

Speech by Pascal Lamy, Chair of the High Level Group on maximising the impact of EU research and innovation programmes

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I would like to thank the European Commission, and particularly Commissioner Moedas, for having entrusted our Group with a task that we consider important and timely for the future of Europe.

The 12 of us, coming from various horizons, were asked to come up with a set of recommendations on how to maximise the impact of future European research and innovation programmes, thus framing a vision for "FP9" which will succeed the current European programme for research and innovation, Horizon 2020.

We were not asked to prescribe thematic priorities for future programmes. These will result from a public consultation and a political decision-making process that we hope will be inspired by our report.

Our report is built on the findings of the interim evaluation of Horizon 2020.

As mentioned by Commissioner Moedas, it is also the result of considering other written evidence as well as of wide consultations - with researchers, innovators, stakeholder organisations, governmental and non-governmental representatives.

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Let me now reveal the main features of our report, which you will get at midday when we break up for lunch, starting with its title: “LAB-FAB-APP”.

Sounds a bit mysterious?

So let me explain:

We need to continue investing in science, whether disruptive or incremental - LAB.

But we need to become much better in fabricating added value products and services; converting the results of science into innovative solutions that generate value for economy and society - FAB.

And we need to ensure that these solutions find their application for the benefit and with the more active participation of society - APP.

We need LAB, FAB and APP. All three, not one or the other. And not one after the other, but all together in an iterative process.

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Let's start with LAB.

In Europe today, we are good at producing knowledge.

We have first-rate universities, a deep pool of talented people, a rich tapestry of small and medium-sized firms, excellent academic institutions.

The Horizon 2020 interim evaluation shows this in clear and compelling detail.

Horizon 2020's European added value is undisputed. It is entirely transnational and border-crushing - between disciplines, sectors and countries.

The European Research Council has quickly become a global beacon of scientific excellence.

But many fantastic proposals bump into a budget wall: only a small proportion of new ideas succeed in getting funding.

This puts our future capacity to produce new knowledge at risk, if we compare with the dynamics we observe in the US, in China, in Japan or in Korea.

What should be the proper amount of EU funding? By various calculations, we came to the conclusion that the next EU Multiannual Financial Framework should retain an amount for the research and innovation programme that is between €160 and €120 billion.

€160 billion is the number that would allow funding a reasonable proportion of proposals.

€120 billion is the number that results from the rate of increase that was retained for Horizon 2020 (around 6.5% per year), leading to around €13 billion for the year 2020.

We also call on national governments to step up spending on research and innovation in their national budgets.

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FAB - We all know that all innovation does not stem from research, while not all research leads to innovation. Research and innovation are different, but they depend on

each other and need each other to flourish. They are each other's best friends - in theory.

But not in practice, or not enough. We Europeans are good at growing science. But we are not good enough at getting growth out of science.

Hence a large part of our growth deficit, when compared to other major developed or developing economics.

And we know that too-low growth risks making our European economic and social model unsustainable.

Nothing new? Maybe. But given the acceleration of technological change, lagging behind in innovation is now a much more serious problem than in the past.

So, where should we go?

We need a broad and understandable definition of innovation that takes into account the whole ecosystem.

This means that EU and national policies – such as trade, agriculture, energy, regional, industrial and competition policies – must be more supportive of innovation and always seek innovative solutions to realise their objectives.

A true EU innovation policy, supported by coherent regulation, should provide better incentives to innovators and entrepreneurs to operate and succeed.

As we all know in this room, Europe's innovation deficit does not stem from a lack of ideas or a lack of start-ups. Our problem is the lack of scale-up.

We have to invest in and promote innovative ideas that can be rapidly scaled-up. Hence our support for a European Innovation Council modelled upon the European Research Council, *mutatis mutandis*.

And we have to further simplify our funding opportunities – the range of EU funding schemes for research and innovation is currently too complex.

What matters for a successful research and innovation programme is not who participates most with what kind of instruments, but how we maximise the programme's impact in support of the purpose we set for it. Purpose and value should trump instruments and clients.

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Last and third part: APP.

We need to have applications for the benefit of all which clearly result from the research and innovation supported by the EU.

So it is vital that citizens be more involved in determining EU research and innovation priorities.

There has to be a greater public connection with research and innovation. We must convincingly abolish old perceptions of distant men - and increasingly women - in white coats, or in ivory towers.

We call for global challenges to be addressed in future EU programmes in a mission-oriented way.

Our Group's remit was not to prescribe what the Man on the Moon mission for Europe could be (although 'Woman on the Moon' was considered at one point!).

But we do offer a set of principles: missions should privilege impact, they should define a clear goal which captures public imagination, and they should mobilise many different actors.

The impacts of the EU programme must also be better captured, and better communicated, to the public.

Communicating with the public and involving it in co-programming and co-creating innovative solutions is an integral dimension of open science and open innovation. It not only increases the chances of success, it also contributes to reinforcing the legitimacy and sense of belonging to Europe's future.

We believe that the best way to ensure a larger political participation in research and innovation is to embed it in our education systems, from schools to universities. Major reforms are needed in this field. Human capital is our treasure, but it might become idle if we do not build a culture where risk is embraced and failure is tolerated.

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To sum up, our vision and message is that investing in research and innovation is more and more crucial for shaping a better European future in a fast-globalising world.

It is the best option we have to creating the future we want, rather than to have a future created for us, hence the subtitle of our report: "Investing in the European future we want".

With our report, we intend to help trigger a political debate in the coming months on the importance of investing in research and innovation – the time to act and to build the future we want to see in Europe is now.

The group is so convinced of the opportunity and necessity of an ambitious EU research and innovation policy and programme that we will continue to champion our recommendations.

Our report has 11 recommendations - each one is championed by one member of the group. This is a further manifestation of their incredible availability and engagement. I have rarely seen such a productive group chemistry. I am even confident, dear Commissioner, that they can witness that I (sometimes) can smile! And I, as chair, will continue to champion the whole report.

We have already scheduled a rendez-vous with Commissioner Moedas and other Commissioners in early January 2018 to take stock of the follow-up to our recommendations.

A follow-up which starts today with you all!

Thanks for your attention.