



2024

A funder for the
future

– The Knowledge
Foundation's
Strategy

“ The aim of this strategy, developed 30 years after the establishment of the Foundation, is to analyse current operations and **provide recommendations to meet future needs.**”

Ever since its establishment in 1994, the Knowledge Foundation has aimed to enhance Sweden's competitiveness by funding research and education at Sweden's university colleges and newer universities. The Foundation has granted SEK 12 billion to research projects through the years, thereby contributing to the establishment and development of several profiled research and educational environments at higher education institutions (HEIs) across the country.

The Board decided to draw up a new strategy to ensure that the Knowledge Foundation will continue to support Swedish HEIs, together with the business sector, in preparing society to meet future challenges. The aim of this strategy, developed 30 years after the establishment of the Foundation, is to analyse current operations and provide recommendations to meet future needs. This document presents the conclusions drawn in the form of five core values for the Knowledge Foundation's operations as well as six strategic shifts. Initially, we provide a brief introductory description of the Knowledge Foundation's operations and a summary of the changes in the world necessitating a new strategy.

This strategy applies to the project-funding part of the operations and does not include recommendations pertaining to changes in the management of the Foundation's capital.

More background information on the operations of the Knowledge Foundation and the reasoning on which this strategy is based may be found in the reports drawn up as part of the process. These reports may be downloaded from the Knowledge Foundation's homepage at www.kks.se/en/documents



The Knowledge Foundation's mission and operations

The Knowledge Foundation is tasked with funding research and skills development at Sweden's university colleges and newer universities. Funded projects must build strong research and education environments that create value for academia as well as for the business sector and society. Projects must be conducted in collaboration with the business sector to ensure the greatest possible impact on Swedish competitiveness.

In 2014, the Board of the Foundation decided to extend the target group of HEIs by also including the university colleges of fine, applied and performing arts¹, the Swedish Defence University, and the Swedish School of Sport and Health Sciences. At present, the Foundation's target group therefore comprises 22 HEIs.

Currently, the Knowledge Foundation offers eight annually recurring funding programmes. Some are primarily aimed at funding research, while others target the development of education at advanced and doctoral levels.

The Knowledge Foundation is an important funder for Sweden's university colleges and newer universities, since the Foundation's target HEIs only receive 15 percent of the direct government funding allocated to research. They also receive a relatively low share of the external funding granted by public funders. In 2022, the target HEIs were granted a total of SEK 480 million from the four largest public funders (the Swedish Research Council, Vinnova, Forte, and Formas), compared to a total of SEK 467 million from the Knowledge Foundation.

1 The Royal Institute of Art, the Royal College of Music, the University of Arts, Crafts and Design, and Stockholm University of the Arts.



Photo: Plattform / Johnér

A changed world

Since the establishment of the Foundation in 1994, Sweden's HEIs and the Swedish business sector have undergone a series of significant changes. In addition, society is facing a number of complex challenges leading to the emergence of new demands and needs. The following changes were considered particularly important in the development of the Foundation's new strategy and beyond.

Interconnected societal challenges

Swedish society is currently facing several complex challenges that affect most sectors, such as the climate crisis, a new geopolitical situation, and an ageing population. Simultaneously there is rapid technological development in the form of digitalisation, automation, electrification, and artificial intelligence, which creates completely different conditions for large parts of the business sector and society. Common to all these challenges is that the solutions needed require research, education, and innovation, thus making HEIs central actors.

Sweden is not alone in meeting these interconnected societal challenges. The concept *triple transition* has been launched in the EU to describe how digital, green, and social societal challenges together create complex interwoven societal problems.²

Moreover, these problems need to be addressed urgently, since technological developments require regulation and adaptation in the business sector, while global greenhouse gas emissions must rapidly be reduced. In this pressing situation, using established processes and methods to solve identified problems sequentially is insufficient – innovation and renewal are required, also in how these challenges are addressed.

2 The European Council (2023) *A social, green and digital transition - Council conclusions*

Many different concepts have been used to describe such new approaches, including *missions* and *third-generation innovation policy*. Yet all these approaches identify the need for broader cooperation between different groups of stakeholders, the importance of establishing clear joint objectives, and using iterative procedures in which monitoring and ongoing adjustments are more important than protracted decision-making processes before projects can start.³

Changed business sector

During the 30 years of the Foundation's activity, the Swedish business sector has undergone various profound changes. Due to globalisation and the expansion of international capital markets, more foreign foreign-owned businesses are operating in Sweden, not least including the companies responsible for a large portion of the research and development investments in the country. In parallel the Swedish business sector has diversified and much of the innovation activities now take place in smaller, innovative companies. A further change is the blurring between private and public sectors, with more and more private actors providing publicly funded services. In addition, the business sector is facing a major transformation, including the need to move in a more sustainable direction. Greater focus on

sustainable industrial production and electrification across the country brings considerable demands for new knowledge and skills across Sweden.

