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THE EUROPEAN UNION**



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## **PRESS RELEASE**

3169th Council meeting

### **Competitiveness (Internal Market, Industry, Research and Space)**

Brussels, 30-31 May 2012

President      **Mr Ole SOHN**, Minister for Business and Growth  
                    **Mr Morten ØSTERGAARD**  
                    Minister for Science, Innovation and Higher Education  
                    of Denmark

# **P R E S S**

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**EN**

## Main results of the Council

*The Council agreed on the main elements of the **Competitiveness and SME** (small and medium-sized enterprise) **programme for 2014-2020**.*

*In priority areas of the **Single Market Act**, which is designed to increase confidence in the internal market and stimulate growth and jobs creation, the Council:*

- *agreed on a general approach for the establishment of **alternative dispute resolution mechanisms and an online dispute resolution platform** to strengthen consumers' confidence in both domestic and cross-border transactions;*
- *provided political orientation on the modernisation of the **public procurement** policy and on the revision of the **recognition of professional qualifications**;*
- *held a preparatory debate in order to gather consensus on the location of the seat for a **unified patent court**, with a view to the European Council reaching a successful decision on the matter at its meeting on 28-29 June 2012; and*
- *adopted conclusions on the **governance of the Single Market and the Digital Single Market**.*

*The Council agreed on the main elements of the framework **programme for funding research and innovation for 2014-2020**, known as **Horizon 2020**.*

*Ministers took note of a progress report on ongoing work for updating the rules of the **European Institute of Innovation and Technology** and for setting its strategic agenda over the period 2014-2020.*

*Finally, the Council adopted conclusions on **European Innovation Partnerships**.*

\* \* \*

*Without discussion, the Council formally adopted a regulation on **roaming** aimed at introducing a common approach to ensuring that users of public mobile communications networks, when travelling within the Union, do not pay excessive prices for Union-wide roaming services.*

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- Where declarations, conclusions or resolutions have been formally adopted by the Council, this is indicated in the heading for the item concerned and the text is placed between quotation marks.
- Documents for which references are given in the text are available on the Council's Internet site (<http://www.consilium.europa.eu>).
- Acts adopted with statements for the Council minutes which may be released to the public are indicated by an asterisk; these statements are available on the Council's Internet site or may be obtained from the Press Office.

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Ms Androulla VASSILIOU  
Mr John DALLI

Vice-President  
Vice-President  
Member  
Member  
Member  
Member

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The Government of the Acceding State was represented as follows:

**CROATIA**

Ms Tamara OBRADOVIĆ MAZAL  
Ms Marija LUGARIĆ

Deputy Minister for the Economy  
Deputy Minister for Science, Education and Sport

**ITEMS DEBATED****INTERNAL MARKET AND INDUSTRY****Business Competitiveness and the SME programme for 2014-2020**

The Council reached an agreement on the essential elements of the Competitiveness of Enterprises and SMEs programme (the "COSME programme") for the years 2014-2020 ([10586/12](#)).

The agreement paves the way for the start of negotiations on the programme with the European Parliament with a view to its timely adoption.

All delegations stressed the importance of the programme in contributing to the easing of credit crunch conditions for European business caused by the economic crisis. Facilitation of access to finance should be accompanied by an efficient regulatory environment.

They agreed on the principles of achieving simplified procedures and the need to avoid an unnecessary administrative burden when implementing the provisions of the programme.

A few delegations also emphasised the role of the tourism sector in the programme.

Some delegations referred to the advisability of reinforcing the "Enterprise Europe Network" as a means of promoting the competitiveness of SMEs within the internal market and beyond the EU.

The coherence between COSME and other EU programmes and instruments was also mentioned.

Under the agreement, the financial instruments of the programme, which will include an equity facility and a loan guarantee facility, will be employed with a view to facilitating access to finance for SMEs in their start-up, growth and transfer phases.

The Commission will develop a set of key performance indicators designed to assess the extent to which the objectives of the measures supported under the COSME programme have been achieved.



The COSME programme seeks to address market failures which affect the competitiveness of the Union economy on a global scale and undermine the capacity of enterprises, in particular SMEs, to compete with their counterparts in other parts of the world.

The future multi-annual programme will focus mainly on measures to promote more dynamic and internationally-competitive SMEs. These measures include:

- measures to improve the competitiveness and sustainability of EU enterprises;
- innovative financial instruments for growth to facilitate SME access to funding;
- measures to support EU companies in securing better access to markets; and
- activities to promote entrepreneurship.

