

Subject: Referee report on the 2nd Interim Report of the Ipn Audit
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For: prof. Moravcová
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General observations

1. The 2nd Interim Report (IR) contains plenty of valuable insight and information and analysis. Throughout the report there are occasional but minor omissions or simplifications. Some more serious omissions or unclear parts are highlighted below.
2. Overall, the insight on the Czech R&D system is much deeper and much more comprehensive than the one presented in the 1st IR or indeed than that presented in any of the existing (strategic) documents and analyses produced by the Czech R&D&I system in the last twenty years. What seems to be the weaker part is an insight on why the recent system reform(s) failed or did not bring the desired results. Secondly, the international experience described is useful, but what needs to be explored further is the issue of whether foreign practices and approaches would work equally well in the Czech environment. Recommendations are still rather general and many of them cannot be used as a secure guidance to start rebuilding or fixing the R&D system.
3. Overall, I approve the second IR and my comments and reservations are meant to mainly guide the efforts (of both minor revisions of the 2nd IR and of drafting the final report) towards usable and implementable recommendations.

R&D Governance in the Czech Republic

4. As concerns the key components (budgeting, evaluation, priorities setting) of the current R&D Governance, I suggest that the underlying processes (proposing, commenting, consulting, approving parties) are more explicitly presented also in the form of structured tables or charts. It would support better understanding of the bottlenecks or of unusual arrangements and points where agenda setting power concentrates or the system degenerates or is delayed, stopped or misguided.
5. On the retrospective side, the IR refers to the failure of research intentions (vyzkumne zamery - VZ) process. In the same time at other places of the IR transitions to a similar general approaches are proposed. The widespread, but not consensual, aversion to peer-review based methods of R&D evaluations in the CR comes from plentiful negative experience with the function of such systems in the past, not only in the sphere of R&D. In other words, in the CR, peer-review based systems repeatedly tend to degenerate once they are implemented. In my opinion it is due to lack of real expertise and foreign experience when designing and implementing such systems and little attention is paid to really functioning system of checks and safeguards. 'Playing the game' is deeply rooted in the society as it was widespread type of behavior during central planning at all societal and economic levels. Such behavior is still not viewed as a moral problem. Therefore, I would expect that great attention in the final report (which will presumably develop the recommendations further) is devoted to stress the essential rules guaranteeing proper functioning of peer-review based methods of evaluation. Moreover, I recommend that the team devotes

attention to identify key mistakes in the design or implementation of VZ which led to the failure of the whole process and also provides opinions on the ongoing peer-review based evaluation run at the Academy.

6. The description and insight provided on the real functioning of the relationship between R&D&I Council, the Committee for Evaluation (KHV) and Expert committees (OK) is given relatively low attention. In fact, based on my personal experience, I see many serious deficiencies there which complicate the policy formation process, while formally externally observed many processes seem to be well established.
7. In particular, relatively little attention is given to the almost absent analytical support of Expert committees (OK) and of the Evaluation committee (KHV). It should be noted that both KHV and OK were assigned (in the Fall2010) the huge task of preparing draft / concept of Methodology 2012 for the R&D&I Council but were left w/o any analytical or other support because no resources had been allocated for this effort by the Council (or government). It should be noted that M2012 will strongly affect the R&D system till at least 2015-2016. At the same time, since October 2010, the TCAV provides analytical and other expert services directly to the Secretariat and this analytical agenda (schedule) was not, until very recently, coordinated with the work of OKs and KHV. The time remaining for the KHV (with the assistance of OKs) to draft M2012 is quite short to use any outputs of the TCAV project while in the meantime the TCAV will be delivering numerous materials (according to a schedule) which will likely be used by the secretariat to steer the system in the future. The TCAV already produced several important analytical reports, one of them evaluating recent reforms. However, they are more or less useless for the current effort of OK and KHV. As a member of both OK SHV and KHV I also formally expressed several reservations about quality and opinions presented by those studies. These studies (and purpose of those planned to be submitted during next year or so) are not mentioned or assessed by the IR despite that these studies are intended to provide key background according to which the Council will shape the National Policy in R&D for years to come.
8. Not enough attention is paid to the process of research outputs verification entering the evaluation, points assignments and financial allocation at the very end (whether they fulfill definition of a research output as described by the Methodology) and its serious deficiencies. In this respect I remind that the OK SHV (social a human sciences) submitted detailed reports to the Council summarizing its experience from two waves of outputs verifications (run in summers of 2008 and 2010).
9. The IR points to a system problem that individual ministries are in charge of self-evaluation of its own R&D results (those reported by institutions a ministry is providing funding to). However, it is not clear from the IR how costly / cheap is the incumbent process of verifications and evaluations of research outputs at the central level (Council, OK, KHV, secretariat) and how much is really spent on this. My own experience is that great deal of proposals from the OK to the Secretary or the Board of the Council made during last couple of years to increase the administrative and other support to the process of **verifications** (if not evaluations) failed or were explicitly rejected on the grounds that the Council does not have funding available (on the order of a couple millions of Crowns to secure such a support) (not mentioning peer-review **evaluation** of currently binary valued outputs like monographs, Jneimp and Jrec) properly (fully – visually, all research outputs

