

PHILIPS

sense **and** simplicity

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25+ years fruitful Philips participation in EU FP



- Amongst 12 ICT firms involved in 1984 launch of FP1
- About 1,000 projects since FP1
- 139 projects in FP6 (2002 – 2006)
 - #1 industrial participant in IST
 - #1 industrial participant in NL
- 95 projects so far in FP7 (2007-2013)
 - Proposal success rate of 30%, about twice EU average
- Also involved in several other EU programmes for R&D&I
 - 17 projects in Joint Technology Initiatives (ARTEMIS, ENIAC, IMI)
 - 3 projects in Ambient Assisted Living (AAL)
 - 2 projects in Competitiveness & Innovation Programme (CIP)
 - 2 EIT Knowledge & Innovation Communities (KICs ICT and Energy)
 - 1 EIB loan through Risk-Sharing Finance Facility (RSFF)

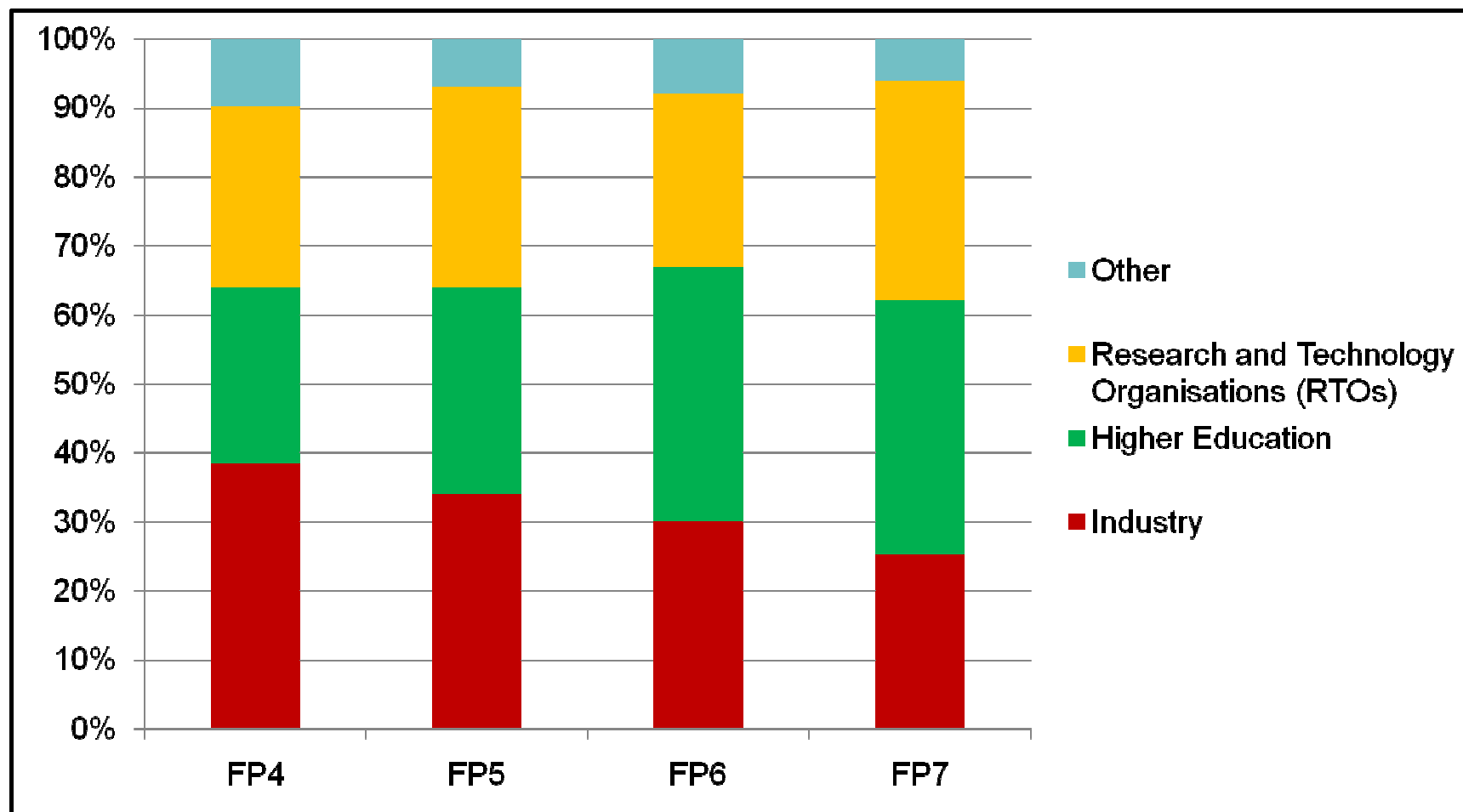


Why participate in FP7?

- To leverage own R&D efforts with external resources
- To benefit from a trusted regulatory framework for partnering and open innovation
- New instruments of particular relevance to industry, e.g.
 - Risk Sharing Finance Facility
 - Joint Technology Initiatives



Participation of business in FP4 – FP7



Main issues of concern for companies

- 1. Complex and time-consuming rules**
- 2. Average personnel costs**
- 3. Excessive red tape (the case of JTIs)**



Recommendations JTI Sherpas: Legal status & governance (2/2)



Recommendations:

- Recognition of PPPs as special bodies under the revised Framework Financial Regulation (FR)
- Seize the opportunity of the current FR Triennial Review
- Move towards a more risk-tolerant and trust-based approach in line with Dec 2009 Competitiveness Council
- Continue and strengthen cooperation with the European Economic Recovery Plan PPPs

Main comments on three recent EC proposals

1. Communication on FP Simplification

- 😊 Most proposals make good sense, also regarding average personnel costs
- 😞 Flat rates / lump sums may lead to total funding rates below 50%
- 😞 Output/results-based financing causes major concerns

2. Communication on Tolerable Risk of Error (TRE)

- 😊 Reduces transaction costs for public and private stakeholders
