



Brussels, 5 December 2012

Background note¹

COMPETITIVENESS COUNCIL

Brussels, 10 and 11 December 2012

*The sessions will be chaired by Mr **Neoklis Sylikiotis**, Cyprus Minister for Commerce, Industry and Tourism, and Ms **Eleni Mavrou**, Cyprus Minister for the Interior (responsible for the Research portfolio).*

*On Monday 10 December (9.30), ministers will exchange views on the European **industrial policy** and its contribution to growth and economic recovery with a view to adopting conclusions. They will address the specific situation of the **automotive industry**. They will also hold a debate on the modernisation of the **state aid rules and their impact on EU competitiveness**. The debate will follow a presentation by the Commission on the reform of state aid policy to be completed during 2013.*

*The Council will consider the way forward for the adoption of an update of the **Union Customs Code** in view of facilitating commercial exchanges, whilst ensuring safe and secure trade of goods in the EU. In addition, the Council will be invited to agree on the basis for establishing an action programme for customs in the EU for the period 2014-2020 ("**Customs 2020**" programme), as the successor of the "Customs 2013" programme, which ends on 31 December 2013. Furthermore, the Council is expected to launch a new customs action plan to combat **intellectual property right infringements** and adopt conclusions on the **progress for the evolution of the customs union**.*

*The afternoon will be devoted to policy debates and/or information reports regarding pending legislation included in the **Single Market Act I** package, which is made up of priority measures aimed at the completion of the single market by increasing confidence and stimulating growth and jobs creation. The files for examination or information might include the **unitary patent** protection package, the review of the **professional qualifications** directive, the **public procurement** reform package, the **accounting directive** and the alternative **resolution system for consumer disputes**.*

*Moreover, the Council will be invited to adopt conclusions on the second wave of priority proposals under the **Single Market Act II**, which was presented by the Commission on 3 October.*

*On Tuesday 11 December (9.30), the meeting will start with the **space policy** part and an exchange of ideas on how to better develop the relationship between the EU and the European Space Agency.*

¹ This note has been drawn up under the responsibility of the press office.

*Under the research part, the Council will be invited to adopt conclusions on key elements that will contribute to the completion of the **European Research Area**, which is placed at the heart of EU's strategy for the creation of economic growth and jobs. The Council will also examine ways to enhance **international cooperation in research and innovation**.*

*After lunch, ministers will hold public deliberations on two legislative proposals which will be part of "**Horizon 2020**", the future framework programme for funding research and innovation for the years 2014 to 2020. These two pieces relate to the **specific programme** for the implementation of Horizon 2020 and the content of the **strategic innovation agenda of the European Institute of Innovation and Technology (EIT)** for the coming years. The Council will endeavour to agree on the main elements of both proposals.*

*Finally, the Council will take note of a report on the progress made regarding the **Euratom** proposal, which supplements Horizon 2020 in the field of nuclear research.*

Press conferences:

- *industry, internal market and customs policy: Monday 10/12 at +/- 17.30;*
- *research, innovation and space policy: Tuesday 11/12 at the end of the meeting.*

Press conferences and public deliberations can be followed by video streaming:

<http://video.consilium.europa.eu/>

INDUSTRIAL POLICY

Industrial policy and its contribution to growth and economic recovery

Ministers will address the situation of the European industry and will endeavour to agree conclusions on an update to the industrial policy and its contribution to growth and economic recovery.

The conclusions will be based on the Commission communication ([15168/12](#)) for updating the flagship initiative on industrial policy and the ensuing discussions at the Council meeting of 11 October, where ministers underlined the importance of speeding up actions in strategic sectors with a strong potential for underpinning competitiveness and job creation.

The updated strategy of the Europe 2020 Industrial Policy Flagship² aims at strengthening Europe's industrial competitiveness and facilitating the transition to a low-carbon and resource efficient economy.

To this end, the conclusions will put emphasis on four pillars which need urgent attention as a result of the economic crisis:

- to stimulate investments in innovative and new technologies;
- to allow EU companies to derive maximum benefit from the internal market and international markets;
- to improve access to finance; and
- to increase investment in people and skills.

A number of promising new markets that can contribute to a competitive and innovative manufacturing industry will also be highlighted.

A first concrete example of the application of an updated vision for industrial policy in a sectoral setting has been put forward by the Commission in its action plan for the automotive industry.

- Automotive industry

Ministers will exchange views on the situation and perspectives of the automotive industry in the different countries and in the light of the action plan drawn up by the Commission recently to promote and to help adapting the sector ([15962/12](#)).

