



**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. The present text reflects the outcome of discussions by the Working Party on 13 September 2012.

New text has been marked in **bold and underlined**. Deleted text has been marked by ~~strikethrough~~.

This text will be discussed at the meeting of the Working Party on Competitiveness and Growth on 20 September 2012.

**Draft Council conclusions on Key Enabling Technologies¹ 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 **8 March** ~~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~~) **by the Commission in its Communication of 2009 (doc. 13000/09 of 7 October 2009 + ADD 1).**

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~~ **1 June** 2012 on the European Innovation Partnerships ~~underlying~~ **underlining** that the EIPs should respect common basic principles, including **transparency** in the area of governance⁴, 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;
- **the Final Report by the High-Level Expert Group on Key Enabling Technologies, which was published in June 2011**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;

⁴ Doc. 10701/12 of 1 June 2012.

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

⁶ **See http://ec.europa.eu/enterprise/sectors/ict/files/kets/hlg_report_final_en.pdf.**

⁷ Doc. 12093/12 of 2 July 2012.

- (2) **EMPHASISES the importance of manufacturing KETs-based goods and of deploying services and solutions in the EU**; STRESSES the need to adapt and streamline EU policy instruments for KETs, and in particular to take into account the importance of pilot lines/demonstrator projects and cross-cutting projects; AGREES with the need to ensure, where appropriate, co-ordination of EU, national and regional activities, adequate governance structures at EU level, and a level playing field in an open and competitive global market, and ACKNOWLEDGES the role of cluster policies to strengthen competitiveness and intra-EU partnerships;
- (3) EMPHASISES the importance of an integrated approach towards KETs, which strengthens synergies between relevant EU policies and instruments, ~~especially~~ **related to research, development** and innovation, **especially** Horizon 2020⁸, **structural funds, including** and ~~particularly~~ the European Regional Development Fund, ~~and~~ **as well as** the European Investment Bank, ~~and~~ **This approach** ~~which covers the entire value-chain,~~ and focuses on the gap called the "valley of death" ⁹, in order to help translate research into innovative marketable ~~products~~ **goods**, services and solutions beneficial for the society; whilst ensuring, when appropriate, to take advantage of the opportunities provided by public-private partnerships (PPPs) and venture capital instruments;

⁸ Doc. 17933/11 of 5 December 2011.

⁹ The valley of death refers to the gap between the generation of basic knowledge and the subsequent commercialisation of this knowledge in marketable products.

- (4) ~~CALLS on the Commission to exploit~~ **STRESSES the importance** in cooperation with **for** Member States and regions, each in their respective area of competence **and in cooperation with the Commission, to exploit** research and innovation strategies for Smart Specialisation¹⁰. ENCOURAGES industry to invest in KET-based product manufacturing within the EU and to promote the transition to higher-value added activities; **EMPHASISES the need for the Commission and the Member States to facilitate this through an evidence-backed approach and an appropriate regulatory environment which supports responsible commercial development and exploitation of KETs;** HIGHLIGHTS the opportunities provided by the KETs strategy for all EU enterprises, including SMEs;
- (5) CALLS ON the Commission to take full account of the potential impact of State aid **rules** on the EU's competitiveness vis-à-vis the rest of the world and on the internal market, in particular when modernising its State aid rules on research, development and innovation;
- (6) INVITES the Commission to continue **to promote free, fair and open trade, including for KETs-based goods, services and solutions, whilst at the same time asserting European interests, in a spirit of reciprocity and mutual benefit** ~~to work towards favourable, fair and mutually beneficial trade conditions at bilateral and multilateral level for KETs-based goods and services and solutions;~~
- (7) EMPHASISES the importance of training activities aimed at improving multidisciplinary skills in KETs-based manufacturing;

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.

- (8) WELCOMES the introduction ~~by the Commission~~ of a monitoring mechanism for KETs in 2013, **which is to be operated by the Commission and** 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~~ **relevant configuration** (Competitiveness), to ~~monitoring~~ **follow** 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 **entitled** "Making raw materials available for Europe's future wellbeing — Proposal for a European Innovation Partnership (EIP) on Raw Materials"¹¹ 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 **and finalise the** ~~its~~ Strategic Implementation Plan¹² ~~about EIP on Raw Materials~~ by the end of 2013, in cooperation with the High Level Steering Group;
- (10) INVITES the Commission to appoint representatives ~~of~~ **from** Member States at a high political level and other relevant stakeholders to the High-level Steering Group **that is** foreseen for the governance of the ~~EIP on Raw Materials~~ **EIP**¹³, 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~~ **in** the ~~EIP on Raw Materials~~ **EIP**, in particular with regard to ~~its~~ **the** Strategic Implementation Plan.

¹¹ Doc. 7247/12 of 5 March 2012.

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

¹³ See doc. 7247/12 ADD 1, p. 8-9.