INTRODUCTION: FUNDRAISING FOR HEIs

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• Cooperation vs. Fundraising Models for HEIs
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FUNDRAISING BASICS

- Fundraising or fund raising (also development) is the process of soliciting and gathering voluntary contributions as money or other resources, by requesting donations from individuals, businesses, charitable foundations, or governmental agencies (see also crowd funding).
FUNDRAISING BASICS

• “Fundraising is the noble art of teaching people the pleasure of giving”

• “People do not give to people. They give to people with causes. They give to people who ask on behalf of causes.”
HEIs FUNDING SOURCES(1)

NATIONAL

• Public funding (national/regional);
  – Competitive calls for R&D;
  – Other kind of calls;
• Students’ Fees;
• Contracts with enterprises;
• Consulting assignments of teaching/research staff;
• Courses for local industry
• ....
INTERNATIONAL

- International Courses/Congresses for students/teaching staff;
- International Organisations Calls (EC, World Bank, etc.);
- International Foundations Calls (Bill & Melinda Gates, Rockefeller, etc.);
- Other international sources;
FUNDING SOURCES IN MEDA COUNTRIES

• MOROCCO?
• ALGERIA?
• EGYPT?
• TUNISIA?
• JORDAN?
• LEBANON?
## COOPERATION MODELS

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<tr>
<th>COOPERATION MODELS</th>
<th>SPONTANEOUS MODEL</th>
<th>INTEGRATED MODEL</th>
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<tr>
<td><strong>APPROACH</strong></td>
<td>External</td>
<td>Internal / Strategic</td>
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<tr>
<td><strong>COOPERATION ORIGIN</strong></td>
<td>Individual / Spontaneous</td>
<td>Individual / Institutional Cooperation planning</td>
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<tr>
<td><strong>COOPERATION MANAGEMENT</strong></td>
<td>Passive</td>
<td>Active</td>
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<tr>
<td><strong>FUNDING</strong></td>
<td>External</td>
<td>Joint</td>
</tr>
<tr>
<td><strong>OUTPUTS</strong></td>
<td>No sustainable</td>
<td>Sustainable</td>
</tr>
<tr>
<td><strong>INSTITUTIONAL IMPACT</strong></td>
<td>Limited</td>
<td>Institutional Building Internacionalisation</td>
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FUNDRAISING MODELS

EU
- «Alumni» Model
- «Major Gift» Model
- «Foundation Research» Model
- «Multi-model» Model

Source: «Engaging Philanthropy for university research », 2008
TRENDS IN EU

• Financially Sustainable Universities II: European Universities Diversifying Income Sources (report)
• The report gives a detailed description of how European universities are currently financed, and looks into the sector's expectations for future evolutions. It also analyses the many different barriers currently preventing universities from pursuing additional income streams (considering internal challenges and external regulatory barriers) and the possible drivers for stimulating „income diversification“.
STATUS OF INCOME

- **Public funding** is the most important source of income for European universities, accounting for 73% of budgets on average. However, universities are already diversifying their income structure significantly. The majority of the studied universities receive at least 10% of their income from **additional sources** (excluding tuition fees).

- The most relevant additional sources include **business contracts** (6.5%), **philanthropic funding** (4.5%), **service-related income** (4%), and **international public funding** (3%). **Student financial contributions/tuition fees** vary widely in Europe, but on average they contribute 9% to university income.
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<table>
<thead>
<tr>
<th>COUNTRY</th>
<th>PUBLIC %</th>
<th>PRIVATE %</th>
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<tr>
<td>MOROCCO</td>
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<td>LEBANON</td>
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<td>FEES</td>
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<td>----------------------------------</td>
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<tr>
<td>BUSINESS CONTRACTS</td>
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<td>PHILANTHROPIC FUNDING</td>
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<tr>
<td>SERVICES</td>
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<tr>
<td>INTERNATIONAL PUBLIC</td>
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UNIVERSITIES’ FUTURE EXPECTATIONS

• Concerns regarding public funding for teaching. 53% of those surveyed expect this to fall, while only 30% believe it will remain stable.

• Uncertainties regarding public funding for research. 41% believe it will remain stable while nearly one third (30%) expect state funding for research to fall.

• Nearly half expect additional sources of funding (non-public funding) to increase.
ROLE OF PUBLIC AUTHORITIES & BARRIERS

• Regulatory barriers: 61% of those surveyed cited regulatory barriers (such as lack of autonomy) as preventing them from exploiting potential for income diversification. Universities’ ability to generate additional income relates to the degree of autonomy granted by the public authorities.

• Universities that can enter into partnerships with private partners, or have the ability to create for-profit entities, or that can borrow/raise money on the financial markets, will be more successful in pursuing additional funding.
ROLE OF PUBLIC AUTHORITIES & BARRIERS

• Funding modalities and excessive administrative burden. Universities report excessive complexity of rules and reporting obligations, which leads to high costs of compliance. In particular European funding schemes are considered by 75% of surveyed universities as more complex than national funding schemes.
ROLE OF PUBLIC AUTHORITIES & BARRIERS

• The threat posed by co-funding mechanisms. 86% of universities reported that co-funding applied to some at least part of their programmes financed by public funders. Universities must divert resources from core budgets to supplement this funding, which does not cover the full costs of an activity. This high percentage also shows that this risk to the financial sustainability of Europe’s higher education system is underestimated by funders and public authorities and needs to be tackled urgently
ROLE OF PUBLIC AUTHORITIES & BARRIERS

• Setting the right incentives. The study shows a lack of support from public authorities in terms of setting incentives for universities (such as tax incentives, matched funding schemes, improved intellectual property regulations, autonomy etc).

