

ESU's Priorities for a Multiannual Financial Framework 2028–2034 and European Semester that Future-Proof Education

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Summary of Recommendations

1. Creation of an EU Investment Framework for Higher Education

- Establish an **EU Investment Envelope for Education** to systematically coordinate education funding across different budgets, DGs and sectors.
- Apply a **Golden Rule**, excluding education financing from EU deficit rules to boost public investment.
- Systematically monitor and assess **education investments** through the European Semester, ensuring education is treated as an independent priority rather than being subsumed under employment.
- Create **dedicated EU financial instruments or funding streams** to support and expand educational infrastructure.
- Allocate a **sufficient minimum of the total EU budget to education** to reduce uncertainties.
- Reinforce education sector reforms and Bologna Process implementation through **EU Structural Funds**.
- Ensure **education sector integration** into other EU policy areas.

2. Systemic Stakeholder Involvement in EU Macroeconomic Governance

- Improve higher education **stakeholder consultation** regarding **Cohesion Funds**, ensuring key education representatives are included.
- Establish mechanisms to **consult stakeholders at national levels** in the **European Semester**, ensuring Country-Specific Recommendations (CSRs) align with stakeholder identified sector needs.

3. Erasmus+ Recommendations

a. Mobility

- **Min. double the Erasmus+ budget by 2027** to maintain steady, linear growth.
- **Increase the budget fivefold** to support inclusivity and the Commission's new priorities.
- Address **financial barriers** to mobility, ensuring Erasmus+ covers living costs, rent, and health insurance to reach the EU mobility targets and enhance inclusivity.

b. Budget Allocation

- Prevent reallocating higher education mobility funds to other sectors such as vocational education and training (VET) or European University Alliances.

- Ensure **new priorities receive additional funding**, rather than redistributing from existing programs.

c. Programme Priorities

- Maintain current priorities: **Inclusion and Diversity, Digital Transformation, Environment and fight against climate change and, the Participation in democratic life, common values and civic engagement.**
- Strengthen **Participation in democratic life, common values and civic engagement** amid growing societal polarization.
- Add **Lifelong Learning** as a priority to improve connectivity between sectors.
- Establish a **"European Students at Risk" scheme** to support students denied education rights in third countries.

d. Crisis Response & Preparedness

- Automatically adjust the **Erasmus+ budget annually** to reflect inflation.
- Strengthen **academic freedom protections** in research and education funding.
- Ensure **future crisis response mechanisms** include education as a key policy area.
- Guarantee **stakeholder involvement** in crisis response funding mechanisms, learning from the limited impact of the Recovery and Resilience Facility in education.

4. Administration of Erasmus+ Project Funds & Operating Grants

a. Erasmus+ Project Funds

- Adjust project funding to **inflation** and **reduce** excessive **administrative burdens**.
- Modify **project innovation requirements**, allowing for **continuation of successful initiatives** where appropriate (esp. to close persisting policy implementation gaps).
- Improve **evaluator training** to ensure the selections align with EU policy goals.
- Address the rise of **"project mills"** by introducing a **checklist-based eligibility system**.
- Strengthen targeted funding for **higher education mobility, cooperation partnerships, and EHEA projects**.

b. Operating Grants

- Maintain **Operating Grants** as an independent funding tool for **European-level education stakeholder organizations**.
- Simplify **administrative and reporting requirements** to reduce bureaucracy.
- Ensure **cost adjustments** in OGs to account for inflation.

1. Introduction

Over the past decades, national education budgets have faced continuous cuts, making EU funding increasingly vital for supporting education. However, the EU's education budget remains minimal compared to other sectors and recent initiatives, particularly by member states, to further reduce education funding are especially concerning. Such reductions threaten the EU's ability to build a resilient education system – a critical need in an era marked by polarisation, diminishing trust in democracy and science, and questioning of the fundamental right to education and the role of academia as a public good.

Education is essential to societal development: it not only imparts knowledge, critical-thinking and skills through teaching and learning but also drives knowledge creation through scientific research. Beyond this, education serves a broader purpose – promoting European values, fostering democratic attitudes and active citizenship, and enhancing intercultural understanding. Higher education institutions also participate in community engagement and provide outreach to marginalised and disadvantaged groups. This third mission extends the impact of education beyond classrooms and campuses into society at large.

