



**EUCAR**

EUROPEAN COUNCIL FOR AUTOMOTIVE R&D

**European Parliament EPP meeting**  
**Simplification: The way ahead**  
30<sup>th</sup> November 2010

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2010 Chairmanship of EUCAR

# EUCAR Members

## The 13 Major European Automotive Manufacturers



+ Volvo Car Corporation from 1<sup>st</sup> January 2011

# EUCAR Mission

**”To Strengthen the Competitiveness of the European Automotive Manufacturers through Strategic Collaborative R&D”**

by:

- ❑ Identifying, formulating and prioritising the common R&D needs,
- ❑ Interacting with the European Commission, national bodies and other key stakeholders in order to represent, promote and communicate these common R&D needs,
- ❑ Initiating, supporting and monitoring impact studies, R&D projects and programmes.

# Why simplification and how?

- ❑ To reduce the costs of participation in EU funded R&D projects for all beneficiaries
- ❑ To encourage participation of industry in EU R&D – supporting industrial innovation
- ❑ Thereby to enhance the value of collaborative EU R&D

by:

- ❑ Reducing barriers to entry: bureaucracy, inconsistency & complexity, wasted efforts, onerous financial requirements
- ❑ Increasing incentives: R&D topics aligned with industry needs, flexibility and reactivity of programmes

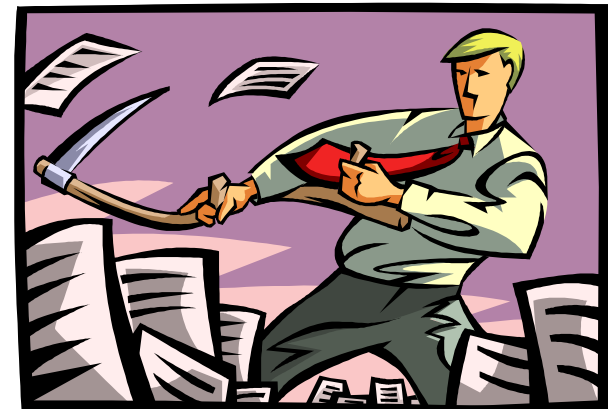
## Priority issue: financial requirements

- ❑ Public investment leverages much larger OEM investment – non-usual accounting rules are a disproportionate burden
- ❑ Critical issue: personnel costs calculated at average rates
  - ❑ Average personnel cost (e.g. per cost centre) is usual procedure for many
  - ❑ Cost centre pyramid hierarchy yields an average at the project officer level
  - ❑ Average personnel costs are actual costs for industry
- ❑ EUCAR supports an immediate solution for average costs:
  - ❑ Simplified application procedure
  - ❑ No conditions requiring previous participation
  - ❑ Cost-centre approaches accepted
  - ❑ No deviation limits

The average cost  
is an  
actual cost

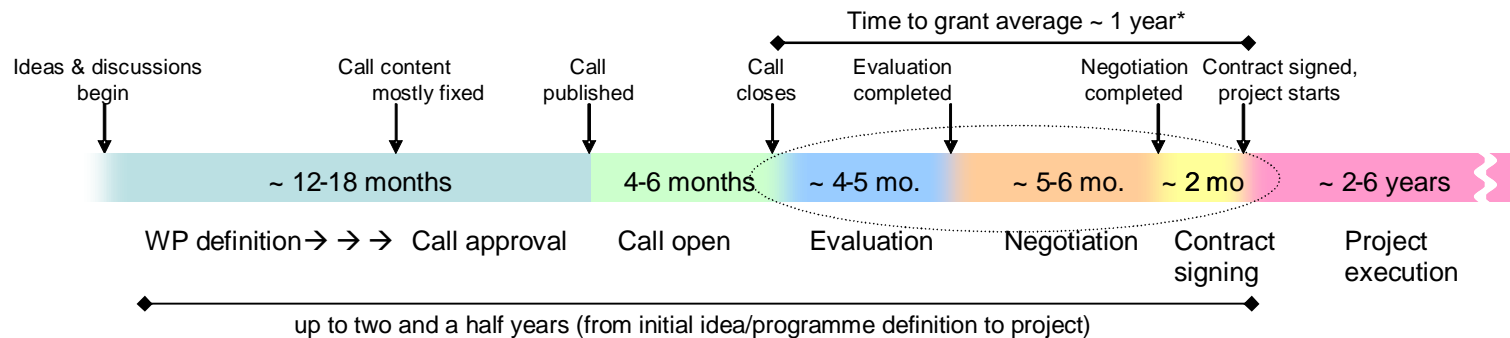
# Priority issue: complexity & inconsistency

- ❑ Common rules & procedures in R&D programmes facilitate participation of industry (Work Programmes, PPPs, JTI's etc)
  - ❑ IT systems are being updated and simplified – common portal required
  - ❑ Retain funding rate differentiation but treat demonstration as research
- ❑ Consistent and predictable application of rules by Commission officers and auditors is essential
  - ❑ Under same rules, treatment by different DGs and even different officers can be inconsistent
  - ❑ No independent system for dispute resolution
- ❑ An effective solution for mediation and redress is necessary to provide confidence for beneficiaries



# Priority issue: speed and reactivity

## Current typical project procedures (from programme definition to project execution)



\*from 2<sup>nd</sup> FP7 monitoring report

- ❑ “Idea to grant” can be more than 2 years, including average “submission to grant” time of 12 months
- ❑ Process ensures accountability & full stakeholder input – but evaluation and negotiation should be streamlined
- ❑ For critical R&D, a flexible fast-track is needed – to allow bottom-up industrial topics and an accelerated process

## Priority issue: focus on results

- ❑ Collaborative R&D projects aim to achieve tangible results
- ❑ Results are exploited in further development or transformed into marketable products
- ❑ This is the essential step in innovation – collaborative R&D must continue to focus on achieving exploitable results
- ❑ In contrast, the concept of results-based funding is not valid for true research
- ❑ Results are essential but cannot be pre-ordained in R&D projects





## Additional priority issues

- ❑ EUCAR supports removal of burdensome obligation to open interest-bearing bank accounts and recover interest
  
- ❑ Structure and timing of calls and consortia should be made appropriate for the research topics in question
  - ❑ Breadth of call topics should be tailored to research needs
  - ❑ Duration of call should be kept to a minimum – do not increase delays
  - ❑ Consortium sizes should be determined according to requirements of calls
  - ❑ Two-stage evaluation increases time to grant – use only if net benefit arises
  
- ❑ For long term cost-effective control, increase tolerable risk of error above 2% level (Review of the Financial Regulation)

# When should changes be implemented?

## *Proposed implementation timetable*

	<i>Now</i>	<i>2012*</i>	<i>2014(FP8)</i>
1. Usual accounting procedures - average rates	➔		
2. Common rules across programmes	➔	➔	➔
3. Streamlining evaluation and negotiation	➔	➔	➔
4. A system for mediation and redress	➔		
5. Solution for fast-track of critical R&D		➔	➔
6. Removal of interest-bearing accounts	➔		
7. Increase tolerable risk of error		➔	

\*2012 is expected implementation date of Financial Regulation