

## Standard International Research and Innovation Cooperation Agreements (SIRICAs)

### *A Proposal from the Forum for European-Australian Science and Technology cooperation (FEAST)*

FEAST's consultations on best practices in research and innovation engagement with Europe have highlighted two related areas in which the adoption of a more standardised approach to drawing up international cooperation agreements would be very useful.

Firstly, with regard to academic-to-academic research cooperation, there are substantial transaction costs and time lags involved in drawing up multilateral research cooperation agreements. If more than one research team in Australia seeks to cooperate with a research consortium overseas then it can be expensive and time-consuming to draw up a suitable cooperation agreement.

This makes it difficult for Australian researchers to engage effectively with, for example, a EU Framework Programme consortium if more than one Australian institution is involved. As these sorts of research links with Europe continue to evolve, particularly through special 'coordinated' bids for cooperative research funding, these transaction costs and lead times will become an increasingly severe impediment to intensified and 'self-reliant' research cooperation, particularly as we move towards more globally engaged research funding arrangements.

The current situation is characterised by multiple parallel efforts to draw up MoU's and contracts without the benefits of collective learning, information exchanges and legal template standardisation. This is a costly and inefficient approach.

Secondly, with regard to businesses seeking to innovate via multilateral international cooperation the same sorts of transaction costs and difficulties are faced. In particular, it is not easy to develop "agile" research and innovation partnerships involving business-academic collaboration across national borders. It is taking too long to conclude contract negotiations that relate to complex intellectual property and funding/in-kind resource commitment issues (evidenced by experience within the Cooperative Research Centres program).

Given that the EU Framework Programme addresses major innovation objectives involving business-academic partnerships this is a significant limit to international engagement. These difficulties mean that the scope to resource business-academic collaboration of an *international* nature via the R&D Tax Concession Programme (and similar programs overseas) is limited.<sup>1</sup> This means that the tremendous potential to utilise the R&D Tax Concession Programme to fuel international engagement in innovation (e.g. with the EU Framework Programme) is not currently being exploited.

One possible solution lies in emulating key aspects of US *Cooperative Research and Development Agreements* (CRADAs). These are a standard legal template designed to reduce the transaction costs of forming and running an industry-academic partnership for defined objectives. CRADAs provide a simpler, and arguably more pragmatic solution to the cooperative research centre challenge. Importantly, they encourage project and programme focus rather than "institution" building efforts. As such, a legal template-based approach encourages better and more agile linkages between institutions involved in research and innovation – one of the major challenges for research and innovation policy.

The basic idea is to formulate a CRADA-type approach specifically targeting *international* research and innovation cooperation. These *Standard International Research and Innovation Cooperation Agreements* (SIRICAs) would be clearly aligned with the policy objective of encouraging more self-reliant "bottom-up" approaches to international research and innovation cooperation. SIRICAs would work by reducing the transaction costs and lead times associated with establishing effective international partnerships, including those involving businesses.

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<sup>1</sup> The bulk of costs incurred in international cooperation are still spent domestically, hence the 10% cap on overseas spending in claiming the R&D Tax Concession is not problematic.

It would therefore be preferable to have a single agreement template that allows a 1:1 relationship between Australia-based consortia and other international consortia that is also designed to facilitate industry/business involvement in these consortia. The principle is illustrated in the diagram in Annex A.

In a more permissive globally oriented context they would constitute a robust case for government intervention that would leverage and complement many existing funding programs and subsidies. All that government would be required to do would be to:

- fund the development, piloting and demonstration of a standard SIRICA template;
- liaise with other governments over the internationalisation of this template.

This is a budget neutral recommendation. It would be possible to fund the development of the SIRICA template from existing Australian Government programs supporting international engagement in research and innovation.

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# ANNEX A

