

French Automotive & Mobility Network

Smart & Green



May 22, 2024

FAMN Policy Paper

Funding R&I in the automotive and mobility sector:

Our proposals for targeted EU action to benefit SMEs and Startups.



This document is published by the [French Automotive & Mobility Network \(FAMN\)](#). At a time when the French mobility sector is at the crossroads of a dual transition—climate and digital—this document aims to present the experiences, recommendations and needs of the French automotive and mobility sector in terms of financing.

FAMN brings together the Plateforme française de l'automobile (PFA)—whose members include the main French corporates in the sector—and four competitiveness clusters covering different regions of France (CARA, ID4MOBILITY, NextMove, Pôle Véhicule du Futur). In all, FAMN puts together about 1,500 members—including SMEs, major corporations, universities, research centers and local authorities.

FAMN is committed to advancing greener, more connected and safer mobility and industrial sectors. Our main objective is to facilitate our members' access to European funds. To achieve this, FAMN actively engages with EU institutions and R&I partners, working to unlock relevant funding for our members.

FINDINGS

Small and medium-sized enterprises (SMEs) are the backbone of the European economy, accounting for 60% of entities and generating an equivalent proportion of jobs in the automotive and mobility sectors. However, we note that these players still face a certain number of obstacles in accessing European funding—in particular those offered by Horizon Europe, the multiannual framework programme dedicated to research and innovation (R&I).

Although large corporates and academic institutions benefit from solid structures and established networks to secure this funding, SMEs are struggling to take advantage of these opportunities, which are crucial to strengthening their capacity for innovation, competitiveness and growth—a alarming situation in the context of reindustrialization.

PROBLEMS IDENTIFIED

Several barriers to access to EU funds for SMEs and startups have been identified:

- **Resources** — SMEs and startups generally do not have in-house human resources dedicated to monitoring calls for projects, putting together applications and monitoring projects. Lacking time, skills and resources, they find it difficult to embark on these time-consuming and complex processes on their own.
- **Identification** — SMEs find it difficult to identify the calls for projects that are relevant to their activity, among the multitude of existing opportunities with often highly specialized criteria. Decrypting the technical documentation, and understanding what is expected, requires specialized expertise that they rarely have in-house.
- **Forming the consortium** — Lacking visibility and connections at EU level, SMEs struggle to find the right partners to form a solid, competitive consortium. Yet this is a key success factor in being awarded.
- **Writing the proposal** — Often lacking the know-how to draw up project proposals that meet the required criteria of excellence, SMEs are exposed to a number of typical mistakes: the soundness of the project concept, the quality of the consortium, the expected impact or dissemination strategy, and so on.
- **Administrative burden** — the administrative procedures involved in bidding, negotiating and managing projects often appear highly complex to SMEs—who can be discouraged by the workload, especially with no guarantee of success.

OUR RESPONSE

Among the players in the innovation ecosystem, clusters—as the interface between companies, research, and public authorities—are particularly well placed to help SMEs access EU funding. **They offer support on:**

- Monitoring calls for projects, to identify which of the many initiatives are most relevant to the profile of their SME members. They even go one step further by proactively anticipating the topics of future calls for proposals, so as to better prepare their members.
- Highly specialized expertise in both form and content, to help them develop a proposal that meets the criteria of excellence, impact and quality of implementation. Initiate strategic thinking, structure the project, identify the assets to be promoted.
- Their networks, to find the most complementary and relevant partners. Their local roots, combined with regional, national and EU partnerships with players in the quadruple helix (business/research/public authorities/users), enable them to identify the right expertise.
- Influence, by actively participating in the working groups (GTN, PPP...) where calls are designed. They represent the interests of their companies—proposing topics and procedures in line with their needs, realities and expectations. This is essential to ensure that the calls are relevant to SMEs.
- The grant contract negotiation phase, then throughout the life of the project: progress monitoring, support for consortium coordination, assistance with the production of deliverables, administrative and financial reporting, support for dissemination, etc.

OUR NEEDS

To enable clusters to step up their efforts to help SMEs gain access to EU funding, we have identified a number of changes that need to be made to EU policies and future instruments:

- **Recommendation 1: Better recognition and more financial support to the intermediary role played by clusters between SMEs and EU funding instruments.**

There are several possible options: dedicated calls for projects for SME support activities by clusters, along the lines of the INNOSUP program in the previous framework program; funding mechanisms at regional or national level with an incentive rate of European co-financing; the possibility for clusters to budget their SME support costs in European projects. The challenge for these funds is to enable clusters to develop their activities over the long term, with sufficient, sustainable resources.

- **Recommendation 2: Involve clusters more closely in drawing up work programmes, at both strategic and operational levels.**

They must be able to contribute to the definition of priorities and topics, as well as call procedures, to ensure that they are accessible to SMEs—including in terms of processes.

- **Recommendation 3: Continue the drive to simplify regulations and administrative procedures.**

This work can be carried out in collaboration with the clusters, which have in-depth knowledge of the practical difficulties encountered by SMEs. They are well placed to identify areas of complexity, and to put forward pragmatic proposals for improvement—such as dematerializing procedures, generalizing the use of simplified costs, or harmonizing and stabilizing rules between programs.

- **Recommendation 4: Create synergies between different programmes and instruments.**

We need to move beyond silos and scattered initiatives. For example, we need to better articulate project set-up assistance via coordination and support actions with funding for collaborative projects as such in Horizon Europe. Or promoting bridges between Horizon and shared management programs such as the Structural Funds. Clusters, with their global approach to SME needs, are relevant players in strengthening these complementarities.

- **Recommendation 5: Provide to SMEs—via clusters—all the advantages they need to develop on a European scale and beyond.**

This means stepping up support for cluster networking at EU level, to encourage strategic partnerships, the sharing of best practices and joint projects: opportunities for SMEs to open up to new markets, find missing skills and test their innovations in other contexts.

