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3242nd Council meeting

Competitiveness (Internal Market, Industry, Research and Space)

Brussels, 29 and 30 May 2013

Presidents **Richard Bruton**
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Main results of the Council

The Council meeting focused on a range of measures aimed at supporting and accelerating economic recovery, thereby boosting growth and creating new jobs.

Firstly, the Council reached a political agreement on two regulations pushing forward the ***reform of state aid rules****.*

Pursuing efforts to alleviate regulatory burdens on EU companies in order to make them more competitive, the Council approved conclusions on ***smart regulation****.*

Ministers exchanged views on several aspects of ***copyright laws*** *in the EU, including on a set of recommendations on private copying and reprography levies.*

Ministers also provided political guidance for making progress in the ***reform of the audit market****, which is intended to improve the quality and independence of audits, increase transparency and reinforce investors' confidence as well as to reduce the current market concentration.*

Furthermore, the Council took stock of the state of play regarding the ***Single Market Act*** *actions, which are contained in two packages of priority measures aimed at increasing confidence and stimulating growth and job creation.*

Ministers also addressed the current difficulties that are facing several ***industrial sectors*** *in Europe as a consequence of the economic crisis. They were informed by the Commission about the follow-up to initiatives carried out in support of those sectors.*

The Council adopted conclusions on ***space industrial policy****.*

The Council took note of the progress made in the ongoing negotiations on the multi-annual research programme ***"Horizon 2020"****, following a Presidency report on key political issues with a view to paving the way for an early agreement on the programme with the European Parliament.*

In addition, it endorsed a new EU strategy for enhancing ***international cooperation*** *in the field of research and approved conclusions on high performance* ***computing.*** *It also updated the mandate of the* ***European Research Area Committee.***

Finally, ministers discussed ***joint programming activities*** *carried out in the field of research.*

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PARTICIPANTS

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Ms Céline FREMAULT	Minister responsible for Employment, Economic Affairs, Foreign Trade, and Scientific Research
Mr Philippe COURARD	State Secretary for Social Affairs, Families, the Disabled and Scientific Policy with responsibility for Occupational Hazards, attached to the Minister for Social Affairs and Public Health
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Mr Petr FIALA	Minister for Education, Youth and Sports
Mr Milan HOVORKA	Deputy Minister for Industry and Trade
Mr Jakub DÜRR	Deputy Permanent Representative
Denmark:	
Ms Annette VILHEMSEN	Minister for Business Affairs and Growth
Mr Morten ØSTERGAARD	Minister for Science, Innovation and Higher Education
Mr Jonas BERING LIISBERG	Deputy Permanent Representative
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Mr Philipp RÖSLER	Federal Minister for Economic Affairs and Technology and Vice Chancellor
Mr Georg SCHÜTTE	State Secretary, Federal Ministry of Education and Research
Mr Stefan KAPFERER	State Secretary, Federal Ministry of Economics and Technology
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Mr Juhan PARTS	Minister for Economic Affairs and Communications
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Mr Richard BRUTON	Minister for Jobs, Enterprise and Innovation
Mr Seán SHERLOCK	Minister of State with responsibility for Research and Innovation (Departments of Jobs, Enterprise and Innovation and Education and Skills)
Mr John PERRY	Minister of State with responsibility for Small Business (Department of Jobs, Enterprise and Innovation)
Greece:	
Mr Panagiotis MITARACHI	State Secretary for Development, Competitiveness, Infrastructure, Transport and Networks
Mr Vasilis MAGLARIS	Secretary General of Research and Technology
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Mr Arnaud MONTEBOURG	Minister for Economic Regeneration
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Ms Maria Chiara CARROZZA	Minister for Education, Universities and Research
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Ms Maria HADJITHEODOSIOU	Acting Deputy Permanent Representative

