



**COUNCIL OF
THE EUROPEAN UNION**

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NOTE

From:	The Presidency
To:	Delegations
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Subject:	Draft Council conclusions on Key Enabling Technologies and the European Innovation Partnership on Raw Materials

Delegations will find attached revised draft Council conclusions on Key Enabling Technologies, and the European Innovation Partnership on Raw Materials, which will be presented at the meeting of the Working Party on Competitiveness and Growth on 13 September 2012.

This text reflects the outcome of discussions by the Working Party on 6 September 2012.

New text has been marked in **bold and underlined**.

Deleted text has been marked by ~~strikethrough~~.

Draft Council conclusions on Key Enabling Technologies¹, ~~including~~ and the European Innovation Partnership on Raw Materials

THE COUNCIL OF THE EUROPEAN UNION,

RECALLING

- the European Council conclusions of 28-29 June 2012 stating that it is of particular importance to strengthen key enabling technologies, which are of systemic importance for the innovativeness and competitiveness of industry and the whole economy, and calling for further efforts to ensure that research efforts are swiftly translated into innovations meeting market demands and thus strengthen Europe's competitiveness and help respond to societal challenges²;
- the European Council conclusions of 4 February 2011³ calling for synergies between the EU and Member States to ensure that innovations with a societal benefit get to the market quicker, and recognising the role of joint programming, as well as stating that the Council will take the necessary political decisions on future European Innovation Partnerships before they are launched;

¹ **Micro and nano-electronics, nanotechnology, photonics, advanced materials, industrial biotechnology and advanced manufacturing technologies have been identified as the EU's Key Enabling Technologies (KETs).**

² Doc. EUCO 76/12 of 29 June 2012, p. 10, under (e). The European Council of 1-2 March 2012 had already underlined the importance of key enabling technologies in almost identical wording (doc. EUCO 4/3/12 REV 3, p. 6-7).

³ Doc. 2/1/11 REV 1 of 8 March 2011, p. 7.

- **the Council conclusions of 30-31 May 2012 on the European Innovation Partnerships underlying that the EIPs should respect common basic principles, including in the area of governance**⁴ **and** the Council conclusions of June 2012⁵, which encourage the implementation and further development of the European Innovation Partnerships (EIPs) and support the launch of EIPs on Water and on Raw Materials in order to break down barriers to innovation and facilitate the development of innovative solutions in the fields of water management and of sustainable supply, use, recycling and substitution of raw materials, ~~taking into account its conclusions of 30-31 May 2012 on European Innovation Partnerships~~⁶;

A) KEY ENABLING TECHNOLOGIES

- (1) WELCOMES the Commission's Communication entitled "A European strategy for Key Enabling Technologies — A bridge to growth and jobs"⁷, which outlines a single strategy for key enabling technologies (KETs) to allow maximum exploitation of the EU's potential in competitive markets, aiming to keep pace with the EU's main international competitors, contributing to sustainable growth and job creation in the EU, whilst at the same time addressing today's major societal **and environmental** challenges;
- (2) ~~WELCOMES~~ **STRESSES the need to** the adaptation and streamlining of EU policy instruments for KETs, **and in particular to take into account the importance of pilot lines/demonstrator projects and cross-cutting projects;** ~~and~~ AGREES with the need to ensure, **where appropriate,** co-ordination of EU, ~~and~~ national **and regional** activities, ~~appropriate~~ **adequate** governance structures at EU level, a level playing field in **an open and** a globally competitive **global** market, and **AKNOWLEDGES** the role of cluster policies to strengthen competitiveness and intra-EU partnerships;

⁴ Doc. 10701/12 of 1 June 2012.

⁵ Doc. 11186/12 of 11 June 2012, Paragraph 13.

⁶ Doc. 10701/12 of 1 June 2012.

⁷ Doc. 12093/12 of 2 July 2012.

