

## EUA input to the public consultation on the next Multiannual Financial Framework

### EU funding for competitiveness

May 2025

In 2025, the European Commission will present its proposal for the next Multiannual Financial Framework, which will set the priorities for 2028-2034 and define the future architecture of EU funding programmes that are crucial for universities, such as Erasmus+ and Horizon Europe. The European University Association (EUA) outlines the following recommendations as its contribution to the European Commission's public consultation on the next MFF focusing on EU funding for competitiveness.

As stated in EUA's position '[A research, education and innovation partnership for Europe's competitiveness](#)', further enhancing the strengths of Europe's universities should be a key ambition in Europe's renewed drive towards competitiveness, with vast potential waiting to be unleashed through a genuine fifth freedom, as advocated for by Enrico Letta, and increased funding.

Below are EUA's comments on selected topics addressed in the survey.

#### Challenges linked to competitiveness

EUA takes note of the challenges linked to competitiveness identified by the Commission but would like to stress an additional important challenge and specifically comment on three challenges listed in the survey.

##### *A holistic approach to competitiveness*

The current MFF lacks a holistic approach for the development of research, innovation, education and skills, which would focus on the unique European strength of excellence through cooperation and the added value of supranational funding. The EU budget should allow flexible funding options and regulations that allow organisations and institutions to pursue their own missions and goals, leading to new discoveries and solutions. However, flexibility alone is not enough as funding structures need stability and predictability which can enable organisations to develop lasting partnerships and ambitious projects. It is also important that European funding supports both critical mass and diversity of missions for the beneficiaries.

To boost the EU's competitiveness, the EU budget should also support the creation of a fifth freedom to ensure the free movement of research, innovation, knowledge and education within the EU's Single Market. Two fundamental priorities should be at the core of this fifth freedom: first, it should encompass the full circulation of knowledge in all its dimensions and not be limited to researcher mobility. Second, openness must be a defining principle to harness the full potential of the fifth freedom. To achieve a thriving knowledge economy, educational resources, research data and methodologies should be shared as openly as possible.

The MFF should empower all European stakeholders (higher education institutions, citizens, organisations, companies, regions etc.) to fully contribute to the competitiveness agenda. This approach should also **empower universities to make full use of their capacities to contribute to competitiveness.**

Universities provide the basis for knowledge, education, skills and research and innovation. As such, they have a crucial role to play for the successful delivery of the EU's competitiveness agenda. **Universities' unique strength lies in their ability to work together and to catalyse the entire knowledge cycle, facilitating innovation and fostering collaboration across disciplines and sectors.**

The whole European higher education sector also ensures a critical mass and diversity of missions – which represents an opportunity to further enhance Europe as the most connected higher education area in the world. Nowhere else in the world is higher education and research capacity distributed among as many different types of higher education and research performing institutions, within a landscape of diverse innovation ecosystems, and in modes of transnational cooperation that are unparalleled. This is a competitive strength, that needs to be embraced and incentivised through EU policies, and ambitiously translated in the next MFF.

#### *Attracting world class researchers, skilled workers and entrepreneurs from abroad*

The EU's competitiveness highly depends on skills as well as on the EU's ability to develop and attract talent.

**Therefore, regulatory frameworks and funding programmes should be designed to develop the European skills pool and attract and retain talent, all the while addressing brain drain.** Making research careers in Europe more flexible, sustainable and attractive requires close cooperation between universities, governments and funders, as well as predictable career progression paths at higher education institutions, where the diversity of university missions is reflected in academic career progression. A priority should be given to removing barriers to transnational and intersectoral mobility in science. As such, policies should promote intersectoral mobility as an embedded part of a research career.

In this regard, the 'Choose Europe' initiative within the MSCA programme proposed by the high-level expert group on the interim evaluation of Horizon Europe is an interesting suggestion worth exploring as it aims to foster young researchers' careers. The EU has already demonstrated its capacity to welcome academics with a refugee(-like) or at-risk background – for instance with the quick response brought by the MSCA4Ukraine scheme, following the war in Ukraine. This priority and possibility for fast responses must be kept.

