

I am delighted to be offered this opportunity to reflect on the vision for the future of European research set out by Luke Georghiou and his colleagues. The work of his Expert group is indeed timely. The EU is now into its Seventh Framework Programme for research and development- something like a quarter of a century of funding efforts. Debate on the future of the EU budget is on the horizon. This is a good time to review whether the coordination put in place through the Framework Programmes and other mechanisms make sense in terms of delivering the improvements to Europe's competitiveness and responsiveness to the challenges of the future which we all want to see. The recommendations of the Expert Group provide an important basis for debate on the future of European research policy at both EU and national level.

I think we can all agree that some aspects of the present policy mix at European level are working well. The European Research Council is playing a major role in pushing up the standards of basic research both directly (by funding the very best scientists in Europe) and indirectly by the benchmarking it provides for national funding bodies. The Joint Technology Initiatives offer a very promising way of bringing public and private sector funding together to address issues defined by European industry- in this context I would underline the central role which the UK pharmaceutical industry has played in the launch of the Innovative Medicines Initiative. Joint actions under Article 169 also offer an important route for collaboration between national funding agencies to tackle major issues; again, UK funding agencies have played a central role in the establishment of the European and Developing Countries Clinical Partnership, which seeks to address issues of vital importance in a global context. The European Strategy Forum on Research

Infrastructures (ESFRI) has set out a road map for Europe's future needs by way of large scale research infrastructures.

Nevertheless a lot more needs to be done, and in ways which take account of the reality that, for the foreseeable future, well over 90% of European research funding will be dispensed at national level.

Not all the action will necessarily involve huge shifts in spending patterns. As Luke suggests, a great deal could be done by simply ensuring that the original promise of the European Research Area- the creation of a genuinely European market for researchers and knowledge, what is now known as the "fifth freedom"- is actually fulfilled. This requires action to ensure the openness of national research bases so that researchers can move easily between institutions on a cross border basis and to make working in research in Europe an exciting career option both for Europeans and for researchers from abroad. Greater

autonomy for universities has a role to play here, as have technical issues as the use of international peer review.

Europe needs to integrate the three points of the knowledge triangle more efficiently than we have done in the past- something which the Department for Innovation, Universities and Skills was established to facilitate in the UK almost exactly a year ago. We also need to strengthen the linkages between European research and the policy agendas which the EU and all its Member States now face. And we as individual Member States need to work more closely together even outside those areas directly funded through the Framework Programme- the unexpected popularity of the ERA-NET mechanism for linking national research programmes indicates, I think, that there is a genuine appetite for this sort of collaboration between national funding agencies.

Luke's analysis of why the present policy mix has not delivered as much as we might have hoped for is compelling. His suggested alternative model talks of "Grand Challenges" as a way of providing focus for genuinely pan-European programmes on a truly continental scale, involving EU and national level funding from public and private sector sources. This is an important concept and one which deserves serious examination at the political level. I want to ensure that it is seen as an important input into the discussions between Ministers next month to define a new vision for ERA as part of the Ljubljana Process.

The UK has been a strong voice in favour of the European Research Area since its inception and will continue to engage actively – not only in the debate but in real initiatives to optimise the research landscape in Europe. For example, last week, the latest version of the UK "Concordat" for the career management of researchers

was launched. This incorporates the provisions of the European Researchers' Charter and the Code of Conduct on Recruitment- themselves developed with strong UK input. These initiatives play an important role in enhancing the image of research as a career at national and European level. The openness of the UK's research base- some 20% of academic staff in UK universities come from abroad- has been a major strength of our system and may offer some models for policy development at European level.

There is no doubt that Europe- and indeed the world- face a series of such challenges– energy supplies, food security, ageing populations, climate change, to name but a few. These can also change dramatically over relatively short time periods, at least as far as public perceptions are concerned- three or four years ago I dare say the threat of pandemic disease would have looked larger in people's minds than food security thanks to SARs and bird flu. A

focus on grand challenges would need to be both well focused enough not to become meaningless but also flexible enough to allow for shifts in focus as new issues rise up the scientific, policy and industrial agenda. The balance between “top down” and “bottom up” initiatives in this approach is a complex one which I think will require very careful exploration.

Luke has posed a very serious challenge to conventional ways of thinking and a “business as usual” approach to the challenges of facing European research policy in the coming years. The UK Government welcomes this challenge and looks forward to working closely with the research base and with its European partners in developing a new vision and new impetus for a successful European Research Area.