To achieve the European Commission's political priorities, higher education plays a pivotal role, as addressing challenges like the twin transition, labour shortages, combating poverty and inequality and the drive for innovation in the industrial sector to increase Europe's competitiveness relies on cultivating knowledge and skills within Europe's education systems. However, despite the emphasis on the importance of initiatives such as the Erasmus+ Student Mobility, European University Alliances, or the European Degree Label, Europe risks undermining its own ambitions by neglecting the critical role of providing quality education for students who will become the scientists, innovators, and workforce of tomorrow; defunding education jeopardises the very talent pool essential to achieving the Commission's political priorities.

To empower higher education in fulfilling these varied and growing missions, stable and sufficient funding is essential. Supporting education is not only an investment

in the EU's future but also a commitment to maintaining education as a cornerstone of democratic values, social cohesion, and sustainable development across Europe.

2. Creation of an EU Investment Framework for Higher Education

On a broader level, a robust **EU Investment Framework for Higher Education** must be established, recognizing education as essential to long-term economic growth and societal progress:

1. **An EU Investment Envelope for Education:** While investments in education are done through Cohesion Funds, this is not systematically coordinated. While the Commission has worked on the efficiency of education spending in recent years, an investment envelope would be beneficial as it could finance tailor-made impactful initiatives. To maximize effectiveness, DG EAC should provide expertise to support evidence-based policymaking on education across departments.
2. **Golden Rule:** Education financing should be excluded from EU deficit rules to bolster public investments into the severely underfunded sector and therefore ensure long-term growth.

Education investments and reforms must be **systematically monitored and assessed** through the European Semester ([ESU 2023](#)). Currently, education is already being aligned with the EU's broader social and economic objectives through employment heading, reducing it to a narrow scope but demonstrating the possibility to incorporate education in the European Semester. Education should be separated from employment and be given a more prominent and independent role within the European Semester. Furthermore, the creation of dedicated EU financial instruments or funding streams specifically designed to support and expand educational infrastructure across member states is also essential. This vision needs to be also reflected in the Multiannual Financial Framework (MFF).

As for the **systemic involvement of stakeholders**, both on national and European levels, to ensure transparency and inclusivity regarding the EU macroeconomic governance framework two aspects must be considered:

1. **Implementation of Grants:** Regarding the Cohesion Funds, the Partnership in Cohesion Policy framework establishes cooperation with stakeholders; however, participation is largely limited to larger organizations that often specialize in EU funding. As a result, key education stakeholders are excluded, despite education investments through Cohesion Funds being significantly higher than those allocated through Erasmus+. This exclusion creates a gap in stakeholder representation, limiting the integration of diverse perspectives in shaping education policy and funding priorities.
2. **European Semester:** At the national level, stakeholders are neither consulted nor involved in the reporting and monitoring of measures. While Country-Specific Recommendations (CSRs) are adopted by the Council based on the conclusions of the European Semester, and EU investment programs require member states to consider these CSRs, the lack of stakeholder involvement in the European Semester means that CSRs do not fully reflect the needs of stakeholder communities. To address this gap, it is essential to establish mechanisms for meaningful stakeholder engagement at all levels of governance, ensuring that investment decisions are informed by the perspectives of those directly affected.

A **consistent allocation of a sufficient minimum of the total EU budget to education** and specifically for Erasmus+ in line with the proposal of a “5th Freedom to enhance research, innovation, and education in the Single Market” ([Letta Report 2024](#)) is necessary, establishing education as a central pillar of EU policy in line with its recognised role within the competitiveness compass as a sector that will directly support the Future of European Competitiveness and thereby reducing the need for continuous renegotiations of the education budget which currently leads to reduced plannability and uncertainty in the sector. These demands underscore education as a cornerstone of EU policy, indispensable to achieving the Union’s social, economic, political and environmental goals.

