

Position

Statement on the proposed European Connected and Autonomous Vehicle Alliance and the Automotive Joint Undertaking



The automotive industry welcomes the European Commission's announcements in the Industrial Action Plan for the European Automotive Sector to strengthen the competitiveness of the European automotive industry. We appreciate the initiative of the Commission to establish a **European Connected and Autonomous Vehicle Alliance** and a dedicated **Automotive Joint Undertaking (JU)** building on existing partnerships in the road transport sector.

This initiative represents a key element to further co-operation amongst the various stakeholders in the automotive sector and to support a lean and agile implementation of innovative vehicle technologies across Europe.

The automotive industry is fully committed to support such an effort towards a consistent approach in research and technology development for innovation and corresponding regulatory alignment. By contributing to this initiative, the automotive industry seeks to promote a balanced environment which shall support faster both innovation and competitiveness across the whole value chain in the global market.

European Connected and Autonomous Vehicle Alliance

The European Commission has announced speedy establishment of the Alliance in the immediate period 2025-2027, the remaining years of Horizon Europe with a budget of 1 billion Euro.

The **Alliance shall steer policy and funding and financing measures** in the realm of connected and autonomous vehicles with a focus on harmonization and development of further recommendations for implementation.

The new Framework Program 10 (FP 10) as part of the next Multiannual Financial Framework (MFF) shall represent the kick-off for an advanced, lean and agile Automotive Joint Undertaking from 2028 onwards. The Automotive JU **shall prepare recommendations on all kinds of funding, state aid, and financing measures addressing all innovation areas and strategic technologies supporting the competitiveness of the European automotive industry.**

Within the JU, industry and policy stakeholders from the EU and key automotive producing Member States shall pool resources to develop a joint innovation roadmap and clear proposals for calls to fund and finance innovation in the automotive sector and across the automotive value chain. Funding and financing could include classical Horizon Europe funding actions, such as Research Innovation Actions (RIAs), Innovation Actions (IA) as well as recommendations for IPCEI and risk capital.

Activities of the JU could include recommendations addressing potential improvements to and simplification of current framework conditions for automotive funding, financing, and state aid.

The Automotive JU shall form the European Union's leading research and innovation program for transforming the automotive sector towards a digitalized, connected, autonomous, sustainable and climate-neutral future.

Vision & Mission

Fostering Research and Market Applications

The Automotive JU aims to:

- Bridge research projects and market applications
- Enhance societal growth and competitiveness
- Boost private investments in innovation

Technological Sovereignty across the automotive value chain

The automotive industry remains critical to Europe's economy and global positioning.

The Automotive JU strives to:

- Achieve cleaner vehicles
- Deliver disruptive innovations both on the product and manufacturing side
- Exploit Europe's manufacturing footprint to enhance Europe's technological sovereignty by reducing dependencies

Global Leadership in a safe, secure, digital and sustainable automotive sector

The Automotive JU shall focus on:

- Demonstrating feasibility and de-risking innovations
- Evolving industry standards and certification methods
- Achieve a sustainable automotive sector across Europe across the value chain
- Boost European competitiveness in the global market also in Green Manufacturing Technologies
- Drive the transition to a greener, digital future

By uniting resources, the Automotive JU shall ensure Europe's leadership in shaping the future of the automotive industry.

Focus Areas & Strategic Technologies

The automotive industry supports the Commission's proposals outlined in the Industrial Action Plan to address all relevant topics and innovation issues which are relevant for the competitiveness of the European automotive industry across the value chain, and which have previously been addressed by various European Public Private Partnerships, such as 2Zero, CCAM, Made in Europe, Batt4EU etc.

