

Strategies for the financial sustainability of European Universities alliances

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Introduction

European universities are faced with rising costs and greater demands to contribute to global technological and societal transformation, while demographics and public funding continue to decline. This intense pressure endangers their long term financial sustainability. These challenges are described in EUA's April 2025 report "Financially sustainable universities: State of play and strategies for future resilience", based on an extensive university finances survey conducted by the Association.¹ The analysis provided an updated picture on income and cost structures, while also outlining expectations in the sector and clarifying the need for institutional strategies to diversify income, enhance efficiency, build capacities and make strategic choices.

Universities have often engaged in collaboration in learning and teaching as well as in research and innovation. Cooperation set-ups range from local to global and differ widely in their intensity and scope.² The landscape, however, has changed; universities are now navigating these challenges through forms of cooperation that are deeper, more structured, but also more resource-intensive than ever before.

Launched in 2019, the European Universities Initiative (EUI) introduced a new instrument that is driving cooperation among European universities to new levels and scale across a range of missions, even down to their core processes. From the beginning, a broad set of policy objectives has been attached to this flagship initiative. Deeper collaboration is not seen as an end in itself. Rather, one of the EUI's goals aims at "accelerating the transformation of higher education institutions into the universities of the future with structural, systemic and sustainable impact."³

¹ Bennetot Pruvot, E., Estermann, T., & Popkhadze, N., "Financially sustainable universities: State of play and strategies for future resilience", 2024, EUA. <https://www.eua.eu/publications/briefings/financially-sustainable-universities-state-of-play-and-strategies-for-future-resilience.html>

² Previous EUA work has notably addressed the question of university mergers as one end of the "collaboration, alliances and mergers" spectrum.

³ "European universities – A key pillar of the European education area", Publications Office of the European Union, 2024, <https://data.europa.eu/doi/10.2766/521265>

In 2025, after the latest round of selection (fifth call), 73 consortia (alliances)⁴ brought together higher education institutions across 36 countries. This new instrument of inter-institutional cooperation has thus rapidly expanded, even though the budget for the initiative (distributed through five calls under the Erasmus+ programme, as grant-type funding) remains somewhat limited when compared to other types of European funding available to universities.

This format has now been in place for six years (2019-2025), a period marked by discussions regarding implementation, governance arrangements, barriers caused by national regulation, and the added value of alliances in achieving the multiple policy objectives. More recently, the focus of the debate has shifted from the challenges of implementation to the long-term sustainability of alliances. There is growing awareness that alliances cannot remain dependent on short-term project grants and need to gain a clearer understanding of costs, value, and funding responsibilities.

This briefing contributes to that evolving debate. It does so in two ways: by analysing survey evidence, and by developing a conceptual framework that can support a more structured and strategic discussion about the future of alliances. The report proposes a comprehensive model for the financial sustainability of alliances, building on EUA's broader work on funding principles, leadership, governance, and institutional transformation. This framework highlights institutional purpose and added value as the foundation of sustainable cooperation. It also identifies the key pillars – full-cost understanding, diversified funding, efficiency, and the role of leadership and governance – that shape the financial and organisational viability of alliances.

In addition, this briefing situates alliances within the wider public funding landscape, drawing on EUA's work on funding models and funding allocation principles, in order to spark a more structured reflection on how responsibilities should be shared across national and European levels. This broader perspective is essential: alliance sustainability cannot be understood in isolation from the structural conditions of higher education funding in Europe.

⁴ Sixty-five funded alliances and eight alliances that received the 2024 Seal of Excellence, which is a quality label awarded to proposals by universities alliances that did not receive funding through Erasmus+ due to budgetary constraints. <https://education.ec.europa.eu/education-levels/higher-education/european-universities-initiative/map>

The analysis that follows is based on evidence from EUA's 2024 "Financially sustainable universities" survey, which compiled responses from 168 institutions across Europe.⁵ Ninety-eight of these were already members of alliances at the time of the survey, and a further 14 had proposals under evaluation.⁶ The institutions involved in an alliance were distributed across 24 countries, including two non-EU countries.⁷ Italian universities formed the largest national group among survey respondents.

The survey results provide the empirical foundation for this briefing, combined with insights from EUA's work on leadership development, foresight, and governance, as well as discussions from the EUA Funding Forum 2024.

⁵ Anonymised quotes were extracted from the survey responses and are used in this briefing. They have sometimes been slightly edited for language clarity.

⁶ The survey was open from May to mid-July 2024. The European Commission announced the results of the 2024 Erasmus+ European Universities call on 28 June 2024, resulting in the selection of 14 new alliances, followed by a fifteenth alliance selected in December 2024. The survey completion period therefore overlapped with the 2024 call selection phase.

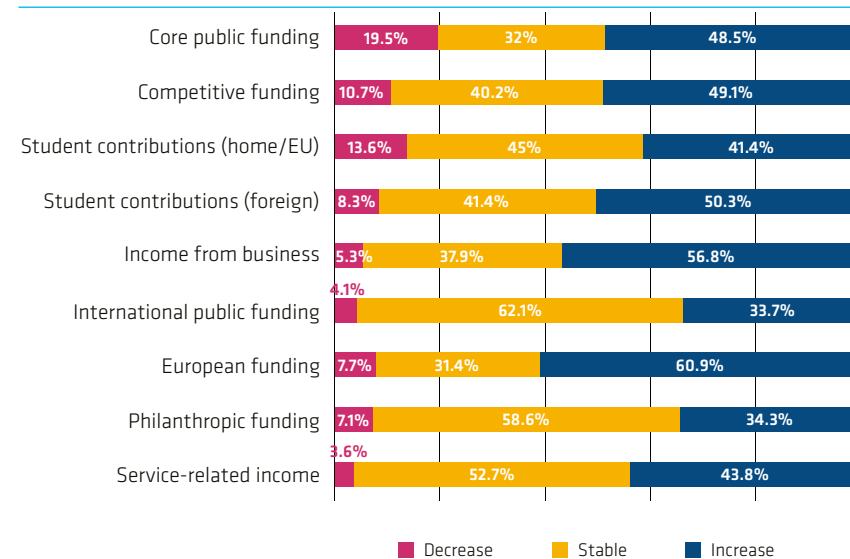
⁷ Following the 2022 call, HEIs from EU member states as well as from Iceland, Norway, Serbia and Türkiye can participate as full partners. Institutions from other countries may participate in an alliance but are not eligible for the dedicated Erasmus+ funding.

I. A conceptual framework for the financial sustainability of alliances

The current discussion on the sustainability of alliances often stresses the need for more funding – primarily from European Union programmes, and secondly from national sources. While greater investment is necessary, this approach alone is insufficient. A realistic assessment requires an understanding of the role and place of alliances within the broader funding environment for universities, which has undergone significant changes.

The roll-out and expansion of the EUI coincided with a period of relative stability, and in some cases growth, in public investment in higher education. Over two thirds of universities (69.2%) surveyed by EUA in 2024 reported that core public funding had risen over the previous five years, and over half (56.2%) stated that this was true for competitive public funding as well.⁸

Figure 1: Income expectation – Financially sustainable universities: State of play and strategies for future resilience, EUA, 2025



⁸ Bennetot Pruvot et al., “Financially sustainable universities: State of play and strategies for future resilience”, 2024, EUA. <https://www.eua.eu/publications/briefings/financially-sustainable-universities-state-of-play-and-strategies-for-future-resilience.html>

However, the picture changes significantly when university representatives were asked about their expectations over a five-year horizon, with a majority expecting public funding to stagnate or decrease.

In a political and economic context marked by volatility, uncertainty and complexity, there is no clearly defined path towards financial sustainability in higher education. To name but a few challenges, institutions must deal with a fragmented funding landscape, a surge in costs that far outpaces available resources, underfunding (and the prospect of greater competition from other sectors of the economy, such as defence), lack of coverage particularly of indirect costs, legal and administrative barriers, and, consequently, conflicts in financial planning. The institutional perspective is therefore paramount when considering alliances and their financial prospects.

