

**26 February 2015****Rectors' Conferences warn that Europe is an endangered research site**

In a joint declaration, the Rectors' Conferences of France, Great Britain, the Netherlands and Germany criticise the planned cuts to EU research funding. The protest is directed against European Commission plans to lower the budget for the European research programme "Horizon 2020" by around €2.7 billion. The money saved shall be integrated into the new "European Funds for Strategic Investments" (EFSI), which in turn will be used to mobilise private investments in the Eurozone and thus boost the economy.

"It's absurd to try attracting investors and yet simultaneously cut European funding for research and innovation," stated Prof. Horst Hippler, President of the German Rectors' Conference (HRK), today in Berlin. A survey conducted by "Ernst & Young" of some 800 CEOs of major companies around the world revealed that Europe's strong research and innovation environment was one of the main pull factors for foreign direct investment. "Europe can only remain economically successful if excellent research leads to new insights," Hippler continued. "The supply chain for innovations would otherwise be interrupted."

He criticised that the cuts were not based on a political logic or economic considerations, but simply followed the principle of the easiest access. "This is an irresponsible handling of taxpayers' money. They're simply plundering the most easily accessible pot," emphasised Hippler.

"Horizon 2020" already contains a fund which follows the same aim as the EFSI: raising private capital for research & innovation projects by providing guarantees from public EU money. "What could have been more obvious than transferring this fund – which, incidentally, held the exact sum of €2.7 billion – together with its successful instruments into the new funds?" Hippler asks. "But exactly that is not intended by the commissions' plans. The fund for investors is the only part of "Horizon 2020" which remains unaffected whereas all funding for basic research has been cut without exception."

Furthermore the Rectors' Conferences criticise the foreseen implementation of the EFSI. "All previous statements stated that the funds will be used in particular to fund education, research and innovation projects," HRK President Hippler explains. "The implementing rules however do not contain these purposes at all: there is no minimum ratio for projects from these fields, no binding selection criteria, and no expertise in the selection committees. Under the terms of the current legal situation, German universities would not even be authorised to submit project applications."

Currently, Asia invests in research and development twice as much as Europe. Concerning Europe's international competitiveness as a research location, the plans to cut funding for research by €2.7 billion illustrate/constitute a fatal message. "Today, top-notch researchers are mobile and will weigh up the pros and cons to find the best research location, wherever it is in the world," Hippler warns.

The European Rectors' Conferences therefore stand united with their demand to retract the cuts for "Horizon 2020". In any case, excellent research that will not benefit from EFSI funding, should be kept untouched.

## Further information

- The **common statement issued by the Rectors' Conferences in France, Great Britain, the Netherlands and Germany** can be read online on the "Conférence des présidents d'université" (CPU) website.
- Source of survey: **Ernst & Young: EY's attractiveness survey. Europe 2014. Back in the game**, p. 20.

## Background

- **EU Commission: Easy access to funds for promoting research**

Due to the complex EU budgetary procedure and the so-called medium-term financial framework, the EU commission is unable, for seven years, to restructure budgetary resources without protracted negotiations. However, the EU commission has relatively easy access to research funds, as these are assessed in the same budget category as the new growth fund.

- **Investment in research: Europe falls behind Asia**

According to current estimations, Asia has increased its investment in research & innovation at a rapid pace – from €561 billion US dollars (USD) in 2012 to €632 billion USD in 2014. Expenditure in Europe, on the other hand, has stagnated at around €350 billion USD. (Source: **Federal government strategy on the European Research Area (EFR)**, page 3)