

**APPEARANCE BEFORE THE EUROPEAN PARLIAMENT'S  
COMMITTEE ON INDUSTRY, RESEARCH AND ENERGY (ITRE)**

**Minister Stavros MALAS (Research Portfolio)**

**Dear Chairwoman,**

**Esteemed Members of the European Parliament,**

**Ladies and Gentlemen,**

It is a great honour for me in particular to appear before the ITRE Committee today and to present the programme and priorities of the Cyprus Presidency of the Council of the EU, in field of Research and Innovation.

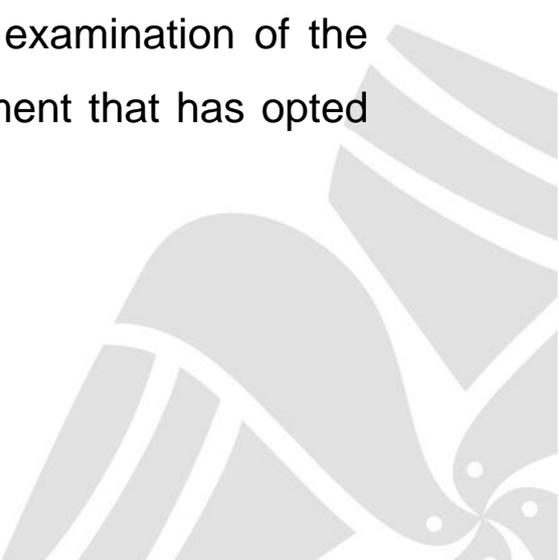
In debating this issue, what should resonate in our minds is the Lisbon 2001 declaration. Then we promised to the European citizens that by 2010 Europe will become the most dynamic economy on the planet with knowledge and Innovation being at the heart of that promise. Eleven years later and we are faced with a dire economic crisis that is shaking the foundations of many societies in more ways. The new EU 2020 strategy maintains research and innovation as central pillars of our new strategy.

It is thus of paramount importance to give meaningful and tangible political messages to the European citizens. There is no doubt that the way out from the crisis is through growth enhancing policies and investment in research and innovation.

Cyprus has taken over the Presidency of the Council at a very sensitive time which coincides with the negotiations of the new Framework Programme for Research and Innovation, HORIZON 2020. We are conscious of the task ahead and look forward to constructive discussions both within Council and most importantly to a close cooperation with the European Parliament.

As expected, Horizon 2020 is inevitably our top priority. In addition, during our Presidency we place emphasis on three other topics, namely the European Institute of Innovation and Technology (EIT), which is also part of the Horizon 2020 legislative package, the European Research Area (ERA) and the International Cooperation in Research and Innovation with a particular focus on the Euro-Mediterranean dimension.

On Horizon 2020 and its four legislative proposals, Council has followed a sequential approach to the examination of the proposals, contrary to the European Parliament that has opted for a package approach.



We are grateful to the Danish Presidency for reaching consensus within Council on the structure and key objectives of the programme, namely through a Partial General Approach in Council on the main Horizon Framework Programme Regulation last May.

Indeed the May agreement in Council has introduced several new aspects in the original proposal, such as a more ambitious target of 20% of SME participation, the introduction of a 7<sup>th</sup> societal challenge on Security and the accommodation of horizontal issues that can potentially widen participation.

We are pleased to see that your rapporteur, Ms Riera Madurell shares many of the concerns also expressed by Council on the Framework Regulation proposal. We note the positive predisposition of the Parliament for an increased budget. Inevitably the final outcome will much depend on the deliberations on the MFF.

Perhaps the most important legislative dossiers before us, are the Rules of Participation and Dissemination and the Specific Programme. Our Presidency will focus intensely on both regulations with strong emphasis on the RoP.



Simplification is the gist of this regulation. This demand emanates in an evolutionary manner over the years and I am pleased that not only the various stakeholders are calling for it but also the European Parliament, as reflected in the report of Ms. Carvalho.

The primary objectives of such simplification are: the reduction of administrative burden for the participants, the reduction of time to grant and the minimization of likelihood of financial errors, while at the same time maintaining the delicate balance between trust and control.

To achieve these objectives, the Commission has proposed an all encompassing simplification package, which is currently widely scrutinized and discussed by both the legislative authority and the stakeholders.

Your rapporteur Mr. Ehler has recently presented his draft report on the Rules of Participation. His recommendations need to be examined carefully. This is a really complex discussion that needs to be well coordinated, taking into account the close link of the Rules for Participation with the revised Financial Regulation and its Delegated Regulation.

