

Policy Learning Lab 2

Securing the Future: Strategic Dialogue on Sustainable Funding for European Universities Alliances

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Executive Summary

The second Policy Learning Lab (PLL #2) provided a high-level strategic platform to address the critical challenge of long-term financial sustainability for European Universities Alliances. As the European Union enters the negotiating period for the post-2027 Multiannual Financial Framework (MFF), the session focused on shifting from "pilot-phase" project support to a model of permanent institutional stability. Key discussions centered on the "pilots without pathways" dilemma, highlighting that while Alliances have driven deep transformation, the current fragmented funding landscape remains insufficient for structural change. The session concluded that sustainable funding is a geopolitical necessity for European sovereignty, requiring a "triple-helix" of support from EU budget lines, stable national investment, and internal resource reallocation from partner universities.

1. Introduction

The FOREU4ALL Policy Learning Lab #2, titled "**Securing the Future: Strategic Dialogue on Sustainable Funding for European Universities Alliances**," aimed to serve as an open space for high-level engagement between policymakers and higher education stakeholders to address the strategic needs of Alliances regarding the future Erasmus+ and Horizon Europe programmes, the European Competitiveness Fund, and the "5th regime", all in the context of the ongoing Multiannual Financial Framework (post-2027) negotiations. The aim was to shift the focus from pilot-phase support to long-term institutional stability, ensuring that future funding instruments are better aligned with the geopolitical and educational ambitions of the European Universities initiative and are directly contributing to EU's key policy initiatives.

To ground this dialogue in evidence-based analysis, the Policy Learning Lab was rooted in several landmark reports that have shaped the current funding debate. These included the **FOREU4ALL Discussion Paper**, the **EUA Report** on financial sustainability strategies, **ACA's analysis** of national-level support, and **The Guild's report** on transition pathways for alliances. By synthesising findings from these publications alongside

insights from the **Future4Alliances** project, PLL #2 aimed to build capacity for policy dialogue and foster strategic exchange between Alliances, policymakers, and high-level stakeholders, all in the framework of the ongoing MFF negotiations.

2. Stakeholder Perspectives (Comprehensive Summary)

The dialogue was grounded in evidence-based analysis from four landmark sector reports and diverse institutional viewpoints:

Welcome and Introduction

Kevin Guillaume (Secretary General of Circle U. & FOREU4ALL Policy Dialogue co-lead):

Welcomed participants and emphasized that FOREU4ALL acts as a critical vehicle for peer exchange and capacity building among Alliances. He framed the Lab as an urgent space to deliberate on Alliance funding at key historical crossroads for EU higher education.

Opening Notes

The European Commission (Ioana Dewandeler, Policy Officer, DG EAC): Stressed that funding must be viewed as a collective investment in sector-wide transformation, not a short-term grant. She acknowledged that the vast scope of the policy objectives has made Alliances resource-intensive, requiring combined EU, national, and regional backing to continue and upscale activities.

Dewandeler clarified that while the proposed post-2027 Erasmus+ budget stands at €41 billion, there is no set allocation for higher education yet, which is still pending Member States approval. Consequently, any future funding model depends on what remains on the table after intense co-legislative negotiations. She underscored that the upcoming MFF conversations will be challenging due to overlapping public crises and widespread national budget cuts in higher education and research. Moving forward, the Commission aims to establish a longer-term funding model reflecting the true scale of Alliance activities, paired with a robust qualitative monitoring framework to evaluate cultural and operational transformation.

Keynote Address

FOREU4ALL Chair (Beatrix Busse, Chief Development Officer at EUniWell / Vice-Rector, University of Cologne): Strongly asserted that Alliances are no longer experimental pilots but a proven reality and the "beating heart" of Europe's future. Alliances have successfully delivered vast institutional changes across all university missions, integrating education, research, open science, and societal transfer, and have done so with relatively small operational budgets. To illustrate this efficiency, Busse noted that the current €1 billion total European investment breaks down to roughly €400,000 per institution per year, which equates to the budget of a single European Research Council (ERC) Consolidator Grant for a single Principal Investigator.

She called for a move away from short-term project mentalities toward a single funding mechanism featuring "several boxes" to provide flexible baseline support. Busse also welcomed rigorous evaluation but insisted that it must feature multi-level, qualitative impact tracking (local, national, and global) rather than just rigid quantitative metrics.