Changed academic landscape

The academic landscape has also changed during this period. Government funding for research has for instance doubled in constant prices over the period 2000–2021.⁴ The number of students at Swedish HEIs has increased from just over 230 000 in 1994 to just over 370 000 in 2022,⁵ meaning that the share of the population with post-secondary education has grown from 12 percent to 30 percent during the same period.⁶ At the same time, a number of larger higher education reforms have taken place, such as the autonomy reform and the introduction of promoted professors. During the last 15 years, however, the pace of reform has slowed, as illustrated by the fact that only a few recommendations from several public inquiries have been taken further. The Knowledge Foundation's target HEIs have developed and diversified comprehensively. At the Foundation's establishment, most of its target HEIs were small, regionally focused university colleges. During the following 30 years, they have grown and developed profiled areas of high scientific quality,⁷ and six of them have been accorded university status.

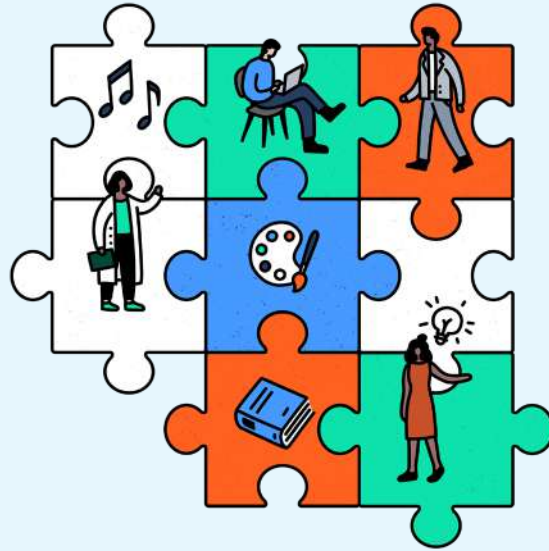
3 For a more detailed report on the discussions of interconnected societal changes and the demands they make on future research and education policy, see Arnold, E. and Karlsson, N. (2024) *Strengthening Research and Education at Swedish Universities of Applied Science*.

4 SOU 2023:59 *Ny myndighetsstruktur för finansiering av forskning och innovation*, p. 213.

5 The Swedish Higher Education Authority (2023) *Universitet och högskolor – Årsrapport 2023*

6 Statistics Sweden (2023) *Befolkningens utbildning*

7 Sandström, Ulf (2024) *Forskningen vid svenska lärosäten: en analys över perioden 2017 – 2020*



The core values of the Foundation

Based on the Knowledge Foundation's statutes and 30 years of operational experience, five core values will continue to form the basis of its activities.

1. Cooperation for enhanced competitiveness

The Knowledge Foundation's statutes stipulate that funded projects must be conducted in close collaboration with the business sector. Collaborative research and educational initiatives in which academia and the business sector together articulate needs and directions will therefore continue to underpin the Foundation's operations.

2. Profiling of HEIs

Another central aspect of the Foundation's statutes is that funding must stimulate research in certain profile areas. The building and development of strong research and education environments require a concerted effort and access to resources over time. Therefore, the

Knowledge Foundation will continue to create incentives for HEIs to prioritise and create strong research and education environments in profile areas.

3. Stakeholders determine direction

Except for certain special initiatives, the Knowledge Foundation's programmes have always been open to projects in all research disciplines and subject areas. In order to be responsive to the needs jointly identified by researchers and the business sector, the principle that the Foundation's ordinary programmes are free from disciplinary restrictions will continue to apply. The Foundation is convinced that this is the best way to strengthen academic environments, contribute to Swedish competitiveness, and thereby support society's ability to meet future needs and challenges.

4. Predictable funding opportunities

Effective partnerships between academia, the business sector, and society depend on trust, networks, and knowledge of the different parties' driving forces. Establishing this takes time and it is therefore important that the funding opportunities offered by the Foundation are predictable. The Knowledge Foundation's current programme portfolio was established around 2010 and has therefore been offered for almost 15 years, with slight adjustments during this period. Although the programme portfolio will continue to be developed, the Foundation's ordinary funding opportunities will be characterised by predictability in order to create good conditions for quality applications.

