



THE IMPACT OF THE EUROPEAN FUND FOR STRATEGIC INVESTMENTS ON EUROPE'S UNIVERSITIES

The EFSI campaign of the European University Association (EUA)



A 2.7 BILLION EURO

cut

**TO RESEARCH
WILL HARM
EUROPE.**



#H2020cut

EU legislative process	EUA actions	EUA coordination with members / stakeholders	Press coverage of EUA actions
Phase 1			
26.11.2014 Commission Communication announcing Investment Plan	27.11.2014 EUA announces in Newsletter monitoring on behalf of the sector		Science Business Times Higher Education Pan European Networks EU Reporter Science Guide Horizon 2020 Projects Chemistry World
09.12.2014 EU Taskforce on Investment releases report	18.12.2014 After analysis, EUA releases statement warning against diversion of research funds	Referencing of positions of CPU, CRASP, UUK, VSNU, HRK in EUA statement	
13.01.2015 Release of the legislative proposal	18.01.2015 After analysis, EUA releases a statement underlining the cuts in Horizon 2020 and their possible impact on universities	23.01.2015 Joint statement with ERA stakeholders 26.01.2015 Opinion piece in Euractiv (major newspaper focused on EU affairs)	
Phase 2			
	12.02.2015 EUA writes to Commission President Jean-Claude Juncker and Commissioner for Research Carlos Moedas EUA writes to Parliament rapporteur, rapporteurs for opinion and shadow rapporteurs in the relevant committees (ECON, BUDG, ITRE, CULT, REGIO, EMPL) EUA issues a press release	EUA writes to individual and collective members to inform them and invite them to take the issue to their national and European representatives	Times Higher Education Physics World Publico Higher Education News Media FHE Ibercampus.eu Horizon 2020 Projects University World News Universitetsavisa
27.02.2015 MEP tables written question to Commission referencing EUA arguments	26.02.2015 EUA Research Policy Working Group agrees on joint statement 27.02.2015 EUA President meets with Commissioner for Research Carlos Moedas	EUA invites collective members to endorse the joint statement Czech Senate adopts resolution condemning H2020 cuts	
		MEPs respond to EUA concerns; EUA Secretary General and NRCs meet MEPs	
Phase 3			
	06.03.2015 EUA publishes a detailed policy brief analysing the impact of EFSI on universities	EUA publishes infographic on EFSI to use and share on social media	Research Europe Horizon 2020 Projects Science Guide ERA Portal Austria Horizon 2020 Projects
10.03.2015 Parliament committees on Budgets and on Economic and Monetary Affairs release their draft report, proposing a new way to resource the EU guarantee fund and disconnecting Horizon 2020 from the funding	11.03.2015 EUA issues a statement reacting to the draft report and welcoming the alternative funding mechanism proposed, highlighting however that this would not automatically mean that cuts to Horizon 2020 would disappear EUA writes to the Parliament committees involved		
12.03.2015 European Court of Auditors issues opinion on EFSI, questioning the funding mechanism proposed by the Commission			
		17.03.2015 EUA supports joint reaction of CPU, VSNU, HRK and UUK on Parliament draft report	
Next steps			
01.04.2015 Parliament committees on Budgets and on Economic and Monetary Affairs expected to adopt their report			
24.06.2015 Indicative plenary sitting date in the European Parliament			



PRESS STATEMENT: 18 DECEMBER 2014

EUA Press Statement on the European Commission's EU Investment Plan

On 26 November, the European Commission (EC) presented details of a new "[Investment Plan](#)" which it said aimed to get "Europe growing again and get more people back to work" *. Following the EC announcement and the report of the [EU Task Force on Investment](#) published on 9 December, the European University Association (EUA) has today published the following statement:

The European University Association welcomes the underlying aims of the initiative and in principal its goal to support projects in key areas such as infrastructure, education, research and innovation, but is nevertheless concerned about the intention to use substantial funding from the EU's Horizon 2020 programme.

