

STRATEGIC INITIATIVE

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SUMMARY OF COUNCIL DECISION

(RESOLUTION No 17 of JUNE 2010)

- Strategic Initiative (StrIn) to be implemented within five years (2010-2014), with a budget of 100 MEUR at 2010 e.c.
- 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

(Stems from successful implementation of the 35 MEUR Special Initiative decided in 2008-2009)

StrIn CHALLENGES

1. To help the targeted countries recovering their geo-return balance and to avoid compensation schemes by 2014
2. To foster and support **sustainable and structuring industrial activities** within these countries, that will secure their future participation at a level commensurate to their contributions, without further need for special measures.
3. **Results need to be obtain ASAP** (first concrete achievements should be within the first 2 years (**1y has already elapsed!**)), then in ~4 years, corresponding to the interim and final reviews as per Annex V to the Convention)

ELIGIBLE MS & FUNDING

- Presently 6 (six) countries are eligible (**AT**, **DK**, **FI**, **IE**, **NO**, **CH**), but list to be regularly reviewed by IPC decision
- The 100 MEUR (about 20 MEUR/y are funded on the basis of a tax on all programmes and activities of the Agency (about 0.7%, with no increase of CACs)
- Plus a TBD amount thanks to a leverage principle. Indeed, co-funding of most of activities by programmes is the rule: typically 50/50 (no co-funding = no StrIn funding, and no possibility to recover the tax paid by the programmes)

StrIn GOVERNANCE

- IPC controls the expenditures, and approves the activity work plans:
 - ✓ Work plans submitted 3 times a year
 - ✓ Progress report at each IPC (including budget execution)

- A Steering Committee comprising representatives of eligible -or to be elected countries- acting as focal points, help defining the priorities of the different countries, and to follow-up the implementation of activities therein.

- A permanent coordination with countries hosting large companies, with involvement of LSIs and large companies, but pace needs to be accelerated to obtain a concrete proposal within a few weeks instead of months presently: test case on going for Norway, Mtg with AT, CH, SE delegations & LSIs being organised

PROGRAMMATIC APPROACH

- A programme-like approach under RES remit, but involving actors from ESA directorates & Programmes. However, activities' selection decided by StrIn team, neither by programmes nor by delegations, before submission to IPC
- A coherent and coordinated approach to industry of eligible States through StrIn, by ESA Programmes who will be the originators of most structural actions as results are in general useful for them.
- High TRL products will be considered in conjunction with product policy and the needs of programmes; co-funding by StrIn, GSTP, ARTES, etc.
- Involvement of StrIn clearly identified in ITTs ; Normal ESA R&R apply and Competition/restricted competitions to be the rule whenever possible;
- Shares of contracts outside eligible States allowed if helping the objectives
- In order to cope with schedule slippage, plans for each eligible State will include over-planning

FRAMEWORK FOR StrIn ACTIONS

As a general remark, activities can be selected in all domains, but each of them needs to represent a business case (demonstration that its is structuring, even in typical one-off activity like in Science Programme or Exploration)

The activities will be issued within different frameworks:

- 60% in Best Practices (co-funded up to 50% by StrIn)
- 30% in programmes' work plans (published or internal) (co-funded at 50% by StrIn)
- 10% for exploratory activities (AOs, activities intended for a specific country, following known rules and procedures, covered up to 100% by StrIn)

The procurement approaches for the different categories are detailed in the next slides

PROCUREMENT APPROACH

For Exploratory activities (100% funded)

- 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)
- Possibility to ask for a complete proposal after selection of outline proposal (not a general rule)
- Specific AOs involving DK, IE, & NO targeted to space science;
- AO of interest to your community targeting EO and including 3 main fields, all of them of interest to ESA EO Programme.
- Other AOs on specific subjects open to all StrIn countries when relevant .

PROCUREMENT APPROACH

For actions stemming from Programmes' WP (50% funded)

- 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 (criterion: quality, score at least 55) (to be simplified or waived for small activities)
- Frame contracts: adapted preferential clause as above, at frame contract or work order level
- No StrIn involvement in missions' or system studies

PROCUREMENT APPROACH

For actions in Best Practices (large Missions) (50% funded)

- Return requirements are applicable
- Motivation for Prime to use StrIn framework in agreement with ESA
- A priori selection by Prime of activities per eligible country in IPPs (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
- Selection in SPB in compliance with needs; SPBs can also decide for DNs
- Selection of StrIn activities:
 - ✓ Must be really strategic for the eligible country
 - ✓ Must be an additional effort wrt normal return requirements
- On going missions and programmes: we stay with the intervention of SPB, with possibility of StrIn intervention

CONCLUDING ADVICES

StrIn has to bring first results by end 2012, and full results by end 2014 !
This time pressure imposes a few constraints on us, but also on you:

- Once you have obtained a Contract, avoid endless CCNs and hesitations on routes to explore and technologies to test
- Only structuring/sustainable actions will be selected, with competition at stake
- General priority is given to activities in Best Practices, then other activities fitting within ESA programme priorities to raise interest and justify co-funding by them.
- Avoid activities outside programme plans (unsolicited proposals...): it is likely that programmes will not co-fund, and the activity is rejected
- Final decision for inclusion in StrIn work plan is with ESA Executive
- LSIs are clearly willing to help

Results will only be obtained thanks to all industrial actors, but mainly thanks to you, industries of StrIn countries, and thanks to the choices you will make.