

# 4th EUA FUNDING FORUM

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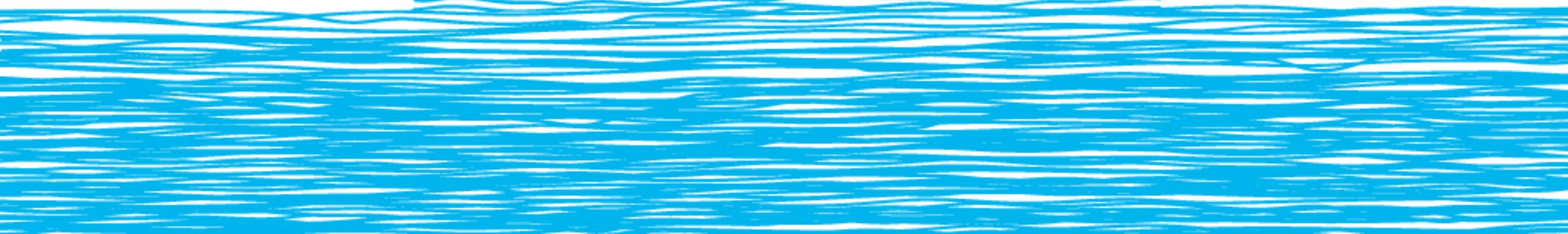
B A R C E L O N A



**RAMON  
LLULL**  
UNIVERSITY

**eua**

EUROPEAN  
UNIVERSITY  
ASSOCIATION



# Funding trends in Europe

**Thomas Estermann**

Director for Governance, Funding & Public Policy  
Development at EUA

Interviewed by

**Susanne Barta**

Journalist, Italy

**Barcelona, 18 October 2018**

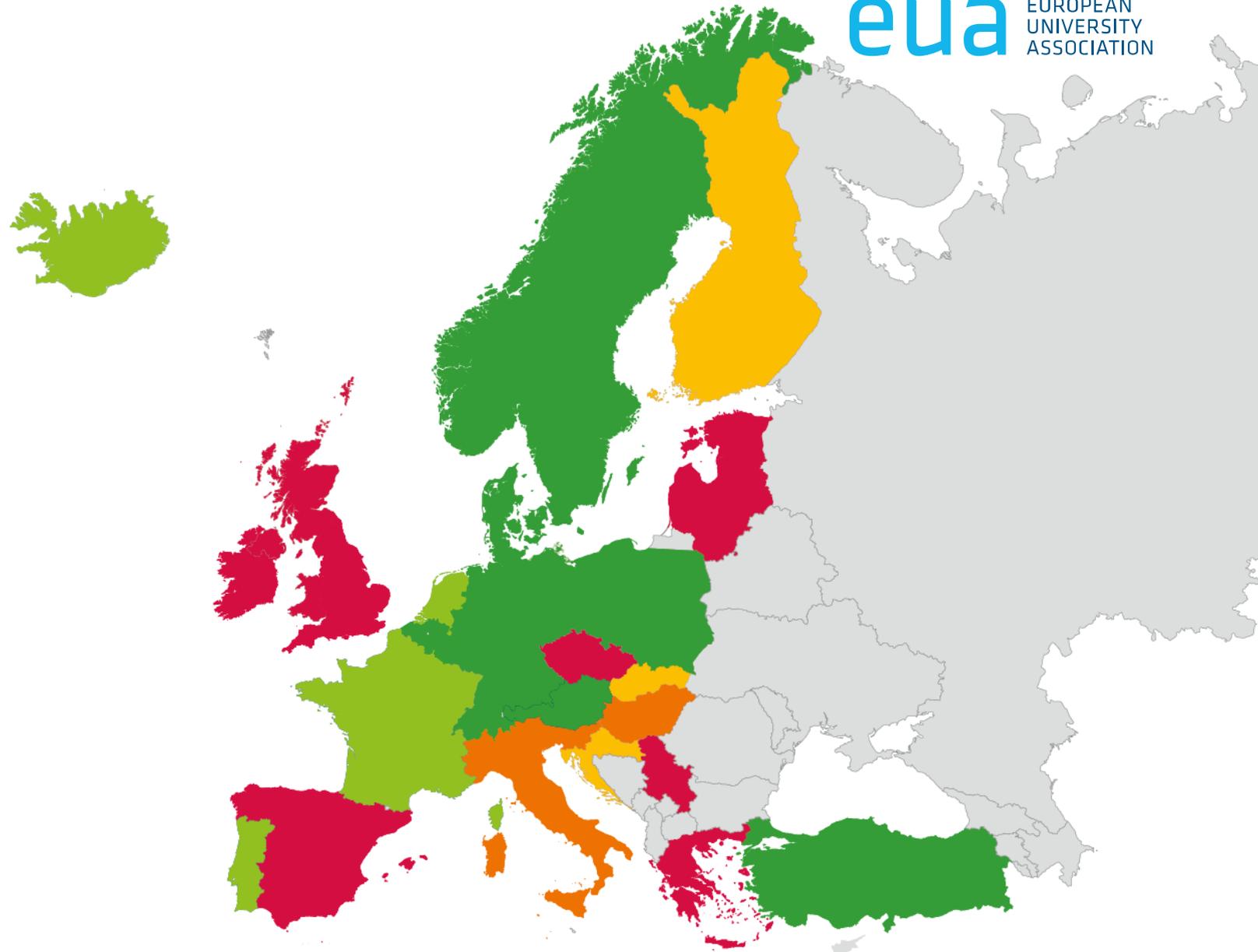
## Outline

1. **Public funding: improving investment, slow recovery**
2. **Efficiency, effectiveness & value for money: the new mantra**
3. **Funding reforms: high expectations**
4. **EU funding: simpler, more ambitious?**
5. **Governance & accountability: the ongoing debate**

