CESAER

STATEMENT ON THE PROPOSAL FOR THE MULTI-ANNUAL FINANCIAL FRAMEWORK FROM 2021 TO 2027

DATED 24TH MAY 2018

On 2nd May 2018, the European Commission (EC) published its proposal for the Multiannual Financial Framework (MFF) from 2021 to 2027, indicating that the 9th EU Framework Programme for Research and Innovation (Horizon Europe) should have budget of €97.9 billion, and Erasmus+ €30 billion. This is significantly lower than the targets of €160 billion and €40 billion urged by CESAER respectively.

While CESAER welcomes the relative prioritisation of research, education and innovation in the MFF proposal, we emphasise that a higher budget is needed in order for Europe to become a global leader and contribute to achieving the United Nations Sustainable Development Goals (UN SDGs).

RESEARCH AND INNOVATION

The EU remains a long way from the Lisbon target of spending 3% of gross domestic product on research and development, and it is deeply concerning to note that national investments have been repeatedly cut leaving many member states increasingly reliant on EU funds.

While Horizon 2020 has proved a success, huge oversubscription has meant that many proposals evaluated as internationally excellent have not been funded.

The added value of the framework programmes was underlined by the High Level Group chaired by Pascal Lamy, whose <u>report</u> stated clearly that "further EU investment in research and innovation and maximising its impact is probably the best option that Europe has to deliver solutions and future well-being for its citizens".

The President of the European Commission Jean-Claude Juncker echoed this call in a <u>speech</u> in March, "If we went - I dream – up to € 160 billion, this would result in the creation of 650,000 jobs by 2040 and an increase in GDP of 0.5 per cent," he said.

In this context, the increased budget for Horizon Europe is welcomed by CESAER. However, if we assume inflation of 2% this would equate to a budget of €86.6 billion in 2018 prices, an increase of only 12% on Horizon 2020. This will not keep pace with the need for knowledge in Europe.

We support the proposed simplified state aid rules and the expansion of the 'Seal of Excellence', allowing for improved synergies between national programmes and other European programmes such the European Structural and Investment Funds (ESIF). It is important that Horizon Europe is complemented effectively through synergies with programmes such as the European Regional Development and Cohesion Fund, Digital Europe and the European Defence Fund.

EDUCATION AND TRAINING

The EC proposed to increase the budget for the successor of Erasmus+ to €30 billion, falling short of CESAER's target of €40 billion. CESAER's paper More Strategy, Higher Quality outlined that the minimum to maintain the current operations of Erasmus+ is at least €25 billion, therefore the proposed budget will achieve a status quo with some room for small improvements. However, if the EU truly wants to assume leadership and realise more ambitious goals for the European Education Area, a higher amount is critical. The current level of 5% European student mobility is far below the 20% Bologna Process target.

A budget of €40 billion for Erasmus+ would allow shortfalls to be addressed such as low funding level for grants, which jeopardises the mobility of students from lower socio-economic backgrounds and poorer countries, over-subscription in the Key Actions 2 and 3.

The ongoing digital revolution is changing the nature of Europe's jobs and the demands on workers through trends such as robotisation and artificial intelligence. Increased support for life-long learning will be necessary to address the evolving skills needed in Europe's workforce.

CONCLUSIONS

The need for knowledge is greater than ever, therefore sustained investment in research, education and innovation will provide consistent added value for taxpayer's money. Horizon Europe and Erasmus+ will be important mechanisms in defining the European landscape for research, education and innovation for the next decade, and lay the foundations for our society for many years more.

If Europe wants to advance as a knowledge society, it is vital the programmes are given the necessary resources, without that they could be set to fail in their objectives before they have even started.

For more information and enquiries, please contact our Communication Officer <u>Calum</u> MacKichan.

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