

POSITION PAPER

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Towards Financial Sustainability in European University Alliances: The UP University Approach

UP UNIVERSITY ALLIANCE



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UP University Alliance brings together 11 universities committed to transforming higher education through inclusive, learner-centered approaches, regional engagement, and digital innovation. By fostering collaboration across institutions and communities, UP aims to empower individuals and territories to thrive in a changing world.

Members:

- Artevelde University of Applied Sciences – Belgium
- FH Münster University of Applied Sciences – Germany
- HAN University of Applied Sciences – The Netherlands
- IMC University of Applied Sciences Krems – Austria
- Oulu University of Applied Sciences – Finland
- University of Vic-Central University of Catalonia – Spain
- Vasile Alecsandri University of Bacau – Romania
- University Del Piemonte Orientale – Italy
- DOBA Faculty of Applied Business and Social Studies – Slovenia
- UNIKO University of Korçë – Albania
- KROK University – Ukraine



1. INTRODUCTION

European University Alliances are reshaping the landscape of higher education in Europe. However, their long-term viability depends on robust governance and sustainable financial models. The UP University Alliance, awarded the Seal of Excellence under the Erasmus+ European Universities Initiative, presents this position paper to share its experience and contribute to the ongoing dialogue on financial sustainability across all alliances.

2. THE CHALLENGE OF FINANCIAL SUSTAINABILITY

While European funding has catalyzed the creation of alliances, its project-based nature poses challenges as these alliances transition into a mature and sustainable phase. Many alliances face uncertainty beyond the funding cycles, and the lack of predictable core funding limits strategic planning and institutional commitment. National support remains uneven, and internal contributions are often difficult to negotiate due to the diversity of partners.

3. THE UP UNIVERSITY MODEL: A STRUCTURED AND EQUITABLE APPROACH

UP University has developed a governance and financial model that ensures transparency, fairness, and long-term viability:

- **Governance Structure:**

A multi-tiered system including a Governing Board (rectors), Steering Committee (institutional SPOCs), and Executive Committees (education, research, communication), supported by regional steering bodies and associated partners from the quadruple helix—extended in the UP Academic Strategic Scorecards to a quintuple helix model, incorporating civil society and sustainability dimensions.

Each institution contributes in kind through the dedicated involvement of a Single Point of Contact (SPOC), who participates in the Steering Committee, as well as staff members engaged in Executive Committees

and additional in-kind contribution for specific working groups. This ensures operational continuity, flexibility, and shared ownership across the alliance.

- **Internal Funding Mechanism:**

Each member contributes annually with a differentiated amount, calculated according to:

- **Institutional size** (number of students)
- **National economic capacity** (GDP per capita)

The Ukrainian partner, fully integrated in the consortium, is exempt from financial contributions due to the exceptional situation in their country.

This formula, unanimously approved and formalized in the Consortium Agreement, ensures that contributions are both proportional and fair, reflecting each institution's economic capacity and size. It avoids ad hoc negotiations and tensions and fosters transparency and cohesion.

- **Budget Allocation:**

Funds are primarily used to support coordination, joint activities, and strategic development. The Steering Committee prepares the budget, and the Governing Board approves it annually.

- **Strategic Flexibility:**

At UP University, internal contributions are designed to ensure fairness while enabling strategic agility. This funding mechanism allows the alliance to act swiftly on emerging opportunities and joint initiatives beyond the scope of formal European projects.

For funded alliances, such internal resources can complement project budgets by supporting actions that require rapid response or fall outside predefined objectives and reporting constraints. The UP model offers a replicable framework to facilitate equitable contributions and unlock strategic capacity across all alliances.

4. STRATEGIC USE OF RESOURCES

UP University complements internal funding with:

- **Joint applications to competitive European calls** (Erasmus+, Horizon Europe, etc.)
- **National co-funding, encouraged by the Seal of Excellence**
- **In-kind contributions from partners and stakeholders**

This hybrid model allows the alliance to remain agile, resilient, and mission-driven.

5. RECOMMENDATIONS FOR EUROPEAN ALLIANCES

Based on our experience and aligned with best practices across Europe, we propose the following:

1. Formalize internal contribution models using transparent and scalable criteria.
2. Integrate alliance governance into institutional structures to ensure continuity and legitimacy.
3. Advocate for national support mechanisms to complement European funding.
4. Use internal funds to support strategic flexibility and rapid-response initiatives beyond project constraints.
5. Simplify administrative procedures to reduce the burden of multi-source funding and reporting.

6. CONCLUSION

Ensuring financial sustainability is essential for the long-term success of European University Alliances. While European funding provides a vital foundation, structured and equitable internal contributions can unlock strategic flexibility, institutional commitment and long-term resilience. These mechanisms not only strengthen the operational capacity of alliances like UP University but also offer a scalable model for others seeking to navigate uncertainty and seize emerging opportunities. We invite consortia and policymakers to consider this approach as a means to reinforce agility, autonomy, and sustainability across the European Higher Education Area.