The action plan is articulated around the following pillars:

- investing in advanced technologies and financing innovation;
- improving market conditions through a stronger internal market and smart regulation;
- enhancing competitiveness on global markets; and
- anticipating adaptation by investing in people and skills and softening the social impacts of restructuring.

² "An integrated industrial policy for the globalisation era", 28 October 2010 ([15483/10](#)).

The analysis provided in the action plan states that the *status quo* for the European automotive industry cannot be maintained: current production capacities will have to be adapted, new production methods devised, further sources of raw materials secured and used more efficiently, and new clusters and business models developed. Just as importantly, new skills profiles are required and possible changes in employment needs will have to be tackled.

Modernisation of state aid rules: impact on EU competitiveness

Following a presentation by the Commission on its communication on EU state aid modernisation ([10266/12](#)), ministers will engage in a debate on the future of the state aid policy from the perspective of the industry.

In order to streamline the discussion, the Cyprus Presidency of the Council will put forward a reflection paper ([16647/12](#)) and will invite ministers to express views on the following questions:

- *The Commission plans to modernise state aid policy by setting out three objectives that support growth, employment and EU competitiveness, while contributing to member states efforts towards a more efficient use of public finances. Would you agree with these objectives?*
- *How would you think that state aid should be designed to sustain growth and improve the competitiveness of European industry in a worldwide context, especially in times of recession?*

A preliminary discussion took place at the Ecofin Council meeting of 13 November. The Presidency's conclusions summing up the results of that discussion are set out in document [15595/1/12](#).

The Commission communication puts the single market, the EU's best asset for generating sustainable growth, at the centre of the reform and calls for more effective and efficient use of public finances to better sustain research and innovation, sustainable development, cohesion and other EU policies. It foresees the completion of the reform by the end of 2013.

CUSTOMS POLICY

New customs action plan to combat intellectual property right infringements

Ministers will assess a report by the Commission on the implementation of the EU customs action plan to combat intellectual property right (IPR) infringements for the years 2009 to 2012.

After having assessed the report, ministers will concentrate in the preparation of the new action plan for the years 2013 to 2017, in the light of the experience gained and the need to further deepen and implement some of the core elements. The adoption of a resolution will mark the launch of the action plan.

The customs services are responsible for controlling goods at the EU external border, and to detain those goods suspected of infringing IPRs that are protected by EU and national laws.

To allow customs to follow a common approach on IPR enforcement and focus their attention on the situations posing the greatest risks, the Commission and the member states jointly set up a multi-annual action plan. The action plan provides the framework to ensure that the limited customs resources available for IPR enforcement can be used in the most effective way.

The EU customs action plan to combat IPR infringements for the years 2013 to 2017 stresses four strategic objectives:

- to effectively implement and monitor the EU legislation on customs enforcement of IPRs;
- to tackle trade of IPR infringing goods in post and parcel resulting from internet sales as well as container trade;
- to tackle trade infringing goods throughout the international supply chain; and
- to strengthen the cooperation with the European Observatory on infringements of IPRs and law enforcement authorities.

The EU has a strong system to protect against IPR infringements at the external border and the action plan has shown to be a valuable aid in tackling the four main challenges identified. However, the trafficking of IPR infringing goods is constantly evolving and enforcement authorities must be equipped with the necessary tools to face the phenomenon as regards the legislation, information sharing and international cooperation.

To this end, the report puts forward a number of recommendations and addresses new developments to be taken into account in the design of the next action plan 2013-2015, including the increase in sales over the internet and the rise of new key players on the international stage.

Update of the Union Customs Code

The Council will hold a public debate on a proposal for recasting the Union Customs Code with a view to facilitating a first-reading agreement with the European Parliament and ensuring a timely adoption of the Code.

The proposed recast ([6784/12](#)) adjusts some provisions of regulation 450/2008, which establishes the Customs Code, to the evolution of customs and other relevant legislation, aligns it to requirements resulting from the Treaty of Lisbon and postpones its application.

The regulation entered into force in 2008, but it is not applicable yet. It will be applicable once its implementing provisions are in force, and on 24 June 2013 at the latest, in order to give administrations and economic operators sufficient time to undertake the necessary investments and ensure a smooth implementation of electronic processes.