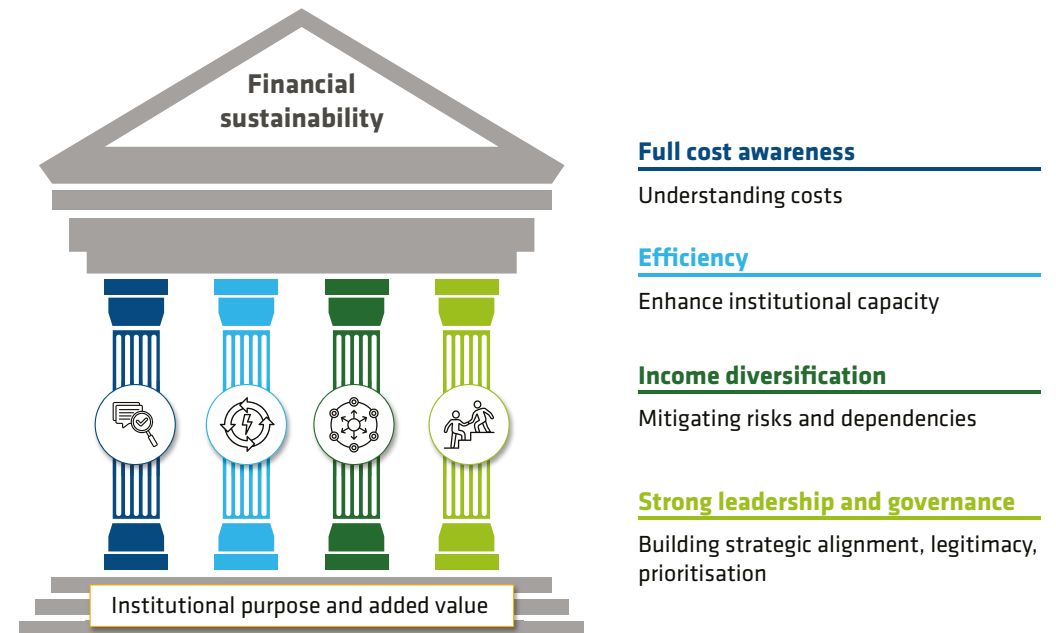
Ultimately, the alliances' ability to transform into sustainable cooperation formats depends not only on the availability of external funding, but also on how well they fit into institutional strategies and whether they provide sufficient added value (serving institutional purposes) to justify the financial and organisational investment required.

This section explores how EUA's conceptual framework for financial sustainability applies to alliances, before offering a reflection on the role of public funding and the type of funding instruments used to support this cooperation format in an efficient and effective way.

a. The “temple” of financial sustainability

EUA's financial sustainability conceptual model, designed for higher education institutions, offers a useful framework for alliance sustainability.

Figure 2: Financial sustainability of European Universities alliances



The model is grounded in institutional purpose and added value for the institution itself. For an alliance cooperation to be sustainable, it must serve the long-term objectives of each participating university. These objectives will of course differ from institution to institution, but may include new academic opportunities for (prospective) students, access to established networks, advancing strategic research priorities, giving regional cooperation a European dimension, boosting the employability of graduates, etc. This alignment must be demonstrated and communicated within the institution. Without clear added value for the university and its communities, the legitimacy of the financial and organisational investment required for alliances will weaken over time.

Because current discussions often focus heavily on the overarching aims and contribution to European policy objectives, the call for more European funding is unsurprising. However, EUA and others have repeatedly warned that attaching too many political objectives to project-based funding instruments risks overloading institutions and may undermine the core function of alliances as cooperation formats. As reflection on sustainability progresses, institutional purpose should return to the centre of the debate.

The **first pillar of financial sustainability is a clear understanding of the full costs** of the institution's participation in an alliance. Project funding emphasises direct cost coverage (such as staff specifically dedicated to alliance activities, directly identifiable operational costs), but the overall indirect and organisational costs are far more significant and harder to identify. These include the amount of academic and administrative staff time devoted to developing joint curricula; research support activities coordinated with alliance partners; the development of shared digital infrastructures; leadership engagement; and adjustments across HR, legal, IT, and quality assurance functions. Without an accurate understanding of these contributions, institutions cannot assess financial sustainability accurately or make fully informed decisions about prioritising alliance activities.

The **second pillar comprises funding diversification**. Alliances already rely on a combination of Erasmus+ grants, other European Union programme funding, and national public funding (to varying degrees), as well as private funding in some cases. Financial sustainability means reducing risks through a balanced mix of funding sources that reflects the variety of activities involved. This entails avoiding excessive dependency on a small number of funding sources/modalities on the one hand, and an overly fragmented portfolio of small and complex funding instruments on the other hand.

The **third pillar relates to efficiency and effectiveness**. Cooperation should ideally lead to shared processes, pooled resources, and economies of scale. Alliances have the potential⁹ to reduce duplication and enhance institutional capabilities, but such efficiencies have not yet materialised at scale.

⁹ In 2025, A European Commission report underlined that alliance-participating institutions can pool resources and combine complementary strengths. "Report on the outcomes and transformational potential of the European Universities Initiative", Publications Office of the European Union, 2025, <https://data.europa.eu/doi/10.2766/32313>

The **fourth pillar concerns leadership and governance**. Engaged leadership is needed to ensure strategic alignment, build internal legitimacy, prioritise activities, and manage capacity constraints. Governance structures must connect meaningfully with institutional processes to support coherent decision-making and build transparency and trust among staff, students, and governing bodies.

Overall, the conceptual framework highlights that the sustainability of alliances is not exclusively a matter of funding. It is also a question of strategy, institutional relevance, organisational capability, and long-term public support.

Before examining institutional perspectives and survey findings, the next section explores the crucial question of public funding responsibilities.

b. Public funding and the question of responsibility

EUA's work on university funding has shown that public funding remains the cornerstone of Europe's university budgets. While the funding mix varies from system to system, on average, national public funding makes up almost two thirds of universities' income structure.

Although alliances are still perceived by many as primarily EU-funded, survey evidence and institutional testimonies paint a different picture. A major share of the resources enabling alliance participation stems from national public funding, reaching the institution in the form of block grants, performance-based mechanisms, targeted schemes, or other funding schemes. This raises a critical question: which level of public authority is responsible for funding the long-term structural and organisational costs of alliances?

EUA's latest survey on university finances showed that **European Union funding** (Erasmus+, Horizon Europe, European Structural and Investment Funds, and other programmes such as Digital Europe) constitutes an important source of support for European collaboration both in learning and teaching and in research and innovation, although its average share of an institution's budget does not usually exceed 5%, with some notable exceptions.

Focusing on the funding sources dedicated to alliances, at European level Erasmus+ grants have been pivotal in mobilising institutions and helping to establish alliances. Erasmus+ grants, however, mainly cover the direct, project-related activities. Erasmus+ funding also remains of limited scale compared to the depth and breadth of integration expected from alliances, as well as in relation to the actual full cost of activities.

During its pilot phase (2019-2020), the EUI had a maximum budget of 85 million euros (accounting for 5 million euros per alliance) through Erasmus+, to which can be added Horizon 2020 support (82 million euros in two rounds over 2020, for 2 million euros per alliance). In its roll-out phase, the projected total budget of the EUI for 2021-2027 amounted to 1.2 billion euros (around 14 million euros per alliance). Depending on the size of the alliance, institutions therefore obtain funding in the region of 400,000 euros for consortia of nine members (average consortium size in the 2022 call) per year for four years (this figure can go down to 300,000 euros in the case of larger consortia of 12 partners).

National public funding plays an extensive role in alliance finances (particularly in covering the substantial indirect costs incurred for staff and other institutional resources), though its availability and design vary considerably. It is also important to acknowledge the significant differences that exist across Europe with regard to public investment in universities, as shown by EUA's Public Funding Observatory.¹⁰

Some public authorities have set up targeted support schemes, while others rely on block grants or outcome-based funding formulas. Depending on the scheme in question, the institution has more or less financial autonomy in allocating these funds strategically.¹¹ This unevenness leads to discrepancies in the financial capacity of partners within the same alliance and complicates the joint implementation of activities.

Institutional funding forms the backbone of alliance participation. This includes direct institutional investment as well as staff time and organisational infrastructure. Since most institutional funding in Europe stems from public sources, the financial model of alliances is, in practice, predominantly financed by public authorities. Yet this contribution often remains invisible in the policy debate.

