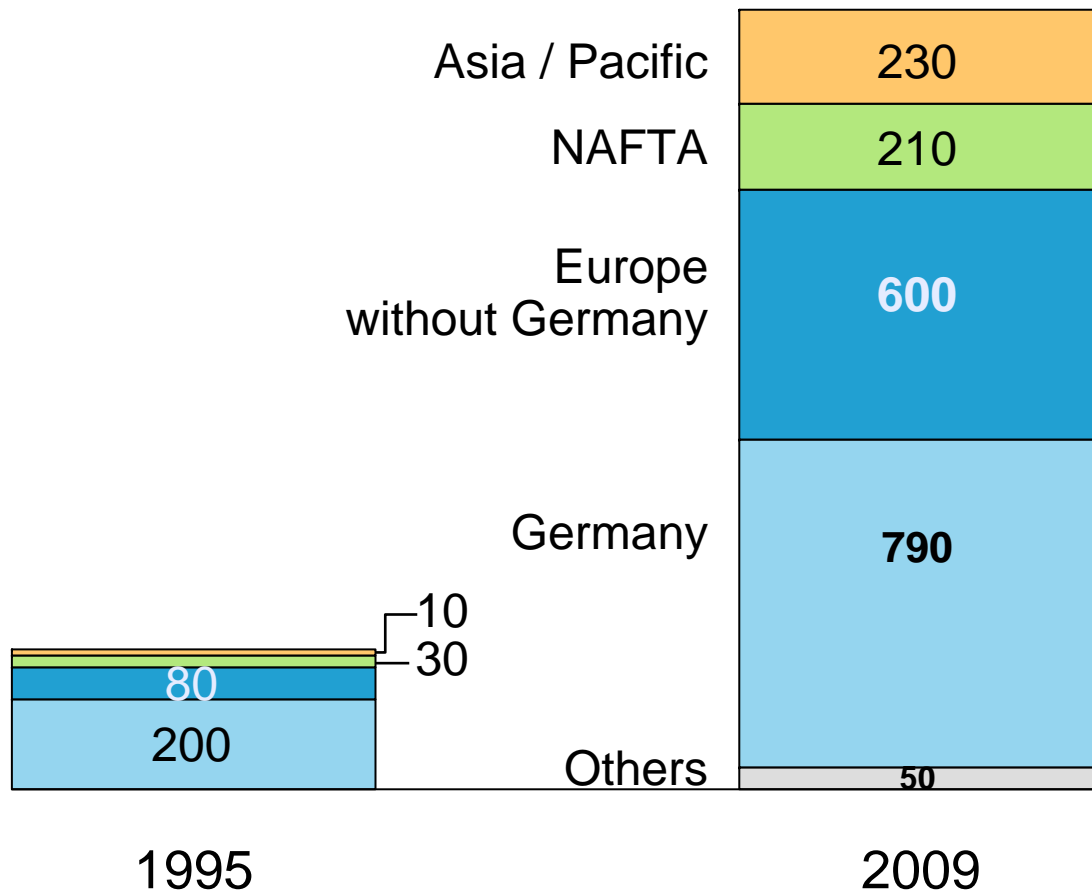


International and Interdisciplinary Know-how Verbund



1900 R&D - Cooperations



56 % of cooperations with partners outside Germany

58 % of all cooperations with universities and institutes

Participation in 80 publicly funded projects

Advantages of public funding for BASF



- Access to external know-how from networks of academia, especially in new research topics
- Cooperations across the value chain facilitate customer interactions and generate mutual trust
- Shared work packages in networks allow for faster progress
- Shared risk enables research on topics of high potential, but high risk or uncertain time horizons

... Secure the future of business by innovations

Disadvantages of publicly funded projects for BASF



- Procedures delay the project start by one year from submission and internal acceptance (“Speed-to Market”, long-term budgeting)
- Despite 50% internal funding, the IP rights are limited
- Very large networks with several industrial partners tend to have difficult consortium contract negotiations
- Reduced flexibility – also in cases of changing commercial perspectives

EU-FP 7 compared to national funding

	National (BMBF, BMWI, ...)	EU-FP 7
Number of projects	52	27
Funding 2009 in EUR mn.	9.0	1.5
Number of partners per project, structure	3 - 5 simple	5 - >10 complex
Development of Calls	flexible	Rigid frameworks

Complex structures, rigid frameworks in EU-Projects:

- **result 1: Booming market for consulting agencies for proposal development and project administration**
- **result 2: Industry rarely takes the role of a coordinator in EU-projects**

Activities and learnings of BASF in FP 7



Research topics:

- In the frame of SusChem, BASF actively participates in consulting of the European Commission
- Theme proposals from SusChem are well received in FP 7

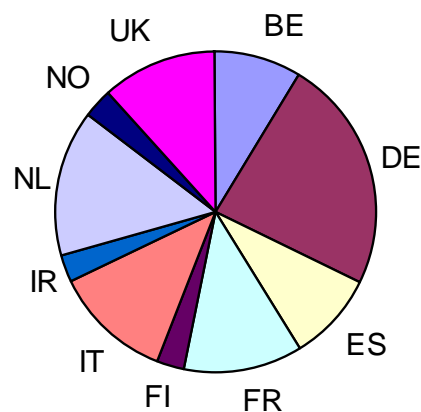
Calls and reviewing:

- Significantly lower success rates than in national funding
- Efficiency marginalized by efforts in proposal development

Performance:

- Positive: IT-support in project performance
- Negative: each legal entity at BASF SE is a separate partner, with uncertain accounting of „real indirect costs“

The European Technology Platform for Sustainable Chemistry seeks to boost chemistry, biotechnology and chemical engineering research, development and innovation in Europe.



Affiliations of
active members in
Materials group

European Technology Platform SusChem, founded 2004



- Participation from almost all European Member States
- SusChem Board includes academics and industrialists plus positions for consumer organisation and financial community
- Participants in technology groups include various SMEs and downstream users (e.g. automotive and electronics industry)
- More than 10 national technology platforms.



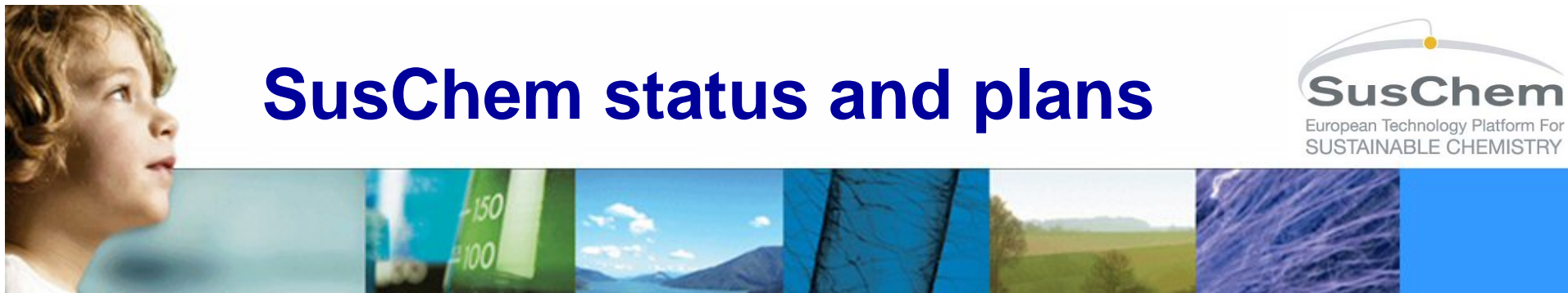
and many more ...