Latvia:	
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Mr Juris PŪCE	Secretary of State, Ministry of the Economy
Mr Juris ŠTĀLMEISTARS	Deputy Permanent Representative
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Ms Birutė VĖSAITĖ,	Minister for the Economy
Mr Dainius PAVALKIS	Minister for Education and Science
Mr Šarūnas BIRUTIS	Minister for Culture
Luxembourg:	
Mr Etienne SCHNEIDER	Minister for Economic Affairs and Foreign Trade
Ms Martine HANSEN	Minister for Higher Education and Research
Hungary:	
Mr Zoltán CSÉFALVAY	State Secretary, Ministry of the National Economy
Ms Katalin KISZELY	Deputy State Secretary, Ministry of Public Administration and Justice
Malta:	
Mr Christian CARDONA	Minister for the Economy, Investment and Small Business
Mr Stefan BUONTEMPO	Parliamentary Secretary for Research, Innovation, Youth and Sport within the Ministry of Education and Employment
Mr Patrick MIFSUD	Deputy Permanent Representative
Netherlands:	
Mr Sander DEKKER	State Secretary for Education, Culture and Science
Mr Wepke KINGMA	Deputy Permanent Representative
Austria:	
Mr Karlheinz TÖCHTERLE	Federal Minister for Science and Research
Mr Harald GÜNTHER	Deputy Permanent Representative
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Mr Jerzy Witold PIETREWIC	State Secretary, Ministry of the Economy
Mr Jacek GULIŃSKI	Deputy State Secretary, Ministry of Science and Higher Education
Mr Andrzej DYCHA	Deputy State Secretary, Ministry of the Economy
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Mr Nuno CRATO	Minister for Education and Science
Mr Franquelim ALVES	Secretary of State for Entrepreneurship, Competitiveness and Innovation
Romania:	
Mr Varujan VOSGANIAN	Minister for the Economy
Mr Mihnea COSTOIU	Minister delegate for higher education, scientific research and technological development
Mr Tudor PRISECARU	State Secretary, Ministry of National Education
Slovenia:	
Ms Renata ZATLER	State Secretary at the Ministry of the Interior
Mr Uroš ROŽIČ	State Secretary, Ministry of Economic Development and Technology
Mr Uroš VAJGL	Deputy Permanent Representative
Slovakia:	
Mr Alexander MICOVČIN	Deputy Permanent Representative
Finland:	
Mr Lauri IHALAINEN	Minister for Labour
Ms Marja RISLAKKI	State Secretary, Ministry of Employment and the Economy
Sweden:	
Mr Jan BJÖRKLUND	Deputy Prime Minister, Minister for Education
Ms Annie LÖÖF	Minister for Enterprise
Mr Gunnar OOM	State Secretary to the Minister for Trade
United Kingdom:	
Mr Stephen GREEN	Minister of State for Trade and Investment (jointly with the Foreign and Commonwealth Office)
Ms Shan MORGAN	Deputy Permanent Representative

Commission:

Mr Joaquín ALMUNIA	Vice-President
Ms Neelie KROES	Vice-President
Mr Antonio TAJANI	Vice-President
Mr Michel BARNIER	Member
Ms Androulla VASSILIOU	Member
Ms Máire GEOGHEGAN-QUINN	Member
Ms Connie HEDEGAARD	Member
Mr Tonio BORG	Member

The Government of the Acceding State was represented as follows:

CROATIA

Ms Irena ANDRASSY	Deputy Permanent Representative

ITEMS DEBATED

Modernisation of copyright laws

The Council held a public debate on several aspects of the EU's strategy to modernise copyright laws *(10667/11)*. In particular, the debate focused on three key elements of the strategy: the copyright framework across the digital single market, the different national policies on private copying levies, and the collective management of copyright and multi-territorial licensing of online music.

- The copyright framework in the digital single market

Ministers assessed the progress made on the steps for establishing a modern copyright framework for the content of the digital single market that were put forward by the Commission in its communication of December 2012 *(17983/12)*. The review of the copyright environment in Europe is deemed essential in order to achieve a well-functioning digital single market. It involves facilitating the creation of digital business models, providing creators and producers with appropriate protection and ensuring legal certainty for commercial users and online consumers.

- Private copying levies

Following a presentation by António Vitorino, former European commissioner for justice and home affairs, on a report on private copying and reprography levies[1], ministers elaborated on three aspects related to: recent developments in the field of private copying and reprography in individual member states; the definition of the private copying exception and possible measures aimed at reducing the fragmentation of the internal market in this field *(9253/13)*.

The report recommends two main streams of action: first, to foster increased reliance on licences and contractual arrangements as the best way to ensure that right holders are properly remunerated for their creative efforts and investments. Second, to consider measures aimed at reconciling disparate national levy systems within the single market.

The Commission indicated that the views expressed by delegations will feed into the ongoing reflections to improve private copying levy systems in Europe and adapt them to the digital age.

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[1] http://ec.europa.eu/internal_market/copyright/docs/levy_reform/130131_levies-vitorino-recommendations_en.pdf.

- Draft directive on collective management of copyright and multi-territorial licensing of rights in musical works for online uses

The Council took note of a progress report as well as of an oral update by the Presidency *(9281/13)*.

This draft directive is currently under examination by national experts within the Council.