Finally, **investments should be reinforced through** the EU's **Structural Funds** to support (higher) education sector reforms in line with EU targets and the implementation of Bologna Process tools ([ESU 2020](#)). The European Social Fund Plus (ESF+) and the Cohesion Policy goals should reflect the role of higher education for research and innovation in regards to the social dimension of higher education, i.e. enhancement of EU competitiveness through investments such as into infrastructure, student support schemes, etc., more strongly. This further expands to the need of including the education sector also in other policy areas of the EU, for example when it comes to initiatives regarding housing or health, where clear interlinkages exist.

3. Erasmus+

a. Mobility

Erasmus+ has been the EU's most successful program to date, enabling over 1.2 million people to participate in mobility activities and serving as a cornerstone for promoting European values, integration, and a shared European identity. Beyond its role in fostering cultural exchange, it is essential for strengthening the interconnectedness of Europe's education sectors, advancing educational, social, and economic goals, and bolstering the competitiveness of Europe's higher education and innovation landscapes ([ESU 2023](#)).

However, access to mobility (Erasmus for All) remains out of reach for many learners across Europe only reaching approximately 15% of young people in Europe, as Erasmus+ funding often falls short of covering the full range of costs, including those for relocation, rent, living expenses, and health insurance. With sharp inflation, rising rent and living costs, and a growing dependence on housing, jobs, and social benefits within one's home country, many students face significant financial barriers that prevent them from fully engaging in Erasmus+ opportunities. Without adequate funding to address these realities, the program's potential to foster mobility and inclusivity remains constrained. Given the EU's current budget structure, with its annual exponential increases, it is crucial that the **Erasmus+ budget be doubled by 2027** to maintain a steady, linear growth that would simply sustain Erasmus+ at its current level. However, to ensure an inclusive

Erasmus+ that can incorporate the Commission's new priorities and initiatives, a **five time increase** is essential ([Draghi Report 2024](#)). Without this significant boost, the integration of new goals within Erasmus+ will likely compromise existing targets, particularly impacting the program's inclusivity and limiting its reach across diverse target groups and making the EU mobility targets unachievable. A solid investment pathway for education that ensures long term funding is indispensable ([ESU 2024](#)).

b. Budget allocation between sectors and programme objectives

Even with a sufficient budget, the question of **balancing priorities across education sectors and addressing differing goals remains crucial**. While the Commission - inter alia - aims to enhance support for vocational education and training (VET) as well as the European University Initiative, there is a risk that these initiatives could come at the expense of higher education mobility and other HE initiatives. Although strengthening efforts in the VET sector and expanding the European University Alliances are commendable goals in line with the student movements' demands, it is essential to **avoid limiting funding only to a select group of higher education institutions**, such as the European University Initiative members, or reallocating resources away from higher education mobility to other sectors. To successfully achieve the new objectives and maintain the existing level of **mobility** in higher education, **additional funding** is needed. This would ensure that current mobility opportunities continue while supporting progress on these new initiatives. Notably, echoing the recent demands of the National Agencies implementing Erasmus+, to achieve all the current and new objectives under the goal of an Erasmus+ for all, a five-fold increase of the budget would be required.

c. Priorities of the Erasmus+ programme

Currently, Erasmus+ prioritises Inclusion and Diversity, Digital Transformation, Environment and fight against climate change and, the Participation in democratic life, common

values and civic engagement. Generally, from a stakeholder perspective these key objectives are well received and should remain. Nevertheless, there is a **notable decline as to the priority of Participation in democratic life, common values and civic engagement**, which beyond the backdrop of increasing societal polarisation and anti-European sentiment is concerning, as civic engagement and active citizenship education are crucial to combat radicalism.

Lifelong learning should be added to the priorities, as the lack of connectivity between education sectors prevents the fostering of synergies which are crucial both for the personal development of learners and to boost the European education sector in its ability to foster competitiveness by integrating different forms of learning through the synergies of formal, non-formal and informal learning in horizontal and vertical governance manners.