The Customs Code is published in the Official Journal of the EU L 145 of 4.6.2008:

<http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=OJ:L:2008:145:0001:0064:EN:PDF>

"Customs 2020" programme

In public deliberation, the Council will be invited to agree on a partial general approach for establishing an action programme for customs in the EU for the period 2014-2020 ("Customs 2020" programme), as the successor of the "Customs 2013" programme, which ends on 31 December 2013.

The programme is aimed at providing supporting measures in order to ensure that EU customs legislation is applied in a convergent and harmonised way, including those in support to EU legal obligations stemming from the Customs Code.

Given that many of the activities in the customs area are of a cross-border nature, involving and affecting all 27 member states, the joint EU action allows to underpin the collective dimension of the customs work, to avoid internal market distortions and to support the protection of the EU external borders.

The funding of the "Customs 2020" programme will depend on the outcome of the ongoing negotiations on the EU's global budget for the period 2014-2020 (the future "Multiannual Financial Framework"). The proposal presented by the Commission³ foresees a financial envelope of EUR 548 million for the seven-year period.

³ http://ec.europa.eu/taxation_customs/resources/documents/com_2012_464_en.pdf

Strategy for the evolution of the customs union

By means of conclusions, the Council will assess the progress of the strategy for the evolution of the customs union.

The conclusions will stress, among other elements, that the customs union should continue to meet its strategic objectives in supporting the EU's competitiveness by protecting the business environment, facilitating trade and offering high quality service to stakeholders.

These objectives, which were endorsed by the Council in 2008, remain valid and in line with the report submitted by the Commission on the evolution of the customs union in December 2011 ([18932/11](#)).

INTERNAL MARKET

Single Market Act I

The Council will held debates and/or will take note of information regarding pending legislation included in the *Single Market Act I* package, which is made up of priority measures aimed at the completion of the single market by increasing confidence and stimulating growth and jobs creation.

The files for examination or information might include the **unitary patent** protection package, the **public procurement** package, the review of the **professional qualifications** directive, the **accounting directive** and the alternative **resolution system for consumer disputes**.

Each one of these measures, to be adopted in co-legislation by the European Parliament and the Council, are currently at a different stage of the legislative process.

On 13 April 2011, the Commission presented its communication "Single Market Act - Twelve levers to boost growth and strengthen confidence" ([9283/11](#)), which contains the identified actions to address the objective of re-launching the single market.

These twelve instruments of growth, competitiveness and social progress will contribute to reducing barriers and to improving efficiency on the single market for businesses, citizens, consumers and workers.

EU heads of state and government are closely monitoring the process in the wider context of the European Growth Agenda.

- Unitary patent protection package

Ministers will be invited to endorse the agreement reached at Coreper⁴ level on 19 November⁵ on the patents package.

The European Parliament is expected to validate the institutional agreement through a vote at its plenary session on 11 December. After the vote, the two regulations on the Unitary Patent and the translation arrangements should be formally adopted by the Council before the end of 2012.

This package is a product of enhanced cooperation between 25 member states. It consists of two regulations; one creates the unitary patent and the other provides for its language translation regime. Italy and Spain opted out of participating in the enhanced cooperation because of the translation arrangements.

Under the new regime, only one application will suffice to protect the unitary patent throughout the 25 countries participating in the enhanced cooperation, in contrast to the current situation where it has to be validated and accepted in each EU country in which the applicant would like to gain protection. This way, the process of validation will be faster because translations will no longer be required, and the patent will be validated in the language in which it was granted (only French, English or German). These changes represent a great advantage to patent owners because it would significantly reduce the costs of broad patent coverage in European Patent Organisation member states.

The third element of the package is the Unified Patent Court Agreement (UPC). The UPC will ensure the uniform applicability of patent law throughout the territories of member states participating in the enhanced cooperation plus Italy. This way the occurrence of multiple court cases with regard to the same patent in different member countries will be avoided. This would also prevent contradictory court rulings on the same issues. The UPC will be an international agreement among the member states concluded outside the EU institutional framework.

A diplomatic conference will be held for the signing of the UPC agreement by the participating member states. Once the agreement has been signed, the ratification process by national parliaments will start (at least 13 member states will have to ratify the agreement for it to enter into force).

All the necessary decisions (designation of committees, budget, appointment of judges and president, recruitment of staff, facilities, etc.) should be adopted in a timely manner so as to enable the first registration of a European patent title with unitary effect in Spring 2014.

The establishment of a unitary patent system valid across the EU, which has been under discussion for more than 30 years, will contribute to an increase in patent activity, especially for small- and medium-sized enterprises (SMEs). It will also contribute significantly to lowering the costs associated with obtaining a patent in the EU.