## Trend 1:

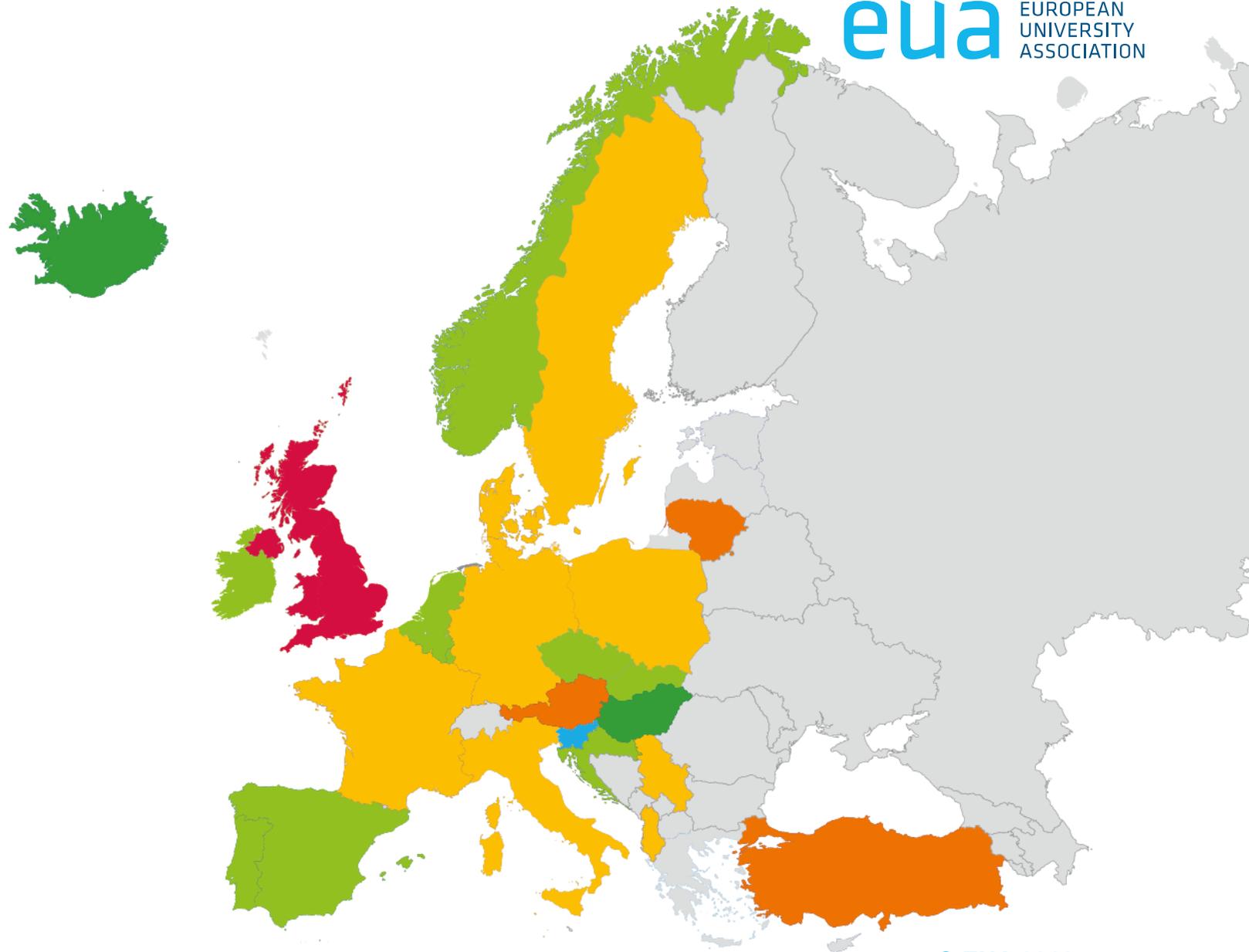
Investment in universities is improving; but recovery not fast enough

- over 20% decrease
- from -20% to -5%
- from -5% to +5%
- from +5% to +20%
- over 20% increase



## Evolution of public funding to universities 2016-2017

- over 5% decrease
- between 1 and 5% decrease
- between 1% decrease and 1% increase
- between 1 and 5% increase
- over 5% increase

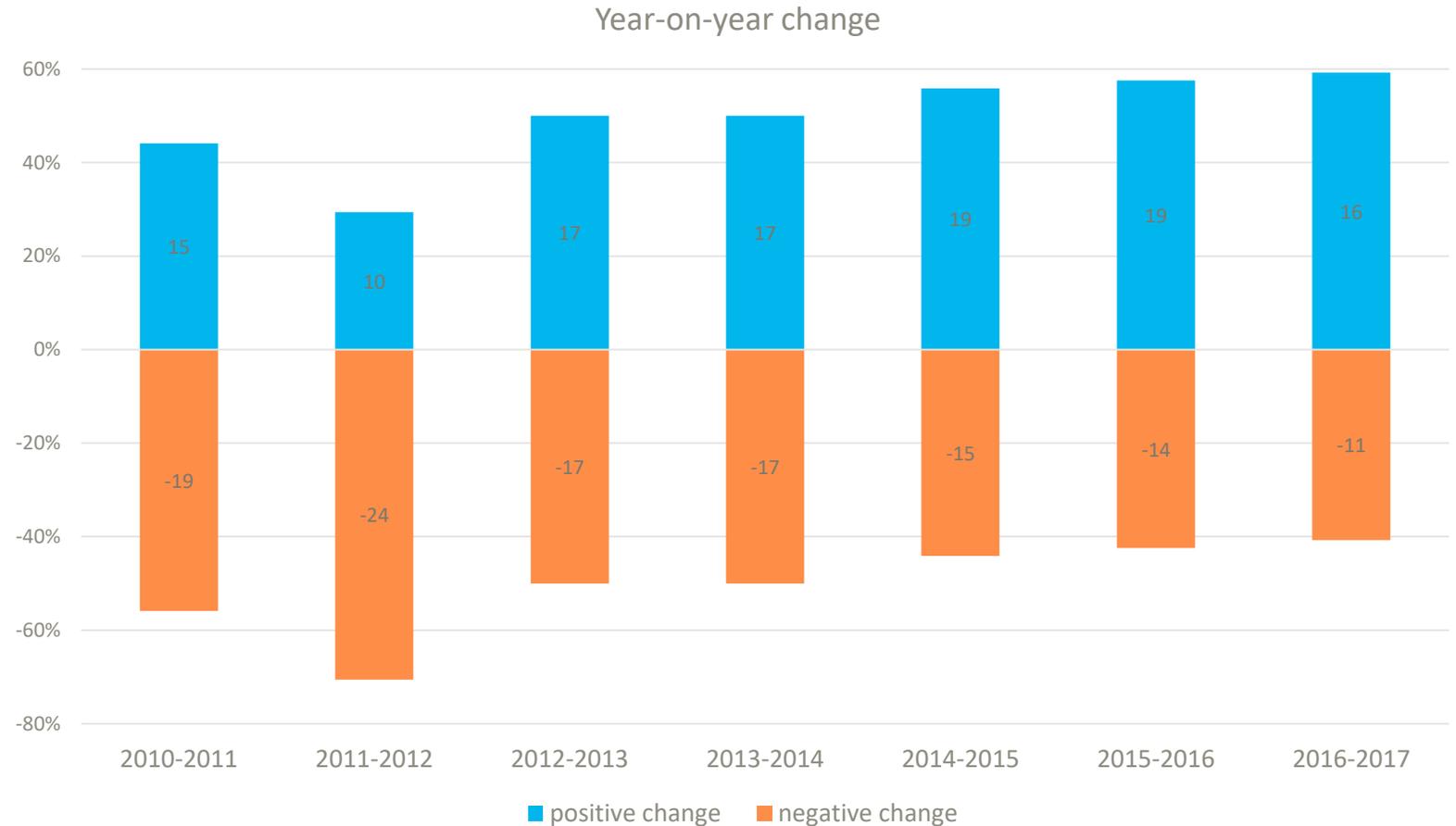


# Slowly less systems with decreasing funding patterns

Year-on-year change, in real terms

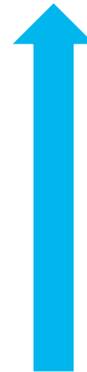
Number of systems increasing/decreasing funds compared to previous year.

