Strategic Initiative

Lisbon, 7 December  2010
Synthesis of Council decisions on 17 June 2010 (Resolution)

Council decision on:

- Lower limit for cumulative return coefficient: 0.95 at end 2012
- Lower limit for cumulative return coefficient: 0.96 at end 2014
- Discontinuation of statistics at end 2014
- Set-up of Strategic Initiative (100 MEUR at 2010 e.c. to be implemented in five years)
Strategic Initiative: what is not

• A “pure” technological programme
• A bank
• A one man-show
Strategic Initiative: what is

• “Strategic” since based on principle to find remedies at industrial root (create/reinforce industrial base)
• With the aim to identify and implement structural, sustainable industrial activities (medium/long term)
• Designed to avoid compensations at end-2014
• Controlled by IPC (work plans to be approved, expenditure to be controlled,…), as decided by Council
• Six countries declared eligible (AT, DK, FI, IE, NO, CH), with list possible to be revised by IPC decision
• It works like a tax on all programmes and activities of the Agency (some 0.7%) with no increase of CACs
• Leverage principle: co-funding by programmes
• Stems from successful implementation of the 35 MEUR Special Initiative decided in 2008-2009
• Element of pro-active management of return matters

→ Results for tomorrow (first concrete achievements in ~2 years, then in ~4 years, corresponding to the interim and final reviews as per Annex V to the Convention)
How: Internal organisation RES

• Programme-like approach within D/RES (RES-PX)
• Joint RES/TEC team, gathering all similar experiences:
  – Programme Manager
  – Coordinator for Str. In.
  – Coordinator for SME activities
  – Project Controller
  – Technical engineers TOs in TEC and programmes
• COs in RES-PP
How: relations with programmes

- Programmes will be the originators of most structural actions (to be found with them, because measures are/will be useful for their programmes)
- Industrial Policy Inter-Directorate WG (IPI) to be changed/reinforced from technical/programmatic points of view (interests of large missions to be represented)
- Co-funding by programmes is the rule: typically 50/50 (leverage effect!)
- High TRL products to be looked at, in conjunction with programmes and with co-funding by Str. In. and GSTP/ARTES (product policy)
- Competition to be looked at wherever possible
How: relations with MS/ Industry

- **Governance:** via IPC:
  - Implementation plan (October 2010)
  - Work plans 3 times a year (approval sought: first in November 2010)
    - Progress report at each IPC (including budget execution)
  - Normal ESA R&R apply (e.g. procurement)

- **Steering Committee** in place (3 meetings held): to discuss priorities of eligible MS, evaluate co-funding, follow-up contractual implementation for each eligible MS,…

- Close tights with eligible or to be elected countries (focal point defined by each of them within Steering Committee)

- Joint approach (with programmes) to industry of eligible States

- **LSIs and large companies’ involvement** (they have accepted, and are actively performing):
  - Test case on going for Norway (very promising)
  - Pace to be accelerated (a few weeks for concrete proposals instead of many months)

- **Coordination with countries hosting large companies**
How: programme approach

• Major actions of Strategic Initiative (can be tailored per country):
  – ~60% in Best Practices (co-funded up to 50% by Strategic Initiative)
  – ~30% in programmes’ work plans (published or internal) (co-funded at 50% by Strategic Initiative)
  – ~10% for exploratory activities (AOs, activities for specific cases,…), covered up to 100% by Strategic Initiative
  – SMEs are the industrial base of most eligible countries, with one remarkable exception: RUAG (tri-national impact):
    – Training needs (with TEC, RES-PP, RES-PI)
    – Specific measures (see MIRTEC and Resolution on SMEs)

• Involvement of Str. In. to be clearly identified in ITTs
• In order to cope with schedule slippage, plans for each eligible State will include over-planning
• Business case (demonstration that activities are structuring, even in typical one-off programmes like Science or Exploration)
• Activities to be selected in all domains, wherever opportunities exist
• Activities to be discussed with/decided by RES-PX team, before submission to IPC
• Shares of contracts outside eligible States: allowed if helping the objectives
• Competition/restricted competitions to be the rule
How: procurement approach (1)

• AOs (fully funded by Str. In.):
  – Clearly intended for a specific country, following known rules and procedures
  – Possibility to ask for a complete proposal after selection of outline proposal (not a general rule)
  – Present AOs in SI (DK, IE, NO) targeted to space science; future AOs targeted to earth science? Interest to be discussed with programmes
  – Additional interests: AOs on specific subjects, open to all Str. In. countries (competition).

• Targeted exploratory activities (usually funded 100% by Str. In.):
  – DN or RC (in one country or within eligible States)
  – Possibility of unsolicited proposals: to be treated according to R&R
  – Specific work plans in RC (e.g. in downstream sector)
How: procurement approach (2)

- Activities stemming from programmes’ work plans (co-funded 50/50):
  - No constraints for mission/system studies
  - For selected techno activities, preference to RC in eligible States, when feasible
  - In case of open competition, participation of eligible States allowed, in selected cases, with modified preferential clause (only criterion: quality, score 55) (to be simplified or waived for small activities)
  - Frame contracts: adapted preferential clause as above, at frame contract or work order level
How: procurement approach (3)

- For large missions (co-funded by Str. In. up to 50%):
  - Return requirements are applicable
  - Motivation for Prime to make recourse to Str. In., in agreement with ESA
  - A priori selection by Prime of activities per eligible country in Industrial Procurement Plans (DN, RC)
  - Stimulus: competition → adoption of the preferential clause with 55 and competitive price; std sentence to be used by Prime in all its ITTs in Best Practices
  - Final selection in Senior Procurement Board (SPB) if complying with needs
  - SPBs can always decide for DNIs (no change)
  - Selection of Str. In. activities:
    - Must be really strategic for the eligible country
    - Must be an additional effort wrt normal return requirements
Conclusion

- StrIn has been put in place in an extraordinary short time frame
- It is a revolutionary method to look for structural activities whilst favouring competition
- It aims at first results in two years from now
- It is a tool which can be adapted to other countries, should the need arise
- Decision is with IPC
- First assessment: mid-2011
Thanks