Research and development: renew and modify the EC/Australia, Canada, USA, Norway, Switzerland, Korea, Japan agreements, intelligent manufacturing systems

2006/0111(CNS) - 28/06/2006 - Legislative proposal

PURPOSE: to renew an agreement on intelligent manufacturing systems (IMS) between the European Community and Australia, Canada, Norway and Switzerland, Korea, Japan and the United States.

PROPOSED ACT: Council Decision.

CONTENT: the first EU Agreement on scientific and technical co-operation in the domain of intelligent manufacturing systems (IMS) with the United States, Japan, Australia, Canada, Norway, Switzerland and, later, Korea was concluded in 1997. It ran for an initial period of ten years and expired in April 2005. Due to its perceived success the Commission was given a mandate by the Council to seek a renewal of the Agreement. Negotiations on the Agreement's renewal are now complete and the purpose of this proposed Council Decision is to conclude a new ten year Agreement.

The text of the agreement takes the form of an Exchange of Letters. The specific provisions detailing the terms of the Agreement are set out in a "Terms of Reference for a Scheme for International Cooperation in Advanced Manufacturing for Intelligent Manufacturing Systems", found in Annex to the draft Council Decision. The Terms of Reference, or ToR, set out the objectives, management structure and terms and conditions of participating in the Agreement. Importantly, it includes a technical annex on the dissemination of information and what intellectual property rights apply to any research consequences resulting from IMS collaboration.

The ToR states that the IMS is an international and multilateral co-operation scheme the aim of which is to:

- boost industrial competitiveness;
- solve problems facing manufacturing worldwide; and
- develop advanced manufacturing technologies and systems for the benefit of humanity.

The ToR also lists the themes for research to be undertaken. These include, for example, future general modes of manufacturing systems including agile manufacturing, fractal factory, bionic manufacturing and holistic enterprise integration. Other themes relate to: clean manufacturing, minimum consumption of energy, technology innovation in the manufacturing process and improving the image of manufacturing globally. Both the Inter-regional and the Regional secretariats set up by the ToR will be responsible for providing assistance in the formation of IMS consortia for the different projects.

A number of innovations are included in the revised Agreement. For example, the IMS will now be governed by a public-private partnership deal. This is an important modification given that industry alone can not mobilise the critical mass of resources needed for funding collaborative research. The added impetus the public sector can give to the IMS will help contribute to a more coherent IMS scheme with a larger project portfolio.

In other developments, the budgetary principles for the IMS have been aligned to the requirements of the Financial Regulation applicable to the general budget of the European Communities. Were this not to have been the case the Commission would not have been able to contribute to the IMS Interregional Secretariat funded by the contributions of all signatories to the IMS Agreement.

Lastly, the ToR stipulates that the chair of the IMS governance is to rotate among the signatories to the agreement with the Chairman being responsible for setting up and managing the Inter-regional IMS Secretariat for a two and a half year period. Due to the lack of a legal base in the 1997 Agreement setting up the IMS, however, the Community had to decline the chair. To remedy this shortcoming this proposal is firstly, making the necessary legislative adjustment to allow the Community to host the interregional IMS secretariat in Europe when it is its turn to do so (expected to be in 2010 following on from Korea and Switzerland) and secondly, to seek extra funding to pay for the secretariat for the years that the Community will act as chair to the IMS.

For further information concerning the financial implications of this measure, please refer to the financial statement.