Good Morning

Ladies and Gentlemen

Let me begin by congratulating the Commission on having produced a well-balanced and well thought proposal.

Overall, the proposal represents a real step forward and I would like to take this opportunity to thank the Commission for having absorbed our recommendations, namely the recommendations included in the E.P. report on simplification.

The proposal of Horizon 2020 represents an excellent basis on which we can now build.

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 three aspects.

Structure and Content

* The *first is its structure and content.* The structure is much improved by comparison with previous Framework Programmes. It is simpler and it strikes a highly satisfactory balance between the three pillars of

* Excellence in science

* Industrial leadership

* And societal challenges

I welcome the focus on excellence without any geographical on other preconditions. However, I appreciate the inclusion of the notion of "stairway to excellence "through concrete measures such as the twining schemes. I welcome the synergies with the Structural Funds for capacity building. One option to reinforce the bridge between excellence and capacity building is to recuperate the "Regions of Knowledge" to Horizon 2020.

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.

I acknowledge the division into six areas of the grand societal challenges and to the

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

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.

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 then 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.

Funding

* The second aspect I should like to cover involves *the question of funding.*

Horizon 2020, as it stands, already represents a *substantial* increase in the budget available for research and innovation: €80bn; in fact, as compared with the €52bn under the previous programme. Gratifying as this is, 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.

Simplification

* Finally, there is the matter of simplification. As some of you will already know, this is something of a crusade with

me. The new programme includes the greatest part of the many recommendations that were made in my simplification report.

These include:

- A single set of rules for all elements of H2020.

- H2020 accepts the different accounting practices that the participants have already adopted in their respective countries.

- Simplification in the time recording system.

- 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.

- Importantly, VAT will be considered an eligible cost for institutions that cannot recover it from their own state fiscal systems. Commission and E.P. should make sure that we keep this important decision throughout the negotiations with Council.

- The new rules should facilitate the recruitment of staff to universities in order to work on H2020 projects. Hopefully, this will keep young researchers in gainful employment.

Finally, several aspects of Intellectual Property Rights need a profound reflection.

Well, that's enough from me.

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

Thank you very much.