

Brussels, 8 March 2011

Competitiveness Council – 9 & 10 March 2011

The EU Competitiveness Council will meet in Brussels on Wednesday 9 and Thursday 10 March under the chairmanship of the Mr Zoltán Cséfalvay, Minister of State for Strategic Affairs of Hungary. The main discussions will pave the way to the 24/25 March European Council. The European Commission will be represented by Vice-President Antonio Tajani, responsible for Industry and Entrepreneurship, Commissioner Marie Geoghegan-Quinn responsible for Research and Innovation, and Commissioner Michel Barnier responsible for Internal Market and Services.

Wednesday 9 March

RESEARCH AND INNOVATION ISSUES:

Europe 2020 Strategy – Annual Growth Survey

(see [IP/11/22](#) and [MEMO/11/11](#))

Commissioner Geoghegan-Quinn will urge Ministers to work with their government colleagues to ensure that the National Reform Programmes that Member States will adopt in April fully reflect the fact that research and innovation policies form an integral part of the Annual Growth Survey and that implementing the Innovation Union is a pre-requisite for achieving the objectives set out in the Europe 2020 Strategy

She will call on Member States to implement rigorous but "smart" fiscal consolidation to enhance macro-economic stability. Investment in key areas such as research, innovation and education – all needed for "smart" growth - should not be reduced.

She will highlight, in particular, the need for far-reaching structural reforms in four key areas.

First, intellectual property (IP), where the European patent will reduce costs for innovators and work is ongoing on a new instrument to ensure more advantage is taken of IP rights to benefit the rights holders, others who want to make use of the intellectual property and the economy as a whole.

Second, standardisation, where the Commission will shortly adopt proposals to modernise and accelerate standard-setting to ensure better interoperability, especially in the ICT sector.

Third, access to private finance, where both a new EU-wide support scheme and an operational framework are being prepared to lift remaining barriers that prevent the cross-border operation of venture capital funds.

Fourth, public procurement, where new measures will be launched to leverage public procurement expenditure to stimulate market take-up of innovative products and the growth of innovative small and medium-sized enterprises.

The Commissioner will also underline the importance of the development of a single integrated innovation indicator to allow better performance benchmarking across the EU and beyond, and the need to complete the European Research Area by 2014.

More information:

http://ec.europa.eu/europe2020/tools/monitoring/annual_growth_survey_2011/index_en.htm

Interim Evaluation of the Seventh Framework Programme (FP7) for RTD and the Risk Sharing Financing Facility (RSFF)

(see [IP/10/1525](#) , [IP/11/57](#) and [MEMO/11/38](#))

The Commissioner will welcome the conclusions that the Council is expected to adopt on the interim evaluations of FP7 and the RSFF. The Commission's own response to the expert reports was adopted the same day as the Green Paper and the two are fully consistent.

She will reiterate that she aims to work with Member States and the European Parliament to build on the many successes of FP7 highlighted in the evaluation. She intends to tackle more robustly than ever before the issues of complication and inconsistency also pointed out by the expert group. In particular, she will call for Member States' support on simplifying rules under the future "Common Strategic Framework" (see above).

In particular, the Commissioner will remind Ministers that many of the most important aspects of simplification require the adoption by the Council and Parliament of the Commission's proposals for a new Financial Regulation and for new rules on Tolerable Risk of Error that will allow the number of detailed audits to be reduced while enhancing real levels of protection of EU taxpayers' money. Meanwhile, the support of the Council will give a valuable impetus to the Commission in further improvements envisaged already under FP7.

The Commissioner will also call on Member States to work with her to boost the participation of women at all levels within the EU research system, in line with the pressing need identified by the evaluation.

The Commissioner will draw Ministers' attention to the positive evaluation of the RSFF and, in particular, the call to release the second tranche of €500 million foreseen for 2011-2013. She will remind Ministers that the evaluation showed that the RSFF has leveraged in 32 euro of further funding for every euro from the EU budget. The Commission, the European Investment Bank and the European Investment Fund are already working on measures to boost the participation of small and medium size enterprises, universities and research infrastructures.

On the longer-term future of the RSFF, the Commissioner will confirm that, in line with the European Council conclusions of 4 February, the Commission intends to draw up proposals to increase the size of the RSFF.

More information:

http://ec.europa.eu/research/evaluations/index_en.cfm?pg=fp7

http://ec.europa.eu/research/evaluations/index_en.cfm?pg=rsff

Innovation Union - Pilot Innovation Partnership on Active and Healthy Ageing.

The Council is due to adopt Conclusions on the work undertaken so far in preparing the pilot European Innovation Partnership (EIP) on active and healthy ageing. This EIP is part of the EU's "[Innovation Union](#)" ([IP/10/1288](#) and [MEMO/10/473](#)) and aims to increase the average healthy lifespan in the EU by two years by 2020. It seeks to improve older people's quality of life and to lead to more efficient care solutions and new business opportunities.

