

Press Release

Brussels, 2 October 2014

350 European Research and Technology Organisations Call on Council of Ministers to Avoid Cuts in EU Budget for 2015

In view of the on-going discussions on the EU budget for 2015, EARTO members would like to express their concerns regarding the significant cuts proposed by the Council of Ministers to the European Commission's draft budget 2015¹, notably in key areas supporting economic growth such as research and innovation.

In line with the recent statements of Commissioner for Research, Innovation & Science, Ms. Geoghegan-Quinn², and Commissioner for Financial Programming and Budget, Mr. Dominik³, the 350 European RTOs members of EARTO also call on the Council to avoid the cuts to the EU 2015 budget, a 10% reduction when compared to the initial figures proposed by the European Commission. In the case of Horizon 2020, the budget cut would affect some 600 projects, involving more than 7000 participations and around 1 400 SMEs. Currently, over 70 projects amounting to €36 million are blocked and incurring interest for late payments. In addition, when compared to FP7, the Commission was obliged to reduce the level of pre-financing for new commitments, from 60% under FP7 to 35% under Horizon 2020.

Joining the European Commission in condemning the cuts in the EU 2015 budget for research and innovation, the European Parliament clearly stated that the budget should be used as an investment tool to help overcome the crisis⁴ and that cuts will considerably undermine European growth and job creation through innovation⁵. **EARTO President Ms. Maria Khorsand said:** "RTOs would like to express their support to the European Commission and Parliament on this serious issue. Such cuts in the budget will not contribute to supporting economic recovery and tackling Europe's innovation emergency. EARTO members, representing nearly 1/3 of EU R&I programmes' beneficiaries, will suffer payment delays and blockages in key EU-funded projects involving their industrial partners (large companies and SMEs). In today's economic context, Member States should make investments in research and innovation a clear priority for Europe".

Notes to Editors

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Research and Technology Organisations (RTOs) have a distinct mission and a key role in the knowledge and innovation economy: they produce, integrate and transfer science and technology to help resolve the grand challenges of society and support Europe's industrial competitiveness. RTOs occupy nodal positions within innovation eco-systems, bringing together key players across the whole innovation chain, from fundamental to technological research, from product and process development to prototyping and demonstration, and on to full-scale implementation in the public and private sectors.

EARTO is the European trade association of the research and technology organisations (RTOs), a non-profit organisation founded in 1999. EARTO groups over 350 RTOs with a combined staff of 150,000, an annual turnover of €23 billion, special equipment and facilities to a value of many € billions and more than 100,000 customers from the public and private sectors annually. [EARTO Corporate Video](#)

1 Council Press Release 431, ST 12192/14, 02/09/2014

2 SPEECH/14/602 16/09/2014

3 SPEECH/14/620 24/09/2014

4 [European Parliament Press Release – 30/09/2014](#)

5 ITRE Committee Opinion 2014/2040 (BUDG)