

EUA FUNDING FORUM 2026

Breakout session 5: Steering (for) system diversity: funding models and institutional heterogeneity in Europe

Breakthrough Year? Translating Long-term Debates into Systemic Change in Czechia in 2026

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Fragmentation and Decentralization as a Structural Feature of Czech System (across State Administration & Higher Education)

Fragmentation & decentralization are not inherently flawed, but when locked in without top-down corrective/balancing mechanisms, the system becomes incomprehensible and structurally paralyzed.

1. State Level (R&D Governance)

16 Budget Chapters: Public R&D funding fragmented across 11 ministries and multiple independent grant agencies.

Administrative Dispersal: Absence of a unified national R&D strategy execution body; overlapping funding instruments.

Institutional Dilution: 227 research organizations (180 receiving institutional funding) resulting in carpet-bombing of funding.

...causes other challenges in funding/steering: long-term funding, institutional vs targeted support, diversification, excellence-based approach

2. HE Level (Internal HE Governance)

Confederation of Faculties: HEIs operating as loose confederations of autonomous, competing faculties.

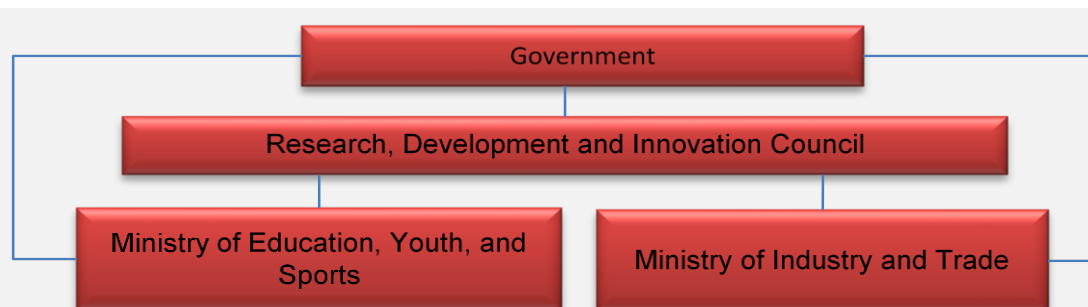
Collective Irresponsibility: Rectors hold formal legal liability but lack executive power over internal resource allocation.

Bottom-Up Paralysis: Faculty-level veto power blocks HEI-wide strategic profiling and interdisciplinary synergy.

Academic Inbreeding: Closed hiring loops and fragmented departmental structures hindering international competitiveness.

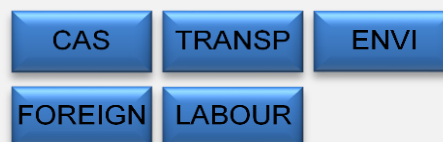
Czech R&D Governance

Strategic governance



Research funding organisations Regions | Agencies | Ministries

Institutional funding only



Institutional and project-based funding



Czech Science Foundation

Technology Agency of the CR

Regional Authorities

Research performing organisations

UNIVERSITIES

SECTORAL
RESEARCH
ORGANISATIONS

BUSINESSES

CAS INSTITUTES

PRIVATE
RESEARCH
ORGANISATIONS

OTHERS

Key Features of Proposed Changes – How do they affect HEIs

National R&D Defragmentation Strategy

Centralized Agency Implementation:

Consolidating departmental/sectoral applied R&D programs (from 6 ministries) under Technology Agency of CR.

TA ČR to administer institutional support for departmental institutes, unifying evaluation standards (except MEYS and Academy of Sciences).

Clear(er) Division of Roles:

Ministry of Economy/Industry and MEYS set strategic R&D policy; TA ČR acts as a major professional implementation body.

MEYS remains a responsible public body for R&D and international cooperation

Academy of Sciences and Czech Science Foundation preserved as an independent agency/RFO focused on curiosity-driven frontier science.

New Higher Education Act: 5 Core Pillars of Reform

Governance: Empowered HEI Board (UR) with internal and external experts & executive rector leadership

Contract Funding: 5-Year whole-budget contracts & integrated institutional support

Quality (ESG): Institutional audits replacing program accreditation & full European ESG alignment

Academic Careers: Functional positions (Prof. / Assoc. Prof.) & open international tenure-track pathways

Flexible Studies: Modern full-time / part-time modes, EQF 5 short cycles & micro-credentials

The Evolution of the Public Policy: 'Social Contract' in Czech Higher Education

An explicit/implicit policy agreement defining roles: MEYS secures budget stability, legal frameworks, and evaluation systems; HEIs guarantee functional internal quality, strategic self-governance, and societal impact. The social contract has undergone a significant shift over the last decade.

Key question: Alongside all these measures, did we secure an adequate legal and funding framework for effective governance?

What is HEIs' role in the R&D system, and how can it be achieved?

Phase 1: 2016–2018 (Accreditation & Overall Budget)

2016 HEA Amendment introduced Institutional Accreditation & Internal QA. Reversed declining budget trend; phased out pure 'capitation' (per-student) funding. Introduced HEI Segmentation (4 segments) for fairer performance comparison.

Phase 2: 2019–2021 (First Contract Elements and Research Evaluation Reform)

Introduced targeted contract elements (Developmental plans and priority programs). Full rollout/pilot of Methodology 2017+ research evaluation cycle. Strategic alignment of EU Operational Program priorities.

Phase 3: 2022–2025 (Structural Consolidation without Major Breakthrough)

Phasing out capitation funding for PhD students (2025 HEA Amendment). Deepening dialogue on institutional profiling and continuation with priority programs. Second Methodology 2025+ research evaluation cycle.

