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"EU-New Zealand cooperation in research and innovation: recent achievements and new opportunities under Horizon 2020"

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Ladies and gentlemen, I am delighted to be in Auckland.

I would like first of all to express my sympathy for the people of Christchurch following the devastating earthquake there a little over a year ago.

Tragic events like this remind us that even though we are on opposite sides of the globe, there is a great deal of understanding and affection between the peoples of Europe and New Zealand. We are natural allies and natural partners.

As the European Commissioner for Research, Innovation and Science, I am very keen to ensure that researchers from the European Union and New Zealand have every possible opportunity to work together to tackle the issues that matter to us most.

International cooperation is a vital part of the European Union's research and innovation policy. Excellent ideas, breakthroughs and innovations should not be hampered by distance or by borders. It makes perfect sense to bring the world's best researchers together, where possible, in order to boost our competitiveness and to tackle the common challenges that we face such as climate change, energy and food security or our ageing population.

The range of opportunities available for international research cooperation, both at national and at European level, is truly impressive. So, I would like to present some of the steps that we are taking to make Europe a more attractive place for research and innovation – and I will highlight some of the areas where I think we can further strengthen links between New Zealand and the EU.

In October 2010 I launched Innovation Union, our ambitious initiative that puts research and innovation at the heart of the EU action to boost growth and jobs. We are making excellent progress on the 34 different commitments contained in Innovation Union, tackling problem areas such as faster standard-setting in Europe, cheaper and easier patenting, more public procurement of innovative products and services and better access to venture capital. Innovation Union dedicates an entire chapter to boosting international cooperation, recognising that working better with our international partners means opening access to our R&D programmes, while ensuring comparable conditions abroad.

Our Innovation Union objectives are fully supported by the world's largest public programme for research, the 7th Framework Programme for Research and Technological Development, better known as FP7. Many of you are already familiar with FP7, which funds intra-European and international cooperative research as well as the European Research Council and the Marie Skłodowska-Curie mobility programmes.

FP7's total budget for the years 2007 to 2013 is 55 billion Euro (88.5 billion New Zealand Dollars) and this summer we will have the last round of calls for proposals, worth around 10 billion Euro (or 16.1 billion New Zealand Dollars). I hope that many of you here today will carefully examine the calls and seize the opportunities that they present to collaborate with European colleagues.

The most active New Zealand organisation in FP7 is the University of Auckland, and other important participants include the University of Canterbury and Lincoln University. But there is scope to further increase New Zealand's involvement – currently there are 63 participants financed by FP7. Your participation is particularly strong in the Theme on the "Knowledge-Based BioEconomy" – or KBBE - together with good participation in ICT and smaller numbers in Health.

When it comes to helping researchers from outside Europe to participate in European collaborative research, we earmark as a priority financing for scientists and institutions in developing countries. Since New Zealand is a rich industrialised country, there is no automatic funding for its researchers participating in FP7, but it is possible to re-negotiate grants already received from the major funding bodies (the New Zealand Foundation for Research, Science and Technology and the Health Research Council of New Zealand) to cover the participation in FP7 projects, and this has had some success.

I would just like to express my appreciation for the work of the aptly-named FRENZ, the jointly-funded office Facilitating Research co-operation between Europe and New Zealand that promotes and supports cooperation under the Framework Programme. And we are also grateful that New Zealand provides funding to support its researchers participating in the International Research Staff Exchange Scheme (IRSES) and for New Zealanders participating in COST Actions. I hope that this type of funding could be extended into other areas.

We have now had seven European Framework Programmes for research. However, after in-depth consultation with stakeholders both in Europe and internationally, it was clear that we needed a new approach in tune with Europe's current and future research needs, focused on tackling a range of challenges faced by society, and designed to deliver the research and innovation we need to boost growth and jobs.

And, more urgently, since the launch of FP7 in 2007, the European Union economy has been faced with its most challenging period in decades as we try to restore confidence and fiscal sustainability.

Over the past year and a half, we have taken many steps, including a European strategy for growth – Europe 2020, a substantially reinforced Stability and Growth Pact, and the 'European Semester', through which we coordinate our fiscal and macro-economic policies and implement our agenda for growth on an annual basis. And most recently, the Union has drafted a new Treaty to create a European Stability Mechanism.

Europe is focusing huge efforts on fiscal consolidation, but we must ensure that this is done in a smart way, without jeopardising the measures that will produce jobs, growth and competitiveness today and tomorrow. Cutting spending in areas such as education, R&D and innovation would be extremely short-sighted.

