



Ireland Country Report

EUFORI Study

European Foundations for
Research and Innovation

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Research and
innovation

EUROPEAN COMMISSION

Directorate-General for Research and Innovation

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B-1049 Brussels*



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1 Contextual Background

‘The considerable increase in public and private R&D expenditure over the decade 2000–2010 has resulted in a clear shift to a knowledge–based economy, including a shift towards services. The Irish economy has a high proportion of knowledge–intensive products and services, and this structure has not changed substantially over the last decade

(European Commission, 2013: 1)’.

‘The overall level of State funding for STI (science, technology and innovation) should be reduced by €100m across all sectors...The Group also recommends that future R&D allocations are targeted at projects with commercial potential

(Government of Ireland, 2009: 69)’.

‘The production line of PhDs is outpacing industry’s absorptive capacity. The largest verifiable output to date appears to be the publication of articles as opposed to more concrete measures of economic returns

(Government of Ireland, 2009: 79)’.

Through the application of the EUFORI analytical framework to R&I foundations in Ireland, we have established that the field of foundation philanthropy is small, and foundation funding for research and innovation comprises a very small part of it. On one level, this is no surprise. Donoghue's review of the total population of foundations in Ireland (2004, 2007) concluded that there are very few Irish grantmaking or operating foundations. Anheier and Daly (2007) classify Ireland as a statist peripheral welfare regime (Anheier and Daly, 2007) – one in which the importance of foundations is low, and the ones that do exist tend to function as service providers that compensate for the shortcomings of the State. However, on another level the relative absence of R&I foundations is quite puzzling. Ireland has a large nonprofit sector and an economy that is highly dependent on investment in research and innovation. As the second and third citations quotations on the previous page illustrate, in the current period of economic austerity in which the State continues to cut its investment in STI, there appears to be a clear rationale for increased levels of private investment in research and innovation.

In this report on R&I foundations in Ireland, we start by reviewing research on foundations in Ireland in general. An analysis, largely conducted by one scholar (Donoghue, 1998, 2004, 2007), has provided a picture of a small sector with many features particular to Ireland. From the mid-2000s, on the back of an economic boom and increased public sector support for the promotion of private philanthropy, there was some discussion of philanthropy in the popular press and some initial promotion of foundations as philanthropic vehicles (see for example Gaffney, 2008; Molloy 2008; Wilhelm 2008).

From mid-2008 onwards, there have been cross-cutting influences affecting the field. The most dramatic of these is the knowledge that the largest grantmaking foundation in the country, the Atlantic Philanthropies, will cease operations in Ireland by the end of 2016. Whilst Atlantic is not an R&I foundation, it has played a critical role, particularly in the period 1998-2010, as a foundation that supports R&I. Atlantic has operated in Ireland for nearly two decades and as will be detailed in this report, has jolted the philanthropic landscape through its own and its joint programs of grantgiving, and through its support for the development of a philanthropic infrastructure. Other factors include the very difficult financial conditions that have contributed to a challenging resource environment for philanthropy (Healy and Donnelly-Cox, 2016 forthcoming). There have also been a number of institutional developments which ultimately should facilitate philanthropy. The 2009 publication of the Charities Act has strengthened the institutional context in which philanthropy operates. Not least of its provisions is a much clearer regulatory framework. Collaboration between philanthropy and the State has been manifest in the operation of the Forum on Philanthropy, a cross-sector body that is currently leading the National Giving Campaign with the aim of growing planned giving within the country by 10 % per year.

In the following Chapter, we briefly describe the foundation landscape including its approximate size, foundation assets and expenditure, and its historical profile. We then turn to foundations' limited historical involvement in the field of research.

1.1 Historical background

While the informal philanthropic tradition in Ireland is considered to be strong, with individual giving accounting for one quarter of the annual income of charitable and nonprofit organizations, planned giving and other elements of Ireland's 'philanthropic infrastructure' are comparatively weak.^[1] In her recent study of women and philanthropy in Ireland, Harrison notes that 'while Ireland has a strong tradition of giving with a large majority of the population giving to charity, the general public and the media tend to be distrustful of larger scale philanthropy...a hallmark of philanthropy in Ireland is that it has tended to take place in a private way and below the radar' (Harrison, 2014). There is a sharp divide between planned and unplanned giving, with high levels of informal giving; strong responses at the level of the individual to crises and individual cases of need. In contrast, less than 15 % of individual giving is planned, compared with 36 % in the UK (Forum on Philanthropy, 2012); there are an estimated 30 grantmaking foundations of any scale in Ireland as compared to 8000 in the UK (McKinsey and Co, 2010). In a review of planned giving in Ireland conducted in 2010, McKinsey and Company characterised the philanthropic infrastructure as weak, with a very small population of grantmaking foundations and limited use of planned giving vehicles such as donor advised funds, charitable bequests or philanthropic foundations. Indeed, a striking feature of the philanthropic landscape in Ireland is the small size of the foundation sector when compared with the large nonprofit sector (Donoghue, 2004).

1.2 The legal and fiscal framework

The Irish foundation sector does not have a separate legal and fiscal framework, as in Ireland there is no distinction made in law between philanthropic foundations, charitable trusts and other charitable organisations. As Donoghue noted in 2004, 'Charities do not have legal personalities of their own, and organisations with charity numbers usually take on another legal status, such as incorporating as a company limited by guarantee in order to gain a legal personality. Foundations in Ireland, therefore, can be charitable trusts (with a CHY number) and companies limited by guarantee, but, unlike in other countries, to be a "foundation" does not, by itself, infer or confer a separate legal personality or legal recognition (Donoghue, 2004). To establish a 'foundation' in Ireland, whether grantmaking or operating, the following steps would need to be taken:

- Select a legal form – either a trust or a company.
- Draw up governing documents that define charitable purposes.
- Draw up a Statement of Activities and a Financial Statement.
- Appoint trustees (trust) or directors (company).
- If forming a company, incorporate it.

1 Increasing giving overall, and increasing the proportion of giving which is planned has been identified as a priority by both the State and the philanthropic sector in Ireland (Harrison 2014). The State-initiated Forum on Philanthropy and Fundraising has set a target to increase philanthropic giving from around EUR 500 million per annum to EUR 800 million by 2016 (Forum on Philanthropy and Fundraising, 2012).

To obtain charitable status and the associated tax exemptions, a foundation would need to demonstrate that its particular purpose comes within one of these four broad categories:

- The relief of poverty.
- The advancement of education.
- The advancement of religion.
- Other purposes beneficial to the community.

It would then need to take the following steps in application for charitable, tax exempt status:

- Provide details of the proposed activity, including governing documents, a Statement of Activities and a Financial Statement to the Revenue Commissioners.
- Apply for a tax registration number which is then submitted to the Charities Section of the Revenue Commissioners.
- If successful, the Revenue Commissioners will issue the company or trust with its charity number (the CHY number) (Revenue Commissioners, 2013).

Foundations enjoy the same tax benefits as other charitable organisations that secure tax exemption. The tax code provides exemptions for organisations with a CHY number as follows:

- Income Tax – Sections 207 and 208, Taxes Consolidation Act, 1997.
- Corporation Tax (in the case of companies) – Sections 76 and 78 Taxes Consolidation Act, 1997.
- Capital Gains Tax – Section 609, Taxes Consolidation Act, 1997.
- Deposit Interest Retention Tax (DIRT) – Section 266 Taxes Consolidation Act, 1997.
- Capital Acquisitions Tax – Sections 17, 22 and 76 of the Capital Acquisitions Taxes Consolidation Act 2003.
- Stamp Duty – Section 82, Stamp Duties Consolidation Act 1999.
- Dividend Withholding Tax – Chapter 8A, Part 6, Taxes Consolidation Act, 1997 (Revenue Commissioners, 2013).

In 2007, the government published a Charities Bill that included Ireland's first statutory definition of charitable purposes, the establishment of a Charities Regulatory Authority with an independent Regulator, a Register of Charities, a protocol for the qualification and disqualification of charity trustees, and accounting and reporting requirements for charities. The Charities Act was enacted in 2009. However, as of July 2014, the Charities Regulatory Authority was only being set up and the Register of Charities had not yet been established. While it has no specific provisions aimed exclusively at foundations, it is hoped that the provisions of the Act will underpin an effective regulatory framework and thereby enhance public trust and confidence.

