

## **The European Automotive Industry outlines its Priorities for Sustainable Transport in the Eighth Framework Programme**

### **Summary of preliminary recommendations**

EUCAR makes the following preliminary recommendations on the structure and design of the Eighth Framework Programme, to initiate and contribute to further debate:

- Structure the Eighth Framework Programme to include coherent research themes, in which mobility and transport is included as one of the priority themes.
- Allocate a significant level of R&D funding to the mobility and transport priority theme, recognising road transport and automotive research as a primary topic within that theme.
- Ensure consistent cooperation between the EU and Member States to enhance the effectiveness of research activities in the European Research Area.
- Embed solutions for administrative burdens in research funding into the structure of the Eighth Framework Programme.
- Continue to consult actively with industry to ensure its optimum contribution to the development and execution of Eighth Framework Programme.

### **About EUCAR**

EUCAR is the European Council for Automotive R&D from the major European passenger car and commercial vehicle manufacturers. EUCAR facilitates and coordinates pre-competitive research and development projects and its members participate in a wide range of collaborative European R&D programmes. The European automobile manufacturers are the largest private investors in R&D in Europe with over €26 billion investment per annum, or 4% of turnover. EUCAR members are BMW, DAF, Daimler, Fiat, Ford Europe, GM/Opel, Porsche, PSA Peugeot Citroën, Renault, Scania, Volkswagen Group and Volvo. EUCAR is closely connected to ACEA, the European Automobile Manufacturers Association.

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## **Introduction**

The European Union is currently experiencing a period of transition, prompted by the need to exit from the economic crisis, the changes brought about by the Lisbon treaty and the introduction of a number of new initiatives to strengthen the EU for future challenges.

The broadest of these initiatives is the recently published Europe 2020 Strategy, "A European strategy for smart, sustainable and inclusive growth". One of the five concrete targets of the Europe 2020 Strategy confirms the existing objective to increase European investment in R&D to 3% of GDP. It places focus on impact rather than input, through improving the conditions for private R&D expenditure and enhancing the throughput to innovation. As the first of its seven "flagship initiatives", the EU 2020 strategy proposes to build an "Innovation Union" to strengthen the foundations for R&D and innovation on an EU and national level. The strategy also focuses on sustainable growth, increasing competitiveness, combating climate change and producing clean energy.

### **Flagship Initiative: "Innovation Union"**

The aim of this is to re-focus R&D and innovation policy on the challenges facing our society, such as climate change, energy and resource efficiency, health and demographic change. Every link should be strengthened in the innovation chain, from 'blue sky' research to commercialisation.

### **Europe 2020 Strategy paper, section on the Flagship Initiative "Innovation Union"**

The Competitiveness Council and EU Vice-President Tajani have recently introduced ideas for a new industrial policy, with emphasis on competitiveness, sustainability and innovation. The objectives include the intensification and better coordination of EU efforts in research and innovation, with the expectation that the Commission's upcoming Research and Innovation Plan should support solutions to major societal challenges. The Council requested that the Commission introduce a Strategy for Clean and Energy Efficient Vehicles, stressing the importance of research and innovation in improving the performance and viability of such vehicles. EUCAR has issued a written statement to the Commission on this strategy.

Transport is one of the major EU industrial and commercial sectors and is also an essential pillar of EU economic and social activity. The European Commission, in consultation with the EU institutions and other stakeholders, is currently compiling a White Book on EU transport policy for the next decade, to be issued in early 2011. In discussions and communications on this subject, the need for enhanced mobility to provide both for social and economic needs has been emphasised, whilst reducing impact on the environment and a safe and secure transport system for all its users.

## **Mobility and Transport as a research priority**

The emphasis on research in the EU's current strategic thinking demonstrates an important new direction for the EU, in which knowledge and innovation drive progress in industry, exploiting R&D results for new technologies, systems and services and supporting the creation of new jobs. The importance of the transport sector to the EU's aims is equally clear, since without an efficient, clean and safe transport system which ensures the mobility of people and goods, economic growth and social progress are impossible.

In the conception phase of the Eighth Research Framework Programme, the high level priorities must be structured to reflect the future challenges of European society and its economy.

Therefore mobility and transport should be included as a priority research theme in the Eighth Framework Programme and sufficient resources made available which correspond to this priority's importance.

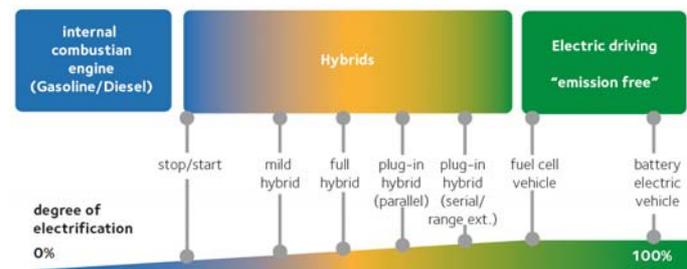
### **A Focus on Research in Road Transport and the Automotive Sector**

Transport is increasingly being considered from a system point of view, in which the user, whether in passenger or freight, identifies the most convenient and efficient method to achieve his objective of moving people or goods from A to B. The importance of overall mobility, enabled by co-modality, and of the efficiency of interfaces between transport modes have therefore been recognised, for example in the mid term review of the White Book on Transport and in current discussions on the Future of Transport.

The efficiency and global competitiveness of each individual part of the transport system must be increased to the maximum extent possible. Therefore, as an integral part of the system, road transport should be considered as a coherent topic within the transport research priority theme in the Eighth Framework Programme. A primary element will be automotive vehicles, which are the lifeblood of road transport and whose future development in terms of utility for their users, environmental performance, safety and competitiveness will be enhanced through EU research.

