

French clusters policy

**World Bank workshop on intangible assets, intellectual
capital for communities in the knowledge economy
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❑ **INNOVATION POLICY IN EUROPE**

- surge of public R&D outside EU : in the US, Japan, China, India
- Lisbon strategy : a need simultaneously for EU + member states higher investment in innovation ;

❑ **A pro-active policy**

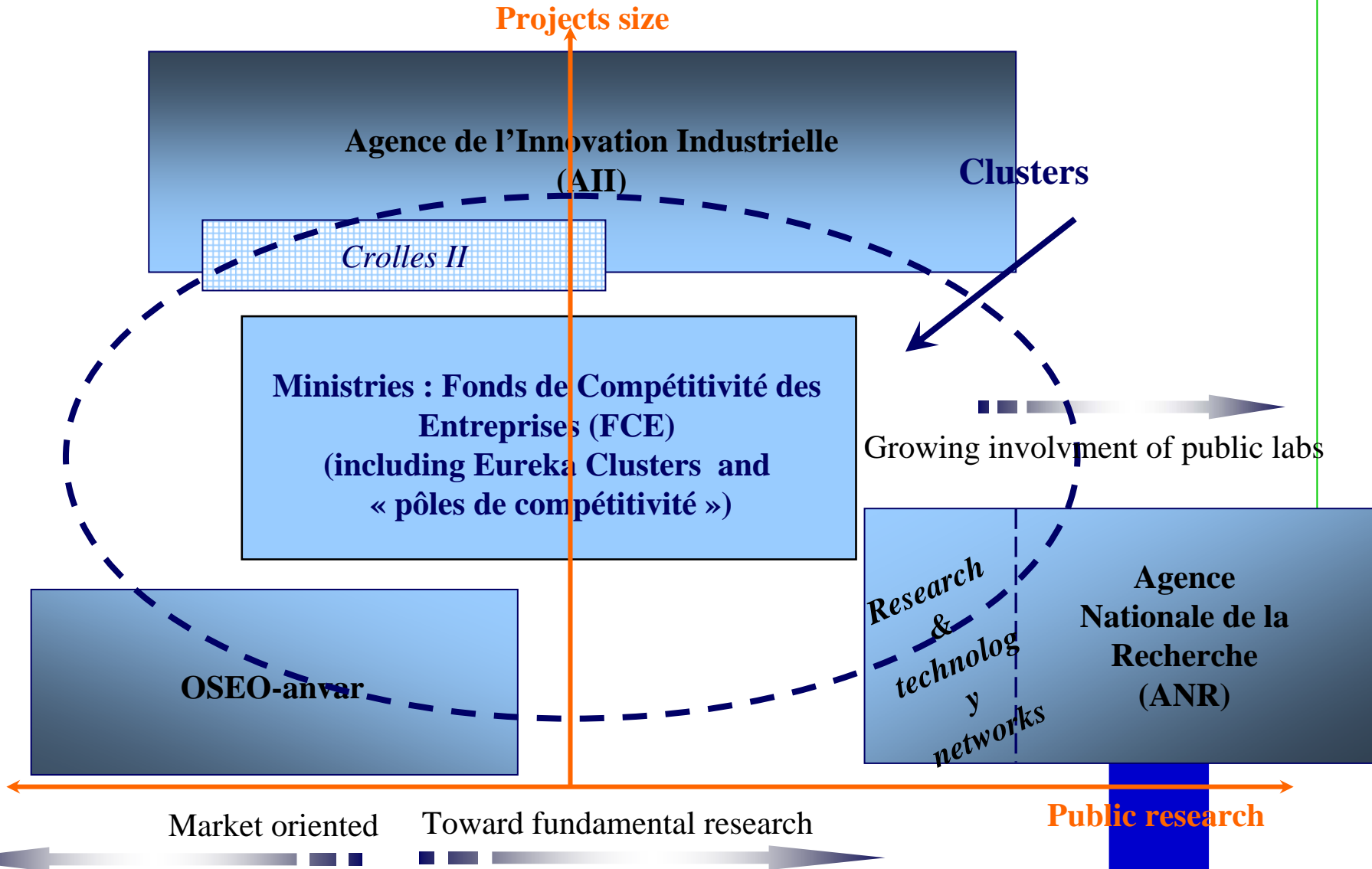
- Enhance private investment in R&D & innovation through various ways
- Improve public R&D efficiency

