

## ASD analysis on the Lab-Fab-App report

17 October 2017

### About ASD

*The AeroSpace and Defence Industries Association of Europe represents the aeronautics, space, defence and security industries in Europe in all matters of common interest with the objective of promoting and supporting the competitive development of the sector. Its membership comprises major European aerospace and defence companies as well as national associations.*

## Analysis and recommendations

### Introduction

The AeroSpace and Defence Industries Association of Europe (ASD) welcomes the work undertaken by the “High Level Group (HLG) on maximising the impact of EU Research and Innovation Programmes”, led by Pascal Lamy. We would like to take the opportunity to contribute to the debate by providing comments on the recommendations relevant for the Civil Aeronautics, Space and Security sectors.

Institutional funding for research is pivotal to enable European industry to remain at the cutting-edge of innovation and competitiveness, which in turn brings growth and societal progress for Europe’s citizens. It is essential to position Research and Innovation as a top policy priority of the EU in order to tackle the innovation deficit faced by Europe.

The pre-requisite to maintaining European industrial leadership and excellence is to develop first-rank technology suppliers; able to design, produce and deliver state-of-the-art products to their customers in Europe and beyond.

Increasing the research budget in the next Multiannual Financial Framework is thus a top priority. Ensuring maximum efficiency of these programmes - and designing their architecture in accordance – both now and for the period after 2020, is another crucial objective to be pursued.

### 1. Next R&I Framework Programme Budget (recommendation 1)

Research is a major asset for European competitiveness. In this sense, doubling the budget of the post-2020 EU Research and Innovation programme (to €160 bn), constitutes an ambitious objective and one that the ASD community fully adheres to. This institutional support is crucial considering the fierce international competition and the substantial backing our competitors receive from their national authorities. European industry will only deliver leading new technologies if its own efforts are matched with a strong public commitment.

Increasing the success rate for proposals, and avoiding unfunded proposals is also particularly relevant to our industrial community, considering past experiences with H2020. The recommendation to ensure funding for at least 30% of high quality proposals (<25% in H2020) is a very encouraging evolution from this viewpoint.

### 2. Mission-oriented approach (recommendation 5)

The Commission has acknowledged the accelerated pace of societal change and the need for Europe to respond proactively to these new challenges. The new mission-oriented approach should meet this aim, especially if, as the HLG report commends, it is framed within the UN Sustainable Development Goals.

The Aeronautics, Space and Security industries provide solutions to these social, economic and environmental challenges. ASD is ready to contribute, together with all related stakeholders and EC services, to the preparation of mission concepts and their subsequent implementation.

We are convinced that the mission-based approach can combine interdisciplinary, inter-sectorial research activities together with domain-specific and application-oriented approaches, for the benefit of European growth and competitiveness.

### 3. Public-private partnerships / financial instruments (recommendation 5)

ASD welcomes the recommendation to pursue Public-Private Partnerships in FP9. Both Clean Sky and SESAR<sup>1</sup> have proven themselves to be the most efficient instruments to focus the research of the aviation community (industry, SMEs, universities, research centres etc.) on their core objectives (Cf. Evaluation reports by Expert group). Clean Sky's mission is to mitigate the environmental impact of aviation and to develop a strong and globally competitive European aeronautical industry and supply chain. SESAR's mission is to develop, modernise, and harmonise Air Traffic Management (ATM) across Europe. Both the Clean Sky and SESAR missions are aligned with the ACARE<sup>2</sup> Strategic R&I Agenda (Flightpath 2050) goals and will remain relevant in the future. The 2 JUs should therefore be continued in FP9.

ASD also acknowledges and supports the development of further Joint Technology Initiatives in other sectors, as in the field of Cybersecurity and Space.

### 4. Simplification, funding rules, evaluation and implementation (recommendations 6 and 7)

ASD welcomes the recommendations on simplification, especially the streamlining of funding instruments and the reduction of administrative burdens (eligibility of usual accounting practices of the beneficiary, limiting audits to fraud suspicion).

