



Public-Private R&D Partnerships - Some industrial perspectives

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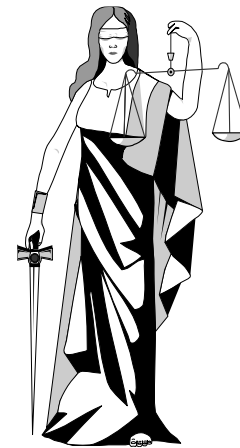
Public-Private R&D Partnerships are key for Europe

- More R&D investment by industry and better science-industry links are essential for EU Lisbon Strategy and Barcelona 3 % Objective
- Many public programmes exist to stimulate collaborative industrial R&D
- Public programmes are constrained by EU rules on State aid for R&D&I
 - Direct government aid to firms via R&D subsidies
 - Indirect government aid via collaboration with research organisations
- ICT Joint Technology Initiatives will pioneer novel PPP & ERA approaches



Contents

1. Assessing allowable State aid in R&D PPPs



2. New PPP and ERA approaches pioneered by ICT JTIs



Ceilings apply to allowable State aid for R&D&I

For each benefiting firm, aid intensity may not exceed aid ceiling


- 100 % for fundamental research
- 50 % for industrial research
- 25 % for experimental development

In case of collaboration between firms and research organisations

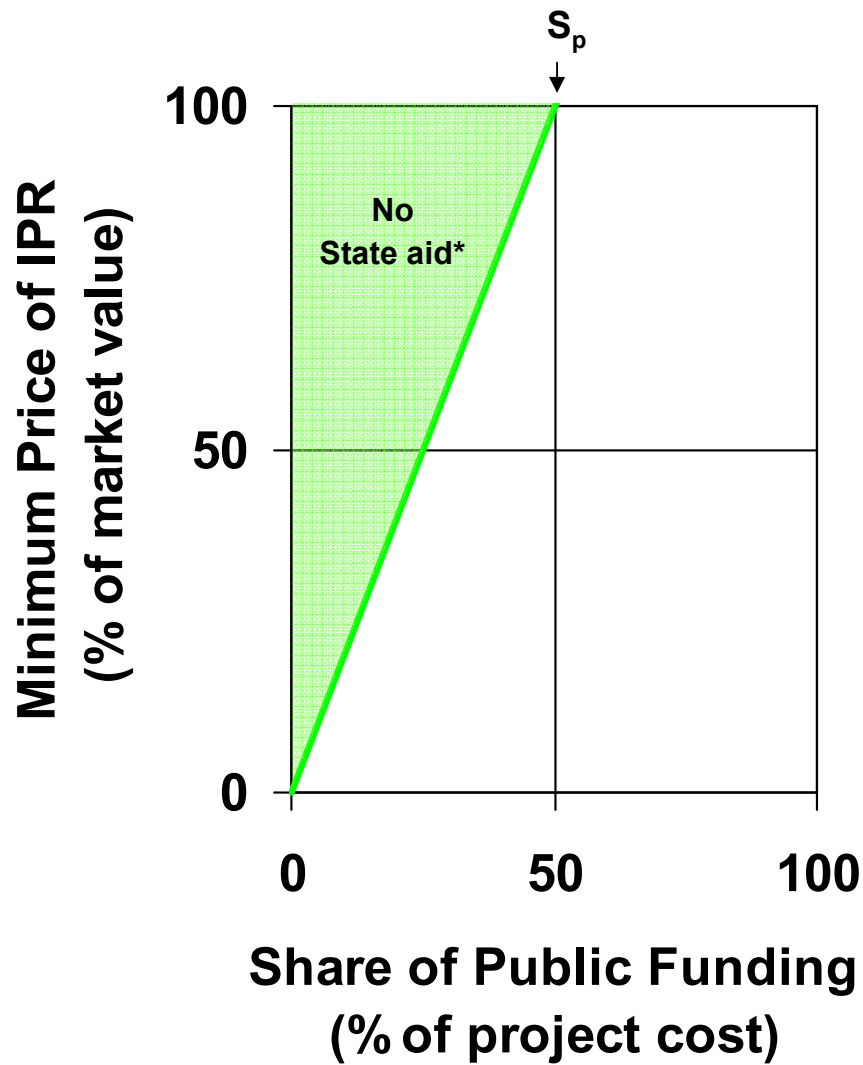
- bonus of 15 % may apply
- combined aid from direct government support and, where they constitute aid, contributions from research organisations may not exceed applicable aid ceiling



How to assess whether total State aid in R&D PPP is allowable?