- (3) EMPHASISES the importance of an integrated approach towards KETs, which strengthens synergies between **relevant** EU policies and instruments, ~~in particular~~ **especially** research and innovation policy and Horizon 2020⁸, cohesion policy and particularly the European Regional Development Fund and the European Investment Bank, and which covers the entire value-chain **and focuses on the gap termed the 'valley of death'**⁹, in order to **help** translate research into **innovative** marketable products, **services and solutions beneficial for the society; whilst ensuring, when appropriate, to take advantage of the opportunities provided by the public-private partnerships (PPPs) and the venture capital instruments;**
- (4) CALLS on the Commission **to exploit** in cooperation with Member States and regions, each in their respective area of competence, ~~to exploit~~ research and innovation strategies for Smart Specialisation¹⁰. ENCOURAGES industry to invest in KET-based product manufacturing within the EU **and to promote its transition to higher value added activities;** **HIGHLIGHTS the opportunities provided by the KETs strategy for all EU enterprises, including SMEs;**
- (5) CALLS ON the Commission to ~~modernise~~ **take full account of the potential impact of** State aid rules ~~with the aim of creating a level playing field~~ **on EU's competitiveness** vis-à-vis external competitors **the rest of the world and on internal market**, in particular **when modernising its** ~~to raise the threshold for State aid~~ **rules on research, development and innovation;** ~~notification. Also CALLS ON the Commission to make the widest possible use of Article 107(3)(b) TFEU, which is foreseen in the Community Framework for State aid for Research and Development and Innovation¹¹ and provides for aid to promote the execution of important projects of common European interest, and consider in particular projects for KETs in this respect;~~

⁸ Doc. 17933/11 of 5 December 2011.

⁹ This concept designs the gap between basic knowledge generation and the subsequent commercialisation of this knowledge in marketable products,

¹⁰ Smart Specialisation is a strategic approach to economic development through targeted support to research and innovation. It will be the basis for Structural Fund investments in research and innovation as part of the future cohesion policy's contribution to the Europe 2020 jobs and growth strategy.

¹¹ OJ C 323, 30.12.2006, p. 1.

- (6) INVITES the Commission to continue to work towards favourable, **fair and mutually beneficial** trade conditions **at bilateral and multilateral level** and level playing field in ~~international trade for KETs-~~ **based products and services** ~~at bilateral and multilateral level;~~
- (7) ~~CALLS on the Commission to seriously consider, as part of its strategy for KETs, the recommendations included in the Final Report by the High Level Expert Group on Key Enabling Technologies, which was published in June 2011¹²;~~
EMPHASISES the importance of training activities aimed at improving multidisciplinary skills in KETs-based manufacturing;
- (8) WELCOMES the introduction **by the Commission** of a monitoring mechanism for KETs in 2013, which will provide relevant market data on the supply of and demand for KETs in the EU and other regions; **IS COMMITTED, through its competent formation (Competitiveness), to monitoring the implementation of the European strategy for KETs and CALLS ON the Commission to keep the Council informed;**

B) EUROPEAN INNOVATION PARTNERSHIP ON RAW MATERIALS

- (9) WELCOMES the Commission's Communication "Making raw materials available for Europe's future wellbeing – Proposal for a European Innovation Partnership **(EIP)** on Raw Materials"¹³ as a key contribution to the successful implementation of the Innovation Union and the Integrated Industrial Policy for the Globalisation Era Flagship initiatives, and **CALLS ON the Commission to launch the Raw Materials EIP and to develop its Strategic Implementation Plan¹⁴ about EIP on Raw Materials** by the end of 2013, in cooperation with the High Level Steering Group;

¹² See http://ec.europa.eu/enterprise/sectors/ict/files/kets/hlg_report_final_en.pdf, p. 30-39).

¹³ Doc. 7247/12 of 5 March 2012.

¹⁴ See doc. 7247/12 ADD 1 of 7 March 2012 (Commission Staff Working Paper accompanying the Raw Materials Communication), p. 8-14.

- (10) INVITES the Commission to appoint representatives of Member States at ~~ministerial~~ **high political** level **and other relevant stakeholders** to the High-level Steering Group foreseen for the governance of the **EIP on** Raw Materials ~~EIP~~¹⁵, representing a good balance between industry, environment and research, coming from different Member States and **business sectors** covering the **relevant** fields of expertise included in the raw materials value chain;
- (11) INVITES the Commission to report to the Council by the end of July 2013 on progress achieved with the **EIP on** Raw Materials ~~EIP~~, in particular with regard to its Strategic Implementation Plan.
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¹⁵ See doc. 7247/12 ADD 1, p. 8-9.