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FCS/85/285

MINISTER OF STATE FOR INDUSTRY AND INFORMATION TECHNOLOGY

EUREKA Progress and Prospects

*will request of requirements*

1. Thank you for your letter of 29 October and the report by officials "EUREKA Progress and Prospects".
2. I agree with the line you propose, subject to one comment. Like you I am conscious that we will have a direct responsibility for carrying EUREKA forward in the first half of next year, but shall need to make it clear, both to industry and to our partners, that we intend to make practical progress. We shall need to concentrate on key areas like standardisation, Eurotype and public procurement.
3. I am reluctant therefore to acknowledge or concede the need to establish "a Secretariat". We do not want to set up new bureaucratic bodies without real tasks - particularly when such a step can all too easily be seen as fulfilling the purpose of the exercise. I would on the other hand be content to accept the idea of a small task force, drawing on Commission expertise and supplemented as necessary from non-EC countries. Such a thing could be given a limited life and a

/specific



specific purpose - and to be staffed by redistribution of the activities of existing officials. This would prevent it having a paper-generating life of its own. Its task would be to work, yeast-like, for the Eurekaification of existing agencies and functionaries.

4. I am copying this minute to the Prime Minister, to other members of OD(E), Keith Joseph, Peter Walker, Michael Heseltine, Nicholas Ridley, as well as to Sir Robert Armstrong and Sir Robin Nicholson.

A handwritten signature in dark ink, appearing to be 'G. Howe', written in a cursive style.

(GEOFFREY HOWE)

Foreign and Commonwealth Office

4 November 1985



CCPC



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From the Minister of State  
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The Rt. Hon. Sir Geoffrey Howe QC MP  
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29th October 1985

EUREKA: PROGRESS AND PROSPECTS

I enclose a note on "EUREKA: PROGRESS AND PROSPECTS", looking towards the Ministerial Conference that we shall both be attending in Hanover next week.

We have had a clear central objective throughout: to use the EUREKA initiative to help to improve our - and Europe's - technological performance by encouraging industrial collaboration to produce advanced technology goods and services capable of capturing major shares of world markets and by exerting further pressures towards securing an integrated European market.

We have made some encouraging progress with our European partners towards shaping EUREKA to accord more with our judgement of what is required. Although a good deal remains to be done, there is now a reasonable prospect of establishing a framework which should improve the opportunities for our companies to join with their European counterparts in profitable, market orientated collaborative ventures.

It is also helpful that in the six to eight months following the Ministerial Conference we shall be acting as "lead" country and to that extent will have many of the reins in our own hands. We should certainly exploit the opportunities that will give us along the lines indicated in paragraphs 39 onwards of the Note to secure our objectives. In particular, we must aim to put into practice the suggestion originally made by our own businessmen of "industrial fora" as a means by which industrialists can decide among themselves and for themselves what projects should be pursued under EUREKA.

As for Hanover itself, our companies are now beginning to come forward with solid, worthwhile, proposals. Projects that we might be able to announce include at least the following:

- (1) Acorn/Olivetti/Thompson: European standard for micros for use in schools.



(ii) European Silicon Structures: a new Pan European custom chip company.

(iii) Plessey Matra: wide band (telecommunications) switching.

(iv) CO2 laser project: Ferranti; LK Lasers; Fairey; Welding Institute plus French, German and Italian interests.

(v) collaboration between BAe; Aerospatiale; Aeritalia; MBB and CASA in various fields.

(vi) STC/GEC/Thomson/Siemens: interactive home systems.

These are current possibilities. The situation on projects changes daily, and we shall not be able to take a final decision until immediately before the Conference.

As one would expect, there are a number of issues that could arise at Hanover which will require careful handling.

The Germans, for internal political reasons, will wish the Conference to make a presentational impact. They may seek to achieve this by announcing the provision of large sums of public money for EUREKA and/or long head-line catching lists of projects. France and other countries may be tempted to play a similar game.