(CH missing for 2015-2016 and 2016-2017)



# Public investment in universities in 2018 (in nominal terms)

|                   |  |
|-------------------|--|
| > 10% increase    | CZ, IS, UK-WA  |
| 5% – 10% increase | HR, HU, NL, TR   |
| 1 – 5% increase   | BE-fr, ES, IE, NO, PL, SE, SK, UK-SC                                 |
| -1% – +1% change  | AT   |
| 1 – 5% decrease   |  |
| 5% – 10% decrease | UK-EN  |
| > 10% decrease    |  |
| No data           | BE-fl, DE, DK, EE, FI, FR, GR, IT, LT, LU, LV, PT, RS, SI, UK-NI, CH |



| TOP INCREASES 2018 (nominal terms) |
|------------------------------------|
| Wales (14,5%)                      |
| Czech Republic (13,8%)             |
| Iceland (11,6%)                    |

| TOP INCREASES 2017 (real terms) |
|---------------------------------|
| Hungary (26,5%)                 |
| Iceland (13%)                   |
| Ireland (4,8%)                  |



| LARGEST DECREASES 2018 (nominal terms) |
|--|
| England (-5,1%)                        |
|  |
|  |

| LARGEST DECREASES 2017 (real terms) |
|-------------------------------------|
| Northern Ireland (-16,8%)           |
| Wales (-7,9%)                       |
| England (-6,5%)                     |

Funding figures for 2018 are only available for 17 of 34 higher education systems in the sample.

## No catch-up effect?

- Mostly slow trajectories
- Some countries have offset earlier cuts (IS, PT) but the divide has grown with countries that have had sustained investment over the period
- Ireland sees real terms increase for the first time in the entire period
- Worrying consolidation of significantly lower levels of investment in some countries

## Link to economic growth?

- Most countries are registering economic growth and higher inflation
- A group of countries that has margin for manoeuvre but fails to invest in the sector

## What type of demographic pressures?

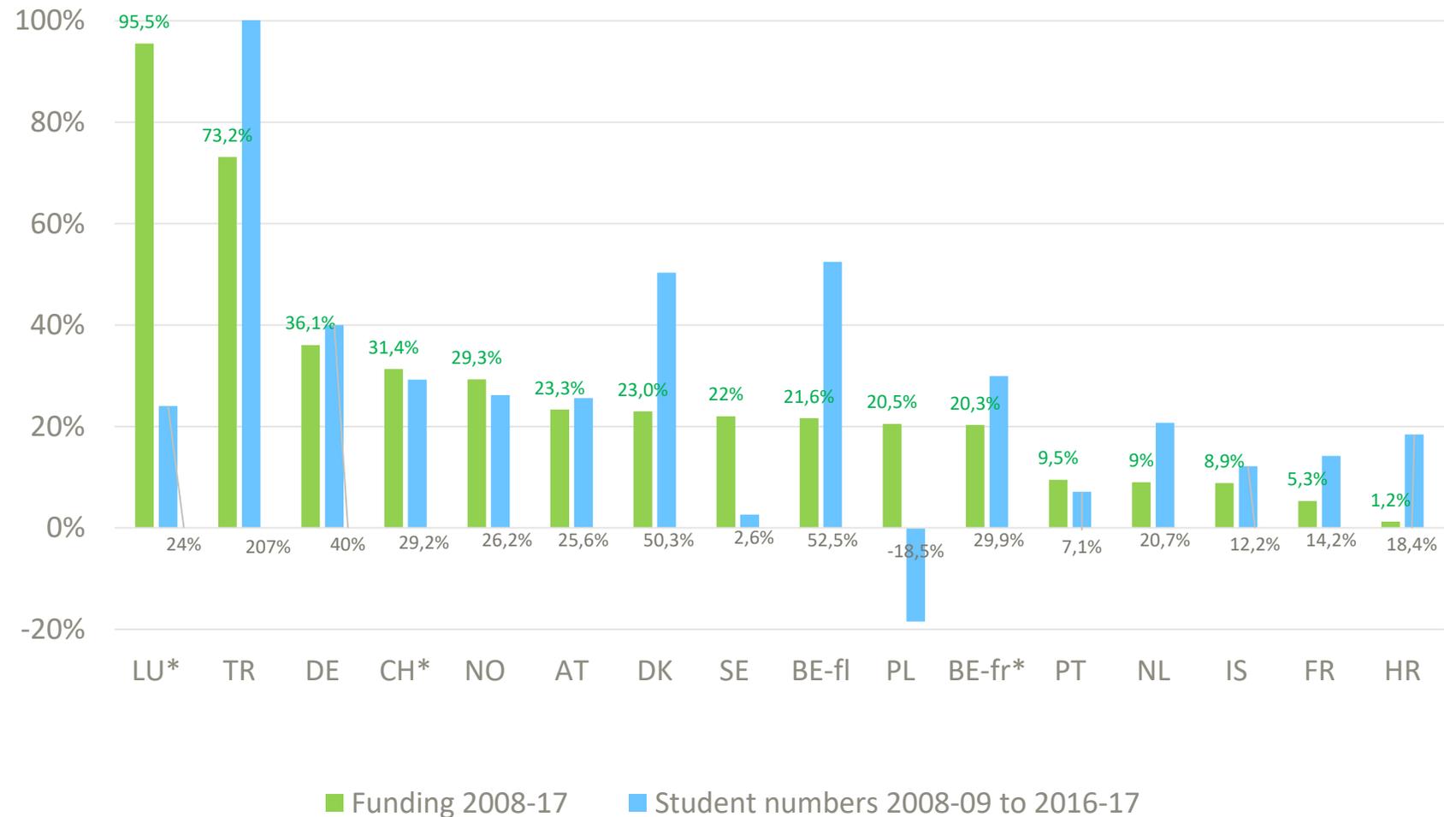
- Very different evolutions across Europe
- Central & Eastern Europe confronted to falling student numbers
- Funding growth must be considered in relation to the evolution of the student population

## Systems with increasing funding

\*Shorter timeframes are used for the following systems:

BE-fr (2008-2016), CH (2008-2015) and LU (2009-2017).

