Academic Innovation Fund
Project Evaluation Management

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Introduction

The purpose of a competitive Academic Innovation Fund is to aid in the development of eligible tertiary education institutions, to help them comply with their main missions and establish links with national development and to train the advanced human resources that a country needs to achieve a more effective economic and social development.

The Innovation Fund has been conceived as a medium-term higher education policy instrument to foster innovation and qualitative change and produce a change in management, based on a broad and multidimensional concept of quality. These policies, together with regional and national ones, represent the conditions that any project and proposal must satisfy. In the aggregate, projects should help not only to solve weaknesses and contribute to quality improvement in eligible institutions but they should also help the country in general. Therefore, in designing projects, certain topics need to be pre-established in the terms and conditions of the proposal, in the presentation forms and in the explanatory guides. Examples of the foregoing are the introduction and implementation of strategic planning for improving management at tertiary institutions and the approach and solution of structural weaknesses in the system (scholars who hold Ph.D.´s and research and development capabilities, integration of information technology and communications into learning, teaching efficiency and curricular renewal, and management skills). Conversely, enough room for maneuvering needs to be left for the institutions themselves, so that they can think about their own future and propose improvement strategies and actions that can be implemented proactively with their own capabilities and resources.

The basic principles of a competitive Innovation Fund are equal opportunity, transparency in its processes, and the technical nature of its rulings and decisions. The responsiveness of eligible institutions and their reply to calls for quality improvement by public authorities are dependent on this. The foregoing is achieved by credible managerial staff capable of generating trust and the adequate dissemination of the Fund's objectives, goals and procedures.

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Calls for Proposals

A competitive Innovation Fund must be implemented by means of open, public calls for proposals, generally documented by detailed legally substantiated terms and conditions. This legal document shall govern the general objectives, procedures (including the forms), application periods, institutional eligibility, eligible expenses, procurement guidelines, and the agreement between the parties, monitoring and fines to be applied in the event of non-compliance. Preferably, calls for proposals should be broadly disseminated among eligible institutions, which can be carried out by means of official communications to University Chancellors and the Fund's Institutional Project Coordination Units, through advertisements in national (or possibly international) newspapers and other informational media such as the Internet. As a supplement, national and/or regional dissemination seminars are a very effective method to explain the objectives of the competition calls and provide guidance on the terms of reference.

Calls for proposals should specify a starting and closing date for receiving proposals, which need to be strictly observed. Normally, the closing date also specifies the time limit for receiving the documents (forms and attachments) which should be set out precisely to allow for delivery from the regions. The timing of the call for proposals is crucial for proposals to be well-reasoned and carefully prepared and therefore this period should not be under two months. Longer time periods should result in bigger benefits. Alternatively, informal preliminary dissemination strategies may also be considered which permit informing and providing guidance on the competition. This allows for more time to think about and conceive academic innovation strategies and proposals.

Level of Financing

As stated above, an Innovation Fund is an instrument for the competitive allocation of incremental resources primarily aimed at academic development and quality improvement in the supply of tertiary education. As such, it must be equitable in terms of student access to quality (e.g., from a geographical perspective) and of the institutions to development and academic excellence (e.g., research and graduate studies).

However, usually due to historical reasons, institutions —particularly universities— develop at different rates and achieve different levels of quality, giving rise to some universities with considerable leadership, competitiveness, influence and prestige, and other weaker ones, that have less capabilities and competitiveness. Moreover, the existence of state-owned and private higher education institutions create administrative restrictions for the former that prevent a more effective management. From this point of view, an Innovation Fund can deal with a relatively imperfect and

heterogeneous institutional scenario that prevents institutions from having equal opportunities in access to resources.

One way to correct these deficiencies and ensure a certain degree of equity in resource allocation is to avoid concentrating funds in institutions that historically are stronger and more experienced. Another method is to clearly specify that proposal evaluations must be done on their own merit and that of the sponsoring institutions, considering their history and capabilities. In other words, evaluations are not done on a comparative basis or using benchmarking. In the first case, the idea is to determine a maximum of Fund resources available per institution, which can be estimated through financial variables, by size (e.g. student enrollment or graduation) or research capabilities (such as management of external resources, publications and graduation of post-graduate students). In the Chilean case, to support undergraduate university projects, this maximum has been estimated at 18 percent, which means that one of the more experienced institutions —if it is successful in all the proposals submitted— cannot be awarded more resources than that limit. Evidently, the percentage is only a reference point and needs to be determined for each Innovation Fund and country pursuant to its features and idiosyncrasy.

A different matter is establishing limits in the terms and conditions regarding the size of the projects and the number of initiatives that may be submitted per competition. Preferably, project size should be consistent with the resources available so as to avoid creating unrealistic initiatives and prevent major cuts that may affect the project's feasibility. A lower limit (minimum) is also useful due to the administrative cost involved in drafting a proposal.

Finally, restricting the number of projects in a competition is a political and strategic matter that the Fund should evaluate in terms of the institutional circumstances and other experiences in the country. There are at least two extreme options here. The first is to set limits so as to encourage the eligible institution to establish priorities. This alternative promotes strategic planning and management improvement. When the number of projects are not restricted — an option that increases the possibility of participating in competitions — it transfers to the Fund the priorization process, with the consequent risk of losing strategic control of the initiatives (and their implementation) and of suffering the uncertainties that are inherent to external peer reviewing.