The Council is due to reiterate their support for this pilot EIP, and for the establishment of the high level Steering Group which is due to draw up the EIP's plan of action during summer 2011. The Council is due to agree on the four countries who will take part in this group at Ministerial level (Belgium, Spain, Hungary and Poland) joining other stakeholders across the sectors concerned.

The Council is also due to stress that it is important for the EIP to take into account existing research and innovation initiatives in the area of active and healthy ageing and build more effective synergies between them. Finally, the Council is due to ask the Commission to continue developing the concept of EIPs, especially with the simple, transparent and light procedures that reflect the voluntary nature of this EU partnership.

Between November 2010 and late January 2011, the European Commission ran a public consultation asking respondents to help identify current barriers to innovation and opportunities in the field of active and healthy ageing (see [IP/10/1609](#)). The responses are enabling the Commission to obtain a clear view of the innovation potential and capacity in the multiple areas that affect health and ageing today and to plan the next steps for the EIP.

More information:

<http://ec.europa.eu/innovation-union>

Common Strategic Framework for Research and Innovation

(see [IP/11/138](#) and [MEMO/11/76](#))

The Council will over lunch hold an initial discussion on the Commission's Green Paper on a Common Strategic Framework for Research and Innovation, published on 9 February. The lunch discussion will in particular cover potential links and interaction between the Common Strategic Framework and the European Innovation Partnerships (see below).

Commissioner Geoghegan-Quinn will present the calendar for the consultation process on the Green Paper, due to close on 20 May. She will urge Member States to mobilise their stakeholders in order to ensure that the legislative proposal for the post-2013 framework, to be brought forward by the Commission in late 2011, is based on a full picture of their views and experiences.

The Green Paper proposes an integrated approach bringing together the various existing programmes, in order to better tackle major societal challenges. Particular emphasis will be given to stimulating the greater involvement of industry, especially small and medium sized enterprises.

More information:

http://ec.europa.eu/research/csfr/index_en.cfm

Council decision concerning the Framework Programme of the European Atomic Energy Community (Euratom) for nuclear research and training activities

Legislative package for a Council Decision on EURATOM

Any Other Business points will include the legislative package for continuing EURATOM activities for the period 2012-2013, adopted on 7 March (see [IP/11/256](#)) In order to ensure that support for nuclear research – notably in the areas of safety and radiation protection - continues at the EU level, new legislation is required for the period 2012-2013, bringing funding in line with the main FP7 programme and the end of the current multiannual financial framework in 2013.

Thursday 10 March

INTERNAL MARKET ISSUES:

Single Market Act

On 27 October 2010 the Commission adopted the Communication on Single Market Act containing a set of 50 concrete proposals to make the Single Market work better for citizens and businesses. The content of this Communication has been up for discussion and reflection for a period of four months in order to identify the top 10 priority measures. At the Competitiveness Council, the Commission will present preliminary indications and thus a first overview as to the main trends emerging from the Europe-wide public debate closed on 28 February 2011. A more detailed overview of the results of the public consultation will be made available in due course. Its final outcome will be taken into account when elaborating the Communication on the re-launch of the Single Market.

More information:

http://ec.europa.eu/internal_market/smact/index_en.htm

Mutual evaluation of the Services Directive (2006/123/EC)

The Services Directive aims at removing unnecessary and burdensome obstacles to trade in services in the Single Market. A dynamic EU services sector is a key priority for the Commission because services are the driving force of the EU economy and around nine out of ten jobs are created in this sector. Since the beginning of 2010, Member States have engaged, together with the European Commission, in a process of mutually evaluating a number of national measures implementing the Services Directive. The Commission will present the main findings of its Communication on the mutual evaluation exercise. An assessment of how the Directive has been implemented on the ground has been completed and one conclusion is that while much has been achieved so far, the Single Market for services is not yet delivering its full potential (see [IP/11/96](#)).

As identified in the Commission's Annual Growth Survey (see [IP/11/22](#)), the EU will only meet its ambitious Europe 2020 targets for sustainable and inclusive growth if urgent structural reforms are prioritised in services and product markets to improve the business environment.

More information:

http://ec.europa.eu/internal_market/services/services-dir/implementation_en.htm

Proposal for a Council Decision authorising enhanced cooperation in the area of the creation of unitary patent protection

On 14 December 2010, the Commission presented a proposal opening the way for "enhanced cooperation" to create unitary patent protection in the EU (see [IP/10/1714](#)). So far 25 Member States have requested to participate in this process of enhanced cooperation. After the consent given to launch the "enhanced cooperation" procedure by the European Parliament on 15 February 2011, the Council is now called upon to also adopt this proposal (by qualified majority). Once the decision to launch enhanced cooperation is adopted, the Commission is committed to present the necessary implementing proposals. They will be based on previous Commission proposals and certain elements of a compromise proposed by the Belgian Presidency during the negotiations on the translation arrangements for the EU patent.

