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NOTE

From: General Secretariat of the Council
To: Permanent Representatives Committee

Subject: Work programme of the High Level Working Group on Competitiveness and Growth
- Approval

1. On 31 October 2014, the Permanent Representatives Committee approved the establishment of a High Level Working Group on Competitiveness and Growth (COMPCRO HLG) with the mandate to *"monitor the state of Single Market integration and discuss the policy priorities set out in the relevant documents, including within the European Semester"* and *"support the Council in its reinforced role of monitoring and mainstreaming competitiveness, in particular industrial competitiveness"*¹.

The Committee agreed on arrangements concerning the membership of the COMPCRO HLG, the appointment of its chair and its work programme. In particular relating to the work programme, the Committee agreed that *"in order to align the COMPCRO HLG's agenda with the Trio Presidency Programme of the Council, the High Level Working Group will have a work programme, with a duration corresponding to the 18-month Trio Programme, taking into account the Commission's work programme, and which will be submitted for consideration and approval to the COREPER"*.

¹ Doc 15006/14.

2. According to the above agreement, the current Trio Presidencies Estonia, Bulgaria and Austria, appointed the chair and vice-chairs of the group and prepared a draft work programme for the period from July 2017 to December 2018, which was sent to Member States for comments.
 3. At the meeting of the COMPCRO HLG on 7 September 2017, Member States expressed broad support for the above draft work programme, exchanged views and made suggestions on it. A deadline was set for possible further comments, following which the draft work programme is deemed endorsed and is now submitted to COREPER for consideration and approval.
 4. The Permanent Representatives Committee is invited to consider the draft work programme of the COMPCRO HLG for the period from July 2017 to December 2018, as set out in the Annex together with an explanatory note, and approve it.
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Explanatory note to the draft Work Programme of the High-Level Working Group on Competitiveness and Growth for July 2017 - December 2018

The High Level Working Group on Competitiveness and Growth (HLG) was set up by COREPER in October 2014 as a Working Party in its own right, entrusted with the mandate to carry out the non-legislative task to *"monitor the state of Single Market integration and discuss the policy priorities set out in the relevant documents, including within the European Semester"* and *"support the Council in its reinforced role of monitoring and mainstreaming competitiveness"*². Particularly in relation to the work programme, COREPER agreed that the HLG agenda should be aligned with the 18-month Trio Presidency Programme, taking into account the Commission's work programme (CWP) as well. Following COREPER's agreement, in 2015 the HLG was endowed with a stable membership, a chair and two vice-chairs appointed within the Trio Presidencies, vested with a mandate and a work programme. This structure of the HLG appears to provide greater stability, mainly due to the possibility of long-term planning and enhanced visibility.

This draft work programme covers the Trio Presidencies period of Estonia, Bulgaria and Austria (July 2017 - December 2018). The Trio Presidencies acknowledge the progress made in the last years and aim to continue in this path and further improve the quality and output of the HLG debates to give guidance to the Commission and to deepen our understanding of issues to better prepare our Ministers for focused political debates in the Council. By becoming more concrete, focused and relevant the HLG can better fulfil its role in supporting, through COREPER, the Competitiveness Council (COMPET) in the monitoring and mainstreaming of competitiveness, as well as in the monitoring of the state of the Single Market integration. The HLG will give strategic orientations on EU policies within the remit of its above mentioned mandate.

² Doc. 15006/14

It is the second time that the HLG work programme is being presented in this format. During the meeting of the HLG on 4 May 2017, the upcoming Trio Presidencies presented the highlights of this programme. In June 2017, it will be sent to the HLG members for comments. Member States will be given the opportunity to discuss the draft work programme during the HLG meeting of 7 September 2017, after which the Permanent Representatives Committee will be invited to consider and approve it as the work programme of the HLG for the period from July 2017 to December 2018.

The proposed elements for the HLG work programme aim at focusing the activities of the HLG on its core role, namely to provide concrete and timely input on new initiatives to the Commission and to Member States for the preparation of the COMPET Council (via COREPER). Furthermore, its role is to contribute to discussions in the COMPET Council by linking new developments and deepening its discussions. The HLG also seeks to facilitate an exchange of views with external stakeholders and experts on important issues, in order to help form impressions about the views from EU businesses on issues about the Single Market, industry and competitiveness if suitable for the thematic discussions on the respective agenda.

There is a need to select a limited number of top priority issues, out of the wide range of subjects that are of relevance for EU competitiveness, for consideration by the HLG during July 2017 - December 2018. In this regard it is also important to note that the limited amount of time available makes such a choice unavoidable. The issues mentioned in the annex have to be seen therefore as indicative list of topics and non-exhaustive.

