

Viewpoints on EU funding and co-operation

from

Fiber Optic Valley, Sweden

- *An Innovation System for Regional Growth*

1st Workshop on Research Funding and Structural Funds

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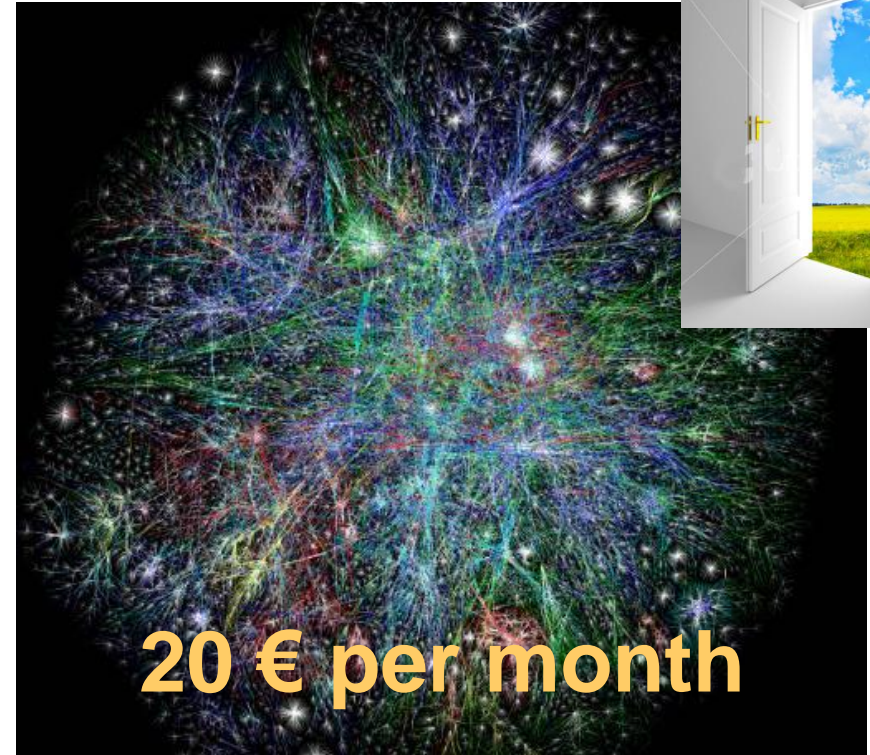
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- ❖ Why did we start Fiber Optic Valley (or why fiber optics)
- ❖ What is Fiber Optic Valley
- ❖ What is our experience of almost ten years of EU funding and co-operation

Why Fiber Optics?

Internet is only 16 years old – a teenager

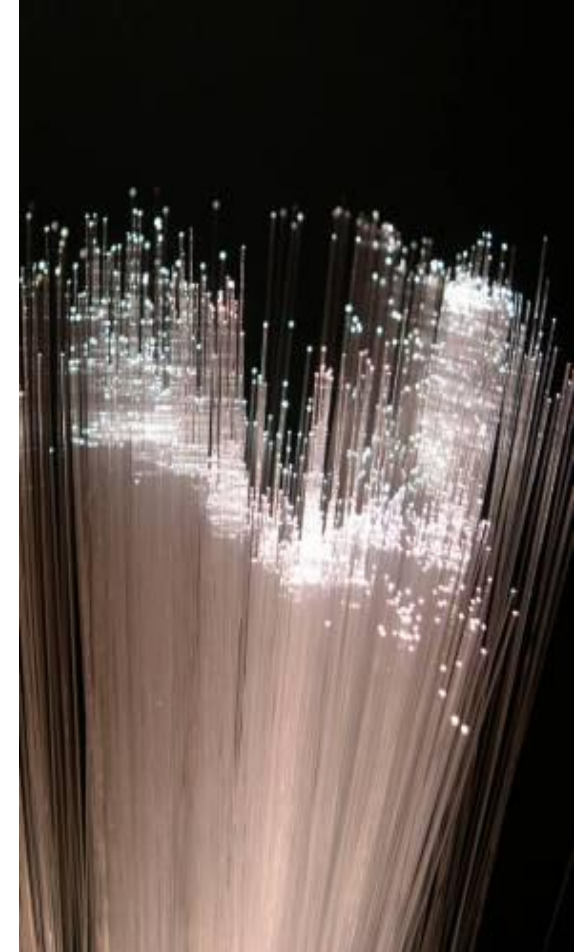
- ❖ 40 billion pages of information
- ❖ 20 000 radio stations
- ❖ 10 000 TV stations
- ❖ Free of charge world wide telephony
- ❖ Thousands of university courses



This would not exist without fiber optics!

