

**Discussion paper on**  
**the portability of grants and loans within the European Higher Education Area**

The **Bucharest Communiqué** reiterated the commitment to full portability of national grants and loans across the EHEA and called on the European Union to underpin this endeavour through its policies. In this context, the ministers asked for more targeted data collection, inter alia on the portability of grants and loans. In addition, the **Mobility Strategy 2020** called for a wide-reaching portability of grants, loans and scholarships as well as improving the exchange of information regarding the portability of national grants and loans across the EHEA. In consequence, the BFuG decided that the working group on mobility and internationalisation should explore whether a common approach on the portability of grants, loans and scholarships was feasible and to be recommended.

The driving factor behind the ministers' call to promote full portability is the conviction that sufficient financial support constitutes one of the essential prerequisites for equal access to Higher Education and participation in high-quality mobility in the course of it. However, portability encompasses a number of different schemes. Not only do the grants and loans differ (e.g. in terms of the amount granted or loaned), so do the conditions for their portability. Also, the usefulness of a portable grant may be diminished by higher living costs in the country of destination. Hence, in order to judge, whether portability can have positive effects as regards the above mentioned goals, in particular to increase mobility, we must carefully analyse the existing variety.

Furthermore, the question of portability is closely linked to the overall funding system of the country. Some countries do not offer portable grants or loans, but foresee a rather comprehensive system of grants or loans for all eligible students studying in the country irrespective of their origin. Other countries offer portable grants or loans, but tend to limit the group of eligible students, i.e. offer portable support only to their nationals or prior residents. Moreover, the range of coverage differs: some countries restrict the portability to certain regions or to universities listed in certain international ranking lists. Others offer full portability world-wide. A further criterion of differentiation is credit mobility versus degree mobility – national systems of portable grants and loans do not necessarily offer both.

In an EU context, several cases are pending before the European Court of Justice (ECJ) regarding Germany and Luxembourg judgement has been passed in a case against the Netherlands. The countries had stipulated differing requirements of prior residence in their countries as a condition for granting portable support in order to ensure a sufficient link between the student and the country granting the portable support. In the case against the Netherlands, the ECJ ruled with regard to children of EU workers that a residence requirement may not be the sole element to judge the degree of attachment between a student and the country susceptible of providing portable support. Such requirements may constitute an obstacle to the right of free movement of workers (Art. 45 TFEU and Art. 7(2) of Regulation No 1612/68). The pending case against Luxembourg deals with a similar aspect. In the pending cases against Germany the question was raised whether a requirement of prior residence in the German law for portable student support may constitute an obstacle to the right of free movement of EU citizens with regard to its own (German) nationals (Art. 20 and 21 TFEU). Judgment in these cases is expected this summer.

The discussion will be introduced by presentations of the NESSIE network (working structure and tasks) as well the German and the Danish system for portable grants and loans. Short inputs by the Netherlands on the consequences of the ECJ judgement and the EU Commission on the state of play of the loan guarantee facility for Master programmes will follow.

**The following questions should guide our discussion:**

**1. Current situation**

- Does your country offer portable loans and/or grants? If so, what is the range of coverage (EU- or EEA-member states only/Bologna member states/world-wide)?
- Which costs do they cover (e.g. living costs, tuition fees)?
- Who is eligible (e.g. own nationals/other EU nationals/prior residents)?

**2. Funding systems**

- Which general funding approach exists in your country (e.g. country of destination/residence, country of origin)?
- What are the advantages and disadvantages (e.g. potential brain drain/brain gain)?

**3. Analysis**

- How do the approaches to general funding and portability differ within the EHEA? What are the advantages and disadvantages of the different approaches?
- Under which circumstances can portability have a positive effect on student mobility? How do conditions differ from country to country depending e.g. on the cost of living?
- Could a common funding system make a substantial difference? If so, is it feasible? What are the obstacles and how could they be overcome?
- How could the EU Loan guarantee facility for Master study programmes contribute?
- Would mutual bilateral agreements (to grant each other's nationals or students financial support) be preferable? If so, would they be feasible in the light of EU non-discrimination law?