Horizon 2020 should be seen as an economic policy measure as much as a research policy instrument. With a proposed budget of 80 billion Euro (or 128.8 billion New Zealand Dollars), Horizon 2020 fits very well with the approach being taken in most of the EU's Member States to increase investment in research and innovation as the routes to future growth.

Public and private R&D investment increased between 2007 and 2010 in all but four of the 27 Member States. And there is a strong correlation between the economic rebound of certain European countries in 2010 and their average level of R&D investments over the period 2004-2009. The rule seems to be: the higher the average R&D intensity in the past, the quicker their economy bounces back.

We want to complement this national R&D spending with investment at European level in the research that is best done at European level or internationally, where we can combine forces and achieve better value for money with economies of cost and scale. By doing so, we can avoid duplication and by pooling resources we can get better added value for our spending.

We also need to work at a European level because the kind of societal challenges that I mentioned earlier are too big and too complex to be solved by one European country alone. Indeed, we need to cooperate globally, with partners such as New Zealand. That is why, as part of the public consultation last year to discuss ideas prior to formulating our Horizon 2020 proposal, we held a conference in Brussels to get the views of our international partners.

I would like to briefly describe our Horizon 2020 proposals.

Horizon 2020 is structured around three objectives or pillars.

Under the First Pillar, we aim to raise the level of excellence in Europe's science base and to ensure a steady stream of world-class research to secure our long-term competitiveness.

This Pillar will support the best ideas, develop talent within Europe, provide world-class research infrastructures, and make Europe an attractive location for the world's best researchers. The proposed budget is 24.6 billion Euro or 39.6 billion New Zealand Dollars.

Within this total, we are proposing to nearly double our investment in the hugely successful European Research Council, or ERC, which champions the best fundamental or blue-sky research, to more than 13 billion Euro, or 20.9 billion New Zealand Dollars. In its five years of existence, the ERC has secured a reputation for financing the best scientists, whatever their nationality, to do the best research, and we are determined to see it go from strength to strength in the future.

The ERC has awarded three grants worth a total of 6 million Euro (or 9.7 million New Zealand Dollars) to researchers from New Zealand. Two are based in the UK, at Imperial College and the University of Cambridge, and the third at the University of Amsterdam. The fact that the ERC's President, Helga Novotny, visited New Zealand a few weeks ago testifies to the importance that we attach to strengthening the relationship.

The second pillar of Horizon 2020, Creating Industrial Leadership and Competitive Frameworks, aims to make Europe a more attractive location to invest in research and innovation, by funding activities where businesses set the agenda. This Pillar will provide major investment in Key Enabling Technologies – including enabling technologies such as nano, biotech, advanced manufacturing and advanced materials.

We want to maximise the growth potential of European companies by providing them with adequate levels of finance, and we will help innovative SMEs to grow into world-beating companies. The proposed budget is 17.9 billion Euro, or 28.8 billion New Zealand Dollars.

Under the Third Pillar on ‘Societal Challenges’, we will finance research and innovation that tackle the challenges that are most important to people. An approach that focuses on defining challenges means that we will bring together resources and knowledge across different fields, technologies and disciplines. And of course international cooperation must play a major role. We have proposed a budget of 31.7 billion Euro (or 51 billion New Zealand Dollars).

I won’t describe all of the new features that we are proposing for Horizon 2020, but I would just like to highlight a few of the most important points.

Firstly, we listened and acted on the demands from stakeholders to dramatically simplify how we finance research and innovation at the European level. Horizon 2020 aims to produce more research and less bureaucracy - we are cutting red-tape to make it easier to take part. Scientists and innovators will have more time in the laboratory or workshop and spend less time filling in forms.

Horizon 2020 has a simpler structure than the previous Framework Programmes, based on the three pillars that I already mentioned. This will make it easier for participants to identify where funding opportunities exist.

Horizon 2020 will offer European and New Zealand scientists, researchers and innovators many opportunities to work together, to make the discoveries and breakthroughs that will improve our economies and our day to day lives. We are counting on you to be a part of this.

Researchers from New Zealand are already active in other areas of cooperation with the EU, such as with the European Commission's Joint Research Centre, the body that provides the scientific basis for policy-making at the European level. The JRC is working with institutions such as the National Centre for Disease Investigation, the National Institute of Water and Atmospheric Research and the Institute of Environmental Science and Research. I really hope that we can expand this cooperation to other areas.

We want the best scientific minds working with and in Europe. The Marie Skłodowska-Curie Actions offer researchers various opportunities to move to and from Europe and they give important help in developing researchers' careers in Europe. Since 1995, more than 50,000 researchers, whatever their nationality, have been trained and offered employment contracts with full social benefits and very competitive salaries. New Zealand also has good involvement in these Actions – 32 New Zealanders have been funded to work in Europe.