- EU rules on State aid for R&D&I provide no practical guidance
- To remain on safe side, any indirect aid is usually avoided
 - *E.g.* by firms having to pay full cost of project or market price for IPR from research organisations
- New simple test has been developed by EICTA 
 - Entirely based on provisions in EU rules on State aid for R&D&I

New tool for assessing State aid in R&D PPPs



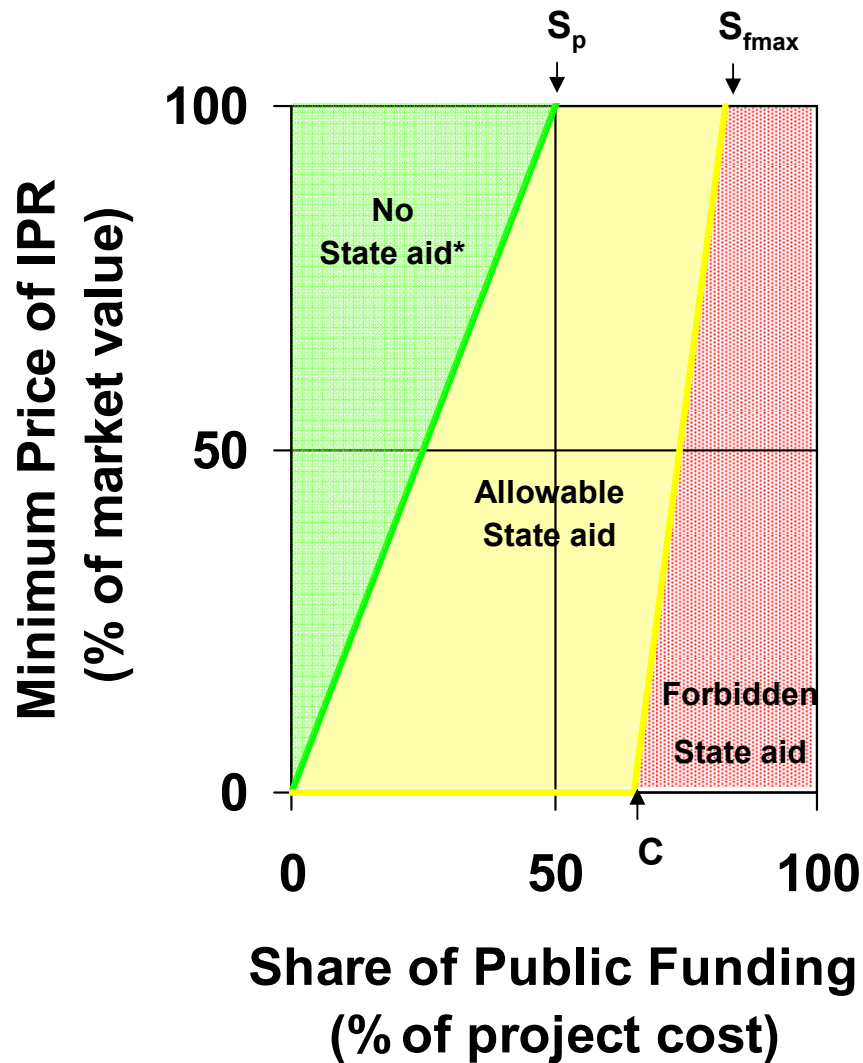
S_p : Share of project (as % of cost) performed by public sector

Example

↓
50 %

*) Provided that project share performed by private sector receives no direct public funding

New tool for assessing State aid in R&D PPPs



Three key parameters

- S_p : Share of project (as % of cost) performed by public sector
- C : Ceiling of allowable aid intensity including bonuses
- S_f : Share of project (as % of cost) funded by public sector

Example

↓
50 %

65 %

x-axis



S_{fmax} : Maximum allowable share of public funding
 $= C(100-S_p)/100 + S_p$

82.5 %

Details on http://www.eicta.org/index.php?id=34&id_article=181

*) Provided that project share performed by private sector receives no direct public funding



Recommended use of new State aid assessment tool

1. In national programmes to determine full range of allowable State aid
 - Not only green area of no aid, but also yellow area in preceding slide
2. In Commission's general block exemption regulation in State aid area
 - To facilitate its application in practice
3. In Open Innovation, Responsible Partnering and future voluntary