So far as public funding is concerned, the best indication we have is that the Germans will not be able to unveil large amounts of new money, but they may follow the French precedent of earmarking for EUREKA a specified amount within their total R & D budget. Our own position is wrongly interpreted as an unwillingness to commit any public funds to EUREKA projects; so it will be important to make clear, within our existing policy of not incurring a commitment to additional public expenditure, the extent to which British participants in EUREKA projects have access to existing schemes for financial support.

As to projects, the French, Germans and others may give the impression that they have more firmly committed ventures under way than we have (including some outside the market-led area on which we are focussing). In reality we doubt whether their lists of front runners are much if at all further advanced than our own. At all events, we should, of course, make the most effective possible impact with what we are able to announce.



In substance our main interest is to try to make sure that the EUREKA label will really mean something in terms of the quality of projects to which the label will be attached. At Hanover, while we should obviously welcome the wide interest already shown, we ought to endeavour to persuade the Conference of the need for approbation of specific activities to be reserved to those of real substance which can without undue distortion be attributed to EUREKA. Even if we set a fairly high standard there should be enough of those to buttress the credibility of the initiative.

But to achieve real credibility we must also commit ourselves to a good deal of further work after Hanover to make sure that the EUREKA mechanisms secure practical benefits, especially in the area of improving the market for goods and services with the EUREKA label. In this connection I am, as I have already indicated, content with the objectives and work programme for that period outlined in paragraphs 39 and onwards in the Note.

The Dutch, who very much share our basic approach to EUREKA, and a good many others, are anxious for an immediate decision to use the Commission Services to discharge a secretariat function. It may well be wise to secure an added degree of stability in this way, but my preferred course would be not to take a decision for the moment as we still have a little way to go on working out mechanisms of EUREKA and hence the exact job to be done. I would expect the French, in particular, to take broadly the same line, and I would wish to try to carry the day with them. But, rather than allow ourselves to be completely isolated on a point on which at the end of the day we could not die in the last ditch, I would be prepared to go a little further than the Note and to agree now to the principle of establishing a secretariat, leaving the details of how that should be done to be worked out in the period up to the next Ministerial Conference.

Lastly, I am sure that we must reject adding technology transfer to the objectives of EUREKA, as the Greeks, Turks, Portuguese and one or two others would wish. However worthy an end, this should be - and is being - pursued by other means. We shall need to argue that the important point is for EUREKA to offer scope for all sizes of firms, and to point to the way in which the ability of SMEs to make a valid contribution has been recognised.

Subject to your views therefore, and those of other colleagues to whom I am sending a copy of this letter and enclosure, I propose that we should take the Note as the basis for our approach to EUREKA at the Hanover Ministerial Conference and during the ensuing period.



I am sending a copy of this letter to the Prime Minister, to other members of OD(E) Keith Joseph, Peter Walker, Michael Heseltine and Nicholas Ridley, as well as to Sir Robert Armstrong and Sir Robin Nicholson.

GEOFFREY PATTIE



## EUREKA: PROGRESS AND PROSPECTS

Note by the Department of Trade and Industry

### UNITED KINGDOM OBJECTIVES

M. Dumas launched EUREKA in a letter of 17 April 1985 addressed to Sir Geoffrey Howe and others.

2 Whatever motivated the precise form and timing of that initiative, it is clear that a major underlying French concern was a problem of substance and importance: Europe's weak technological performance when compared, in particular, to America and Japan.

3 We share that concern. It was therefore decided, quite apart from considerations of a more tactical character, to mount a sustained effort to develop EUREKA into an effective instrument to help tackle the substantive problem thus identified. Others have felt a similar concern, and the initiative has evoked a strong, positive response from all those now engaged (the Community of Twelve, Austria, Finland, Norway, Sweden, Switzerland, and Turkey together with the Commission).

4 We also agreed with the French perception that part of the answer to improving Europe's performance lay in increased collaboration within Europe; but in other respects our analysis and prescription differed from theirs.

