



EUCAR

EUROPEAN COUNCIL FOR AUTOMOTIVE R&D

European Parliament EPP meeting
Simplification: The way ahead
30th November 2010

Prof. Sylvain Allano
Executive Scientific Director

PSA PEUGEOT CITROËN
2010 Chairmanship of EUCAR

EUCAR Members

The 13 Major European Automotive Manufacturers



+ Volvo Car Corporation from 1st January 2011

”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

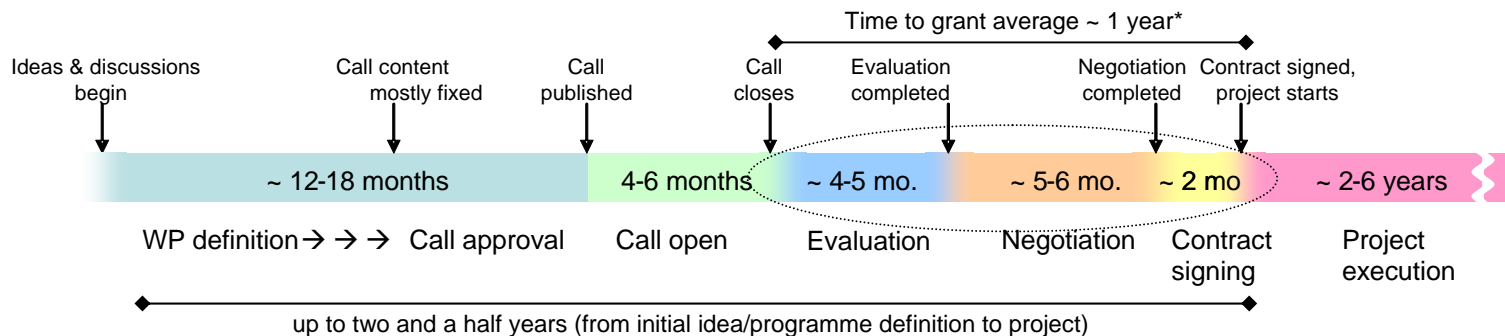
Priority issue: complexity & inconsistency

- ❑ 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 2nd 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