GESELLSCHAFT DEUTSCHER CHEMIKER



SusChem status and plans



Vision



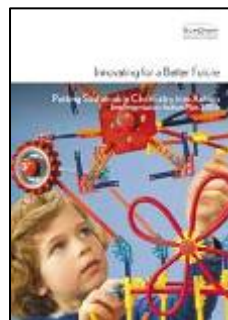
March 2005

Strategic Research Agenda



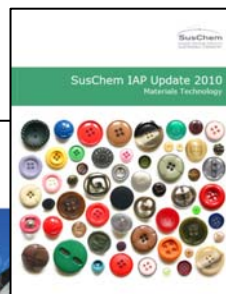
Nov 2005

Implementation Action Plan



Dec 2006

Regular IAP updates



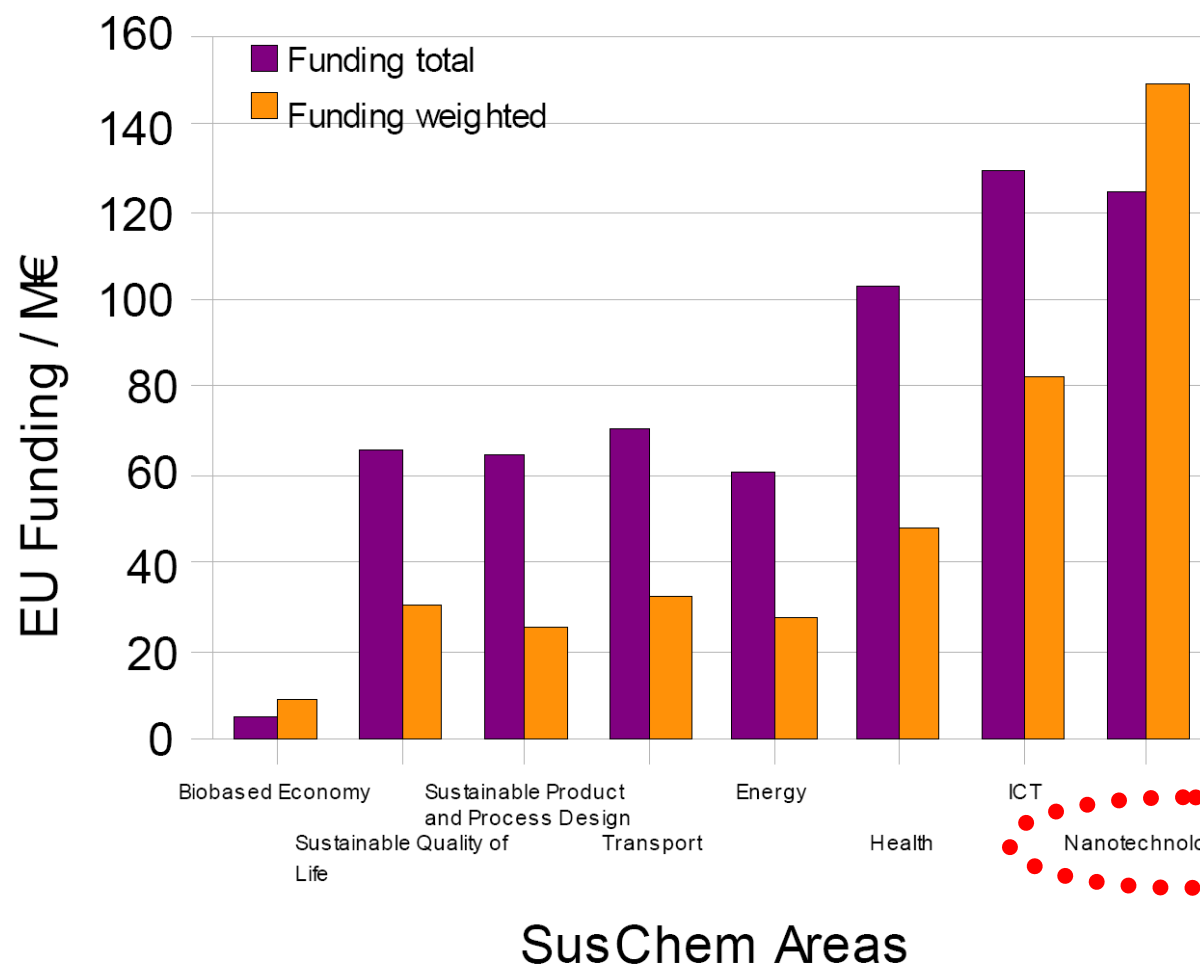
May 2010
May 2009

Drive towards Innovation



SusChem relevant funding

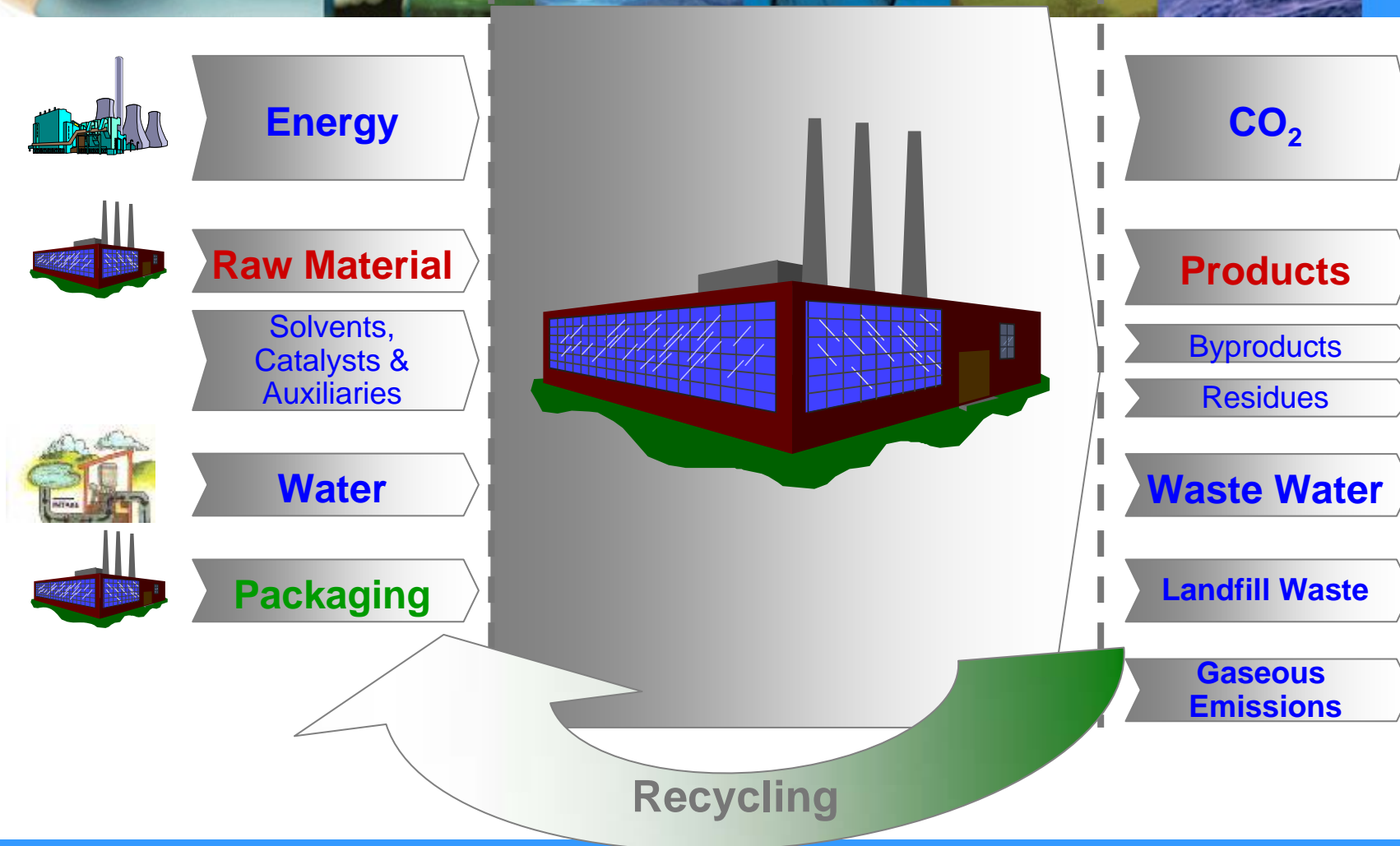
Calls issued 2007, 2008; Analysis by Dechema



- Positive surprises in ICT and Health.
- Very high relevance of **Nanotechnology** projects to several different SusChem Actions.



Large topics: Consider complete process for enhance resource efficiency → Sustainable Production



Summary on European public funding

- a view of BASF



- **Cooperative projects secure the future of business by innovations**
 - Need to access external know-how
 - Need to build value chains in shared risk (and shared IPR).
- **Slow “Speed-to-project” at reduced flexibility in FP7 delays the “time-to-market” → less effective than national funding**
 - Larger consortia, rigid controlling, restrictive budgets.
- The **European Technology Platform SusChem** boosts chemistry and biotechnology driven innovation in Europe.
 - Regular Implementation Plan updates → strong impact in FP7.
 - Drafting chemistry-driven PPPs for FP8.

Expectations to future framework programs: Simpler & Faster !

- Stronger orientation towards **Open Innovation**
- Reasonable budgeting
- Strengthening of new **Public-Private-Partnerships (PPPs)** with leadership by chemical industry
- Flexible instruments for controlling and transparency
- Smaller consortia, less complexity in projects
- Reduction of administrative overhead and simplification of financial rules (average values for overhead and Personalzusatzkosten, ...)
- Copy proven instruments from national funding and establish synergistic **„Joint Programming“**