5 First, in our judgement the source of Europe's technological weakness does not lie primarily in the quantity and quality of our basic science or in the quantity and quality of our research and development, but rather in our ineffective exploitation of research and development to produce and market goods and services





based on advanced technologies that can capture substantial shares of world markets. We therefore set ourselves the objective of shifting the focus of EUREKA away from the original, somewhat traditional, approach of seeking to secure an increase in collaborative research and development activity in favour of encouraging collaborative projects aimed at developing internationally competitive advanced technology goods and services.

6 This emphasis on "market-led" rather than "technology-led" projects resulted in two consequential objectives. It underlined the importance of ensuring that industrialists are accorded the dominant role in identifying and carrying out projects. And, as one means to that end, British businessmen suggested the use of industrial fora. Each of these fora would bring together a manageable number of industrialists (and users), from a number of European countries but from a single reasonably homogeneous market sector, in order collectively to identify potential EUREKA projects. Once identified, a particular project would probably be implemented by a smaller grouping including, but not limited to, participants in the forum concerned.

7 Emphasising the 'market-led' character of projects also had implications for our attitude towards funding. To the extent that EUREKA is focussed on projects aimed at developing and marketing internationally competitive products and services, it becomes appropriate to look, at least for shorter term projects, predominantly to normal commercial sources of finance. The French concentration on collaborative research and development projects sits naturally with a larger role for public finance. This 'market-led' approach was therefore compatible with our second basic objective, which was also heavily influenced by budgetary considerations: to avoid any commitment to additional public expenditure, national or Community. (This does not, of course, preclude EUREKA projects from qualifying under existing support schemes.)



8 Our second main divergence from, or rather extension of, French thinking was again related to our emphasis on the market. In essence, it stems from the judgement that, in many market sectors based on advanced technologies, competition is on a world rather than a national or a continental scale; and that, because of the size of the investments needed to compete effectively, the prospects of success in world markets are greatly increased by access to a domestic market of continental scale. This led to our third basic objective: to bring out the importance for the success of EUREKA of measures to integrate the European market and to improve the supply side. We have stressed the possibility of using market integration measures as an alternative means to subsidies of encouraging industrial collaboration. The existence of a common European standard, for instance, could open up the possibility of sales throughout Europe and thereby improve the risk: reward ratio of a potential EUREKA project. We have also put forward a supply side proposal of our own - EUROTYPE - which is designed to develop advanced technology companies of a size and capacity to compete effectively with the USA and Japan. We have additionally drawn attention to the radical proposals of Dr Wilmot (Chairman of ICL) to develop a new transnational corporate status. There are now indications that the Commissions are seriously addressing these proposals.

9 We wished to retain the principle, embodied in the original French proposal, that participation in any particular project should be optional ("variable geometry"). Our motive was a desire to avoid the disadvantages that can flow from the Community approach based on unanimity and always acting as a group of Ten: rigidities, delays, the tendency for proposals to be diluted to accommodate all interests, and the possibility of having to contribute financially to projects of no particular national interest. We also wished the structures and procedures developed for EUREKA to be as flexible and unbureaucratic as possible; and to avoid duplication with other areas of collaboration within Europe.



## PROGRESS ON OBJECTIVES

10 We have made substantial progress towards securing these objectives in the inter-governmental discussions on the objectives and structures of EUREKA:

- the aim of promoting international competitiveness figures prominently in the draft "Declaration of Principles relating to EUREKA", to be considered at the Hanover Ministerial Conference (annexed), as does the objective of encouraging industrial and technological cooperation directed at developing advanced technology products and services with a world market potential.
- it is accepted in that text that industrialists will determine the projects to be undertaken; the composition of project consortia; the form of co-operation and the nature of project management.
- industrial fora figure in that text as one means of identifying possible projects (though there are differing views as to the usefulness of this approach).
- it is accepted that the extent of public funding is a matter for individual governments to decide. There has been no significant pressure for additional expenditure on the Community budget and no suggestions of creating a central fund. The draft text embodies no commitments on public expenditure.
- the relevance of an integrated European market and an improved European supply side is generally accepted and reflected in the text. But, as yet, no clear link has been established between collaborative projects undertaken under EUREKA and action on any market integration measures that would markedly contribute to their success.



