

University of Tartu's strategy for the involvement of private funds

1. General part

The University of Tartu's ('university') strategy for the involvement of private funds is a subset of the university's financial strategy and as such forms an integral part of the university's strategic plan A2025.

In this strategy, private funds refer to both private funds in the strict sense of the word — funding from private legal entities and individuals, as well as, more broadly speaking, other funding (apart from the basic funding of teaching and research) received from the public sector (ministries, local governments), companies with state participation or the European Union through various structural funds and external funding programmes. The strategy for the involvement of private funds aims to set out courses of action to meet the financial targets of the university's strategic plan.

2. Development directions in teaching

The university's goal is that higher education funding increases to 1.5% of GDP. There are several options for that, with an increase in public funding being the most preferable. If this is not realistic in the coming years, we need to start a public debate on student-funded higher education. When it comes to student-funded higher education, it is important that, together with public funding, it leads to a substantial increase in higher education funding (aiming at 1.5% of GDP) and supports the development of different disciplines. However, public participation in higher education funding must not be reduced or fall below 75% of higher education funding, access to higher education must not deteriorate or become less equal, and the payment of tuition fees must be supported by a favourable and well-designed student loan system.

Regardless of the development of public funding or student-funded higher education, the university works towards increasing funding from outside the activity support in teaching activities ahead of time, i.e. faster than the growth of activity support. In the current legal framework, we take the following actions to achieve an increase in additional funding and cost optimisation.

- 2.1. We open competitive student-funded foreign-language curricula where the tuition fee covers the actual costs, taking into account the terms and conditions agreed in the administrative contract.
- 2.2. With regard to adult learners, we open new Estonian-taught block-mode curricula or transform existing ones into part-time student-funded curricula.
- 2.3. We develop new one-year student-funded master's programmes which require 3–5 years of professional experience after obtaining a bachelor's degree or which can be obtained as the second master's degree.
- 2.4. We develop curricula in cooperation with the private sector (industrial master's programmes, etc.).
- 2.5. We develop and centrally support student-funded continuing education modules based on degree-study curricula (micro-credentials), including in web-based learning.
- 2.6. We continue to offer diverse opportunities for continuing education, including a wide range of topics, online courses and courses outside Tartu, incl. in Tallinn.
- 2.7. We pay more attention to the marketing of student-funded curricula and continuing education and plan more resources for that.

2.8. We increase foreign funding in teaching activities (e.g. Erasmus+ Strategic Partnerships, joint curricula, etc.). Among other activities, we increase the ability of the Grant Office to write teaching development projects and to give advice on that topic.

3. Development directions in R&D

In the past three years, the university has almost doubled its research revenue. In addition, Estonia has decided to increase public R&D funding to 1% of GDP as of 2021 and to maintain this level in the future. This increase does not cover all of the university's ambitions and needs, so the need to involve additional funding will remain. Of the additional funding of the research agreement, 40% is allocated to the research system, 40% to business development grants and 20% to the research programmes of ministries. The structural funds of the new period and the Horizon Europe framework programme will see an increase in the share of funding for entrepreneurship and innovation and a decrease in the share of funding for universities' basic research. An increasing share of Horizon Europe's budget is distributed through private-public partnerships and missions. The priorities for European Union funding are the digital transition and green transition, including the just transition. Foreign funding accounted for 12.7% of the university's research budget in 2020. The university aims to diversify research revenue to increase research revenue through additional sources and to ensure sustainability in case a funding source is reduced or discontinued.

3.1. We continue informing the university staff of funding opportunities through the grant matching software, including by offering funding opportunities to participants in the university's spin-off programme.

3.2. We develop and expand the project advisory service of the Grant Office to obtain foreign funding. Among other topics, in cooperation with companies, we advise grant applicants on foreign projects to increase the university's funding from them, including the European Innovation Council (EIC) and other funding programmes.

3.3. We continue active participation in European private-public partnerships (e.g. networks of the European Institute of Innovation and Technology) to involve financing. The university continues to support participation in partnerships to motivate new participants and join new networks. Partnerships are one way of introducing and disseminating the university's technologies in Europe.

3.4. We continue developing the coordination support for funding actions to support the university's participation in foreign funding measures, incl. Horizon Europe, Erasmus, Interreg, research projects of the European Commission, Wellcome Trust, ESA, NIH, NordForsk, EEA and Norway grants, external procurement and service contracts with foreign countries.

3.5. Through the university's development fund, we support the funding of ERC grant holders or top researchers with ERC perspective and their training on writing grant applications.

3.6. We continue to design and develop IT solutions to facilitate the administrative work of project managers and principal investigators (digital timesheets, payment claims, etc.).

4. Development directions in business cooperation

The structural challenge for the Estonian economy is to increase the currently low added value in high-volume sectors and enterprises and to increase the currently small volume of sectors and enterprises where the added value is high. Through business cooperation, the university contributes to the development of knowledge-based economy, using Estonian national support schemes and European Union funding measures, if possible.

- 4.1. We develop new effective methods for initiating and implementing both domestic and foreign business cooperation.
- 4.2. We continue the partnership programme for larger companies and the Adapter cooperation network for SMEs and increase the scope of their activities.
- 4.3. Through the feasibility fund, pre-incubation and spin-off programmes, we increase the motivation of academic staff to cooperate with companies and participate in the creation of new research-intensive companies.
- 4.4. Through the academic career model, we value cooperation with entrepreneurs by providing researchers with support services that facilitate the establishment of businesses and collaboration with them.
- 4.5. We link earning revenue from business cooperation with the setting of performance targets and performance assessment of the heads of institutes.
- 4.6. To motivate business cooperation, we implement a differentiated calculation of overheads depending on the volume of the business contract and relieve the acquisitions of large-scale fixed assets from the obligation to cover overheads.
- 4.7. We increase the opportunities of the commercialisation of intellectual property and the related revenues through UniTartu Ventures OÜ, which, based on the intellectual property owned by the university, takes and manages shareholdings in the university's spin-offs.
- 4.8. To develop companies and business cooperation, we motivate researchers to participate in measures where they can be temporarily absent from research (for 0.5–3 years) to work in companies (industry sabbatical) and later the university develops contractual cooperation with these companies.
- 4.9. To develop companies and business cooperation, we expand the industry doctorate. The university actively contributes to the design of the national doctoral reform and prepares for greater cooperation with companies at the start of the industry doctorate support measure.
- 4.10. We develop cooperation with companies to achieve the goals of sustainable development, green transition, digital transition and other global challenges.

5. Other development directions

- 5.1. To involve more private funds, we initiate a consultation on the inclusion of public universities in the list of legal persons benefiting from income tax incentives, which allows a private company and a private individual to deduct donations from taxable income (within the established limits).
- 5.2. We expand services based on core infrastructure. At the university, we implement support measures for the acquisition of equipment.
- 5.3. We carry out an inventory of the prices of small-scale services offered by the university and bring them into line with the market prices (application processing, consultations, core infrastructure services, analyses, etc.).
- 5.4. We prioritise the creation of ordering environments for the services offered by the university and a user-friendly IT solution for the payment of invoices, allowing to order the university's services and goods easily and quickly, pay for them and settle administrative costs. In addition to the more convenient organisation of continuing education, it allows to establish other smaller administration fees not related to the university's main activities (e.g. issuing duplicates, issuing a paper certificate instead of an electronic certificate, etc.).
- 5.5. We valorise unnecessary real estate through real estate investments, if possible.
- 5.6. If possible, we commercialise the university's software solutions.