

Instruments for Public-Private Partnerships

Conclusions of a European
Commission internal analysis



Objectives

Develop 1-3 options for a possible

- legal,
- financial,
- managerial, and,
- organisational model for a Future Internet PPP.

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Approach

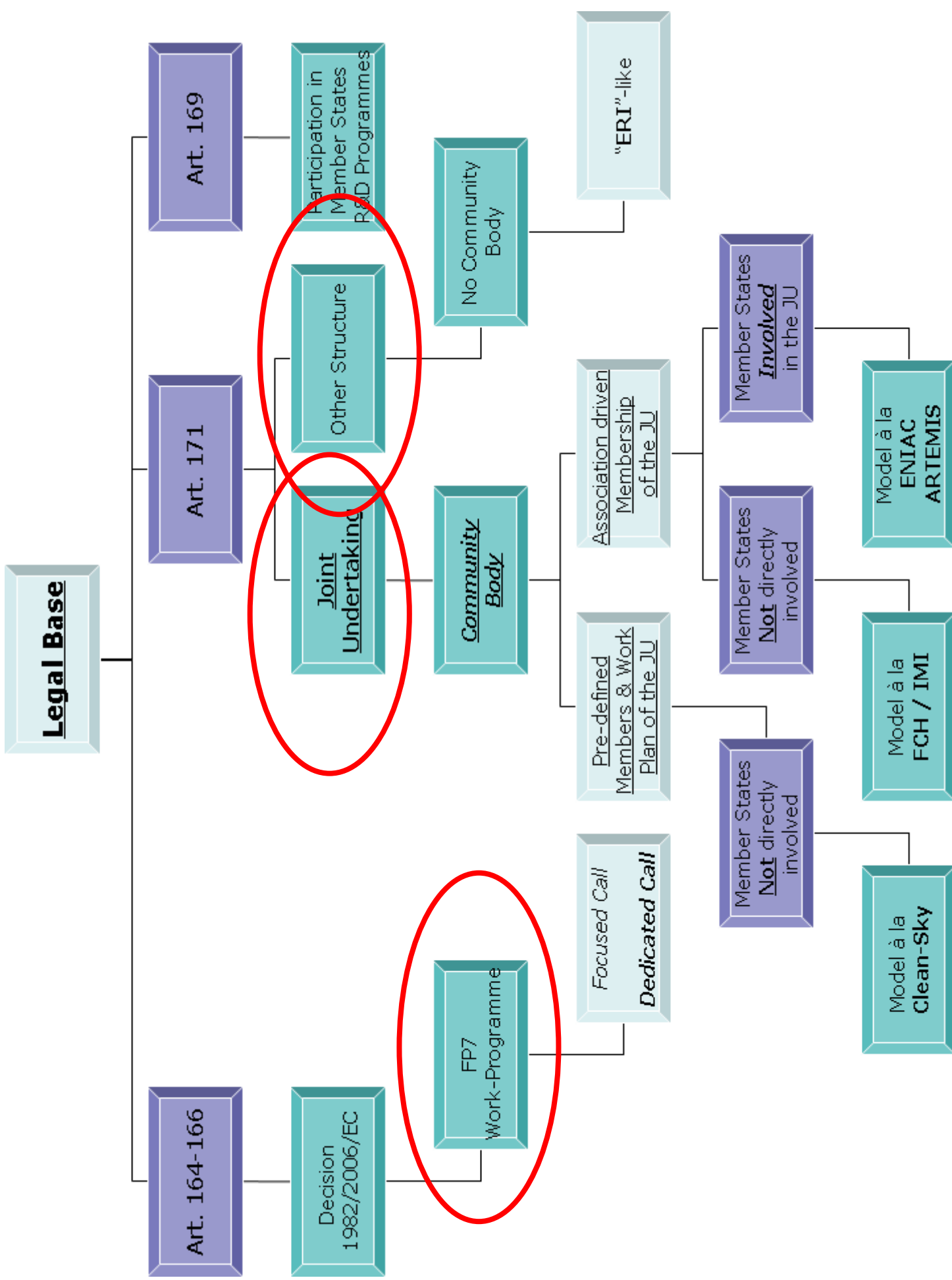
- Desk research, web, legal base, existing JTI,...
- Feature and option analysis
- Council Regulations, Commission Proposals, Impact assessments
- Interviews with people involved in setting up a JTI
- Draft report validation with stakeholders



