Enhancing strategic decision-making in the EC with the help of Strategic Foresight

1. Strategic Foresight is needed to improve the quality of decision-making

In a fast changing world, strategic decision making is key to tackling societal challenges and improving Europe’s economic performance. Disruptive events, such as the financial crisis, human or animal epidemics, transformational technological breakthroughs or geopolitical interference with energy or resource security, can rapidly change the assumptions upon which planning has been constructed. Such disruptive events are regularly anticipated and stakeholders regularly prepare responses to them but up to now this process has rarely if ever been engaged with in advance of events, leaving policy responses to be largely reactive and constrained by decisions already made. The long timescales often involved in bringing research and innovation to economic and social fruition mean that all decisions involve assumptions about the future but few of these are made explicit or publicly tested.

Strategic Foresight aims at systematically and transparently connecting the anticipation of uncertain future developments in society, economy, science and technology (including their consequent risks and opportunities) to policy strategy development and implementation. It allows enhancement of the forward-looking qualities of decision-making, but this approach can only be as effective as the strategy processes in which it is embedded. Therefore, it is first of all imperative to establish a systematic and open process of developing strategy, and to conduct it on a regular basis (“rolling process”). Foresight is thus ‘strategic’ in the sense that it is geared towards feeding systematically into strategy development processes.
In order to use Strategic Foresight effectively in EC decision making, it is instructive to take into account key success factors derived from international experiences (for further details see background note):

- It is essential to give full support to Strategic Foresight from the top-level of decision-making, in order to ensure that it is given the necessary importance throughout an organisation. Currently, since the changes in profiles of Forward Studies Unit/BEPA and JRC-IPTS, the EC no longer has a dedicated centre of future-oriented strategic thinking that is tied to top-level decision-making.

- Strategic Foresight must be tightly connected to systematic processes of strategy building and prioritisation, in order to make sure that it can be effective by responding to policy needs. The EC funds several foresight projects, but their results find their way into decision-making often by coincidence only. Some isolated strategic initiatives and coordination mechanisms are more advanced in using FLAs systematically (e.g. SCAR).

- Building a foresight culture is necessary for making Strategic Foresight effective in an organisation. In the EC, networking and collaboration across the boundaries of DGs is not very common. As most Grand Challenges span the boundaries of sectoral and cross-cutting DGs and their national or regional equivalents a mechanism is needed for the articulation of a common vision of the future. Recent experiences in Member States (e.g. in Finland, Sweden or the UK) and internationally (e.g. Brazil) point to the effectiveness of a hub-network model for infusing a foresight culture in an organisation, which can draw at the same time on a central resource.

**2. Strategic Foresight and the Framework Programme for Research and Innovation**

The Framework Programme is the most important strategic initiative of the EC in the field of research and innovation policy. Its main orientation and content is shaped in the preparatory phase. Here Strategic Foresight could make the biggest difference. The subsequent official decision-making process on the framework programme between Commission, Parliament and Council is highly political in nature, but has revealed to be less influential in shaping its substance in the past, other than adding specific national and regional priorities.

Horizon 2020 has been largely defined by now, but there is window of opportunity in the next years to design a better process of preparing ‘Horizon 2030’, to be forward-looking, strategic and rolling in nature and draw on a network of strategists within the Commission as well as on external stakeholders and experts.

In the meantime, the annual work programmes of Horizon 2020 offer the opportunity to respond flexibly to newly emerging challenges and opportunities. The process of preparing the work programmes can still be shaped in the case of Horizon 2020, with the support of EFFLA.

**3. Recommendations**
1. **Optimise the process of preparing the Commission’s proposal for a future framework programme to be a process that draws systematically on inputs from Strategic Foresight. This needs to be done in the course of the next three years (i.e. in good time before the launch of the preparations of ‘Horizon 2030’).**

Well in advance of the next FP, a new consultation process model must be developed and put in place to prepare the EC’s initial proposal for the next framework programme ‘Horizon 2030’. It should pioneer the systematic use of Strategic Foresight, as a means to connect forward-looking intelligence to a transparent rolling process of strategy development. In order to support the process, preparatory studies and exercises, including large-scale consultation processes should be implemented in a timely manner to feed directly into the strategy development process. Systematic involvement of stakeholders will help ensure ownership of the entire programme, which can hardly be achieved by just a responsive mode of commenting on a proposal prepared internally to the EC.

With regard to the annual updates of Horizon 2020 work programmes, EFFLA recommends that the cycles of Strategic Foresight activities are designed to fit it.

2. **Set up a dedicated Strategic Foresight Unit or hub in DG Research and Innovation, in order to lead and coordinate the Strategic Foresight actions and embed them properly in the new strategy development process leading to the next proposal of the framework programme (to be regarded as a pilot for other strategy development processes).**

In order to support the Strategic Foresight process associated to the preparation of the framework programme, but also to facilitate its subsequent implementation, a Strategic Foresight Unit needs to be established within the EC, preferably close to the Commissioner for Research and Innovation. As main hub, it shall support a network of strategic advisers across DGs in establishing and streamlining the strategy and prioritisation processes in the preparation phase. This network is also a means to support and nurture a forward-looking culture in the EC.

The Strategic Foresight Unit should also liaise closely with Member States’ foresight and horizon scanning activities in order to tap the foresight resources available elsewhere, complementary to the internal intelligence available from JRC-IPTS, BEPA and others units. Apart from the key internal role the Strategic Foresight Unit is supposed to play, it can help mediate between EC, Parliament and Council (and their respective future intelligence units) to help define main priorities in the preparatory stage of the framework programme.

For the Strategic Foresight Unit to fulfil its mediating task between foresighters, decision-makers and stakeholders, it needs to be endowed with excellent communication skills to ensure a proper embedding of Strategic Foresight in decision-making. It will also be helpful for training in Foresight to be provided for EC, Parliament and Council staff. This training, delivered at a senior level, would start to create a shared context for policy discussions. Similar initiatives could also be envisaged in the Member States.

3. **EFFLA recommends two enabling activities to be initiated in the short term. The first is preparing regular scans of the future starting now, in order to establish a rolling process of**


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**adjusting the annual work programmes of Horizon 2020 in a forward-looking manner. The second is the institution of a programme of Strategic Foresight training for EC staff.**

While the establishment of a new preparation process model for the framework programme, as well as the creation of an effective Strategic Foresight hub and network will take some time, the implementation of Horizon 2020 should already pioneer a more systematic use of Strategic Foresight for the annual work programmes.

In particular, foresight will help make the Horizon 2020 more flexible and adaptive by scanning regularly for new developments that should be taken into account. If this function is taken seriously, it is likely to lead the identification of major gaps and opportunities in the thematic portfolio of Horizon 2020 as well as helping more routine adjustments to be made in the light of emerging circumstances. Initial work for EFFLA has discovered that very few Member States have access to a publicly available and supported horizon scanning database: the provision of this and associated training would provide immediate benefit to Member States.

Following the concept of “open data”, EFFLA recommends that foresight information compiled for EU strategy development is made available as such to enterprises, universities and research organisations for their internal strategy processes.