

Good Morning

Ladies and Gentlemen

Let me begin by congratulating the Commission on having produced a proposal for the Horizon 2020 which represents an excellent basis on which we can now build.

I would like also to thank Teresa Riera Madurell for the good working document.

However, there are some details that still have to be filled in and some aspects that could, undoubtedly, be improved.

I would like to briefly bring out four aspects.

Structure and Content

* The *first is its structure and content*. The structure is much improved by comparison with previous Framework Programmes.

As far as the "Excellence in Science" pillar is concerned, I strongly support the extension of the Future and Emerging Technologies programme to other themes. However, the bottom-up principle of FET scheme should be extended to other Horizon 2020 priorities such as the Industrial Leadership and the societal challenges.

As far as the Industrial Leadership, I welcome the integration of the CIP into this pillar. The

Industrial Leadership is primarily devoted to the industry and business sector. However, the involvement of the universities and the research community and SMEs in general in these projects will be highly beneficial.

Furthermore, I fully support the observation of Teresa Riera Madurell regarding the "access to risk finance" and "innovation in SME's" included in the "Industrial Leadership" as these instruments and objectives are equally applicable to the "societal challenges" pillar. In general, the area of innovation in SME's, the link of research and innovation with public procurement may be further developed.

I acknowledge the priority given to Health and Clean Technologies, inside the societal challenges. Science-driven activities should be central to the societal challenges priorities. The use of a more bottom-up, flexible and multidisciplinary approach is highly desirable.

The social sciences and humanities should not be restricted to the "Inclusive, Innovative and Secure Societies" and should be included across all themes of the great societal issues.

I fully support the suggestion of Teresa Riera Madurell and Christian Ehler of a subdivision between inclusive societies and innovative societies, on the one side and secure societies on the other.

Whilst the question of the funding of research is, of course, crucial, another question that is no less critical is that of how best to actually structure and organise research at European level. In this sense, Horizon2020 will be much more than a funding programme. It will be a fundamental instrument to structure research and innovation in Europe. Therefore, it should be designed to overcome fragmentation and to incentivate collaboration across Europe and beyond.

Synergies with Structural Funds

With regard to the place given to excellence within the Commission proposal, I welcome the focus on excellence without any

geographical or other preconditions. It is also of fundamental importance that we encourage the first sprouts of excellence. In this respect, the concept of "stairway to excellence" will enable us to create the conditions for the participation of small units of embryonic excellence, such as small research groups and highly innovative start ups. The Commission is to be applauded for its inclusion of such things as "the twinning schemes" and "ERA chairs scheme" as these represent concrete measures that certainly move in the right direction. However, we need to further elaborate in this area.

Furthermore, an area that I believe deserves particular attention is that of the building of

complementarity between Horizon 2020 and various European, national and regional financial instruments. Structural funds, of course, are of central importance in this respect.

Increasing complexity in the field of scientific research requires critical mass and has gone hand in hand with a rising need for expensive equipment. Providing for this is a sphere in which the European Union can make a real difference.

To further these ends, we require a multi-fund approach and strengthening of the bridges that link Horizon 2020 and other funds - with the structural funds to the fore.

Horizon 2020 has been designed in such a way that we can look forward to real advances. However, the structural funds have a complementary role to play with regard to what Horizon 2020 will be able to do. *Upstream* from Horizon 2020, the structural funds can be used for capacity building. *Downstream* from Horizon 2020, the structural funds can help smooth the passage from conception to market. At the same time, they can also be used to co-finance certain projects.

In order to facilitate the synergies between Horizon 2020 and structural Funds, the rules of participation of both programmes should be more compatible and I welcome the initiative

of the respective rapporteurs to work together in a very pragmatic way.

Funding

* The third aspect I should like to cover involves *the question of funding*. Horizon 2020, as it stands, already represents an increase in the budget available for research and innovation: €80bn.

However, taking into consideration that Horizon 2020 programme merges different EU programmes into one (FP7, IET, CIP) and the level of funding of FP7 in 2013, the figure proposed by the European Commission corresponds to a minor increase.

The EU Parliament has been pressing for an effective doubling of the budget directly attributed to the Framework programme, something that would effectively bring the new figure to around €100bn.

There is a balanced allocation of funds across the different sub programmes. However, the proposed budget for the Marie Curie Actions will drop from 2013 to 2014. The Marie Curie has been a successful programme and therefore the budget should at least be kept in the levels of 2013. Another alternative is to develop a strong synergy between this programme and EIT and the

Erasmus for all, as both programmes will undergo a substantial increase in budget.

The EIT is a new institution and has not had the time to fully show results. This being said, EIT is a fundamental programme as it combines education, with research and innovation. In a time, where the major industries in Europe point out as a major barrier the lack of well trained engineers, EIT may fulfil an important role in the future.

The considerable budget increase allocated to the EIT will give us the opportunity to extend the activities of EIT, so that, EIT may act as catalyst for modernisation

of the European University system. As an example, I could mention the possibility of EIT to promote an European "Excellence Initiative" shaped on the successful German initiative, but with a transnational European dimension.

Simplification

* Finally, there is the matter of simplification. The new programme includes the greatest part of the many recommendations that were made in my simplification report.

However, there are two aspects that I would like to further simplify:

- Simplification in the time recording system.
- Time to grant and time to pay.

There is one aspect, that requires further reflection:

- Direct costs will henceforward be reimbursed at a 100 percent, something that will considerably simplify the lives of all concerned. However, I regret that the full costing would not be possible as a number of institutions have put a lot of effort in moving to full costing.

The new system will constitute a problem to institutions with elaborated and expensive equipment. One possible alternative is to include the utilisation of such equipment in the direct costs. However, this will require a clear set of explicit rules, in order to avoid a posteriori problems with auditors.

There are two aspects, that we should make sure are kept during negotiations:

- Importantly, VAT will be considered an eligible cost for institutions that cannot recover it from their own state fiscal systems.
- The new rules should facilitate the recruitment of staff to universities in order to work on H2020 projects.

I am very much looking forward to what I am sure will be a rewarding and stimulating work.

Thank you very much.