

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 ties 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 DNs (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