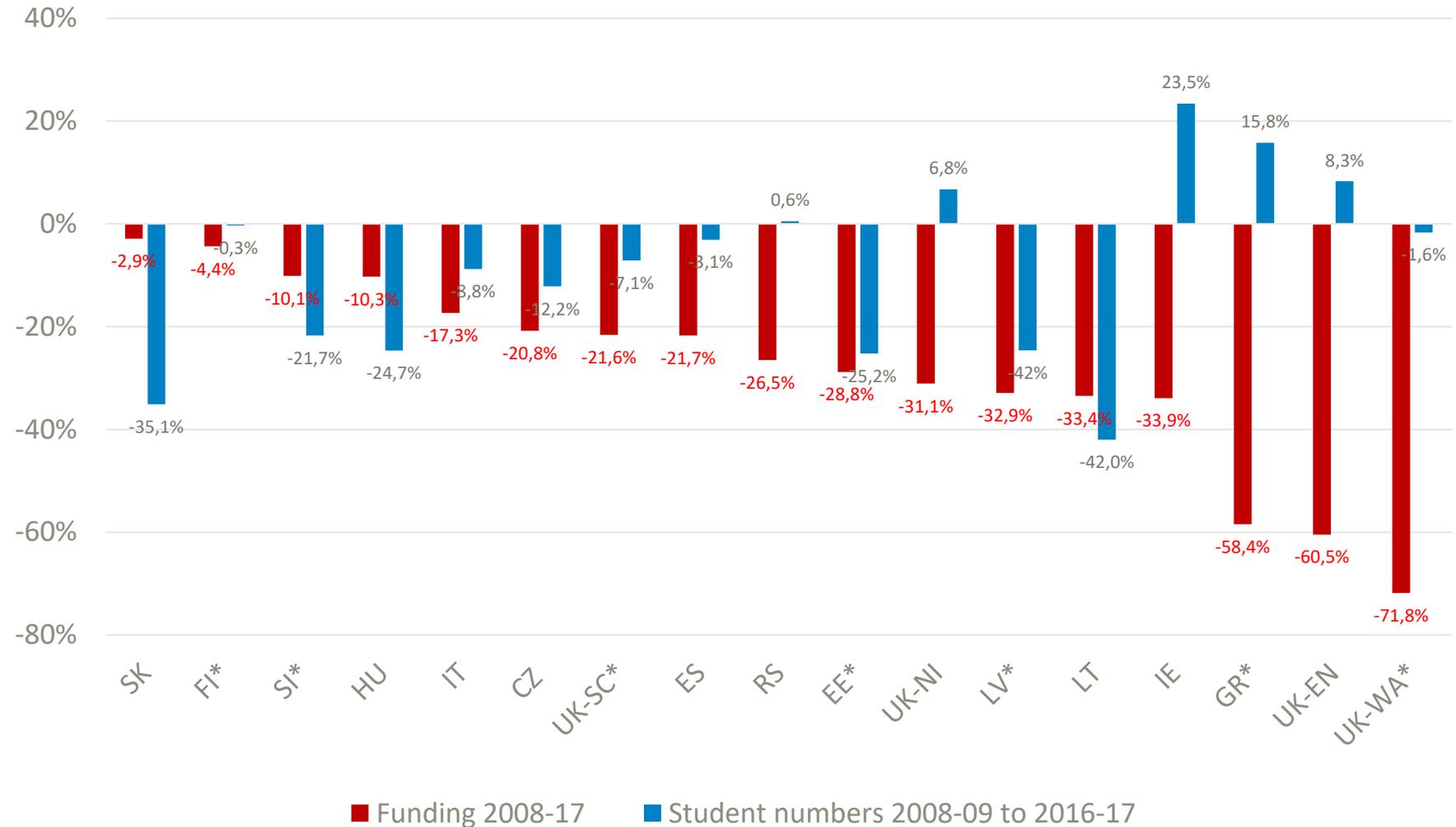
Student numbers for TR were capped at 100% to enhance the readability of the graph.



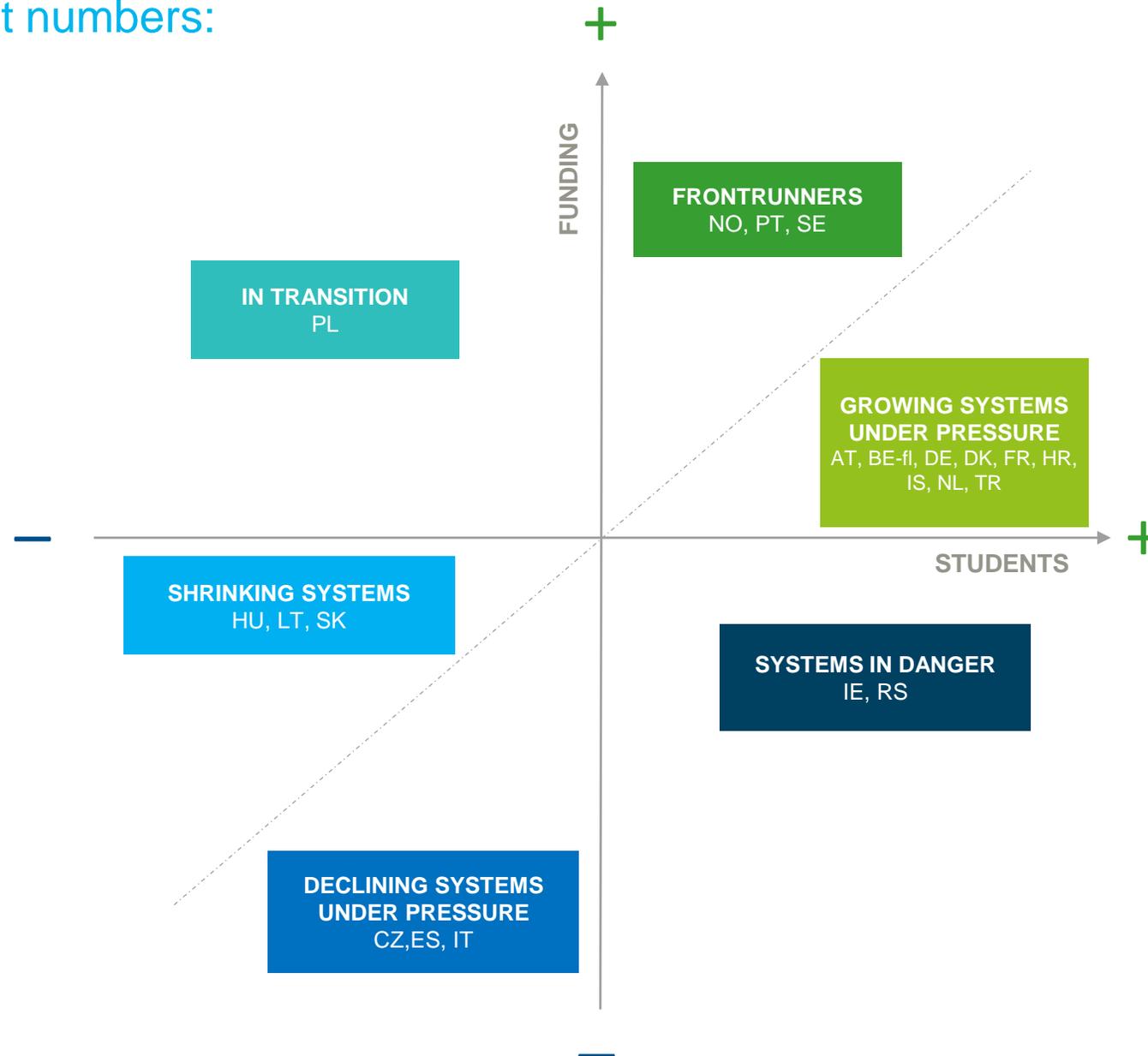
# Systems with decreasing funding

\*Shorter timeframes are used for the following systems:

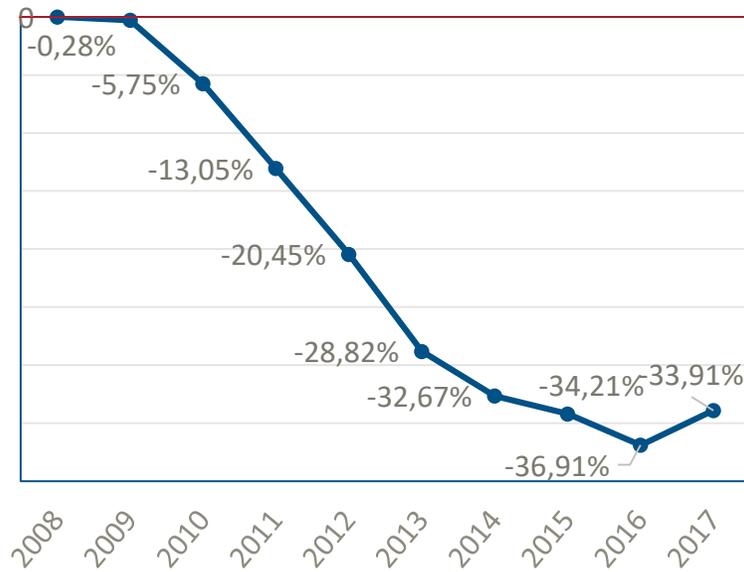
EE (2008-2016), FI (2010-2016), SI (2008-2016), GR (2008-2015), LV (2008-2016), UK-wa (2009-2017), UK-sc (2010-2017).



# Growth of funding & student numbers: period 2008-2017



## Growth of funding & student numbers: period 2008-2017



**IRELAND**



**PORTUGAL**



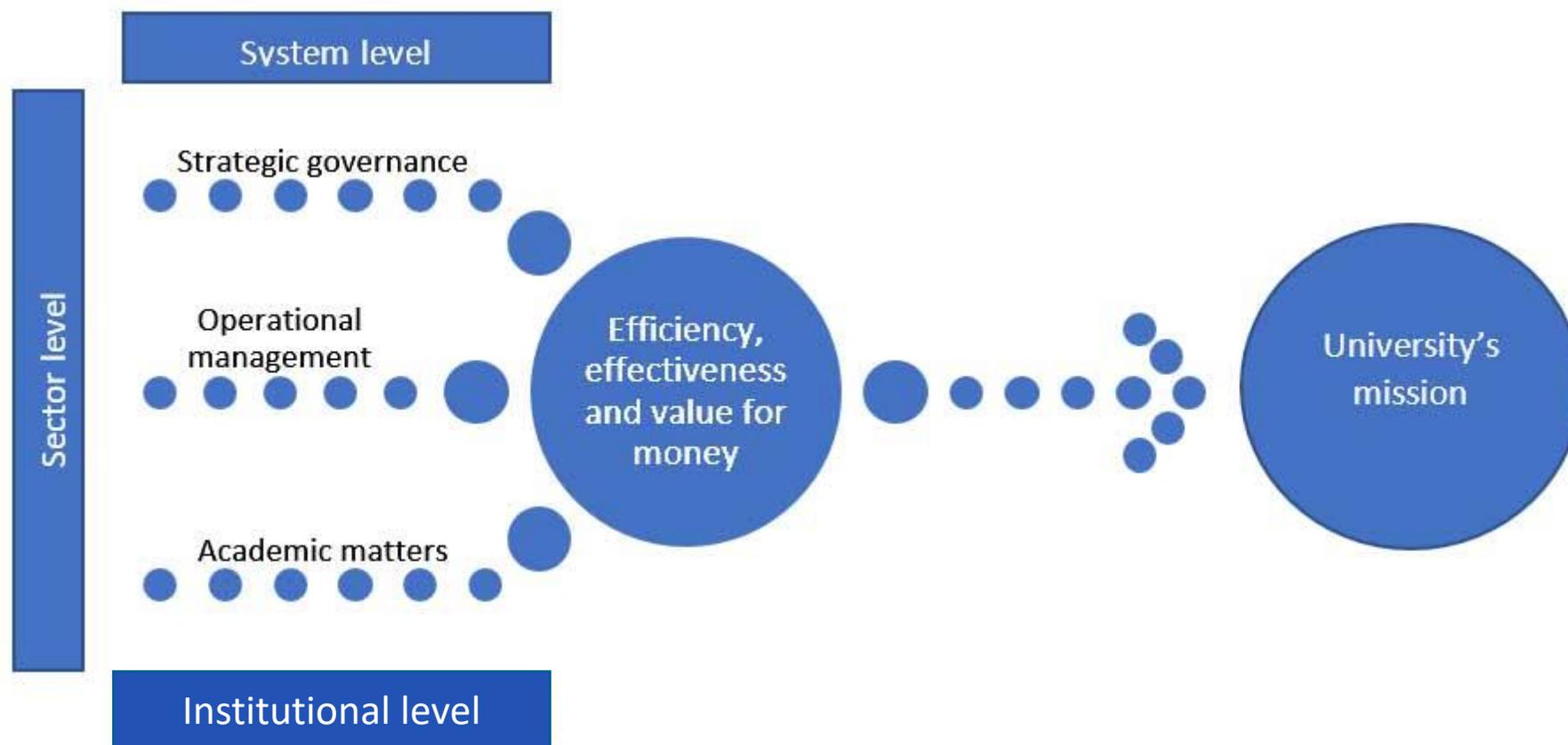
**AUSTRIA**

**RESOURCES:**

[www.bit.ly/EUAPFO](http://www.bit.ly/EUAPFO)