Innovation areas covered by the JU could include the following:

Connectivity, Digitalisation and Autonomous Driving

- Software defined vehicles
- Autonomous driving: Establishment of dedicated model regions across the EU and large-scale deployment to serve as environments accelerating the adoption of autonomous mobility technologies
- Integrated Value Chain Development: Establish and support a comprehensive value chain for autonomous mobility, linking innovation and commercial deployment to ensure a smooth transition from technology development to market realisation
- Digital services supported by cloud integration
- Cybersecurity and data management
- Artificial intelligence
- Automotive semiconductors – in close co-operation with the Chips JU

Zero Emission Technologies

- BEVs & next-generation battery technology and potentially hydrogen and FCEVs – depending on discussions with the Hydrogen Joint undertaking
- Integration to the grid, including charging stations (HDV & passenger cars), smart and bi-directional charging, grid access, grid management
- Integration of electric vehicles into mobility services

Sustainability, Circularity and Green Manufacturing Technologies

- Development of Manufacturing technologies for e-motors, batteries and vehicle
 - Recovery of REM (Rare Earth Minerals) from e-motors
 - Manufacturing Technologies for different battery chemistries (synergy with Batt4EU and Made in Europe)
 - Re-inventing the production line for Electric Vehicles (vehicle manufacturing technologies)
- Circularity in the automotive supply chain, including recycling and reuse
- Circular advanced materials, including design, application, increased material efficiency as well as manufacturing technologies
- Life Cycle Assessment with a focus on reducing environmental impact
- Main environmental impact is manufacturing/ quantification of the manufacturing stage
- Quantification enables targeted sustainability improvements across all methods

Strategic Framework

A clear strategic framework is essential to ensure the effectiveness of the proposed Automotive JU.

Key elements include:

- **Joint development of a Strategic Research and Innovation Agenda and a dedicated innovation roadmap:** Industry and policy stakeholders shall co-develop a strategic research and innovation agenda and innovation roadmaps on all key areas of the JU to guide the strategic direction of the partnership.
- **Co-designing Funding Priorities and developing financing opportunities:** The agreed-upon agenda shall represent the basis for funding and financing priorities and enable the joint development of automotive calls with dedicated budgets.
- **Clear Organization and Scope of Contributions:** Focus areas need to be clearly defined.

Governance & Structure

An efficient structure and governance is essential for smooth functioning and efficient operation of the JU to enable the support required to realize innovation.

The structure shall be governed by industrial leadership to guide strategic decisions and promote innovation.

On the public side, the JU shall be steered by the European Commission; on the private side, it should be driven by founding and associated members from across Europe's automotive sector.

- **Governing Board:** The Governing Board shall form the highest decision-making body. It shall be composed of representatives from the public and private members.
- **Executive Director:** An Executive Director shall be responsible for the day-to-day management and should oversee four crucial pillars Administrations and Finance, Program Development and Communications, Project Management and Governance.
- **Technical Committee:** A Technical Committee shall develop and maintain the technological roadmap and strategy of the program (SRIA). It should also propose, prepare, and provide recommendations for the scope and programming of the funding and financing actions, while overseeing the technical strategy.
- **Advisory Bodies:**
 - States Representatives Group representing the interests of Member States
 - Scientific Advisory Body to provide independent scientific advice and support to the Automotive Joint Undertaking, selection of candidates for membership of the SAB could be based on a Call for Expressions of Interest.

The automotive industry calls upon the European Commission to swiftly implement the European Connected and Autonomous Vehicle Alliance and the Automotive Joint Undertaking in an advanced, lean and agile format.

Contact persons

Dr. Marcus Bollig

Managing director

marcus.bollig@vda.de

Prof. Dr.- Ing., Claudia Langowsky

Head of department Research & Innovation

claudia.Langowsky@vda.de

The German Association of the Automotive Industry (VDA) consolidates around 620 manufacturers and suppliers under one roof. The members develop and produce cars and trucks, software, trailers, superstructures, buses, parts and accessories as well as new mobility offers.

We represent the interests of the automotive industry and stand for modern, future-oriented multimodal mobility on the way to climate neutrality. The VDA represents the interests of its members in politics, the media, and social groups. We work for electric mobility, climate-neutral drives, the implementation of climate targets, securing raw materials, digitization and networking as well as German engineering.

We are committed to a competitive business and innovation location. Our industry ensures prosperity in Germany: More than 780,000 people are directly employed in the German automotive industry.

The VDA is the organizer of the largest international mobility platform IAA MOBILITY and of IAA TRANSPORTATION, the world's most important platform for the future of the commercial vehicle industry.

If you notice any errors, omissions or ambiguities in these recommendations, please contact VDA without delay so that these errors can be rectified.

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