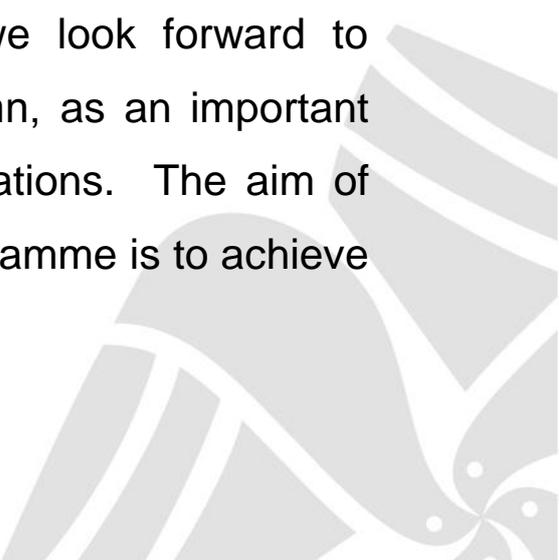


The Cyprus Presidency understands the importance of having simplified and flexible Rules for Participation for a successful Horizon 2020, easing the participation of all different entities thus ensuring a sufficient impact of the Programme to the European economy.

The goal of our Presidency on this file is to have intensive discussions in Council in July and September, aiming at reaching a General Approach in our October Competitiveness Council. During the Informal meeting of Research Ministers, which will be held in Nicosia next week, we are planning to discuss and exchange views on this issue, and the funding models for research, in order to facilitate the process and pave the way towards agreement in Council in October.

Turning now to the Specific Programme. This an elaboration of the umbrella Framework Regulation, specifying in more detail the broad lines of activities that will be funded under Horizon 2020, as well as the specific implementation aspects for the different activities.

Here we have seen with interest the variety of proposals by your rapporteur, Ms. Carvalho, and we look forward to receiving the Committee's opinion in autumn, as an important input for the Horizon 2020 package negotiations. The aim of the Cyprus Presidency for the Specific Programme is to achieve



a Partial General Approach in the December Competitiveness Council.

Last but not least in the Horizon package is the EURATOM Framework Programme, that funds European nuclear research activities. Here, we recognize the sensitivities that relate to this file, with calls for the reorientation of the programme towards more nuclear safety activities as well as its links with the ITER programme and the MFF discussions. We remain cautiously optimistic, however, and for this dossier we will strive for a Partial General Approach in the December Competitiveness Council. We will of course pay particular attention to the positions of the European Parliament on this file and we look forward to the Committee's opinion on this in autumn.

The second priority of the Cyprus Presidency is the European Institute of Innovation and Technology. The EIT has been proposed as an integral part of Horizon 2020 for the next programming period, and it is considered that it will contribute towards sustainable European growth and competitiveness, in particular by encompassing together all three aspects of the knowledge triangle, giving special emphasis to the education dimension.

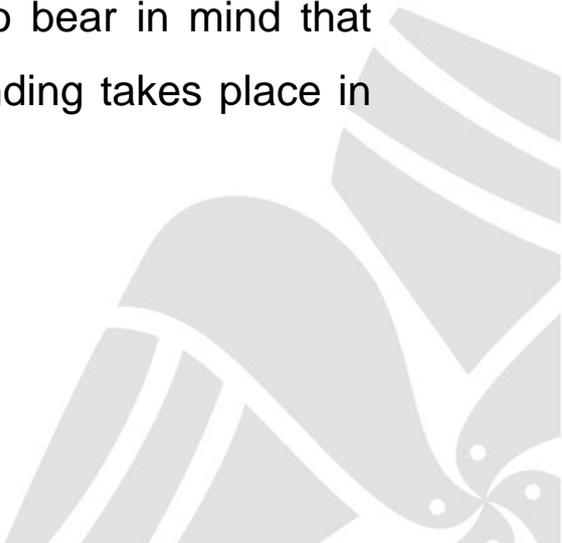


The first evaluation of the EIT shows strong support to its key concept of integrating the knowledge triangle, bringing together excellent research, education and innovation into the Knowledge and Innovation Communities (KICs). The findings also indicate that there is clear potential and opportunities for the future development of EIT.

Like your rapporteur, Mr. Lamberts, the Council has also noted the need to examine some of the proposed provisions in a further detail, such as the governance model, the choice of new KICs, and synergies with Horizon 2020. Moreover, the discussion on the new KICs is closely related to the discussions on the MFF. Naturally we will bear in mind this dependency and act accordingly when discussing further expansion of new KICs.

We have set the ambition to reach a partial general approach on both EIT files during our Presidency. We intend to address the EIT Regulation in October and the EIT Strategic Innovation Agenda in December, building on a Presidency Conference on the EIT which will be held in Cyprus on 8-9 November.

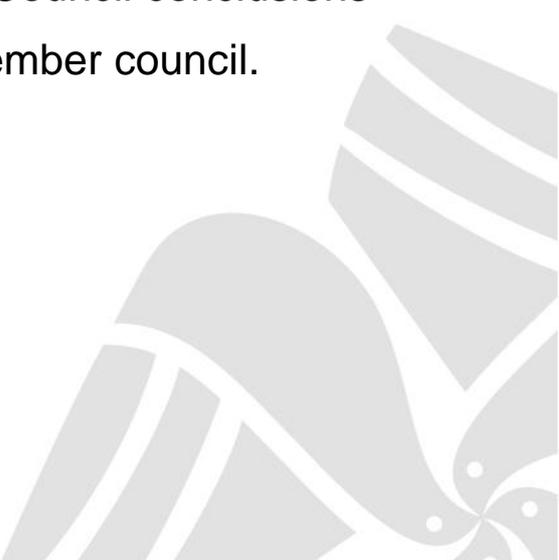
Our third priority is to push for the realization of the European Research Area. It is important to bear in mind that around 95% of research and innovation funding takes place in the Member States.