In the course of the recent [discussions on the EU's annual budget](#) EUA has consistently highlighted the importance of maintaining the planned levels of EU investment in research and education (Horizon 2020 and Erasmus +) and for this reason reiterates that funding for Horizon 2020 must be protected. This is a message that has also been emphasised this week by a number of EUA's national rectors' conference members, in a [statement](#) published before the European Council meeting where the proposed Investment Plan is due to be discussed.

In particular, EUA would like to underline the importance of preserving the budget allocated to the "Excellent Science" Pillar of Horizon 2020, as it plays a crucial role in supporting basic research, the basis for developing competitive knowledge-based products and services. European-level funding for basic research should therefore not be "diverted", as cuts in this Pillar could compromise the capacity of Europe to innovate in the years to come.

EUA's latest Public Funding Observatory report shows that in a number of member states, public investment for universities (for HE and research) has been reduced, which is of great concern. At the same time, EUA has pointed out that there is an expectation from some governments that universities should increasingly turn to funding from EU programmes, such as Horizon 2020 and the Structural Funds, to make up for these shortfalls.

For EUA, any attempt to incentivise investment from member states in projects involving universities could potentially be positive. Universities are key actors in relation to education, research and innovation in Europe, and therefore contribute to enhancing Europe's competitiveness, growth and employment. They should be at the heart of any initiative to boost investment in human resources and research-based knowledge development.

EUA understands that potential projects have been scanned by the 'EU Task force on Investment' and proposals put forward by member states. It considers that any future initiative should give special attention to developing clear and transparent guidelines concerning the nature of project proposals and the selection of projects under the new Investment Plan. Moreover, while EUA understands the need to move forward rapidly it would be important that the university sector has the opportunity to participate in relevant projects through a structured and transparent process.

EUA understands the EC proposals are being discussed this week by the European Council and the European Parliament before further steps are taken.



PRESS RELEASE: 16 JANUARY 2015

EUA warns against cuts to European research

Following the presentation of its “Investment Plan” at the end of last year, on 13 January the European Commission released its proposal on the European Fund for Strategic Investments (EFSI). This is the first step of the legislative process which the Commission hopes to complete by next June.

The proposal highlights the details of the amounts that will be set aside in the EU’s 2014-2020 financial framework to support the new fund. In a [statement](#) released on 18 December, the European University Association (EUA) welcomed the principal goal of the initiative to support projects in key areas such as infrastructure, education, research and innovation, but insisted that the Horizon 2020 budget should be protected, a view shared by a number of its [member National Rectors’ Conferences](#). EUA therefore expresses its strong disappointment as it becomes clear that Horizon 2020 funds will make up a third of the 8 billion euros mobilised for the EFSI.

In particular, the European Research Council and the European Institute for Innovation and Technology (EIT), two core components of the EU research policy, would be heavily hit over the whole period. EUA also notes with concern that the EIT budget would already be reduced this year, despite the recent approval of the 2015 budget which as a consequence would need to be amended. The European Commission expects that the leverage effect of the EFSI will result in more funds being channeled into research and innovation through large-scale projects financed by the new scheme. This is however an uncertain gain, while the 2.7 billion € cut in Horizon 2020 would be a real loss for Europe’s universities as key actors contributing to Europe’s competitiveness, growth and employment. EUA therefore calls on legislators to oppose in particular the removal of funds from the “Excellent Science” Pillar of Horizon 2020.

EUA’s next newsletter will feature a dedicated article including further details about the potential impact of the EFSI on universities. More information on the Investment Plan is available [here](#).

EUA’s Statement on the Investment Plan, released in December 2014, can be viewed [here](#).

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The European University Association, as the representative organisation of both the European universities and the national rectors’ conferences, is the main voice of the higher education community in Europe. EUA’s mission is to promote the development of a coherent system of European higher education and research.



23 JANUARY 2015

ERA STAKEHOLDERS JOINT STATEMENT ON THE EUROPEAN FUND FOR STRATEGIC INVESTMENTS (EFSI)

Today CESAER, EARTO, EUA, LERU and Science Europe, members of the European Research Area Stakeholder Platform, are expressing their great concern regarding the European Commission's proposed regulation for the new European Fund for Strategic Investments (EFSI).