Such unitary patent protection would allow these Member States that so desired to agree to establish a patent, valid in all participating countries, that could be obtained with a single application. Obtaining a patent in Europe currently costs ten times more than one in the US because of national validation and translation costs. This situation discourages research, development and innovation, and undermines Europe's competitiveness.

More information:

http://ec.europa.eu/internal_market/indprop/patent/index_en.htm

Communication on the Internal Market Information System (IMI)

IMI is a multilingual online application that allows national, regional and local authorities to communicate quickly and easily with their counterparts elsewhere in the EU. The Commission will present an outline of its strategy to improve governance of the single market by expanding the IMI system to other areas of EU law such as, potentially gambling and e-commerce (see [IP/11/203](#)). In the long run IMI should become a comprehensive toolkit for any type of administrative cooperation. In the first half of 2011 the Commission will submit a proposal for a legislative instrument to govern the operation of IMI. A roadmap for future technical developments in IMI and expansion of IMI into other areas will be proposed in the annual IMI report due for February 2012.

More information:

<http://ec.europa.eu/imi-net>

SOLVIT Annual report

At the Competitiveness Council the Commission will present the main data of the 2010 SOLVIT annual report. SOLVIT is enabling thousands of European citizens and businesses to benefit from the opportunities offered by the Single Market. In 2010 SOLVIT provided over 1 300 practical and timely solutions to citizens and businesses who encountered administrative obstacles. The service provides the European Commission with important information and evidence about areas where the Single Market is not operating as well as it should and thus contribute to better policy-making (see also [IP/11/204](#)).

More information:

SOLVIT: <http://ec.europa.eu/solvit>

INDUSTRY ISSUES

Europe 2020 strategy - Annual Growth Survey; contribution to the European semester

The Commission will be invited to present the Annual Growth Survey as a contribution to the European Semester. The Competitiveness Council will have an exchange of views on the Annual Growth Survey focussing on the industrial competitiveness aspect, which is crucial for the economic growth of our industries and businesses. The Presidency intends to steer the ministerial debate on the basis of three questions.

The Annual Growth Survey (adopted on 21 January 2011) is a comprehensive plan that brings together the different actions of the Europe 2020 Strategy which are essential to strengthen the economic recovery in the short-term and to keep pace with the EU's main competitors.

More information:

http://ec.europa.eu/europe2020/tools/monitoring/annual_growth_survey_2011/index_en.htm

Raw Materials Initiative

The Council will be invited to adopt Conclusions on the recently adopted Communication "Tackling Challenges on raw materials and in commodity markets" (2 February 2011). ([IP/11/122](#))

The Communication sets out targeted measures to secure and improve access to raw materials for the EU. Based on the first Communication on the Raw Materials Initiative (published in November 2008), this new strategy document further pursues and reinforces the 3 pillar-based approach to improving access to Raw Materials for Europe:

- 1. Fair and sustainable supply of raw materials from international markets
- 2. Fostering sustainable supply within the EU
- 3. Boosting resource efficiency and promote recycling

This new strategy also covers important considerations relating to the stability and transparency of commodity prices.

More information:

http://ec.europa.eu/enterprise/policies/raw-materials/files/docs/communication_en.pdf

Mid-term review of the Small Business Act (CC)

Vice-President Tajani will attend the ministerial lunch, which will be devoted to the recently adopted Review of the Small Business Act (SBA). Ministers will be invited to discuss the Review and its contribution to the exit from the economic crisis on the basis on two questions proposed by the Presidency.

The European Commission presented the Review of the "Small Business Act" for Europe" (SBA) on 23 February 2011. In its Review, the Commission takes stock of the progress achieved in implementing the SBA and proposes a set of concrete future actions to be implemented by both the Commission and Member States. In the Review, the European Commission focuses on the key priority areas identified by the Member States: smart regulation, access to finance, access to markets and entrepreneurship.

To ensure the implementation of these actions, the Commission and Member States need to strengthen the SBA's governance through a strong partnership. In this regard, an SBA Advisory Group will be set up by bringing together representatives of governments and business organisations.

More information:

<http://ec.europa.eu/enterprise/policies/sme/small-business-act/>

In addition, four diverse points will also fall within Vice-President Tajani's portfolio:

Communication from the Commission on reaping the benefits of electronic invoicing for Europe - presentation by the Commission; Report on the implementation of the recommendations of the High Level Group on the Competitiveness of the European Chemical Industry - presentation by the Commission;- Joint declaration on electromobility - information by Maltese delegation.