Updated version of the tool and  
new report available in January  
2019





**Academic  
matters**

**Strategic  
governance**



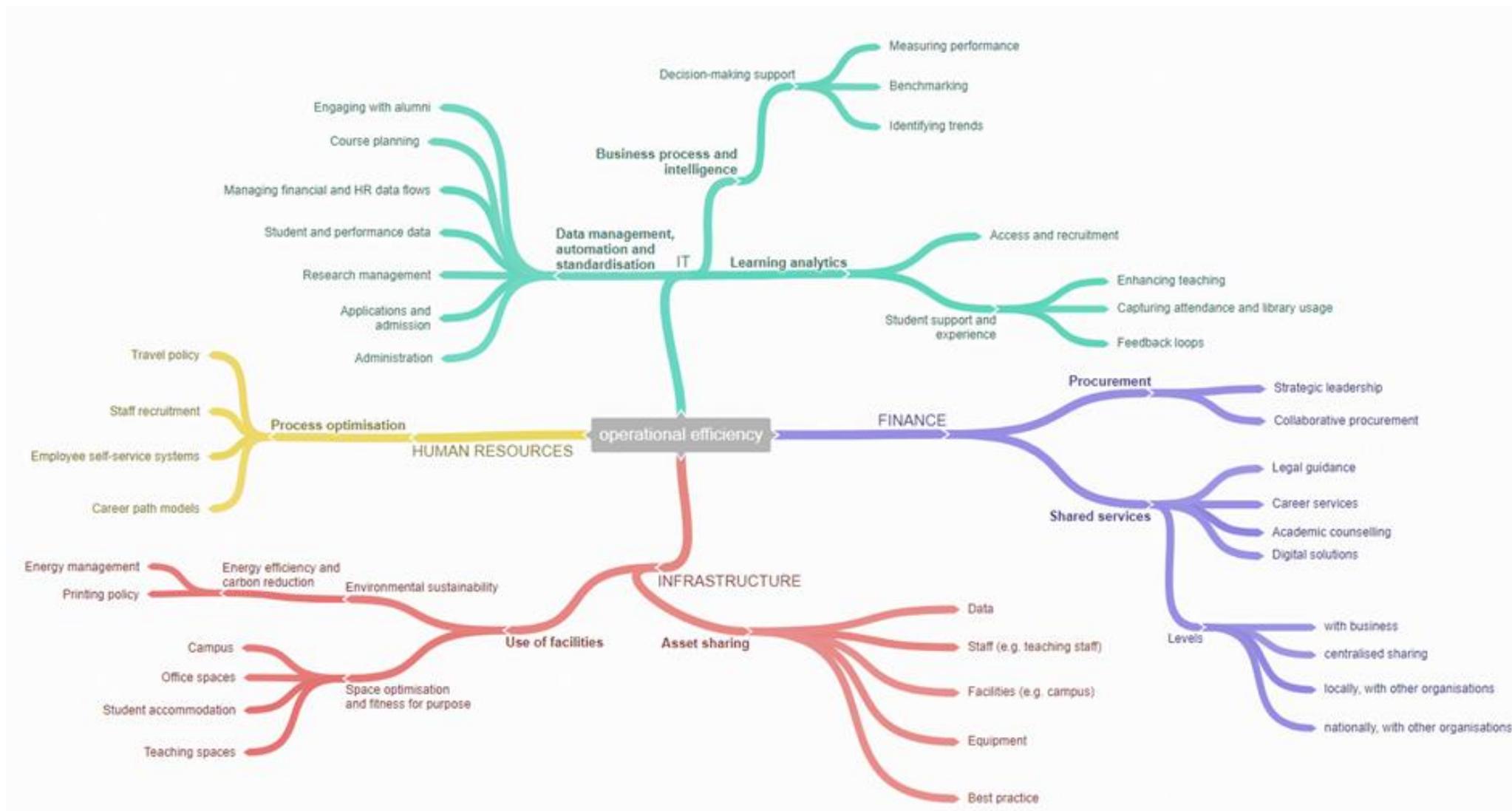
**Professional,  
operational &  
support services**

Finance

Human resources

IT

Infrastructure



## RESOURCES:

[www.efficiency.eua.eu](http://www.efficiency.eua.eu)

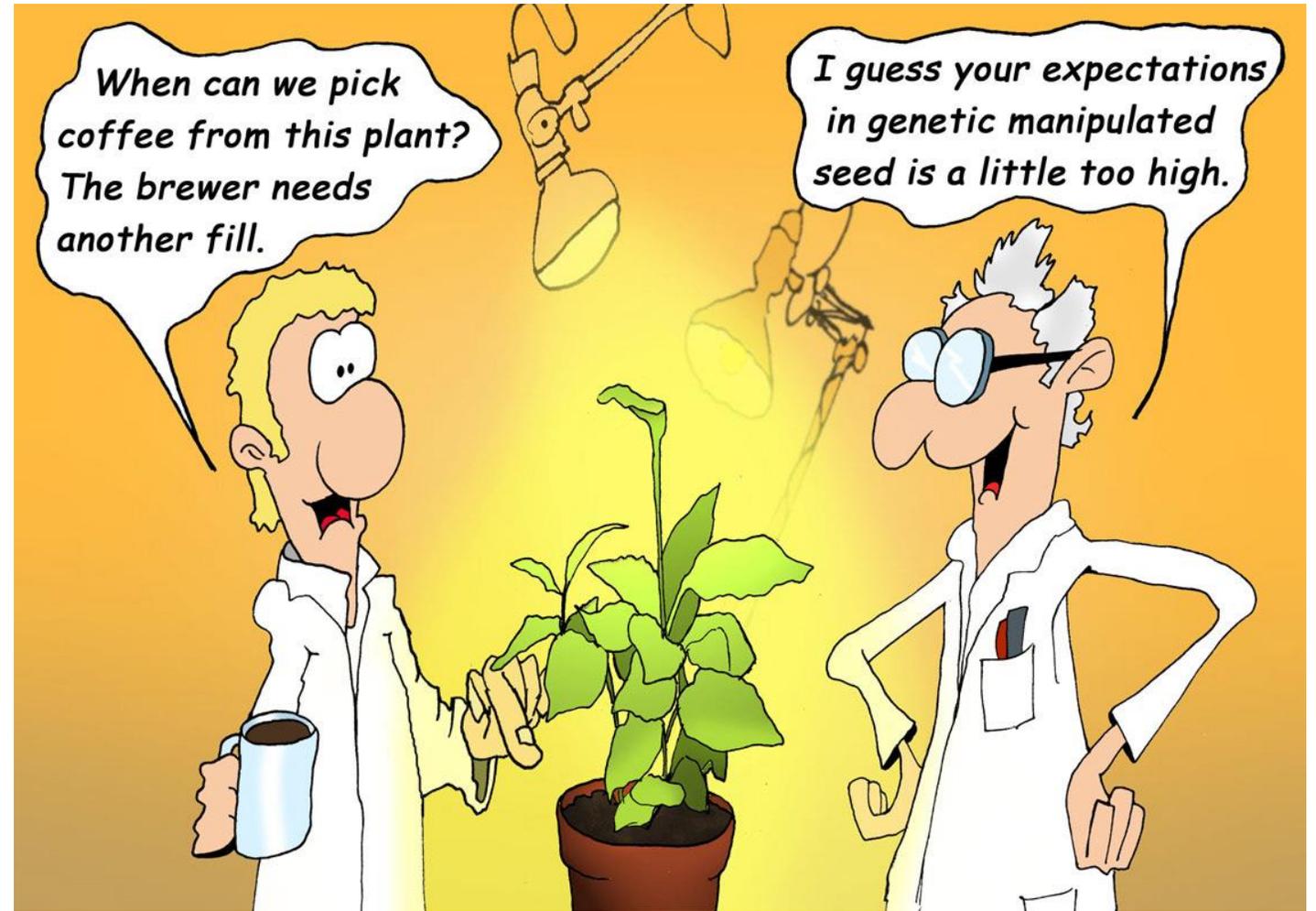
## Reports:

Efficiency, Effectiveness and Value for Money: Insights from the UK and other countries

Efficiency, Effectiveness and Value for Money: Insights from Ireland and other countries

## Trend 3:

High expectations  
towards funding  
reforms



[Photo source](#)

