

INTERNAL FUNDING AND GOVERNANCE: REVISITING THE KEY RECOMMENDATIONS FOR HEIs



WORLD BANK GROUP

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About the recommendations

- Based on requirements for “good internal funding models and governance arrangements”, **internal funding and governance of Latvian HEIs was assessed in detail** (Internal Funding and Governance in Latvian Higher Education Institutions: Status Quo Report”, 2017)
- As a result of this assessment, the World Bank team offered
 - **Funding:** 22 recommendations for HEIs, 7 for government policies
 - **Governance:** 14 recommendations for HEIs, 9 for government policies
 - **ESF:** potential options for the use of ESF funding and specific objectives that could be covered by ESF-funded programs

Internal funding models

- **Anticipate and adapt to changes in external funding** and translate these into a internal funding model which corresponds institutional profile.
- **Develop internal model and strategy** hand-in-hand, seek opportunities and incentives for generating more funds for the institution.
- Gradually increase the level of **financial and operational autonomy of basic units** (especially in larger institutions).
- Use the structure of **three pillar model** as an overall framework in developing internal funding models while using internal **formula funding** and **target agreements** where applicable.
- Prioritize the internal use of **research funding**, accumulate and use **central funds** effectively.

Internal governance models

- Formulate, communicate, implement and monitor in a transparent way **SMART institutional strategies** that enhance institutional profiling based on strengths and niches.
- Develop a simple and transparent **governance structure** with as **few overlaps and duplications of functions** and positions as possible.
- Develop **simple and transparent decentralised governance structures** with more decision-making powers for **management positions**, while securing **top-down and bottom-up processes** and sufficient academic self-governance.
- Design clear roles, responsibilities, and rights related to the involvement of **external stakeholders** in internal governance.

Thank you!