As ERA stakeholders, we clearly support the European Commission's efforts to support growth and job creation and believe that most of those objectives will be reached by strongly supporting research and innovation (R&I) so as to boost European innovation performance. Supporting industry to create jobs will come from enhancing R&I chains and ecosystems in Europe; this means supporting all actors involved in such value chains which include of course industry but also universities, other research performing organisations (RPOs), Research and Technology Organisations (RTOs) and regional/national public actors. The only strategic European-level instrument supporting R&I activities is Horizon2020.

Horizon2020, much like national R&I funds, is based on granting funds recognizing that R&I actors such as universities, RTOs and RPOs have specific business models requiring strong public support (that cannot primarily come from loans). Deviating funds from such a pan-EU R&I programme to create new loans facilities aiming at supporting only one actor within Europe's R&I value chains and eco-systems does not make sense, especially given that such loans facilities already exist at the European Investment Bank (EIB) as well as under Horizon2020 (INNNOVFIN).

Despite many calls made by some of the ERA stakeholders to the European Commission since last autumn, the proposed funding of the EFSI budget foresees substantial cuts for the Horizon2020 budget. This will weaken Horizon2020 rather than adding EFSI as a complementary tool to this programme. CESAER, EARTO, EUA, LERU and Science Europe hereby would like to warn EU-decision makers that such plans will be detrimental to the only pan-European R&I activities running today. The European Parliament and the Council should continue to support pan-European research and innovation as they have done by supporting Horizon2020 budget up to now.

Accordingly, CESAER, EARTO, EUA, LERU and Science Europe are expressing their great concern on the EFSI regulation since it entails a Horizon2020 budget cut while offering little reassurance that the projects to be funded under the new EFSI will effectively aim at supporting R&I activities.

The European Parliament and the Council should also define clear amendments to the proposed regulation to ensure that:

- Projects to be funded under EFSI:
 1. have clear research and innovation criteria for selection ("R&I Check") before the loans are awarded,
 2. prove clear involvement of all R&I actors within the projects even if managed by industry or governments,
 3. allow participation of all relevant R&I actors even if some of them may not be able to raise loans (e.g. as sub-contractors fully funded and covered by the guarantee funds).
- To ensure this, R&I actors should:
 1. be involved in the governance of EFSI,
 2. be involved in the evaluation of the projects to be funded under EFSI as independent advisers on the quality of projects proposed by the industry or governments for funding.

Notes to Editors

The European Research Area Stakeholder Platform was created in July 2012 following the signature by relevant stakeholder organisations of a Joint Statement with the European Commission expressing their strong willingness to work towards completing ERA. It was set up by the European Commission to support ERA policy development and foster structured dialogue with key research and innovation stakeholder organisations. The Platform is currently composed of CESAER, EARTO, EUA, LERU, NordForsk and Science Europe. Further information can be found [here](#).

Joint Statement endorsed by:

Conference of European Schools for Advanced Engineering Education and Research (CESAER)
<http://www.cesaer.org/en/home/>

European Association of Research and Technology Organisations (EARTO)
<http://www.earto.eu/>

European University Association (EUA)
<http://www.eua.be/Home.aspx>

League of European Research Universities (LERU)
<http://www.leru.org/index.php/public/home/>

Science Europe
<http://www.scienceeurope.org/>



THURSDAY 12 FEBRUARY 2015

**ATTENTION: NEWSDESKS/ EDUCATION, SCIENCE
CORRESPONDENTS FOR IMMEDIATE RELEASE**

Universities: U-turn on Research Funding will harm Europe's competitiveness

EUA writes to MEPs and Jean-Claude Juncker

The European University Association (EUA) has today, 12th February, called on the European Parliament to reject proposals that would significantly cut investment in European research.