1.3 The foundation landscape

The absence of a separate legal entity for foundations and the tendency of Irish charitable associations to use the name 'foundation' to confer fundraising legitimacy contribute to the challenges that arise in identifying the population of foundations in the country and in providing an overview of their role in supporting research and innovation.

In her 2004 study, Donoghue identified 115 organisations that would qualify as either grantmaking or operating foundations using the EUFORI definition. Of these, 26 were grantmaking. Of 95 foundations for which an object could be identified, 17 were classified as supporting education and research. While support for innovation was not classified as an object, being *innovative*, that is, working in areas not addressed by either the market or the State, was identified as the second most important role amongst Donoghue's respondents. Her analysis provides the most widely cited picture of philanthropic foundation activity in the country.

A different approach was taken to identifying the field in a 2012 report prepared by INKEx; a nonprofit organisation set up in Ireland to demonstrate the value of an online, searchable Guidestar-type database.^[2] Drawing on the Revenue Commissioner's list of incorporated and unincorporated organisations in receipt of a CHY number (charitable exemption status) and annual returns to the Companies' Office from incorporated charitable organisations, INKEx identified 1 316 entities. The list included grantmaking organisations and 'fundraising charities' (INKEx, 2012: 36) such as charitable funds (often trusts), entities established to fundraise for another specified organisation or cause, funds set up by the employees of specific businesses, scholarship funds and benevolent funds. 831 were unincorporated and INKEx was unable to identify grantmaking activity for the majority of them. 7 % of the organisations had education and research as their primary object. INKEx did not use the category 'innovation' to classify the objects of these organisations. Drawing on annual returns available from the 485 incorporated bodies, the total income for 2009 was put at EUR 319 427 252, a decline of 12 % on the previous year's income. No information on assets was provided.

A final snapshot of the philanthropic foundation sector is offered by Philanthropy Ireland in their 2009 report on the philanthropic landscape. Based on a survey of their members (N=15), they calculated that foundation grants provided EUR 82 million in funding in 2008 and that 85 % of that total came from three limited life foundations that will close by 2016. In contrast to the Donoghue and INKEx pictures of the focus of funding, Philanthropy Ireland found that foundations are most likely to make philanthropic donations to organisations in the education and research sector.

From data outside the EUFORI study, we are unable to draw any definitive conclusions concerning the number of foundations/R&I foundations in Ireland, their assets and expenditure, the most important type of foundations, or the dominant field of support.

2 INKEx - the Irish Nonprofit Knowledge Exchange - published a snapshot report on the Irish non-profit sector in 2012. It closed later the same year as its funding stream came to an end. The State decided not to continue funding it beyond its pilot phase and the State's funding partner, the Atlantic Philanthropies, declined to fund it if the State would not continue to partner in the funding process. No other funding stream for its activities could be identified.

There is a nascent collaborative infrastructure between foundations and the State in Ireland. There is no such infrastructure exclusively between R&I foundations and the government. In 2011, the current government re-established the Forum on Philanthropy that had been disbanded in 2009 at the height of the financial crisis in the country. Adding Fundraising to its mandate, the State worked with philanthropies and the representative body for fundraising bodies, and in 2012 reported on ways of increasing philanthropic giving (Forum on Philanthropy and Fundraising, 2012). Another example of collaborative infrastructure is Philanthropy Ireland, the country's umbrella body for philanthropic foundations. This organisation started out as The Funders' Forum. First convened by The Atlantic Philanthropies, the Funders' Forum's members were philanthropic foundations operating in Ireland. Atlantic organised development and training events for the membership. When the Forum was formalised as Philanthropy Ireland, its funding came from both Atlantic and the Irish Government. While it provides a good example of collaborative infrastructure for foundations, the fact that the membership body for Irish philanthropic foundations is in receipt of and dependent on State funding could also be seen as a sign of the limits of the foundation sector.

1.4 Research/innovation funding in Ireland

Key measures of research and innovation funding that allow for historical and cross-national comparison include gross domestic expenditure on R&D (GERD), business enterprise expenditure on R&D (BERD), government expenditure on R&D (GovERD) and higher-education expenditure on R&D (HERD). These expenditure figures provide a measure of research intensity within an economy and are usually presented as a percentage of the GDP. In the case of Ireland, however, the norm is to present them as a percentage of the GNP. The reason for this is that Ireland's economy is unusual in structure when compared with the rest of the EU in that most of its manufacturing industry is owned by multinational corporations. Large amounts of their annual profits are repatriated, leading to a large gap between the GDP – the total output of the economy in a period and the GNP – the total output less that sent or earned abroad.

Ireland's gross expenditure on R&D (GERD) in 2011 was EUR 2.7 billion (2.13 % of the GNP) (Department of the Taoiseach, 2013). The estimates for 2012 and 2013 are EUR 2.801 billion (2.17 % of the GNP) and EUR 2.874 billion (2.22 % of the GNP), respectively (ibid). The most recent year for which a breakdown of GERD is available is 2010, although the breakdown is for the GDP rather than the GNP. In that year, GERD was 1.79 % of the GDP (2.16 % of the GNP) (Forfás and NCC, 2012). BERD was 1.17 % of the GDP, HERD was 0.51 % of the GDP and GovERD was 0.05 % of the GDP (ibid).

Looking at R&I performance over the period 2000-2011, the different trajectories for HERD and BERD vs GovERD are striking. Over the period, GovERD declined from 0.11 % of the GNP in 2000 to 0.06% in 2011 (Forfás, 2013), while BERD rose from 0.76 % to 1.72 % (Forfás, 2014) and HERD from 0.26 % to 0.72 % of the GNP (Forfás, 2011).

Commenting on Ireland's research and innovation performance, the European Commission noted:

Over the decade 2000–2010, R&D intensity in Ireland grew at an average annual growth rate of 4.9%, one of the highest growth rates in the EU. One of the main challenges for Ireland would be to return to a trend of increasing public investment in R&D which, if more related to business needs, would raise the R&D intensity of Irish firms. If this line were followed, the shift of the Irish economy towards a knowledge-based economy, already very visible, could be pursued over the years and a more ambitious target could be envisaged at the occasion of the mid-term review of the Europe 2020 targets (2014/2015) (European Commission, 2013).

We currently see evidence of the State trying to re-orient in this direction. For example, SFI, the country's State-funded R&I foundations, has re-directed its grant programme from blue-sky research to more applied research. However, the analysis of the country's R&D performance presented above differs strikingly from the conclusions reached in the McCarthy Report, the government's review of State expenditure and the blueprint for reducing government spending under conditions of austerity (Government of Ireland, 2009). The McCarthy Report queried whether any measurable benefits for the economy could be derived from the ramp up of R&D spending from 2000. The report indicated that government investment in R&D has brought about a surplus of PhD graduates and high levels of journal publications, but little commercial return. We will return to these contrasting views of Ireland's R&I performance in the Chapter 4.

Important influences on Ireland's R&I strategy include the Europe 2020 Strategy^[3] and the National Reform Programme. The NRP provides an update on the continuing process of reform following Ireland's exit from the EU/IMF Bailout. Ireland's national target under the NRP in Research and Development is to raise combined public and private investment levels in this sector to 2.5 % of the GNP (c. 2.0 % of the GDP) (Department of the Taoiseach, 2013).

3 Adopted in 2010, it aims to enable Europe to emerge stronger from the current economic crisis and to turn the European Union into a smart, sustainable and inclusive economy (Department of the Taoiseach, 2013)

Drawing on the European Commission's Innovation Union Scoreboard 2014, Ireland is classified as an 'innovation follower,' 'with innovation performance above or close to that of the EU average' (European Commission, 2014). On two of the Scoreboard's dimensions, 'Innovator' and 'Economic Effects,' Ireland is one of the leading performers (ibid. 5). The areas of performance which bring Ireland up on the Scoreboard and which show high levels of growth include being well above average on both international scientific publications and License and patent revenues from overseas. The report draws attention to the above average third-level education levels and high levels of PhD graduates, employment levels within knowledge-intensive firms and the levels of knowledge-intensive exports. Below average performance as well as significant growth decline is recorded in non-R&D innovation expenditure, Community designs and collaboration amongst innovative SMEs (ibid. 49).