- the principle of 'variable geometry' remains intact.
- but there is a risk of premature bureaucratisation of EUREKA by the creation of a free standing Secretariat (see paragraphs 21-23 below); and, while the principle that EUREKA should not duplicate other areas of collaboration within Europe has been accepted, this is not being respected in practice in a number of the proposals for projects being canvassed (see paragraph 13 below).

## PROJECTS

11 These inter-governmental discussions on the objectives and structures of EUREKA have been paralleled by intense activity in the United Kingdom and elsewhere to identify potential projects. There have been widespread contacts between government and industry in individual countries; between governments (primarily on a bilateral basis); and between firms in different countries (again primarily on a bilateral basis).

12 The result, so far as we can judge, has been to identify:

- a handful of activities that were already well advanced but which could be 'relabelled' as EUREKA projects.
- a handful of more or less genuinely new EUREKA activities approaching the project definition stage.
- a large number of expressions of interest by individual companies in particular potential projects, for which partners have not yet been meaningfully identified.



- a large number of expressions of interest by individual companies in particular areas of technology, for which specific projects and partners have not yet been meaningfully identified. (These lists have largely been compiled by the smaller countries).

13 Hardly surprisingly, given the time at which and the process by which they have been generated, many potential projects being canvassed sit uneasily with the objectives of EUREKA as described above or with the agreed characteristics of EUREKA projects that have been derived from those objectives and the agreed structures for EUREKA. In particular, many of the proposals being put forward by EFTA countries overlap with elements in the Community's research and development programmes. Another issue that we shall need to address during our period as "lead" country (paragraph 37 et seq) is how to introduce a degree of discipline into the process of according a project EUREKA status.

#### CONFERENCE OF FINANCIERS AND INDUSTRIALISTS

14 On 14 October, we organised a Conference of financiers and industrialists in London to consider the role of private finance in EUREKA.

15 The discussion was, as intended, broad ranging. No one dissented from our basic analysis of the nature of the problem. Private finance could play a substantial role in suitable market-focussed EUREKA projects. There was some reference to the case for public funding and for changes in fiscal arrangements, particularly to create an environment conducive to enterprise. There was also a recognition of the value of market integration measures and supply side improvements, and of their relevance as one factor affecting the viability of projects. Several comments were made about the way in which competition policy inhibited collaboration within Europe when American and Japanese companies constituted the effective market challenge. The sense of the



meeting was that any follow up action should be on more closely defined issues, but no clear indication was given of what those issues should be.

#### PROSPECTS FOR THE HANOVER MINISTERIAL CONFERENCE

16 In many respects, the prospects for the Hanover Ministerial Conference are favourable.

17 As a result of having prepared and circulated papers to the Paris Ministerial Conference and to the two subsequent meetings of the High Level Group of officials in Bonn, our approach to EUREKA is generally understood and often sympathetically received. This effect has been reinforced by our having held bilateral meetings, often repeated bilateral meetings, with the Netherlands, Switzerland (and thereby indirectly the other four EFTA countries), and with Italy, as well as with France, Germany and the Commission.

18 One of the main tasks of the Conference will be to adopt a "Declaration of Principles relating to EUREKA". As already indicated, the draft text clearly reflects most of our objectives, and there is no particular reason to expect any serious back-sliding.

19 But there are a number of, containable, issues still to be resolved or which may arise. These mainly stem from a fear felt on the part of many countries that EUREKA will become a largely UK/French/German preserve; a concern on their part to try to ensure for themselves at least an opportunity to put forward possible participants for a wide range of EUREKA projects; and a concern on the part of the smaller, less technologically advanced Southern countries that there will only be very limited scope for their companies to participate in projects on their industrial and technological merits.