#### *Mismatch between skills and labour market demands*

Given the urgency and scale of Europe's present and future skills and education needs, Europe needs a more strategic and enduring approach to enhance Europe's lifelong and continued learning capacities – in a forward-looking and innovation-driven perspective. This is not only a question of addressing short-term mismatches between skills and labour market

demands; it is about creating the right conditions for tomorrow's labour markets and innovation capacities.

Potential skills shortages mentioned in the Draghi report should be addressed by sustained funding through EU programmes. This is especially true for research and innovation skills, which are needed to ensure the international competitiveness of the European higher education and research sector, support the European knowledge society and contribute to Europe's economic growth and prosperity.

#### *Underinvestment in research and innovation*

The current level of EU investment does not allow R&I to properly address important challenges and adequately respond to increasingly knowledge-dependent economies' demands. This leads to a failure to fully use the unique potential of EU funding as well as a missed opportunity to attain strategic autonomy.

EU spending on R&I greatly pays off, as indicated in the [Horizon Europe interim evaluation](#). However, as the evaluation report also indicates, the programme's potential was not used to the full, as it lacked the support needed to award all excellent proposals. According to the interim evaluation of the Horizon Europe programme, an additional €82 billion would have been needed to fund all high-quality proposals. Dangerously low success rates and the high costs of developing excellent but unsuccessful proposals remain a thorn in the side of EU R&I funding.

Due to underfunding, the overall efficiency of the programme and the entire EU R&I funding landscape are at risk. **For the EU to truly become a global leader and safeguard autonomy in strategic sectors, it is necessary to enhance Europe's position at the forefront of global R&I, notably by allocating an adequate budget for FP10.** An increased budget will also help leverage private R&I investments, which are at the lowest level as a percentage of GDP when compared to the EU's main global competitors.

### Development stages to be supported by the next MFF

EUA takes note of the Commission's interest in "what development stages for technologies and products should be supported by the next MFF to support EU competitiveness".

**To truly boost Europe's long-term competitiveness and resilience, the MFF and future policy programmes must support the full research and innovation continuum and provide a balanced mix of support for basic research, applied research and innovation.**

Basic research, applied research and innovation are not separate silos, and they do not always follow a linear process – rather, they form a continuous, interconnected system. Universities are central to this process, not only advancing both basic and applied research, but also directly delivering innovation that benefits society and the economy.

However, as [evidence shows](#), EU R&I funding is increasingly geared towards projects that deliver quick, marketable outcomes. While this focus supports applied research and

innovation, it comes at the expense of basic research. This growing imbalance undermines Europe's long-term capacity to tackle emerging and unforeseen challenges.

Without sufficient investment in basic research, Europe's ability to sustain applied research and innovation will also decline, ultimately slowing progress in a rapidly evolving R&I landscape. In addition, **it is of utmost importance to continue funding excellent basic research, as it cannot be substituted by other types of investment, particularly from the private sector. Similarly, investment in cross-country, cross-sector collaborative research must continue to be the core purpose and unique added value of EU funding.** As such research surpasses the capabilities of individual member states, it enables researchers to address challenges that are increasingly transnational in nature.

Moreover, it is important for the EU budget to invest in all stages of the value chain, including further steps such as deployment and manufacturing capacities. However, there is also a need for industry to step up its R&I, deployment and manufacturing efforts. The EU budget should provide the right incentives to support and leverage private investments, but it should not substitute for it. The focus of the EU budget should remain primarily on areas where private funding is insufficient or absent, ensuring it complements rather than replaces private sector investments. Finally, it is important to note that universities, as legal entities, often cannot directly benefit from debt financing instruments. As such, grants should serve as the primary mechanism for allocating funding to these institutions.

## Impact of measures for EU funding to better support EU competitiveness

EUA takes note of the measures identified by the Commission for EU funding to better support EU competitiveness and would like to specifically comment on the following:

### *Applying common rules, timelines and eligibility criteria to all relevant EU funds*

There is vast, untapped potential in ensuring synergies between EU policy instruments and funding programmes, as well as coordinating with similar initiatives at the national and regional levels, particularly in R&I, to eliminate overlaps. These synergies have the potential to significantly enhance the impact of EU funding and contribute to the efficient and smart governance of public funds.