Erasmus+ project funding has been highly impactful in creating alliances. It also remains the only instrument that guarantees equal access for institutions to collaboration at the European level. However, it has also become clear that, due to its complexity, short-term cycles, and high administrative demands, it is not the best suited funding scheme to cover the basic structural and organisational costs of long-term cooperation. Independently of specific policy objectives, national funding schemes could, in principle, offer a more straightforward solution: they are less complex, and the required channels, infrastructures, and institutional expertise are already in place. However, some obstacles persist. Not only does the diversity of national funding schemes make it extremely challenging to align across countries, but also the increased financial pressure at national level generates uncertainties as to the availability, continuity and reliability of these funds.

¹⁰ EUA's Public Funding Observatory is available here: <https://www.eua.eu/our-work/topics/funding.html>

¹¹ European Commission: Directorate-General for Education, Youth, Sport and Culture, "Final report of the study on the state and effectiveness of national funding systems of higher education to support the European Universities Initiative. Volume I", Publications Office of the European Union, 2023, p. 49 <https://data.europa.eu/doi/10.2766/885757>

De Gayardon *et al.*¹² further explore the state of play of national funding for alliances by distinguishing systems that provide no dedicated funding supporting internationalisation; those that have set up direct funding channels; those that only support internationalisation indirectly by including indicators or objectives in core public funding; and finally, those systems that combine direct and indirect funding mechanisms supporting internationalisation. Their study finds that models vary in funding amounts, stability, and integration in the funding system.

Discussions on the design of the funding model for alliances must therefore take a more holistic view grounded in public funding principles, including those outlined in EUA's earlier work on the allocation of public funding.¹³ Long-term sustainability requires coordinated support at both EU and national levels. Core alliance activities need stable, predictable, and simple funding mechanisms, while more directional funding should remain complementary. Without a shared understanding of respective responsibilities, alliances will continue to face uncertainty in their long-term financial planning.

EUA will continue to contribute its expertise to this dialogue, advocating for coherent, multi-level public investment strategies that reflect institutional realities and European ambitions.



Some universities across the EU are better funded than others and hence can support to varying extents membership in their alliances through core budget line flexibility. Whilst the alliance is considered to be a strategic initiative in this university, due to the funding environment around higher education institutions in our country, this support is very constrained. In that regard, the national funding provides some very welcome level of agility funding wise but is provided on an ad hoc basis.

Respondent quote 1

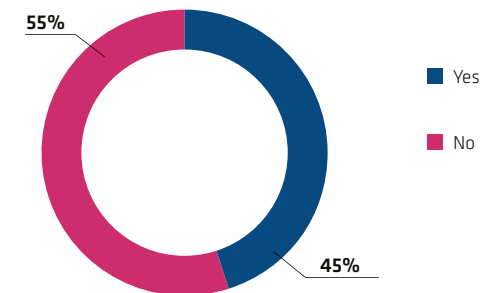
¹² De Gayardon, A. *et al.*, 'Covering the cost: the patchwork of national funding for European university alliances', in Lambrechts, A., Craciun, D., Manzoni, N., Felder-Stindt, A., & Charret, A. (Eds.) *Continuities, Changes and Challenges in European Higher Education: Five Years of the European Universities Initiative*, forthcoming (2026), Springer.

¹³ Bennetot Pruvot, E., & Estermann, T., "Allocating core public funding to universities in Europe: state of play & principles", 2022, EUA. <https://www.eua.eu/publications/reports/allocating-core-public-funding-to-universities-in-europe-state-of-play-principles.html>

II. Understanding the full cost of alliance activities

As described in Section I, the first pillar of financial sustainability is a clear understanding of the full costs connected to an institution's participation in an alliance. Cost awareness in this area varies considerably across institutions. When asked whether existing funding sources sufficiently cover alliance activities, respondents to EUA's survey were divided almost evenly, although a slight majority (55%) indicated that costs were not fully covered.

Figure 3, Survey question 5.6 Do the existing funding sources cover the implementation of the activities undertaken in the frame of the alliance?



This sheds light on the varying perception and awareness of the full costs among universities across Europe, as well as their disparate financial situations.

Many pointed out that the grants received do not adequately cover the implementation costs of all agreed tasks and milestones. The reasons for this are varied: in some cases the requested grant was reduced at the contractual stage; inflation diminished the real value of the grant; ambitious goals set out in the application (due to the competitive nature of the funding) proved hard to achieve; and more generally, a mismatch was observed between expectations of the funder towards alliances and the level of funding available in the calls.

Among the institutions stating that the implementation of alliance activities was financially covered, many further specified that such coverage is only possible by combining Erasmus+ and Horizon Europe funds (in addition to the EUI grant) together with national funding where available, private funds, and by drawing on the institution's core grant.

Participating institutions also underlined that they did not expect this coverage to last and that they would need to attract additional funding sources in the near future, especially if the institutions wanted to expand alliance activities.

Both the survey and the findings from the complementary sources show that many costs remain unfunded, particularly those related to the set-up of the alliance (organisational needs, indirect and transactional costs), but the degree to which this is identified is uneven across member institutions. Indirect costs, including academic and administrative staff time, organisational adaptation, and investment by the university leadership, are often substantial but rarely systematically quantified. For instance, IT departments may spend considerable time aligning digital infrastructures and providing ICT support for alliance activities, while HR, legal and academic departments need to coordinate regulatory or mobility matters. Academic staff contribute significantly to developing joint programmes, integrating curricula, and aligning research; while leaders across the institutions invest time in strategic guidance, alliance governance, and institutional coordination.

During the early years of the initiative, such internal contributions were often considered part of the initial investment needed to establish the alliance, and were expected to diminish over time. However, six years into the implementation process, it is clear that alliance activities require continuous investment from institutions. The cooperation format is complex, multi-layered, and unlikely to become significantly less resource-intensive as alliances deepen integration.

These findings show that the understanding of the full cost of participating in an alliance is neither uniform nor complete across higher education institutions. The absence of any structured full-cost assessment leads them to underestimate the resources required and complicates their internal budget planning. This reflects broader trends observed in EUA's earlier work on financial sustainability,¹⁴ which found that developing sound activity-based costing models takes time.

As summarised in the OECD report "The financial sustainability of higher education – Insights from policy in OECD countries",¹⁵ recognising the full costs of a university's various activities (including its participation in an alliance) enables institutions to plan in a way that achieves their desired outcomes. In a cooperation format such as an alliance, a proper understanding of costs is vital for partners to be able to have informed discussions and agree on the activities to be carried out.

For alliances, developing a clearer understanding of cost structures is essential for determining priorities, assessing value, and planning for long-term sustainability.

14 See in particular "Financially Sustainable Universities: Towards Full Costing In European Universities", 2008, EUA. <https://www.eua.eu/publications/reports/financially-sustainable-universities-towards-full-costing-in-european-universities.html>; and Estermann, T. & Claeys-Kulik, A., "Financially Sustainable Universities – Towards Full Costing: Progress and Practice", 2013, EUA. <https://www.eua.eu/publications/reports/financially-sustainable-universities-towards-full-costing-progress-and-practice.html>

15 OECD (2025), "The Financial Sustainability of Higher Education: Insights from Policy in OECD Countries", Higher Education, OECD Publishing, Paris, <https://doi.org/10.1787/f544ccfe-en>.

III. Diversification of income sources – From financial “assemblage” to strategy

a. Income diversification: benefits and pitfalls

As explored in EUA's 2025 report “Financially sustainable universities – State of play and strategies for future resilience”, income diversification is one of the key strategies for achieving financial sustainability in universities. In the context of higher education, income diversification is understood as the “generation of additional income (through new or existing funding sources) that contributes to balancing the income structure of the institution”.¹⁶ This means that diversification is not aimed solely at opening up new financial flows but also boosting existing – but secondary – flows, since the overall goal is to “maintain a healthy degree of diversity in the funding structure”.¹⁷

Approaches to diversification vary across institutional profiles and regulatory frameworks, and also depend on the opportunities offered by the local or regional ecosystem. They share the objective of mitigating risks associated with disruptions to the main income flows, and creating more financial flexibility for the institution. Income diversification is thus desirable because it has the potential to generate some financial autonomy, improve the university's capacity to set and resource strategic priorities, and boost its ability to withstand financial shocks.