Flexibility is also highly appreciated. ASD is ready to work with the EC services, especially the new Task Force on rules for participation for FP9, on the scope, limitations and modalities of new funding mechanisms (such as the lump sum and the blending approach). Due to long research cycles, complex combinations of technologies, and high risk investments, it is essential to continue financial incentives in the form of grants for all actors in the value chain, including small, medium & large companies, for early phase R&T activities (from Technology Readiness Levels 1 to 6) ([see ASD paper, May 2016](#)).

As far as evaluation is concerned, ASD supports excellence and impact as the main evaluation criteria. The possibility of a non-homogenous evaluation structure that considers the closeness to market of the Research (e.g low maturity R&T is weighted towards excellence and higher maturity R&T is weighted towards economic and societal Impact). For Calls for Proposals, we recommend a flexible approach depending on targeted R&T applications. A non-prescriptive approach is suitable for cross-cutting, bottom-up research. We recommend using more specific Calls for demonstrator-driven R&T, with a focus on technology-intensive future products and demanding certification and safety requirements. This flexibility will also increase the attractiveness of FP9 and reduce problems of oversubscription.

### 5. Innovation and the European Innovation Council (recommendations 2 & 4)

Industry is committed to achieve EU targets for the performance and environmental friendliness of its products. To achieve these targets, industry invests substantial amounts to develop innovative technologies designed to overcome tomorrow's challenges and meet future societal needs. Long-term industrial leadership, characterized by constancy and thoroughness, takes fundamental research to the market in the safest and most cost-effective way.

To succeed in such endeavours, industry supports and interacts with a dynamic research ecosystem. Innovation and start-ups are an essential component of future novel products but they rely on the basic

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1 SESAR JU: SINGLE EUROPEAN SKY ATM RESEARCH JOINT UNDERTAKING, <https://www.sesarju.eu/>

2 ACARE: Advisory Council for Aviation Research and Innovation in Europe, Aviation ETP, <http://www.acare4europe.org/>

material developed by an existing innovation chain composed of start-ups, SMEs, large enterprises, research centres and universities. The success of research programs implies the creation of links between all kinds of research players. Therefore, the European Innovation Council (EIC) should represent this entire ecosystem, including industrial players.

Breakthrough innovation gives an obvious and differentiating advantage with respect to the competition. However, incremental improvements reduce time- to- market and are adapted to ASD sectors where potential certification showstoppers may exist. The EIC should address disruptive but also incremental innovations, both of which are crucial for businesses.

The EIC should be established as an additional instrument for close- to- market innovation, integrating existing budgets that are currently fragmented into several funding mechanisms (e.g. SME instrument, COSME, Fast-Track-to-Innovation). However, the EIC's aim should not be to replace established and successful R&T&I activity (collaborative research up to product demonstration).

#### 6. Open data (recommendations 5 and 11)

The open science policy, particularly open data access, can stimulate and promote research and innovation only if the protection of intellectual property rights and the confidentiality of information of private parties is ensured. Public and private partners should decide on a case-by-case basis, without need for extensive administrative justification, which data they can disseminate and share without diminishing the assets developed during R&T projects. It is vital to keep the flexibility mechanisms offered in H2020 pilot cases (Defining a Data Management Plan or deciding to opt out of the policy). A forward-thinking, transparent and constructive dialogue - involving legal experts from both industry and the EC - should take place to co-design the data policy for FP9.

#### 7. Synergies with other funds (recommendations 6 and 9)

The HLG report rightly highlights the need to fully harness synergies between EU Research Framework Programmes and other funds. ASD is of the view that structural funds would provide ideal complementarity with the excellence-based FP9. Smart Specialization Strategies (RIS3) investments drive European regions to invest in R&T in relation to their specialization, and with the objective of achieving the overarching European post-2020 research goals. In fact, thirteen Memoranda of Understanding (MoU) were signed between Clean Sky 2 and regional or national governments, and eight pilot projects have been launched. ASD calls for the continuation and wider diffusion of the Clean Sky spirit, but insisting that administrative boundary conditions need to be harmonised and simplified. ASD is ready to contribute together with its regional networks to assist in the drafting of new ideas.

Signed by Jan Pie, ASD Secretary General, 17 October 2017