The proposed budget for implementing the programme during the 7-year period amounts to EUR 2.5 billion. The final budget for COSME will be decided in the context of the overall EU budget for the next cycle of financial perspectives.

COSME<sup>1</sup> will be the successor to the non-innovation part of the current "Competitiveness and Innovation Framework Programme" (CIP<sup>2</sup>), which runs until the end of 2013. All research and innovation support to SMEs (including the innovation part of the CIP) will be included in the "Horizon 2020" framework programme for research and innovation.

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<sup>1</sup> [http://ec.europa.eu/cip/cosme/index\\_en.htm](http://ec.europa.eu/cip/cosme/index_en.htm)

<sup>2</sup> <http://ec.europa.eu/cip/>

## Review of the Professional Qualifications Directive

The Council held a debate on a draft directive aimed at improving the system of recognition of professional qualifications with the purpose of facilitating the mobility of skilled workers across the EU. The outcome of the debate provides political guidance for future work.

A proposal for a directive amending the Professional Qualifications Directive was submitted by the Commission on 19 December 2011 ([18899/11](#)). It proposes, *inter alia*, the creation of a European professional card, some changes in the directive (such as the insertion of the principle of partial access to certain professions, the clarification of some training requirements, etc.), as well as measures designed to more effectively exploit existing instruments, such as the Internal Market Information (IMI) system<sup>1</sup>.

During the debate, ministers expressed views on two main aspects of the reform: the creation and practical implementation of the European professional card and the proposed transparency exercise which would subsequently lead to mutual evaluation and, possibly, to a simplification of the national legal frameworks for the regulated professions ([9960/12](#)).

Many delegations pointed out the potential possible benefits for the mobility of skilled workers arising from the introduction of a professional card, provided that the card is cost effective and has "EU added value".

Delegations broadly acknowledged the need to look into ways of reducing the number of regulated professions in the member states so as to facilitate access to these professions by removing unjustified regulatory barriers.

The European professional card would be an electronic certificate issued by the professional's country of departure that would facilitate the automatic recognition in the host country (the country where the professional seeks establishment). Applications for professional cards would be made through the competent national authorities using the IMI system.

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<sup>1</sup> [Internal Market Information System](#)

The introduction of professional cards would be considered for a particular profession where:

- there is clear interest from professionals, the national authorities and the business community;
- the mobility of the professionals concerned has significant potential; and
- the profession is regulated in a significant number of member states.

Currently, some 800 categories of regulated professions exist across the 27 EU members. A regulated profession implies that access to the profession is subject to a person holding a specific qualification, such as a university degree, and that activities are reserved to holders of such qualifications.

The new proposal, which will update the Professional Qualifications Directive adopted in 2005<sup>1</sup>, requires the agreement of the European Parliament.

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<sup>1</sup> [Official Journal of the EU L 255 of 30.9.2005.](#)

## Alternative Dispute Resolution system for consumers

The Council agreed on a general approach<sup>1</sup> concerning a draft directive on Alternative Dispute Resolution (ADR) and a draft regulation on On-line Dispute Resolution (ODR) ([10622/12](#)).

The initiative will ensure the establishment of ADR schemes where none exist today. These would fill current gaps in coverage and ensure that consumers are able to take their disputes to an ADR. In addition, the initiative will define a common framework for ADR in the EU member states by setting out common minimum quality principles in order to ensure that all ADR entities are impartial, transparent and efficient.

Existing national ADR schemes should be able to continue to operate within the new framework. The ADR system will be supplemented by an ODR mechanism involving the setting up of a European on-line dispute resolution platform (this will be an interactive website accessible electronically and free of charge in all languages of the Union).

ADR schemes, also known as "out-of-court mechanisms", already exist in many countries to help consumers involved in disputes which they have been unable to resolve directly with the trader. These mechanisms have been developed differently across the EU, either publicly or privately, and the status of the decisions adopted by these bodies differs greatly.

In its current draft version, the directive would apply to disputes submitted by consumers against traders in almost all areas of commercial activity across the EU.

The objective of both proposals is to provide for simple, fast and affordable out-of-court settlement procedures designed to resolve disputes between consumers and traders arising from the sales of goods and services.

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<sup>1</sup> A general approach is an agreement on the essential elements of a legal act, pending the opinion of the European Parliament.

## **Reform of the public procurement policy**

The Council held an orientation debate on the modernisation of the public procurement policy in the EU. The outcome of the debate provides political guidance for future work.

The Council also took note of a Presidency report on the progress achieved concerning the reform of the public procurement legal framework. The report outlines a number of possible solutions to pave the way for a political agreement in the coming months ([9696/12](#)).

