

EUCAR ideas on Implementation of Horizon 2020

Summary

EUCAR and its members consider the Horizon 2020 Framework Programme for Research and Innovation to be an excellent opportunity for collaborative research activities, in particular in the industrial domain, and appreciate the commitment of the European Commission in bringing it to fruition. In order to foster the optimum effectiveness of the programme in this domain, EUCAR makes the following recommendations on the implementation of Horizon 2020, based on the opinions and experience of our members:

- For industrial research and innovation themes, including automotive and road transport, formulate calls for proposals with more explicit guidance for the scope and size of projects, reflecting the priorities of industry and stakeholders, thereby also enhancing opportunities for SMEs and new entrants. It is also recommended to introduce the single-stage evaluation procedure for such calls, reflecting the practice in the contractual PPPs.
- From 2015 eliminate the long delay in the deadline of the single-stage evaluation procedure and avoid its coincidence with the main holiday period.
- Ensure a consistent and correct application of average personnel costs in Horizon 2020 projects, in particular without systematic recourse to individual costs in project audits.
- Expand the Fast-Track to Innovation scheme, ensure its industrial focus and accessibility for all industrial beneficiary types and introduce a finer thematic focus, enabling a critical mass in key areas of industrial research and innovation. Additionally, consider methods to focus the scheme more effectively by, for example, supporting pilot or follow-on projects.

About EUCAR

EUCAR is the European Council for Automotive R&D of 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 €32 billion investment per annum, or 4% of turnover. EUCAR members are BMW, DAF, Daimler, Fiat, Ford of Europe, GM/Opel, Hyundai Motor Europe, Jaguar Land Rover, PSA Peugeot Citroën, Renault, Scania, Volkswagen, Volvo Cars and Volvo Group. EUCAR is closely connected to ACEA, the European Automobile Manufacturers Association.

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Nature of industrially-relevant calls for proposals

A key objective of Horizon 2020 is to increase the participation of industry, including SMEs, to feed European innovation through pre-competitive collaborative research and close-to-market activities. Specifically in the automotive sector, effective innovation is channelled through vehicle manufacturers, making it imperative to encourage manufacturers and Tier-1 suppliers to participate in projects. This also enhances opportunities for other stakeholders in the automotive value chain, including new entrants and SMEs, as demonstrated by their participation in previous European projects of EUCAR members.

However, one already apparent disincentive to industry's participation is the formulation of calls for proposals as challenges rather than specific topics, with only approximate guidance on project size and a lack of clear technical descriptions. In previous Framework Programmes the clear guidance in these two respects enabled consortia to focus their efforts, being a key strength in the Transport domain.

Additionally, the use of the two-stage procedure in the Transport Work Programme will by its nature lead to longer overall lead times for projects. This acts as a discouragement to industrial beneficiaries and slows the process of innovation at a time when in Europe it needs to be accelerated.

Furthermore, the less prescriptive call parameters will not lead to a widening of successful participation nor will it encourage effective innovation in the sector. The risk is that the more flexible budget guidance in Horizon 2020 will increase uncertainty and result in fragmentation of efforts for all beneficiary types.

Our proposal is the following:

- In the calls relevant to the automotive sector where industrial innovation is a key factor, administer the domain in a similar fashion to the contractual PPPs, with industry playing a leading role in defining R&I priorities.
- Formulate the calls in a more focused manner, defining the scope and in particular the project size more precisely, enabling a more coherent response from industry.
- Employ the single-stage evaluation procedure systematically for such industrially-relevant calls, as in the contractual PPPs, thus reducing the total time-to-grant.
- Enhance the opportunities for all participants, including SMEs and new entrants, by improving the channels to the relevant R&I community, for example by expanding the use of information days and by enhancing links to European Technology Platforms.

Timing of calls and deadlines

In addition to the concern over the use of the two-stage evaluation procedure, the deadlines for some single-stage calls have been delayed. For example, for the European Green Vehicles Initiative and for the Energy work programme the deadline is August / September 2014 respectively, eight or nine months respectively after the publication of the call. This is a significant delay and will, again, slow down the process of innovation, in particular in the area of Green Vehicles where the intention is to drive Europe forward in the face of tough global competition.

The August deadline itself (coinciding with the final deadline for the two-stage calls in the Transport work programme) will be particularly difficult to manage, since it coincides with the traditional holiday period for most automotive manufacturers and suppliers as well as other entities.

We understand that there are well-founded operational reasons for the implementation of these deadlines. However, we recommend that from the 2015 call onwards the delay between the launch of the call and the deadline be reduced to the customary 3 months.

Auditing of average personnel costs

In January 2011, the European Commission issued a guidance document on a number of simplifications for implementation of Framework Programme projects. Amongst them was an important provision for all beneficiaries to be able to apply average personnel costs based on a cost-centre approach, if conforming to usual accounting practices.

With proper application of this method by beneficiaries, the average costs were to be accepted as actual costs, without systematic recourse to individual costs during project audits. This method has indeed been applied successfully by many beneficiaries. However, we have been informed by a number of beneficiaries employing average costs in this way that they were indeed requested in advance to provide detailed information on individual personnel costs at project audits.

These appear to be systematic, not isolated incidences. They have been executed both by European Commission auditors and external auditors and caused in each case a significant administrative and legal burden, negating the benefits of the reform.

We strongly recommend the consistent and correct application in practice of the simplification of average personnel costs in Horizon 2020, in particular without systematic recourse to individual costs in project audits.

Fast-Track to Innovation implementation

We appreciate the commitment of the European Commission to the implementation of the Fast-Track to Innovation procedure as a new method for accelerating innovation in Horizon 2020. We understand that the scheme is to be introduced through a pilot in 2015 in Horizon 2020's constituent programmes with a budget approximately 1 to 1.5% of the total.

We believe that the potential of the Fast-Track scheme is much greater than this and would be pleased to work with the European Commission to ensure a successful pilot and a subsequent expansion of the scheme, aiming at supporting relevant industrial and societal innovation.

Additionally we recommend that Fast-Track to Innovation be focused primarily on industrial innovation, involving all industrial beneficiaries including large companies, to ensure the greatest potential market effect.

In particular we recommend the following:

- An increase in the budget dedicated to Fast-Track to Innovation from 2016 onwards to at least 5% of the budget of each work programme.
- A narrower thematic focus of the scheme to enable a critical mass of projects in key research and innovation areas within selected work programmes. This is especially relevant in the pilot stage of the instrument, in which a coherent test with a critical mass is necessary to enable a proper evaluation.
- The consideration of additional methods for focusing the instrument, for example dedicating it to the support of pre-studies and pilot projects or to fast start-up of innovation projects, which aim to exploit the results of ongoing or recently completed EU research projects.
- An explicit confirmation that Fast-Track to Innovation is open to all industrial beneficiaries from SMEs to large companies and that its effective implementation requires a focus on industrial innovation.