As detailed in the "EUCAR Focus" of 2009, six topics encompass the research needs for the automotive sector:

- Urban mobility and transport including traffic management and logistics
- Optimisation of internal combustion engines and use of alternative fuels
- Electrification of the vehicle
- Safety applications in cooperative systems
- Improved materials and lightweight structures
- Ecological and efficient manufacturing.



**Degree of electrification of the vehicle**

These automotive research needs should be considered as an essential element of an integrated road transport system, complemented by efficient interfaces, thereby targeting the optimisation of the overall mobility of users in the transport system.

In particular in the automotive sector, with long lead times, economies of scale and the increasing importance of cooperative systems, collaborative research at the European level adds value by bringing a wide spectrum of experts together to work on pre-competitive research. A long term partnership between the automotive industry and decision makers in the Framework Programme will be essential to realise optimal gains in road transport.

These topics should also be reflected in the relevant European Technology Platforms, by maintaining their coherent focus on the priority research fields which underpin transport, including road transport and its enabling technologies.

From a sustainability perspective it is of utmost importance to increase the resources dedicated to road transport research in order to reduce the carbon footprint whilst meeting increased mobility needs.

### **Increased effectiveness in funded research in the road transport system**

The great value of publicly funded research performed at an EU level is the broad collaboration inherent in Framework Programme projects, leveraging overall effectiveness by bringing together expertise from many European countries, through industry, SMEs, institutes and academia. By coordination of research activities between member states and the EU level, duplication can be avoided, whilst also retaining the element of competition which spurs researchers to progress. This will be the foundation for a more effective European Research Area.

A significant barrier to the participation of companies in Framework Programme projects is presented by bureaucracy and administrative burdens. The improvements made by the Commission in recent years are acknowledged and appreciated, but there is still some way to go before companies are enabled to participate with confidence. Issues include the following:

- The length and uncertainty of the time from call closing to project approval and official project start make capacity and research planning of proposal participants very difficult.
- The financial rules for project funding create burdens for the administrative departments responsible for research funding, by not allowing them to use their usual accounting methods.
- The option to apply for a certificate of methodology (CoM or CoMAv) is time consuming and restrictive and so far has proven an unsuccessful channel for EUCAR's members.
- The burden of project audits can be overwhelming.

It is necessary to adapt the level of budgetary control to reflect the low level of risk involved in the financial administration of funds to the professional companies and institutes involved in research. The bureaucracy involved in EU projects can be an insurmountable barrier for companies from multinationals to SMEs, excluding them from participating in productive projects and losing their potentially valuable contribution and expertise. It will be necessary to embed structural solutions in the legislation for FP8, to remove the administrative and financial burdens and thereby enable participation by a much greater part of the automotive research community.

### **Conclusions and recommendation**

The Eighth Framework programme represents an excellent opportunity to support the objectives of the European Union, especially as the current debate focuses on how to ensure Europe's competitiveness for the future. The Innovation Union proposed in the Europe 2020 strategy, the need for a fresh industrial policy and the sustainable future of transport are all long term programmes, which require knowledge and technological development to help shape the future. The inherent challenges will be enabled by dynamic research activities, which offer new solutions and form the basis for innovation and exploitation to create improved products and services, thereby supporting the industrial sector and employment.

To enhance the productive contribution from research, we make the following recommendations regarding the conception of the Eighth Framework Programme:

- Structure the Eighth Framework Programme to include coherent research themes, in which mobility and transport is included as one of the priority themes.
- Allocate a significant level of R&D funding to the mobility and transport priority theme, recognising road transport and automotive research as a primary topic within that theme.
- Ensure enhanced cooperation between the EU and Member States to enhance the effectiveness of research activities in the European Research Area.

- Embed solutions for administrative burdens in research funding into the structure of the Eighth Framework Programme.
- Continue to consult actively with industry to ensure its optimum contribution to the Eighth Framework Programme.

EUCAR is compiling in depth analyses of the items described in this paper and will share this information with policymakers and stakeholders to help initiate debate and further dialogue. We therefore look forward to a productive period of cooperation, to determine the appropriate integration of road transport and automotive research into the Eighth Framework Programme.

With reference to:

“The Automotive Industry R&D Challenges of the Future”, EUCAR, November 2008 (<http://www.eucar.be/publications/EUCAR%20Message%202008.pdf>).

“The Automotive Industry Focus on future R&D Challenges”, EUCAR, November 2009 ([http://www.eucar.be/publications/EUCAR%20FOCUS%202009\\_Web.pdf](http://www.eucar.be/publications/EUCAR%20FOCUS%202009_Web.pdf)).

EUCAR contribution to the Commission consultation on Ideas for simplifying the implementation of the EU Framework Programmes, September 2009.

EUCAR contribution to the Commission consultation on the review of the Financial Regulation, December 2009.

EUCAR Contribution the Commission consultation on the Future “EU 2020” Strategy, January 2010.

Conclusions of the EU Competitiveness Council, 1<sup>st</sup> March 2010.

EU Commission communication “Europe 2020 - A European strategy for smart, sustainable and inclusive growth”, 1<sup>st</sup> March 2010.

EUCAR written comments to the European Commission’s Strategy for Clean and Energy Efficient Vehicles, March 2010 ([http://www.eucar.be/publications/clean\\_and\\_efficient](http://www.eucar.be/publications/clean_and_efficient))