While some efforts have already been made to facilitate these synergies, obstacles remain that must be overcome to fully unlock their potential. **Currently, synergies are often well-conceived at the political level but fall short in practice. This is mainly due to the diversity of funding cycles and documentation requirements.** The complexity of implementing projects funded from different sources deters potential beneficiaries.

To improve synergies, EU programmes should be made more straightforward, enabling beneficiaries to navigate opportunities more easily. Initiatives should be better harmonised, and overlaps should be eliminated. However, this does not mean that funds should follow the same funding rules, including eligibility criteria, as these are often programme-specific. Attempts to create a single set of rules for all programmes could be highly complex and miss out on the added value of specificities related to each sector. **Any restructuring should focus**

**on enhancing efficiency and simplification for the beneficiaries, rather than creating additional administrative barriers.**

*Increased focus of funding on key current and future strategic priorities*

A defining strength of the R&I framework programme has been its ability to support both strategic priorities and open scientific inquiry. An increased focus of funding on the EU competitiveness agenda should not come at the expense of bottom-up research. Investment in bottom-up research is vital to enable researchers to pursue open-ended inquiry that contributes to competitiveness. FP10 must maintain a strong bottom-up funding approach, ensuring that researchers can continue to pursue curiosity-driven investigations that support long-term competitiveness. **Ensuring a well-balanced R&I programme that supports both strategic priorities, and open scientific inquiry will help Europe stay competitive and resilient in the face of future challenges.**

*Reducing the number of EU funding programmes*

While EUA supports efforts to enhance synergies between EU funding instruments, integrating FP10 and Erasmus+ into a broader Competitiveness Fund poses risks that could undermine their core missions and effectiveness in boosting the EU's competitiveness.

EUA acknowledges that a common European Competitiveness Fund would be a big and bold step, unifying EU programmes across the board. However, **flagship European initiatives such as the EU framework programme for R&I and Erasmus+ are not just about funding.** They both foster higher education and research mobility, capacity building and cooperation within Europe and internationally. Indeed, these programmes are invaluable assets towards Europe's competitiveness. Therefore, **they must continue to exist as individual entities with their own identity, while the Competitiveness Fund should complement rather than absorb them.**

Specifically concerning the R&I framework programme, a broader funding structure would make it vulnerable to shifting political priorities and funding reallocations. Research and innovation require long-term, predictable funding. Yet, the proposed structure could prioritise flexibility over stability, making it easier to divert funds to short-term political objectives. This would jeopardise the continuity of research projects, discourage participation and hamper Europe's ability to attract and retain top research talent.

Placing FP10 within a politically driven structure also risks undermining Europe's ability to support basic research. However, a focus on short-term priorities could sideline this essential support. Europe's long-term competitiveness depends on scientific excellence, which cannot be sustained if the FP10's agenda is dictated by immediate economic or political concerns.

A competitiveness-driven model risks diminishing the impact of key programme initiatives such as the European Research Council, Marie Skłodowska-Curie Actions and the EIC Pathfinder Open, which underpin bottom-up research and sustain Europe's research excellence, as well as collaborative research opportunities currently housed in Pillar 2. Likewise, it could undermine the strengthening of the European Research Area by pushing horizontal priorities such as Open Science, FAIR data principles and gender equality to the periphery. It may also lead to restrictions on international collaboration, a long-standing pillar of Europe's leadership

in research and innovation. Similarly, Social Sciences, Humanities, and the Arts could be marginalised, despite their crucial role in addressing societal transformations and informing policy.

**To mitigate these risks, FP10 must be preserved as a stand-alone programme with its own ring-fenced budget, ensuring that Europe remains a global leader in scientific excellence while also contributing to competitiveness.**

*Increasing international collaboration with like-minded non-EU countries*

Ensuring the international openness of selected EU funding programmes, such as the option for countries across the globe to associate to the framework programme, is a key tool to strengthen the EU's global partnerships and its capacity to become a hub for international, collaborative research. For this reason, international collaboration with global partners should be increased in the next generation of EU funding programmes. In particular, **responsible and reciprocal openness should be ensured as the default option for global cooperation.**

*Introducing more flexibility into resource allocation to react to crises and emerging needs*

**A balanced perspective between flexibility and stability is needed in EU funding to better support EU competitiveness.**

**Universities need stable programmes. Their budgets must not be diverted, without the introduction of new funding, to other priorities when funding is needed to address emerging challenges or shifting political landscapes,** which is particularly important for R&I funding. Given that the existing budgets are not sufficient to fund all excellent proposals, it is even more vital to ensure that the programmes' spending stays true to the intended focus.