However, income diversification also comes with its own challenges. Generating revenue from existing funders via alternative funding mechanisms (competitive funding, targeted funding instruments), or from new funders altogether, requires expertise, structures and resources. Opening up new channels (such as applying to funding programmes for the first time, reaching out to new partners, or engaging in asset management) can be particularly costly, as roadmaps and processes need to be drawn up from scratch. Even upgrading return on investment from existing funding schemes can require significant upscaling of institutional capacities.

¹⁶ Estermann, T., & Bennetot Pruvot, E., “Financially Sustainable Universities II: European Universities Diversifying Income Streams”, 2011, EUA, p. 8 <https://www.eua.eu/publications/reports/financially-sustainable-universities-ii-european-universities-diversifying-income-streams.html>

¹⁷ Ibid

Beyond the set-up phase, the simultaneous management of various funding streams can be financially demanding for the institution (compliance with reporting requirements, co-funding rules, limited coverage of indirect costs, etc).

EUA's survey findings underline that, in the context of alliances, combining different funding sources presents its own challenges involving diverse requirements, timelines and eligibility conditions. In addition, extra project funding, while welcome, tends to support the implementation of specific activities without addressing the core organisational needs of the alliance.



The KA2 Erasmus+ European Universities pilot grant has been far from sufficient to cover all activities and overhead/transactional costs to launch the alliance, organise governance, and mobilise workforce both in academia and central services.

- All partner universities have made substantial extra financial and in-kind investments. For some partners, investments were mitigated by regional/national co-funding. But several partners did not obtain any co-funding. This created an unequal balance between partners with differing financial capacity.
- National co-funding schemes are subject to specific conditions regarding the eligibility of activities. While existing action lines of the project are often not fundable, co-funding sometimes comes with specific administrative requirements that are not aligned with the European funding scheme.
- Extra project funding obtained from EU sources does cater for the development of specific activities, but does not flow back to cover the organisational needs of the alliance and develop more joint supporting capacity.

Respondent quote 2

Respondents highlighted that piecing together this funding “puzzle” was very challenging, particularly due to the competitive nature of most funding. Some difficulties encountered were the issue of eligibility of some of the alliance activities with respect to Erasmus+ grants, and the challenge of funding additional activities not originally budgeted.

b. A snapshot of funding sources

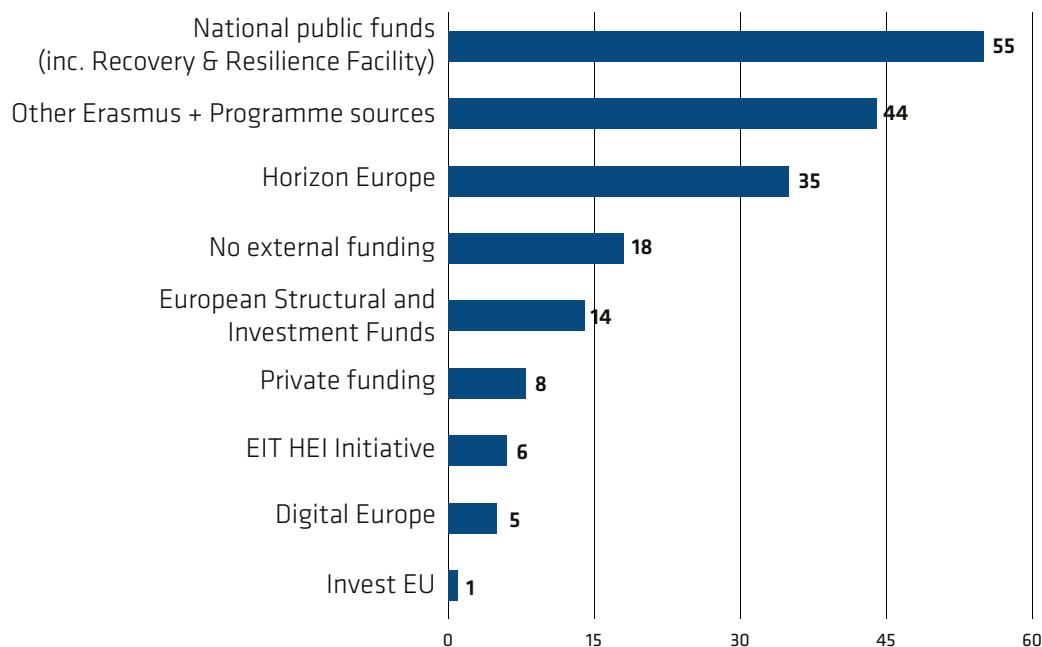
To establish how an income diversification strategy plays out in the context of alliances, it is first necessary to evaluate the set-up of the different income sources used to finance the cooperation activities. The terms of the discussion differ because the financial configuration of alliances is difficult to identify clearly. The income structure of an alliance is harder to draw up than that of a higher education institution. In other words, while universities have a structured view of the different income streams (funders, instruments, amounts), it is a challenge for alliances to fully map out the portfolio of income sources linked to their activities – particularly because of the shortcomings around cost identification and awareness described above. This type of portfolio not only includes diverse funding streams from different funders, but also flows to the alliance at two levels, i.e. the alliance itself (fees paid to the legal entity, for instance) and through the member institutions (national support, Erasmus+ grant, etc).

Although national public funding is the primary source for meeting institutional costs related to alliance participation, European funding – particularly through Erasmus+ – has played an essential role in mobilising the sector. The relatively modest funding available per institution¹⁸ highlights how EU-level incentives can be a powerful catalyst for structural cooperation.

Responses from around 100 institutions offer interesting insights into available external funding sources beyond the Erasmus+ project funding provided once the alliance is selected in the call.

¹⁸ See above, section I.b. on [Public funding and the question of responsibility](#).

Figure 4, Survey question Q5.5: Where do you get financial support for your participation in the alliance? [aside from EUI Erasmus+ grant]



Most institutions reported securing financial support from different sources (single-source responses amounted to less than 40%). The most common approach was to combine national public funds and other Erasmus+ funding together with Horizon Europe funds.

- Slightly over half of institutions involved in an alliance obtained national public funding to support alliance activities. This was the income source most often mobilised, reflecting the policies implemented by numerous member states to support their institutions in the initiative.
- Nearly half of respondents mobilised funding from other Erasmus+ projects, seeking synergies between the alliance project and other types of Erasmus+ activities.

- Around a third of responding institutions achieved synergies with Horizon Europe funding, a limited but encouraging figure that the European Commission has been seeking to boost further. Horizon Europe continues to provide potential complementary support through instruments like the European Excellence Initiative¹⁹ (open to other types of inter-institutional cooperation formats). Respondents highlighted that funding for research and innovation activities was paramount to the stability and longevity of alliances, but it often remained difficult to secure within this particular collaboration format.
- The use of European Structural and Investment Funds (ESIF), and specific programmes like the EIT HEI initiative (European Institute of Innovation & Technology), Digital Europe or Invest EU remained limited or anecdotal.
- Private funding had limited relevance in the alliance finances, with less than 10% of the institutions managing to channel such sources to this type of activities.
- Eighteen out of 98 institutions stated that they do not rely on any external funding to support their alliance activities.

These findings can be linked to a similar question included in a 2023 survey of 38 alliances selected in 2019 and 2020, which featured in the European Commission’s “Report on the outcomes and transformational potential of the European Universities Initiative”.²⁰ The data confirms the prevalence of national or regional funding in supporting alliance activities (95% of responding alliances use national or regional funding for their activities). Importantly, this does not equate with direct, targeted funding. Indeed, in the absence of further distinctions, the category (both in the EUA survey and in the European Commission report) includes direct, targeted funding together with core public funding (via the block grant received by the institution, for instance).