Lastly, given the rise of attacks on academic freedom and student activists, recognising student activists as human rights defenders both regarding the right to education and academic freedom but also democracy and common values on a larger scale, the establishment of a **“European Students at Risk” scheme** and the priority of supporting the fundamental values underpinning European higher education are crucial to address the issue via the European Approach. The scheme would allow student human rights defenders from third countries who are denied their right to education to receive the opportunity to continue their educational pathway in Europe via a scholarship programme, paralleling similar schemes established for researchers under Horizon Europe as well as the EU Mobility Programme for Myanmar.

d. Crisis response and preparedness

The COVID-19 pandemic and Russian war against Ukraine significantly impacted the education sector due to the high inflation, rising energy prices and rising living costs. At the same time, the funding instruments of the EU were not adapted to reflect the rising costs in higher education. While the MFF in theory is supposed to adapt in case of rising inflation, it is currently not functional and thus needs to be remodeled to integrate the **automatic yearly adaptation of the Erasmus+ budget by design into the MFF** to ensure

that the program is proofed against future crises, alongside a **one time increase to bring the budget to a level that matches the inflation of recent years.**

To enhance preparedness, EU funding mechanisms regarding research and innovation and higher education should include **strong provisions that promote and support academic freedom and the financial autonomy of the sector.** This is especially important against the backdrop of rising attacks on academic freedom, anti-scientific sentiments and the downward spiral of a severely underfunded research and higher education sector. The missions of higher education, including learning, teaching and research, are pivotal to prepare society for future challenges and uphold the level of quality needed to ensure that the European competitiveness goals can be achieved, especially with regards to the framework of the Union of Skills and foreign threats.

Building on the experience of the Recovery and Resilience Facility (RRF), it is crucial that **future crisis response mechanisms include education as a key policy area.** The RRF's failure to support educational institutions and the wider education sector has caused significant harm to younger generations, particularly in areas such as mental health, personal self development and independence, active citizenship, and knowledge/skills acquisition. Apart, while the RRF included a criterion for stakeholder involvement in policy design, though fairly minimal, this was largely not followed through and, as for implementation, involvement of the education stakeholder community cannot be observed at all. At the same time, in the few countries where stakeholder engagement in the consultations were conducted, more tailor-made investments in education can be observed (e.g. Portugal). Going forward, **stakeholder involvement throughout the entire policy-cycle should be a standard feature of future financial instruments,** alongside appropriate accountability measures to ensure effective implementation.

4. Administration of Erasmus+ project funds and Operating Grants

a. Erasmus+

A crucial component of Erasmus+ is its various funding streams that support projects fostering international cooperation and contribute to the development of the education sector. However, in recent years, the program has experienced a decline in effectiveness due to several financial and administrative challenges:

1. **Project funding needs to be adjusted to account for the significant inflation** seen in recent years, as current funds often fall short of covering actual costs. Additionally, the **application and reporting requirements** regarding deliverables and scope of projects **are disproportionate to the grant amounts**, leading to a substantial portion of staff time and thus project grants being devoted to administrative tasks rather than focusing on project deliverables. Easing these requirements would alleviate the administrative burden on applicants and allow the Commission to allocate financial resources more efficiently to deliverables rather than administrative needs to check up on projects.
2. Project applications have the **requirement of proof of innovation**, which is understandable to prevent repetition and ensure progress. However, there are areas where **continuing existing actions and deliverables**, rather than introducing new innovations, **can be more beneficial**. For example, addressing implementation gaps in (higher) education policy may require extended efforts beyond the typical 12-36 month project timeframe. This is especially true for the project funds dedicated to the European Higher Education Area (EHEA).
3. While KAI (learning mobility for individuals) funds have in tendency been increased in recent years, which is welcomed by the student movement given the important role of the Erasmus+ mobility scheme for higher education, KA2 and KA3 have been at the expense of this, leading to **increased competition between education stakeholder organisations** with each other and vis-à-vis other non-stakeholder

organisations. In addition, **funds are frequently awarded to organisations whose connections to the education sector are unclear**. This has resulted in the emergence of project mills - entities that apply for funding without meaningful ties to the education sector and, consequently, lack the capacity to effect positive change. This issue is particularly pronounced in the formal education sector, where limited resources are distributed ineffectively, failing to address the actual needs of the sector and the stakeholder community.