20 These concerns underlie the desire to promote information flows about potential EUREKA projects, in the name of 'transparency' (Sections IV, 1.1; IV. 1.2; and V, 2.2 of the draft text); the anxiety about the scope for SMEs to play a part (Section II, 2 of the draft text); and the wish at least to refer to the possibility of projects remaining open to additional participants (Section IV, 1.7 of the draft text).

21 These concerns also underlie the widely shared desire, led by the Netherlands, to set up a secretariat immediately, primarily to collect and disseminate information. (Alternative passages at Sections IV, 2.3 and V, 2 of the draft text.)

22 There could well be a case for the Commission Services carrying out some EUREKA functions, to provide an increased element of stability; but so far we have opposed such a step as premature, wishing first to settle the objectives and structures of EUREKA. To date France and Germany have shared this view - but Germany is showing signs of weakening.

23 A good deal of work in any event remains to be done on precisely how one might establish, and perhaps pay for, such a body - including the question of how one would add non Community staff on to the Commission Services for this purpose as envisaged by the Dutch proposal - as well as on the tasks it might perform. One possible compromise, therefore, might be to include in the work programme for the period during which we act as "lead" country (paragraph 37 et seq) a study on the tasks of, and the modalities for establishing, such a secretariat, with a view to taking a decision at the next Ministerial Conference.



24 The Italian and Greek reluctance to leave decisions on whether or not a particular project has EUREKA status entirely in the hands of the governments of the countries of the companies etc participating in the project (Section IV, 1.6 of the draft text) stems in part from these concerns. The Italians also appear genuinely anxious that the EUREKA 'label' should not be devalued by being applied to projects that bear no real relation to the objectives of the initiative; while the Greeks may have in mind using their agreement to according EUREKA status as a bargaining lever.

25 We put forward proposals, in our second paper to the High Level Group of officials, on a mechanism for awarding EUREKA status that should introduce an element of discipline and provide a link to securing agreement on market integration measures. We believe those proposals will be acceptable at least to the Italians but they have not yet been considered collectively and are unlikely to be so addressed until after the Ministerial Conference. But that prospect may provide the basis for an accommodation with the Italians and Greeks on this point at Hanover.

26 Fearing that the initiative would otherwise pass them by, the smaller Southern countries have, from time to time, sought to add 'technology transfer' to the objectives of EUREKA. If included in any meaningful, mandatory or semi-mandatory sense, this would, of course, be quite incompatible with an 'industry-led' conception of the initiative. For the moment those countries have been bought off by the form of words at Section II, 3 of the draft text (which do not, strictly speaking, address the issue of technology transfer), but they may return to the charge. We shall have to continue to argue that what matters is the scope that EUREKA offers SMEs, and refer to what has been done to meet the concern and to promote 'transparency' (paragraph 20 above).





27 We are unlikely to be asked to enter into collective commitments on public funding. But France has already announced, with a certain fanfare, the availability of FF 1bn for EUREKA projects next year. These funds have been found largely by reallocating existing budgets; but that does not diminish their reality to the potential recipients or their presentational impact.

28 There have been moves in Germany for Chancellor Kohl to make a similar announcement at Hanover. Our best information is that the Germans have reached agreement on announcing that there will be a 'EUREKA budget', but, so far, not on any figure. If the Germans do succeed in catching the head-lines on money, this will increase the pressures on other countries to follow suit. And our own firms are, of course, concerned at being disadvantaged if they have to negotiate about entering into collaborative ventures with companies in other countries who do have access to public funds.

29 We are considering, separately and, on a contingency basis, what response we might make within the existing policy constraint of no additional public expenditure to bring out that our firms participating in EUREKA projects can apply for support under any of our existing schemes for which they are eligible.

30 The Commission have shown considerable interest in EUREKA. They would inevitably play a leading part in opening up the Community market. But they have been careful not to try to arrogate a role to themselves beyond this, while remaining willing to help in other areas such as a secretariat (if established).