Given the focus of this report, four low scores for Ireland on the Scoreboard stand out as significant. In Annex A, Current Performance, the Scoreboard lists Ireland as having significantly lower-than-EU-average performance scores for R&D expenditure in the public sector, venture capital investment, R&D expenditure in the business sector and non-R&D innovation expenditure. These scores and the interrelationship with the lack of a significant R&I foundation sector will be returned to in the fourth chapter.

While there is no formal collaborative infrastructure in the field of R&I, a number of organisations play an important role. Science Foundation Ireland, the only R&I foundation in the country, does collaborate with the universities and with the State bodies Enterprise Ireland and Forfás.^[4] SFI's role is commented on more extensively in Chapters 4 and 5.

In summary, we have reported on the somewhat paradoxical case of Ireland: it is a country with low levels of foundation sector activity, very low levels of R&I foundation activity, and low levels of financial investment in R&I at the current time. On the other hand, it is a high-scoring 'Innovation Follower' and stands out on R&I performance in several categories when compared with the EU27. It is a country which has recorded high levels of development in R&I activity over the past decade and has benefited from government prioritisation of R&I. While there is no good time for a financial crisis, the 2008 collapse has created very trying conditions for the nation's R&I performance. It is a context which illustrates the gap that foundation funding could very usefully target.

4 This statement could be challenged and needs to be further substantiated.

2 Data Collection

2.1 Identification of the foundations supporting R&I

Starting in August 2012, the Irish EUFORI team identified existing data sources and individuals who could either name foundations or point us to further sources of information. In the absence of an existing database or national register, we created a database of foundations supporting R&I in Ireland using two available lists and a snowballing strategy. Our team included the former Director of Philanthropy Ireland, the Irish body established to promote and support philanthropy in Ireland, as well as an experienced fundraiser. At the start of the process we expected that we would find a modest number of R&I foundations, perhaps 35 to 40 at most.

The most comprehensive existing data sources from which we could draw R&I foundations were :

1. Philanthropy Ireland's membership list of circa 30 philanthropic foundations, and
2. a list of circa 7 000 companies limited by guarantee without share capital and with charitable status, created by INKEx, (the Irish Nonprofit Knowledge Exchange) and a report on the Irish nonprofit sector created using those data (INKEx 2012).

The Philanthropy Ireland list provided foundation names and contact details for its members. The INKEx list provided the name of the organisation and in some cases also included date of establishment, charity number and object. The INKEx list was searched using the keywords philanthropy, foundation, trust, fund, friends, research and innovation to identify potential R&I foundations. We created a sub-list of entities from the Philanthropy Ireland and INKEx lists that we thought might be foundations that support R&I. We then reviewed the objects of each entity on the sub-list. Where no object was listed, a web search was conducted to establish the object. 127 potential R&I foundations were identified from the two lists and from our own knowledge of the foundation sector. We then moved into the snowballing phase of the search.

Between 24 October 2012 and 8 January 2013, the Ireland EUFORI team met six times to report on meetings conducted with informants in the snowballing process, to revise the list of potential foundations and then to finalise the list. At each meeting held with informants in the snowballing process, the informant was shown the list we had compiled and was then asked to identify further foundations or to query the inclusion of any of the listed foundations. The snowballing informants included the former President of Ireland's largest foundation supporting R&I, the Chief Executive of the Irish Research and Development Group, the Secretary of the Trinity College/University College Dublin Innovation Alliance, the Chair of the Irish Medical Research Charities Group and the Assistant Secretary (senior civil servant) in the Department of Education. We revised our foundation list after each snowballing meeting.

The snowballing process was informative, but not in the manner that we had imagined. The informants were all interested in our existing list of potential foundations and assisted us in removing irrelevant entries. However, they were unable to provide any additional foundations for our lists. At the end of the snowballing process, we had compiled a list of 53 foundations. Of these, we identified 15 that we regarded as ‘typical’ grantmaking or operating foundations as defined within the EUFORI study, of some size and economic significance. The remaining 39 were what we believed to be small or very small funds, most without paid staff or elaborated governance functions. We included them as we regarded them to be the more common institutional entities for ring fencing R&I funds in Ireland. We therefore consider the full list to be very representative of the whole sector. While it may be the case that there remain ‘under the radar’ foundations, they are unlikely to be either representative of the whole sector or significant in their contribution to R&I funding.

2.2 The survey

Prior to the circulation of the survey invitation from the EUFORI Office, we contacted 51 of the 53 foundations by email, advising that the invitation to take the survey would follow. We decided not to include a letter of endorsement with the invitation letter, but rather to follow up with non-respondents after the survey invitation was distributed.

By 1 July 2013, four foundations had responded and an additional five had written to say they would not respond. By 12 September 2013, 12 foundations had attempted the questionnaire. After a EUFORI study workshop in Amsterdam, we again invited those who had not completed the questionnaire to do so, and we offered the option of the shorter questionnaire. One additional foundation responded. We then send personal invitations to a selected number of foundations. Two further foundations responded. Of the 53 on the initial list, 15 answered the questionnaire and five indicated that they would not answer the questionnaire. A further two foundations that confirmed that they would answer the questionnaire chose not to do so.

2.3 The interviews

Given the size and nature of the foundation field in Ireland, it was important to contextualise the quantitative elements of the study with qualitative data. The qualitative part of the study commenced early in the use of snowballing interviews and was elaborated after the survey was completed with in-depth interviews with selected foundations. The qualitative data are important for contextualising and making sense of the quantitative data, extending knowledge where limited data is available, and exploring motivations of foundation funders.

- The EUFORI study foundations selected for qualitative interview were the Genio Trust, The Atlantic Philanthropies and Front Line Defenders. The Atlantic Philanthropies were selected as Atlantic is the largest philanthropy operating in the country and although it is not a R&I foundation, its total contribution to R&I is greater than any other foundation. The Genio Trust and Front Line Defenders were selected as examples of foundations that are both operating and grantmaking, and that operate in a manner that is particularly effective in the Irish context. The Genio Trust was established with a grant from The Atlantic Philanthropies, and State funding – both matching funding for the Atlantic Grant and

funding the State wishes to have distributed. Front Line Defenders was established with funding from one of the country's most significant philanthropists. It also received funds from The Atlantic Philanthropies. Both Genio and Front Line have grown and developed through a difficult operating period in which other Irish foundations have struggled to survive.

- In addition to the EUFORI project foundation interviews, individual interviews were held with Philanthropy Ireland and the One Foundation (a spend-down foundation that closed in 2014) and a round table was hosted with additional stakeholders who were able to provide perspectives on research and innovation funding and support for social innovation in Ireland. The participants in the round table discussion were the Director of Fundraising at Front Line Defenders ^[5] the Development Director of the Community Foundation of Ireland and the Chairman of Trinity College Dublin's fundraising Foundation.
- Information meetings were held with the Director of Trinity EngAge (a consortium of TCD ageing research projects, including the TILDA longitudinal study of ageing which has been heavily foundation funded) and the Director of the Trinity Innovation Alliance.
- Two members of the EUFORI Ireland team took part in a series of meetings on impact assessment in philanthropy, chaired by Philanthropy Ireland during the Spring of 2014. The participants included several of the study participants and discussions provided further insight into foundation perspectives on innovation.
- A final interview was conducted with Trinity College's Professor Emeritus of Innovation, Professor William Kingston. In this interview, the picture of Ireland R&I foundation sector as had emerged from the EUFORI data and from the qualitative interview was discussed. He offered comments and clarifications based on his extensive knowledge of patterns of R&I activity and investment in Ireland in both the public and private sectors and in the universities.

The EUFORI Project foundation interviews addressed the following topics:

- History of the foundation: founder(s) and their motivations/drivers for establishment; evolution of research and innovation objectives; key transition points in the development of the foundation and its funding focus.
- Major achievements: assessment of the impact on research and/or innovation in the field funded; individual examples of achievements.
- Decision-making processes: examples that illustrate how the granting process works: attempts to map individual case examples from start to finish (origin of the idea to evaluate/review the funding program).
- Governance modes and impact on decision-making processes.
- Foundation roles: roles that the foundation fills within the foundation field and within the resource pool for the lines of R&I it supports.
- Partnerships: within foundation field partnerships; cross-sectoral partnerships; cross-country partnerships.
- Future perspectives: plans for expansion/withdrawal/retrenchment; in cases of spend-down, a retrospective view.