¹⁹ Amounting to 134 million euros in two calls (2023 and 2025) https://rea.ec.europa.eu/funding-and-grants/horizon-europe-widening-participation-and-spreading-excellence/european-excellence-initiative_en

²⁰ “Report on the outcomes and transformational potential of the European Universities Initiative”, Publications Office of the European Union, 2025, <https://data.europa.eu/doi/10.2766/32313>, p.121

Considering the relatively small scale of Erasmus+ EUI funding, and despite the heterogeneity of national funding levels available across Europe, national public funding remains crucial for pursuing alliance objectives and financing their activities. Furthermore, the fact that the institution's contribution often comes from its core budget – which largely consists of public funding –²¹ entails that national public authorities are in fact among primary funders of university alliances.

One specific challenge in this context is the differentiated availability (also over time) of national or regional support across the consortium partners. While essential for carrying out alliance activities, uneven support creates imbalances in their capacity to contribute and engage in those activities.

De Gayardon *et al.* show that direct financial support was particularly unstable over the period 2021-2024 (funding either increased or decreased, or was even cancelled altogether).²² Alliance practitioners echo this finding, highlighting ongoing uncertainty around the availability and duration of national support for their participation in alliances, alongside specific restrictions and administrative burdens.

Further, the varying economic situations among the different partners also means that while they wish to engage, some partner institutions may have difficulty doing so due to financial constraints at home.

With regard to EU research funding, it is worth noting that there are some interesting differences in the Commission and EUA datasets.²³ The Commission report shows that Horizon 2020 funding was more commonly used by the early alliances, in contrast with what EUA's survey reveals with regard to Horizon Europe. The lower figure found in 2024 may be explained by a larger, institution-level dataset, including HEIs taking part in alliances that were more recently selected and may not yet have applied to Horizon Europe calls as consortia.

²¹ EUA's briefing "Financially sustainable universities – State of play and strategies for future resilience" (see footnote 1) shows that core public funding makes up 59% of the university's income structure on average in 2024.

²² See footnote 12.

²³ Please note that the EUA dataset is based on institutional responses, while the European Commission report dataset is based on alliance responses.

Both analyses confirm that alliances still use private funding to a very limited extent, although the European Strategy for Universities calls for a combination of public and private funding sources to support inter-institutional collaboration.

c. The role of the institutional contribution

Understanding the institutional contribution is key to developing a comprehensive picture of the degree of diversification in the income structure supporting alliance activities. However, the terminology used to describe these contributions varies considerably, ranging from self-financing, co-funding/co-financing, own resources, in-kind contributions or internal budgets. This unclear terminology, in part derived from project financial management, complicates data collection and comparison. It also makes it difficult to trace the original sources of funding behind these contributions. The funds may be traced back to the core grant received by institutions from public authorities, competitive funding, tuition fees, or contractual revenues from third parties, or may be related to financial management (such as dividends from financial portfolios). However, as university budgets in Europe are composed largely of national public funding, most institutional contributions are, in practice, indirectly funded from national public sources. The European Commission's 2023 "Final report on the study on the state and effectiveness of national funding systems of higher education to support the European universities initiative" finds that "although the exact amount of institutional contributions is generally unclear, the evidence from our two case studies suggests that such contributions are relatively substantial – certainly when compared to the sum of EU funding and targeted national funding."²⁴

Importantly, all institutions contribute to alliance activities through their budget. The Erasmus+ calls require that beneficiaries co-fund 20% of the project budget.²⁵ Estimates shared by survey respondents reached up to 30% or more, depending on the institution's capacity to identify the full costs of participation. The financial strain was aggravated in certain cases by the delayed transfer of the grant funding, leaving institutions to entirely self-fund the activities for an extended period of time.

²⁴ See footnote 11.

²⁵ Co-financing is a core principle of EU grants, whereby the beneficiary must cover part of the resources necessary to carry out the activity. This can be done through the beneficiary's own resources, income generated by the activity, or financial or in-kind contributions from third parties.



The universities' contribution far exceeds the 20% co-funding levels in relation to the time and effort put in by colleagues at all levels who assume responsibility for key parts of some funding. This is likely to increase as more senior staff become increasingly involved to maximise the impact of such funding.

Respondent quote 3

Alliance member institutions²⁶ contribute de facto to the alliance through a variety of means. The previously cited European Commission report states that 80% of responding alliances had set up, or were developing, self-funding mechanisms, largely through member institutions' own contributions.

Despite ambiguities in the terminology used, responses from the EUA survey show that institutional

contributions can be grouped into three main categories.

First, institutions may make direct financial transactions to support their own participation in specific alliance activities. These include contributions to specific cost items such as shared ICT platforms, mobility support, events, meetings, or communication activities. In some cases, institutions support additional alliance activities through seed funding schemes or internal grants that stimulate academic and administrative engagement. However, one respondent noted that "the currently available funding does not enable the institution to make any significant contribution towards the activities of the alliance," underlining the issue of differing financial capabilities across the consortia.

Second, institutions contribute by providing staff time and institutional infrastructure. This covers different configurations, including the decision to dedicate staff fully or partially to alliance activities (positions that are not funded through the Erasmus+ grant), specific hiring (post-doctoral positions, for instance), but also contributions of staff time from across the institution, extending well beyond the core management to central services, finance, research support, administrative assistance, etc. As described in the previous chapter, in some cases there is still limited awareness of the full costs involved, and the corresponding cost assessment may not be complete due to a lack of capacities or

²⁶ This survey question yielded 84 exploitable comments, of which three stated that they did not self-finance any part of the activities. However, the Erasmus+ EU1 call requires 20% co-financing from the partners; it can therefore be inferred that there were different interpretations by respondents as to what constitutes self-financing.

for strategic reasons. The use of office space, equipment, or digital infrastructure also constitutes a significant institutional contribution. This type of contribution (staff time and institutional infrastructure) is vastly used and reported as co-financing in the context of the Erasmus+ grant.



The alliance's activities are mainly managed through in-kind contributions. In addition to the political activities carried out by the Rector and his delegates, the university's participation in the expenses relating to the activities of the alliances occurs through the hours of work dedicated by the technical-administrative staff. These activities are managed by internal personnel from different central structures, such as the International Relations Division, the Division for the Valorisation and Impact of Research and the Division for Research Support.

Respondent quote 4

Third, some alliances have established a common budget financed through direct financial transfers from member institutions to a joint fund (in some cases, to a dedicated legal entity created for this purpose). These contributions usually cover basic alliance functions such as running a shared office or central coordination structures.

It is therefore essential to establish a clearer and more coherent terminology for institutional contributions. Adopting a common vocabulary – alongside more systematic monitoring that focuses on the three categories outlined above – would enable institutions to better understand the full scope of their own investment and allow for more consistent data collection across alliances.



The embedding of our alliance in our central services and the transactions with peers across the partner universities represents an in-kind investment which is incalculable.

Respondent quote 5

In turn, this would support more meaningful comparisons over time and provide a stronger evidence base for assessing the evolving diversification of alliance funding models.

d. Strategies for generating income

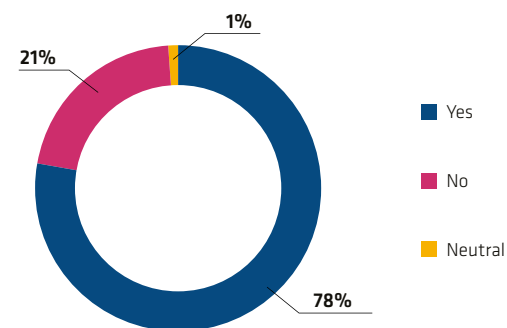
Given the complexity of the alliances' funding landscape, it becomes clear that the existing financial configuration is unlikely to be sustainable in the long term. The current funding model is indeed characterised by elaborate and resource-intensive EU funding grant "chasing" coupled with significant institutional contributions that are a drain on sometimes scarce financial resources. As a result, higher education institutions have started exploring joint financial diversification strategies within alliance consortia.

Income-generating or income diversification strategies are defined here as strategies that consist in either expanding on current income sources or developing new ones, either by individual institutions or jointly as an alliance. This covers the full range of public²⁷ and private sources, including tuition fees and the leveraging of institutional assets.