Why Fiber Optics?

- ❖ The only known telecom technology for very high capacity information transfer
- ❖ The most energy-saving technology for transmitting digital information
- ❖ Important new application possibilities
- ❖ **It's the infrastructure of the future**
- ❖ Besides, opto fiber is capturing lots of applications besides telecom

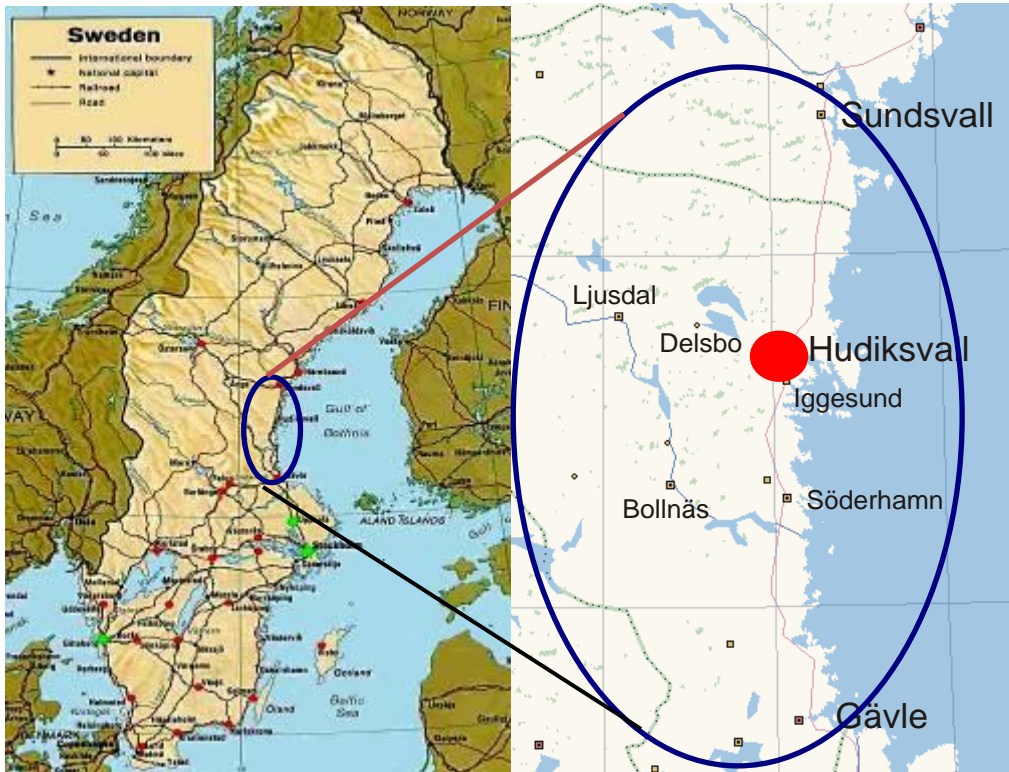


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Fiber Optics is a **Must** for the Fiber Optic Valley Region



