

**CONTRACTUAL ARRANGEMENT**  
**SETTING UP A PUBLIC-PRIVATE PARTNERSHIP IN THE AREA OF**  
**FACTORIES OF THE FUTURE**  
**BETWEEN**  
**THE EUROPEAN UNION**  
**AND THE**  
**EUROPEAN FACTORIES OF THE FUTURE RESEARCH ASSOCIATION (EFFRA)**

The European Union, represented by the Commission, and the European Factories of the Future Research Association (EFFRA), the registered offices of which are in Diamant Building, Avenue Auguste Reyers 80, 1030 Schaerbeek, Belgium, hereinafter referred to as "the Private Side", (jointly hereinafter referred to as "the Parties"),

**CONSIDERING THAT:**

- The Horizon 2020 Framework Programme of the European Union for research and innovation<sup>1</sup> may be implemented through public-private partnerships taking the form of a contractual arrangement between the partners committed to support the development and implementation of research and innovation activities of strategic importance to the Union's competitiveness and industrial leadership;
- The Specific Programme Implementing Horizon 2020<sup>2</sup> has identified potential areas for establishing public-private partnerships;
- The Rules for participation and dissemination in Horizon 2020<sup>3</sup> apply to the indirect actions to be financed by the Commission in the context of this arrangement;
- The Commission Communication of 21 September 2011 on Partnering in Research and Innovation<sup>4</sup> recognises that public-private partnerships in research and innovation are a means of strengthening the Union's competitiveness in key areas of industrial research;
- In its Communication on "Public-private partnerships in Horizon 2020: a powerful tool to deliver on innovation and growth in Europe"<sup>5</sup>, the Commission has presented suitable areas for potential public-private partnerships based on contractual

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<sup>1</sup> Not yet published in the Official Journal.

<sup>2</sup> Not yet published in the Official Journal.

<sup>3</sup> Not yet published in the Official Journal.

<sup>4</sup> COM(2011)572

<sup>5</sup> COM(2013)494

arrangements, as well as the steps to be followed before they are launched, and one of these areas is Factories of the Future;

- The proposal received from the Private Side, which has been evaluated by Commission services assisted by independent experts, has been found to fulfil the criteria referred to in Article 19 paragraph 3 of the regulation<sup>1</sup> on Horizon 2020 Framework Programme for Research and Innovation]; the multi-annual roadmap provided in the Annex can be taken as the basis to develop the co-operation under the present arrangement;
- Pursuant to Article 3 of the Statutes of EFFRA, it shall engage in a public-private partnership with the European Union to promote and facilitate pre-competitive research on production technologies within the European Research Area;
- This contractual arrangement constitutes an agreement in which the Parties will make their best effort to achieve the objectives. Neither Party shall be liable under this arrangement towards the other Party.

#### RECOGNISING THAT:

- The respective responsibilities of the Parties in the aforementioned areas are mutually reinforcing,
- Due regard should be given to the respective competences and operational frameworks of the Parties,

#### HAVE DECIDED THE FOLLOWING:

1. SCOPE: A public-private partnership in the area of Factories of the Future, hereinafter referred to as “the partnership”, is established between the Parties by the present contractual arrangement, to be implemented in an open, transparent and efficient way. The general objectives of the partnership in support of Union policies, and in particular of the specific objectives of the Horizon 2020 Framework Programme and the EU Industrial policy, are the following:
  - Increase EU industrial competitiveness and sustainability in a global world through Research and Innovation activities for the timely development of new knowledge-based production technologies and systems:
    - Competitive & sustainable production plants;
    - Industrial automation, machinery and robotics;
    - Industrial software for design and plant management.
  - Promote EU 2020 targets of a smart, green and inclusive economy:
    - Energy-and resource-efficient manufacturing processes;
    - Socially-sustainable, safe and attractive workplaces;
    - High-tech companies involved in innovative manufacturing.

