides an important advantage to some partners to formulate suitable agri-environmental schemes taking into account what worked better in other countries. For instance, the collective approach fully operational in the Netherlands provides a good opportunity for the German PIL, and to an extent the UK PIL, to adapt best practices from the Dutch case. We have been apprised of the plans for a cross PIL/CIL meeting between the Dutch and UK PIL once Covid-19 restrictions have been lifted. Such interactions should be encouraged and developed further.

## **5.3 Performance indicators**

In addition to bridging the gap between the farmers and policymakers, it is important to outline a set of performance indicators that the practitioner/farmers can reference throughout the project duration to keep confidence in the approach. The Spanish PIL is currently in the process of developing scientific indicators to frame the results regarding the Rural Development program and the Dream contracts.

## **5.4 Organizational flexibility**

The organizational and administrative leeway enjoyed by the project partners is a commendable practice. With this flexibility, some countries have started deviating from the blueprint laid out in the project proposal, for example by attempting to synthesize or at least operate CILs/PILs simultaneously (instead of the clearly sequential model found in the proposal), which could be highlighted as a creative step around the challenge of slow progression of the CILs.

This approach affords members of the PILs insights to assess the feasibility of some of the ideas being discussed at the CILs, build trust amongst the stakeholders and reduce the information asymmetry. The approach appear to be effective and should be encouraged while maintaining the originality coming from the CILs.

Corresponds to one of the learning points inferred from the Northern Irish Policy Innovation Lab referenced in our literature review:

*"The absence of a pre-determined structure, vision and targets transpired to be more advantageous, as it allowed the Lab to enjoy some flexibility in devising its methodology. The trial-and-error experience allowed iLab to experiment and learn by doing."*

## **5.5 Practices outside Contracts 2.0:**

Further relevant learning points could be gather from outside of the Contract 2.0 framework. As it was mentioned in the prior literature review, there are several prominent Policy lab analogues that have been piloted, tested and established on a regular basis in Europe and the US. A particularly instructive case study would be the UK Policy lab called Nesta, which has published numerous reports and papers on the functionality of Policy Innovation Lab.

The following resource materials are available for further insights into Policy Innovation Labs:

- Nesta, (2010) Practical guide: Using social challenge prizes to support people-powered innovation -Based on lessons from the Big Green Challenge;
- Nesta (2019) Compendium of innovation methods;
- Nesta, (2016) How to set up a Parks Foundation;
- Puttick R., (2014) Innovation Labs and Teams: A practical guide, Nesta Innovation Skills team;
- Puttick, R. and Ludlow, J. (2012) 'Standards of Evidence for Impact Investing,' London: Nesta

Since most of the PILs engaged indicated a willingness to keep the approach active beyond the project cycle, perhaps the ultimate learning point would be institutionalizing these labs into an organisation of Nesta's calibre. The multi-stakeholder PIL approach is likely to become more and more widespread and recognised in the policymaking world, as such, this project could become the foundation for that in the implementing countries.

## **6 Recommendations**

### **6.1 Coordination**

Given the commonalities of most challenges, and presence of existing approaches to solve those, there is a need to improve cross-PIL coordination and exchanges. We found that the WP coordinators and many PIL members are working on a lot of activities at once. Therefore, we recommend dedicating a position solely responsible for coordinating the overall implementation and monitoring of PIL/CILs. Additionally, with the diversity of the labs in the implementing countries, it will be useful to adopt standardized reporting and tracking approach as well as develop a communication platform (e.g. an intranet) to further facilitate the coordination of the work packages

### **6.2 Stakeholder Engagement**

At this stage of the project, it would be beneficial to conduct another stakeholder analysis that holistically looks at the current participants in both the PILs and CILs to see who can still be invited to be a part of the community of interest for better engagement of all stakeholders. In the course of the mapping exercise, partners should clarify in clear terms the expectations of all the key stakeholders to ensure active participation in the future.

Moreover, giving more roles to policymakers in the project or involving them more in the design would encourage better participation. As one PIL lead stated, *"It is always good to have people whose heart are in the project or are pivotal to the project."* Facilitating and

encouraging CIL-PIL participants' interactions and creating opportunities to sustain the interactions beyond PIL meetings would also be vital.

### **6.3 Bridging Gaps in Expertise**

As there is a need for learning more about improving communication with CILs, participants' engagement and exchanging of ideas, trainings could be organized for PIL members on technical communication to facilitate dialogue between the politicians, the scientists and the farmers and mediate effectively to balance the disparate interests of the groups.

Many of the labs also agreed that having a Work Package or alternatively consultants on navigating the administrative and legal contexts in their respective countries could also greatly benefit the PILs. This would help them devise the activities of the PILs and CILs and provide science advice that is in line with the constraints of the administrative and legal systems they operate in, as well as identify windows of opportunity for influencing agenda setting and policy formulation. A possible source of funding these trainings or consultations could be the existing funds that are not being utilized due to Covid-19 or lack of uptake of certain agro-biodiversity management measures.

## Annex 1: Interview guide

The CEU-ESSRG Applied Policy Project aims to conduct a midterm assessment of the work of the Policy Innovation Labs in the Contracts 2.0 Project to evaluate the effectiveness of the PIL methodology. The following list of interview questions is meant to inform the process evaluation and the development of an assessment criteria that can be used to reflect on the PIL process by the Labs in the future.

1.	What do you do as part of the Contracts2.0 project?
2.	What are your goals within the Contracts2.0 project?
3.	Who are the main participants in your PIL? What informed the selection of these participants? Are there any participants missing from your PIL that would greatly help it succeed?
4.	How does your PIL operate in your country's context? What makes your PIL unique and different from other PILs in Contracts2.0?
5.	How does your country's administrative and political culture impact the outcomes of your PIL?
6.	What do policymakers in your context expect from the PILs? What evidence do they think PILs are providing?
7.	What is 'scientific evidence' for you? How is it used in your PIL?
8.	Currently, what do you consider as the "biggest" achievement of your PIL relative to the overall objective of the Contracts2.0 project?
9.	What challenges have you identified regarding your PIL approach? What other external challenges impact the PIL?
10.	What are the functional relationships between the CILs and PILs and which areas of improvements can you suggest?
11.	How do the CILs and PILs differ from the current arrangement in the provision of environmental public goods?
12.	If you could redesign the Contracts2.0 project, what would it look like? Would you still use PILs?