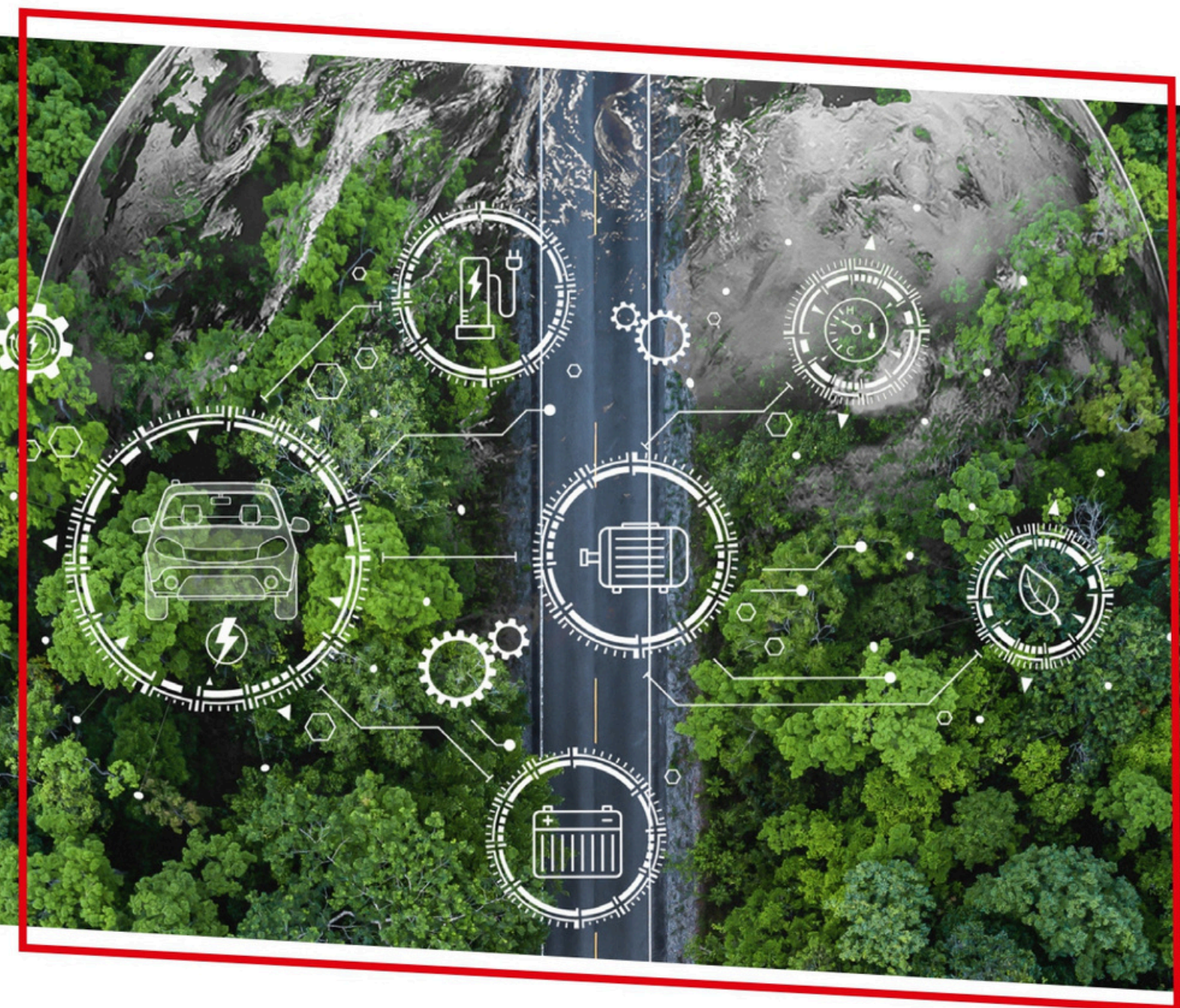


EARPA's reflection on the Heitor Report, "Align Act Accelerate. Research, Technology and Innovation to boost European Competitiveness"



16 December 2024



**EUROPEAN AUTOMOTIVE
RESEARCH PARTNERS ASSOCIATION**

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December 16th, 2024

This open letter outlines EARPA's reflection on the Heitor report, "*Align Act Accelerate: Research, Technology, and Innovation to Boost European Competitiveness*". The report provides a comprehensive analysis of the European Research and Development Framework Programme, effectively outlining strengths and shortcomings within its vast landscape. It offers twelve high-level recommendations aimed at enhancing the programme's positive impact, and this is an effort that we commend and appreciate.

At the same time, EARPA considers that the report makes some proposals towards a future Framework Programme which may need some further consideration and refinement prior to implementation. A root cause of this lies in the complex environment in which the Horizon Europe programme and its participants operate. In our view, this complexity, though included in the Heitor report, has been analysed and appreciated less than it deserves.

First and foremost, we wish to address certain **critical aspects in the report, especially concerning Pillar 2**. EARPA endorses the report's emphasis on the importance and centrality of industrial competitiveness. However, assessing Pillar 2 solely based on its achievements to boosting industrial competitiveness, does not fully capture the current situation. It is essential to recognise that **Pillar 2 addresses both industrial competitiveness and societal challenges¹, ideally combined within the performed research**. Furthermore, the type of industrial research covered in Pillar 2 is largely **pre-competitive²**, with many actors from different value chains included. We feel that both aspects could have been more clearly highlighted in the report.

