

Good morning,
Ladies and gentlemen,

Let me begin by thanking the organisers for their kind invitation. This morning, my main purpose is to give you a brief overview of how I see the future of the different EU research and innovation programmes.

You will, of course, be aware of the importance of EU funding in research and innovation across Europe. This is a particularly crucial moment for us all as the Parliament, the Council and the Commission are in the process of conducting the mid term review of the FP7. They have also already started working on the FP8 and on the future EU budget, post-2013. In my opinion, it is crucial that, at this juncture, all of us pull in the same direction in order to ensure that we obtain the best possible design, structure and funding for the future programmes.

As an MEP, I have been the rapporteur for the simplification of the EU research and innovation programmes. I am also the EPP permanent rapporteur for the research area in *both* the current Budget Committee and in the Future Budget Committee.

In this capacity, I should like to speak about three main areas.

- ~ Firstly, I shall outline the simplification process in broad terms.
- ~ Secondly, I shall present my perspective and recommendations concerning the mid-term review of FP7 and the major guidelines for FP8.
- ~ Finally, I shall underscore, very briefly, the need for increased funding in the present and future budgets for EU research and innovation programmes.

1) *Simplification*

To begin with the simplification process, then: simplification is at the basis of these reforms and will supply the foundations upon which we can build. In the past, a great deal of criticism has been levelled at the way the European Union handles funding for research. In particular, complaints centre on its bureaucratic complexity and the requirements for financial data that are imposed on applicants from the moment they attempt to access funding.

Over the years, the programme has grown in scope, both in terms of the applications received and the size of its budget. The swelling number of

applications has been met with a parallel growth in control mechanisms, in an attempt to ensure the proper use of EU funds.

The unfortunate result is that it is increasingly difficult for companies and other organisations to find their way through a labyrinth of rules, procedures and red tape. This is particularly the case for smaller organisations, including small and medium size enterprises, high-tech start-ups and smaller institutes.

In my opinion, the current system – which is essentially based on cost analysis – should be replaced by a system that places greater trust in the applicants. This was a central principle in the report that I was responsible for. Indeed, in the report, I proposed a two-pronged approach aimed at rebalancing the evaluation procedure.

~ On the one hand, I set out to simplify the monitoring of the financial aspects of funded projects.

~ On the other hand, I set out to reinforce the technical and scientific assessment process. This presupposed a process of peer review and, with it, the application of excellence-based criteria for assessment.

The danger, at this point, is that by reducing layers of control mechanisms, we also run the danger of exposing the system to abuse. We must, of course, strike a balance between trust and control – between risk taking and risk avoidance – in order to ensure the sound financial management of EU research funds.

It was gratifying to see that the report was adopted with the support of all the political groups without exception. However, this development is only the beginning of a long and difficult road ahead. Now we must make sure that our recommendations are properly implemented. The Commission has already made considerable progress in this direction and I should like to congratulate Director-General Jan Smits on the considerable good will the Commission has shown.

2) FP7 and FP8

Let me turn now to my second theme the Midterm Review of FP7 and the general guide lines to FP8.

As far as the midterm review is concerned, I am pressing for a mid term review that should be as *far reaching as possible*. There are three main reasons for this desire:

1. FP7 was designed before the economic crisis and before the establishment of important European policies such as the European strategy for energy and climate change. Hence, we need to reconsider our priorities in the light of the events of the last two or three years;
2. More than 50% of the budget is still available; and
3. Finally, the second part of FP7 will cover what will undoubtedly be critical years for the recovery of the European economy whilst some of the projects in the FP7 will run until 2015.

These factors suggest that we should introduce a number of relatively dramatic adjustments. However, change should not be done for the sake of the change. Many areas of FP7 are developing well and these should be kept.

In so far as the particular changes that do need to be made, however: I feel that these fall into the distinct categories of:

- ~ thematic priorities
- ~ and, secondly, the structure of the programme.

In so far as the Thematic Priorities are concerned

While keeping overall the same themes, some emphasis should be placed in areas related to the "great challenges" agenda. These themes include:

- Environmental challenges:
- Energy Challenges:
- Challenges for the European industry in a globalised world
- Challenges for people and society:

Inside the broader area of "Challenges for People and Society", I should like to emphasise a number of key research areas:

- Prevention and health care;
- Cancer, heart related and neurodegenerative diseases;
- Research into the immune system.

Research into these areas should, of course, be properly financed.

As for the Structure of FP7, there are a great number of reforms, this time that are necessary. In fact, they are too numerous to mention here and I shall only highlight four. These are:

1. While the Co-operation Programme should remain at the heart of the FP7, it is crucial to create a space for research in new and emerging areas in order to develop the next generation of technologies. The funding line "Future and Emerging Technologies" (FET) in the field of information and communication technology represents a promising approach in this regard. We should recommend the creation of such a line in other themes of the FP.
2. Rules of Joint Technology Initiatives and other PPPs must be framed in such a way that provide open and fair access to universities and SMEs;
3. We should more actively promote the Ideas Programme (ERC) and increase the proportion of the budget dedicated to grants for young researchers;
4. Finally, a redesign of the SMEs dedicated projects is required in order to ensure that the major beneficiaries of the projects are the SMEs and not the intermediate structures.

If these are the reforms that I should like to see with regard to FP7, in so far as FP8 is concerned, as I see it, there are 5 key principles. The programme should involve:

- ~ Firstly, a trust based funding system.
- ~ Secondly, a chain from frontier research, to technological development, demonstration, valorisation of results and innovation.
- ~ Thirdly, a simpler FP with fewer instruments alongside a radical overhaul of the administration of the FP.
- ~ Fourthly, excellence based criteria for the FP in co-ordination with the structural funds for research capacity building.
- ~ And finally, enhanced international cooperation.

A key concern in all of this remains the constant desire to simplify, simplify. What though does a simpler, improved FP actually involve?

At the moment, there is a whole mass of programmes, sub-programmes and instruments. These should be drastically restructured. In fact, in my opinion, there should be three main pillars:

~ Firstly, a science driven pillar - ERC including research support activities (Marie Curie and European research infrastructures)

~ Secondly, an industry driven pillar - JTI's, SMEs

~ Thirdly, a policy driven pillar – cooperative research projects addressing the great societal challenges

It is also essential that we encourage close cooperation between FP, EIT and CIP programmes.

3) *The Budget*

That is all that I have to say about FP7 and FP8. The last of my three themes concerns the budget and you will be relieved to hear that this point is short and sweet. As the EPP's standing rapporteur for budget research, I have called for the doubling of the budget for the FP8 by comparison with FP7. More concretely, to this end, I have introduced an amendment into the future budget.

So, let me conclude by summing up the main points of what I have said:

- a) Simplification is the basis on which the future programmes must be built.
- b) The reforms that we introduce into FP7 should be more far reaching and comprehensive than many people are currently envisaging. As for FP8, we need more trust, simplicity, flexibility, and excellence based criteria.
- c) Finally, we cannot but admit that European research is chronically underfunded and that, in my opinion at least, funding in the FP8 should be doubled.

Thank you very much for your kind attention. I hope that some what I have said – in very general terms – will be of use in your particular field of application.