EUA, the broadest Europe-wide education and research organisation representing 850 higher education institutions, has written to MEPs asking them to oppose European Commission plans to remove 2.7 billion Euros from Horizon 2020 in order to finance the "European Funding for Strategic Investments" (EFSI) plan.

The organisation has also written an open letter to President Jean-Claude Juncker, urging the European Commission not to sideline European research and reconsider the funding sources for EFSI.

The Commission proposal, announced in January, is designed to tackle Europe's investment gap. While EUA supports efforts to boost job creation and growth, it mustn't come at the expense of Europe's research sector which is the backbone of Europe's future competitiveness.

The diversion of funds would affect the Excellent Science pillar, for instance the European Research Council and Marie Skłodowska-Curie actions, as well as the Societal Challenges pillar (collaborative research).

EUA has also called for the inclusion of scientific oversight in the selection of projects that will be administered under EFSI to ensure that research and innovation plays a full part in tackling Europe's many challenges.

Lesley Wilson, Secretary General of EUA said:

"The proposed cuts to research are a worrying U-turn in the Commission's approach. In recent years the Commission was a key advocate for further research investment and there was strong support for collaborative research activities that demonstrated their economic impact.

"EUA is convinced that if the proposal goes ahead the EU will put itself at risk of losing ground against competitors that are investing heavily in research.

"Several EU countries have already substantially reduced research funding as a consequence of the economic crisis, as revealed by EUA's annual [Public Funding Observatory](#). The commission's plan follows an unacceptable trend of cuts to research and sends the wrong signal to national and regional policy makers.

“This issue is of major importance to universities as the reduction to funds will affect support for research collaboration. Numerous studies have demonstrated the effectiveness and impact of European collaborative research on innovation, societal challenges and productivity in services. Europe needs this investment to continue.

“MEPs now have a full role to play in shaping the EFSI and we’re urging them to protect – not downgrade – European research funding.”

Notes

1. The European Parliament will vote on the EFSI in committee at the end of March. Further to the EUA statements issued in December 2014 and January 2015 and the joint statement with the European Research Area stakeholders, the letters to the European Parliament and European Commission mark the second phase of EUA’s campaign.

2. [A copy of the Open Letter can be found here.](#)

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1. What does EFSI seek to achieve?

The intended mission of the fund is to support projects with a higher risk profile so that investment starts taking off in countries and sectors where job creation and growth are most needed. (European Commission Vice-President Jyrki Katainen)

2. What is the link with Horizon 2020?

- EFSI is funded notably via an EU guarantee of 16 billion Euros which is derived from the EU budget for 50%. 8 billion Euros have therefore been diverted from the current multi-annual financial framework. The biggest contributing programmes are the Connecting Europe Facility (for 3.3 billion Euros) and Horizon 2020 (for 2.7 billion Euros).
- For universities, this means lost competitive funding, particularly in the Excellent Science pillar (notably European Research Council and Marie Skłodowska Curie grants) and in the Societal Challenges pillar (thematic collaborative research).

3. Can this loss to universities be compensated? Can universities benefit from the EFSI scheme?

- EFSI functions on the basis of a **debt financing mechanism**; it does not offer subsidies (like Horizon 2020 competitive funding), but loans. The beneficiaries of EFSI support will have to repay the amounts received.
- Universities in most European countries are not allowed to **borrow** from banks, or are under strict conditions. In most EU Member States, borrowing money is restricted or even prohibited for universities, as shown in [EUA's Autonomy Scorecard](#).
- The **nature and the scale of projects** considered essentially excludes universities from the scheme. The European Commission considers large investment operations, primarily related to the development of infrastructure (particularly in transport and energy). While the overall objectives also include investment in education and research and development, the currently available list of projects submitted by the different member states gives little room to those.
- The **timeframe** envisaged by the European Commission is a crucial issue. The intention is to start supporting projects before the end of 2015. Only projects already at an advanced stage of preparation, or for which the implementation phase has started, are likely to obtain support from EFSI. It seems unrealistic that new projects can be developed and submitted in the short term given the scale of operations.