⁵ After the round table in November 2013, we decided to return to Front Line Defenders for the EUFORI project. Interviews with the Director and Deputy Director were held in May and June 2014.

There were very significant contrasts in perspective given the differing size, resource pool and timeframe that each foundation was working with. Furthermore, the decision-making processes varied significantly with the objects of each organisation. For example, the organisations differed in the manner in which they identified grantees, interacted with them and followed up after the grant period. The foundations were in agreement regarding the paucity of research and innovation foundation funding within the country and questioned whether there is in fact an R&I foundation sector in Ireland.

3 Results

3.1 Types of foundation

In the total respondent group (N=15), nine foundations support both research and innovation and four support research only. None supported innovation only. Two supported neither research nor innovation and thus did not answer any further questions, reducing the respondent group to 13. Of the total respondent group supporting research or research and innovation (N=13), six are grantmaking only and two are solely operating foundations. Five are both grantmaking and operating. Ten foundations indicated a percentage of expenditure on R&I. Of these, one funds R&I exclusively, four commit between 50 % and 100 % of expenditure to R&I and five commit more funds to purposes other than R&I. One foundation in the sample is public and was established by the Irish government. The year of establishment ranged from 1839 to 2007, with half of the sample established in 2000 or later.

3.2 The origins of funds

3.2.1

Five of the foundations that indicated their financial founder (N=9) were established by a private individual or family, and two by another nonprofit organisation. One was established by a hospital and one by another foundation. Within seven of those foundations, an appointed board is responsible for setting the annual strategy. The original financial founder is involved in setting the strategy in two of the foundations.

3.2.2

Nine foundations reported their total income (N=9), and while more foundations reported their source of income (N=12), the reported total income by source is only one third of the total reported income. The responding foundations (N=9) reported their total income for 2012 as EUR 37 438 622. The source of 55 % of their reported income is government funding (N=3). This percentage does not include the income of the one public foundation in the sample. 40 % of the remaining reported income was from nonprofit donations (N=5). Only one of the endowed foundations reported on the percentage derived from endowment income (1 %).

Figure 1: Income categories of foundations reporting their total 2012 income (N=9)

As a percentage of the total number of responding foundations (N=13)

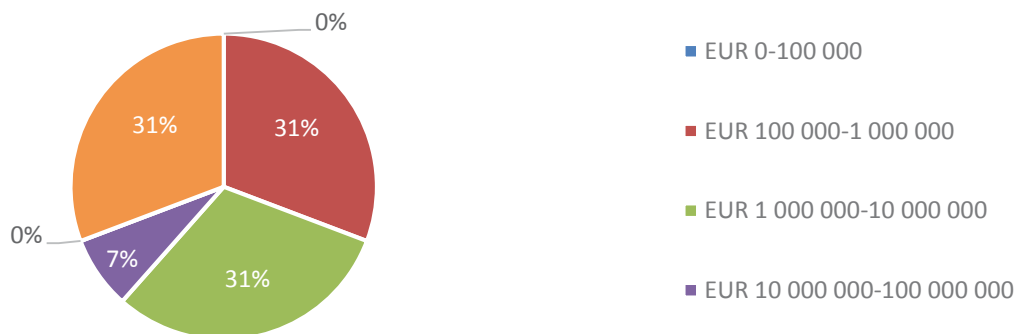


Table 1: Statistics on income

Total number of foundations	13
Number of foundations reporting total income	9
Mean in Euros	5 159 847
Median in Euros	1 890 000
Total income in Euros	37 438 622

Table 2: Sources of income

Source of income (N=12)	Number of Foundations	Total income	% income by source
Endowment	1	98 000	0.26 %
Gifts from individuals	1	65 089	0.17 %
Corporate donations	2	314 614	0.84 %
Nonprofit donations	5	5 382 974	14.37 %
Government funding	3	7 458 734	19.92 %
Service fees	3	82 769	0.22 %
Other (fundraising)	1	14 699	0.004 %
Income of unknown origin	-	24 021 742	64.16 %
Total reported income	-	37 438 622	100 %

While total income by source was underreported, a greater number from the sample were able to provide information on the origins of funds, as follows.

- Three of the four endowed organisations were willing to report on the source of their endowment, indicating both money and shareholdings from the original founder (N=2 respectively) and legacies and property from the financial founder (N=1 respectively) contributed to the endowment. Of the three, one is a spend-down foundation and two have expandable endowments, though one of these indicated that it is maintaining its endowment.

- Donations are an important source of income for foundations reporting on the source of their income. However, gifts from individuals or corporate donations add up to less than 3 % of the reported income breakdown, whereas nonprofit donations comprise 40 %. We believe that the questionnaire respondents interpreted ‘nonprofit donations’ to mean charitable (‘one-off’) donations as well as gifts from other nonprofit organisations, as the reported amounts are consistent with the spread of the fundraising foundations in the sample.
- Of the 3 non-public foundations reporting income from the government, all distribute government funds, two have government representatives on their boards and two report significant government influence on decisions about allocation of R&I funds.
- Service fees/other sources totaled less than 1 % of reported income sources.

In summary, the income picture that we have of Irish foundations is of income derived from donations (fundraising) and other nonprofit organisations, transfers from the State and, to a much lesser extent, endowment. This picture was confirmed in interviews with an endowed foundation, which distinguished itself from the ‘typical’ Irish foundation and from a fundraising foundation.

3.2.3

The total asset figures are of particular interest as they indicate that the bulk of the resources in Ireland’s foundation sector originate from a single foundation that is also a spend-down foundation.

Figure 2: Total assets
As a percentage of the total number of foundations (N=8)

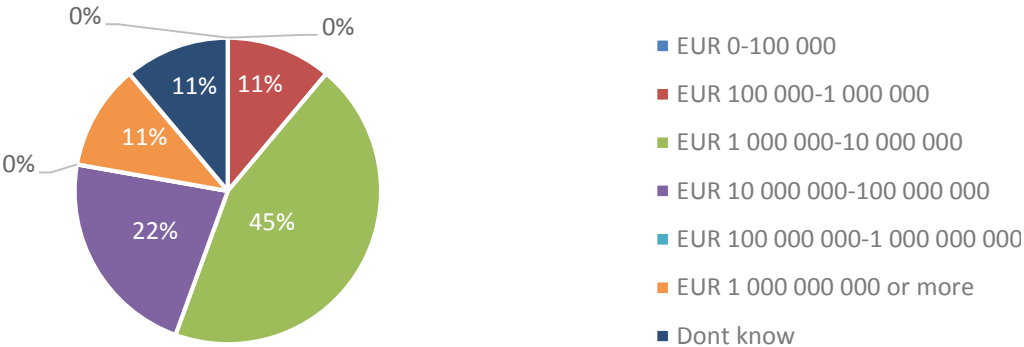


Table 3: Statistic on assets

Number of foundations	8
Mean in Euros	193 834 060
Median in Euros	4 362 500
Total assets	1 550 672 480

When we tried to break down assets into asset categories, we ended up with an ‘unknown’ figure representing 98.5 % of the total reported assets due to the non-reporting of assets breakdown by a single, endowed, spend-down foundation. This illustrates the gap in size between this one foundation in the sample and the remaining responding foundations. While this foundation is not principally an R&I foundation, it is the foundation with the greatest capacity for impact within the R&I domain.

Further, we know from interviews and from a published report (Philanthropy Ireland, 2010) that this foundation, the only spend-down foundation in the sample, will have ceased operations in Ireland entirely by 2016. Moreover, it is a funder of several of the other foundations in the sample. Its funding is usually delivered as matched funding, where it will only grant support an organisation (foundation) if a co-funder is identified. The co-funder is often the State. Thus, the one foundation which will cease to operate by 2016 contributes to the ‘nonprofit donation’ portion of other foundations’ funding and has bearing on the levels of government funding. Drawing on earlier research (Philanthropy Ireland, 2010), we know that in 2006-7, this one spend-down foundation accounted for three quarters of all giving to causes in Ireland, and that in 2006 it accounted for 86 % of the value of foundation grantgiving to causes in Ireland. In 2007, the figure was 71 %. We will return to this subject in the discussion of innovative examples and also in the concluding chapter.