At a much broader level, we are exploring ways of upgrading relations with New Zealand through the comprehensive EU-New Zealand agreement that is now being discussed. This will surely have a very positive impact on research and innovation fields, which is already strong thanks to the S&T Cooperation Agreement with New Zealand that entered into force in January 2009.

One point that was discussed at the last Joint Committee in Wellington was the good level of alignment in our views. Now we see that despite the physical distance, Europe and New Zealand can work efficiently together in areas of common interest such as food and agriculture, health, and ICT, to name but a few.

I'd like to give you some of my own ideas on how we might improve the scale and scope of our cooperation. Firstly, we should further develop partnerships in the current areas of strength. This can certainly be done for the bio-economy but why not also in health and ICT where you already have co-funding instruments?

Secondly, we must bring our complementary expertise together and share resources for multilateral initiatives. This covers of course the Global Research Alliance on Agricultural Greenhouse Gases. Thirdly, we need to develop co-operation in a balanced way: New Zealand has everything to gain from promoting awareness of its key research programmes abroad and in making it easier for European researchers and organisations to take part in its research initiatives. Reciprocity is a key factor for an enhanced partnership. Why not build reciprocity into the domains that I have already mentioned: food and agriculture, health and ICT?

Finally, New Zealand can also assist us in Europe to collaborate on a regional basis with the Pacific region. A new instrument was created in our FP7 Capacities programme to help us achieve such collaboration and the New Zealand partners are playing a key role in the project. This is much welcomed by our scientists in Europe.

As I already mentioned, New Zealand's participation in FP7 is particularly strong in the field of the bioeconomy. But our relationship in this area goes beyond research collaboration to policy cooperation.

The development of international cooperation on bioeconomy research and innovation is an important element of the Strategy on "Innovating for Sustainable Growth: a Bioeconomy for Europe" that the European Commission adopted just last month. International cooperation is underlined as necessary to jointly address global challenges, such as food security and climate change, as well as the issue of sustainable biomass supply.

The International KBBE Forum was set up by the EU, Australia, New Zealand and Canada in 2010 to strengthen research and innovation policy dialogue, enhance scientific cooperation and build synergies between partners. Its objectives fit very well with the aims of our Bioeconomy Strategy. Cooperation within the Forum benefits all partners: scientific cooperation supports excellence in the science base and exchange of best practices will help turn new ideas into innovative products and processes for market applications.

The benefits of participating in the Forum include, in the long run, improved productivity and returns, improved sharing and access to new technologies and best practice for researchers and end-users, and reduction in costs whether they are economic, social or environmental.

The European Commission is grateful for New Zealand's engagement in the International KBBE Forum, in particular its leadership of the working group on sustainable agriculture, and we are looking forward to your hosting of the third annual International KBBE Forum meeting next September.

We also very much appreciate New Zealand's role as the leader of the Global Research Alliance on Agricultural Greenhouse Gases. The work achieved in recent years has led to the official constitution of the Alliance on 24 June 2011, with more than 30 countries joining. The European Commission has followed very closely the building of the Alliance and shares its ambition to reduce agricultural greenhouse gas emissions and to increase carbon sequestration by improving efficiency and productivity.

I would also like to mention that in 2010, 20 European countries signed up to a Joint Programming Initiative on Food Security, Agriculture and Climate Change to establish close cooperation to define, develop and implement common strategic research agendas on these key challenges. The Joint Programming Initiative will seek out synergies with the Global Research Alliance on Agricultural Greenhouse Gases and will contribute to achieving its objectives.

I think, Ladies and Gentlemen, that the scope of our cooperation is already impressive. But there is much more for us to do together. Although Europe is not the only region in the world that is facing the challenges of how to stimulate growth, maintain competitiveness and create jobs, you will not be surprised to learn that these issues are at the very top of our agenda. But research and innovation are also our major priorities. So I would like to leave you with three key messages.

First, despite the economic difficulties, we are continuing to invest heavily in research and innovation. Second, we are carrying out the necessary reforms to create an even more favourable climate for research and innovation in Europe. Third, Europe is serious in its ambition to compete for the best scientific talent worldwide.

Though we are on opposite sides of the globe, we see eye-to-eye on many issues. The University of Auckland, with its successful participation in the 7th Framework Programme, has already demonstrated that distance is no obstacle to close collaboration between our scientists. I look forward to even closer cooperation in the future.

Thank you.