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MEMO

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Contractual partnerships with industry in research and innovation

Why is the European Commission proposing research and innovation partnerships with the private sector under Horizon 2020?

Partnerships in research and innovation address strategic technologies that will underpin growth and jobs in key sectors of a knowledge-based European economy and also target important societal challenges.

What are these partnerships about?

The Public-Private Partnerships take the form of contractual arrangements (cPPPs) between the European Commission and representative industrial associations for key sectors of Europe's economy. In this way, the EU and industry will provide vital funding for research and innovation activities in sectors which are essential to Europe's industrial leadership.

The documents signed today set out commitments over a seven year period for both the EU and the industrial partners. The cPPP's implement industry-defined strategic research and innovation agendas through co-funded projects selected through Horizon 2020 calls for proposals. The cPPPs will therefore bring together companies, universities, research laboratories, innovative SMEs and other groups and organisations around major research and innovation challenges.

These cPPPs complement the five Joint Technology Initiatives research and innovation partnerships launched in July 2013. ([IP/13/668](#) and [MEMO/13/669](#)).

What will these partnerships focus on?

The Commission has committed under Horizon 2020 to partnerships with industry in the form of contractual Public-Private Partnerships (cPPP) in eight areas:

- **Factories of the Future (FoF)**, to support the manufacturing industry through the development of sustainable production technologies and systems ([Link to factsheet](#))
- **Energy-efficient Buildings (EeB)**, to increase the competitiveness and energy efficiency of the construction industry ([Link to factsheet](#))
- **European Green Vehicles Initiative (EGVI)**, to develop a competitive and resource efficient transport system with significantly less CO2 emissions ([Link to factsheet](#))
- **Sustainable Process Industry (SPIRE)**, to make the process industry more resource- and energy-efficient ([Link to factsheet](#))
- **Advanced 5G network infrastructure for the Future Internet (5G)**, to stimulate the development of network internet infrastructure to ensure advanced ICT services for all sectors and users ([Link to factsheet](#))
- **High Performance Computing (HPC)**, which plays a pivotal role in stimulating Europe's economic growth and advancing European science ([Link to factsheet](#))
- **Robotics**, a key driver of industrial competitiveness and essential to address key societal challenges in areas such as demographic change, health and well-being, food production, transport and security ([Link to factsheet](#))
- **Photonics**, one of the key enabling technologies for our future prosperity and an essential element of many sectors, from energy efficient lighting and health, to optical data communication, laser based manufacturing and sensing for safety and security ([Link to factsheet](#))

What are the benefits for Europe?

The eight cPPPs represent millions of companies, employing directly tens of millions of people and the majority of European industrial activities. By making better use of financial, human and infrastructure resources in the addressed sectors they should make funding more efficient and help get innovative technologies faster to the market. They should also make Europe a more attractive location for international companies to invest and innovate. The partnerships contribute to meeting many EU objectives, including investing 3% of GDP in R&D and raising manufacturing's share of the economy to 20% by 2020.

Who can participate in these Partnerships?

The contractual Public-Private Partnerships are fully integrated in Horizon 2020 and will follow the Horizon 2020 rules and procedures. Projects will be selected through competitive calls which are fully open to companies, including SMEs, universities, research organisations and others. Although the calls will reflect the Strategic Research Agenda being developed by the industrial associations through the cPPP, calls will be open to all and any interested parties. The first [calls for proposals](#) were published on 11 December 2013.

What will be the budgets of these partnerships?

The Commission and the representative industrial associations have agreed an overall indicative budget for 2014-2020. Budgets will be formalised on an annual basis in the Horizon 2020 work programmes. For the whole seven year period, EU funding is expected to be in the order of € 6.2 billion, divided as follows:

- €1.15 billion for Factories of the Future
- €600 million for Energy-efficient Buildings
- €750 million for European Green Vehicles Initiative
- €900 million for Sustainable Process Industry
- €700 million for 5G networks for the Future Internet (€125 million in 2014-2015)
- €700 million for High Performance Computing (€142 million in 2014-2015)
- €700 million for Robotics (€157 million in 2014-2015)
- €700 million for Photonics (€ 156 million in 2014-2015)

Industry has pledged to complement these amounts with private investment in the order of three to 10 times the level of public funding, with related activities included.

How will industry make commitments to the Partnerships?

Industry partners will make direct financial contributions when participating in the projects financed under the cPPPs, following the conditions of the call. Industry will meet around 50% of the costs of Horizon 2020-funded cPPP projects but the bulk of industry's investment and leveraged funds in the cPPP will be through other channels

Industry will commit to achieving a number of economic and societal objectives and, in leveraging the direct funding of the cPPPs with further investments, introducing the new technologies into the market place. These commitments are formulated in the form of key performance indicators (KPIs) which will be regularly monitored.

Are these partnerships a new idea, will they work?

Four of the cPPPs partnerships were started and proved successful under FP7. Three of them, Factories of the Future, Energy-efficient Buildings and the European Green Cars Initiative, were created as a reaction to the economic crisis and were part of the EU's Economic Recovery plan (see [IP/09/520](#)), soon followed by Future Internet in July 2011 (see [IP/11/525](#)).

The cPPPs being launched today redefine and re-establish the existing initiatives with new objectives and financing under Horizon 2020 and will set up four new cPPPs.

The three cPPPs which ran under the EU's 7th research framework programme (FP7) attracted a high level of industrial participation, including that of SMEs.

What have the current PPPs achieved in FP7?

Under the Seventh Framework Programme (FP7), 366 projects were launched within the three PPPs included in the recovery plan. These projects involved 4 409 participations by research teams and received a total combined investment – from the EU and from the private side – of €2.4 billion. The Future Internet PPP initiative has mobilised €600 million, supporting more than 1,000 SMEs and web entrepreneurs to build innovative Internet services and applications.

What will be new under Horizon 2020?

The new cPPPs are based on the new objectives under Horizon 2020. They incorporate major simplifications resulting from Horizon 2020, including simpler financial rules. The industry commitments to the cPPPs are significantly higher than in FP7 and include additional activities that will be solely financed by the industry partners, in particular to help ensuring the effective deployment of the new technologies.

When will the new Partnerships start?

With the undersigning of the contractual arrangements on 17 December 2013, the process of establishing the new cPPPs formally ended. The first projects are expected to start in the 2nd half of 2014 and early 2015 for the 5G PPP.

Useful links:

[Horizon 2020](#)

[Contractual public-private partnerships \(cPPPs\) in research and innovation](#)

External websites

Factories of the Future PPP

- [European Factories of the Future Research Association \(EFFRA\)](#)
- [Manufuture Technology Platform](#)

Energy-efficient Buildings PPP

- [Energy-Efficient Buildings Association \(E2BA\)](#)
- [European Construction Technology Platform](#)

European Green Vehicles Initiative PPP

- [European Green Cars Initiative \(ECGI\)](#)
- [The European Road Transport Research Advisory Council \(ERTRAC\)](#)

Sustainable Process Industries PPP

- [Sustainable Process Industry \(SPIRE\)](#)

Advanced 5G Network infrastructures for the Future Internet

- [Net!Works Technology Platform](#) (association site under construction)

High Performance Computing (HPC) PPP

- [European Technology Platform for High Performance Computing](#)

Photonics PPP

- [Photonics21 European Technology](#)

Robotics PPP

[euRobotics aisbl](#)