An overwhelming majority of the alliance-participating respondents in the EUA survey stated that they have considered joint fundraising with a view to expanding alliance's activities and securing long-term financial sustainability. It is worth noting that the negative responses on this point mostly indicated that it was too early in the implementation of the alliance to pursue this option.

²⁷ While expansion of core public funding is not regarded as income diversification in the overall financial strategy of public universities – given the predominance of that funding source in their income structures – this reasoning does not apply in the same way to alliance funding.

Figure 5, EUA survey Q5.8: Are you considering raising funds together with partners of the alliance? n=81



Responses varied in their level of detail depending on the maturity of the alliance; several respondents noted that discussions on fundraising in the alliance were only just beginning. Nevertheless, there was broad agreement that fundraising was essential to sustain the alliance activities beyond the end of the project cycle.

The survey showed that alliances primarily focused on raising additional EU funds, from complementary Erasmus+ actions (mobility, Erasmus Mundus joint masters, blended intensive programmes, Teacher Academies) and Horizon Europe (notably Marie Skłodowska-Curie Actions and Pillar II collaborative research grants). There was a strong emphasis on applying to research projects, which, as shown in this analysis, remains underdeveloped. Beyond these programmes, options considered included Interreg funds (cross-border cooperation grants) and Digital Europe (for instance in the area of advanced digital skills).

Other fundraising options considered were technology transfer, partnerships with businesses/industry, philanthropy and advocating for national financial support. It is worth noting that alliances appear to have limited interest in diversification through tuition fees and consultancy, as these two activities were "under development" in less than 20% of the cases.

Some institutions reported that they chose to focus on EU funds and competitive funding programmes rather than private funds because they perceived that the former guaranteed higher financial autonomy for developing the alliance's activities.



Joint proposal writing is one of the most important action points in the R&I action plan. These proposals are conceived in the framework of interdisciplinary hubs, which bring together academics from different universities and disciplines in focus areas [...]. To support the hubs in the joint development of project proposals, an external funding strategy is being developed at the level of the alliance. This strategy will identify and disseminate relevant funding opportunities to the different hubs. When there is an interest to jointly apply for funding, matchmaking events will be organized.

This overarching strategy will be not limited to research funding but will also extend to possibilities for joint educational projects. Furthermore, the alliance organizes its own seed funding initiative to which researchers within the alliance can jointly apply for funding. The seed funding initiative is financed through the membership fee of the different partner institutions.

Respondent quote 6

Testimonials from alliances' member institutions reveal tensions between the need for coordination at alliance level and the inherently quasi-individual nature of competitive funding applications, which are most often initiated at the level of academics or laboratories, rather than within the alliance structures. Therefore, instead of focusing on coordination, the mission of the structures established by the alliances is closer to that of an intermediary body, ensuring the availability of information and supporting the initiatives of academic (and student) teams by a variety of means.

This endeavour is further complicated by the fact that most alliances were originally formed on the basis of cooperation in learning and teaching rather than shared research profiles. As a result, research strengths were not necessarily analysed for alignment, making it difficult to define common priorities or develop competitive joint research-based funding strategies at a later stage – a challenge that has already been acknowledged in recent debates.

A further issue is that member universities still compete for European research funding individually or through other consortia, raising questions about the added value of joint approaches. Addressing this question requires open strategic dialogue – within institutions and at alliance level – to clarify motivations, strengths and areas where collaboration can genuinely boost their competitiveness.

Strategic profiling is key to income diversification in alliances: in a landscape of 70+ consortia operating across Europe, the only viable path is to develop a profile that is recognisable for funders and partners. This profile should build on the member institutions' individual strengths, which, combined, create identifiable and marketable added value. This is different from extending the “brand” of one institution to another; rather, the unique selling point of the alliance should complement that of its members, allowing them to leverage these gains (in reputation, expertise, critical mass) in their local/national partnership ecosystems. This scenario turns the alliance into a significant lever for the institution's own income diversification capacity and strategy.

Once they have established such a profile, alliances and their members can roll out a more comprehensive portfolio of income diversification activities over the long term. This includes harnessing the critical mass of expertise existing across the consortium in those areas aligned with the alliance's strategic profile, thus offering opportunities for commercialisation (consultancy, bespoke trainings, micro-credentials, etc). It is important to note that the profile may build on thematic priorities as well as being articulated around specific approaches to learning and teaching, regional challenges, etc. What matters is that the added value of the alliance as a potential partner is communicated clearly to both public and private actors.

Alliances that have focused on expanding EU programme funding are developing joint strategies for securing such funding. This includes connecting the alliance's main thematic priorities²⁸ to EU policy agendas and funding programmes, thereby generating EU funding opportunities in these areas. Some alliances link their priority areas to the relevant Sustainable Development Goals.

²⁸ Not all alliances choose to identify focus areas and may structure their work around principles/transversal objectives.

Figure 6, Thematic priorities presented by a selection of alliances, own elaboration based on the alliance websites

EuroTech Universities ²⁹	Una Europa ³⁰	Aurora ³¹	ATHENA ³²	UNITE! ³³
Additive manufacturing			Emerging manufacturing technologies	Industry 4.0
	Cultural heritage	Diversity & identity	Digital society & digital arts	
	Europe and the world	Digital society & global citizenship		
Entrepreneurship & innovation	Future materials and technologies		Assistive technologies	Entrepreneurship
AI for engineering systems	Data science and artificial intelligence		Artificial intelligence	Artificial intelligence
Health & bioengineering	One health	Health & well-being	Health & food technologies	Engineering biology
Sustainable society	Sustainability	Sustainability & climate change	Sustainable materials and energy	Sustainable cities & water; Sustainable energy
			Information & communication technologies	Cybersecurity
				Space

This approach may be embedded in the broader development (and, in certain cases, implementation) of an alliance-wide economic and financial sustainability plan. Institutions that are members of an alliance also reported an ongoing effort to identify possible external funders to secure the alliance’s next phase of development after EU alliance funds end. These findings are consistent with the analysis of the state of play, which shows that the main area where alliances are proactive in securing funding connects to other EU funds, while other types of external income streams remain incipient. As a result, this is often seen as a two-step strategy: first focusing on supporting researchers to apply for project funding, and then developing mechanisms for more long-term income diversification (including public and private funders such as foundations and companies in the context of contractual partnerships).

Securing national/regional financial support is another important part of income generating strategies. For higher education institutions, this means investing resources in advocacy activities and engaging with their own public authorities. While opportunities for pooling resources are more limited in this area, the exchange of best practice and awareness-raising initiatives within the alliance can nonetheless support these joint efforts.

To sum up, income diversification at alliance level should evolve from securing funding for the alliance itself (i.e. ensuring the sustainability of the alliance as an instrument) towards a strategy that builds on the alliance as an opportunity and space for income diversification for the participating universities. The alliance cooperation format should be viewed not only as a structure generating additional costs that need to be covered, but also as a strategic instrument in its own right. As well as serving institutional objectives, alliances can strengthen the collective capacity to attract new external funding, exploring opportunities beyond the EU funding programmes. This dimension merits more focused attention in discussions on alliances’ future funding model.

29 <https://eurotech-universities.eu/>

30 <https://www.una-europa.eu/about>

31 <https://aurora-universities.eu/research/>

32 <https://athenauni.eu/research/rd-roadmap-shared-resources-directory/research-priorities/>

33 <https://www.unite-university.eu/unite/at-a-glance>

IV. Strategic cooperation for efficiency and effectiveness

Not only does the alliance structure support the member institutions' capacity to form partnerships and secure additional grants, but it can also generate economies of scale and positive spillovers – particularly through organisational synergies – that strengthen institutions' financial capacity to develop the alliance activities. The alliance itself can therefore be a tool to achieve institutional objectives more efficiently (sharing assets, being able to pool knowledge, etc.).

a. Structures for joint financial strategies

It is increasingly frequent for alliances to set up structures such as joint research offices, research networks or shared grant desks to professionalise and streamline support for staff applying for competitive funding as part of alliance-based teams.

Other types of structures include alliance-wide working groups that coordinate fundraising activities.

Alliances that have set up central offices may also dedicate resources to hiring staff tasked with exploring and developing the consortium's funding portfolio.