While it can be hoped that universities benefit as possible suppliers or end-users of the project outcomes, there seems to be very limited opportunities for them to be an active partner in the EFSI supported actions.

4. The political signal

- The fact that EFSI is to a large part financed by diverting funds from European research sets the **unacceptable precedent** that one may reduce research funding to support other activities.
- It also sends the **wrong signal** to EU member states, where research funding is often already under threat. [EUA's Public Funding Observatory](#), which records the evolution of public funding to universities in Europe, reveals worrying trends over the medium term. The graph below shows the European countries with declining public funding to universities over 2008-2014.

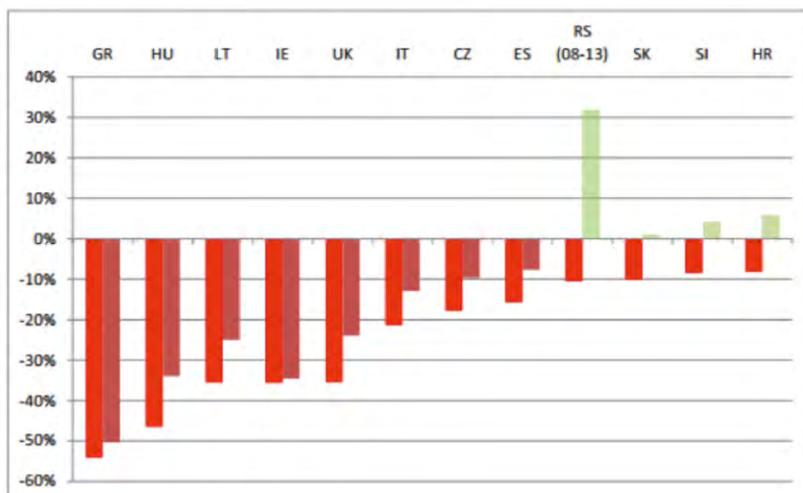
5. Preserve European research: suggestions for a coherent EFSI financing and governance

- Research is a prerequisite for innovation, without research the pipeline to innovation – and so to any new ideas that could be invested in by EFSI eventually – is cut off. Research must be funded in an appropriate way and any cuts to Horizon 2020 will result not only in a performance loss for the European research and innovation system but also for Europe’s long-term competitiveness. Cuts to Horizon 2020 must be avoided.
- In particular, it is of paramount importance to preserve the “Excellent Science” and “Societal Challenges” pillars of Horizon 2020, which contribute to the creation of new knowledge and builds the basis for Europe’s future competitiveness.
- Possibilities exist to set up an efficient EFSI scheme while limiting the damage done to European research. Indeed, both elements seek to strengthen Europe’s capacities and long-term growth and competitiveness. The priority is therefore to eliminate the logical flaw of taking from one to give to the other, and rather strengthen both.
- Unlike for education and research, which are until now given limited visibility in the proposed projects submitted by the EU Member States, transport is a strong focus and features highly both in the European Commission’s overall objectives in EFSI and in the proposed projects. With such real focus, the expectations that the EFSI’s multiplier effect will benefit the sector more than in the regular programmes may well materialise.

Therefore, it appears sensible to consider **shifting some of the cuts from Horizon 2020 to the Connecting Europe Facility**, which supports interoperability and integration of transport, energy and digital infrastructures. This shift should lead to cancelling cuts done to the Excellent Science and the Societal Challenges pillars.

- In addition, EUA urges EU institutions to:
 - avoid any mechanisms in EFSI allowing further Horizon 2020 cuts in the future;
 - ensure that unused EFSI funds flow back to Horizon 2020 and not into the general EU budget;
- For the selection of projects, this means:
 - providing for clear research criteria, a selection process based on and access for universities – either leading or participating – for EFSI R&D projects;
 - involving R&I experts in the evaluation and decision-making processes on EFSI R&D projects.

For further information, please contact the European University Association at funding@eua.be



The first column for each system shows the inflation-adjusted evolution of public funding; the second column represents nominal change.