

Press Release  
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## **The new European Parliament faces its first test: undo cuts in Research and Innovation by Council of Ministers**

The rhetoric has been there all the while: the European Union will invest in research and innovation because, next to investments in infrastructure such as the trans-European networks, this is the best way to ensure medium- and long-term growth and jobs. Alas, in practice every year the story is also the same. When it comes to establishing the budget for the year ahead, the Multi-Annual Financial Framework (MFF) does not count anymore, and especially major payment cuts are proposed by the Council of Ministers (CoM) in the budget for what is called Heading 1A, Competitiveness for growth and jobs, of which Horizon 2020 is the biggest part.

A perverse mechanism is at work. The EU budget consists of a budget for commitments, and one for payments. If the first one is higher than the second one, and you enter into legally binding financial commitments, you build up a backlog in payments due. That has been happening in research and innovation year after year.

Look at the figures.

For Heading 1A the MFF foresees for 2015 17.7 billion in current € in commitments. The CoM proposes 17.1 billion in commitments and 14.2 billion in payments. The latter figure is not only 10% less than in 2014, but mind the gap between commitments and payments. If the Commission commits all it is legally entitled to, a considerable part of the payments will have to be made from the budget of 2016, and so on and so on. One consequence is that pre-financing for Horizon 2020 projects is now down to 35% from 60% in FP7. It is a cynical way of cutting budgets without saying so.

The member states, for sure, do take care of their own vested interests. For the Structural Funds, the MFF foresees 49.1 billion in commitments; the CoM proposes 49.2 billion in commitments and 51.4 billion in payments. Likewise for Agriculture: the CoM proposes 43.9 billion in commitments (very similar to the MFF) and 43.8 billion in payments. After all, the countries are entitled to their money, aren't they? The message to research organisations and companies which have to deliver on the politicians' promises on growth and jobs is clear: of course, some animals are more equal than others.

The European Parliament is set to take a firm view: no cuts. EuroScience hopes it will stick to this in its vote on the 22<sup>nd</sup> of October. And if the conciliation procedure between Council and Parliament in trilogue with the Commission does not lead to redressing the cuts, let the clash come. The credibility of the European Union with its citizens is at stake, not because of the Commission, but because of member states not making good on their promises.

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