Fiber Optic Valley



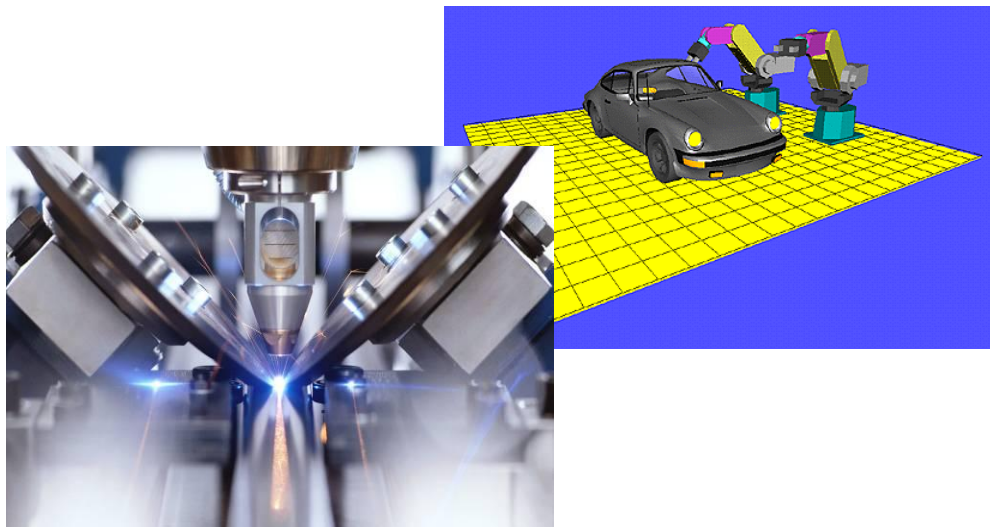
An non-for-profit association owned by its members established in Mid-Sweden in the region between Sundsvall and Gävle with Hudiksvall as center

Mission – create jobs through RD & I

Fiber Optic Valley Focus Area 1: Specialty Fiber

E.g.

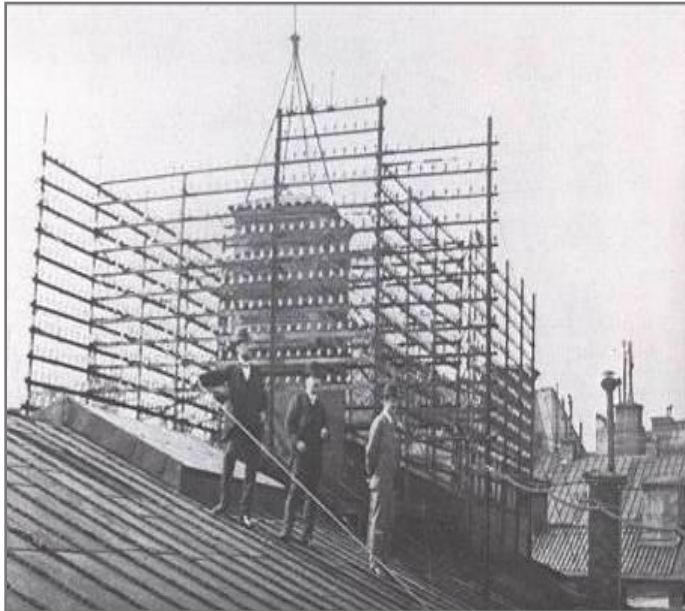
- ❖ **Endoscopy**
- ❖ **Sensor technique**
 - Heat, Moisture, Vibration, gases etc.
- ❖ **Welding, Cutting, Marking**
 - 10 kW through the glass fiber



Slide 7. © www.fiberopticvalley.com 2009-06-22

Fiber Optic Valley Focus Area 2: Fiber To The End User – FTTx

- ❖ A gigantic restructuring of the infrastructure
- ❖ From telephone network to data communication network



- ❖ From **K**bps to **G**bps to **T**bps per user in 20 years

Fiber Optic Valley Focus Area 3: Testbed for Broadband Applications

❖ Technology for broadband services in need of large transmission capacity

E.g.

- Bring the theatre to your living room
- Stay in touch at home with your doctor
- Simulation/training



History 1

1966 Ericsson's cable plant established in Hudiksvall

1984 Ericsson's first fiber optic cable

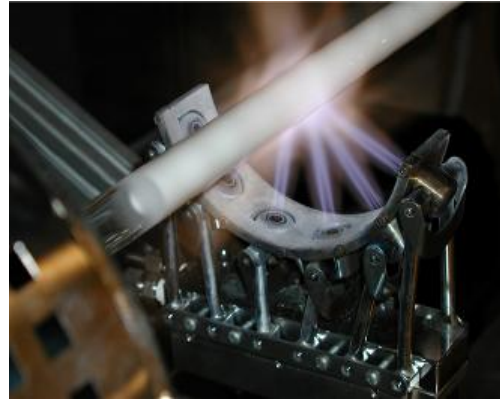
1999 The Infocom project mission – create new jobs based on R&D

