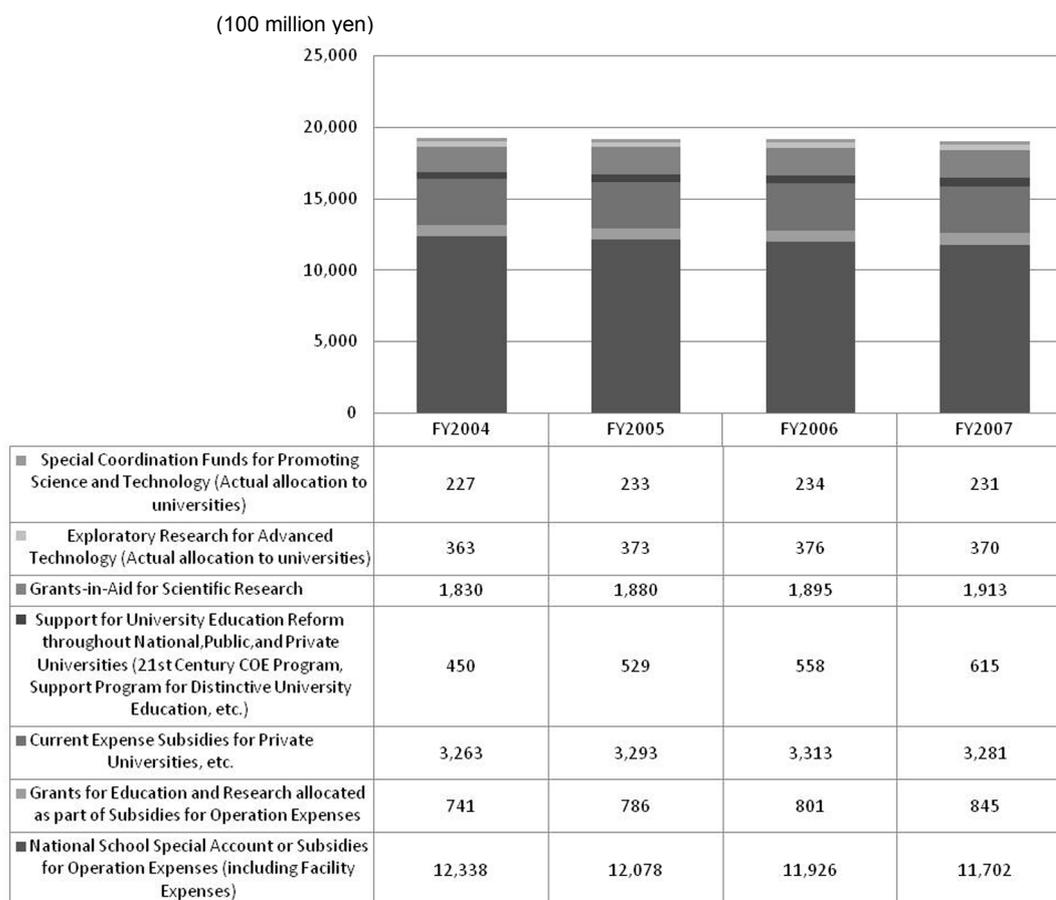


3. Attracting external funds for international education and research

(1) Trends and issues

In the wake of incorporation of national universities, many universities in Japan are being required to address issues of access to external funds and diversification of financial resources. The most common method of accessing external funds is to apply for and obtain funding allocated on a competitive basis. Recently, competitive funds are tending to account for an increasingly significant share of budget allocations to universities (Figure III-3-1)¹⁾, and universities are stepping up their efforts to attract such funds.



* The figure in the box at the top of the graph shows the total amount for each year.

Figure III-3-1 Changes in major financial support for universities by year
(Source: Prepared by JSPS, based on material published by MEXT)

The most common types of competitive, prioritized resource allocation to institutions are probably the support programs offered in various forms in the areas of education and research. In recent years, these programs have often tended to place an emphasis on “internationality”. The launch of the “Global COE Program” in FY 2007 as a successor to the “21st Century COE Program” symbolized the fact that “internationality” is becoming an important keyword for winning external funds. In addition to the Global COE Program, efforts to promote internationalization are being made across the fields of education, research, and collaboration between academia and industry. These efforts include: the “World Premier International

Research Center Initiative”, which started in the same fiscal year as the Global COE Program with the purpose of establishing research hubs to gather distinguished researchers from around the globe; programs for “improvement of the system to promote international collaboration of industry, academia, and the government,” which will start as part of the “University Intellectual Property Headquarters Development Project”; and the “Program to Promote Internationalization in University Education” which was launched in fiscal 2005.