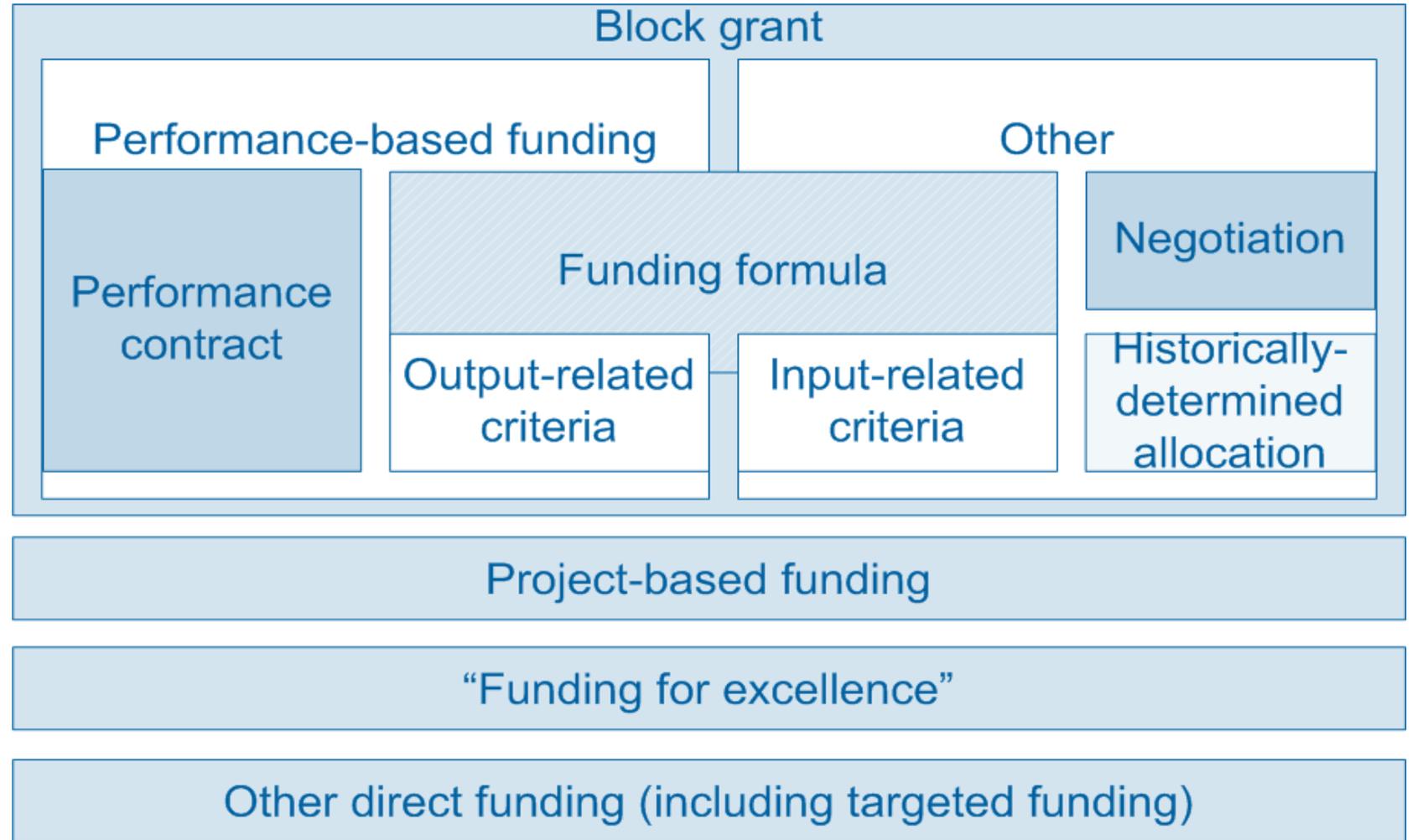


\* teaching funding only  
+ research funding only

# Funding tools

## Need to:

- Find the right balance between public and private funding
- find the right mix of public funding tools
- take account of high percentage of fixed costs



## Funding models principles

- Develop a long-term perspective
- Find a “public funding mix” suitable for the system
- Simple – transparent – stable – diverse
- Agreement between public authorities and sector on the purpose and main components / mechanisms of the model
- Share of PBF should be limited and requires additional resources
- Consultation with the sector on the choice of indicators
- No indicators on which HEIs have little influence (graduate employment,..)
- Limit administrative effort for the measurement and generation/collection of data
- Evaluation of possible unintended effects and impact and external factors)

**RESOURCES:**

[HTTP://BIT.LY/EFFICIENTFUNDING](http://bit.ly/efficientfunding)

**DEFINE PROJECT**

**DESIGNING STRATEGIES  
FOR EFFICIENT FUNDING  
OF UNIVERSITIES IN EUROPE**

ENORA BENNETOT PRUVOT, ANNA-LENA CLAEYS-KULIK AND THOMAS ESTERMANN

## Trend 4:

EU funding for research yet to get simpler and meet the needs



**EUA**  
European University Association

Taking simplification of EU Funding to the next level

The university perspective

FEBRUARY 2018

### REASONS TO STEP UP EU INVESTMENT IN RESEARCH AND INNOVATION

#H2020FUTURE

#### 1 VALUE FOR MONEY

R&I is a public good at the European level. Spending at this level enhances synergies, reduces excessive duplication and fragmentation, creates critical mass and generates economies of scale. As a result, the tax payer's money is more efficiently used.



#### LEVERAGE 2

The EU Framework Programme has a proven value for research and innovation support in Europe. Every €1 invested generates on average €13 in increased value added of the business sector. Estimated GDP gains by 2030: 6 to 8.5 times the initial investment.

#### 3 ADDITIONALITY

Today, the bulk of research investment is taking place at the national level. EU investment in R&I is complementary and funds research work with distinctive features. The interim evaluation of Horizon 2020 has shown that 83% of projects would not have gone ahead without Horizon 2020 funding. EU funding is not interchangeable with national funding.



#### NURTURING THE NEXT GENERATION OF RESEARCHERS AND INNOVATORS 4



The Marie Skłodowska-Curie Actions have created new career pathways for young researchers throughout Europe. The ERC funded grantees in turn create on average more than 6 new research positions. EU R&I investment is effectively supporting the emergence of a new type of research community.

#### 5 AT THE ROOT OF EVERYTHING

European investment in R&I *in fine* supports all other European policies. Research and Innovation underpin Europe's economic growth and societal progress. R&I investment fuels competitive innovation and therefore contributes to all key policy priorities, such as job creation, energy, climate change, social inclusion, migration and sustainability.



## Application

**ca. 90%**

H2020 proposals remain unfunded

**€6.8 billion\***

Spent on unsuccessful H2020 proposals to date

## Participation

**750 pages**

H2020 Annotated  
Model Grant Agreement

**ca. 7%**

Average H2020 project  
management budget

## Reporting

**ca. 7%**

H2020 Projects audited

**ca. 4.1%**

2016 estimated error rate under  
Competitiveness for Jobs and Growth

\*Own calculation based on European Commission's [Horizon 2020 Monitoring flash \(September 2018\)](#) data.