The new unitary patent model will encourage EU businesses to increase their innovation activity, thus enhancing their competitiveness in the internal market. It will also increase the interest of EU

⁴ Coreper, the Permanent Representatives Committee, is composed of the ambassadors of the 27 EU member states. Its role is to prepare decisions of the Council.

⁵ See Presidency press release: <http://www.cy2012.eu/index.php/en/news-categories/areas/competitiveness/press-release-unitary-patent-closer-to-the-finishing-line>

companies in protecting their inventions and new technical solutions across Europe.

- Reform of public procurement policy

The Council will hold a public debate on the modernisation of the public procurement policy with a view to reaching an agreement on a general approach.

The three proposals for modernising public procurement are:

- a proposal for a directive on public procurement (replacing directive 2004/18/EC) ([18966/11](#));
- a proposal for a directive on procurement by entities operating in the utilities sectors: water, energy, transport and postal services (replacing directive 2004/17/EC) ([18964/11](#)); and
- a proposal for a directive on the award of concession contracts ([18960/11](#)).

The Presidency has submitted a compromise text for every piece of the above-mentioned legislation contained in documents [16725/1/12](#), [16729/12](#) and [16731/12](#).

The Commission presented the package on 20 December 2011. It is a major overhaul of public procurement rules across the EU. Based on the text of the draft directive on public procurement, the Council has provided guidance on four important issues at its meetings on 20 February and 30 May 2012: the degree of flexibility that should apply in the use of competitive procedures with negotiation, the application of a lighter regime for certain categories of services (social, cultural, health, etc.), the wide use of e-procurement and the governance and monitoring of the procurement procedures.

The revision of the public procurement policy will affect a wide range of areas applying to the procurement of goods, works and services, including:

1) Simplification and flexibilisation of procurement procedures

The package provides for a simplification and flexibilisation of the procedural regime set by the current rules, which date back to 2004. To this end, it contains measures to make procurement easier and administratively less burdensome and to create flexibility for public authorities enabling better procurement outcomes. Promotion of electronic procurement as a more user-friendly feature of procurement procedures is throughout the package a cornerstone of the simplification process.

2) Strategic use of public procurement in response to new challenges

Better opportunities for procurers to pursue common societal goals such as environmental protection, social responsibility, innovation, combatting of climate change, employment, public health and other social and environmental considerations.

3) Better access to the market for SMEs

The package provides for concrete measures to remove barriers for market access by SMEs, such as simplification of documentation obligations in procurement procedures, the creation of a standardised document for selection purposes, an incitation for contracting authorities to consider the division of contracts into smaller lots that are more accessible for SMEs, and a reduction on requirements for participation.

4) *Sound procedures*

The new regime seeks from member states to ensure that contracting authorities take appropriate measures to prevent, identify and remedy conflicts of interests arising in the conduct of procurement procedures so as to avoid any distortion of competition and ensure equal treatment of all economic operators.

5) *Governance*

The proposal contains obligations to member states for monitoring and reporting on the activity on public procurement in order to improve the efficacy and uniform application of EU law in this field.

- Review of the Professional Qualifications Directive

The Council will take note of a report drawn up by the Cyprus Presidency ([16293/12](#)) on the progress made regarding a draft directive aimed at making the system of recognition of professional qualifications more efficient with the purpose of further facilitating mobility of skilled workers across the EU.

The recognition of qualifications among member states has become a fundamental building block of the single market and professional mobility a key element of Europe's competitiveness.

A proposal for a directive amending the current Professional Qualifications Directive was presented 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 aiming at better exploiting existing instruments such as the Internal Market Information (IMI) system⁶.

On 30 May, the Council held debates on two main aspects of the reform: the creation of the European professional card and the transparency exercise that would lead to mutual evaluations and, possibly, a simplification of the national legal frameworks for the regulated professions.

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).

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

- there is clear interest from the professionals, the national authorities and the business community;
- the mobility of the professionals concerned has a 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 diploma, and that activities are reserved to holders of such qualifications.

⁶ [Internal Market Information System](#)

- Consumer protection: Alternative Dispute Resolution system

The Council will take note of the progress made on a draft directive on Alternative Dispute Resolution (ADR) and a draft regulation on On-line Dispute Resolution (ODR), following the agreement reached on a general approach on 30 May ([10622/12](#)).

