

Expert meeting on funding: Funding, Sustainability and Research Priorities

Finland, Helsinki, 7-9 Dec. 2009

Introduction

Funding mechanisms are of growing importance in forming education outcomes in tertiary education. Outcome in terms of quality, efficiency and innovations belong to the most important ones. Performance based measures are critical in attracting funding and fostering excellent performances need sustainable funding mechanisms to become credible.

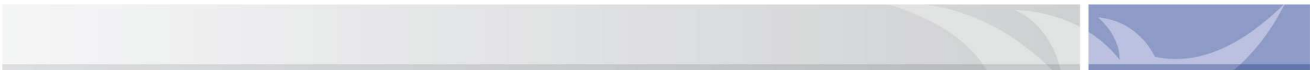
Demand for tertiary education has increased dramatically in recent decades, when at the same time public revenue available to tertiary education declines. It is evident that the public sector will not be able to fund research in the tertiary sector. Especially the UAS need to find new sources and mechanisms that increase the revenues from research & development and innovation activities. Since innovation is considered as a major driver for the economy, especially when it leads to increasing productivity, the factors that lead to innovation are also a critical part of the funding mechanisms. This implies that there is a need for both *facilitators of funding (intermediators)* to TE-institutions and a balance between input- and output-based funding. Performance based funding has the potential to improve institutions' efficiency, but they also have undesired effects, such as the temptation to lower quality standards and to set output goals that are easily attainable.

The end-user aspect, ideas applied successfully in practice, might be a good starting point when one tries to attract funding and design funding mechanisms. The two key words in funding and research priorities might therefore be *innovation* (e.g. ideas and processes that already implemented) and *utility-driven research* (in contrast to curiosity-driven research). One example is the emerging *Living-Lab* approach to research. An UAS should perceive research as an investment in knowledge generating processes to redirect resources between using knowledge today and creating knowledge for the future (research).

In the UAS, like in other labor intensive industries, costs per student tend to rise faster than unit costs in the general economy. This happens because the application of technology tends to increase the quality of the product, or the comfort for the producer, instead of lowering cost of production (providing education). The funding mechanisms ought to be tailored in such a way that productivity in tertiary education institution is increased. Therefore, the *incentive aspects* on funding are important. Examples of this are Innovation Development funds, Partnership for Excellence, Business Link funds etc.

There is an almost absolute need for funding mechanisms that increase cost-sharing, different forms of partnership arrangements. It is therefore crucial that funding mechanisms are design to link together education, professional practice and applied research. *Sustainable funding* can be seen as a way to balance all three basic missions of an UAS and to ensure that funding mechanisms, as such, create incentives for non-myopic institutional behavior.

This expert meeting focuses on the **sustainable approach to funding** at and by UAS so that their role as regional knowledge creating institutions is indisputable and in that way "attracts" funding. The next step is to link sustainable funding to research priorities.



Programme (preliminary)**7 December**

Morning Fly-in

12:30-13.30 Lunch

13.30-15.00 Study visit/ presentation on site (Arcada UAS)

Funding in a small Finnish, Swedish speaking University of Applied Sciences. Cases of Research Projects and funding.

15.00-17.30 Concept formation of sustainable funding

Consensus should be made as to how we define **sustainable funding** in connection to applied research? What do we understand as sustainable funding? Which core words are used when talking about sustainability in funding applied research? Are definitions national or European/international?

Key words: Definition, investment in applied research, innovation, funding

19.30- Dinner

8 December09.00-11.30 Public Research Funding at UAS

Public funding of Private Institutions: Which are the key contractual issues, formula based funding criteria? Impact of funding on UAS behavior? Funding of investments in research infrastructure, how should the costs be shared? Which is the role of intermediate funding agencies, investment guidance statements?

Key words: public funding, funding contracts, intermediation

11.30-12.15 Transport/walk to Haaga-Helia UAS

12.15-14.30 Study visit (included Lunch): Living Labs and Funding: Case study

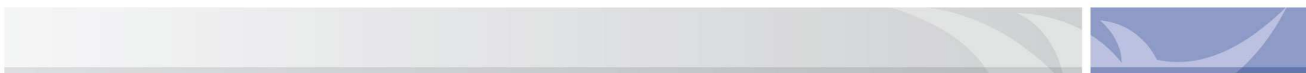
14.30-15.15 Transport/walk to Arcada

15.15-17.30 Private Research Funding and the stakeholders/users of UAS' output

Sustainable funding mechanisms at UAS should reflect users' needs for results and innovations. How to ensure long term funding contracts with private companies and organizations? How does funding agreements bring added value to end-users? How about commercialized research services provided by the UAS?

Key words: fundraising, users' expectations, quality, partnerships

19.30- Dinner



9 December

- 09.00-09.30 Definition of workshops based on the discussions the day before
- 09.30-11.30 Working in the workshops
- 11.30-12.00 Workshops' conclusions and recommendations for the next meeting in 2010
- 12.00-13.00 Lunch and departure

