Dear Mr Deputy Minister Livanov, Dear Mr Rector Kouzminov, Dear Klaus, Ladies and Gentleman,

It is a great pleasure for me to be with you today in snowy Moscow (finally!) at this important International Conference on EU-Russia scientific and technological cooperation.

As you know, the EU is engaged in building a knowledge society. This ambition is both:

- a major political objective of the EU,
- and a key element of the EU-Russia cooperation.

We recognise that the world has changed and that we need to adapt now. The most important part of this change is how we compete. And knowledge production through research is a key answer for us.

In the area of research, the policy of the European Union is implemented through three interrelated approaches:

- The setting up of a European Research Area through a fuller coordination of the research efforts and policies of the EU member states;
- The increase of total EU financial investment in research to 3% of the EU GDP;
- and the continuous improvement of the EU scientific excellence.

Today, Europe can - and must - compete on knowledge because it has resources, well educated people, the facilities, the ability to turn this knowledge into services and products. This is the road for Europe. There is no turning back.

That is why the EU new research and development programme is important. But it is not enough on its own.

There is an urgent need for Europe to invest far more in education, research and innovation. It is essential to create and preserve jobs. The European Union has set a target of dedicating 3% of its GDP to R&D by 2010. We are still not close. We need more investment from both the private and public sector. The national governments need to put more resources into research and collectively we need to help improve the framework conditions for innovation in Europe so that the private sector invests more in research and development.

Today, we shall speak about how in this context, FP7 is an achievement in itself.

How it addresses the need for the EU and its partners to increase our innovative capacities as we face the same challenges and opportunities of globalisation.

FP7 has a longer duration, a higher budget (more than 52 billion Euros), a willingness to take risks, a greater simplification and many other benefits.

The 7th FP for research covers for the years 2007-2013 all the main areas of research which have the clearest impact on economic and industrial competitiveness as well as addressing the needs of societies and global issues: genomics and medical research, biotechnologies, nanotechnologies and information technologies, sustainable economic development with environment, energy, transports, space.

The reinforcement of EU support for research is based on: a concentration on key priorities (10 in FP7), the consolidation of transnational and international cooperation; big technological projects of a European dimension, fundamental research, infrastructures, human resources and training of researchers.

FP7 will see a more business- and risk-friendly approach. We want to see research lead to real innovation. Businesses, especially those in the European Technology Platforms, have provided input into industry's research needs. We have managed to integrate many of these into the work programmes of the different FP7 themes. We hope to develop specific areas, by launching the first Joint Technology Initiatives later this year. We also want to see more SMEs take part in FP7 and have research themes specifically dedicated to their interests. And we have set up a new risk sharing finance facility to improve access to loans for research.

FP7 highlights the value of more cooperation. International cooperation and horizontal cooperation across thematic priorities and disciplines have been reinforced and mainstreamed in the programme. We need more cooperation in Europe and beyond. FP7 ensures that as many countries as possible can take part, for mutual benefit.

The expectations on FP7 are very high and so they should be. After all, the 7th Framework Programme is the biggest single publicly-funded multilateral research programme which is open to the world and in particular to research entities from Russia. Not only is it open, it offers unparalleled support for the participation of non-EU research entities.

To give you an idea of the scope of the Framework Programme, the considerably smaller FP6 received over 50,000 applications in more than 200 calls for proposals, with over 360,000 participations. Under the first 42 calls of FP7, published on 22nd December 2006 with a budget of over 4 billion euros, we are preparing to evaluate around 7000 proposals.

Russia is today one of the most important research partners of the EU and by almost any yardstick it is the most successful non-EU, non-associated participant in our FP activities. In fact, research cooperation permeates so many areas and embraces so many different, communities, that it has become key in the overall EU-Russia relationship.

The Partnership and Cooperation Agreement between the EU and Russia, and the scientific & technological cooperation agreements have contributed to this satisfactory situation.

The implementation of the 4th Common EU-Russia Space for Research is proceeding smoothly and I am pleased to report the very positive assessment of what has already been achieved in terms of actual cooperation, as well as in terms of our recently reinforced scientific policy dialogue, which aims to achieve a more common research agenda through an increasingly common decision-shaping process.