- **CLUSTERS « POLES DE COMPETITIVITE »** :
aim at combining, on a given territory, large firms, SMEs, start ups, public & private R&D centers of excellence, universities & training bodies (eg « grandes écoles », but also permanent training organizations)
focused on cooperative projects, highly innovative, with a shared strategy of development, whereas enhancing competition
- **A CREED**
 - cooperation & geographic concentration, necessary for enhancing the efficiency of inputs for innovation
 - Incentive management matters
 - Non R&D investments matters, and should be combined with R&D -> Knowledge+human resources pools

- Increase competitiveness of the French economy, within EU rules, through a significant increase of innovation
- Develop territories dedicated to high tech industries + Services
- Improve the French worldwide scoring for technological competitiveness (critical mass effects)
- Improve growth and employment
- A « learning by doing » approach

- New agencies dedicated to R&D and innovation: ANR (with the model of NSF) A2I (some similarities with Darpa)
- Improving innovative SMEs environment : OSEO, JEI, CIR, IST for SMEs, e-gov
- Strengthening innovative investment through public private partnerships
- Reshaping public R&D : « loi d'orientation pour la recherche »
- Technology foresight, prospective (energy, health, security, IST, materials, services etc)

Main public actors for industrial R&D



- December 4th 2004 : **launching of public call for new clusters**
- December 31st 2004 : finance law for 2005 (art. 24)
- January 19th 2005 : EU Commission blueprint
- February 2005 : end of public call :
105 projects for new clusters
- July 12th 2005 (CIADT) : **67 clusters agreed in principle**
- October 14th & December 20th 2005 (CIACT) : agreement on clusters governance + R&D mapping
- March 6th 2006 (CIACT) : regrouping all ministerial funds in one fund + simplification + 2 new clusters labelled

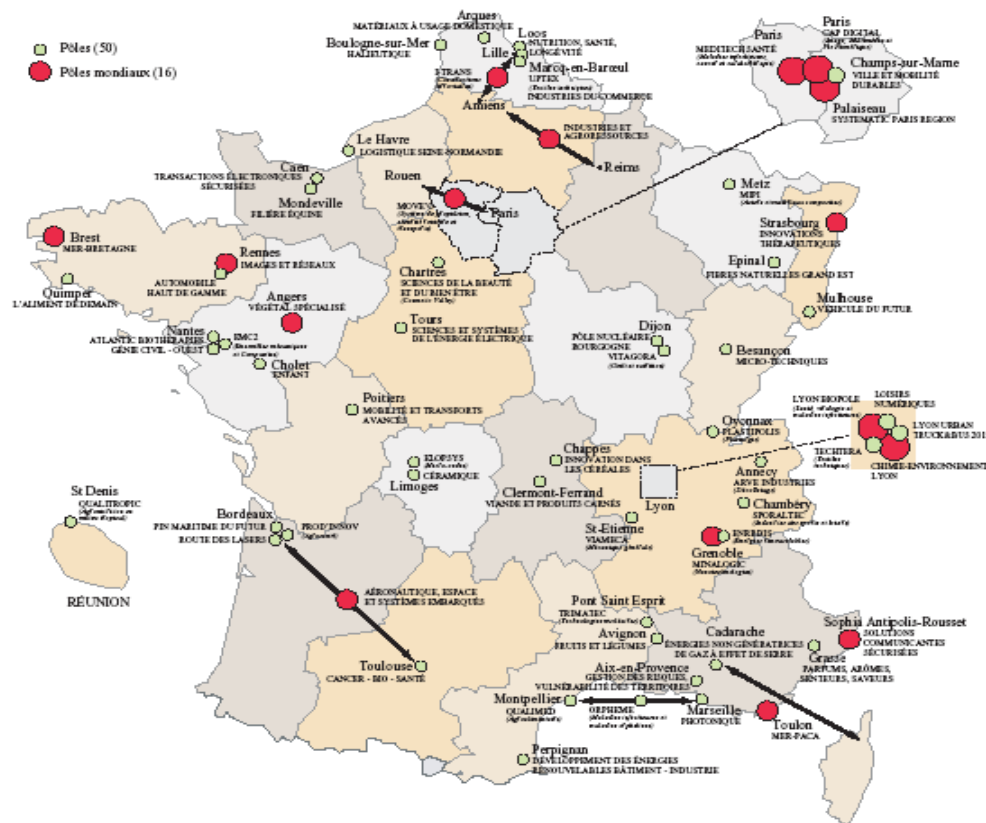
- **Economic development strategy** or each cluster
- Existing & development of **international visibility** ; this implies international cooperation, an industrial + technological +human resources critical mass either existing or to be developed.
- **Partnerships and governance of the cluster** designed by the cluster's partners (eg IP, infrastructures needed, etc)
- Innovative high value **projects**