A common element in the selection processes of these programs is emphasis on international validity and a development of a sound international network of educational and research institutions. As discussed in the next chapter “4. Participation in international partnerships and consortiums”, it is important to utilize good-quality international, interuniversity partnerships and international consortiums effectively in order to secure the competitive, prioritized domestic funds required for international activities.

Support programs offered by MEXT are not the only means of obtaining external funding for international activity. Accepting a project order for international development cooperation is another possible fund-raising measure. Previously, it was difficult for national universities to enter into contracts with aid organizations and accept project orders because they were not incorporated. Incorporation, however, has made it possible for any national university to bid for a project and accept an order as a contracting entity.²⁾ As a result, national universities are now able to collaborate with the Japan International Cooperation Agency (JICA) based on a trustee contract, as opposed to the previous system in which they could only become involved in response to a direct request (this is a shift from reactive to proactive participation). An increasing number of universities are registered with JICA as consultants (19 national universities and 17 private universities as of October 2006) and are accepting technical cooperation project orders.

Table III-3-1: Examples of project orders received by universities (as of October, 2006)

Country	Project	Representative body	Members
Afghanistan	Strengthening of the Teacher Education Program	System Science Consultants Inc.	Naruto University of Education
Cambodia	Project for Improving Science and Mathematics Education at Upper Secondary Level	PADECO Co., Ltd.	Aichi University of Education
Bangladesh	Strengthening Primary Teacher Training in Science and Mathematics	PADECO Co., Ltd.	Hiroshima University
China	Japan-China Meteorological Disaster Cooperative Research Center Project	The University of Tokyo	Japan Weather Association
Indonesia	Project for Improving Higher Education Institutions through University-Industry-Community Links (Hi-Link) in Gadjah Mada University	Kyushu University	IC Net Limited
Indonesia	Project for Research and Education Development on Information and Communication Technology in ITS (PREDICT-ITS)	Kumamoto University	
Laos	Development of the Faculty of Economics and Management of the National University of Laos	Kobe University	
Laos	The Upgrading IT Education Project (Information Technology Bridging	Tokai University	

	Course)		
Oceania	Pacific Immunization Program Strengthening	Nagasaki University	

Source: Japan International Cooperation Agency, *Participation of universities in international development cooperation (unofficial translation of title)*.³⁾

Another method is to seek funding overseas. As funding systems are being internationalized progressively, obtaining overseas funding can serve as an important indicator of “internationality”. According to the “Report of the Survey of Scientific, Technological and Academic Activities in the Universities” (2006) published by the National Institute of Science and Technology Policy, however, the total funds provided by “foreign countries” stood at only 850 million yen (0.17%) out of the 498.3 billion yen of external research funds provided to the 677 national, public, and private institutions that responded to survey questionnaires.⁴⁾ These figures demonstrate that universities obtaining overseas funds are still very much the exception.

(2) Notable Efforts

Hitotsubashi University and Kobe University: Accessing EU funds as a hub for EU Studies

The European Union (EU) has recently launched several projects to promote stronger partnership and cooperation with other regions, including North America and Japan. One of these is the “EU Institute” initiative, whereby the European Commission establishes centers for high-level academic research on the EU in locations outside the EU area.

Hitotsubashi University founded the EUIJ (EU Institute in Japan) Tokyo in April 2004 in partnership with the International Christian University, Tokyo University of Foreign Studies, and Tsuda College, while Kobe University founded the EUIJ (EU Institute in Japan) Kansai in April 2005 together with Osaka University and Kwansai Gakuin University. Hitotsubashi and Kobe both serve as the managing universities for their respective Institutes. Using funds provided by the EU, both the Institutes engage in education and research on EU issues, as well as disseminating information and undertaking outreach activities.

Kobe University reports that it experienced secondary effects as a result of receiving funds from the EU, such as internationalization of its accounting department.