5. Dialogue-based approach

The Knowledge Foundation has always striven to maintain a close dialogue with its target HEIs and their business partners. Accessibility and responsiveness will continue to characterise the Knowledge Foundation's operations, applying to everything from strategic dialogues to project administration. Good conditions for relevant and effective operations are created through continual exchange of information.



Strategic shifts

As noted above, the Knowledge Foundation plays an important role for Swedish university colleges and newer universities. Because of the changes in the world mentioned in the introduction, the Foundation must also develop. Underpinned by the five core values, the Knowledge Foundation will change and complement its current activities based on the following six strategic shifts.

1. Strong research and education environments – from a focus on management to a focus on environments

An important aspect of the Knowledge Foundation's operations has been to support HEIs' managements in strategic prioritisation, not least through the KK-miljö programme, which in its current format funded its first environments in 2011. Yet the academic landscape has since changed and the Foundation's target HEIs have developed into larger, academically more mature institutions.

The need for more purely operational development dialogues with university management, which have been important thus far, is accordingly expected to decrease. Instead, the Foundation will focus more on contributing to the building of strong research and education environments that enhance Swedish competitiveness.

This shift in focus does not mean that dialogues with university management are less important, but rather than their content will change. Future dialogues may for example focus on how the Foundation can support the HEI's own priorities, the need for partnerships with other HEIs, and gaining input on the development of national research and education policies.

At the same time, it is important for the Foundation to broaden its contacts with HEIs to capture the needs of existing and emerging research and education environments. This shift does however mean that no new KK environments will be designated under the current programme format.