2000 Hudiksvall's Metropolitan Area Fiber Optic Network commercialized



History 2

❖ 2001 Acreo FiberLab



❖ 2001 Vocational Learning Centre
• Fiber network technicians



❖ 2002 Fiber Optic R&D & education at Mittuniversitetet

MID SWEDEN UNIVERSITY

❖ 2003 Fiber Optic Valley established

History 3

- ❖ 2003 The IT Advisers started - SME IT support
- ❖ 2004 World Internet Institute established in Hudiksvall - behavioural science in broadband
- ❖ **2004 Fiber Optic Valley Vinnova "Vinnväxt" Winner National innovation system competition**
- ❖ **2006 Acreo FiberLab Center of Excellence Award**
- ❖ 2007 First American establishment in Fiber Optic Valley
- ❖ 2008 First European network technician certification
- ❖ **2009 Ericsson makes Hudiksvall its WW IT demo site - in competition with Singapore**

Some Notable Results

The international review committee



Success in figures

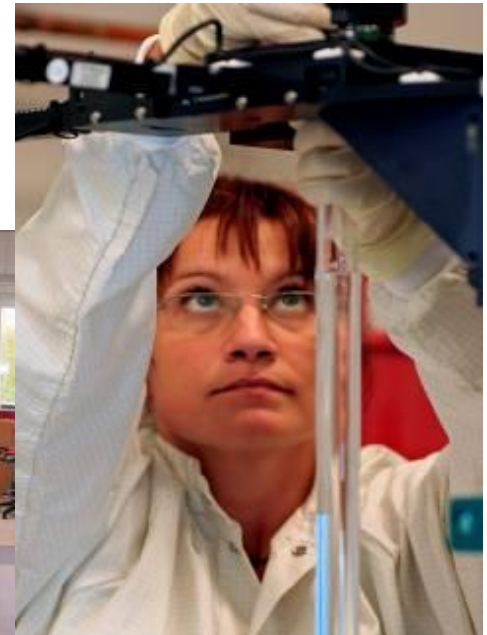
- 30 new SME's and 500 new jobs
- Added value 30 % higher per employee
- Salaries 80 % higher compared to regional SME's in average

Acreo FiberLab, Hudiksvall

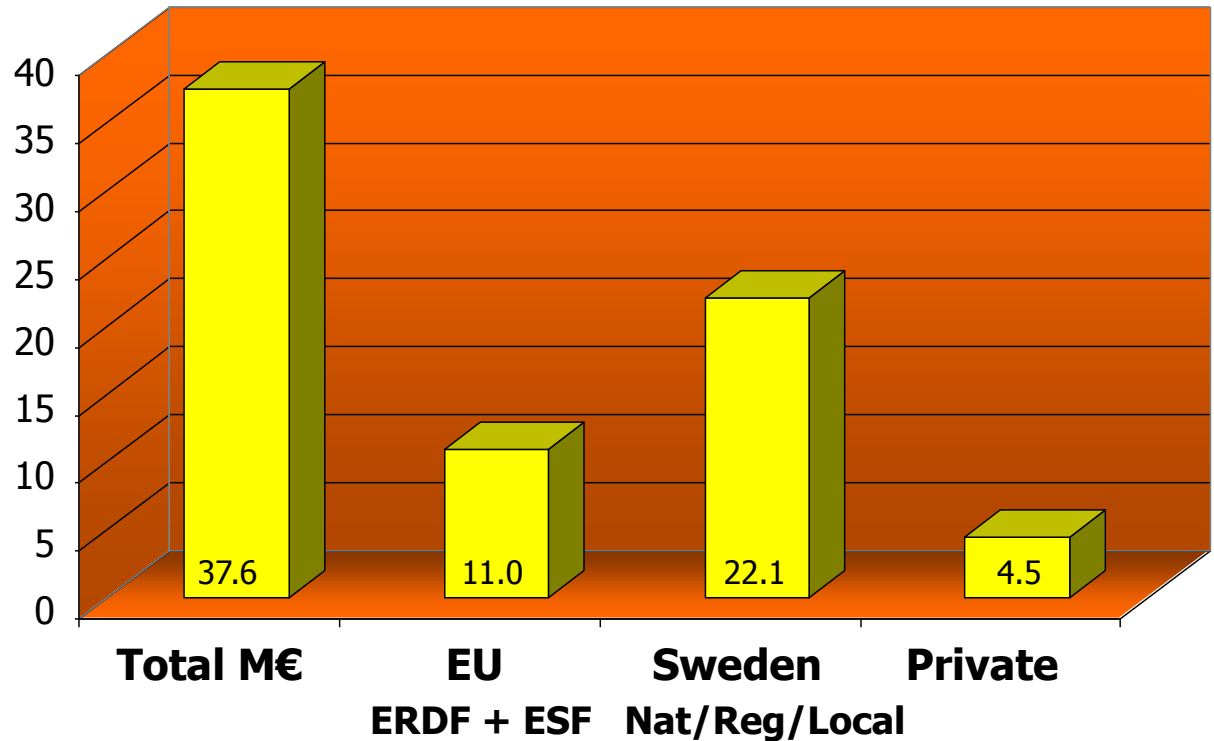
- The only specialty fiber lab in Northern Europe