Waseda University: Provision of business management training funded by the EU

As part of a consortium with Institut d’Études Politiques de Paris, Università’ Bocconi, and the School of Oriental and African Studies of the University of London, Waseda University was commissioned to implement the “EU Executive Training Programme – Japan: ETP-J”. ETP-J is offered by the European Commission with support from the Association of European Chambers of Commerce and Industry, and provides Japanese language and business management training programs to selected business executives from EU member countries. It is designed to furnish opportunities for EU enterprises to explore business potential in the Japanese market, deepen their knowledge and understanding of Japan, and establish and promote new relationships with Japan. Waseda University provides six-month training courses in advanced Japanese language and business culture. This training is offered to executives who have already undergone a three-month intensive training program held at the three European universities mentioned above before they arrive in Japan. Subsequently to Waseda’s course, participants spend three months training at Japanese business enterprises. Waseda University has received grants from the EU as a result of its involvement in ETP-J.

Hiroshima University: Receiving project commissions through joint venture arrangements

Since incorporation universities have been permitted to receive direct commissions to undertake technical cooperation projects from JICA. In such cases a university can either

accept the entire project commission by itself, or can form a consortium with a consultancy firm. The latter arrangement is known as a joint venture.

Hiroshima University is a pioneer in this method and was the first national university to receive a project order in 2004. This order reflected positive evaluation of the university's record of involvement in international development cooperation activities in developing countries, chiefly through the Graduate School for International Development and Cooperation and the Center for the Study of International Cooperation in Education.

One of the advantages of forming a joint venture is that it enables the strengths of both parties to be utilized, combining the "knowledge (accumulated research and educational functions)" and "human resources (faculty, researchers, and students)" of a university with the expertise in documentation and project management of a consultancy firm.

Nagasaki University: Strategic fund-raising for international activities clearly identified as a task for the Center for International Collaborative Research

Nagasaki University's Center for International Collaborative Research identifies "activities to obtain external funds" as the top priority in its mission. It aims to engage in international activities through cooperation projects implemented by the United Nations (UN), the World Health Organization (WHO), JICA, the World Bank, and other domestic and international organizations.

The university used the "funds to establish a research hub for emerging and reemerging infectious diseases" and the "special education and research funds and collaborative project funds" to establish bases in Vietnam in March 2006 and Kenya in September 2005, as well as applying funds from the SIH Project to enhance the organizational capability of its own Center for International Collaborative Research. Some activities were supported by funding from JICA. Operational costs for a drug development diploma course, opened in 2006, are shared equally between the university and the WHO.

(3) Analysis and Proposals

More opportunities for good-quality consortiums to access funding (Trends in the EU)

Particularly within the EU, there is a growing shift away from funds directed to individual institutional units and towards funding for networks. It is becoming more common for universities to form consortium relationships to develop their educational and research activities and access funds thereby. More funds flow into consortiums of good quality. Universities are seeking partners to form consortiums that can attract such funds. This tendency can be observed even in Japan, with more public resources being allocated on a competitive, prioritized basis. A structure is being developed under which funds will tend to flow to university networks capable of more organized collaborative activities.

The EU's 7th Research and Development Framework Program (FP7), which began in 2007, places more emphasis on "internationality" encompassing areas outside the EU than its predecessor FP6. As a result, more cooperative programs with areas outside the EU, including Japan and North America, are being developed. The EU is earnestly seeking the active involvement of Japanese universities, but the number of universities participating remains low. Universities that have improved their organizational capabilities, including administrative systems, to facilitate access to funds from international sources are pioneering examples from which other universities should learn. The secondary impacts felt in terms of internationalization of administrative functions such as accounting should also be evaluated highly.

Hitotsubashi and Kobe Universities' involvement in the "EU Institute" was introduced above, but the EU also offers a variety of other programs that can be utilized by universities

outside Europe, including Japan. These programs include the “Erasmus Mundus Program”⁵ designed to strengthen interuniversity collaboration and enhance the quality and competitiveness of higher education in Europe, and the “Marie Curie Actions”⁶ designed to increase the mobility of researchers in Europe.

Increased opportunities to obtain international cooperation funds

There is widespread demand for a more effective, efficient approach to Official Development Assistance (ODA) in Japan, with calls for a new emphasis on strategy and a shift from quantity to quality. In this climate, attention has been directed to the possibilities for government to promote intellectual international contribution by harnessing the intellectual resources of Japanese universities (research results and advanced human resource development functions).