The objective of both proposals is to provide for simple, fast and affordable out-of-court settlement procedures for resolving disputes between consumers and traders arising from the sales of goods and services through the intervention of an alternative dispute resolution entity.

The initiative will ensure the establishment of ADR schemes where today none exist and to ensure that consumers always have the possibility of taking their disputes to an ADR. 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 help consumers engaged 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.

- Review of accounting requirements for companies

The Council will take note of the progress made on the review and simplification of the accounting rules applicable to EU companies.

The key objectives of the review are:

- the reduction of administrative burden and the application of simplified accounting rules for SMEs;
- to increase the clarity and comparability of financial statements; and
- to enhance transparency on payments made to governments by the extractive industry and loggers of primary forest.

In order to promote governments' accountability, transparency and good governance, the proposal ([16250/11](#)) introduces new reporting requirements for large undertakings and all public interest entities active in the extractive industry or in the logging of primary forests. It is proposed that these companies shall disclose the payments they make to governments in countries where they operate.

Single Market Act II

The Council is due to adopt conclusions on the second wave of new priority proposals presented by the Commission on 3 October 2012 under the "Single Market Act II"⁷.

These proposals will supplement the first set of measures of the Single Market Act I package for deepening and reinforcing the single market in order to create economic growth and jobs.

The Council looks forward to rapidly examining them, in close co-operation with the European Parliament and the Commission, in order to allow their adoption by the end of the current parliamentary cycle at the latest so as to bring new impetus to the internal market.

In the conclusions, the Council will highlight the necessity for the single market to rest upon a strong economic and social basis and the importance for the SMA II actions to address the concerns of citizens and businesses.

RESEARCH and INNOVATION

"Horizon 2020": new framework programme for research and innovation (2014-2020)

- Specific programme implementing actions under Horizon 2020

In public deliberation, the Council will be invited to reach agreement on a partial general approach⁸ on a draft regulation establishing the Specific programme of Horizon 2020.

The Specific programme defines and develops the specific objectives and the broad lines of the activities which are specific to each of the priorities of the Framework programme, putting emphasis on the implementation of the particular objectives and actions.

It will consist of the following parts:

- 'excellent science': which includes frontier research activities of the European Research Council; emerging technologies; the "Marie Skłodowska-Curie actions", and research infrastructures;
- 'industrial leadership': to boost Europe's industrial capacity in promising technologies such as nanotechnologies, advance materials, biotechnology and space;
- 'societal challenges', dealing with projects to improve lifelong health and wellbeing, secure supplies of products, achieve resource-efficient energy patterns, fight against climate change, develop sustainable transport means and networks, etc.; and
- 'non-nuclear actions of the Joint Research Centre'.

⁷ http://ec.europa.eu/internal_market/smact/docs/single-market-act2_en.pdf

⁸ 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.

- European Institute of Innovation and Technology (EIT): strategic innovation agenda

In public deliberation, the Council will be invited to reach agreement on a partial general approach on a proposal ([18091/11](#)) to define the priority fields of the EIT's strategic innovation agenda for the period 2014 to 2020.

The EIT strategic innovation agenda includes an overview of the planned activities for the next seven years, in particular, the priority fields for the new Knowledge and Innovation Communities (KICs) and their selection and designation. It is proposed to set up new KICs in two waves: in 2014 and after 2017, subject to a positive review.

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 the general objective of Horizon 2020, mainly by integrating the "knowledge triangle" of higher education, research and innovation. This integration takes place primarily via the KICs, which bring together organisations on a long-term basis in order to respond to big societal challenges.

The EIT has completed its initial phase, which was dedicated to launching its operations through the first KICs. The EIT has also been successful in reaching its main objective –the full integration of the entire innovation chain, bringing together higher education institutions, research organisations and businesses– via three initial KICs established in 2010 in areas identified as essential to Europe's future development: sustainable energy ('KIC InnoEnergy'), climate change adaptation and mitigation ('ClimateKIC') and future information and communication society ('EIT ICT Labs').

On 8 and 9 November, under the auspices of the Cyprus presidency, an important conference took place in Larnaca titled "*EIT Stakeholders Conference – Addressing Societal Challenges through the EIT*" (<http://www.facebook.com/ConfEITCy>).

- Euratom programme

The Council will take note of a report on the progress made on the proposal for establishing the European Atomic Energy Community research programme ("Euratom programme"), which supplements Horizon 2020 in the field of nuclear research activities ([16577/12](#)).

The Euratom programme will ensure that EU-funded research and training activities in the nuclear energy field (fusion and fission) are continued over the period 2014-2018, and providing added value to the activities carried out in the member states.