Financial structures include common alliance funds set up to provide seed funding to academics and students across the alliance. These shared funds are usually maintained by alliance membership fees.

Several institutions considered the establishment of a legal entity for the alliance to be a key factor in the successful development of fundraising activities. They stated that the legal status enabled alliances to apply for competitive funding as a single entity, thereby resolving some of the issues that arise when alliance and project consortium memberships only partially overlap. It should be noted, however, that while various alliances have set up a legal entity, no comments were provided by institutions belonging to alliances with an established legal entity.

b. Synergies in human resources

Most alliances do not yet engage extensively in joint staff recruitment or in sharing human resources among alliance members. This is due to several factors, including the newness of the alliances, national regulations that complicate or prevent joint hiring across borders, and the need to establish a legal entity before undertaking such activities.

However, it is widely acknowledged that joint hiring remains a key goal for the future. Many alliances reported that they have explored such options and that discussions are ongoing.

Some alliances that have established a dedicated legal entity engage in joint recruitment for their central secretariat, usually employing between one (e.g. the alliance secretary-general or equivalent) and 10 staff members. This may be financed through membership fees paid to the alliance entity (association), or through one or more of the funding sources described above. Joint hiring is limited to positions whose primary function is to coordinate the work of the alliance itself. However, there were also reports of joint posts created specifically to identify funding opportunities.

Alternative models to direct joint hiring are common, notably through (partial) secondments from member institutions to the alliance (e.g. to set up joint grant training/support offices) and collaborations. The coordinator also typically covers the costs associated with managing the alliance and therefore acts as the employer of staff recruited to work for the alliance.

Another example of synergy in this area is staff mobility within the alliance, as mentioned by a few survey respondents.

c. Sharing of assets and infrastructure

Apart from staff, the most common examples of asset sharing involve digital resources and include subscriptions to digital services, development of virtual learning environments or platforms, student management systems, student mobility tracking software, joint digital course catalogues, and repositories (often through contractors).

The sharing of research infrastructure was often cited as a goal that remains unattainable under current national regulations.

The extent to which alliances can develop physical asset sharing is difficult to assess: unlike regional cooperation, the lack of geographical proximity makes such sharing more difficult, compounded, for example, by the regulatory complexity faced by public higher education institutions wishing to invest abroad. As a result, digital infrastructure has been seen as a more favourable area to begin pooling resources, particularly because the first alliances had to deal with the COVID-19 pandemic shortly after they were created.

While some examples of synergies have emerged, there is still room to deepen cooperation across financial management, human resources and shared assets. Such efforts can boost efficiency, strengthen institutional capacity, and create economies of scale that directly support the alliances' long-term sustainability.



Due to different legal regulations, joint staff hiring possibilities are very limited. However, a virtual campus is being developed, which will allow sharing of common infrastructure in the future. Joint research institutes are established and researchers are encouraged to share a common infrastructure.

Respondent quote 7

V. Leadership and governance as enablers of sustainability

EUA's work on leadership³⁴ shows that leadership and governance are key factors in the sustainability of alliances. Institutions that participate in alliances face new strategic considerations, requiring their leadership to navigate complex internal and external dynamics.

The core principle here is that alliance participation must be embedded within institutional strategy. Leadership must ensure that an institution's involvement in an alliance supports its objectives and that the alliance's priorities align with institutional missions. This requires transparent decision-making, internal consultation, and prioritisation.

Many leaders took a highly active role in the initial phase of establishing an alliance. However, the next phase also requires sustained leadership engagement, and university leaders across Europe are already struggling to allocate time for strategic work due to rising managerial and operational demands. Governance structures within alliances, along with inter-institutional coordination, add further layers of responsibility.

In this context, shared leadership between academic and administrative staff is particularly important for alliances, which span all university missions. Developing shared leadership capabilities strengthens coordination and enhances coherence in alliance operations. Leaders also need to focus on workload and capacity issues. Alliance activities often rely on staff whose core responsibilities lie in other areas. The leadership must ensure that workloads remain manageable and that staff contributions to alliance activities are duly recognised.

³⁴ "Innovative Leadership and Change Management in Higher Education - NEWLEAD project key findings and recommendations", EUA, August 2023 <https://www.eua.eu/publications/reports/innovative-leadership-and-change-management-in-higher-education-newlead-project-key-findings-and-recommendations.html>

As leadership engagement evolves, another aspect becomes critical for alliance sustainability: the need for strong leadership participation at the alliance level. This layer of leadership shapes how governance can function in practice, particularly in complex multinational settings. In the next phase of developing an alliance, leaders from all participating institutions must cooperate to jointly steer and lead the alliance, engaging in collective prioritisation and shared decision-making. This is a demanding task as alliances operate across different national systems, regulatory environments and institutional cultures, which makes alliance-level leadership fundamentally different from leadership within a single institution. It requires the ability to navigate cultural diversity, mediate between varying expectations, and build trust in distributed governance structures. These demands highlight the growing need to strengthen leadership development within the alliance context. Institutions must equip both academic and professional support leaders with the capabilities they need to lead in transnational settings. Cross-cultural communication, mediation, diplomacy, systems thinking, negotiation, and managing complexity are just a few of the skills that need to be nurtured and developed. Recognising this, EUA has already integrated several of these aspects into its Leadership Development Programme to help leaders develop the mindset and tools needed to guide alliances sustainably into the future.

In addition to strategic alignment, it is vital to connect alliance governance structures with institutional governance processes. This includes integrating alliance priorities into institutional planning, ensuring representation of key groups such as academic staff and professional support staff, and building internal legitimacy for alliance activities. The latter is crucial over the long term, particularly in scenarios involving income diversification and structural institutional contributions to alliance activities.

Without strong leadership and governance, the other pillars of sustainability – cost understanding, diversification, and efficiency – cannot be effectively developed. Leadership is the enabling condition for all other aspects of alliance sustainability.

VI. Key conclusions and strategic implications

European Universities alliances have been among the most prominent developments in European higher education cooperation over the past decade. After six years of strong policy focus, substantial investment, concrete implementation and a first wave of evaluations, they have entered a decisive phase that brings questions of long-term financial sustainability to the forefront.

This briefing draws on evidence from EUA's recent funding survey and combines it with EUA's broader work on financial sustainability, public funding, and leadership. It proposes a conceptual framework to support a structured and holistic reflection on the future sustainability of European Universities alliances. The analysis thereby seeks to help institutions, which are at the core of this initiative, to reassess the purpose and added value of their engagement, make informed strategic choices on the evolution of this cooperation format, and develop more sustainable financial models. At the same time, it assists alliances in reflecting on the focus, prioritisation and development of the funding models they need to support their future path.

By placing alliances within the broader landscape of higher education funding in Europe, this analysis acknowledges both the growing financial pressures faced by institutions and the increasing complexity of public funding environments. In this context, alliances can be seen as "amplifiers": by bringing institutions together across national systems, they have also shed new light on pre-existing issues such as the structural funding gaps, regulatory mismatches and capacity constraints that characterise European higher education more broadly and that increasingly call for coordinated legal and regulatory reforms at national and European level. The sustainability of alliances needs to be examined within these broader dynamics.

a. Key areas for action

This briefing highlights the fact that sustainability depends on coordinated action at institutional, alliance, national and European levels. It identifies the following key areas for action.

▶ Reassessing the institutional purpose

Achieving financially sustainable engagement in an alliance requires a clear alignment between institutional purpose and the added value generated by the institution's participation in the alliance over time. Universities may consider reassessing the reasons that led them to join alliances several years ago in light of the experience gained, evolving institutional strategies, expectations of institutional communities, and resource constraints.

Institutions need to clearly articulate how alliance participation contributes to their missions and ensure that this is understood across the university community. Without this internal anchoring, long-term institutional investment and commitment will be difficult to justify, regardless of how European or national funding evolve. While contributing to European policy objectives remains important for securing continued European funding, this alone cannot provide long-term internal justification for institutional investment. Sustained commitment depends on well-communicated, tangible benefits for the institution and its communities.

Linking alliance participation to institutional purpose and added value is also essential for developing a sustainable funding model. Only when the strategic relevance of alliance engagement is well defined can institutions make informed decisions about prioritisation, levels of investment, and the resources they are willing and able to commit over time.