These developments have made participation in international cooperation projects, and application of university “knowledge” thereto, one of the most important pillars of international activity in Japanese universities. It is notable that incorporation has provided national universities with more opportunities for collaboration with JICA and the Japan Bank for International Cooperation (JBIC).

It is to be hoped that the efforts of individual universities can be accompanied by the development of further opportunities for many different universities to share their information and know-how, through “Support and Coordination Project for University Cooperation in International Development” by MEXT.

Note: Acceptance of foreign students and trainees in JBIC’s yen-loan-financed projects

Collaboration between universities and the Japan Bank for International Cooperation (JBIC), which was difficult in the past, has been increasing rapidly in the wake of university incorporation.

⁵ “Erasmus” is an exchange program for students and teachers in Europe. It is designed to increase the mobility of students and academics at higher education institutions within Europe and support learning and experience in foreign countries. A decision made in December 2003 led to the launch of the five-year “Erasmus Mundus Program” (with a budget of 230 million Euros) aimed at cooperation with non-EU countries and to promote the EU as a center of excellence. Erasmus Mundus targets master’s degree programs and includes (1) establishment of the “Erasmus Mundus Master’s Course” offered by a consortium composed of universities of at least three countries in Europe, (2) support for scholarship for foreign students (attending a masters’ course) and researchers from countries outside Europe, (3) conclusion of cross-border partnership agreements among universities across different countries, and (4) support for projects designed to enhance interest in higher education in Europe and support for the mutual credit transfer system with universities in third countries. As many as 100 “Erasmus Mundus Master’s Courses” have been established so far, supporting approximately 5,000 Master’s degree students from countries outside Europe, and more than 4,000 graduate students from EU member countries conducting research outside the EU. This program also provides support for teachers, with the participation of 1,000 teachers from within Europe and the same number from outside. As many as 100 partnerships have been formed with higher education institutions in non-EU countries.

⁶ “Marie Curie Actions” is the popular name for activities to promote the mobility and training of researchers, aimed at realization of the European Research Area (ERA). An annual average budget of approximately 680 million Euros (100 billion yen) is allocated for these activities under the EU’s 7th Framework Program (2007-2013). Activities include fellowship programs for individual researchers and programs to support institutions such as the Initial Training Network (ITN) designed to assist organizational, institutional exchanges and development of young researchers. The 7th Framework Program is strengthening support for exchange with non-European institutions including those in Japan, as well as exchange among institutions within Europe.

Table III-3-2: Cooperation between JBIC and universities

	FY2003	FY2004	FY2005
Number of commissioned studies in which a university was involved	6	14	25
Out of the above, number of contracts in which a university was a contracting party	4	12	17

Source: Project Development Department, Japan Bank for International Cooperation, *Collaboration between the Japan Bank for International Cooperation and Universities (unofficial translation of title)*.⁶⁾

As is the case with JICA, there are various examples of collaboration between JBIC and universities. One major approach is that of proposal-based survey projects, in which universities can participate proactively. This scheme is aimed at conducting surveys to accumulate knowledge and data to inform the development of yen-loan-financed projects. Each survey is implemented based on a proposal made by the commissioned entities. It envisages universities, local authorities and NGOs as commissioned entities. (Entity type is also taken into account in evaluation.)

Furthermore, JBIC is accepting foreign students and trainees under yen-loan-financed projects as part of its human resource development efforts. As a new form of collaboration in addition to regular foreign student intake, JBIC is now offering programs to be implemented through cooperation between higher education institutions in Japan and a foreign country. These programs include the “Twinning Program” under a loan-financed project offered by the Malaysian Higher Education Fund (HELP 1 and 2), and the “Double Degree (Linkage Program)” under the Indonesian Advanced Human Development Project (III). JBIC holds a briefing session for these programs, and interested universities apply to participate.

Improving systems for fund-raising

In order for a university to establish collaborative relationships with good partners and obtain appropriate funds, it is important to gain a full comprehension of educational and research conditions within the university, collect a broad range of information on funding schemes both at home and abroad, and apply for funds in a strategic, focused manner. Nagasaki University’s approach is worthy of attention: this university improved its system through measures such as recruiting outside personnel, and its headquarters is now functioning effectively to obtain funding from external sources.

In addition, it will be necessary for universities to start revising their university regulations and improving their administrative procedures in areas such as finance, accounting and personnel. They will need to develop an institution-wide system that facilitates the task of obtaining funds from overseas.

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