It pursues two complementary objectives: firstly, it aims to put in place an appropriate legal framework for the collective management of authors' rights by providing for rules ensuring improved governance and greater transparency of all collecting societies; secondly, it aims to facilitate the multi-territorial and multi-repertoire licensing by collecting societies of the rights of authors in their musical works for online uses within the internal market.

Audit reform

Following the Irish Presidency's presentation of a progress report, ministers expressed views on outstanding issues of the ongoing reform aimed at improving audit rules in the EU. The outcome of the debate provides political guidance for taking the reform forward.

The reform is being carried out on the basis of two Commission proposals covering on the one hand a revision of the Audit Directive ("Eighth Company Law Directive") *(16971/11)* and on the other a regulation on specific requirements regarding statutory audit of public-interest entities *(16972/11)*.

The financial crisis highlighted weaknesses in the statutory audit especially with regard to public-interest entities, which are of significant public interest because of their business, their size, their number of employees or their corporate status.

The reform is intended to improve quality and independence of audits, to increase transparency and reinforce investors' confidence. It also seeks to reduce the current market concentration and lack of choice within the audit market.

During the public deliberation, the Presidency invited ministers to express their views on the Presidency compromises as regards three main issues :

1. Mandatory rotation of auditors and audit firms of public interest entities

In the draft regulation the Commission proposed provisions requiring the mandatory rotation of auditors and audit firms after a maximum period of 6 years which could, under certain exceptional circumstances, be extended to 8 years. It was also proposed that where a public-interest entity has appointed two or more statutory auditors or audit firms (joint audit), the maximum duration of the appointments will be 9 years and that, on an exceptional basis, it may be extended to 12 years.

Given the need to ensure the high quality of audits, including independence and objectivity of auditors of public interest entities in particular, the Presidency suggested as a compromise setting a maximum period of appointment of 7 years (8 years for joint audits), renewable, subject to the satisfaction of certain criteria, for a maximum of 7 further years (8 years for joint audits). In addition, the Presidency compromise provides that, on an exceptional basis, the Public Interest Entity may request the competent authority to grant another extension to re-appoint the statutory auditor or audit firm for a maximum of 2 further years (3 years for joint audits).

The majority of Ministers could support the general principle of a mandatory rotation subject to certain conditions.

2. Restriction on the provision of related financial audit services and prohibition of non-audit services

In order to address the need to reinforce independence, the Commission proposed to limit the services that statutory auditors and audit firms of public interest entities are allowed to carry out, emphasising that the auditor should focus on auditing. To this end, it proposed to differentiate certain categories of services.

It proposed to limit the provision of related financial audit services to no more than 10 % of the fees paid by the audited entity for the statutory audit.

In order to facilitate a compromise, the Presidency proposed to increase this threshold to no more than 70 % of the fees paid in any three-year period. In addition, services related to audit work imposed by Union legislation would not be counted against this threshold.

Under the Presidency proposal, this limitation is applicable to all services that do not feature on the list of prohibited services (“black list”) which it proposes.

The concept and content of a list of prohibited services ("black list") only, with auditors permitted to provide all other services that do not feature on this list, was developed by the Presidency in response to a request from delegations for a simpler system of permitted/ prohibited services. It was also designed to meet the objectives of reinforcing the independence of auditors and avoiding conflicts of interest, with regard to which there were divergent views on the means of achieving this and on the specific services that should be prohibited.

A large number of Ministers could agree to the establishment of a black list. However, a number of them were not in favour of the cap of 70%.

3. Cooperation of national audit oversight bodies

The Commission proposal envisages that EU-wide cooperation on auditor supervision between the national competent authorities takes place within the European Securities and Markets Authority (ESMA). The proposed committee would assume functions previously undertaken by the European Group of Auditors' Oversight Bodies (EGAOB), an expert group chaired by the Commission.

The Presidency compromise proposal attempts to address concerns expressed by several delegations in relation to the Commission proposal, by providing for the creation of a Committee of European Auditing Oversight Bodies (CEAOB) within ESMA, composed of the members of EGAOB and having decision-making powers.

A number of delegations proposed an alternative to ESMA, namely the strengthening of existing co-operation provided under the EGAOB by means of the establishment of a body to be known as the “European Board of Auditors’ Oversight Bodies” (EBAOB).

Many delegations were in favour of establishing the European Board of Auditors' Oversight Bodies, although some support was also expressed for the cooperation to take place within ESMA.

Single Market Act

The Council took note of the progress made concerning pending legislation included in the *Single Market Act* packages, which are made up of priority measures aimed at the completion of the single market by increasing confidence and stimulating growth and job creation.