31 If the draft 'Declaration of Principles' seems tolerably under control, that is less true of the second major item on the agenda for the Hanover Ministerial Council - projects.

32 There is a general agreement that it would be desirable for the communique after the Hanover Ministerial Conference to refer to at least some specific projects being pursued under the auspices of EUREKA.

33 As against that, the level and nature of the activity to date on projects, described in paragraphs 11 to 13 above, have led to a certain anxiety that this recognition could be granted too freely and pay inadequate attention to how well the proposed projects correspond to the objectives of EUREKA or to their tentative stage of development, thereby devaluing the initiative. The Germans show signs of seeking to introduce an element of selectivity: they should be encouraged and supported in this.

34 The best outcome would be, and our objective should be, a welcome, expressed in general terms, for the level of interest being shown by industry in the possibility of participating in EUREKA projects and for the number and range of potential projects being discussed; and a specific reference to a limited number of activities of real substance (say half a dozen) that are to be pursued as EUREKA projects (involving, of course, a reasonable level of British participation).

35 Substantive project proposals that we might be able to announce at the Hanover Ministerial Conference include:



- (i) Acorn/Olivetti/Thompson: European standard for micros for use in schools.
- (ii) European Silicon Structures: a new Pan European custom chip company.
- (iii) Plessey Matra: wide band (telecommunications) switching.
- (iv) CO2 laser project: Ferranti; LK Lasers; Fairey; Welding Institute plus French, German and Italian Interests.
- (v) collaboration between BAe; Aerospatial; Aeritalia; MBB and CASA in various fields.
- (vi) STC/GEC/Thomson/Siemens: Interactive home systems.

[These are current possibilities. The situation on projects changes daily, and the list will not be finalised until directly before the Ministerial Conference]

In addition to the specific proposals, we shall have in reserve a longer list of 'expressions of interest' by British companies, to be tabled should other delegations decide to adopt this approach.

36 The report of the Conference of financiers and industrialists is also on the agenda for the Hanover Ministerial Conference: this is currently being prepared by Sir Peter Carey, as Conference Chairman.



## THE OUTLOOK BEYOND THE HANOVER MINISTERIAL CONFERENCE

37 We have indicated that we are prepared to act as hosts for the third EUREKA Ministerial Conference, to be held, say, in May or June 1986. The common assumption is that this offer will be accepted. This carries with it the responsibility for managing the EUREKA process, and we have said that we would outline, at the Hanover Ministerial Conference, our aims and work programme for the ensuing period.

38 At Paris, Ministers formally demonstrated the high level of political support for EUREKA; at Hanover, Ministers will define the basic objectives and structures of the initiative. Our broad aim should be to bring those structures into effective operation. It is only by so doing that our companies can secure practical benefits from the initiative. And unless that can be done, EUREKA will lose credibility.

39 The first element in the work programme should be directed towards securing a flow of EUREKA projects.

40 So far as the United Kingdom in particular is concerned, this should involve demonstrating the usefulness of industrial fora by arranging for two to be convened by appropriate companies (our existing commitment) and by encouraging others to do likewise. PENSA (communication systems architecture) is already developing into a forum involving British, French, German and Dutch companies. Interactive home systems has been firmly identified as a second area and various other possibilities are under active consideration.



41 It will also be important to ensure that the information flows envisaged in the draft "Declaration of Principles" actually take place, both to retain a broad based interest in the initiative and because it should be possible to use this process to introduce some degree of discipline into the award of EUREKA status to projects. This will involve clarifying the detail of what information is to flow and by what routes.

42 The second element in the work programme should relate to continuing to focus attention on the relevance of market integration measures and supply side measure.

