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Subject: Draft Council conclusions on the "Digital Single Market Technologies and
Public Services Modernisation" package

Delegations will find attached draft Council conclusions on the "Digital Single Market Technologies and Public Services Modernisation" package, with a view to the discussion by the Competitiveness and Growth Working Party at its meeting on 4 May 2016.

Changes to doc. 8181/16 are indicated in **bold underlined** for additions and ~~striktthrough~~ for deletions.

DRAFT COUNCIL CONCLUSIONS ON THE "DIGITAL SINGLE MARKET TECHNOLOGIES AND PUBLIC SERVICES MODERNISATION" PACKAGE

THE COUNCIL OF THE EUROPEAN UNION,

RECALLING

- the European Council's conclusions of June 2015¹, which stated that digital technologies bring immense opportunities for innovation, growth and jobs and pointed to the urgent need to tackle market fragmentation, ensure future-proof regulation, build supporting infrastructure, help the digitisation of industry, and enable our citizens to fully benefit from this technological revolution.
- the Council's Conclusions of May 2015 on the digital transformation of European industry², which called for an action plan for the digitisation of industry, emphasised that the Council should monitor progress, and stressed the importance of research, development and innovation for the digital transformation.

General

1. STRESSES the importance of digitisation in all sectors of the economy for Europe as a **one of the major drivers** for innovation to boost its competitiveness, keep a robust scientific and industrial base, ~~and~~ manage the transition to a smart industrial and services economy **and address societal challenges**; UNDERLINES the importance of the convergence of digital and other industrial technologies for the modernisation of Europe's industry **and its competitiveness within global value chains**.

¹ Doc. EUCO 22/15 of 26 June 2015.

² Doc. 9340/15 of 29 May 2015.

2. WELCOMES the "Digital Single Market Technologies and Public Services Modernisation" package to promote Europe's digital innovation capacity and ensure that every industry in Europe, wherever it is situated and whatever its size or sector is, can fully benefit from digital innovations; **NOTES STRESSES** that this requires an **multi-stakeholder** approach **in which industry plays a crucial role** ~~that should be predominantly industry led, and that~~ takes into account the differences between sectors, firm sizes and Member States and regions; RECOGNISES the package as an important contribution to the wider European strategy to improve competitiveness, growth and jobs, in particular for SMEs **and start-ups, by enabling innovation in products, processes and new business models, the free flow of data,** and for the quality, **inclusiveness** and efficiency of public services.
3. NOTES the ambitions on finance and investment within the package, and suggests for these to be further clarified **as soon as possible, including the consequences for ongoing and foreseen initiatives.** **UNDERLINES the importance of the EU in investment support for all Member States;** EMPHASISES the importance for them **use investments** to be realistic and cost effective, **to take into account differences between Member States** and **to** ensure a high level of European added value, whilst avoiding duplication or crowding out investments by the private sector. **STRESSES the potential role for EFSI to crowd-in private investment. WELCOMES the Commission's intention to monitor how public investments leverage private investment.**

Digitising European Industry

4. WELCOMES the Commission's Communication "Digitising European industry". CALLS on the Commission to establish, together with **all** Member States, **and** industry and other stakeholders, **and building upon existing multi-stakeholder dialogues,** a framework for facilitating coordination and cooperation of European, national and regional initiatives on digitising European industry, as well as to mobilise ~~public and private~~ stakeholders across the value chains.

5. WELCOMES the Commission's initiative ~~to set-up~~ **for** a network of digital innovation hubs; RECOGNISES the importance of these **hubs and other instruments such as competence centers** to facilitate access to digital innovations for industry, particularly SMEs **and start-ups in all Member States**, to disseminate key digital technologies, to raise awareness of the potential of digitisation, **to facilitate cooperation among stakeholders**, and to enhance the business environment **and the ecosystem for innovation**; WELCOMES the Commission initiative to set up a thematic smart specialisation platform for industrial modernisation in June 2016.
6. ENCOURAGES the Commission to explore the role of R&D&I public private partnerships in aligning the investments made at EU, national and industry level for the further development of key digital technologies and their integration into all industrial solutions and fields. ~~NOTES the ambitions on finance and investment within the package, and suggests for these to be further clarified; EMPHASISES the importance for them to be realistic and cost effective, and ensure a high level of European added value, whilst avoiding duplication or crowding out investments by the private sector.~~
7. UNDERLINES the importance **for the regulatory framework** of regulation ~~to be future-proof and~~ to stimulate and enable digital innovation to allow innovative businesses to scale-up their activities across borders throughout the EU, **and of making proper use of Better Regulation principles**; and HIGHLIGHTS the need to remove **all unjustified or disproportionate** regulatory and non-regulatory ~~barriers~~ **obstacles** that hamper such scaling-up, with respect to both providers and users of innovative solutions. WELCOMES the Commission's intentions to clarify the emerging issues of data ownership, and access and re-use rules in particular for data generated by sensors and other **data** collecting devices, as well as to explore the legal framework for autonomous systems and Internet of Things applications as well as apps and other non-embedded software; and NOTES the Commission's ambition to advance the Single Market for the Internet of Things. **SUGGESTS a review (for instance by a fitness check) on how the regulatory framework can be made more supportive for the digitisation of industry.**