The Irish presidency presented an overview of the state of play regarding the measures of both the Single Market Act I and II packages *(9365/13)*.

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.

The *Single Market I* package includes actions such as modernization of public procurement and review of the professional qualifications directive.

In April 2011, the Commission presented its communication "Single Market Act - Twelve levers to boost growth and strengthen confidence" *(9283/11)*, which contains the actions identified for addressing the objective of relaunching the single market.

The *Single Market Act II* package is the second wave of priority proposals presented by the Commission in October 2012[1] in order to supplement the first set of measures of Single Market Act I. It includes the modernisation of EU insolvency rules, the deployment of high-speed broadband and the review of the product safety directive.

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 give a new impetus to the internal market.

The Council adopted conclusions on Single Market II last December *(16617/12)*. In the conclusions, the Council highlights the need for a strong economic and social basis for the single market .

All these 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 monitoring the process closely in the wider context of the European Growth Agenda.

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[1] http://ec.europa.eu/internal_market/smact/docs/single-market-act2_en.pdf

Smart regulation

The Council adopted conclusions on smart regulation, as a follow-up to the communication on "EU regulatory fitness" and the communication "Smart regulation: responding to the needs of SMEs".

The conclusions *(9533/13)* urge the implementation, by all actors involved, of measures contained in the communications leading to tangible reductions in the overall burden of regulation for businesses, especially small ones, as well as simplification for end-users.

Among other things, the conclusions call practical lessons to be drawn from the online survey carried out by the Commission on the top ten most burdensome EU legislative acts for SMEs[1].

At the last spring summit, EU heads of state or government called for action to reduce the overall burden of regulation at EU and national levels, whilst preserving the proper protection of consumers and employees. They instructed the member states and the Commission to take the work forward on smart regulation in the light of the Commission's communications, with specific emphasis on the needs of SMEs.

[1] http://ec.europa.eu/enterprise/policies/sme/public-consultation-new/index_en.htm

Modernisation of state aid policy

During a public session, the Council reached a political agreement on an update of two main regulations governing the EU's state aid rules: the "procedural regulation" and the "enabling regulation".

These are a part of the broader reform initiated after the presentation of the Commission communication on EU state aid modernisation *(10266/12)*. The communication puts the single market 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 growth-oriented policies. It provides for completion of the reform by the end of 2013.

The "procedural regulation[1]" sets out the rules concerning state aid investigations.

The update of the procedural regulation with regards to complaint-handling and market information tools seeks to better focus Commission actions on cases with a significant impact on competition and trade in the internal market.

The "enabling regulation[2]" enables the Commission to adopt "block exemption regulations for state aid". Under these regulations, the Commission can declare specific categories of state aid compatible with the EU treaty if they fulfil certain conditions, thus exempting them from the requirement of prior notification and approval.

The changes to the enabling regulation will allow the Commission to apply a simplified control procedure to certain categories of aid without weakening efficient supervision and monitoring. The enabling regulation will cover new types of aid such as aid granted to culture or aid to repair the damage caused by natural disasters.

At its meeting on 10 December 2012, ministers agreed on the need to modernise state aid policy by setting objectives that support growth, employment and EU competitiveness, while contributing to member states' efforts towards more efficient use of public finances. They stressed that state aid should be designed to sustain and improve the competitiveness of European industry, taking into account the economic crisis and the worldwide context.

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[1] regulation 659/1999
[2] regulation 994/1998

Monitoring of industrial policy

At a public session, ministers assessed the situation of European industry. They were also informed by the Commission of the follow-up to initiatives carried out in support of certain industrial sectors that are facing particular difficulties as a result of the economic crisis.

Last December, the Council adopted conclusions on an update to industrial policy and its contribution to growth and economic recovery *(17566/12)*.

The conclusions laid emphasis on four pillars: stimulating investment in innovative and new technologies; allowing EU companies to derive maximum benefit from the internal market and international markets; improving access to finance; and increasing investment in people and skills.

In this regard, the Council underlined the importance of speeding up actions in strategic sectors with a strong potential for underpinning competitiveness and job creation.

The conclusions were based on the Commission communication *(15168/12)* updating the flagship initiative on industrial policy and the ensuing ministerial discussions. The strategy of the Europe 2020 industrial policy flagship aims at strengthening Europe's industrial competitiveness and facilitating the transition to a low-carbon and resource-efficient economy.

Furthermore, the Council took note of information regarding the following issues:

- *Modernisation of trade defence instruments*

At the request of the French delegation, the Commission gave a presentation on the Trade Defence Modernisation package submitted to the Council and the European Parliament on 10 April.

