



**COUNCIL OF
THE EUROPEAN UNION**

Brussels, 4 December 2006

15504/06

**RECH 323
COMPET 346**

INFORMATION NOTE

from : Commission
to : Competitiveness Council
Subject : Joint Technology Initiatives and Article 169 Initiatives
- Update on State of Play

The purpose of this note is to inform the Competitiveness Council on recent developments regarding Joint Technology Initiatives (JTIs) and initiatives under Article 169 of the Treaty.

In its proposal for FP7, the Commission proposed new ways to support trans-national cooperation in research and development with a view to addressing European social, economic, environmental and industrial challenges. These include public-private partnerships in the form of JTIs and initiatives set up under Article 169 of the Treaty.

The Commission is working with the relevant actors to prepare proposals under these initiatives. At the Competitiveness Council of 30 May 2006, Commissioner Potočník announced that a roadmap would be presented for each of these initiatives. The roadmap non-papers were presented to the Member States at the Research Working Party on 9 and 23 November.

JTIs

JTIs are a novel form of realising public-private partnerships in the field of industrial research and development at European level. They arise primarily from the work of European Technology Platforms (ETPs). In a small number of cases, ETPs have achieved such an ambitious scale and scope that they require the mobilisation of high public and private investments as well as substantial resources to implement all or parts of their Strategic Research Agenda.

The Commission set out a number of identification criteria for JTIs in its proposal for FP7. These were elaborated on in its report for the June 2005 European Council, which specifies the identification process and the potential implementation modalities for JTIs. The criteria include:

- strategic importance of the topic and presence of a clear deliverable;
- existence of market failure;
- concrete evidence of Community value added;
- evidence of substantial, long-term industry commitment;
- inadequacy of existing Community instruments.

Based on these criteria, FP7 identifies six areas where the setting up of a JTI could be of particular relevance: Hydrogen & Fuel Cells, Aeronautics and Air Transport, Global Monitoring for Environment and Security, Innovative Medicines, Embedded Computing Systems, Nano-electronics Technologies 2020. These areas are reconfirmed in the roadmap non-paper.

Significant progress has been made in developing these proposals and in demonstrating that they meet the identification criteria.

A Joint Undertaking under Article 171 of the Treaty is the most appropriate structure for the setting up JTIs. A Joint Undertaking offers the advantage of creating a strong and efficient coordination mechanism, able to structure and handle contributions coming from different sources.

To ensure that the proposals are complete and of a sufficiently high quality to allow the Council to make a decision, the roadmap non-paper identifies three areas which are considered key to the success of JTIs where further information is required from industry:

- Additionality: How can it be demonstrated that the setting up of the JTI will lead to additional efforts undertaken by industry?
- Market failure: What is the extent of the market failure in the area addressed by the JTI and how does this justify the intervention of Public Authorities at European level?
- Governance: What will be the decision-making and management bodies of the legal entity? How will these bodies be organised?
- Role of Member States: For those potential JTIs which foresee the involvement of Member States as founding members, the role of Member States in the JTI decision-making process must be clarified so that national financial contributions enhance the impact of the JTI and reinforce the principles of scientific excellence and industrial relevance without regard to national financial return in relation to the FP7 financial contribution. Dependence on the financial commitment of Member States should not lead to re-nationalisation of research efforts in these areas.

In addition, the Commission services will carry out an analysis of the social and economic effects of each JTI. These two sources of information will provide the basis for an Impact Analysis, which will accompany the legislative proposal.

The Commission expects to put the first JTI proposals to Council in early 2007. The number of proposals to be brought forward in 2007 will depend on the level of preparedness of the individual JTIs.

The roadmap non-paper indicates that, based on analyses to date, the JTIs on Innovative Medicines and Embedded Computing Systems appear at this point in time to be in a state of preparation which could enable them to be put to Council in early 2007. However, no final decision has been taken.

Article 169 Initiatives

Under Article 169 of the Treaty, the Community supports the integration of national research and development programmes by participating in joint programmes undertaken by several Member States. This goes beyond a simple coordination of programmes as it implies integration at the scientific, management and financial levels.

FP6 saw the first application of Article 169 through the "European and Developing Countries Clinical Trials Partnership" (EDCTP). This represents an important learning experience, which has provided critical input in developing the criteria for initiatives under Article 169 of the Treaty under FP7.

Based on these criteria, four potential initiatives are identified as a first phase in the Commission's proposal for the Specific programmes:

- "AAL", a joint research programme on "Ambient Assisted Living";
- "Bonus-169", a joint research programme in the field of Baltic Sea research;
- "EMRP", a joint research programme in the field of Metrology;
- "Eurostars", a joint research programme for research performing SMEs and their partners.

The roadmap non-paper confirms the criteria for identifying potential initiatives under Article 169 of the Treaty and highlights three boundary conditions which increase the chances of success and which must be met if the Commission is to present the proposals to Council:

- scientific integration (common planning and evaluation);
- management integration (a dedicated management structure);
- financial integration (towards a common pot).

Based on experience with EDCTP, financial integration is considered to be of particular importance. Therefore, initiatives under Article 169 of the Treaty must ensure a multi-annual financial commitment of the participating countries from the outset.

The Commission will only bring forward proposals to Council which demonstrate that the commitment and plans to achieve full scientific, management and financial integration are adequate.

The roadmap non-paper confirms the four potential initiatives identified in the Commission's proposal for FP7 as being the most advanced. Of these, "Eurostars" and "AAL" appear to be the most advanced. The Commission aims to bring forward the first proposals to Council in early 2007.

Next steps

In line with the steps described in the roadmap non-papers, the Commission is finalising details of initiatives under Article 169 of the Treaty and JTIs with a view to presenting high quality proposals to Council as soon as possible.