submitted and not checked by external authorities like the WoS, transparently, preventing conflict of interests of evaluators, by field experts).

10. The nature of the process of internal and external formal consulting of the R&D&I Council (i.e., the process of answering and addressing detailed comments made by various formal stakeholders on the Council's proposals) is not sufficiently captured in the IR (including agenda setting process). In particular, the fact that the Council's materials are kept secret until advanced stages of the agenda chain. Similarly, according to statuses of OKs (being modified now), the expert committees (OK) and its members have been forbidden to even discuss the expert agenda with non-members of OK, i.e. the academic community. All documents of OKs have been kept secret available only to Council and its secretariat. Is there any other country in the EU doing the same?
11. Another aspect not captured in the report is the extent of expertise requested by the Council from OKs and KHV and the degree to which the Council is reflecting (willing to accept) proposals and recommendations from its advisory bodies. Based on my own experience as a chair of OK SHV, both explicit requests and their reflections have been rather rare. The rare explicit requests of the Council to OKs are usually very general and concrete feedbacks (proposals) to the Council (through the secretariat and / or Council's board) are frequently rejected as not implementable, administratively not doable, or not consensually accepted at the Council. The actual contribution of OKs and KHV also correlates with available workload of OK and KHV members, who have full jobs at their own academic institutions, just symbolic honoraria for their work in expert bodies and even reimbursement of trips to meetings being very burdensome agenda.
12. For the team, it would be very informative about the real functioning of the internal formal consulting scheme (vnitrni pripominkove rizeni Rady) to explore in detail typical examples of written outcomes and resulting proposals (vyporadani pripominkove rizeni) submitted to the Council. For example, the case of Metodika 2010 debated and approved in 2010, or the most recent "vyporadani" of proposed fixes to the Metodika 2010 (to constitute Metodika 2011) from February.
13. The IR very properly points to very problematic systemic feature that each ministry evaluates itself.
14. On pp. 43, table 4, it seems that at least in case of the OK SHV, the number of meetings are under-reported. I do not know counts of other OKs.
15. The process of how the GACR makes aggregate evaluation of outcomes of projects it is funding (publications, citations, etc.) is not sufficiently described.
16. It should be noted that there is still no national citation index which would monitor (and help in the evaluation of) the flow of research findings (citations) in the sphere of human sciences which are to a large degree limited to the domestic research space.
17. It should be noted that a new approach to define research institutions eligible for institutional funding in the CR has been designed and proposed/approved by the R&D&I board very recently.

As concerns Recommendations:

18. The recommendation to build upon and develop a systems *to support and enforce the positive phenomena of change* is rather vague and not concrete enough to be implemented in intended shape and functionality.
19. It is being proposed that some important duties / activities / tasks of the current R&D&I Council are removed from its jurisdiction but it is not clear which body should take over those duties and how.
20. The recommendation to more clearly define the role and position of the TA CR in the R&D system also deserves more explicit outline.
21. The recommendation *to ensure the development of a common evaluation methodology that looks beyond R&D outputs ... and focuses on the outcomes and impact of projects, etc.* is well taken. However, evaluation of outcomes etc. is even much more complicated task than evaluation of outputs.
22. Easy to say, difficult to implement even in the UK, especially more so in a country like the CR with such a negative experience with peer-reviews based approaches.
23. The critique of the *overly mechanistic practices* in evaluations is well taken. However, no clear alternative is proposed, which would convince skeptic local academic community that it would function well.
24. The use of pilot studies of various approaches is documented from abroad (UK). What should be recommended in this respect in the case of the CR?