Expectations about future levels of European and national funding need to take account of wider public funding pressures and competing priorities. Even where the case for increased investment in alliances is well formulated, there are limits to what can reasonably be expected from public budgets.

All universities, regardless of where they are in their strategic cycle, may therefore find it useful to initiate an inclusive internal process to reassess the purpose and added value of alliance engagement. Institutional leadership who played a key role in launching alliances should give renewed priority to leading this process.

▶ Building a sustainable funding base

Another key condition for sustainability is the development of a solid and stable financial foundation. The report shows that current alliance funding relies on a fragmented and uncertain mix of European project funding, uneven national support, and significant institutional contributions. This configuration is not sustainable in the long term.

The first requirement is a clearer understanding of the full costs of alliance participation, including indirect costs. Without improved cost awareness, institutions cannot assess the viability of activities or plan strategically. It is therefore in the institutions' best interest to develop more holistic approaches to cost identification, balancing analytical effort with strategic usefulness.

A second requirement is more deliberate funding diversification. This involves balancing European, national and institutional contributions while reducing overreliance on short-term project funding. Diversification also includes exploring income-generating opportunities arising from alliance cooperation, and identifying where alliances can generate efficiencies for participating institutions. Alliances themselves can become a strategic level for diversifying income of their members. By pooling expertise, sharing risks, and learning from partners with different levels of maturity, alliances may support institutions in developing and testing diversification approaches that would be more difficult to pursue individually.

These endeavours are not merely technical exercises. They require focused attention from leadership and must be closely connected to the institutional purpose and strategic priorities outlined above.

► Prioritising and sharpening the alliance profile

The institutional reassessment of purpose and added value should be reflected at the alliance level. A shared understanding of partners' institutional priorities is essential for defining a common future strategy, both in terms of focus and financial sustainability.

Alliances differ in maturity, governance arrangements, and constraints linked to existing project commitments. Nevertheless, they have a common need to initiate a longer-term reflection beyond current European funding cycles. While some will be able to move faster than others, prioritisation is unavoidable.

The breadth of activities included in many alliances, often shaped by competitive project applications, cannot be sustained indefinitely under the current conditions of cost awareness and funding. Alliances and member institutions should therefore jointly determine where cooperation should deepen, where it should consolidate, and where ambitions should be scaled back, all grounded in a solid financial model that clarifies how these activities can be funded. The conceptual framework proposed in this briefing offers a structured way to support such discussions.

► Strengthening leadership, governance and organisational capacity

Leadership and governance are critical enablers of alliance sustainability at both institutional and alliance levels.³⁵ Institutional leaders face the difficult task of aligning alliance engagement with institutional strategy, managing internal expectations and ensuring transparency, all in a context of increasing operational pressures on university leadership.

They will need to act as visionary and strategic actors not only within their own institutions but also at alliance level. This poses a significant challenge and calls

³⁵ "The next leap forward for transnational cooperation – Supporting sustainability and impact within and beyond European Universities alliances", EUA, June 2024, <https://www.eua.eu/publications/positions/the-next-leap-forward-for-transnational-cooperation.html>

for targeted capacity development. As highlighted in EUA's work on leadership, deep international cooperation is among the most demanding transformative leadership challenges and requires shared leadership approaches, with academic and professional support leaders working together rather than relying on individuals.

Managing deep and integrated international cooperation across all university missions remains a relatively new endeavour. Leading in European Universities alliances therefore requires new skills and experience that go beyond traditional institutional leadership roles. It is essential to support and develop these capacities, both for current and future alliance leadership, through targeted and sustained leadership capacity-building.³⁶

Alliances can also strengthen institutional capacity by serving as spaces for joint upskilling and professionalisation, particularly in areas related to funding acquisition, financial management, and strategic resource planning. Such collective capacity-building can strengthen the institutions' ability to navigate increasingly complex funding environments and thereby contribute to financial sustainability.

Governance structures within alliances and institutions should be well connected. Decisions to allocate scarce resources to alliance activities must be perceived as legitimate across institutional communities. This requires structurally connected governance, transparency in decision-making, and clear communication of the benefits generated through alliance engagement.

³⁶ See <https://www.eua.eu/our-work/projects/eua-projects/eua-leadership-development-programme.html> for more details about EUA's leadership development offer.

b. Looking ahead: sustainability and future cooperation formats

European Universities alliances have demonstrated that deeper strategic collaboration can be a valuable cooperation format, while also being challenging to implement. These challenges will continue to require attention, and communities of practice such as FOREU4ALL offer supportive spaces where alliances can share best practices, exchange experiences and jointly address operational questions.

The structural financial challenges revealed by the experience of alliances now need to be addressed with greater urgency and embedded more firmly within wider debates on the future of university funding and cooperation formats in Europe.

Financial sustainability cannot be separated from questions regarding the evolution of the alliance format itself. While – and because – there has been considerable financial and organisational investments already poured into the current alliance set-up, it is also important to create space for flexibility and further experimentation for both existing alliances and other higher education institutions, keeping in mind that one size (or one format) does not fit all. Existing alliances should be able to adjust and develop renewed strategic directions, while other institutions should have opportunities and incentives to explore simpler and less cost-intensive cooperation formats, whether through smaller partnerships or different mission- or thematic-focused approaches.

It is time to move beyond an excessively binary model (alliance or non-alliance) towards a diverse ecosystem of transnational cooperation formats that better reflects institutional diversity, strategic purpose, and financial capacity. This also implies recognising that meaningful and sustainable transnational cooperation can take multiple forms beyond the European Universities Initiative, and that institutions should be supported and incentivised to engage in cooperation formats that best fit their missions, strategies and resources.

To progress towards financially sustainable funding models, a structured and holistic dialogue is needed, involving the European Commission, national public authorities, alliances and institutional leadership. While advocacy for increased European and national funding remains important, it also needs to be framed around the complementarity and efficiency of different funding instruments.

Discussions therefore need to move beyond individual funding streams and draw on institutional reflections on purpose, costs, and prioritisation. Together, these elements are essential for shaping a coherent overall funding model for alliances as long-term cooperation formats.

This dialogue should be open and inclusive, but also efficient and focused. The past six years have shown that alliance actors invest significant effort in engaging with policymakers, demonstrating added value, contributing to European policy objectives, and communicating both successes and challenges. As discussions on financial sustainability intensify, it will be important to organise exchanges in ways that avoid duplication, make best use of existing knowledge, and allow actors to engage where their perspectives add the greatest value.

Several complementary initiatives are already making an important contribution to this emerging debate. For example, the *Future4alliances* project³⁷ aims to strengthen coherence between national and regional funding approaches by providing a platform for public authorities to exchange on the funding and implementation of European Universities alliances. Concurrently, higher education research on alliances and transnational cooperation is expanding, with several new studies addressing aspects of financial sustainability. As shown in this briefing, the institutional perspective will play a decisive role in shaping future sustainability and therefore needs to be more systematically integrated into these discussions.

EUA will continue to support this dialogue not only by convening exchanges, but also by actively contributing analytical perspectives grounded in its broad and diverse membership. Drawing on its work on university funding, financial sustainability, governance and leadership, as well as its own studies and surveys, EUA is well placed to connect the institutional experience with broader developments in higher education funding and policy.³⁸

Aligning institutional purpose, sustainable funding, and effective leadership will be essential for alliances – and other cooperation formats – to become stable and durable components of Europe's higher education landscape.

³⁷ <https://future4alliances.org/>

³⁸ EUA notably convenes the biennial Funding Forum, an inclusive platform bringing together all actors to address higher education funding in all its facets and complexities.

The European University Association (EUA) is the representative organisation of universities and national rectors' conferences in 48 European countries. EUA plays a crucial role in the Bologna Process and in influencing EU policies on higher education, research and innovation. Thanks to its interaction with a range of other European and international organisations, EUA ensures that the voice of European universities is heard wherever decisions are being taken that will impact their activities.

The Association provides unique expertise in higher education and research as well as a forum for exchange of ideas and good practice among universities. The results of EUA's work are made available to members and stakeholders through conferences, seminars, websites and publications.

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