The debate focused on two key subjects:

- the use of electronic systems in public procurement (e-procurement), and
- the governance and monitoring of the procurement procedures.

Many delegations pointed out the considerable savings that would be achieved through increased use of digitisation and electronic procurement procedures. However, it was also noted that important technical challenges would need to be addressed as regards the adaptation of public purchasing bodies, and a certain degree of interoperability would need to be ensured, before use of this technology is standard.

On governance, a large majority of delegations favoured the "light" approach outlined in the Presidency compromise, with member states having the option of organising their administrative structures without the need to create new structures.

This was the second ministerial debate since the presentation by the Commission, on 20 December 2011, of legislative proposals for a major overhaul of public procurement rules across the EU.

An initial ministerial debate took place on 20 February. This dealt with two specific issues of the reform: the conditions of access that should apply in the use of competitive procedures with negotiation and a possible "more lightweight" regime for certain categories of services, such as social, cultural, health, etc. (*see press release [6675/12](#), page 10*).

The three proposals for modernising public procurement are:

- a draft directive setting up the new legislative framework (replacing Directive 2004/18/EC) ([18966/11](#));
- a draft directive on procurement by entities operating in the water, energy, transport and postal services (replacing directive 2004/17/EC) ([18964/11](#)); and
- a draft directive on the award of concession contracts ([18960/11](#)).

The European Council called for the reform to be approved in co-legislation with the European Parliament before the end of 2012.

The reform will affect a wide range of areas regarding the procurement of goods and services, including the simplification and flexibilisation of procurement procedures; the strategic use of public procurement in response to new challenges; better access to the market for SMEs, better governance and sound procedures.

**Governance of the Single Market - the Digital Single Market - Council conclusions**

The Council adopted conclusions on the governance of the Single Market and the Digital Single Market ([9958/1/12](#)).

The conclusions stress that strengthening the governance of the Single Market, including improved implementation and enforcement, the completion of a Digital Single Market ([9981/1/10](#)) and the swift adoption of the measures contained in the Single Market Act, could take the internal market to a new phase and create economic growth and jobs, as called for by the European Council on 1-2 March 2012 (*EUCO* [4/12](#)).

The conclusions take into account the evaluation made by the Commission of the Single Market governance check-up 2011 ([7104/12](#)).

## **Unified Patent Court**

Ministers addressed the last outstanding issue in the draft agreement for the creation of a Unified Patent Court, with a view to finalising the "patent package" without delay.

The debate showed that further work was needed to reach consensus on the location of the Central Division of the Court of First instance for the future unitary patent jurisdiction.

The debate followed the statement issued by the Heads of State or Government of the EU Member States participating in enhanced cooperation on the creation of unitary patent protection in which they made a commitment to reach a final agreement on the last outstanding issue in the patent package in June 2012 at the latest ([5/12](#)).

In December 2011 the Council and the Parliament reached a provisional agreement on the two draft regulations implementing enhanced cooperation in the area of unitary patent protection.

With regard to the third pillar of the patent system, the creation of a Unified Patent Court that would judge patent litigation cases, final agreement on the seat of the Court is still pending.



## **RESEARCH**

### **"Horizon 2020" framework programme for research and innovation:**

Following a public debate, the Council reached a partial general approach<sup>1</sup> on "Horizon 2020", the proposed framework programme for funding research and innovation for the years 2014-2020 ([10663/12](#)).

The ministerial agreement on the main lines of the programme paves the way for future work in order to secure the timely approval of the Council and the European Parliament. "Horizon 2020" will replace the EU's 7th research framework programme (FP7), which runs until the end of 2013.

The Council also took note of a Presidency report ([10219/12](#)) on the progress made concerning the other three parts of the package: the specific programme implementing Horizon 2020, the rules of participation in research projects and the Euratom programme on nuclear research activities.

During the debate, delegations further developed essential elements of the general framework for Horizon 2020, including: the simplification of procedures that will apply to fund projects, the possibility of widening participation by reinforcing the attractiveness of researchers' careers across the Union, compliance with ethical principles and relevant legislation; increased participation of SMEs in research projects covering the whole chain from the idea to the market; public/private partnerships and coherence with other EU and national policy and financial instruments.

The agreement within the Council takes into account the results of the previous ministerial debates on Horizon 2020 that took place on 6 December 2011 and 2<sup>2</sup> and 21<sup>3</sup> February 2012.

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<sup>1</sup> A partial general approach is an agreement on the essential elements of a legal act, pending the opinion of the European Parliament and the relevant discussions on the EU's multi-annual budget.