8. UNDERLINES the importance to increase the digital talent pool of Europe, and to engage in a comprehensive dialogue of all stakeholders to **identify and** address the challenges of the impact of the digital transformation of European industry on skills requirements and on the nature of work, employment levels and income distribution.

ICT Standards

9. WELCOMES the Commission's Communication "ICT Standardisation Priorities for the Digital Single Market", and the principles and priority areas there outlined; RECOGNISES the importance of an ambitious, coherent and consistent standardisation policy and of timely and industry-led standards for interoperability, for competitiveness of European industries on global markets, and for creating a fully functioning Digital Single Market; WELCOMES the ~~proposed~~ regular dialogue with European standard organisations, industry and other key stakeholders and the Council and the European Parliament; [NOTES with interest the proposal for a balanced licensing system for standard essential patents.] ~~EMPHASISES the importance of ensuring that European ICT standards are established in coordination with international standards and globally recognised technical specifications and, where possible, promoted as international standards.~~ **RECOGNISES the importance of European and global standards, through open standard setting processes. INVITES the Commission together with the European standardisation organisations to support where possible the promotion of European ICT standards at global level.**

Cloud

10. WELCOMES the Commission's Communication on "A European Cloud Initiative" aiming to maximise the use of big data in science, industry and public services; ACKNOWLEDGES **the importance of maximising the benefit of the use of big data in science, industry and public services, of access that for** researchers, SMEs, industries, and public administrations in the EU ~~to have access to~~ world-class supercomputing, **of** secure data storage and analysis, and **of** reliable and high speed connectivity, **as proposed in the Commission's Communication on "A European Cloud Initiative"**; CALLS on the Commission, ~~together~~ **in cooperation** with Member States to explore **appropriate** governance paths, **framework conditions** and funding possibilities to make the European Cloud Initiative a success.
11. [ACKNOWLEDGES that Europe may well benefit from a European Open Science Cloud that enables, amongst others, safe and long-term storage, efficient analysis, and user-friendly (re)use of research data across borders and disciplines; CALLS on the Commission, **in cooperation with Member States and stakeholders**, to ~~ensure that the~~ **explore appropriate** governance and funding frameworks **takeing** sufficient consideration of existing initiatives and their sustainability and a European-wide level playing field.]
12. WELCOMES the ambitious goals towards a European Exascale high-performance computing (HPC) strategy; RECOGNISES the need to support the technology and build on EU strengths to develop a HPC ecosystem, ~~in order to~~ **with the ambition of** **placeing** the EU among the top ~~three~~ supercomputing powers in the world by 2022 and strengthen competitiveness; **and ACKNOWLEDGES the launch of the Important Project of Common European Interest on HPC and Big Data enabled applications.** WELCOMES the Commission's proposal to prepare for the launch of an ambitious flagship initiative to unlock the full potential of quantum technologies and accelerate their development and take-up in commercial products.

eGovernment

13. ~~NOTES that the EU Single Market cannot function effectively without cross-border digital public services;~~ WELCOMES the eGovernment Action Plan 2016 - 2020 to coordinate national efforts and to launch joint actions, **ACKNOWLEDGES** that **potential of** seamless cross-border and digital public services and the usage of public e-services across borders ~~contribute to~~ **for** competitiveness, **a more effective functioning of the EU Single Market, and addressing social challenges.** RECOGNISES the need for further elaboration in the Council on the eGovernment Action Plan 2016 – 2020 given its positive potential for modernising European ~~society and~~ economy **and society.**
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