

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

### EU funding for the Single Market

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 exercise on the next MFF focusing on EU funding for the Single Market.

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

#### The need to create a fifth freedom to complete the Single Market

EUA takes note of the challenges listed by the Commission. In addition to these, **the EU must make embracing the free circulation of research, innovation, knowledge and education as a fifth freedom guaranteed by the Single Market a key priority**. This will improve the overall functioning of the Single Market and further enhance competitiveness.

To boost the EU's competitiveness and achieve a strengthened and more integrated Single Market that fosters a dynamic and vibrant knowledge cycle, the EU budget should therefore support the creation of the fifth freedom. Two fundamental priorities should be at the core of this 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.

In this context, structural and regulatory adaptations are necessary to address the barriers to researcher mobility that still exist at national and European levels – ranging from cross-border mobility and the attractiveness of research careers, to funding mechanisms and access to infrastructures. Moreover, optimal framework conditions – such as promoting attractive and sustainable research careers - are also needed to harness the full potential of research, innovation, education and skills in driving Europe's competitiveness. The seamless recognition of qualifications and study periods abroad should also be a cornerstone of the fifth freedom.

The forthcoming European Research Area (ERA) Act could play a key role in creating the fifth freedom by building on the ERA's achievements to reduce fragmentation and increase the alignment between national and European research policies and programmes.

## Measures to help the EU budget become more effective and efficient

EUA takes note of the measures identified by the Commission to make EU funding more effective and efficient 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, to fully unlock their potential remaining obstacles must be overcome. **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.**

### *Fewer, clearer and simpler rules and simplifying access to and information about funding for beneficiaries*

Improving the functioning of the Single Market requires efforts 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. A majority of higher education institutions see applying to EU funding programmes as a more complex endeavour than applying to national funding schemes. Simplification must move beyond political declarations and become a tangible reality. Therefore, **streamlining application processes, reducing reporting requirements and fundamentally reforming audit practices by adopting system and process audits is necessary.** 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.

Similarly, when it comes to R&I funding, the **application procedure should be simplified to allow researchers and other beneficiaries to focus on detailing their projects, rather than navigating complex eligibility requirements**, many of which are linked to their affiliated institutions. Quality and speed should be improved via a more differentiated approach to time-to-grant targets, based on the time sensitivity of actions across the programme and technology readiness levels. Furthermore, implementing a two-stage application process across more

components of the R&I programme would facilitate access, particularly in areas with low success rates and a high number of unsuccessful project applications.

**Accepting beneficiaries' usual accounting practices is another major step towards simplifying EU funding.** This would lead to more efficient use of project resources, reduce error rates and strengthen the cross-reliance between national and EU audits. In this context, the introduction of lump sum funding, meant as a simplification measure, creates uncertainty for many beneficiaries who continue to use both actual cost and lump sum funding models, especially when involved in many projects from different sources.

**Lastly, the EU control environment should be improved based on the principles of efficiency, effectiveness and value for money.** This means that EU controls must provide greater assurance for funders regarding beneficiaries' compliance with EU funding rules, while reducing costs and effort for all parties involved. To this end, the focus should shift to improving the control environment by working on systems and processes and developing the capacity-building dimension of EU audits. Engaging in a dialogue with national funders would support the exchange of best practices, build trust and explore joint auditing solutions.

#### *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 each 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. Indeed, 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 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.**

*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 help the EU budget become more effective and efficient.**

**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 one additional key aspect.

*Preserving grant-based funding and ensuring the highest possible cost coverage*

Grant-based funding must remain the primary mode of supporting beneficiaries. While loan-based schemes present interesting characteristics, they are not suitable to fund university-

based research given that universities in various European countries are not allowed to or are restricted from borrowing money directly.

In a difficult economic context, characterised by financial uncertainty, EU funding programmes must aim at the highest possible cost coverage to provide as equitable access as possible to beneficiaries and avoid excluding operators from underrepresented countries.

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**

- [EUA response to the call for evidence on the implementation of the Strategic Technologies for Europe Platform \(STEP\), April 2025](#)
- [Financially sustainable universities: State of play and strategies for future resilience, April 2025](#)
- [A research, education and innovation partnership for Europe's competitiveness, March 2025](#)
- [Paving the way for impactful European R&I – EUA's vision for FP10, April 2024](#)
- [EUA Research & Innovation Agenda 2027, December 2023](#)

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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.