In the present stage of our overall cooperation with Russia, we need to take advantage of our capacity to push forward a reinforced ambitious S&T agenda, because the implementation of the 4th Common Space for Research is the most advanced and the least controversial of the four spaces.

The scientific cooperation with Russia covers all the most advanced sectors of research (Space, Aeronautics including green engines and safety, Nanotechnologies, Information technologies, Energy including renewables and nuclear fusion, Life sciences, Food quality and safety including emerging risks; Health including new vaccines, new epidemics, ageing; Climate change/environment including the northern dimension).

The regular high level policy discussions between the Russian Minister for Education & Science and the European Commissioner for Research (the last one took place very recently, on 6th February), the meetings of the Steering Committee of the Science & Technology Cooperation Agreement, and the many meetings and regular interactions at the level of experts and scientists, have created an important atmosphere of trust and the conditions for a powerful political momentum.

The setting up of permanent joint EU-Russia working groups in key priorities (in future including, I hope, also Environment and Aeronautics) is to be considered an important additional milestone in the organisation of thorough thematic dialogues.

Following the meetings of these working groups, a few topics of direct and mutual interest have already been included in the first FP7 work programmes published in December 2006. More are expected to be included in the revised work programmes for the 2008 calls.

Some of these topics will be dealt with through the so called "targeted opening up" approach, in which the participation of research entities from different selected countries including, for instance, from Russia is recommended.

Others will be dealt with through the so called Specific International Cooperation Activities (SICA), a novelty of the 7th Framework Programme, in which the participation of research entities from different selected countries including, for

instance, from Russia is required. These SICAs aim to address the specific needs of these targeted countries for mutual interest.

In the case of Russia, our choice of SICAs will be determined *inter alia* by the need to harness science and scientific cooperation in order:

- to facilitate the implementation of the first Common Economic Space (which aims to give Russia a stake in our single market, amongst other through more common and harmonised legislation, standards, regulations, etc..);
- to address jointly some pressing global issues for which a joint Russia-EU research is key (environmental issues, CO2 sequestration, energy cooperation, etc.);
- to benefit from joint expertise for particular research topics (for instance in the Food, Agriculture & Biotechnology priority).

This bilateral project-led research cooperation between the EU and Russia is politically important. It has to be seen as the most ambitious and strategic type of cooperation we wish to develop. It marries the two fundamental bottom up and top down approaches. It highlights the joint responsibility taken by the partners, both scientifically and financially.

We have noted with great interest that the new Russian Federal Targeted Research Programme provides for special mechanisms and a special budget to develop reinforced cooperation with international partners. We are prepared to go the extra mile to develop substantially and visibly this approach.

I should also like to draw the attention of this audience to the Framework Programme's Marie Curie Fellowship scheme, the use of which by Russian scientists as well as by researchers from the EU we are intent on developing.

The European Union and Russia are both world leaders in the generation of scientific knowledge. Russia has all the necessary potential, scientific, financial and human resources to carry out high level research in an efficient and innovative manner.

In particular, we have been impressed that Russian gross expenditure on Research & Development has nearly doubled over the past 10 years. And I have been very pleased to note the many similarities between the new Russian Federal Targeted Programme and our own FP7 and its emphasis on harnessing science and innovation in order to diversify and promote the growth and the competitiveness of the Russian economy.

The similar priority areas of the EC Framework Programme and of Russia Federal Targeted Programme (Life Sciences, Nanotechnologies and Nanomaterials, Information & and Communication Technologies, Rational Nature Management and Power Engineering and Energy Efficiency), its new opportunities for international cooperation, as well as the natural tendency towards cooperation between Russian and European scientific structures bode well for our future ambitious agenda.

In particular, I hope that we will together succeed to put in place the necessary mechanisms that will allow us to launch and to conduct joint initiatives, such as coordinated calls for research proposals, in order to pool and jointly exploit our great intellectual resources for our common benefit.

The association of Russia and the EU in a Common Space for Research carries a great potential and highlights the strategic perspective of this cooperation, based on the exchange and joint production of knowledge for the benefit of our societies and on the same view on the rôle of science which Russia and the EU as world powers have to harness jointly in order to address global issues in a responsible fashion.

I thank you for your attention.