4. The **selection** of beneficiary projects should **better balance commendable initiatives and those aligned with EU political priorities**, as the currently sometimes emerging misalignment results in a gap between the projects executed by stakeholders and the EU's ongoing policy efforts. A key factor in this issue is the selection process carried out by **evaluators**. **Limited awareness of evolving policy priorities in (higher) education**, coupled with insufficient time to thoroughly assess lengthy applications, may lead to the approval of projects that are easier to grasp rather than those that, while more complex and specific, align with significant yet lesser-known EU initiatives.

It is **essential to establish and upkeep targeted funding streams dedicated to higher education mobility, cooperation partnerships in the education sector, support for the EHEA, and the youth sector**. This targeted funding is necessary not only to ensure that organisations from the sector are able to apply given their limited capacities but also to safeguard these sectors from potential reductions in funding, which could be redirected to other areas if full flexibility was part of the design of the new scheme. It should be ensured that beneficiaries are strongly linked to the education sector, with special attention to be paid to (representative) stakeholder organisations engaging with target groups, including the **possibility of a checklist-system connected to the eligibility criteria to prevent project mills** which are not able to bring any added value to the programme goals to become beneficiaries.

For the **EHEA call** and specific other policy areas where implementation gaps are to be addressed through dedicated project initiatives, the **criteria of innovation should be replaced by a criteria of supporting established policy goals** that have not yet been

reached if it can be proven that measures from former project applications have been effective and thus are fruitful to be repeated in a follow-up project.

Evaluators need to be trained properly to ensure a more strategic and policy-aligned allocation of funds and enhance the contributions of the sector to advancing EU policy goals.

Lastly, while it is an established practice elsewhere, the **Erasmus+ Programming Committee** is reluctant to engage the stakeholder committee. **Including stakeholders should become a practice** to ensure that the experience of the stakeholder community as beneficiaries can support the continuous improvement of Erasmus+.

b. Operating Grants

The Operating Grants (OG) under the Civil Society Cooperation in the fields of Education and Training SGA call is an indispensable tool supporting the European-level education sector to be able to fulfil its role in supporting and furthering the European goals in education as stakeholder institutions. Especially in the education sector and specifically in higher education due to the traditionally strong autonomy of the academic community, the academic community through their representative stakeholder organisations bears many similarities to social partners, elevating bottom-up EU policy in education through their expertise while similarly top-down advocating EU goals towards national, regional and local levels, including and beyond their membership. It is vital that the Operating Grant **remains as an essential tool for European-level education stakeholder organisations** to execute activities that expand and fortify transnational collaboration in education, foster awareness of EU driven initiatives and tools for education and to promote the educational goals of the EU in line with broader social, political and economic priorities of the EU. The sole existence of project funds through the Key Action scheme or a new scheme similar to it would not be able to have the same fruitful impact, given that it puts European-level stakeholder organisations in competition with local and national level organisations as well as non-stakeholder European organisations. It is therefore of utmost importance to keep the OG scheme either as it is or to integrate it as its own programme within a possibly restructured budget scheme. On an administrative level, the **OG needs to**

be simplified in terms of the number of required deliverables and reporting mechanisms to reduce administrative burdens for both the EU administration and benefitting stakeholder organisations, as well as better account for cost increases due to the inflation.

Further reads

- [ESU's opinion on the mid-term review of the European Education Area \(2024\)](#)
- [ESU's contribution to the Common EU surveillance of Member States' budgets & coordination of economic policies \(Economic Governance Review\) \(2023\)](#)
- [ESU's Internationalisation and Mobility Policy Paper \(2023\)](#)
- [ESU's contribution to the Mid-Term Review of the Recovery and Resilience Facility \(2022\)](#)
- [ESU's Student Manifesto – 24 proposals for the 2024 European Elections \(2022\)](#)
- [Students demand a more social economic governance framework \(2022\)](#)
- [Resolution on the financing of the European Universities alliances \(2022\)](#)
- [ESU Statement on Multi-annual Financial Framework EU 2014-2020 \(2011\)](#)