<sup>2</sup> [Informal ministerial meeting \(Copenhagen, 2 February\)](#).

<sup>3</sup> [Competitiveness Council meeting \(Brussels, 21 February\)](#).

The new framework for research is expected to eliminate fragmentation in this field and to ensure more coherence. Horizon 2020 will build upon the current FP7 concept, the Competitiveness and Innovation Programme (CIP) and the European Institute for Innovation and Technology (EIT). It will be closely linked to key sectoral policy priorities such as health, food security, energy and climate change, etc., and will have strong links to cohesion policy as well as to rural development.

As compared with FP7, Horizon 2020 has a number of new features that make it fit for purpose to promote growth and tackle societal challenges. These include:

- major simplification through a simpler programme architecture, a single set of rules and less red tape;
- an inclusive approach open to new participants ensuring that excellent researchers and innovators from across Europe and beyond can participate;
- integration of research and innovation by providing seamless and coherent funding from idea to market;
- more support for innovation and activities close to the market with a strong focus on creating business opportunities.

The Commission presented the various components of the future programme on 30 November 2011 ([http://ec.europa.eu/research/horizon2020/index\\_en.cfm](http://ec.europa.eu/research/horizon2020/index_en.cfm)).

It is proposed to allocate EUR 80 billion for the 2014-2020 period, thus making Horizon 2020 the world's largest research programme.

## European Institute of Innovation and Technology (EIT)

The Council took note of a Presidency progress report ([10221/12http://register.consilium.europa.eu/pdf/en/12/st09/st09951.en12.pdf](http://register.consilium.europa.eu/pdf/en/12/st09/st09951.en12.pdf)) on a draft regulation amending the rules of the European Institute of Innovation and Technology (EIT) ([18090/11](#)) and on a draft decision setting the EIT's strategic implementation plan for the coming years.

It instructed the Council preparatory bodies to take the work forward.

The EIT, which was set up in March 2008, will continue to reinforce the innovation capacity of the EU and its member states and to contribute to the general objectives of Horizon 2020, mainly by integrating the "knowledge triangle" of higher education, research and innovation. This integration takes place primarily via the Knowledge and Innovation Communities (KICs), which bring together organisations on a long-term basis in order to respond to major societal challenges.

Under Horizon 2020, the EIT would receive a financial contribution of EUR 3.1 billion for the 2014-2020 period.

In a separate decision, the Council and the European Parliament will define the priority fields of the EIT's strategic agenda for the seven-year period ([18091/11](#)).

*Website of the EIT: <http://eit.europa.eu/>*

The exchange of views at the informal ministerial lunch, attended by commissioner Geoghegan-Quinn and commissioner Vassiliou, provided the opportunity to review the achievements of the EIT in order to draw lessons for the future.

**European Innovation Partnerships - Council conclusions**

The Council adopted conclusions on the European Innovation Partnerships ([9942/12](#)).

The conclusions address the ongoing pilot project for an EIP on active and healthy ageing, as well as new EIPs in the fields of agricultural productivity and raw materials, which were proposed by the Commission last February.

European Innovation Partnerships (EIPs) is a novel concept proposed in the "Innovation Union" flagship initiative ([14035/10](#)) to speed up innovations addressing major societal challenges. They are designed to provide a framework bringing together stakeholders across policy areas, sectors and borders to integrate or initiate supply and demand side measures across the whole research and innovation cycle.

The pilot EIP on active and healthy ageing is intended to test the concept and assess how it can best be implemented.

## **ANY OTHER BUSINESS**

### **The Single Market Act: a driver for growth and jobs**

Over the informal working lunch, EU ministers and commissioner Michel Barnier held a debate on the priority actions contained in the Single Market Act<sup>1</sup>.

The debate was steered by means of a Presidency document ([10442/12](#)) highlighting the importance of implementing the Single Market Act and measures to ensure that Europe can recover from the economic crisis and stay at the forefront of global competition.

Ministers welcomed the Commission's intention to present a second wave of legislative proposals ("Single Market Act II") after the summer and expressed their readiness to contribute actively to the preparations for the new package of proposals.

### **High-level meeting on the Single Market and the growth agenda (Vilnius, 18 April)**

The Lithuanian delegation reported on the outcome of a high-level meeting organised in Vilnius, Lithuania, on 18 April, which was attended by 15 EU ministers responsible for growth and competitiveness ([10529/12](#)).

The meeting focused on internal market sectors having a great potential for contributing to the creation of growth and jobs, such as the services and digital sectors. It also addressed priority areas to be taken into account in the preparations for the Single Market Act II package.