The package involves amendments to regulation 1225/2009 ("the basic anti-dumping regulation") and regulation 597/2009 ("the basic anti-subsidy regulation"). These regulations have not been substantially revised since the completion of the Uruguay Round in 1995.

The initiative to modernise the EU's trade defence instruments was launched following a public consultation and an impact assessment carried out during 2012. Draft guidelines on four topics of trade defence investigations (i.e. Union interest, injury margin, analogue country and expiry reviews) are currently the subject of a new public consultation until 31 July 2013.

- Programme for the Competitiveness of Enterprises and Small and Medium-sized Enterprises ("COSME")

The Presidency gave information about the state of play of the ongoing negotiations with the European Parliament for the establishment of the COSME programme.

This programme, which will run from 2014 to 2020, is designed to address the market failures that SMEs are facing, notably regarding access to finance through the use of dedicated financial instruments. The original proposal planned a budget of 2 billion euros for the whole period. However, its final budget will depend on the outcome of the negotiations on the EU's multiannual financial perspectives.

Discussions with the European Parliament started last January with a view to reaching a first-reading agreement.

- Access to finance and internationalisation of SMEs: outcome of the informal Council in Dublin

The Presidency drew the Council's attention to the results of the informal Competitiveness Council held in Dublin (Ireland) on 2 and 3 May.

The issues discussed included: access to finance and the use of venture capital in global trading companies; internationalisation of SMEs and opportunities for EU enterprises in global markets, and cities and regions as drivers of entrepreneurship and innovation.

- Car industry: review of rules on CO2 emissions from cars

The Spanish delegation, supported by the Czech and Slovak delegations, drew the Council's attention to the competitiveness of the automotive industry in relation to the ongoing review of two regulations on CO2 emissions from passenger and from light commercial vehicles, which impose mandatory emission reduction targets for new vehicles of these categories *(9812/13)*.

- Shipbuilding industry: new initiative "LeaderSHIP 2020"

The Commission gave information on the situation of the European shipbuilding industry and reported on the "LeaderSHIP 2020" initiative *(9586/13)*.

Building on the LeaderSHIP 2015 programme and taking into account the main challenges and opportunities that occurred following the economic crisis, the new initiative seeks to consolidate a new strategy for the further development of a competitive EU shipbuilding industry which contributes to sustainable, secure and safe sea-borne transport and advances into marine resource use and energy generation.

- *Tobacco industry*

The Czech and Polish delegations drew the Council's attention to the competitiveness aspects and potential consequences for economic operators *(9576/13)* of a draft directive on the manufacture, presentation and sale of tobacco and related products *(18068/12)*.

A number of delegations took the floor and gave a reminder of the need to achieve the right balance between the different aspects of the proposal.

The subject is scheduled for discussion by the ministers for health on 21 June.

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

Ministers took note of the state of play on negotiations with the European Parliament concerning the different parts of the Horizon 2020 programme, following the presentation of a report by the Presidency *(9534/13)*. They also discussed some of the key political issues with a view to paving the way for an early agreement with the European Parliament.

These issues have been classified by the Presidency into 3 categories:

– issues related to the Horizon 2020 architecture, which include topics such as spreading excellence in science and research and widening participation of low performing regions;

– new possible action lines and ways for improving the participation of small businesses in the programme, and

– simplification and effectiveness, in particular of the future funding model for research projects.

At the end of the session, the Presidency summarised the outcome of the debate indicating that:

– Ministers agreed with the Presidency's view that the negotiations with the Parliament on the overall package should be completed before the end of June.

– There is a strong consensus that simplification is critical to ensuring that Horizon 2020 delivers on its potential to be a real driver for growth in Europe and that the funding model agreed by the Council last October is the key means to ensure simplification and should be the cornerstone of the package to be agreed with the Parliament.

– In order to achieve this, Ministers are willing to be flexible on a number of issues such as widening participation, science for society, experimentation on a fast-track approach to innovation and budgetary targets or indications for energy, an SME instrument and possibly other elements.

– The Presidency will take on board these guidelines in further work on finalising the texts of Horizon 2020.

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 European Institute of Innovation and Technology (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 various components of Horizon 2020 on 30 November 2011:

http://ec.europa.eu/research/horizon2020/index_en.cfm

EU international cooperation in research and innovation

The Council adopted conclusions endorsing a new EU strategy for enhancing international cooperation in research and innovation *(9701/13)*.

The new strategy, which was presented by the Commission during the Council meeting of 11 December 2012, focuses on: 1) Strengthening the Union's excellence and attractiveness in research and innovation as well as its economic and industrial competitiveness; 2) Tackling global societal challenges; and 3) Supporting the Union's external policies *(14000/12)*.

