

28 May 2015**EU compromise on Juncker Plan (EFSI) places burden on research funding - partial success for universities**

HRK President Prof. Dr. Horst Hippler described the agreement reached today by the EU Commission, EU Parliament and European Council to compromise on financing for the so-called Juncker Plan as "bad news for Europe."

The Horizon 2020 framework programme for research and innovation will have its budget cut by €2.2 billion between 2016 and 2020 so that the European Fund for Strategic Investments (EFSI) can receive more funding. The European Commission initially proposed cuts of €2.7 billion.

Horst Hippler added: "Although the protests staged by universities and other academic organisations have made an impact, this cut to our future "raw material of knowledge" is nevertheless very painful. The European Parliament could not follow through with its call for the budget for research and innovation not to be touched.

Having said this, we have still managed to ensure that the European Research Council (ERC), the globally recognised European flagship project for funding excellent basic research, is fully spared and that early career researchers can continue to receive funding through the Marie Skłodowska-Curie actions. This is one of the core demands that the HRK has been putting forward in the past few months.

Tax money is being directed towards the EFSI for loan losses at banks that issue credit jointly with the European Investment Bank (EIB). The EU Commission has explained that the fund is also expected to secure research projects, but research cannot be funded with a credit card. If you look at how financial service providers deal with interest charges and loan repayments, they follow a completely different logic compared to the long-term, effective value creation seen in education and science. This is precisely why the funding programmes for research and development are so important.

Investment in these areas is, and will remain, extremely profitable. However, some member states have almost completely stopped their national research funding programmes and the EU is now also making cuts. Thus, I fear that large parts of Europe will soon no longer be able to conduct serious research in certain disciplines. This will prevent the continent from developing at an even pace.

The remaining cuts of €2.2 billion will also have a detrimental impact on the calls for funding of European collaborative research projects. Over the past decade, these collaborative research projects were used as a form of cooperation for universities, research organisations and

companies that wanted to collaborate on an equal footing using EU funding. These funding instruments have created cross-border networks between top-level researchers and innovative companies enabling successful exchanges to be made between basic research and application-based approaches. The fact that severe cuts are being made here while other programmes in the EU budget are being left fully intact is a loss for Europe and our capacity for innovation."

Further Information:

Press release from the Budget and Economic and Monetary Affairs committees of the European Parliament: "**Strategic Investment Fund: committees back Juncker Plan, but not programme cuts**"

Press release from the HRK, April 2015: "**Presidents of the German and the British Rectors' Conferences: Protest against Horizon 2020 cuts**"

Press release from the HRK February 2015: "**Rectors' Conferences warn that Europe is an endangered research site**"