Fireside Chat (Moderated by Sophia Karner, Secretary General of Una Europa & FOREU4ALL Policy Dialogue co-lead)

Academic Cooperation Association (Irina Ferencz, Director, ACA): Drew upon ACA's recent landmark report regarding national-level support for European Universities Alliances. She pointed out a significant gap in the strategic anchoring of Alliances: only about 55% of national agencies and 70% of Alliances state that the initiative is properly referenced within national higher education or internationalization strategies. This has induced a state of national policy uncertainty, where Member States often view themselves as mere passive recipients of EU mandates rather than proactive co-shapers. To overcome this situation, Ferencz advocated for a consolidated funding mechanism that integrates all tiers. She suggested that capturing concrete data on the national-level impact of Alliances is the true key to unlocking stable national funding streams. Furthermore, she warned against the vulnerability of leadership transitions, advising

institutions to focus heavily on what concrete transformations would be impossible *without* Alliance participation.

The Guild of Research-Intensive Universities (Jan Palmowski, Secretary General):

Reflecting on findings from The Guild's "Pilots without Pathways" report, he pushed for absolute precision when articulating the added value of Alliances, noting that "collaborating with more partners" is not synonymous with deep institutional transformation. Palmowski called for strict prioritization and strengthening internal governance to empower Alliances to make tough decisions about what *not* to do. Palmowski also put a strong emphasis on "mainstreaming," urging universities to shift from merely "thinking outside the box" to systematically "changing the box" of university management. This means ensuring innovations are completely embedded into core administrative lines and middle management (e.g., department and unit heads) so that mainstreaming accelerates, rather than stifles, institutional innovation.

European University Association (Thomas Estermann, Director, EUA): Introduced the EUA's "temple of financial sustainability," built upon a survey of 170 universities. He argued that long-term sustainability depends on institutional added value, clear cost understanding, and engaged leadership. Crucially, Estermann urged the sector to drop the phrase "co-funding" because it erroneously implies a temporary project logic. EUA data indicates that the highest proportion of funding actually originates from the universities themselves (regularly reaching millions of Euros via internal staff and resource allocation), making the Erasmus+ contribution the smaller piece of the fiscal puzzle, which is not always reflected in debates on Alliance funding. Estermann also challenged leadership to intertwine Alliance ecosystems directly with concurrent institutional transformations, such as regional engagement, digitization, and climate sustainability agendas, in order to make their future truly sustainable. In sum, while more funding is essential, it must be supported by strategic leadership, a better understanding of full institutional costs, and demonstrated institutional added value.

Member State Vision

Evelin-Melinda Macho (Head of Unit, Austrian Federal Ministry of Women, Science and Research, Future4Alliances project): Shared critical benchmarking data from the *Future4Alliances* project, highlighting a highly heterogeneous national funding landscape. While 24 European higher education systems offer some form of targeted national funding for Alliance participation, others embed support vaguely into core performance agreements, and a few offer regional subsidies. This uneven landscape threatens to spark disparities in alliance capacities across the continent. Macho outlined that across 39 surveyed Alliances, Erasmus+ remains the primary pillar, covering an average of 70% of total costs (ranging between 30% to 100% depending on the Alliance). Core university institutional funding accounts for 17%, national/regional government funds contribute 13%, other sources take up 8%, and private sponsorships remain marginal at 1%. Macho emphasised a strong Member State consensus for a seven-year multi-annual funding framework aligned with the MFF, multi-level funding synergies (i.e. bridging Erasmus+ and Horizon Europe), and using Alliances as "icebreakers" for wider structural and regulatory national reforms.

3. Open Discussion

The final part of the Lab opened the floor to all participants, sparking an active dialogue around technical constraints, alternative funding avenues, administrative burdens, and the broader socio-political role of Alliances.

Technical Funding Instruments & The Baseline Dilemma

One participant raised a fundamental technical question regarding the limitations of current EU financial architecture, questioning whether the currently existing mechanisms, namely action grants and operating grants, are inherently unsuitable for the permanent, long-term baseline funding the sector is demanding.

Thomas Estermann (EUA) noted that while Erasmus+ action grants have been wildly successful at mobilizing cross-border activity with minimal initial outlays, they are

structurally too complex to serve as an administrative base for long-term institutional operations. He reiterated that the ultimate funding solution must be holistic and stratified, assigning different costs to different funders.