Institutional funding and Research evaluation in the CR and abroad

25. It should be also noted that the Methodology 2010 was different from all its previous versions in that it contains a chapter on funds allocation (unclear) and division of budget into 10 field groups.
26. The international evidence on the behavioral reflection of the evaluation and funding rules can be accompanied by the evidence for the CR provided by the complete data of the R&D Evaluation 2009 and 2010. The inflation of easy to produce and poorly monitored types of outputs could be easily documented.
27. Reviews of foreign funding systems provide relatively detailed overviews of the principles guiding funding of both educational and of R&D components of activities at institutions of tertiary education (primarily universities, but also other types of educational institutions). On the other hand, the IR devotes very little attention to the principles of funding tertiary institutions in the CR as a whole, i.e. including both R&D and educational component. Yes, those two streams of funding in the CR seem to be isolated when viewed according to formal processes, but in reality there are many common or overlapping issues. Moreover, the huge expansion of enrolment into tertiary institutions during the last decade in the CR (and some expansion of educational funding) has to be taken into account when considering the R&D funding stream, which is (contrary to the Academy of Sciences) a relatively minor part of overall funding of universities.

28. The rather detailed description of funding principles for teaching activities abroad does not distinguish much whether and how indicators affect the per-student amount of the subsidy or student quota.
29. According to the recently submitted agenda to February meeting of the Council prepared by the TCAV, the preparation of new priorities of applied research should follow a different process than the one adopted in the past 2-3 years. The new process has been designed based on “bad experience with the past approach.” The whole process should proceed very fast and soon result in new priorities proposed and approved. Is this proposed process going to be evaluated by this Audit project and is it expected that the agenda will reflect on some findings or recommendations of the audit?
30. In the CR, some funding titles officially considered as competitive funding are sometimes considered to be effectively rather pre-determined quasi-institutional funding titles. This might also become more common practice in the future to secure funding for new OP funded infrastructures to ensure their medium and long term sustainability. This should be considered too.
31. On p. 26: It is not clear what it means to follow the “Austrian way” of not using any field specific indicators at all.
32. It is not clear why specific evaluation approaches should be used to evaluate outputs of different organization types (pp.36). Does it matter for the outcome what type of organization has created the output? It matters for funding but why for outputs?
33. Environmental and agricultural research are mentioned as types of applied research outcomes, which serve the society (i.e., have a public-good character). If anything is close to a public good, it is applied output of humanities (e.g., Czech grammar rules). This should be noted on pp. 36 in the bottom section.
34. The review of foreign practices (Netherlands, Austria, UK) should be accompanied by a critical assessment of whether some of those practices would be applicable and would work in the Czech environment. For example, would the Dutch system of self-evaluation work effectively in the CR? In other parts of the IR, it is being stressed that self-evaluation is not good practice. The Dutch system of external assessment seems similar to the VZ Czech failed approach (pp.39). What makes it work in the Netherlands and why would it not work in the CR? Is there some difference in the reviewer nomination processes?
35. In table 18 it is not clear what is considered as a unit of *research activity*. It has to be something countable since it is expressed in terms of percent shares, right?
36. On p.65: Why did Austria abandon its old system of evaluation and funding? In case of the new Austrian system of funding, it would be useful to give an example of the performance contract instead of general description. It is not clear whether the content of the contract is an outcome of competitive bidding by universities or just an outcome of bilateral bargaining between the ministry and school. If the later is true, wouldn't it be very dangerous for the CR given its past rich negative

experience to implement such a system? The current system of university funding (student's indicators) seems to be much more advanced and at the same time more transparent than the new Austrian one. This issue is not tackled in the IR yet. What about specific research funding title for universities in the CR?

37. Overall, the foreign experience, which differs from the Czech practice, is interesting. But intuitively the actual detailed implementation (which is not described by the IR) seems to be crucial for the actual functionality. Implementation in the CR based on such a simple overview would very likely degenerate into another dysfunctional system. More attention has to be paid to describe the key safeguard elements (checks and balances).
38. Block-grant funding for more than one year (3) requires arrangements at the higher levels of state budget composition. The budget in the CR is being prepared on annual basis. There are medium term outlooks (for 2-3 years) but these outlooks are weakly binding as history proved repeatedly. In other words, the current budgeting system does not allow the government to commit to more than one year funding.

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