3.3 Expenditure

In Figure 3 and Table 4 below, total expenditure for 10 responding foundations is reported. In Figure 4 and Table 5, it is clearly illustrated that while the foundations in the sample fund research and innovation, the majority are not R&I foundations. Expenditure on other purposes account for two thirds of the allocated expenditure.

Figure 3: Total expenditure in 2012

As a percentage of the total number of foundations (N=12)

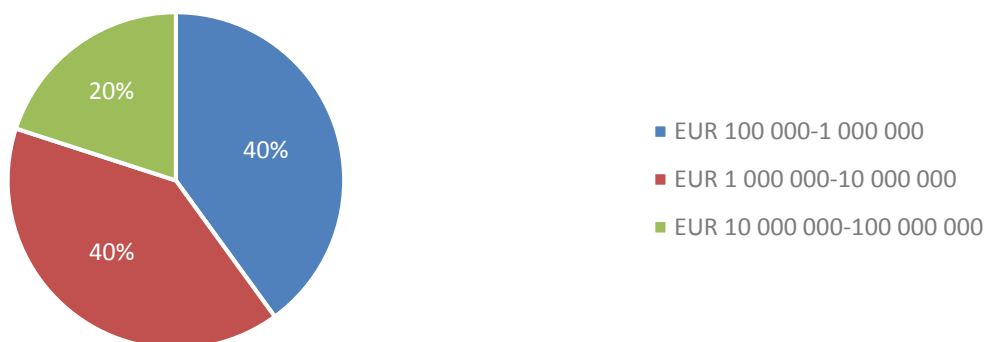


Table 4: Statistics on total expenditure

Number of foundations	10
Mean expenditure in Euros	6 830 026
Median expenditure in Euros	2 377 961
Total expenditure	68 300 261

Figure 4: Distribution of total expenditure; research, innovation and other purposes

As a percentage of total expenditures (N=9)

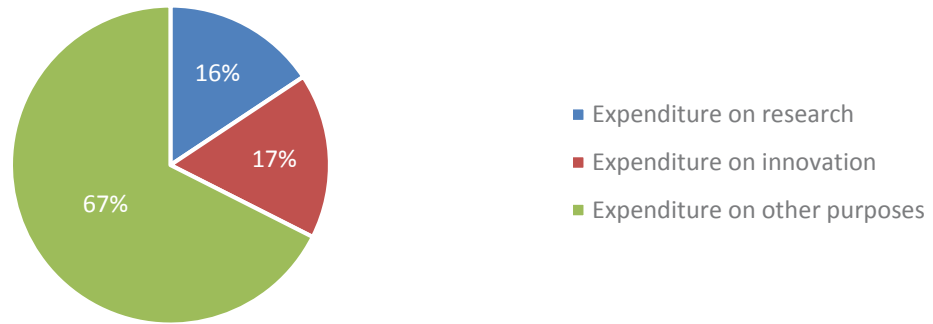


Table 5: Expenditure

Total/R+I in Euros	Total in Euros (N=9)
Research	9 289 877
Innovation	9 952 450
Other	40 057 934
Not Allocated	9 000 000
Total	68 300 261

3.3.2

Five foundations provided a breakdown of their research expenditure, indicating more than 92 % of EUR 9.2 million was allocated to applied research and 89 % this was recorded as direct research expenditure. Looking at forms of expenditure on research, 84 % (approx. EUR 7.7 million) is spent on grants, more than 12 % on operations and 2.66 % on other expenses such as overhead costs.

3.3.3

Turning to innovation expenditure, five foundations reported a total innovation spend of over EUR 9.7 million in 2012 with some EUR 8.7 million allocated to grants and less than half a million Euros allocated to their own operating costs. When asked to provide examples of innovative projects that they fund three foundations provided nine examples. These are listed below and are returned to in the next chapter.

Table 6: Examples of innovation projects funded by foundations (N=3)

Projects supporting individualised and integrated living within the community for disabled people.
Providing early years education to disadvantaged communities
Longitudinal study on ageing
Building confidence in creative writing and self-expression
Adaptive technologies for older people to live independently
Increasing the participation of women at all levels of Irish politics
Projects developing and testing community-based dementia supports/service models
Projects developing a range of non-institutional respite options .
Social research into ageing

3.3.4

Of the nine foundations reporting on their change in expenditure between 2011 and 2012, nine reported their expenditures remained the same, two reported an increase and two reported a decrease. Projecting for the fiscal accounting year ahead, five again expected their expenditure to remain the same while three expected their expenditure to drop. When asked in interviews about a projected decline in expenditure, government funding was the factor most consistently indicated as likely to decline.

3.4 Focus of support

3.4.1

Eight responding foundations indicated the categories to which their beneficiaries belong and the approximate percentage breakdown. Public higher education was the most widely supported, followed by the nonprofit sector. While the first place position of public higher education is not surprising in its own right, it also mirrors the picture of philanthropic foundation giving in general reported by Philanthropy Ireland (2010) in their survey of 15 grantmaking foundations in Ireland. In that study, nine of the responding foundations supported education and research and more than eight supported health.

3.4.2

The allocation of funds to research fields is recorded in Table 7 below. It would appear to indicate that the best supported research field is that of social and behavioural sciences, followed by medicine. The total sums reported are puzzling for two reasons. Not all foundations that indicated that they support a field also indicated the amount of support they allocate to that field, which may have resulted in under-reporting of sums for some of the other fields. The total sum recorded is EUR 13.5 million, which exceeds the total spending on research expenses recorded in Table 7 by EUR 4 million. However, this helps to explain where some of the excess EUR 9 million ‘not allocated’ in that table should be allocated.

Table7: Research areas

Research areas	Foundations (N=11)	Total in Euros (N=8).
Natural sciences	1	68 798
Engineering and technology	1	88 129
Medical sciences	7	5 060 000
Agricultural sciences (no data)	1	0
Social and behavioural sciences	6	6 885 000
The humanities	2	40 000
Other, (HRDs, microfinance)	2	1 327 667
Total	-	13 469 594

3.4.3

While six foundations reported on their current provision of support for research-related activities and seven reported on their support in the previous five years, only one attempted to allocate actual expenditure across the categories. Over the previous five years, the most widely supported activities were research dissemination and advocacy/citizen engagement.

3.4.4

When asked to indicate changes in their level of support for various research fields compared with five years ago, there was less change overall than was observed for research-related expenses. More foundations are now providing support in the fields of the humanities, social and behavioural science and medical science than they did in the previous five years.

3.5 Geographical dimensions of activities

3.5.1

Of the nine foundations providing information on the geographical dimensions of their activities, their funding is almost exclusively directed to local and national concerns. This is similar to the results of Philanthropy Ireland's survey of philanthropic foundations in Ireland (2010), where they found that between 2005 and 2007, 98 % of the value of the grants given by foundations in Ireland went to causes based in Ireland. The breakdown of funds is illustrated in Table 8 below. None of the responding foundations operate in other EU countries.

Table 8: Geographical distribution of foundations

	Expenditure in Euros	Percentage
Local/regional	5 673 200	29.89 %
National level	12 756 830	67.20 %
EU level	0	0 %
International level	552 227	2.91 %
Total	18 982 257	100 %

3.5.2

While nine foundations nominated roles for the EU vis a vis R&I foundations, we were unable in interviews to identify concrete examples with which to elaborate on the information provided in the answers to this question. The majority of the questionnaire respondents (N=8) identified awareness raising and structure for collaboration as important roles of the EU. Concerning contribution to European integration, seven of the nine responding foundations identified ways in which foundation activities contribute to integration. Integration on social and research issues was ranked higher than integration on educational or cultural issues. Firm examples were not forthcoming at interview.

3.6 Foundations' operations and practices

3.6.1

A staffing and governance profile was provided by nine of the foundations offering a clear illustration of the range of foundations in the small population. While the largest foundation has 148 staff, the next largest has 41, followed by 24, 23, ten, eight and three. The remaining two are unstaffed. The governing board size ranged from three and four in the unstaffed foundations to 12 and 13 in the two largest entities, with an average of nine. As the majority of the foundations are fundraising foundations that are operating as well as grantmaking, with less than 28 % of their total budget directed to funding research and innovation, staff numbers also reflect their operating activities and activities outside of the R&I funding arena. The foundation with the largest number of staff is the one spend-down foundation in the sample, and the majority of the staff is located in offices outside Ireland. It is the only foundation which has a supervisory board. The absence of supervisory boards in the remainder of the sample is not unusual as these boards are not common features of the Irish third sector landscape.