Network technician training

- More than 250 companies in 25 countries worldwide



Financing



- ✦ **Received financing 1999 – 2009; total 37.6 M€**
- ✦ **Private financing 1999 – 2009; total 4.5 M€ (In 2008; 0.8 M€)**
- ✦ **Secured national financing 2010 – 2015; 6.3 M€**

What is good in the EU financing/co-operation

- ❖ A very good possibility to gear up the national public financing
- ❖ It can convince local and regional financiers to dare to put some of their money on us
- ❖ Good contact with and easy to discuss project financing in a positive spirit with the Swedish EU staff
- ❖ **Fiber Optic Valley would probably not exist without the EU financing**

What could be improved or changed in the EU financing/co-operation

- ❖ **Start project support** – compare with Vinnova, Sweden, that regularly runs:
 - a variety of courses (training in marketing, media contacts, etc.)
 - specialist audits
 - reviews of project plans
 - seminars and conferences with people having common interests and questions
 - contact network meetings
 - etc.

What could be improved or changed in the EU financing/co-operation

- **Avoid double or triple administrative work –**
Most of our projects contain a mix of development, investments, education and training

the EU programs require separate project applications and reporting

What could be improved or changed in the EU financing/co-operation

- ❖ **Project administration requirements too tough -**
Results in far too much unproductive time. Too much focus from EU on cost details instead of project result

What could be improved or changed in the EU financing/co-operation

- **Start advance payment** - A simple system for advance payment is needed. Today liquidity problems do take a lot of efforts away from meaningful project work or even prevent project start.

What could be improved or changed in the EU financing/co-operation

- **Introduce long term base financing** – Developing a process often takes up to 10 years or more

What could be improved or changed in the EU financing/co-operation

- ❖ **Allow application financing** - EU should OK financing for work on new project applications based on earlier projects

or

divide projects in a prestudy phase and a project phase with much simpler requirements on both application and reporting for the prestudy phase

What could be improved or changed in the EU financing/co-operation

- ❖ **Allow for “Free money”** - Possibility to get a part of the financing as “free money” to be able to act on opportunities not known at application time, if good enough results have been demonstrated in earlier projects.

What could be improved or changed in the EU financing/co-operation

- ➔ **“Simplify administration”** - Good results in earlier projects should simplify project applications and reporting in future projects

What could be improved or changed in the EU financing/co-operation

- ❖ **Allow fewer company partners** - Problems between the number of company partners practical to include in development work and the EU requirements forbidding company support

What could be improved or changed in the EU financing/co-operation

- ➔ **SME counter financing should be included** -
SME participation should be possible to use as a lever for EU funding

What could be improved or changed in the EU financing/co-operation

- ❖ **Project detail foresight overestimated by EU –**
It is very hard to anticipate in detail what should be done 3-4 years ahead, e.g. Central Baltic requirements on detail foresight are impossible to live up to

Summary

Most important remarks:

- ❖ **A system for advance payment needed**
- ❖ **Project administration requirements counter productive**
- ❖ **Introduce project support**

**Thank-you
for Your Attention!**