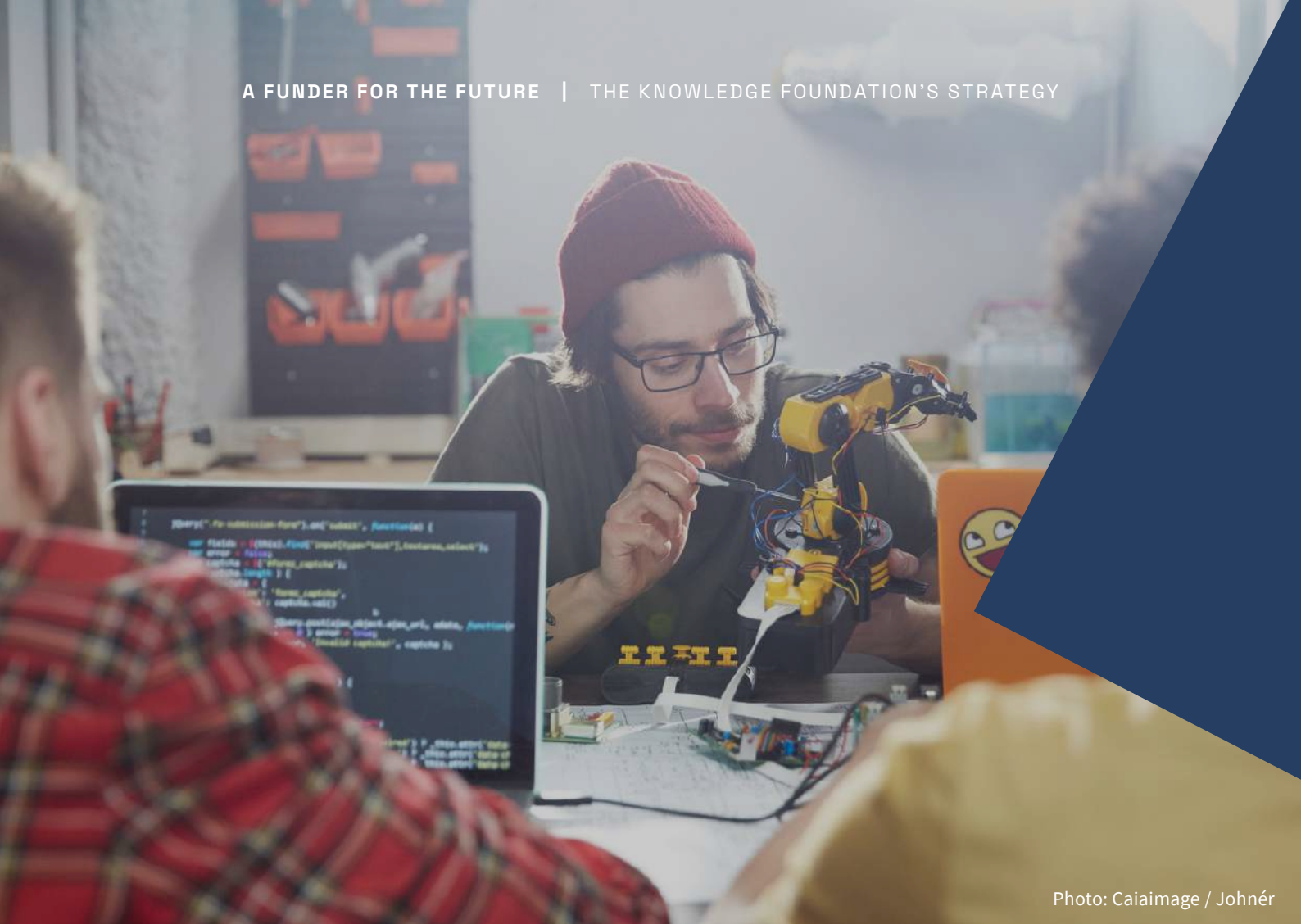


Photo: Caiaimage / Johnér

2. Developed skills supply initiatives

The most important contribution HEIs make to Swedish competitiveness and societal development is through education and developing the skills of the labour force. Given the new and rapidly changing conditions for the business sector and society mentioned in the introduction, HEIs' education and skills supply efforts also need to develop. The government has for example clarified HEIs' responsibility to contribute to lifelong learning in the Higher Education Act.⁸

Today, university colleges and newer universities educate approximately 40 percent of Swedish students, which means that the Knowledge Foundation's target HEIs bear a great responsibility for skills supply across the country.

As one of few actors able to support skills supply initiatives, the Knowledge Foundation now wants to further strengthen this mission. In the future, the Knowledge Foundation will develop and intensify its efforts to fund education and skills supply for traditional postgraduate students, doctoral students, and professionals who want to develop their skills through higher education.

8. Government bill 2020/21:60 pp. 105–110

3. More co-funders and partners

The Knowledge Foundation's projects are conducted in close collaboration with the business sector and its statutes stipulate that all research funding granted must be matched by an equal amount from business sources. The Swedish business sector has changed in various ways since the establishment of the Foundation and will continue to do so.

The Knowledge Foundation's dialogue-based approach, with ongoing contact with representatives from the

Swedish business sector, will therefore be important in future. In addition, the Foundation must keep abreast of business structures and the conditions for research and skills supply faced by the business sector. Doing so enables the Foundation to continually develop its regulations on co-funding, so that they remain appropriate to the Swedish business sector over time.

As a first step, the Knowledge Foundation updated its regulations in 2024 with the aim of facilitating co-funding from more types of business stakeholders and clarifying aspects deemed unclear.

