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Industry and research associations' position on EU Institutional Public Private Partnerships in Research and Innovation

Foreword

This paper represents the common position of 5 industry associations and partners (Hydrogen Europe, ASD, BIC, EFPIA and UNIFE) involved in 6 EU institutional Public Private Partnerships (IPPP¹) (under the legal structure known as Joint Undertakings (JUs)), collectively representing 453 companies and 48 national associations, supplemented by 218 RTOs and university associations².

In the context of the H2020 Programme midterm review, the P. Lamy report, the upcoming Bohemia study, and initial reflections around the future European Research and Innovation (R&I) Framework Programme 9 (FP9 from 2021 to 2027), IPPP industry and research association members and partners hereby wish to highlight that EU IPPP programmes demonstrate unmatched value added materialized by high effectivity, attractiveness and competitiveness.

The IPPP instrument effectively structures sectors around strong ecosystems that deliver impactful programmes and innovations leading to European market growth, job creation, enhanced international competitiveness and benefits to society. As a result, we hereby strongly recommend maintaining the IPPP instrument in FP9.

Institutional Public Private Partnership (IPPP): a high value added funding instrument

1. IPPP foster strong and innovative ecosystems

- a. IPPP build strong sectoral ecosystems that bring together a wide range of industry players; from start-ups to large industrial players; covering multiple sectors (transport, energy, bioeconomy, health) representing entire European supply chains. Alongside industry players, EU institutions, academia, end-users, stakeholders and consumer organisations collectively share risks and rewards in R&I technology development. IPPP notably attract many innovative SMEs, RTOs and academia; as high as 35%³.
- b. IPPP ecosystems generate new cross-sectoral and industry-academia collaborations, increased cooperation, confidence and synergies across regions and countries, knowledge creation, dissemination of innovation, technology transfer and increased industrial competitiveness across European markets.

2. IPPP implement long-term strategies with impactful results

- a. IPPP bring together public and private partners who collaborate to align long term public policy delivery objectives and private sector growth imperatives to foster innovation and new business models.
- b. Through long term 10-year sector implementation plans and coherent yearly programme implementation, IPPP deliver impactful programmes spanning entire

¹ Whilst, IPPP share many common characteristics, we would like to emphasise that from one IPPP to the next, attributes may differ in terms of structure and impact.

² As per official membership of IPPP.

³ Commission Staff Working Document, interim evaluation of Horizon 2020, SWD (2017) 221 final, Brussels, 29.5.2017, page 296.

product development cycles, with steady TRL increase, from product research to demonstration.

- c. IPPP demonstrate tangible technological developments that lead to faster product deployment, increased market uptake and scaling-up.
- d. IPPP ultimately benefit society by accelerating access to innovation and answering unmet societal needs.

3. IPPP effectively implement R&I programmes and projects

- a. IPPP produce high quality service to beneficiaries and the general public thanks to IPPP own staff's high dedication, sector expertise and centralised knowledge management. They also play a key role in project results' dissemination through JU websites, scientific publications, annual activity reports, social media and organization of bespoke events and workshops.
- b. IPPP are efficient R&I programme financial managers. Through high transparency, accountability and yearly reporting obligations, IPPP provide strict budgetary planning and adherence to annual and long term 10-year programme budget provisions.
- c. IPPP ensure high timeliness in project delivery and quality through high project accountability (transparency, liability, controllability, and responsibility measured by dedicated KPIs) and ecosystem peer pressure.

4. IPPP demonstrate high socio-economic impact and global competitiveness

- a. Through demonstration and flagship projects, IPPP not only support product deployment but also keep investments in Europe and some IPPP also attract investments in innovation from outside the EU.
- b. IPPP programmes often spill over by attracting new players to value chains who provide additional knowledge and resources. This leads to new market growth but also concrete business opportunities by bringing together manufacturers and suppliers with potential end-users.
- c. By building innovative European products and value chains, IPPP create EU sectoral competitive advantages which lead to increased exports, market shares and global competitiveness; thus positioning the EU as an R&I centre of excellence and a global market leader.
- d. High industry participation and investment in IPPP projects leads to high economic leverage. IPPP yield high return on public investments by pooling assets and attracting unmatched investments in EU projects with high in-kind additional activities and investments⁴ to the sector. Private investments currently exceed legal obligations set by IPPP regulations with a cumulative amount of €8 billion⁵ (for €5.8 billion euros of EU funding) translating an average cumulative 1.4⁶ leverage effect.
- e. Whilst our sectors cumulatively represent 6.2 million employees, IPPP contribute to European industry resilience, by retaining jobs and creating new jobs. They therefore contribute to the Juncker Commission's first priority designed to increase jobs, growth and investment, and also go beyond this by contributing to many other macro-economic, health and social policy priorities including: the digital single market; energy union and climate; the internal market; as well as making the EU a stronger global actor.

⁴ Private additional investments outside the scope of the IPPP programme, which contribute to its objective.

⁵ Commission Staff Working Document, interim evaluation of Horizon 2020, SWD (2017) 221 final, Brussels, 29.5.2017, page 308.

⁶ *ibidem*