- Support EU Industrial Policy targets:
    - Raising the share of manufacturing in EU GDP from 16% to 20% by 2020;
    - Ensure technology transfer and training across manufacturing sectors.
2. **SPECIFIC OBJECTIVES:** The Parties intend to cooperate, on the basis of the multi-annual roadmap provided in the Annex, to develop, implement and support a multi-annual research and innovation agenda. The specific objectives of the partnership are the following:
- Research and Innovation to integrate and demonstrate at least 40 innovative manufacturing technologies:
    - 8 in High-tech manufacturing processes and systems (e.g. 3D printing);
    - 10 in Adaptive and smart manufacturing equipment (e.g. robots for SMEs);
    - 10 in Intelligent and holistic processes to increase production performance using ICT;
    - 4 in Collaborative and mobile enterprises (e.g. for locally-adapted production);
    - 6 in Human-centred manufacturing (e.g. designing the workplaces of the future);
    - 2 in Customer-focused manufacturing (e.g. to produce personalised products).
  - Research and Innovation leading towards environment-friendly manufacturing, with potentially:
    - Reduction of energy consumption in manufacturing activities (up to 30%);
    - Less waste generated by manufacturing activities (up to 20%);
    - Less consumption of materials (up to 20%);
  - Research and Innovation to develop approaches to reverse the de-industrialisation of Europe:
    - 8 new types of high-skilled jobs to increase industrial commitment to stay in the EU;
    - Innovation to raise industrial investment in equipment from 6% to 9% by 2020.
3. **ACTIVITIES, INVESTMENT and OUTPUTS:** The research and innovation activities to be co-funded under the Horizon 2020 Framework Programme in the scope of the partnership will be subject to the Horizon 2020 Rules for participation and dissemination. The Commission intends to allocate from the Union budget an indicative financial envelope of EUR 1150 million for the period of 2014-2020 for those research and innovation activities (namely, 700 million EUR from DG Research and Innovation and EUR 450 million from DG Communications Networks, Content and Technology). These allocations will be included in the periodic Horizon 2020 work programmes. The Private Side commits to engage the stakeholder community to invest funds in research and

innovation activities specific to the partnership domain both by complementing the Commission's support to the projects for the implementation of the research and innovation agenda within the Horizon 2020 Framework Programme, and to provide other outputs outside it, as mentioned in point 6 and in the Annex.

4. **GOVERNANCE:** The Parties will establish a Partnership Board as the main mechanism for dialogue to reach the objectives foreseen by this contractual arrangement. The Partnership Board will comprise members nominated by the Private Side, ensuring a proper representation of the wider community of stakeholders, and Commission officials representing the services in charge of the EU financial contribution to the actions to be funded under the partnership. The Partnership Board will establish its rules for procedure, based on a harmonised proposal provided by the Commission, covering inter alia issues related to confidentiality, transparency and avoidance of conflicts of interest. The Parties may also meet at high level to review the work of the Partnership Board, take stock of the progress achieved by the partnership and discuss further ways to enhance mutual collaboration. The Private Side will decide on its own governance structures and implement the appropriate consultation processes, based on openness and transparency, to ensure the adequate involvement of all relevant stakeholders in the preparation of the inputs to the Commission.
5. **SPECIFIC COMMITMENTS OF THE COMMISSION:** The Commission commits to duly consider inputs and advice from the Private Side in order to identify research and innovation activities to be proposed for financial support under the Horizon 2020 Framework Programme. For that purpose, the Commission commits to maintain regular dialogue with the Private Side during the preparatory phase of the drafting of the work programmes referred to in Article 5 of the Specific Programme. In this context, the Commission will ensure through the rules for procedure of the Partnership Board that the inputs and advice received from the Private side are developed through an adequate involvement of all relevant stakeholders and will put emphasis on the appropriateness of the Private side's governance structure regarding the openness to new members.
6. **SPECIFIC COMMITMENTS OF THE PRIVATE SIDE:** The Private Side commits to provide inputs and advice to the Commission to achieve the objectives of the partnership, in particular to contribute to the identification of research and innovation activities to be included in the Horizon 2020 work programmes in view of financial support following the calls for proposals. The Private Side also commits to the following:
  - Fostering the exploitation of the results in Europe to enhance the impact:
    - A leverage factor of investments for industrial deployment in the range of: 5 (manufacturing technologies, e. g. machining) to 10 (new technologies, e.g. 3D printing);
    - Invite open innovation around demonstration sites (strengthen start-ups and SMEs);
    - Give priority to technology development in Europe; look for opportunities for delocalised production within Europe (e.g. linked to EU regional activities – Smart Specialisation);
    - Facilitate that successful results go into standardisation (for fast market uptake);

