

Ladies and Gentlemen,

Let me begin by saying what a great honour it is to have been invited to speak before you today as a member of the European Parliament. Sitting on the ITRE committee, I have been directly involved in dealing with research and innovation issues. In particular, I am currently rapporteur for the Specific Programme Implementing Horizon 2020 and was the rapporteur for the Simplification Report, matters close to my heart as a former researcher and scientist myself. I am also, I should add, the EPP permanent rapporteur on the Budget Committee for Research and Innovation.

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Last 28 November 2012, ITRE committee adopted almost by unanimity the Horizon 2020 package delivering a formal mandate to the European Parliament to start the negotiations with the Irish Presidency aiming at achieving a first reading agreement by June 2013.

Horizon 2020 represents considerable progress with regard to previous framework programmes and, in particular, it is simpler and more flexible whilst covering the whole cycle of research and innovation (from research to the commercialisation of results). Significantly, this is the first time that the

research and innovation framework programme will be as a tool to promote industrial competitiveness with special attention paid to SMEs.

In the current economic climate, it is essential that Europe's industrial base is strengthened. At the same time, industrial participation in Framework Programmes for Research has dropped significantly over the last few years. Similarly, Europe has difficulty in ensuring that research results are effectively converted into innovative products and services that reach the market. To counter these three difficulties, four areas have been amended: more incentives to industry participation in European projects, support covering the

whole innovation cycle, facilitating the access of SMEs through a dedicated instrument for small to medium sized enterprises and finally standardisation built into technological development projects.

The EP advocates that SMEs are key drivers of innovation thanks to their ability to quickly and efficiently transform new ideas in successful businesses. With one single set of clear rules of Horizon 2020, the SME's will benefit from an easier access, as participants and beneficiaries, of Horizon 2020 with simplified and shorter procedures (i.e reduction of time to grant/to pay).

The EP succeeded in introducing a new specific "dedicated instrument" targeted at all types of SMEs with an innovation potential, created under a single management body and implemented in a bottom-up manner (demand-driven) through open calls of participation.

Moreover, at least 20 % of the total combined budget (specific objective on "Leadership in enabling and industrial technologies" in pillar 2 and the priority "Societal challenges" in pillar 3) is earmarked for SMEs participants. In addition, 4.5% of the total budget of the Horizon is allocated to SMEs participants. They will also benefit from a higher funding rate in close-to-market activities.

Finally, the "Innovation in SMEs" also supports all forms of innovation in SMEs, through a toolbox of specialised and customised programmes and instrument including: access to seed funding, grants, access to equity and debt finance, mentoring and coaching services, access to R&D networks and clusters.

The EP philosophy has been to stimulate economic growth by means of increasing the levels of innovation in SMEs, covering different innovation needs over the whole innovation cycle for all types of innovation, thereby creating more fast-growing internationally active SMEs.

Ongoing negotiations

I would like to give you some feedback on the ongoing negotiations.

Until now we had a kick-off and two trilogues in which the institutions showed their commitment and willingness to negotiate and reach agreements on the few topics that are still under discussion.

Points under discussion

These points include issues such as

- ~ Widening participation
- ~ Synergies with the Structural Funds

~ Scientific led Panels for exchanging of information and setting research priorities

~ Science with and for Society

MFF outcomes

Finally, let me say that I feel disappointed, as some of my colleagues, regarding the MFF outcomes. At this point we should be aiming at a stronger programme that will deliver real growth and jobs. For the moment, we are waiting for the final budget allocation for Horizon 2020. Some preliminary calculations indicate between amount between 71 bn€ and 74bn€ For the moment we are waiting for the Commission to provide us with the final figures.