43 The most practical approach would seem to be to seek to secure agreement to the proposal which we have already advanced. This would give the governments of the countries with companies etc participating in a project the option of putting before the High Level Group of officials a statement of any market integration and supply side measures that would enhance the project's prospects of success and of initiating some discussion of the merits of those measures. The Commission still considering the issue of a firmer link to implementing action, and that may have to be developed as a matter of practice rather than principle.

44 A third element in the work programme should be some follow up to the Conference of financiers and industrialists, (paragraphs 14 and 15 above), the precise form of which will depend on Sir Peter Carey's Report and any reactions to it.

45 A final possible element in the work programme could be a study related to a possible EUREKA secretariat (paragraph 23 above.)



DRAFT

Declaration of Principles relating to EUREKA  
adopted at the Hanover Ministerial Meeting

EUREKA was established by a Conference of Ministers of 17 countries and Members of the Commission of the European Communities, meeting in Paris on 17 July 1985.

Meeting in Hanover on 5 and 6 November 1985, Ministers of 18 countries and Members of the Commission of the European Communities agreed as follows:

I Objective

The objective of EUREKA is to raise, through closer cooperation among companies and research institutes in the field of advanced technologies, the productivity and competitiveness of Europe's industries and national economies on the world market, and hence strengthen the basis for lasting prosperity and employment: EUREKA will enable Europe to master and exploit the technologies that are important for its future, and to build up its capability in crucial areas.

This will be achieved by encouraging and facilitating increased industrial, technological and scientific cooperation on projects directed at developing products, systems and services having a world-wide market potential and based on advanced technologies.

EUREKA projects will serve civilian purposes, and be directed both at private and public sector markets.



## II Focus and criteria

- 1 EUREKA projects will initially relate primarily to products, processes and services in the following areas of advanced technology: information and telecommunication, robotics, materials, manufacturing, biotechnology, marine technology, lasers, environmental protection and transport technologies.

EUREKA will also embrace important advanced technology research and development projects aimed at the creation of the technical prerequisites for a modern infrastructure and the solution of trans-boundary problems.

- 2 EUREKA is open to all efficient capacities including those existing in small and medium-sized enterprises as well as in smaller research institutes.
- 3 The exchange of technologies between European enterprises and institutes is a prerequisite for a high technological standard of European industry. EUREKA projects will encourage and enlarge this exchange.
- 4 EUREKA projects will satisfy the following criteria:
  - compliance with the objectives set out above.
  - cooperation between participants (enterprises, research institutes) in more than one European country.
  - some identified expected benefit from pursuing the project on a cooperative basis.
  - the use of advanced technologies.



- the aim of securing a significant technological advance in the product, process or service concerned.
- appropriately qualified participants - technically and managerially.
- adequate financial commitment by participating firms.

### III General conditions

- 1 EUREKA will receive suitable support by the Governments of the participating countries and by the European Communities.
- 2 The establishment of a large, homogeneous, dynamic and outward-looking European economic area is essential to the success of EUREKA.
- 3 Completion of the internal market of the European Communities and the implementation of the Luxembourg declaration between the European Communities and EFTA countries will therefore benefit EUREKA. In particular this means that EUREKA should lead to an acceleration of ongoing efforts to:
  - elaborate joint industrial standards at an early stage.
  - eliminate existing technical obstacles to trade, inter alia by the mutual recognition of inspection procedures and certificates.
  - open up the system of public procurement.
- 4 The European Communities and the countries participating in EUREKA will examine the possibility of additional supportive measures for EUREKA.
- 5 Actions in the framework of EUREKA will be carried out in accordance with the principles of international free competition.





#### IV Project implementation and co-ordination

##### 1 The projects

- 1.1 EUREKA projects will be prepared by an intensive exchange of information among enterprises, institutes and - where appropriate - potential users. In this context the establishment of industrial fora in certain sectors could help to identify possible EUREKA projects.
- 1.2 Governments and the Commission will support the exchange of information so as to inform all interested parties of envisaged projects.
- 1.3 EUREKA projects finally will result from the consultations among relevant parties. The enterprises/institutes concerned will carry out the projects in groups chosen by them.
- 1.4 The parties to a EUREKA project will determine the form of co-operation according to the specific requirements. The parties will likewise be responsible for determining the nature of the project management and for providing their own administrative support.
- 1.5 The enterprises/institutes participating in a EUREKA project will finance the project from their own funds, the capital market and any public funds made available to them.