Irina Ferencz (ACA) added that operating grants in their current form are legally inadequate because they are restricted to short timeframes, failing to match the seven-year stability required to align with the MFF.

Structural Funds and Regional Synergies

The discussion then pivoted to underutilized funding avenues, particularly EU Structural Funds. Irina Ferencz pointed out that certain Member States are already strategically utilizing structural funds to finance mobility top-ups and regional Alliance activities. The primary hurdle is not a lack of relevance, given that Alliance transformations deeply correlate with regional development and national goals, but rather the lack of a consolidated, consistent, and long-term approach across different Member States, which leaves the current funding landscape patchworked and uneven.

The Administrative Paradox and "Red Tape"

A major point of consensus among the Alliances was the compounding challenge of running and reporting on multiple separate funding streams in parallel. Sophia Karner noted that even if resources are made available through various EU or national channels, Alliances are constrained by a finite number of administrative staff who are overwhelmed by overlapping, non-aligned reporting requirements and monitoring systems.

Jan Palmowski (The Guild) introduced a provocative perspective on bureaucracy, arguing that universities themselves are often their own worst enemies. He stated that institutions frequently externalize blame onto the European Commission for "red tape" that is actually generated by internal university processes themselves. He urged Alliances to implement trust-based quality assurance, where partner institutions unconditionally trust the quality mechanisms of a peer university for degree

accreditations, and called for national quality assurance agencies to step up and actively anchor these trust-based systems.

Systemic Reform vs. Institutional Identity

Ludovic Thilly (Coordinators' representative) challenged the underlying philosophy of the current discourse, reminding the audience that Alliances are not external, distinct entities; they are entirely composed of traditional higher education institutions sharing the same fundamental DNA. The question moving forward should not be *how* to fund a separate project but rather provide a fundamental acknowledgment: if the EU ceases to fund this deep layer of cross-institutional cooperation, it is effectively choosing to halt the systemic reform of the European higher education sector, which it itself brought to life.

Geopolitical Solidarity and Shared Values

The open discussion concluded with a vital reminder of the geopolitical mission of the initiative. Jan Palmowski highlighted a statement issued by Circle U. in solidarity with the University of Belgrade and the wider academic community in Serbia, which has been facing systemic pressures. Alongside Kevin Guillaume, Palmowski emphasized that the true, long-term "added value" of European Universities Alliances extends far beyond financial metrics and credit mobility; it resides in their collective power to act as an unyielding, value-driven front for European solidarity, institutional autonomy, and academic freedom.

4. Conclusion

While the European Universities initiative has successfully fostered unprecedented levels of cooperation, its long-term future depends on securing a cohesive, predictable, and simplified financial roadmap. If Alliances are to continue in their role as the "beating hearts" of Europe and vanguards of innovation and reform, their funding model must evolve from short-term project grants to a sustainable, triple-helix investment structure embedded in the permanent fabric of the European Higher Education Area.

Key Messages from the Strategic Dialogue

a. Moving Beyond "Project Logic"

A recurring theme was the urgent need to move away from short-term, "project-based" funding cycles. Participants argued that deep institutional transformation cannot be sustained if Alliances are forced to constantly re-apply for basic operational support every few years.

b. The Triple-Helix of Support

The session underscored that sustainability requires three aligned pillars:

1. **Stable EU Budget Lines:** Long-term predictability in the post-2027 MFF.
2. **National/Regional Commitment:** Member States must match EU ambitions with dedicated financial and legal frameworks.
3. **Institutional Resource Reallocation:** Universities must themselves integrate Alliance activities into their core long-term strategies.

c. Geopolitical Necessity & The 5th Regime

Funding was presented as a strategic investment in European sovereignty. The dialogue touched upon the "5th regime", a legal and financial framework to facilitate the free movement of knowledge, as a potential solution to overcome national regulatory hurdles and administrative barriers.

d. Mainstreaming and Strategic Prioritization

Experts emphasized that Alliances must move from "thinking outside the box" to "changing the box". This requires stronger internal governance and the ability to make hard decisions about prioritization to ensure that Alliance work is embedded in the middle management and core administration of participating universities.

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