



EUCAR

EUROPEAN COUNCIL FOR AUTOMOTIVE R&D

**Belgian Presidency event
Simplification Seminar
14 July 2010**

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The 13 Major European Automotive Manufacturers



EUCAR Mission

”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.

Simplification and strengthening the efficiency of research programmes

1. *The administrative burden (detailed cost reporting, financial control and error rates): reduced by introducing **result/output-based funding***



- Reduce the accounting administration
- Exact definition of the results/outputs to be achieved: significant efforts from participants in the proposal phase
- Robust (and agreed) methodology on the measurement of the actual results against those expected
- Longer (difficult?) negotiation phase
- Potentially replace one administrative burden with another

Simplification and strengthening the efficiency of research programmes

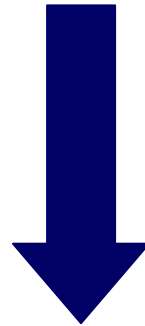
1. *The administrative burden (detailed cost reporting, financial control and error rates): reduced by introducing **result/output-based funding***



- Cause more uncertainty and risk for organisations which may not be in a position to absorb losses
- Risk to reduce the quality of research (overestimate the results in the proposal phase)
- Encourages low risk projects, less cutting edge, lower innovation: not good for European industry nor for European policy (need to strengthen innovation in EU)
- Cut of link between total cost and activities
- Needs more technical and financial evaluators to interpret results vs target

Simplification and strengthening the efficiency of research programmes

1. *The administrative burden (detailed cost reporting, financial control and error rates): reduced by introducing **result/output-based funding***



- Approach beneficial for small projects/studies (< 50 000 €)

Simplification and strengthening the efficiency of research programmes

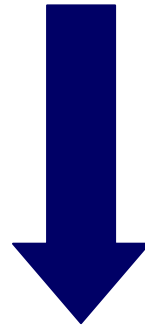
2. Introduction of ***lump sums within FP programmes and instruments***



- Negotiation of the lump sums could bring an additional delay
- Create uncertainty for beneficiaries if the lump sum amount turns out to be insufficient
- Ensure accountability of all project participants: there should be a link between expenditure and funding

Simplification and strengthening the efficiency of research programmes

2. Introduction of ***lump sums within FP programmes and instruments***



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Simplification and strengthening the efficiency of research programmes

3. ***Complexity of the EU research funding landscape and the multiplicity of rules***

Instruments (i.e. JTI, ERC, PPPs, KICs)

Activity types (research, demonstration, training)



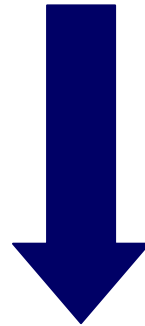
- Eliminate different activity types – everything is research in collaborative research projects
- Should not reduce from the currently applicable rates for different activities

Simplification and strengthening the efficiency of research programmes

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Instruments (i.e. JTI, ERC, PPPs, KICs)

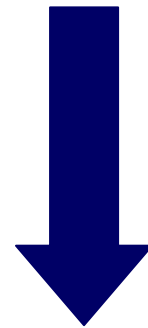
Activity types (research, demonstration, training)



- Streamlining rules for different programmes (e.g. same electronic tools for all programmes for collaborative research)

Simplification and strengthening the efficiency of research programmes

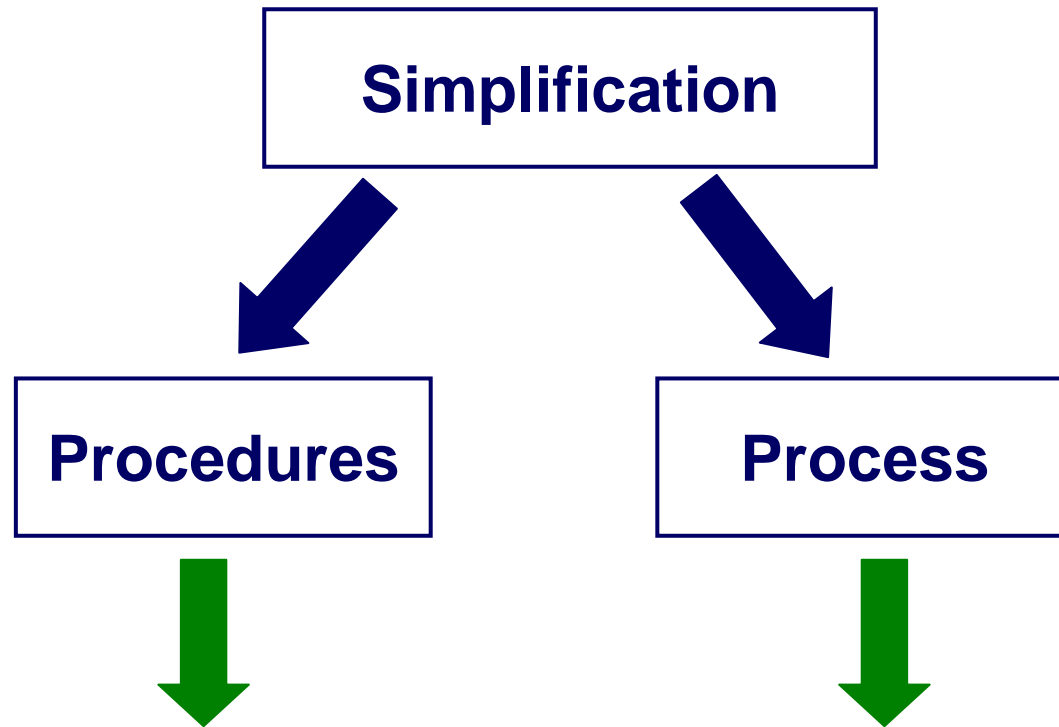
4. *Timing for simplification measures (ordinary legislative procedure): changes to the FP7 rules*



For projects
starting from 2012

- Single reimbursement rate for different activities
- New alternative to use average personnel costs

EUCAR Position



- Reduce costs
- Improve quality of projects results

- Reduce time (to grant)
- Reduce evaluation/audit processes
- Fair and accountable cost reporting system