Addressing issues like the enhancement of transnational cooperation, the openness of labour markets for researchers, the gender equality and the circulation and transfer of scientific knowledge, will undoubtedly contribute to the realization of the ERA.

Our Presidency attaches particular importance to this grandiose idea of European Research Area and for this purpose we intend to include the topic on the agenda of both Competitiveness Council meetings. We are mindful that the enlargement of the EU has not only created opportunities but also challenges and the realization of the ERA is one of them. I am mindful of currently debated issues on this subject and take special note of strong concerns expressed by some MS geographical disparities and program penetration.

The discussion on ERA will be stimulated further by the relevant Communication of the Commission which is expected next week. We envisage an exchange of views by the Ministers on this topic in our October Competitiveness Council when we will also debate the conclusions of an ERA Conference which will be held in Cyprus on the 14<sup>th</sup> of November. Council conclusions on this issue will be adopted during the December council.



Our fourth and final Priority is the promotion of International Cooperation in Research and Innovation, with a particular emphasis on the Euro-Mediterranean region.

We welcome the Commission's intention to engage more strategically in science, technology and innovation cooperation with third countries, in order to achieve the EU2020 objectives.

Our Presidency strongly believes that international cooperation aspect should be streamlined into all relevant ERA measures and instruments as well as across Horizon 2020. In this respect we look forward to the Commission Communication which is expected in autumn, and which we will discuss in the Council in December.

The informal meeting of the Research Ministers on 20 July will discuss the options and issues involved in International Cooperation in Research and Innovation, with a special focus on Euro-Mediterranean cooperation, which is close to our heart.

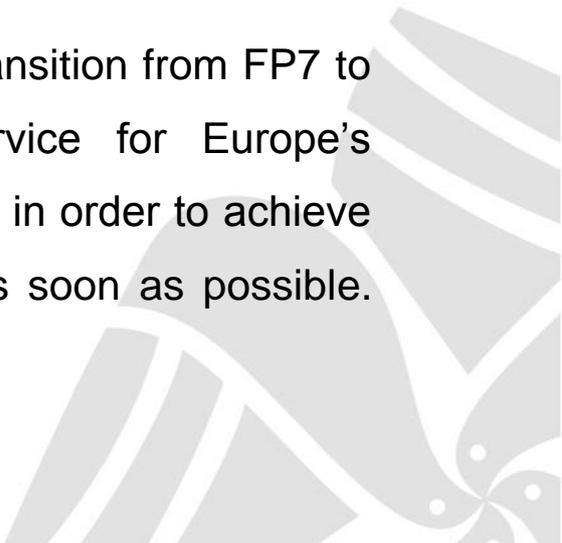


Research and Innovation offer unique opportunities for Mediterranean countries to develop and exploit their assets to the benefit of their economies and of their peoples. During this difficult climate of political instability in the Euromed region, promoting “neutral” policies like research and innovation will contribute to stabilizing the situation in the Mediterranean Partner Countries, and provide the path towards economic growth and political maturity of the region. On the basis of the Cairo Declaration of 2007 and building on the conclusions of the Euro-Mediterranean conference on Research and Innovation that was held in Barcelona last April, we decided to initiate a discussion among EU research Ministers.

The creation of a bi-regional research and innovation programme as a key instrument to implement this agenda could be pursued, possibly through an Article 185 initiative. We intend to explore this possibility during the Informal Competitiveness Council next week.

**Chairwoman, Honourable Members of Parliament,**

In conclusion, we all know that a smooth transition from FP7 to Horizon 2020 will be an important service for Europe’s researchers and for Europe’s economy, and in order to achieve this, we need to arrive at an agreement as soon as possible. Time is not on our side.



Council and Parliament need to find as much common ground as possible during the next months in order to ease the way towards an agreement next year. Having spoken to some of you, I am convinced that that the European Parliament shares this objective and I look forward to working with you in a constructive manner.

I would like to close this statement with a word of caution. The challenge ahead of us is not just to convince European citizens that we mean what we say and that our policies will indeed deliver the long-awaited economic growth. The central dogma of European integration is one of solidarity. The way towards that is emulation of best practices. It is thus incumbent on each and everyone of us to maintain a stronger focus on European Integration and make sure that whatever difficulties we face towards this path are resolved having in mind this overarching principle.

Thank you for your attention.

**Stavros Malas**

**Minister of Health (Research Portfolio)**

**12 July 2012**