Evaluation and Transparency

One of the main concerns in selecting and awarding resources in tertiary education (and in other areas of public administration) is transparency in processes for receiving proposals and for evaluating the best to which resources will be awarded. This is a major challenge that calls for

responsibility, professionalism, integrity and willpower on the part of managerial and professional staff in charge of the Fund. It is the key to obtaining acknowledgement from the academic community. On the other hand, it calls for independent evaluation methods for the proposals and it requires independent pre-selection and selection strategies.

A possible structure for the Fund for proposal selection and management (such as the one used in Chile) involves establishing panels or academic area committees (such as for higher technical education, university undergraduate studies, and graduate studies) formed by prestigious academic and non-academic specialists of national and international renown. In this case, professional Fund staff provide support to these panels in logistic and technical terms. The panels are sufficiently independent so as to be able to fully analyze the projects in their portfolio and resolve on the selection of external evaluators for each one. In order to ensure representative and consistent results, at least three independent evaluators should be required per project in order to settle highly dissimilar evaluations. Lastly, after analyzing all available data (mainly the external evaluation reports), panel members propose the pre-selection of the best initiatives to a Governing Council. The role of area panel members, then, is essential since, in actual practice, they induce decision-making and therefore, they must be selected carefully and monitored closely throughout the process. The role of the Fund as guarantor of their actions is therefore highly significant. An adequate balance and mutual acknowledgement of their duties, authority and responsibilities should ensure a basically transparent process, free of favoritism and influence mongering. With international evaluators, care should be taken to balance out their professional advantages (experience, up to date knowledge, and quality) with their natural lack of knowledge and insight on local reality (culture, idiosyncrasy, level of development). Nevertheless, they may prove essential in verifying and guiding the development of innovations in graduate studies and research, data management and information technology integration and communication to student teaching and learning, to mention only a few examples. There are also other external evaluation alternatives, such as panels of specialists that work in groups “on site” for a specific type or line of projects. These are different strategies and methodologies that ultimately allow the selection of the best projects. Each has advantages and disadvantages that should be analyzed on their own merits.

Finally, to counterbalance the actions and recommendations of area panels, a higher-level decision-making body must be established. In Chile, a Governing Council was formed with distinguished professionals from tertiary education in addition to a small number of government representatives. They analyze proposals from the area committees and, using program and strategic background data, decide on the final awards to be proposed to the Minister for final decission. A fact worth mentioning is that in the five years that the MECESUP Competitive Fund has been in operation, the different Ministers of Education have invariably ratified the proposals submitted by the Fund’s Governing Council.

Other options are available for evaluating and selecting proposals, such as submitting pre-proposals, where applicants must make a brief submission of the main ideas and arguments of their initiative. The Innovation Fund then selects a group of initiatives from pre-proposals that are more attractive and have more innovation potential, inviting them to prepare definitive proposals that may be evaluated externally, as in the foregoing alternative. However, this requires the services of semi-senior professional staff, with more qualifications and experience, capable of taking initial decisions free of subjective influence and external pressure. This is not easy to achieve. The advantages include savings in time and money in preparing proposals and greater ease in introducing variables linked to the general outlines of public policies in decision-making.

Eligibility Criteria

Eligibility criteria determine access to a competitive Fund's resources and must therefore be analyzed carefully, from a systemic viewpoint and solved by the Fund's higher authorities and the pertinent Ministry. It is also advisable to strike an adequate balance in their definition. Excessive criteria may limit the generation of innovative ideas whereas lack thereof may flood the Fund with proposals, creating false expectations and raising its evaluation and selection costs. When an Innovation Fund starts operating, it is necessary to generate trust and facilitate project management processes, thus excessive restrictions and obstacles should be avoided without relinquishing national strategic principles that need promoting so as to achieve the appropriate development of a given sector. Defining eligibility criteria can also help drive and support other initiatives to improve tertiary education, such as licensing (starting point) and quality assurance (accreditation) of programs and institutions, grants in aid to students (scholarships and loans), the progressive implementation of strategic planning at universities and the awarding of graduate scholarships. Introducing other eligibility criteria, such as administrative ones, should be applied with caution since this may hinder the free and innovative submission of proposals.

Perhaps one of the most difficult eligibility criteria to define is the public or private nature of tertiary education institutions for access to Innovation Fund resources. This is undoubtedly a matter of political recourse and should be left up to the pertinent bodies to resolve. However, there are technical reasons that may determine a different type of analysis, particularly from the perspective of tertiary education. A growing number of countries have significant resources available from the private sector for running educational institutions (that receive no government funds). These institutions contribute to the variety and number of the supply, speeding up student access to higher education. Although quality is sometimes dubious (particularly when they start operating) they do represent a contribution in terms of generating qualified human skills in a country and, in outstanding cases, are capable of contributing to the development of advanced human capital,

research and graduate studies. If the supply of tertiary education is approached from this systemic viewpoint — regardless of the legal private or public nature of the institutions — some of its weaknesses and academic needs are similar and, therefore, can be subsidized with government funds, thereby correcting deficiencies in full and not in part of the system. Moreover, in developing countries, some public tertiary education institutions (with State support) may offer also a given number of poor quality programs. Thus, an approach including incentives and exclusions from subsidies including quality assurance for institutions throughout the system can also be effective, favoring competition among all institutions and generating faster results and a virtuous circle of global benefits. Lastly, certain eligible expenses can always be curtailed (e.g. works) in the case of private institutions or the type of eligible expense can be allocated gradually.