- 😊 Contributes to more risk-tolerant and trust-based approach
- 😊 Facilitates outsourcing of FP management to agencies etc.

3. Proposal on revision of Financial Regulation EU budget

- 😊 Implements part of simplification proposals under 1. and 2.
- 😊 Allows new alternatives for JTIs and PPPs, in line with JTI Sherpas' report
 - a) EU body with light model financial regulation
 - b) Body governed by private law of Member State
- 😐 Will EU Staff Regulations apply to a)?
- 😐 Will a) really be light?
- 😐 What “adequate financial guarantees” will b) require?

Towards High Trust approach in EU research funding

- Current zero-risk, zero-trust behaviour may well be due to personal liability for Staff officers
 - ⇒ [Ease provisions in Financial Regulation and Staff Regulations](#)
- Cutting red tape will require trust-based approach at all levels
 1. Between public and private partners within consortium
 - ⇒ [Responsible Partnering Handbook provides guidelines](#)
 2. Between consortium and Commission
 - ⇒ [NL High Trust approach is good example](#)
 3. Between Commission and other EU Institutions
 - ⇒ [Higher TRE; revised Financial Regulation and Staff Regulations](#)

Other suggestions for simplification of instruments

- Pre-Commercial public Procurement (PCP) of private R&D
 - Promising instrument developed by DG Info
 - Potential of PCP still largely unexploited, partly due to fears and complexity
 - ⇒ Clarify that no State aid is involved and no explicit compensation for retained IPR is required if tendering is competitive, open, fair and transparent
- European Research Area (ERA)
 - Current instruments for pooling national funding in transnational collaborative research projects are not optimal
 - e.g. ICT JTIs, EUREKA ICT clusters, Art. 185 TFEU (AAL, Eurostars)
 - To varying degrees, three fundamental problems play a role
 - Synchronising national project funding between countries
 - Balancing oversubscription levels between countries
 - Balancing national and common interests in joint selection of proposals
 - ⇒ Smarter ERA instrument needs to be developed, also for Joint Programming