- 1.6 The Governments of the countries of enterprises/institutes participating in a project and the Commission - when appropriate - will inform jointly the Conference of Ministers, through the High Representatives when meeting as a group, of the creation of a EUREKA project, once agreement has been reached to start the project and once they have established compliance with the objectives and criteria laid down for EUREKA. Such information may include indications of required measures referred to in the General Conditions. [Proposed Italian addition. A compliance analysis of EUREKA projects on a collegial (SIC) basis by the High Representatives is necessary.]
- 1.7 After such notification EUREKA projects should, however, remain open to other parties should the project partners so desire.

## 2 Organisation

- 2.1 The co-ordinating body is the EUREKA Conference of Ministers. Its members will be representatives of Governments of the countries concerned and of the Commission of the European Communities.

At the end of each meeting the Conference of Ministers will choose the chairman or the next meeting. The chairman will ensure continuation of the work.

It will be the responsibility of the Conference of Ministers to develop further the substance, structures and goals of EUREKA and to assess the results.



2.2 High Representatives of each of the participating countries and of the Commission of the European Communities will meet when necessary as a group in order to assist the Conference of Ministers in carrying out its tasks and prepare its meetings, including a briefing on projects to be notified to the Conference of Ministers.

The chairman of the group will have the same nationality as the chairman of the Conference of Ministers.

The High Representatives in accordance with national procedures, will make suitable arrangements to

- promote the necessary flow of information in their own country.
- arrange contacts between enterprises and institutes in countries participating in EUREKA, provide the requisite information and promote the implementation of projects.
- inform the other High Representatives and point out sectors, technologies, products or services for which there is a declared interest in co-operation.
- provide the other High Representatives with information on the preparation of EUREKA projects.
- discuss with other High Representatives solutions to any problems and exchange views on project funding.

Meetings of the High Representatives concerned may be held to discuss specific projects.

[2.3 A decision on the establishment of a Secretariat will be taken in due course in the light of the experience gained.



Among its tasks would be:

- to collect and to disseminate information, thus offering the services of a clearing house.
- to give the support for the meetings of a Conference of Ministers and High Representatives.
- to provide for continuity in the tasks to be performed.]

[2.3 Proposed Dutch alternative. A small and flexible central EUREKA Secretariat will be established to enhance the transparency and efficiency of EUREKA.

Among its initial tasks will be:

- to collect and to disseminate information, thus offering the services of a clearing house.
- to give the support for the meetings of a Conference of Ministers and High Representatives.
- to provide for continuity in the tasks to be performed.

The establishment of parallel European administrative structures will be avoided. To that end the EUREKA Secretariat will make full use of the services, experience and competence provided for by the Commission of the European Communities.] The composition of the Secretariat will reflect the participation of EC and non EC members in EUREKA. The Secretariat will operate under the responsibility of the EUREKA Conference of Ministers.]



V Relationship between EUREKA, the European Communities and existing European co-operative arrangements

- 1 EUREKA projects are not intended as a substitute for existing European technological co-operation, such as programmes sponsored by the European Communities, COST, CERN, ESA projects, bilateral or multilateral co-operative projects, or its further development. Their purpose is instead to extend or supplement it. [Proposed Dutch addition. Cross-fertilisation between these various programmes and projects will be stimulated by the EUREKA Secretariat and their counterparts in the various bodies.]
- 2 The European Communities may participate as a partner in EUREKA, eg through their own research capacity, research and development programmes, and finance facilities.
- 3 The creation of suitable general conditions in the European Communities and in the countries concerned and of an environment conducive to technological co-operation is a particular prerequisite for success of the EUREKA initiative.