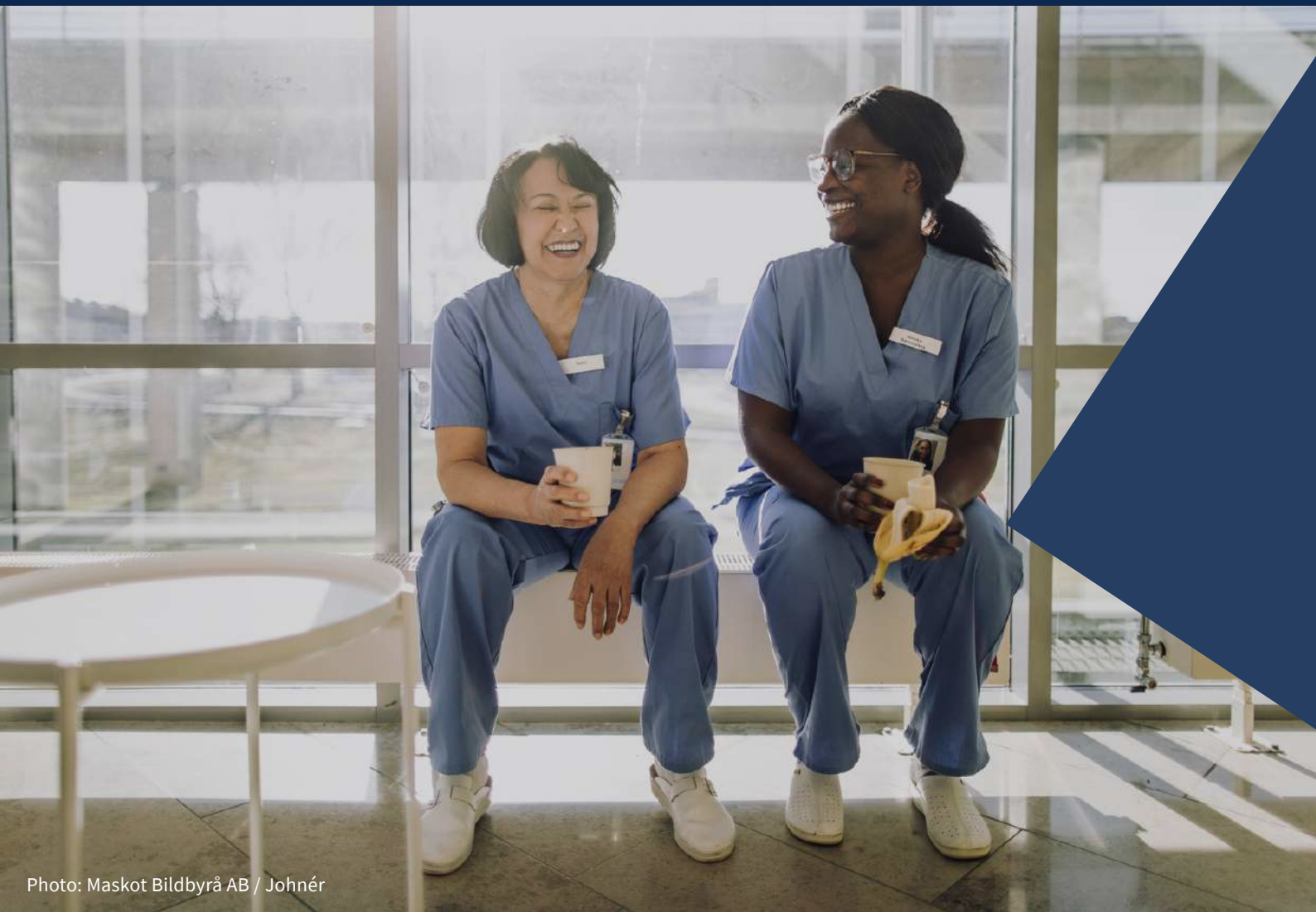




Photo: Sebastian Borg/KK-stiftelsen

5. Collaboration between higher education institutions

The Knowledge Foundation has played an important role in building strong research and education environments at the country's university colleges and newer universities and will continue to do so. However, the Foundation believes that building strength within the framework of individual universities alone does not suffice.

To meet ever more complex challenges that demand knowledge and skills in many different disciplines, HEIs increasingly need to work together to build capacity

and critical mass. Collaboration between HEIs will also be important in responding more quickly to changes in the academic landscape, such as decreasing student numbers or changed financial conditions.

The Knowledge Foundation will therefore more actively stimulate partnerships between HEIs and thereby contribute to collaboration in the decentralised Swedish academic landscape. Coordination of education, international partnerships, and collaborations between different areas of knowledge are examples of possible areas of collaboration. By creating opportunities for greater collaboration between HEIs, the Knowledge Foundation helps HEIs to increasingly set the agenda together and facilitates coordination based on knowledge of the needs of the business sector, society stakeholders, researchers, and students.

6. A stronger and wiser voice in research and education policy

Funding will remain the Knowledge Foundation's core activity. However, the Foundation is an independent actor that today already contributes to the development of research and education policies by providing input on bills, consultation responses, opinion pieces, participation in networks, etc. In the future, the Foundation sees great opportunities to, together with the university colleges and newer universities, increase its visibility in Swedish research policy discussions.

Through its dialogue-based approach, the Knowledge Foundation is a well-informed actor that can act as a national driving force in issues important to its target HEIs, for the development of Swedish research and education as well as Swedish competitiveness.

Analysis, mapping, seminars, funding of projects, as well as the establishment of and participation in networks are just some examples of the ways in which the Knowledge Foundation will amplify its voice in Swedish discussions of research and education policy and present well-founded opinions.





Photo: Hans Berggren / Johnér

A funder for the future

Sweden and the world today face considerable challenges, and we will meet new ones in the future. Some of the most important keys in addressing these are new knowledge through research and skilled staff.

Based on its previous experience and well-functioning operations, the Knowledge Foundation will continue to support the strong research and education environments across Sweden that together with others want to develop

the solutions of the future. As in earlier periods, the Foundation must be a responsive and courageous funder that is there for the stakeholders who want to lead and show the way.

“**The Knowledge Foundation is a long-term, courageous funder that builds a stronger Sweden.**”

Knowledge Foundation 

E-mail: info@kks.se

www.kks.se/en

Cover photo: Es Sarawuth / Adobe Stock

Design: Fröjd Interactive