EUCAR

EUROPEAN COUNCIL FOR AUTOMOTIVE R&D

European Parliament EPP meeting
Simplification: The way ahead

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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

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

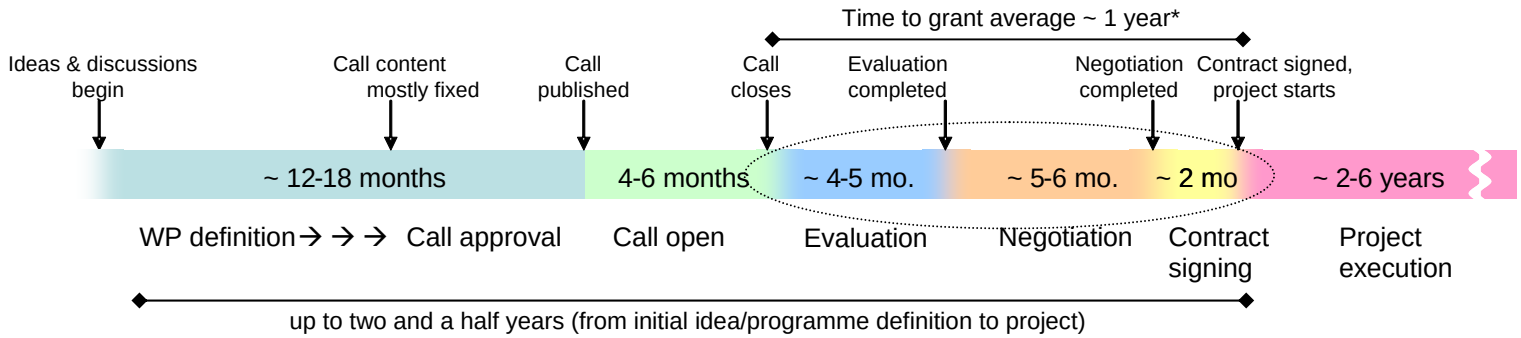
Priority issue: complexity & inconsistency

- Common rules & procedures in R&D programmes facilitate participation of industry (Work Programmes, PPPs, JTIs 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

		Now	*2012**	*2014(FP8)*
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