The conclusions call for its implementation by, *inter alia*, developing strategic roadmaps for cooperation with third countries and regions and incorporating those roadmaps into the implementation of the Horizon 2020 research framework programme.

The EU's framework programmes for research have already played an important role in supporting research and innovation cooperation between the EU and its member states and countries outside the Union. However, as the mid-term review of the 7th research framework programme pointed out, Europe's efforts in the field of international cooperation need to be intensified and more strategically focused.

For this reason, many delegations underlined the need to adopt a more strategic approach to the future development of international partnerships under the next framework programme Horizon 2020.

Joint programming of research projects

The Council held a policy debate on joint programming activities carried out in the field of research.

Joint programming is a process designed to ensure the optimisation of research efforts. It aims to reinforce cross-border cooperation and the coordination and alignment of national publicly funded research programmes. It is a part of the new European Research Area (ERA) landscape.

The debate was structured by a discussion note and a questionnaire put forward by the Presidency *(9258/13)*.

Many delegations highlighted the need to move forward from planning to implementation.

Ministers agreed that successful implementation of joint programming requires a new mind-set at national level, involving, for example, greater alignment of national programmes, earmarking of funds or acceptance of jointly agreed standards and procedures.

Joint programming should also ensure the achievement of maximum societal impact.

Since 2009, 10 joint programming initiatives have been launched in order to address specific societal challenges facing Europe such as neurodegenerative diseases, climate change, urban development, etc.

The Presidency organized a conference on Joint Programming in Dublin on 28 February and 1 March, gathering national policy makers, programme managers and institutional representatives to discuss the achievements so far and the steps required for the future. A copy of the final report on the conference was delivered to the Council[1].

Last December, the Council adopted conclusions on the ERA and the key elements that should lead to its successful achievement, thereby creating a single market for knowledge and improving the mobility of researchers and the attractiveness of Europe for foreign researchers.

The European Council called for the completion of the ERA by 2014.

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[1] http://jpic2013.conference-websites.co.uk/files/2013/05/DublinReport_final.pdf

High performance computing

The Council adopted conclusions related to the Commission communication entitled "'High Performance Computing: Europe's place in a Global Race" *(9808/13)*.

In its conclusions of 17 May 2010 *(9451/10)* on various issues related to the development of the ERA, the Council called for further development of computing infrastructures, such as PRACE [1].

In 2009, the Council invited the member states to make more coordinated investments in HPC and invited the Commission to propose financial incentives for jointly developing and sharing research infrastructures in computing, to pool their investments in HPC under PRACE, and to strengthen the position of European industry and academia in the use, development and manufacturing of advanced computing products, services and technologies.

European Research Area Committee: updated mandate

The Council updated the mandate of the European Research Area Committee by means of a resolution.

The committee is a policy advisory body whose mission is to provide strategic input to the Council, the Commission and the member states on any research and innovation issue relevant to the development of the ERA[2].

The Council will entrust the committee with the implementation of the recommendations included in the committee's report of 18 April 2013 *(ERAC 1201/13)*.

The Committee will also change its name to European Research Area and Innovation Committee in order to reflect the growing importance of research-related innovation.

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1 PRACE (Partnership for Advanced Computing in Europe) is a project to create a pan-European research infrastructure for high performance computing: http://www.prace-ri.eu/

2 http://www.consilium.europa.eu/policies/era/erac?lang=en

EU space policy

The Council adopted conclusions on space industrial policy *(9599/13)*.

The conclusions welcome the communication from the Commission entitled "EU Space Industrial Policy: releasing the potential for economic growth in the space sector" *(6950/13)*, released on 28 February, as an useful basis for upcoming discussions.

They acknowledge the success of the European space industry in the global commercial market and the achievements of the European Space Agency (ESA[1]) and the EU member states in the development of a strong space sector. However, they also highlight a number of challenges which need to be addressed in the context of the development of a world-class, globally competitive European space industry.

The Commission communication indicates five objectives upon which the EU space industrial policy should be centred:

– establish a coherent and stable regulatory framework;

– further develop a competitive, solid, efficient and balanced industrial base in Europe and support SME participation;

– support the global competitiveness of the EU space industry by encouraging the sector to become more cost-efficient along the value chain;

– develop markets for space applications and services, and

– ensure technological non-dependence and an independent access to space.