3.6.2

The snapshot of 'daily practices' provided by the questionnaire offers some interesting insight into how grantmaking foundations support research. Ten of the foundations responded. Eight of them proactively search for projects and only one typically waits for applications. At interview, the foundations indicated that they rarely welcome unsolicited applications and that they determine the nature of the projects for which they will provide support. The largest provider of grants approaches individual organisations and invites them to apply for funding. Only two of the responding foundations provide long-term support, although one-off support is similarly rare. While few (N=2) of the foundations are regularly involved in

the implementation of funded projects, the majority (N=6) conduct formal evaluations and eight demand evidence of how the grants have been used. It is interesting that only two foundations characterise themselves as typically giving small grants to many fundees rather than larger grants to a few, as the majority of the foundations can be classified as small grant givers.

3.6.3

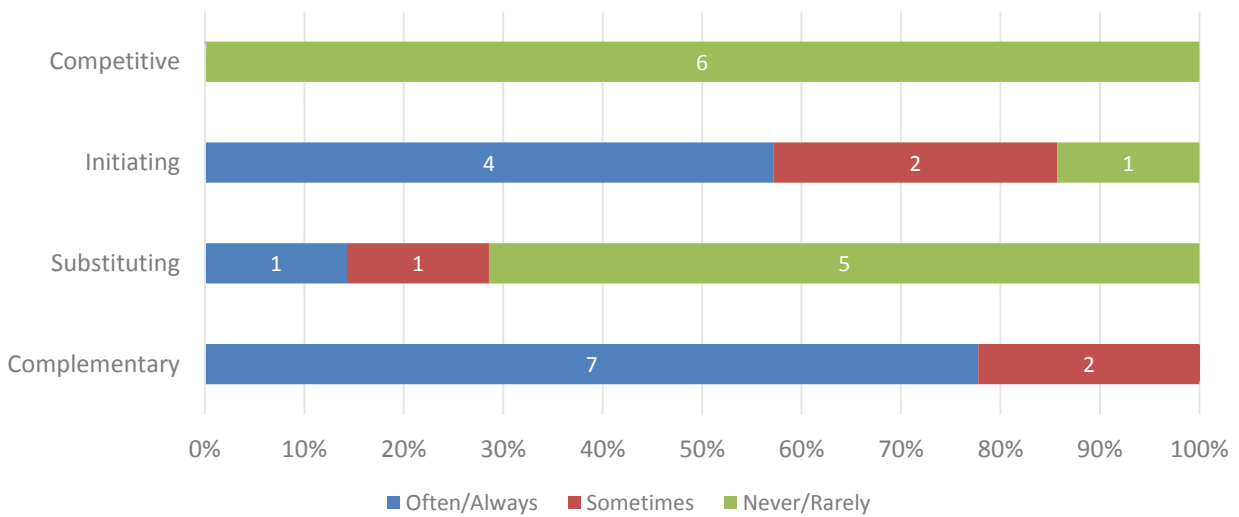
Of the respondents who conduct joint research activities with other funders in the field of R&I (N=9), two thirds (N=6) engage in a range of partnerships. While a footnote on the questionnaire clarified that the question referred to relationships between funding partners rather than relationships with grantees, during the interviews we were not able to collect examples of funding partnerships with hospitals, research institutes or universities. Rather, the foundations provided us with examples of how, through funding partnerships with the State or with another foundation, they established a project or programme within a hospital, university or research institute.

3.7 Roles and motivations

3.7.1

Nine foundations identified their roles in their answers to the questionnaire. Seven described their role as often or always complementary to public or other support and a further two as sometimes complementary. The emphasis on the complementarity of role was reinforced in the interviews, where the interviewees provided concrete examples of partnership arrangements made for funding, and also queried the value of a competitive role, in particular when referencing their relationship with the State. Four saw themselves as often or always, and two as sometimes initiating projects with the expectation that others would take over. It may be speculated that prior to 2008, when there was more secure State funding and a more buoyant economy, the pattern of answers to the 'initiating' role would have been different. The low number of often/always or sometimes (N=1 respectively) to the substituting role is interesting, as it is reasonable to expect that foundations may take on the role of substitutes for other sources of provision in difficult times. However, at interview the foundation interviewees emphasised the mission-driven basis of their R&I activities and their commitment to remaining true to their mission in a changing context and in difficult operating conditions. This could be seen as militating against an orientation to substituting for other providers of support. The patterns of roles are illustrated in the following table.

Figure 5: The roles of foundations (N=9)



3.7.2

Motivations were explored in the interviews with individual foundations and other players in the foundation field. As noted when discussing foundation roles, the orientation to serving a foundation’s mission and to remaining mission focused in difficult operating environments provides an important context for understanding and interpreting the motivations of foundations supporting R&I. Perhaps it is particularly relevant in the context of a foundation field like Ireland’s where the majority of the foundations rely largely or exclusively on fundraising, and in which support for R&I accounts for less than one third of total foundation spending, but it is proposed that in this context, the motivation to support R&I is a means to an end rather than an end in itself. Foundations support R&I in order to advance the eradication of cancer, or to improve the services available to people with mental health difficulties or intellectual disability, or to increase the safety of human rights defenders. It is less often the case that the production of PhD graduates, the provision of innovation funding, or even the enhancement of the research and innovation infrastructure is the end in and of itself. This is a critically important observation for national governments and the EU when viewing the role of the foundation sector in funding R&I. Public policy expectations of philanthropy do not necessarily concur with philanthropy’s expectations of itself (Donnelly-Cox and Healy, 2014 forthcoming). While the foundations in this study would regard themselves as working in ways that are complementary to the State, ultimately it is to advance their own objectives.

4 Innovative Examples

Our innovative examples have been gathered from interviews and meetings, from the quantitative data, from a review of foundation websites and activity reports, from a review of evaluations of Ireland's R&I performance and from web searches. The quantitative data and the interviews provided insights into foundation support for a range of innovative social research initiatives in the fields of human rights, developmental disability, ageing and women's participation in political life. Systematic pilot projects and later the roll-out of new programmes were most widely referenced in the fields of ageing and developmental disability and are best classified as social innovations. Whilst none of the responding foundations cited innovative R&I examples in their questionnaire responses, we gathered some examples from interviews and the other sources noted above.

4.1 Successful partnerships

Two foundations provided examples of successful partnerships. The Atlantic Philanthropies has partnered with the Irish Government and with other foundations in co-funding major research infrastructure, social innovation and social change programmes. Science Foundation Ireland has partnered with a variety of public, voluntary, foundation and corporate bodies to fund research and innovation.

The Atlantic Philanthropies embarked on one of its most ambitious funding programmes in Ireland in 1998 (Atlantic Philanthropies, 2011, 2013). It provided the initial funding for the Programme for Research in Third Level Institutions (PRTLTI). It partnered with the Irish Government to co-fund PRTLTI. In later rounds of PRTLTI, the Irish Government co-funded under the European Regional Development Fund (ERDF). Between 1998 and 2010, Atlantic provided 16 % (EUR 178 million) of the total of EUR 1.1 billion invested. The aim of the foundation in gifting the funding was to develop the research infrastructure to underpin university-based R&I, to provide a foundation for a knowledge economy and to boost job creation (Atlantic Philanthropies, 2011). Atlantic's founder, Chuck Feeney, approached the Taoiseach (the Irish Prime Minister) in 2006, proposing a co-funding plan for the country's universities. Former Provost (President) of Trinity College Dublin, Professor Tom Mitchell, described PRTLTI as Feeney's 'biggest legacy. It is a model of how a foundation can combine with government and use its leverage to change policy' (Atlantic Philanthropies, 2013). Over the 17 years of funding, PRTLTI has and is continuing to provide for almost 100 000 square metres of new research facilities, 46 research institutes and research programmes, 1 000 research positions and 1 600 new postgraduate (mainly PhD) positions (ibid). Since 2004, PRTLTI has been evaluated several times in studies of international comparative research performance, research collaboration and impact (HEA, 2004; HEA and Forfás, 2007; Evidence, 2009 and 2009a; Government of Ireland, 2010; PA Consulting