Horizon 2020 - state of play

On 31 May 2012, the Council reached an agreement on a partial general approach on the "Horizon 2020 framework programme" ([10663/12](#)). At that occasion, the Council also took note of a 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 10 October 2012, the Council reached an agreement on a partial general approach on the rules for participation, as well as on an amended regulation of the EIT.

The successive common positions within the Council on the various components of Horizon 2020 will facilitate the starting of negotiations with the European Parliament with a view to achieving a first-reading agreement on the whole package in the course of 2013.

Horizon 2020 will replace the EU's 7th research framework programme (FP7), which runs until the end of 2013. The new framework for research is expected to eliminate fragmentation in this field and to ensure more coherence. Horizon 2020 builds upon the current FP7 concept, the Competitiveness and Innovation Programme and the EIT.

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

The Commission presented the several components of the Horizon 2020 on 30 November 2011: http://ec.europa.eu/research/horizon2020/index_en.cfm

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

European Research Area

The Council will adopt conclusions on the European Research Area (ERA) and the key elements that should lead to the successful achievement and implementation of the ERA.

The conclusions will be based on the outcome of the policy debate held by the Council on 10 October and the Commission recommendations contained in the communication "A reinforced European Research Area partnership for excellence and growth" ([12848/12](#)), published on 17 July 2012.

The Commission proposed the following priorities for the ERA: effective national research systems; optimal trans-national cooperation and competition; an open labour market for researchers; gender equality in research, and free circulation of knowledge.

Last November, an important conference on the future of the ERA framework took place in Nicosia, Cyprus, under the auspices of the EU Presidency. The conference gathered representatives of research organisations, universities, private enterprises and public authorities⁹.

Over the years, progress has been made towards a European Research Area through instruments such as the successive multi-annual research framework programmes, joint programming initiatives and research infrastructure consortia. Nevertheless, progress has been uneven in different dimensions of the ERA as well as across member states.

In February 2011, the European Council called for the completion of the ERA by 2014, thereby creating a genuine single market for knowledge and improving the mobility of researchers and the attractiveness of Europe for foreign researchers.

The ERA will pay particular attention to the external dimension in the field of research and innovation. In this regard, the conclusions will also refer to the importance of strengthening the international cooperation.

- EU international cooperation in research and innovation

The Council will hold an exchange of views on the basis of the Commission communication on enhancing EU international cooperation in research and innovation ([16560/12](#)).

In order to structure the debate, the Presidency will invite ministers to elaborate on the following questions:

- a) *Would you agree with the more strategic approach to international cooperation in research and innovation, building on the international cooperation strategies of the member states and the EU?*
- b) *Would you agree with the proposed governance and implementation process of this strategic approach to international cooperation with the development of multi-annual roadmaps for cooperation with third countries and regions, fully utilizing the array of instruments available in Horizon 2020?*

⁹ <http://www.cy2012.eu/index.php/en/political-calendar/areas/competitiveness/presidency-conference-completing-the-european-research-area-in-the-context-of-the-innovation-union>

The EU's framework programmes for research have already played an important role in supporting research and innovation cooperation between EU members and countries outside the Union. However, as the mid-term review of the 7th research framework programme recalled, Europe's efforts on international cooperation need to be intensified and become more strategic.

For this reason the Commission proposes a more strategic approach for the future development of international partnerships under and the next framework programme Horizon 2020.

SPACE POLICY

Relations between the EU and the European Space Agency (ESA)

Ministers will hold an exchange of views on how to better develop the relationship between the EU and the European Space Agency (ESA).

They will also hear a presentation by the Commission on its communication "Establishing appropriate relations between the EU and the ESA" ([16374/12](#)).

European space policy governance is based on three main actors: the EU, the ESA and their respective member states. The EU competence in space established by the entry into force of the Lisbon Treaty on 1 December 2009 strengthens the political dimension of space in Europe. The EU's enhanced role in European space policy goes hand in hand with increased interaction among these three actors based on the complementarity of their roles and responsibilities.

In its conclusions of 31 May 2011 "Towards a space strategy for the EU that benefits its citizens", the Council stated that space industrial policy should be drawn up, in close cooperation with the ESA and the member states, to promote a competitive space industry in Europe. It also emphasized that space activities and applications constitute a significant and concrete contribution to the Europe 2020 strategy for the creation of growth and the promotion of new job opportunities.

ESA website: <http://www.esa.int>