In addition to the adoption of the conclusions, the Council took note of information on three key components of the EU's space policy for the coming years:

- "Copernicus" programme (predecessor of European Earth Observation programme "GMES")

The Commission presented a proposal for the funding and operation of the European Earth Monitoring Programme "Copernicus" for the period 2014-2020 *(10275/13)*.

[1] http://www.esa.int

Copernicus is the new name of the GMES (Global Monitoring for Environment and Security) programme.

Copernicus aims at providing Europe with continuous, independent and reliable access to observation data and information. It is divided into six Services: Marine, Atmosphere, Land and Climate change monitoring as well as support to Emergency and Security.

- Space surveillance and tracking programme

The Council took note of a report on the progress made concerning a draft decision aimed at establishing a surveillance and tracking support programme for space *(9986/13)*.

Last February, the Commission transmitted to the Council and the European Parliament the proposal setting out an organisational framework for the establishment and operation of a European space surveillance and tracking service *(6952/13* + *ADD1)*.

Space infrastructures are increasingly threatened by the risk of collision due to the growing number of satellites and the increasing amount of space debris.

In order to mitigate the risk of collision it is necessary to identify and monitor satellites and space debris, catalogue their positions, and track their movements when a potential risk of collision has been identified so that satellite operators can be alerted to move their satellites. This activity is known as space surveillance and tracking (SST).

As operational SST services at European level do not exist, European satellite operators currently rely on US SST information to a large extent. The need for a proper SST capability to improve the provision of SST information at European level has been highlighted by the Council.

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

The Council took note of information by the Commission on the status of reflections on the development of EU-ESA relations *(9755/13)*, as a follow up to the Council conclusions on "Establishing appropriate relations between the EU and the ESA" adopted last February *(6571/13)*.

OTHER BUSINESS

Energy technologies and innovation

The Council took note of information on the key issues addressed in the communication on Energy Technologies and Innovation that were on the agenda of the Strategic Energy Technology plan (SET plan) conference that took place on 6 and 7 May in Dublin, namely the development and market roll-out of energy technologies in Europe.

On 2 May 2013, the Commission published a communication setting out a strategy to enable the EU to have a world-class energy technology and innovation sector to tackle the challenges up to 2020 and beyond.

A ministerial discussion on the Commission communication is planned at the Energy Council meeting on 7 June.

Innovation Policy Management - High Level Group recommendations

The Polish delegation informed the ministers about the work of the High Level Group on Innovation Policy Management *(9587/13)*.

The High Level Group, which was established in December 2011, has formulated a set of recommendations on ways to develop and manage a more comprehensive innovation policy in the EU.

Work programme of the upcoming Lithuanian Presidency

The Lithuanian delegation informed ministers about the Lithuanian Presidency's work programme on competitiveness for the second half of 2013.

The work programme for competitiveness is in line with the 18-month programme jointly prepared by the three upcoming EU presidencies (*17426/12*).

In the field of internal market and industry, the top priorities of the Lithuanian presidency will include the progress and finalisation of pending legislative initiatives contained in the Single Market Act I and II packages.

In the field of research, the Lithuanian Presidency will take forward the various files leading to the achievement of the European Research Area, including the "Horizon 2020" programme for research and innovation.

It will also take forward the work on files in the field of space policy.

OTHER ITEMS APPROVED

FOREIGN AFFAIRS

Belarus - restrictive measures

The Council amended EU restrictive measures against Belarus, considering that there were no longer grounds for keeping one person and two entities on the list of those subject to restrictive measures. This decision does not reflect any change in the EU's policy towards Belarus as most recently set out in the *Council conclusions of 15 October 2012*.

Chairmanship of the UN peacebuilding commission

The Council decided that the EU should make itself available for the chairmanship of the Central African Republic configuration of the UN peacebuilding commission.

JUSTICE AND HOME AFFAIRS

Migration from SIS 1 + to SIS II

The Council took note of:

– the arrangements between the member states and Iceland, Liechtenstein and Norway for the maintenance and financing of VISION (*the Schengen Consultation Network*) during a transitional period;

– the Service Level Agreement on the temporary modalities of cooperation, including budget estimations, between the member states and Iceland, Liechtenstein and Norway using VISION on the one hand and EU-LISA (*European Agency for the operational management of large-scale IT systems in the area of freedom, security and justice*) on the other, and the mandate given to the Presidency to sign the agreement on behalf of the States concerned.

COMPETITIVENESS

Impact assessment within the Council

The Council took note of a report on impact assessment within the Council.

The report follows from the 2011 Council conclusions on the subject *(16976/11 and 17939/11)* which included the commitment to prepare, where appropriate, impact assessments on substantive amendments during the legislative process, as a means to improve the quality of legislation in the context of the smart regulation agenda.