Pre-competitiveness is a pre-requisite to competitive research, and an essential requirement for pooling resources and bringing fundamental research (TRL 1-3) towards industrial research (TRL 7-9), covering the mid-TRL 4-to-6 gap, while fostering collaboration between universities, research centres and companies. **One of the key strengths of Pillar 2 lies in its specific ability to address this "mid-TRL gap"**, while securing the commitment of major research players, thereby providing "critical mass" for research. We feel that this key strength and crucial role is insufficiently reflected in the report's analysis.

A noteworthy example of such pre-competitive and collaborative effort is to be found in the automotive sector, where pre-competitive research has significantly driven innovation over the past decades. Accompanied by technological advancements and new products, major progress was made towards the development of regulations and standards, instrumental in advancing the European Union's road transport system; all together delivering towards e.g. road safety improvements, sustainability of transport solutions and improved mobility offerings. **Reinforcing pre-competitive research by uniting Europe's best capabilities across academia, research, and industry while preserving a joint vision to our road transport system is critical at the current moment³**, as the European automotive industry faces intense pressure from actors from several other regions.

On this basis, EARPA encourages careful consideration of the risks associated with shifting the focus of Pillar 2 away from pre-competitive research, as mentioned in the Heitor analysis. Pre-competitive research, particularly through the coordinated efforts of Horizon Europe Partnerships and the established research ecosystem from past Framework Programmes, helps bridging the 'mid-TRL gap', significantly enhancing industry competitiveness.

¹ Societal challenges are encompassed in the Recommendation 7 of the Heitor report (pages 69-75); however, no mention of Pillar 2 is made in this regard.

² The pre-competitive nature of the European research programme is acknowledged twice in the "Framing and Context" of the report (page 20 and 21), but its importance is not acknowledged in the recommendations.

³ EARPA's ad-hoc input for the preliminary consultation phase for the next European FP for R&I (FP10), July 2024, <https://doi.org/10.5281/zenodo.14356478>.



Beyond Pillar 2, **the impression arises from the report that some recommendations might be based on comparisons made with other global actors (primarily the US and China) that have inherently different structural, macroeconomic, and demographic features than the EU.** For instance, the report rightly stresses that the European research programme appears to be “*fragmented and sub-optimally aligned with broader European policy priorities*” (p. 64). While fragmentation of the European research programme indeed warrants attention, there is also the more critical fragmentation of the bulk of public R&I spending in many national funding programmes. Specifically, the limited success in harmonising the 27 national research programmes amongst themselves and with Horizon Europe, it has been repeatedly identified by the research community as one of the major bottlenecks for Europe’s research and innovation ecosystem. This structural difference, while partly acknowledged, may be underrated by the report and thereby risks setting **unrealistic benchmarks** by comparing the EU’s performance to that of more centralised systems like US and China.

The Heitor report also accurately notes that “*Europe’s global importance in research, innovation and technology development has declined*”, and that the “*EU is falling behind in science, technology and innovation*” (p. 14). However, we feel that reflections on **key demographic factors** influencing this decline could have benefited from more detail. Demographic stagnation coupled with an ageing population have an influence on markets and spending priorities in the EU-27. The relative decline of the prominence of EU research is also a result of demographic dynamics, and while reforms to the programmes can lead to improvements, such reforms need to reflect the uniqueness of the European Research Area, the structure of the EU, as well as current demographic trends.

In conclusion, while EARPA supports many of the important findings from the Heitor report and agrees with the need of reforming and boosting the European research framework programme, we strongly advise that the report’s **recommendations on the future relevance and governance of Pillar 2 should be approached with caution.** While the value of fundamental, individual research and industrial research is indisputable, we believe that it is important to highlight that it is through collaborative and collective efforts in Pillar 2 that Europe can foster competitiveness in an increasingly polarised global economy and thus uphold its principles of free access to information and regulatory processes, promotion of shared prosperity, cohesion, and solidarity among EU member states.

Clearly, Europe must counteract its decline in science, technology and innovation by implementing policies and reforms that reflect its unique context in terms of demographics, macroeconomics, structural aspects, and values. Any reform of Europe’s R&I programmes should act in support of broader EU strategic goals and should continuously strive to address societal challenges. **We therefore recommend valorising the uniqueness of collaborative pre-competitive research, with future efforts focusing on delivering elements of renewal and reforms capable of further enhancing the industrial competitiveness potential of Pillar 2.**

EARPA, as ever, looks forward to engaging with European Institutions and policy makers in a constructive dialogue, to further elaborate on its perspectives on a future Framework Programme enriched with concrete measures on how beneficial reforms can be introduced. Reinforcing a strategy that unites Europe’s best capabilities across academia, research, and industry is essential for the future of a Union that deploys its full potential as a driver of innovation, competitiveness, and shared prosperity.

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The European Automotive Research Partners Association (EARPA)

The European Automotive Research Partners Association (EARPA) is an independent alliance that unites 62 leading Research and Development (R&D) providers in the field of road transport across Europe.

Together, our members are committed to making significant contributions to the European Research Area and to advancing future EU R&I activities, with a strong focus on the road transport sector and automotive industry.

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