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<sup>1</sup> [The Single Market Act](#).

## **State aid reform**

The Council took note of a presentation by commissioner Joaquín Almunia on the communication regarding the modernisation of the EU's state aid policy, published by the Commission on 8 May ([10266/12](#)).

The communication outlines an integrated strategy for reform of the state aid policy. It is aimed at establishing a more focused framework to allow Member States to contribute more effectively to the implementation of the Europe 2020 strategy for growth and to budgetary consolidation.

The Commission state aid reform package will consist of two pillars. The first of these comprises a number of acts for which the Commission has exclusive competence. This involves the revision of several state aid frameworks in strategic areas such as regional aid, environmental aid, risk capital, broadband; the rules for the rescue and restructuring of non-financial companies; the revision of the general block exemption scheme, a review of the "de minimis" rule and a revision of the complaints procedure. As regards the second pillar, the Commission will present legal proposals for a new draft enabling regulation and a new draft procedural regulation. It is the Commission's aim to complete the state aid reform by the end of 2013.

## **Strategic Forum for International Scientific and Technological Cooperation (SFIC)**

The Council took note of the annual report of the SFIC<sup>1</sup> following a presentation made by the chair of the SFIC, Ms. Riittaa Mustonen.

The activities carried out by the SFIC include the development of the EU/India initiative which serves as a model for a common approach in future similar initiatives on a range of relevant topics in the field of research with other emerging countries. The preparation of a common innovation agenda will seek to identify thematic areas of common interest such as water, bio-resources, energy, health and communication technologies.

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<sup>1</sup> <http://register.consilium.europa.eu/pdf/en/12/st01/st01353.en12.pdf>

**Outcome of conferences and ministerial meetings in the field of research**

The Council took note of information on the outcome of the main research-related conferences and ministerial meetings organised by the Danish Presidency ([10232/12](#)):

"The value of excellence", "Bioeconomy", "Research infrastructures" and "Responsible research and innovation".

**Work programme of the upcoming Cypriot presidency**

The Cypriot delegation informed ministers about the Cypriot presidency's work programme on competitiveness for the second half of 2012.

In the field of internal market and industry, the top priorities of the upcoming EU presidency will include the finalisation of legislative initiatives contained in the Single Market Act and the promotion of initiatives supporting SMEs, including those within the tourism sector.

In the field of research, the Cypriot presidency will continue negotiations on the 2014-2020 "Horizon 2020" framework programme for research and innovation with a view to making preparations for its adoption in the near future.

## **OTHER ITEMS APPROVED**

### **TELECOMMUNICATIONS**

#### **Roaming - Mobile communications networks**

The Council adopted a regulation on roaming on public mobile communications networks within the EU (*PE-CONS* [20/12](#)).

The objective is to establish a common approach with a view to ensuring that roaming users do not pay excessive prices for Union-wide roaming services when travelling within the Union.

The regulation will be published in the EU Official [10362/12](#) Journal of 30 June 2012.

*For more information, see press release [10362/12](#).*

### **ECONOMIC AND FINANCIAL AFFAIRS**

#### **Securities prospectuses**

The Council decided not to object to a Commission regulation on the prospectus to be published when securities are offered to the public or admitted to trading.

The regulation is a delegated act pursuant to Article 290 of the Treaty on the Functioning of the EU. This means that now that the Council has given its consent, the act can enter into force, unless the European Parliament objects to it.

### **TRADE POLICY**

#### **Imports of steel products from Russia**

The Council decided to repeal a regulation adopted in October 2007, which restricted imports of certain steel products from Russia in the context of a bilateral agreement on trade in certain steel products. The agreement included provisions for its termination and the abolition of quantitative limits from the date of Russian accession to the World Trade Organisation. Russia was accepted for membership in December 2011.



**Anti-dumping measures**

The Council adopted a regulation amending Regulation (EC) No 1225/2009 on protection against dumped imports from non-EU countries, after the dispute settlement body of the World Trade Organisation found Article 9(5) of the regulation to be inconsistent with WTO agreements.

**FOOD LAW****Maximum tolerance level of certain contaminants in food**

The Council decided not to oppose the adoption of a Commission regulation introducing certain amendments to the maximum levels of ochratoxin A, non dioxin-like PCBs and melamine in foodstuffs ([8478/12](#)).

The Commission regulation is subject to what is termed the regulatory procedure with scrutiny. This means that now that the Council has given its consent, the Commission may adopt the regulation, unless the European Parliament objects.

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