66 clusters labelled

- merger of 2 clusters VIAMECA - Auvergne & Rhône-Alpes
- merger of Vestapolis and Normandy Motor Valley -> automotiv worldclass cluster « MOV'EO »
- new cluster ORPHEME (PACA)

6 world class clusters

10 clusters tending to world class



66 clusters
6 worldclass clusters
10 tending to worldclass clusterse

Investment state : 1,5 B€(3y)
Private : 2x to 3x
Local authorities, infrastructures : ~2x



An agreement between each cluster's governance, local authorities and the state, which includes :

1. The cluster's main strategic issue (eg aeronautics, multimedia,etc) and the main themes
2. The cluster's gearing structure and its governance, in particular its juridical aspects, firms and various bodies concerned, coming in/out rules for partners (eg IP rules, ...);
3. The cluster's selection criteria for projects for which a public support will be required ;
4. Where appropriate, elements for geographical concentration of R&D (zones for which fiscal support can be obtained, for instance, in accordance with art 24 of the financial law for 2005) ;
5. Public support that may be required by the cluster's governance for its current life (eg seminars, roadmaps...) ;
6. Evaluation capacities

- **Organisation of the clusters' governance**
 - ➔ Settling of the governance structures and signing the « contrats de pôle » (started in mid november 2005)
 - ➔ Validation of R&D zones by the state council (juridical aspects)
 - ➔ Signature of agreements between the state, agencies (OSEO, AII, ANR) and the C.D.C.
- **Active phase for R&D projects :**
 - ➔ 378 projects received, 73 agreed (april) and operational, 153 under review
 - ➔ general common rules for all projects
- **Some new clusters might be labelled by the fall of 2006**

■ Organisation :	33 M€
■ Co-investment :	365 M€
■ Agencies (ANR, AII, OSEO, CDC)	800 M€
■ Fiscal facilities :	300 M€
TOTAL :	1498 M€
	<i>(3 years)</i>

- New resources for R&D
 - ➔ Prime minister statement, July 2005 :
« Among the 3000 research fellow public recruitment which will be created in 2006, I asked the minister for Education & research to make a priority of the 6 major pôles de compétitivité, to take into account their needs in fundamental and applied research »
- Financing of various infrastructures by local or regional authorities
- In parallel, R&D on creativity, design, etc.
- IT infrastructure + best practices improvements
- Exhibitions for children (Cité des Sciences et de l'industrie...)

2 conditions :

- ➔ Settling within R&D zones (ie territories where the essential part of the cluster R&D is done) ;
- ➔ The project has received a public agreement
- 100% no state taxes (IS IRPP) for 3 years, then 50% for the next 2 years, within 'de minimis' EU competitive policy rules (100k€, 3 ans) -> mostly interesting for SMEs and start ups.
- Alleviating social expenses charged by firms :
 - 25 % (50 % for SMEs) during 6 years maximum, for R&D staff social taxes, insofar this staff is involved in agreed R&D projects.