2011). The final stages of the funding programme were threatened in 2009 when the McCarthy Report⁶ recommended ending the funding of PRTLTI prematurely, on the grounds that:

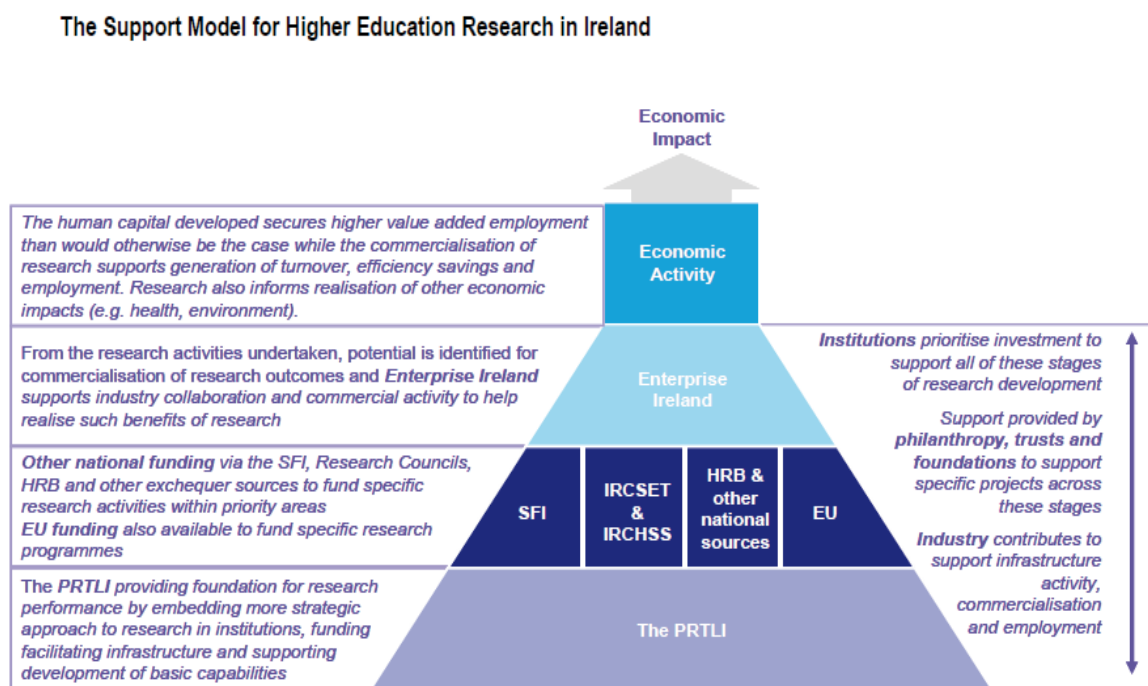
Substantial reductions in funding are warranted given the significant amounts invested to date, the lack of verifiable economic benefits resulting from these investments and the inflationary impact of funding on research and administration salaries... The fifth cycle of the PRTLTI scheme is due to run over the period 2010 to 2014. This scheme has been in operation since 1998 and there is insufficient evidence of the positive economic impact of the programme to date. Subject to any contractual commitments, this cycle should be cancelled. This will lead to savings in future years as spending on earlier cycles of PRTLTI winds down without any new funding requirements arising in their place. The cancellation should also have implications for SFI funding given that SFI researchers are housed in PRTLTI funded infrastructure (Government of Ireland, 2009).

In late 2009, the Higher Education Authority commissioned a comprehensive review of PRTLTI from PA Consulting. The Review, which reported to the HEA in 2010 and was made public in 2011, provided a positive assessment of the contribution of PRTLTI to Ireland's R&I performance. State funding for the fifth round of PRTLTI was announced in 2010. In their report, PA noted that investment from PRTLTI and subsequently from a range of public funding agencies and the publically-funded research foundation, SFI 'have resulted in the rapid growth, expansion and improvement of research in Ireland' (PA Consulting, 2011). The report also noted that there were mixed results from the investment, with some spikes of measurable impact, and other areas where impact was difficult to illustrate. The consultants concluded that future funding

6 Chaired by economist Professor Colm McCarthy, the Special Group on Public Service Numbers and Expenditure Programmes was known in a colloquial mix of Irish and English as *An Bord Snip Nua* – literally, the new board charged with recommending how to 'snip' more than EUR 5 billion from State spending. The name refers back to a report in 1987 on cutting state spending, produced by *An Bord Snip*.

should ‘be carefully planned and targeted on areas with greatest potential for success’ (ibid, 53). In Figure 6 below, PA Consulting’s model of how PRTL I underpins R&I research investment in Ireland is reproduced. The role of foundation funding is illustrated in the right-hand column. The State’s own foundation, SFI, is included in the mid-line of the model, just above the PRTL I and adjacent to the public sector research funding streams. Shortly after the review was completed, the State decided to fully fund the final round of PRTL I investment.

Figure 6: The support model for higher education research in Ireland



(PA Consulting, 2011: 6).

Our second example of successful partnerships profiles is SFI. It is the largest research and innovation foundation in the country and it is widely perceived as a State body. However, its governance and operating procedures clearly delineate it as a State foundation that meets the definitional requirements of the EUFORI study. Since the release of PA Consulting’s report ‘Confirming Impacts from Research Investment’ in 2010, SFI has shifted its funding focus from ‘blue sky’ to applied research. This decision has been broadly welcomed as a step that will assist Ireland in performing in innovation as well as in research (interviews). However, SFI’s most recent partnership, announced 4 July 2014, re-emphasises basic research. SFI has partnered with the highly prestigious Royal Society in the United Kingdom to enable young Irish researchers to apply to the Royal Society’s University Research Fellowship Scheme. The Irish researchers go into open competition with their UK and Commonwealth counterparts, and if they are successful, the SFI will fully fund, for up to five years in the first instance, their salary and research expenses in either an Irish or a UK institution (McCall, 2014). Fellowship holders can go on to apply in open competition for up to an additional three years of funding. The partnership is regarded as very significant for the development of excellence amongst young Irish researchers in that success in this scheme means they have satisfied the criteria of the Royal Institution, and that they have secured their award in open competition with peers from the UK and Commonwealth. The partnership will also facilitate Irish researchers to work in the UK and UK/Commonwealth awardees to work in Ireland. Thus, the partnership brings benefits both to Irish awardees and to Irish institutions – and, it is hoped, to Irish R&I performance.

4.2 Innovative projects

In this section, we profile the Genio Foundation as an innovative project in its own right. Genio was established as an operating foundation that also grants aid, research and social innovation, but its core mission is to act as a connector between philanthropy and government so that they are more effective in serving disadvantaged people trying to live a full life in their own communities (interview). Genio works to demonstrate:

How real change can be achieved through the strategic investment of funds in an effective, accountable and transparent way. We recognise that private donors have a vital role to play in supporting the demonstration of good quality, cost-effective services to those in need. Government is best placed to sustain and scale services in the context of implementing national policy (Genio, 2014).

Genio sees itself as being genuinely different from other Irish organisations seeking to address need due to its emphasis on ‘smart social investment’. It sees its ‘interface’ role as unique – it ‘brings public and private donor interests together to achieve change and lasting impact that can be difficult, if not impossible, for either to achieve alone’ (ibid). In an effort to document and develop its capacity in this area, Genio applies its emphasis on the analysis of social impact as much to itself as to the projects it supports. Further, it has commissioned a series of reviews and evaluation and case profiles of its work to provide the information that will allow it to assess, focus and improve its processes.

Genio works in three domains. First, it runs an annual grant round inviting proposals for innovative work in the areas of mental illness and disability. It seeks proposals that are both innovative in their design and cost effective in their delivery. Second, it provides training and development to bring about the broader system changes necessary to support the implementation of the innovative projects. With an emphasis on embedding and scaling new modes of delivery of support for vulnerable people, Genio takes the view that unless the system is reshaped, its innovative projects will remain one-offs. Third, it is heavily engaged in measuring social impact in general, and of its investments in particular (Genio, 2014). In this last area, Genio is one of a small number of foundations in Ireland that are intensely interested in impact assessment. We will see how this interest impacts on its pilots and demonstration projects in section 4.4.