• Support for leadership and professional staff development is one of the key success factors to build up the capacities and expertise required to develop additional funding streams (enhanced research administration, fundraising and communication, etc).
HEIs AS ACTIVE PLAYERS ON INCOME DIVERSIFICATION

• Universities are actively diversifying income streams (also as a way of spreading risk and gaining flexibility in the context of the economic crisis). The majority of universities now generate more than 10% of income from additional funding streams (excluding tuition fees).

• Universities generally perceive commercialisation of research (through spin-offs) as an additional income stream (70%). Reaching out to new student groups is also considered as a potential source of income (66%).
INTERNAL BARRIERS

• University leaders highlighted that internal barriers within institutions were as problematic as external constraints in the development of income diversification. The most frequently cited barriers were: lack of information/awareness among academics (80%), the concern that academics may be diverted from their core mission (73%), lack of suitable internal structure (68%), negative attitudes towards income diversification (67%) and lack of managerial expertise (67%).

• Lack of dedicated structures for fundraising. 31% of respondents said their institution had no dedicated structure for fundraising, with a further 38% having five or less dedicated staff.
RECOMMENDATIONS

For HEIs:

• Integrate income diversification into institutional strategy; apply a proactive approach that engages the academic community.

• Invest in the development of human capital to improve income diversification.

• Incentivise faculties & staff to take an active part in income diversification.

• Develop professional stakeholder management.
HIGHER EDUCATION AND DEVELOPMENT

- “Higher education (HE), including research carried out in universities, has a crucial role in development. It helps generate the human capital needed in key areas such as health, agriculture and engineering, and builds a country's capability for self-reliance” – Sian Lewis

- If we want to maximise our possibilities in fundraising we have to be able to show how do we contribute (universities) to the economic development of our region/country

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HIGHER EDUCATION AND DEVELOPMENT

• Different ways of measuring the contribution of HEIs in the economic development of one region/country....

• Private market benefits
• Non-private market benefits
• Social benefits
TRENDS IN INTERNATIONAL ORGANISATIONS

The chart displays the trends in financial years from 1990 to 2008, with separate lines for higher education (blue) and primary education (red). The financial data is measured in US$ millions.

- Higher education shows fluctuations with a peak around 1998 and a significant drop in 2001, followed by a recovery to near 2000 levels by 2008.
- Primary education also exhibits fluctuations, with a peak in 1997 and a significant drop around 2001, followed by a steady increase to near 2000 levels by 2008.
WHERE ARE WE...?

INTERNATIONAL ACTIVITIES

FUNDRAISING ACTIVITIES

∞

= Proyectos internacionales

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IS THERE ANY FUNDING?

• Funding donors are diverse and come from different spheres:
  – Public (HEIs, Municipalities, Regions, National Agencies, etc.)
  – Private (enterprises, foundations, etc.)

• Funding sources could be divided following different categories:
  – Kind of cooperation (bilateral, etc.)
  – Kind of support (research, development)
  – Origin of the support (regional, national, international)
## IS THERE ANY FUNDING?

<table>
<thead>
<tr>
<th>KIND OF COOPERATION</th>
<th>DEFINITION</th>
<th>MAIN DONORS</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>BILATERAL COOPERATION</strong></td>
<td>Support provided directly from one country to another country</td>
<td>France (<a href="#">AFD</a>), Germany (<a href="#">GTZ</a>), Japan (<a href="#">JICA</a>), Holland (<a href="#">Nuffic</a>), Spain (<a href="#">AECID</a>), Sweden (<a href="#">SIDA</a>), UK (<a href="#">DFID</a>), USA (<a href="#">USAID</a>)</td>
</tr>
<tr>
<td><strong>MULTILATERAL COOPERATION</strong></td>
<td>Support provided from one country to an international organisation</td>
<td>World Bank, European Commission, Regional Development Banks (<a href="#">ADB</a>, <a href="#">ADB</a>, <a href="#">IADB</a>, etc)</td>
</tr>
<tr>
<td><strong>PRIVATE FOUNDATIONS</strong></td>
<td>Support provided by private companies with no public origin</td>
<td><a href="#">Bill &amp; Melinda Gates Foundation</a>, <a href="#">Carnegie Corporation</a>, <a href="#">Rockefeller Foundation</a>, <a href="#">Ford Foundation</a>, <a href="#">John D. and Catherine T. MacArthur Foundation</a>, <a href="#">William and Flora Hewlett Foundation</a>, <a href="#">Andrew W. Mellon Foundation</a>, <a href="#">Kresge Foundation</a>.</td>
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</table>
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• The EU provides 60% of the world development aid;
• 2/3 of this support have some considerations (services, goods, etc)
• Distribution:
  • 80% coming from the States;
  • 20% coming from the EU as institution;
• 3Cs policy: complementarity, coordination, coherence
Efficiency vs Funding

- Efficiency in funding provision

+ Funding

National Agencies

Regional Agencies

Local Agencies

- Funding

- Efficiency in funding provision
HOW DOES IT WORK?

INTERNATIONAL FUNDRAISING PLAN

Search for Opportunities → Drafting Proposals → Project Management → Knowledge Transfer

- Searching skills
- Networking
- Lobbying
- Marketing skills

- Experience
- Expertise

- Knowledge Management
- Experience + Expertise
- PM + IT
- Organizational skills

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Thank you