European Charter for Intellectual Property

- As boundary condition for allowable State aid

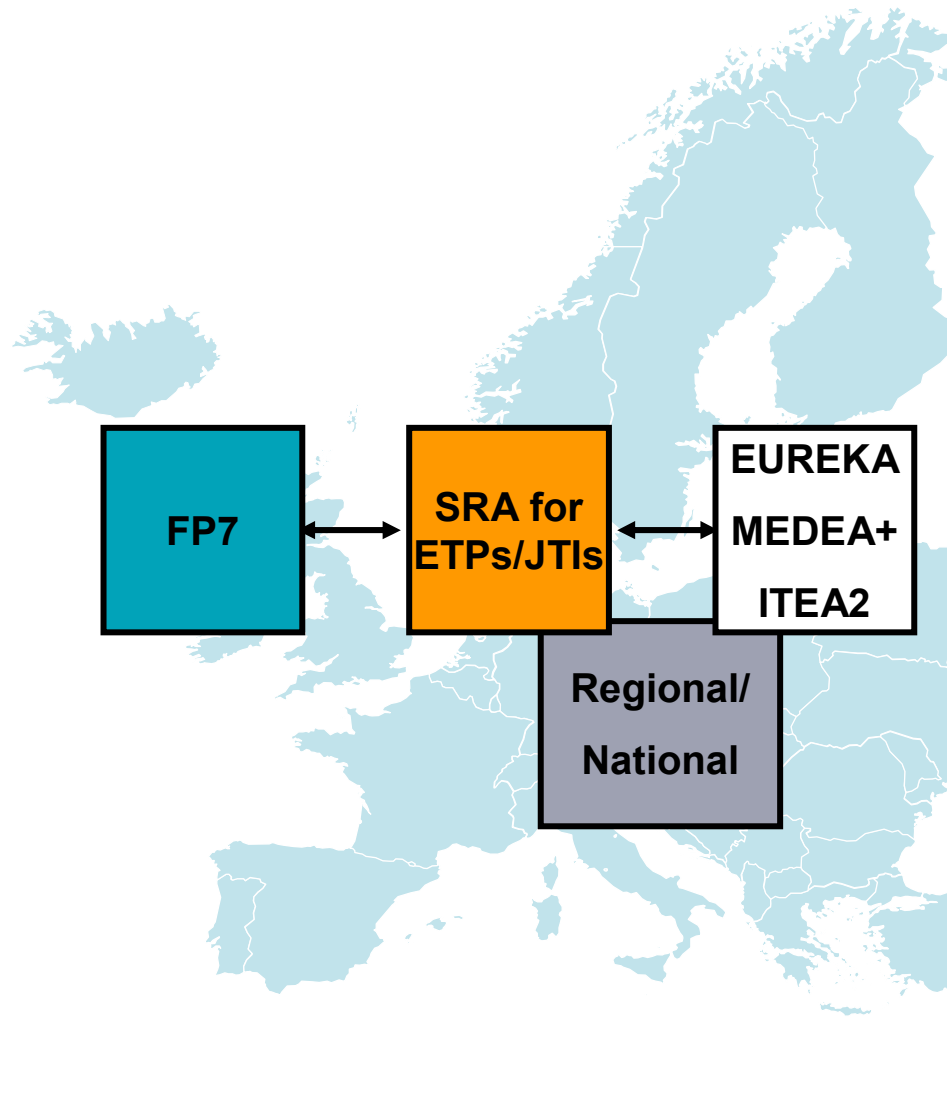


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Aligning fragmented R&D efforts within ERA



Two complementary pan-European Strategic Research Agendas (SRAs) from European Technology Platforms

- ARTEMIS for Embedded Systems



- ENIAC for Nanoelectronics



Key electronics technologies for EU

- driving product innovation
- fostering industrial competitiveness
- enabling societal applications



Novel PPP & ERA approaches in ICT JTIs

- Executing key parts of SRAs through trilateral Public-Private Partnerships
 - Combining private with European and national funding
- Stimulating additional industrial and national R&D investment
 - 1 € from EC/FP7 leverages 2 € national + about 4 € private funding
- Combining strengths of FP and EUREKA approaches
 - Improving efficiency and effectiveness for all stakeholders
- Creating real ERA for embedded systems and nanoelectronics
 - Rallying fragmented R&D efforts along common SRAs



Concluding remarks on ICT JTIs

- Outcome EU Competitiveness Council September 28 is welcomed
 - Set up as Community bodies, JTIs will take form of real PPPs with shared management responsibility of industry
 - Final decisions on JTIs at November Competitiveness Council, enabling swift start of JTIs in 2008 (?)
- Keep ERA approach credible to industry
 - EU institutional & legal complexity is particular challenge

