

Dear Colleagues,

Ladies and gentlemen

Could I begin by saying that it is a great honour to have been invited to speak before you today.

The main purpose of my speech is to give you a brief overview of the most pertinent aspects to the H2020 programme. I shall begin with some general remarks concerning H2020 before going on to consider the most pertinent examples in more detail. In this respect, I should like to focus on three main aspects. These are widening of participation, synergies with other funds and finally, I shall devote a little more attention to the way in which H2020 offers a comprehensive approach to the cycle of innovation.

*General Remarks*

So, to begin with, let me make a few remarks of a general nature with regard to H2020. It is my belief that European policy should be designed in such a way that it recognises the difficulties that Europe is faced with and supplies a series of pragmatically conceived solutions. H2020 is a cornerstone of this policy. Under H2020, an increased level of investment will be evenly distributed between three fundamental pillars: “excellence in science”, “industrial leadership” and “societal challenges”.

However, Horizon 2020 is much more than a funding programme: it will be a fundamental instrument in structuring research and innovation in Europe over the years to come. In particular, it should be as simple as possible; effectively and adequately funded, include a comprehensive approach to the passage from research to market and be designed in such a way as to overcome fragmentation and to encourage collaboration across Europe and beyond.

## *The Most Pertinent Aspects to H2020*

Turning now to the most pertinent aspects to the H2020 programme, let me begin with

a) the *widening of participation*. Horizon 2020 places considerable emphasis on widening participation whilst

maintaining excellence as a main driver, on the one hand,

and seeking to involve strong units of embryonic excellence

such as small research groups and highly innovative start-ups,

on the other hand.

Widening participation can be achieved by fostering greater transparency, through simplification of rules and the development of instruments such as return grants and twinning schemes. This will enable SMEs and smaller

organisations to play a much more active role in the European research and innovation environment.

b) My second point concerns *synergies with other available funds*. Achieving, at once, scientific excellence, and industrial competitiveness --- whilst meeting our societal challenges -- is beyond the resources of a single programme. At the same time, Europe's ambition to cover the whole cycle of innovation will inevitably require a multi-fund approach. For this reason, Horizon 2020 should be articulated with and complemented by other, parallel sources of European funding. In particular, European "structural funds" could be deployed both upstream and downstream from Horizon 2020 to enhance capacity building and to facilitate the passage from concept to market.

c) The final pertinent aspect that I should like to consider is that of a *comprehensive approach to the cycle of innovation*. Horizon 2020 aims to smooth what is often the long and expensive path from fundamental

research to commercial exploitation. The whole innovation cycle should be covered as this will lead to greater participation on the part of European industry. At the same time, in recent years, industry involvement in European science and innovation programmes has tended to fall off. Horizon 2020 aims to counteract this tendency, notably by encouraging the active engagement of small and medium-sized European companies.

In particular, across H2020 as a whole -- but especially in the second and third pillars -- we expect a significant increase in industry participation particularly through collaborative projects in collaboration with universities and research centres.

### *Industrial Leadership Pillar*

*Turning now to the industrial pillar in particular,* this pillar represents one of the central strands of Horizon 2020. This pillar aims to accelerate the development of technologies and innovations that will underpin

tomorrow's businesses. Particular emphasis has been given to measures that will help innovative SMEs in Europe to expand.

The pillar has three components: these are KETS, access to risk finance and finally, innovation in SMEs. I shall discuss each individually:

(a) *Firstly*, with regard to KETS, the Industrial Leadership Pillar will provide specific support to research, development and demonstration in the areas of ICT, nanotechnology, advanced materials, biotechnology, advanced manufacturing and processing and space. These are considered key enabling technologies. Many innovative products incorporate several of these technologies and the accrued benefit derived from combining several enabling technologies will also accelerate technological development. In addition, the use of these enabling technologies will have crosscutting impact and will improve product competitiveness. Finally, in so far as KETs are

concerned, specific support will be given to large-scale pilot projects and demonstration.

(b) Secondly, with regard to access to risk finance, the availability of risk finance will improve access to capital for companies that pursue R+D innovation driven projects at all stages of their development. The Commission will delegate a number of management responsibilities to financial institutions that provide support to the business community. This will allow for greater risk sharing alongside guarantee schemes and equity investments or quasi-equity. Similarly, the mechanism of capital and debt mechanism might, where appropriate, allow for the pooling of financial resources with Member States who wish to contribute with a part of the structural funds allocated to them.

(c) Thirdly, H2020 devotes particular attention to innovation in SMEs. In particular, the SME instrument will provide simplified and staggered support. Its three phases will cover the full innovation cycle: Phase 1:

Concept and feasibility assessment, Phase 2: R&D, demonstration and commercial replication; Phase 3: Marketing.

*Industry can participate in the other Pillars of HORIZON2020*

Finally, with regard to the various other instruments of relevance in addition to the industrial pillar: in Pillar 1, the instrument for the promotion of new ideas ('FET Open') is of particular interest, above all for SMEs and high-tech start-ups. FET will support scientific and technological research that explores embryonic new foundations for radically new, future technologies. This will encourage the challenging current paradigms and allow for movement into unknown regions.

A bottom-up selection process that is open to any research idea will constitute a diversified portfolio of targeted projects. Early detection of new areas and of promising trends and developments will be essential as

will be the ability to attract new players with research and innovation potential. These instruments, I believe, will supply a real response to the needs of innovators in a European context.

As for the third pillar, SMEs and large companies will also be able to participate in collaborative projects under the umbrella of Pillar 3. This pillar aims to effectively address global societal challenges such as Health and Demographic Change, Bio-economy and food security, energy safe, clean and efficient, climate change and so on.

### *Conclusion*

To sum up in general terms: Horizon 2020 represents a rigorously conceived programme whose goal is to promote a flexible, inclusive and simple approach that will deploy diverse funding resources as effectively as possible. Aiming to support European industry, it also

contains a concerted drive to promote excellence in  
science whilst meeting today's societal challenges.

Thank you very much.