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- 33 National Rectors' Conferences (Collective members)
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- Support of universities and policy makers through:
 - ✓ Comparative data, studies and consultations
 - ✓ Evidence-based policy positions
 - ✓ Tools for benchmarking and good practice examples
 - ✓ Focus on EHEA, ERA and framework conditions



www.eua.be/activities-services/eua-campaigns/EUAconsultation-Horizon2020-Erasmus

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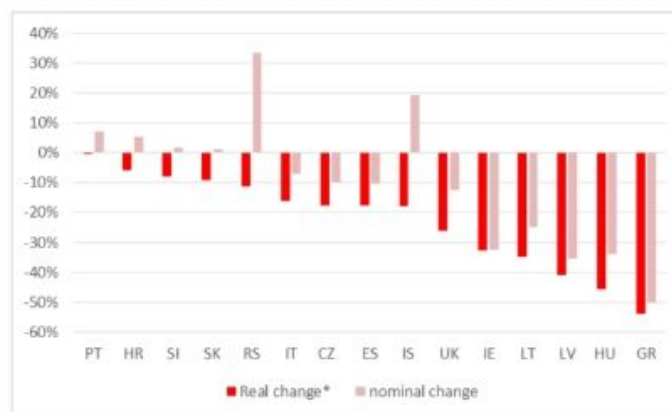
Brussels, 27 May 2016

EUA statement: www.eua.be/activities-services/news/newsitem/2016/05/26/eua-provides-input-to-eu-financial-regulation-review



The challenge of simplification and sustainability

European countries with declining public funding to universities over 2008-2014



* real change = adjusted for inflation

Source: EUA Public Funding Observatory - November 2015 Report
www.eua.be/activities-services/projects/eua-online-tools/public-funding-observatory-tool.aspx



Recommendation 1

Provide a coherent funding framework, taking into account the specificities of sectors and beneficiaries

- Single rule book, however, not “one-size-fits-all” approach towards sectors and beneficiaries.
- Different rules might be required for different forms of funding (grants, loans, financial instruments etc.) and different sectors and beneficiaries.
- New regulations should continue to allow adoption of rules for specific funding programmes, such as Horizon 2020 and Erasmus + to accommodate specific nature of academic research and education.



Recommendation 2

Balance between result-oriented budgeting & cost-based funding

- Measuring impact & results in research is challenging. “No result” can be an important discovery.
- Funding based on the *costs of activity* is key to ensure financial sustainability of the beneficiary institution and higher education system.
- Use of lump sums, flat rates and unit costs should be considered but need to ensure sufficient cost coverage and specificities of different sectors & beneficiaries.

Recommendation 3

Speed up administrative processes, but give adequate time to beneficiaries

- Currently, 6 months for proposal evaluation and 3 months for agreement between Commission and the beneficiary; though article 128 provides flexibility in certain cases.
- Reduction of *time-to-grant* to foster quicker implementation is good, however,
- Adequate flexibility should be given to large consortia to accommodate processes for signature of complex partnership agreements.

Recommendation 4

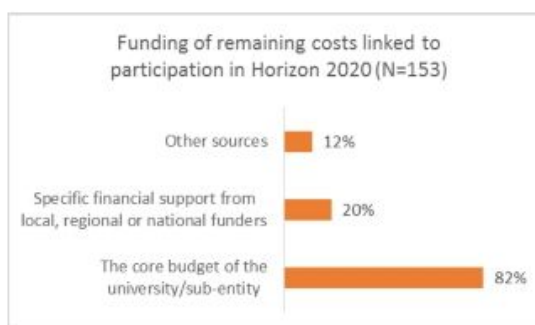
Provide different options for reimbursement of costs

- Financial Regulation allows different options for reimbursement of costs in case of grants, but,
- It should allow the beneficiary to choose amongst the different reporting and costing models: Actual costs versus flat rates, etc.
- This would allow them to use their existing management and accounting procedures.



Recommendation 5 Improve the compatibility of different funding instruments at European and national levels

- Co-funding principle forces beneficiaries to look for other sources of funding at national level to cover their full costs.
- Combination of different funding instruments from EU, national, or local levels should be allowed and made easier.



Source: EUA member consultation on Horizon 2020



Recommendation 6 Accept nationally recognized institutional accounting practices

- Financial Regulation foresees acceptance of usual national level management and accounting practices.
- Making acceptance of usual national management and accounting practices obligatory would lead to simplification and reduction of administrative burden.
- 2/3 of respondents to EUA member consultation on Horizon 2020 indicated that they have to set-up parallel management and accounting system for Horizon 2020.

Recommendation 7
Develop a trust-based approach towards beneficiaries

- Auditing procedures should be made more efficient.
- Double auditing of projects should be avoided.
- National Audit certificates should be accepted.

Recommendation 8
Strike a balance between consistency and change

- Regular revision of Financial Regulation seems to be necessary to align it with changing needs and context.
- However, revisions should be balanced with certain level of predictability and stability in rules.
- Current revision should be holistic and should envision as far as possible the future needs of MFF and EU funding programmes.



Recommendation 9 Prevent the extensive use of financial instrument to fund academic research and education

- New financial instruments, such as European Fund for Strategic Investment (EFSI) were introduced at EU level to solve arising challenges.
- These instruments should not be used to shift money from successful grant-based funding, esp. in the areas of research, innovation and education.
- Universities in a majority of European countries are not able to work with these financial instruments.



www.eua.be/activities-services/eua-campaigns/eu-funding-for-universities Brussels, 16 June 2016



Recommendation 10 Focus on efficient and effective implementation

- In spite of revision and simplifications of previous rules for flexibility, there is still a need to focus on efficiency and effectiveness.



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More information, data and studies:
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Total Funding in EUR
Change between 2006 and 2014



The EUA Public Funding Observatory

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