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**REPORT**

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From:	General Secretariat of the Council
To:	Permanent Representatives Committee - Part 1
Prev. doc.:	13699/12 COMPET 549 RECH 333 IND 142 MI 555 FC 38 RC 25
Subject:	Draft Council conclusions on Key Enabling Technologies and the European Innovation Partnership on Raw Materials - Agreement on the text

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1. On 5 March 2012, the Commission released a Communication on a European Innovation Partnership for Raw Materials <sup>1</sup>.

On 2 July 2012, the Commission released a Communication on Key Enabling Technologies <sup>2</sup>.

2. On 6 September 2012, the Presidency presented draft Council conclusions on Key Enabling Technologies and the European Innovation Partnership on Raw Materials to the Working Party on Competitiveness and Growth. The Working Party discussed the draft conclusions on 6, 13 and 20 September. Discussions resulted in a near-complete agreement on the text.

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<sup>1</sup> Communication from the Commission to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions making raw materials available for Europe's future well-being proposal for a European innovation partnership on raw materials (doc. 7247/12).

<sup>2</sup> Communication from the Commission to the European Parliament, the Council, the European Economic and Social Committee, and the Committee of the Regions "A European strategy for Key Enabling Technologies – A bridge to growth and jobs" (doc. 12093/12).

3. The only outstanding issue is a reservation from the French delegation on Paragraph 5. The French delegation would like to see this paragraph rephrased in a different manner (see Footnote No 13 on page 6).
  
  4. The Permanent Representatives Committee is invited to examine the outstanding issue mentioned under 3) with a view to the adoption of these conclusions by the Competitiveness Council on 10-11 October 2012.
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**Draft Council conclusions on Key Enabling Technologies<sup>3</sup> 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 challenges<sup>4</sup>;
- the European Council conclusions of 8 March 2011<sup>5</sup> 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;

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<sup>3</sup> Micro and nano-electronics, nanotechnology, photonics, advanced materials, industrial biotechnology and advanced manufacturing technologies have been identified as the EU's key enabling technologies by the Commission in its Communication of 2009 (doc. 13000/09 of 7 October 2009 + ADD 1).

<sup>4</sup> 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).

<sup>5</sup> Doc. 2/1/11 REV 1 of 8 March 2011, p. 7.

- the Council conclusions of 1 June 2012 on the European Innovation Partnerships underlining that EIPs should respect common basic principles, including transparency in the area of governance<sup>6</sup>, and the Council conclusions of June 2012<sup>7</sup>, 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<sup>8</sup>;

## KEY ENABLING TECHNOLOGIES

- (1) WELCOMES the Commission's Communication entitled "A European strategy for Key Enabling Technologies — A bridge to growth and jobs"<sup>9</sup>, 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;

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<sup>6</sup> Doc. 10701/12 of 1 June 2012.

<sup>7</sup> Doc. 11186/12 of 11 June 2012, Paragraph 13.

<sup>8</sup> See [http://ec.europa.eu/enterprise/sectors/ict/files/kets/hlg\\_report\\_final\\_en.pdf](http://ec.europa.eu/enterprise/sectors/ict/files/kets/hlg_report_final_en.pdf).

<sup>9</sup> 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, coordination 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 related to research, development and innovation, especially Horizon 2020<sup>10</sup>, structural funds, including the European Regional Development Fund, as well as the European Investment Bank. This approach covers the entire value-chain and focuses on the gap called the "valley of death"<sup>11</sup>, in order to help translate research into innovative marketable goods, services and solutions beneficial for society; whilst ensuring, when appropriate, to take advantage of the opportunities provided by public-private partnerships (PPPs) and venture capital instruments;

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<sup>10</sup> Doc. 17933/11 of 5 December 2011.

<sup>11</sup> 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) STRESSES the importance 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 Specialisation<sup>12</sup>. 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-based approach and an appropriate regulatory environment which supports responsible commercial development and exploitation of KETs; HIGHLIGHTS the opportunities provided by the KETs strategy for 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;<sup>13</sup>
- (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;
- (7) EMPHASISES the importance of training activities aimed at improving multidisciplinary skills in KETs-based manufacturing;

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<sup>12</sup> 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.

<sup>13</sup> **FR would like to see this paragraph rephrased as follows:** CALLS ON the Commission to take full account of the impact of State aid rules on the EU's competitiveness vis-à-vis the rest of the world and on the internal market; subsequently INVITES the Commission to modernise its State aid rules on research, development and innovation and to consider a simpler and more effective use of the matching clause.

- (8) WELCOMES the introduction of a monitoring mechanism for KETs in 2013, which is to be operated by the Commission and which will provide market data on the supply of and demand for KETs in the EU and other regions; IS COMMITTED, through its relevant configuration (Competitiveness), to follow the implementation of the European strategy for KETs, and CALLS ON the Commission to keep the Council informed;

#### 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"<sup>14</sup> as a key contribution to the successful implementation of the Innovation Union, the Integrated Industrial Policy for the Globalisation Era, and the Resource-Efficient Flagship initiatives; and CALLS ON the Commission to launch the Raw Materials EIP and to develop and finalise the Strategic Implementation Plan<sup>15</sup> by the end of 2013, in cooperation with the High Level Steering Group;
- (10) INVITES the Commission to appoint representatives 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 Raw Materials EIP<sup>16</sup>, 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 in the Raw Materials EIP, in particular with regard to the Strategic Implementation Plan.

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<sup>14</sup> Doc. 7247/12 of 5 March 2012.

<sup>15</sup> See doc. 7247/12 ADD 1 of 7 March 2012 (Commission Staff Working Paper accompanying the Raw Materials Communication), p. 8-14.

<sup>16</sup> See doc. 7247/12 ADD 1, p. 8-9.