ENERGY

Ecodesign requirements - space and water heaters

The Council decided not to oppose the adoption of two Commission regulations:

– implementing directive 2009/125/EC with regard to ecodesign requirements for space heaters and combination heaters (*7986/13*); and

– implementing directive 2009/125/EC with regard to ecodesign requirements for water heaters and hot water storage tanks (*8374/13*). Under directive 2009/125/EC ecodesign requirements should be set by the Commission for energy-related products representing significant volumes of sales and trade, having a significant environmental impact and presenting significant potential for improvement through design in terms of their environmental impact, without entailing excessive costs.

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

ENVIRONMENT

Montreal Protocol on substances that deplete the ozone layer - negotiating directives

The Council authorised the Commission to negotiate, on behalf of the European Union, amendments and adjustments to the Montreal Protocol on substances that deplete the ozone layer (*OJ L 297, 31.10.1988, p. 21*.).

The negotiations will take place at the twenty-fifth meeting of the parties to the Protocol and at the twenty-sixth meeting of the parties to the Protocol/tenth Conference of the Parties to the Convention.

EMPLOYMENT

EU guidelines for the G20 Labour and Employment Ministers meeting

The Council endorsed the EU guidelines on the priorities for the EU and its member states at the meeting of G20 Labour and Employment Ministers which will be held in Moscow on 18-19 July 2013.

FISHERIES

Partnership agreement between EU and Côte d'Ivoire - Renewal of the protocol

The Council adopted a decision on the signing on behalf of the EU and the provisional application of the protocol setting out fishing opportunities and the financial contribution provided for in the fisheries partnership agreement (FPA) between the EU and the Republic of Côte d'Ivoire (*8698/13*).

The partnership agreement in the fisheries sector between the EU and Côte d'Ivoire was concluded in 2008. The main objective of the protocol to this FPA is to define the fishing opportunities offered to EU vessels as well as the financial contribution due, separately, for access rights and for sectoral support. Following the negotiations, a new protocol was initialled on 9 January 2013 with the previous protocol due to expire on 30 June 2013. In order to allow EU vessels to carry on fishing activities, the new protocol should be applied on a provisional basis as from 1 July 2013, pending the completion of the procedures for its formal conclusion.

In addition to the decision on the provisional application of this new protocol, the Council adopted a regulation concerning the allocation of fishing opportunities between member states under this protocol and the financial contribution of the EU (*8700/13*).

TRADE POLICY

Anti-dumping measures - bicycles - tungsten electrodes - China and other countries

The Council amended regulation 990/2011 imposing a definitive anti-dumping duty on imports of bicycles originating in China following an interim review pursuant to regulation 1225/2009 *(9348/13)*. It also extended the anti-dumping duty imposed by regulation 990/2011 on bicycles from China to those consigned from Indonesia, Malaysia, Sri Lanka and Tunisia *(9345/13)*.

The Council adopted a regulation imposing a definitive anti-dumping duty on imports of certain tungsten electrodes originating in China following an expiry review pursuant to regulation 1225/2009 *(9310/13)*.

TRANSPARENCY

Annual report on public access to documents

The Council adopted its annual report on the implementation of regulation 1049/2001 regarding public access to documents in 2012 *(9317/13* + *COR 1)*.

The report provides an overview of the Council's transparency policy and practice and gives information about the Council's public register of documents as well as statistics on public access to documents.

The report indicates, *inter alia*, that

- As of 31 December 2012, the Council's public document register listed 1.915.737 documents (all languages), of which 77,3 % were public documents, i.e. either available in a downloadable format or on request.

- Almost 40% of the total number of documents relating to draft legislative acts produced by the Council in 2012 were issued as public documents and were thus immediately accessible via the register.

- In 2012, 750.316 different visitors logged on to the register, which represents an increase of approximately 35% as compared to the number of individual users of the public register in 2012.

- The Council received 1.871 initial requests for access from the public concerning a total of 6.166 documents and gave access (either entirely or in part) to 78,8 % of the requested documents.

In addition, the report highlights the key developments in the eleventh year of implementation of the regulation and reviews complaints submitted to the European Ombudsman, as well as rulings given by the Courts of the European Union in 2012 in the field of regulation 1049/2001.

APPOINTMENTS

Committee of the Regions

The Council appointed Mr Paolo di LAURA FRATTURA, Mr Nicola ZINGARETTI and Mr Guerino TESTA (Italy) as members of the Committee of the Regions for the remainder of the current term of office, which runs until 25 January 2015 *(9616/13 and 9703/13)*.