Phase 4: 2026+ (New Law in Preparation)

Proposal: Enshrining 3-5-year public law contracts into the main Higher Education Act. Replacing annual grant decrees with multi-year statutory funding commitments. Integrating R&D institutional support into single unified contribution.

Overcoming Long-Standing Deficits of Current HEI Funding

Deficits of the Current Funding System

Annual Budget Uncertainty: Single-year budget decisions preventing long-term strategic investments, staffing, and multi-year planning.

Fragmentation of Subsidy/Grant Scheme: Dozens of scattered, highly ear-marked schemes causing severe administrative overhead and rigid financial silos.

"Coffee-Grinder" Persistence: Residual historical budget allocations divorced from actual institutional performance and strategic mission.

Limited Bilateral Dialogue: Lack of a structured, legally binding strategic dialogue between the Ministry and individual HEI leaderships.

The Strategic Imperative for Reform

Multi-Year Predictability: Establishing 3-5-year financial horizons enabling strategic infrastructure, faculty hiring, and research commitments.

Administrative Simplification: Consolidating unified institutional contribution.

Mission-Oriented Profiling: Allowing HEIs to negotiate individual profiles via KPIs tied to funding.

Enhanced Accountability: Coupling institutional autonomy with clear, negotiated performance targets and public reporting.

Vision, Architecture & Safeguards of Multi-Year Performance Contracts

1. Legal Nature & Scope ('Umbrella Contract')

Public Law Contract for 3-5 years signed by Rector & MEYS.
Approval by HEI Council is a statutory precondition.
Covers ~90% of state contribution as an overarching legal umbrella.
Integrates R&D institutional support as a contribution (eliminating block-grant dualism).

2. Performance Indicator Framework

Separates 'Contract Framework' from 'Formula Rules'.
Prevents discretionary allocation while securing legal predictability.
Funding tied directly to negotiated contract indicators.
Annual funding decision acts as an executive disbursement of the contract.

3. Symmetrical Budget Safeguard

Symmetrical budget clause in case of state cuts.
Pre-agreed ceiling on annual funding drops during macro-budget reductions.
HEI gains automatic legal right to proportionally reduce target indicator values.
Protects HEIs from un-funded state mandates.

4. Dispute & Partnership Mechanism

Finnish-style partnership review mechanism.
Amendments primary by mutual agreement; existing contract holds during disputes.
Single financial channel principle: penalties apply only to dedicated contract KPIs.
Non-agreement fallback: 1-year interim decision with standard baseline funding.

The 3-Tier Indicator Framework & Strategic Alignment

Tier 1: Systemic KPIs

Scope:

Set nationally for the entire HE system;
individual target values negotiated per HEI.

Primary Focus:

Systemic priorities e.g.: Graduation rate,
study completion within standard time + 1
yr, socio-economic dimension of study,
internationalization, employability....

Tier 2: Institutional KPIs

Scope:

Specific to each HEI, negotiated 1-on-1
between MEYS and HEI leadership.

Primary Focus:

Based on HEIs profiling and specific
performance.

Tier 3: Governmental KPIs

Scope:

Linked to specific government priorities and
national strategic initiatives.

Primary Focus:

Key infrastructure and technology capacity
building based on dedicated governmental
programs

International Inspirations & Lessons Learned from OECD Contract Funding

Austria

Scope:

90% of HEI funding wrapped in 3-year public law contracts (Universitätsgesetz § 13).

Formula + Contract:

96% of teaching & 91% of research calculated via formula inside the contract.

Czech Takeaway:

Inspiration for 'entire budget in contract' umbrella architecture.

Finland

Scope:

4-year bilateral agreements used since 1995 (Yliopistolaki § 48).

Dialogue Focus:

Dialogue-based funding; strong focus on graduation times and retention.

Czech Takeaway:

Inspiration for partnership revision mechanism and completion incentives.

Denmark

Scope:

Strategic framework contracts focusing on institutional profiling.

Indicators:

Key metrics tied to graduate employment and regional skill alignment.

Czech Takeaway:

Inspiration for institutional profiling & 1-on-1 strategic dialogue.

Netherlands / Ireland

Cautionary Lesson:

Unenforceable financial penalties in NL/Ireland were never applied in practice.

Small Envelope Risk:

3-7% small performance envelopes created high admin burden for low impact.

Czech Synthesis:

Avoiding rigid penalties; using positive incentives & umbrella contracts.

Critical Reflection: Do Proposed Reforms Resolve Core System Challenges?

What the Proposed Reforms could Effectively Resolve

Empowered Executive Leadership: Ends internal paralysis by giving Rectors clear managerial authority and backing from HEI Boards.

Multi-Year Budget Predictability: Whole-budget contracts (~90%+) replace single-year uncertainty and consolidate fragmented schemes.

Academic Openness & Mobility: Functional positions (Prof./Assoc. Prof.) and tenure-track pathways break academic inbreeding.

European Alignment (ESG): Institutional audits align HE quality with ESG standards.

Ministerial/Sectoral R&D Governance Effectivity/Predictability: targeted and institutional support under „one roof“

Unresolved Challenges & Implementation Risks

Constitutional Annual Budget Law: Tension between 5-year public contracts and Parliament's annual budget vote requiring robust legal buffering.

Institutional & Cultural Inertia: Conservative resistance within Academic Senates regarding external HEI Board competencies.

State Capacity: Ensuring MEYS and TA CR possess sufficient analytical capacity for 1-on-1 contract negotiations and capacity for effective funding.

Limited Scope: Long-term funding issues (overall budget, share of IS vs TS,...) and diversification in public research sector at this stage untouched.

Post-2027 Cohesion Funding Cliff: Addressing operational maintenance costs of R&D infrastructures when EU structural funds scale down.

Thank you for your attention

Pavel Doleček