- Disseminate successful results within and between sectors and across value chains through effective linking of participants (database, clusters, workshops, best-practice, etc.);
- Promote the use of the project results to develop product-enhancing services;
- Develop activities for training the trainers & the workforce, and to attract young people;
- Promote new business models and market development along the value chains;
- Encourage cross-sectoral cooperation in manufacturing;
- Work with other PPPs for proper alignment of goals and activities to ensure synergies;
- Support companies in pursuing new ways to exploit R&D results and new products;

The Private Side will provide evidence of fulfilling its commitment to the objectives of the partnership, addressing the key performance indicators, and ensure that the specific commitments expressed in terms of investments, as indicated in the Annex, are respected. The Private Side will invite the Commission to attend its General Assembly and other relevant meetings, subject to its own procedures.

7. **MONITORING:** With due regard to their respective competences, institutional settings and operational frameworks, the Parties will regularly inform and consult each other, as appropriate, in particular in order to monitor the progress of the partnership towards its objectives and to assess the impact of its activities and the leverage of additional investments. The key performance indicators will include the following:

- At PPP implementation level

- New systems and technologies developed in the relevant sectors;
- Participation and benefits for SMEs;
- Contribution to the reduction of energy use;
- Contribution to the reduction of waste;
- Contribution to the reduction in the use of material resources;
- New high-skilled profiles and new curricula developed;
- Private investment mobilised in relation to the PPP activities;
- Contributions to new standards.

- At project impact level

- Scale of reduction in energy, material resources and waste;
- Project results taken-up for further investments;
- Trainings for a higher quality workforce;
- Patents and activities leading to standardisation.

The Commission will regularly monitor the progress towards achieving the partnership objectives, for the duration of the contractual arrangement and for three years after its end, in particular on the basis of evidence to be provided by the Private Side.

8. APPLICATION OF THIS ARRANGEMENT: Any provision of this contractual arrangement takes precedence over the Annex. Any issues related to the interpretation and implementation of the present arrangement will be decided upon in consultation by the Parties. Amendments to this arrangement may be requested by any of the Parties by registered letter.
9. DURATION AND REVIEW: This contractual arrangement enters into force as from 1 January 2014 and will remain in force until 31 December 2020. Any of the Parties may communicate by registered letter at any time the motivated intention to terminate this arrangement. The termination will be effective three months after the sending of this letter. No later than 30 June 2017 the Commission intends to undertake, with the assistance of independent experts, a review covering the performance of the partnership and the progress towards its objectives. On the basis of the review, the Commission may request amendments to this contractual arrangement or decide its termination. A final review will also be undertaken before the end of Horizon 2020.
10. ANNEX: Multi-annual roadmap for the partnership.

Done in duplicate at Brussels on 17 December 2013.

FOR THE EUROPEAN COMMISSION

FOR EUROPEAN FACTORIES OF THE  
FUTURE RESEARCH ASSOCIATION



Neelie KROES

Vice-President in charge of Digital Agenda



Maurizio GATTIGLIO

Chairman



Máire GEOGHEGAN-QUINN

Commissioner for Research, Innovation and  
Science



Massimo MATTUCCI

Co-chairman