4.3 Projects engaging the public's interest in research

Foundation support underpins several recent initiatives to raise public interest in and engagement with research. The most institutionalised of these is the Science Gallery, a public interface project established at Trinity College Dublin. Opened with an establishment grant given by the Wellcome Trust, and further support from Google, Deloitte and the Irish Electricity Supply Board, its primary purpose is to engage 15-25 years old with science. This is achieved through a programme of exhibitions, each lasting approximately one month to six weeks. Established less than one decade ago, it has become the leading engagement vehicle for research in the country. In a further contribution to innovation, in 2012 the Science Gallery launched The Global Science Gallery Network with a gift from Google.org. The aim of the Network is to set up Science Galleries in eight international locations by 2020.

SFI has played a lead funding role in developing Science Week, which is currently in its eighteenth year and is Ireland's biggest annual promotion of science to the general public. It is held each November, with over 800 events hosted in schools, universities, libraries and companies across the country with a focus on making science interesting and accessible to adults and children.

SFI is also a founding partner of The Festival of Curiosity, a Dublin-based event to raise public interest in and curiosity about science and innovation, which ran for the second time in July 2014. SFI co-funds the three-day festival in partnership with Dublin City Council, the Royal Dublin Society and Matheson (a law firm). The decision to develop a festival followed from the success of Dublin City of Science 2012. The Festival facilitates collaboration between science teachers, scientists and members of the public to develop new ways of engaging people with science.

4.4 Pilot and demonstration projects

For examples of pilot and demonstration projects, we return to Atlantic Philanthropies and Genio. Genio has been funded by Atlantic Philanthropies and the State for its own operations and its distribution of grants to other agencies, has piloted and then rolled out projects supporting individualised and integrated living within the community for disabled people, adaptive technologies for older people to live independently, and the development and testing of community-based dementia support and service models. Between 2010 and 2014, it has awarded almost EUR 24 million in innovation funding and has documented how the funds have contributed to service improvements and also reduced service costs (Genio, 2014).

4.5 Introduction to the market of new products, methodologies, services and/or technologies

We were unsuccessful in identifying an economic domain in which foundations have had a major impact in bringing the sector further. We referenced earlier the debate on the direction of public R&I funding in Ireland and the gap between research and successful innovation. When we focus in on the relatively small area of foundation-funded R&I, there are few examples to consider. However, the re-orientation of SFI to supporting applied research may result in a closer relationship between foundation funding and the market introduction of new products. When examining fields in which such projects might be found, such as renewable energy, new applications in healthcare treatment/diagnostics, agriculture and social sciences,

we could not identify a single example of direct foundation impact on economic activity in these fields. Amongst the examples discussed earlier in this chapter, the foundation that is closest to introducing new products, methodologies and services is Genio. However, its work is in the main conducted in a social welfare environment rather than an economic domain, such that its innovations in service provision are absorbed into State provision for people with disabilities and not into the market.

One area of foundation funding that may result in the market introduction of new products is the Atlantic Philanthropies' and other foundations' support for ageing research. Atlantic's support for TILDA, the longitudinal study on ageing in Ireland, has contributed to several reports on the health and welfare of the ageing population. Currently, Ireland's over-65s comprise 11 % of the population, but this is projected to rise to more than 20 % by 2036 (CSO, 2007). TILDA's research has contributed to the development of a multidisciplinary research focus within Trinity College on active ageing. The consortium is research and innovation focused, with plans for market-oriented developments in healthcare, including digital health, the activities of daily living products and housing (Atlantic Philanthropies 2013 and interviews).

5 Conclusions

5.1 Main conclusions

At the start of this report, our context chapter presented Ireland as a country characterised as peripheral statist. The main results from Chapter Three confirm this picture of Ireland as a country with a small foundation sector of which R&I foundations are a very small part, although the role of the State is more complex than Anheier and Daly's (2007) category would indicate. The quantitative data presented in Chapter Three illustrated very clearly that the largest foundation contributor to R&I funding is not an R&I foundation and will have exited within two years. The one R&I foundation of any size is a public foundation. As the INKEx data indicated, there is a multiplicity of small foundations, trusts and funds that support specific causes and which apparently raise and/or allocate funds to these causes. Some of these are captured in the quantitative data and overall the picture confirms the INKEx analysis. On the other hand, Donoghue's conclusion (2004) that overall the 'core' foundation sector is very small is reflected in our database of R&I foundations.

While the foundation sector is small, the funding it has provided has played an important part in jump-starting PRTL and social innovation. We know that R&I performance has grown significantly in Ireland since the late 1980s, albeit from a very low base and that this has been assisted by foundation funding, in particular the roll-out of the PRTL programme that was seeded with substantial foundation grants. One way of interpreting this picture is that both the field of R&I activity and the field of R&I foundation funding are at early stages of development. For example, if PRTL is as successful as argued by PA consulting, and if Philanthropy Ireland and the Forum on Philanthropy and Fundraising are successful in further developing organised private giving, then a survey conducted ten years from now should see substantial growth in both R&I activity and in organised philanthropy. It would be hard to overemphasise, however, that such growth would be coming from a very modest point of departure and that the exit of one spend-down foundation will leave a gap for which there is no obvious replacement.

We noted earlier that there is no good time to fall into a financial crisis, and we have been able to document the challenges that conditions of austerity have created for the field of R&I, in particular for continuing to develop the research infrastructure necessary for increased levels of innovation. Interestingly, however, in the questionnaire responses we saw confidence within the foundation sector, as reflected in their answers to the questionnaire questions, but we also see so many limits in the field due to funding cuts.

Chapter Four provided some concrete examples that largely reflect the impressions gained in Chapters One and Three. When seeking tangible examples of activity, we were struck by the degree to which partnership with the State has and continues to be an important theme in successful ventures. While this is largely due to the exiting spend-down foundation's policy of co-funding, it does provide an illustrative

evidence of how foundations can make a difference beyond their own capacity through co-funding, influencing State policy and working with the State to secure the desired outcomes.

Chapter One provided much insight into what the State and the EU desire from Irish research and innovation policy. One of the things that makes Ireland interesting in the overall context of the EUFORI study is the paradox that Ireland is performing reasonably well in the field of R&I, despite the resource problems that do exist. We conclude that growth in the Irish R&I foundation sector would be of great assistance to meeting the targets for Irish R&I performance – and that the current underdevelopment of the sector is an impediment to its achievement.

5.2 Strengths and weakness of the R&I foundation sector in Ireland

At the current time, the strengths of the Irish R&I foundation sector are extremely limited. The greatest strength of this sector is a foundation that is not an R&I foundation and which will exit within two years. Its next greatest strength is a State foundation which, until recently, has focused on the ‘blue sky’ research that can underpin more applied work. It will be interesting to see whether this foundation’s shift to supporting more applied research will reap measureable outcomes from this sector. There are opportunities for R&I foundations to develop further, for the foundation field infrastructure to support new entrants to the field, but these statements are tentative and hopeful in the face of limited evidence of a resource pool to achieve these aspirations.

Objectively, the Irish R&I foundation sector is weak on every measure. There are few foundations of any size or scope of R&I activity. There is very limited private funding that is directed to R&I via the foundation sector. The threats to further development of the foundation sector are much clearer than the opportunities. The withdrawal of the most capable and best funded foundation from the field, the end of that foundation’s funding streams and support for R&I infrastructure, the loss of matching funders, and the weak institutional framework all combine to present a real threat to supporting the modest infrastructure that has been built up by foundation funding.

5.3 Recommendations

Given the very obvious gaps indicated in the previous sections, it would seem to be prudent for recommendations to be both modest and targeted. Our first is that the apparent shift in funding policy for R&I towards applied, rather than blue sky research should be supported, at least in the short term, by Ireland’s existing R&I foundation resource. One contribution of the foundation sector in the past decade has been the seeding of research infrastructure. By focusing its limited resources on application, the foundation sector could play a role in addressing the R&I sector’s limited success to date in supporting economic performance. The measures of R&I performance reviewed in Chapter One indicated Ireland was much stronger on the production of PhD students and research papers than it is on the production of patents. The obvious caveat, however, is that without blue sky research, the broader benefits will not be forthcoming. There are many more questions to be asked and answered to help us explain and redress the weakness

of the Irish foundation field. We still cannot explain what makes Ireland unattractive for foundation formation beyond the observations we made in Chapter One. Growing the foundation field is necessary to develop an R&I foundation focus.

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