

# Organizing the Receipt and Review of Innovation Fund Proposals Lessons from Chile

**WB HE Innovation Fund Workshop  
Maputo, Mozambique, October 11-13, 2005**

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- **Framework**
- **Organization**
- **Basic principles**
- **Proposals and contracts**
- **Level of funding**
- **Evaluation principles and issues**
- **Some critical issues**

## PROGRAM MECESUP 2 FRAMEWORK. MAIN GOALS

**Quality improvement will be built on Program MECESUP's and institutional and program accreditation results, and structural weaknesses of the TE system still in place:**

- **More equity in the access to quality**
- **Academic staff renewal at Ph.D. level**
- **Undergraduate curricula redesign**
- **Academic innovation**
- **More advanced human capital for R&D&I capacity**
- **More management capacity**
- **Quality assurance at all levels**

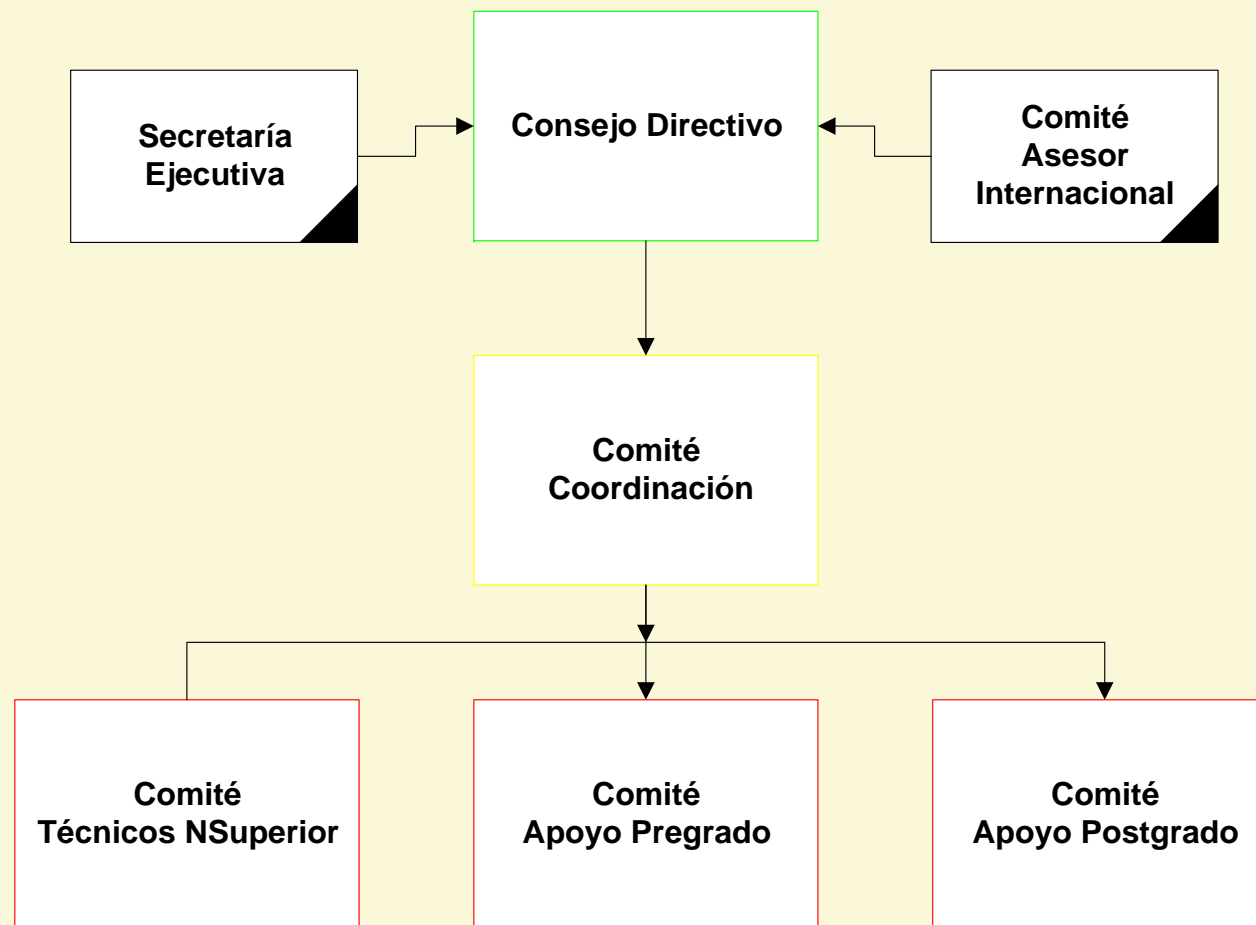
## PROGRAM MECESUP 2 FRAMEWORK. CHANGE IN FOCUS

- **Resolve persistent structural weaknesses**
- **Focus in results of academic innovation (output)**
- **Less dispersion. More specialization and concentration**
- **In addition to landmarks, results with national impact**
- **Better management capacity. Coherence, efficiency, effectiveness and quality**
- **Increased accountability of public funds allocated to TE. Monitoring and evaluation of performance with appropriate indicators**

## INNOVATIVE FUND FRAMEWORK. ELEGIBILITY REQUIREMENTS

- **Strategic Planning Exercise.** Institutions will have to include performance-based indicators and increased M&E
- **Elegibility for Doctoral programs and Teacher´s Training** will be opened to all accredited universities. Challenge for CRUCh universities
- **Participation in Fund** will require institutional and program (in process) accreditation.
- **Only cash counterpart required for operational costs.** In kind, for viability