As a consequence, a public risk sharing, lowering risk barriers, whereas preserving a decentralized initiative process.

- ❑ **Projects selected by the clusters' governance**
- ❑ **Collaborative & partnership R&D : at least 2 entreprises and a public lab or training institution**
- ❑ **Firms doing their R&D in France**
- ❑ **Target : new highly innovative products or services, with market prospects within 5 years after the R&D work.**

- **Innovation prospects of the project**
- **reasonable perspectives of ROI (value creation, employment...)**
- **Strategic coherence with the cluster and for firms (bottom up approach)**
- **Quality of partnerships**
- **Complementarity with other projects within the cluster**

First results

- A strong new impetus
- A better vision /perspective for young professionals
- Better involvement of public R&D institution to the creation of capital (IP...) and networking with firms
- Complementarity with EU R&D efforts
- Boost for Eureka projects
- Non EU partnerships (Japan, South Korea, US, Israel...)

□ Subventions :

- 30% de l'assiette pour les entreprises (dépenses de personnels affectés au projet de R&D, amortissements d'équipements)
- 100% des coûts marginaux pour les laboratoires publics (personnels non statutaires)
- 40% pour les établissements de recherche (quel que soit leur statut : EPIC, GIP ou associations...) dont l'assiette des dépenses est calculée sur les coûts complets, aux deux conditions cumulatives suivantes :
 - ces établissements relèvent de la sphère publique ou sont majoritairement financés par fonds publics
 - qu'ils remplissent une mission d'intérêt général en consacrant une part prépondérante de leur activité à la R&D

□ Des conventions monotitulaires, monofinanceurs

□ Montants d'aide de l'ordre de quelques millions d'euros (moyenne : 2 M€)

- **3 appels à projets par an :**
 - ✓ **1^{er} AAP clos le 15 février 2006 : 225 dossiers reçus, 73 retenus le 20 avril,**
 - ✓ **2^{ème} AAP lancé le 27 mars, clos le 15 mai : 153 dossiers reçus, dont 109 nouveaux, instruction interministérielle en cours**
 - ✓ **3^{ème} AAP lancé à l'automne.**

(www.industrie.gouv.fr, rubrique « pôles de compétitivité »)

- **Dépôts des dossiers de candidatures à la DGE pour le compte du GTI**
- **Instruction par les experts sectoriels de la DGE et des autres ministères contributeurs**
- **Recueil de l'avis du pôle lors de sa sélection et de l'avis de la Commission des financeurs**
- **Sélection des dossiers au sein du GTI : décision de principe sur un financement du projet : vers le 15 juillet pour le 2^{ème} AAP**

- **Pour dossiers sélectionnés (fin avril) : complétion des dossiers**
- **Instruction par les experts sectoriels DGE et ministères contributeurs, (avec expertise complémentaire indépendante éventuelle)**
- **Passage en Comité de décision (DGE / chefs de services SIMAP ou STSI de la DGE)**
- **Décision du DGE sous 6 mois à compter de la date de réception du dossier complet (conformément au décret du 16/12/1999)**
- **Signature des conventions d'aide à la R&D avec bénéficiaires des aides
=> aides attribuées et versées avant l'été 2006**
- **Paiements :**
 - **Versement initial à entrée en vigueur de la convention : 5% pour les grandes entreprises, 20 % pour les associations, 30% pour les labos et PME**
 - **Versements intermédiaires suivants sur service fait sur base du compte rendu d'avancement des travaux**
 - **Versement final sur base compte rendu final d'exécution des travaux : au moins 20 %**

Et après....

- De nouveaux pôles en gestation
- Une forte demande internationale de coopération
 - ➔ Partenariats technologiques
 - ➔ Impulsion sur l'internationalisation du tissu local