## **What are the tensions & challenges around simplification?**

- Simplification & financial sustainability
- Trust & control
- Speed & quality
- Change & continuity
- Diversity & standardisation

## **What are the recommendations for a simpler & more efficient use of resources under the future EU programmes?**

- Logic: institutional management systems geared towards requirements of main funder
- Therefore limit waste & errors by improving acceptance of institutional accounting practices
- For instance: national rules for hiring, depreciation and time-recording, as well as improved procedures for certifying unit cost calculations

## **What are the perspectives on EU funding for research & higher education?**

- Different state of play for Horizon Europe and Erasmus programmes
- Research & Innovation and Education some of the few policies that are considered for increases
- Key words: synergies with other EU funds and with national funds; efficiency & simplification; financial ambitions for improved success rate & more balanced participation across the EU

# EUA Campaign: “EU funding for universities”

DOUBLE INVESTMENT  
IN RESEARCH, INNOVATION AND  
EDUCATION  
TO BOOST EUROPE'S COMPETITIVENESS  
AND SUSTAINABILITY

As European associations of universities, we call upon the European Commission, the European Parliament and the European Council, to **double the budget for research, innovation and education** in the next Multi-Annual Financial Framework (MFF).

## REASONS TO STEP UP EU INVESTMENT IN RESEARCH & INNOVATION

### 11 MATCHING THE LEVEL OF INVESTMENT WITH THE SCALE OF CHALLENGES

The world faces considerable challenges, of global nature, addressed through the Sustainable Development Goals. The EU provides an integrated framework for R&I investment and activities which does

## REASONS TO STEP UP EU INVESTMENT IN RESEARCH & INNOVATION

### 10 SCIENCE DIPLOMACY AS A GEOPOLITICAL ASSET

Horizon 2020 is the most open international research programme in the world. This enhances its capacity to address global challenges and allows to develop

## REASONS TO STEP UP EU INVESTMENT IN RESEARCH & INNOVATION

### 9 THE UNDERFUNDING CHALLENGE

EU R&I investment must be stepped up because the Framework Programme is currently unable to accommodate 75% of the high quality proposals submitted. Such waste of talent and resources

## REASONS TO STEP UP EU INVESTMENT IN RESEARCH & INNOVATION

### 8 EUROPEAN AWARENESS AND IDENTITY

Supporting transnational collaborative research creates frameworks and networks for professionals and academics to work concretely together, beyond borders, reinforcing European awareness and identity. No other EU programme achieves this collaborative dimension to this scale.



#H2020FUTURE

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## REASONS TO STEP UP EU INVESTMENT IN RESEARCH AND INNOVATION

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**RESOURCES:** [HTTP://BIT.LY/EUFUNDINGUNIVERSITIES](http://bit.ly/eufundinguniversities)

## **Sufficient, Sustainable and Simple EU Funding for Universities**



Stronger EU investment



Sustainable funding conditions



Impactful simplification

## Trend 5:

# Governance & accountability: an ongoing debate throughout Europe



**EUA**  
European University Association

## University Autonomy in Europe

How autonomous are Europe's universities?  
Select one of the countries on the right to find out.

Country codes on the map: IS, NO, SE, FI, EE, IE, UK, DK, LV, LT, NL, NRW, BB, PL, VLG, HE, SK, FVB, LU, AT, HU, FR, CH, SL, HR, RS, PT, ES, IT.

## Experimentation



[Photo source: Shutterstock](#)

## External members



[Photo source](#)

## Threats to autonomy



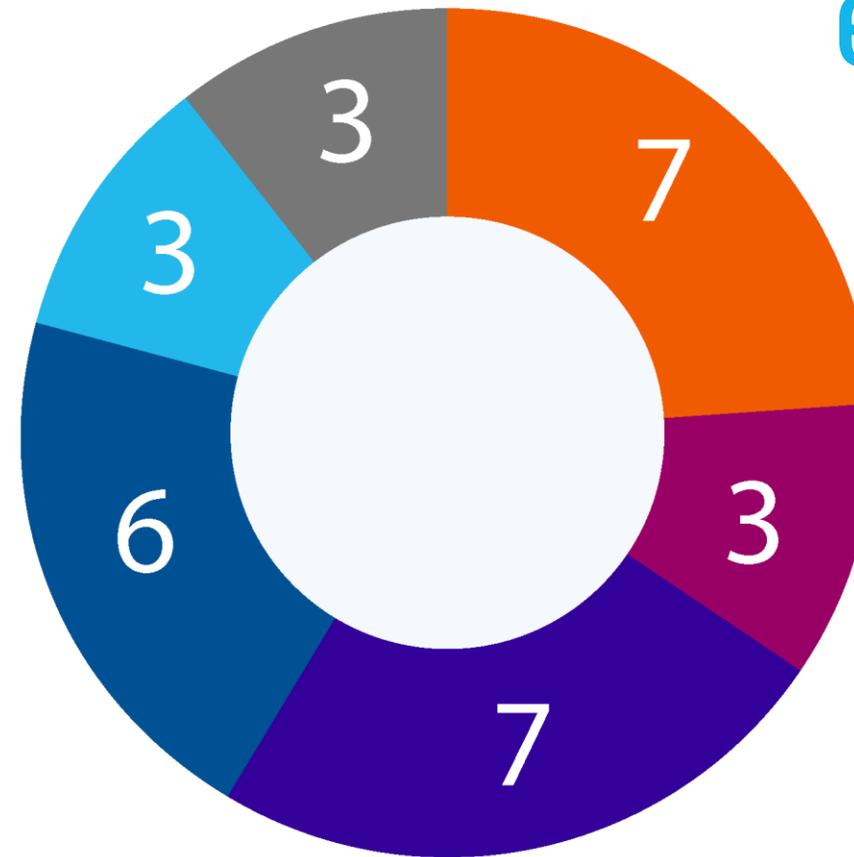
[Photo source](#)

## Organisational autonomy: European trends

- Co-existence of different legal statuses within systems
- Increased freedom to decide on internal academic structures and create legal entities.
- Executive leaders are always chosen by the institution
- No linear progress towards increased autonomy (Setbacks in Hungary, Ireland, Latvia, NRW)

## External members in governing bodies:

- Increasing practice with continued involvement of public authorities
- Discussions about influence



Universities can appoint external members  
*DK, EE, FI, IT, LT, PT, UK*

Universities cannot appoint external members themselves but make proposals  
*NO, SE, SK*

Universities can appoint part of the external members  
*AT, BE-FR, HE (DE), FR, HR, IS, SI*

Universities do not control the external members appointment process  
*CH, ES, HU, LU, NL, RS*

Other appointment process  
*BE-FL, NRW (DE), IE*

Universities cannot include external members  
*BB (DE), LV, PL*

## Developments in the last decade across Europe

- Reforms often fail to address the different dimensions of institutional autonomy
- Countries that have adopted a structured approach have targeted comparatively weaker dimensions
- Significant changes are harder to implement in large centralised systems
- Quality & pace of reform implementation under question
- The financial situation has an impact on priorities for reform
- Difficult economic conditions harm university autonomy
- State steering increasingly expressed through funding modalities & accountability requirements

RESOURCES:

EUA AUTONOMY  
SCORECARD

online tool and report

[www.university-autonomy.eu](http://www.university-autonomy.eu)

**EUA**  
European University Association

## University Autonomy in Europe

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