# INNOVATION FUND IN CHILE ORGANIZATION



## INNOVATIVE FUND BASIC PRINCIPLES

- **Equal opportunity** to all eligible institutions
- **Accountability.** Follow-up 4 years after end of project!
- **Transparency** of principles, information and procedures
- **Transparency in Fund's public competition calls.** Advanced materials and guidelines. Eligibility. Seminars to discuss objectives and proposal preparation. Official press releases. Internet web page
- **Transparency in Fund's evaluation processes.** Information on Governing Council, Committee members, and external peer reviewers. Operational Manual
- **Technical nature of processes and decisions.** Avoid political compromises and use of influences. Respect deadlines!
- **Call rules: few or many? Academic innovation: goal!**

## INNOVATIVE FUND PROPOSALS AND CONTRACTS

- Clear forms and guidelines for **proposal preparation**, that should be oriented primarily to external peer reviewers
- **Quality of proposals** (in all aspects) critical for success in evaluation and allocation
- **Quality of final proposals** (that include peer reviewer´s and Fund Governing Council´s recommendations) critical for project implementation, M&E and achievement of results
- Approved proposals (projects) are **legalized** as performance-based contracts. All contractual terms are included, including objectives, expected main results, incentives, safeguards and sanctions in case of non-compliance

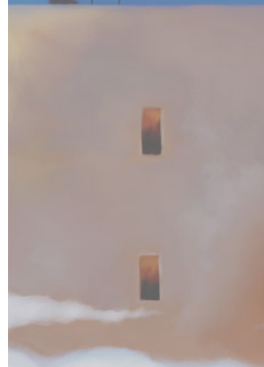
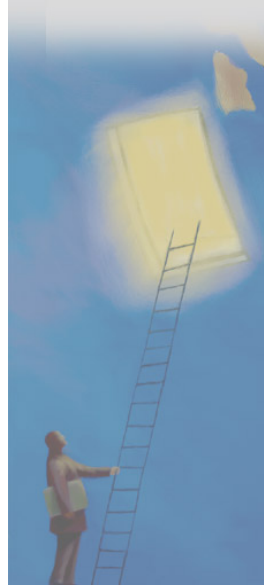
## INNOVATIVE FUND LEVELS OF FUNDING

- **Equity of student access to academic quality.** Geographical distribution of funds. Maximum allocation per institution? Avoid concentration? In Chile, only 18% of total available funds in a call (undergraduate) can be obtained by one institution (if 100% efficient)
- **Public vs private institutions** (elegibility issue). State and non state funding? In Chile, only State supported universities
- **Stronger vs weaker universities.** Relative capacities for the preparation of successful proposals. Solution? Workshops, consultants, management improvements
- **Limit number of projects.** Incentivates institutional strategic planning, prioritization and decision making
- **Limit size of projects.** “Down to earth approach”
- **Limit minimum size of projects.** To lower administrative costs

## INNOVATIVE FUND PROPOSAL EVALUATION. PRINCIPLES

- **Evaluation of proposals by their own merits. No benchmarking!**
- **Quality external peer reviewing. Excelent academic and/or management records, as reviewers “induce” decision making!**
- **Anonymous evaluation (with respect to beneficiaries). Basic to minimize influences and pressures**
- **Reviewers provide qualitative evaluation. Innovation Fund provides quantitative algorithm and weighing factors**
- **Coherence of external evaluations. Minimum 2-3 evaluations**
- **Governing Council takes the allocation responsibility. Minister decides! Quality and independence of members! In Chile, the majority is non-Governmental**





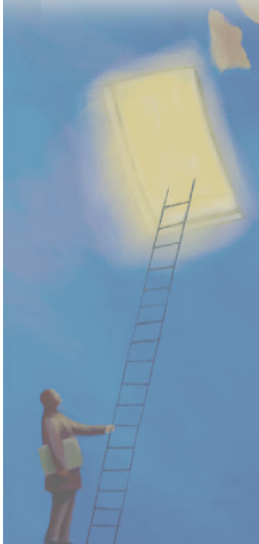
## INNOVATIVE FUND PROPOSAL EVALUATION. ISSUES

- **Incentives or not?** In Chile, reviewers are paid against contracts and compliance of compromises. Not sufficient!
- **Quality Fund evaluation panels.** Responsible in charge? Member President or Fund Analyst as panel manager and guarantor? In Chile, moving to second option
- **Quality and coherence of external evaluators** (for similar proposals). Independent or in “group” work?
- **Qualitative to quantitative evaluation conversion.** Clarity and quality of questions, point assignments, coherence between evaluators comments and grading, and determination of weighting factors
- **Proposal funding requests.** Cuts of funds (project objectives at risk) or non-approval?
- **Feedback to institutions** after call allocation decision. Quality and usefulness of feedback! How to do it?

## INNOVATIVE FUND SOME CRITICAL ISSUES

- Sufficient staff and salaries (to avoid rotation)
- **Integrated information systems for effective M&E of financial, procurement and objective progress of projects**
- Well trained staff for WB procurement rule's implementation
- Incentives and sanctions (suspensions, modification of objectives, shorter implementation) for efficient use of funds and attainment of expected results
- Management capacities in TE institutions affect speed of project implementation
- How to avoid instrumental projects and networks (mainly to obtain funds)

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