**The system also needs predictability and long-term continuity, particularly when it comes to the funding structures that support collaboration across borders, disciplines and sectors.** Without stability, universities, research organisations and businesses cannot plan or build lasting partnerships, and researchers may be discouraged from embarking on ambitious and innovative projects.

Sufficient stability in turn ensures the ability to adapt quickly and reallocate resources as new needs emerge in fast-moving technological areas like AI or quantum computing. This flexibility is essential to keep up with the pace of global innovation and avoid falling behind in key strategic technologies. Similarly, the EU budget should be sufficiently agile to react to crises. This agility allowed for a quick and targeted response to recent crises and emergencies, such as the Covid-19 pandemic, escalating geopolitical tensions - including the Russian invasion of Ukraine and conflicts in the Middle East, the increased frequency of extreme climate-related events, the energy crisis and consequent high inflation.

In short, flexibility to respond to shifting priorities and crises is important, but it should never come at the expense of research and education funding – core pillars of Europe's long-term competitiveness. Education and R&I are strategic investments that ensure the EU's capacity to shape its future and remain globally competitive.

In addition to the measures listed by the Commission in the survey, EUA would like to add two additional key aspects to better support EU competitiveness.

#### *Simplifying rules and processes for applicants and beneficiaries*

Achieving the ambition to boost EU's competitiveness requires efforts made to enhance the effectiveness and accessibility of funding mechanisms. Enhancing the firepower of European funding – by reducing inefficiencies and administrative burden is a critical priority. Applying to EU funding programmes is seen as a more complex endeavour than applying to national funding schemes by a majority of higher education institutions. Simplification must move beyond political declarations and become a tangible reality. The current expansion of eligibility criteria, combined with potential additions or broader application across the entire programme imposes an additional administrative burden on beneficiaries in an already complex application procedure. Therefore, **streamlining application processes, reducing reporting requirements and fundamentally reforming audit practices by adopting system and process audits is necessary.**

#### *Fostering inclusion in EU programmes*

Addressing the fragmentation of the R&I landscape and closing the research and innovation gap across Europe are essential steps toward building a more competitive Union. To this end, **EU funding programmes should be designed to foster greater inclusiveness while respecting programme-specific key criteria** such as excellence in the context of the R&I framework programme. In particular, it will be crucial to enhance mobility opportunities across different European contexts and to strengthen the capacity of all European countries to contribute to competitiveness. Within the framework programme, this calls for the widening instruments to become tools that empower institutions from countries with lower R&I capacity to strengthen their role as R&I leaders through a mix of national-level investments and EU-level support.

EUA remains committed to contributing to the design of the next MFF and future priorities for EU financial programmes on behalf of universities in Europe and to safeguarding independent programmes with stable funding.

#### **List of relevant publications and links:**

- [Skills and education for Europe's competitiveness, April 2025](#)
- [EUA response to the call for evidence on the implementation of the Strategic Technologies for Europe Platform \(STEP\), April 2025](#)
- [A research, education and innovation partnership for Europe's competitiveness, March 2025](#)
- [Universities welcome member states' and European Parliament's united call for a stand-alone FP10, March 2025](#)
- [Paving the way for impactful European R&I – EUA's vision for FP10, April 2024](#)
- [EUA Research & Innovation Agenda 2027, December 2023](#)

- Joint statements
  - o [Research and innovation sector calls for key actions to strengthen Europe's R&I leadership, February 2025](#)
  - o [Universities welcome European framework to attract and retain research, innovation and entrepreneurial talents, November 2023](#)
- [Research Matters campaign](#)

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With more than 900 members and affiliates, the European University Association (EUA) is the largest representative organisation of universities and national rectors' conferences in 49 European countries. EUA is a recognised stakeholder in the development of EU programmes for research, education and innovation. The Association actively contributes to all major European-level dialogues as the next MFF takes shape. By engaging with policy makers and stakeholders, EUA seeks to place research, education and innovation at the forefront of Europe's competitiveness and prosperity.