PPP Features Analysed

- **Governance** (statutes, leadership, voting, core/founding members)
- **Operational model** (management, planning, decision making, staffing, reporting)
- **Membership** (nature and number of core participants, role of SMEs, associated members, openness, accession/cessation)
- **Advisory groups** (Scientific community, EU member countries, ...)
- **Conflict of Interest**, confidentiality/transparency
- **Coordination** with ERA, FP, national programmes, ...
- **Work programme**, calls for proposal, evaluation & criteria
- **Legal entity**, status, legal base, seat, legal commitments prior to set-up?
- **Financial, funding** (public funding model, rules, private funding model, funding of projects, funding of the organisation), relation to EIB, RSFF, financial regulation, VAT...
- **Intellectual property**, exploitation,
- **Ethical issues** (organisation/processes, research/proposals)
- **Set-up** phase & time-frame to become operational





Organisation forms ruled out

- **Organisational structures based on article 169 of the EU treaty**
 - Article 169 enable the Community to participate in research programmes undertaken jointly by several Member States.
 - Public-public type of funding body
- **European Economic Interest Groups** are designed to make it easier for companies in different countries to do business together, or to form consortia to take part in EU programmes.
 - Its activities must be ancillary to those of its members, and, as with a partnership, any profit or loss it makes is attributed to its members.
 - Although it is liable for VAT and employees' social insurance, it is not liable to corporation tax. It has unlimited liability. An EEIG cannot employ more than 500 persons.
- **Private company** forms such as limited liability companies such as GmbH or AG have been ruled out for similar reasons. While these forms provide great flexibility in organisational terms, they are subject to national law, also in terms of VAT regulation, social security and applicable tax regimes.



Organisation Forms Analyzed

- **Framework Programme 7**

- No legal status for FP7 projects, but Council regulations, decisions and EC decisions provide an effective, stable and known framework for European research cooperation
- **A PPP can be implemented using the legal and operational structures provided by FP7 (e.g. European Green Cars initiative, European Energy-efficient Buildings and Factories of the Future initiative)**

- **European Research Infrastructures (ERI)**

- Organisations set up to establish and operate a research infrastructure.
- Legal framework provides only for the participation of countries and Intergovernmental Organisations, i.e. a public-public partnership with limitations in terms of membership and scope.

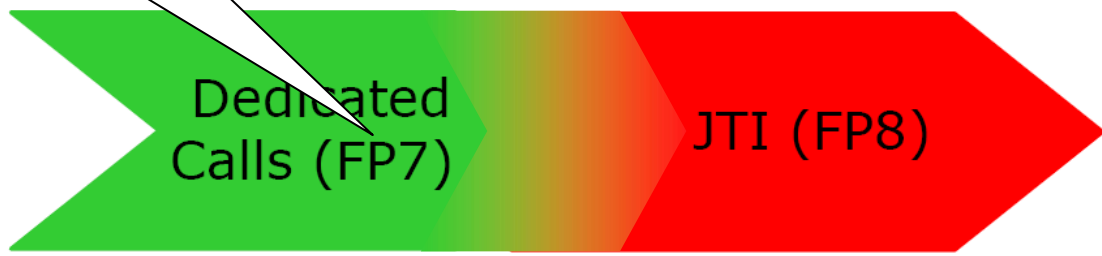
- **Joint Undertakings**

- Legal base for today's Joint Technology Initiatives (JTI's)
- **A PPP can be implemented with a dedicated legal and operational structure through a European Council regulation.**



Conclusion

Route of implementation also chosen by DG RTD



An Example for a Project type of JTI is CLEANSKY

An Example for a Programme type of JTI is ARTEMIS

- Precise objective in work programme
- Expected impact
- Expected stakeholders and actors
- Size → Partnership, duration, funding
- Instrument for implementation
- Tailored eligibility & evaluation criteria

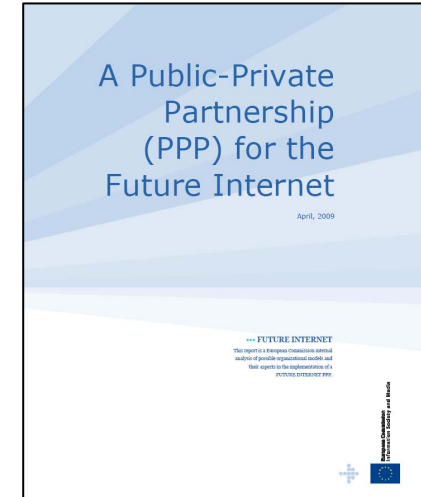
- **Project** type of action or **programme** type of action?
- Detail of ambition and technical objectives
- **Membership** (European Commission, EU Member Countries, Associations, individual organisations (companies, universities))
- Funding Model (income side & spending side)
- IPR Rules

Want to Know the full story?

- [The Report](#)

(http://ec.europa.eu/information_society/activities/foi/library)

- One stop-shop for:
 - PPP Option Analysis
 - Compilation of all relevant references



- Further reading:

- SEC(2007) 692 - on JTI's Background, State of play and Main Features
- SEC(2005) 800 - report on Report on ETP and JTI's to Boost Europe's Industrial Competitiveness