As the three Presidencies aim to finalise the work on the different initiatives and actions of the Digital Single Market (DSM) and the Single Market Strategy (SMS), the programme of the HLG will have a focus on the impact of those two strategies by continuing the monitoring of the agenda and by engaging in topical discussions on the new initiatives under the SMS and by streamlining the principles of “digital by default, interoperability and once-only” to strengthen the competitiveness and innovation of Single Market and the Member States (see Pillar I in Annex).

In order to enhance the competitiveness of the European Economy and to create jobs and growth it is crucial to develop a coherent approach for a modern European Industrial Policy and the business climate for SMEs, start-ups and scale-ups. As strategic Think Tank the HLG should look at developments that characterize and affect the future of our industry. Digitalisation and digital innovation is one of the major challenges for all sectors.

Therefore HLG work will also provide relevant input on shaping a common view on the importance of a strong industrial base for innovation, creating synergies between RDI, industry and other sectors so that any industry, SME and start-up in whatever location in the European Union can fully benefit from digital innovation to upgrade its products, improve its processes and adapt its business models to the digital age. The HLG will actively support the Commission in developing a future EU industrial strategy as recalled for in COMPET Council Conclusions of 29 May 2017³. The HLG will contribute to the discussion to develop the goals and objectives which should be met by a European Industrial Policy and how we should achieve it. Following the COMPET Council Conclusions we will address the cumulative effect of different policies and the related regulatory framework on industrial competitiveness (Mainstreaming approach). Focus and prioritisation shall be given to energy input costs (for EII), the role of regulatory costs and administrative burden for manufacturing sectors (in line with the work done by the SME Envoys) and some sectoral initiatives which are significant for the European economy and support the (Digital) transformation and sustainable use of resources by the Industry and in particular SMEs (see Pillar II in Annex).

Work will also continue on deepening more horizontal aspects of the Single Market by preparing the European Semester thematic discussions, competitiveness Check-ups and mainstreaming, further development of the Competitiveness Scoreboard and follow-up on the Council Conclusions stock-taking exercise, by referring to previous Council Conclusions in the relevant future discussions in the HLG (see Pillar III in Annex).

³ Doc. 9760/17.

Additionally, to foster the position of the Single Market in the global context, the HLG should discuss and address current issues with possible implications for the Single Market, economic relations between EU and global partners, or the further development of the Single Market particularly in reference to the Rome Declaration which underlines the importance of building a Union that creates growth and jobs, where a strong, connected and developing Single Market, embracing technological transformation opens avenues for growth and cohesion, competitiveness, innovation and exchange, especially for SMEs. The HLG should also examine how a post-2020 Strategy could follow the “Europe 2020 Strategy” to respond to the challenges of a rapidly-changing economic environment and to strengthen the role of the European Union in a global context.

Room for discussion should be also given for the rotating Presidency to explain general priorities and objectives for its 6-month-period in order to enable the alignment of HLG work and COMPET Council agendas. Follow-up discussions of previously adopted Council conclusions shall enable an assessment of the state of play, of progress made or outstanding deliverables.

In line with the respective agendas of the meetings the HLG will deepen its reflections on growth and competitiveness by discussions with relevant stakeholders and experts by organizing “guest-appearances” for input for structured discussions.

As the HLG should be able to react to new developments and take up urgent matters where necessary, there is a need for keeping a certain degree of flexibility in setting its agendas. Delegations should also have the possibility to propose new items for discussion if need be.

**HIGH-LEVEL WORKING GROUP ON COMPETITIVENESS AND GROWTH
DRAFT WORK PROGRAMME July 2017 – December 2018**

	Policy area	Deliverable	Estonia (07/2017- 12/2017)	Bulgaria (01/2018 – 06/2018)	Austria (07/2018 – 12/2018)
Pillar I: Focus on progress and implementation of Single Market Strategy and Digital Single Market Strategy	Single Market Strategy (SMS)	<ul style="list-style-type: none"> - Further implementation of the objectives and the measures laid down in the roadmap of the Single Market Strategy, with an emphasis on harmonization and mutual recognition (e.g. Services Package, Compliance and Assistance Package, Goods Package, Collaborative economy). - Follow up on the progress of the non-legislative initiatives in place for improving the Single Market. - Deepen the integration of services and the industrial production in key sectors which have the most significant potential for economic growth. 	<ul style="list-style-type: none"> - Discuss the progress and topics related to the SMS strategy. 	<ul style="list-style-type: none"> - Focus on the smart enforcement of the existing Single Market rules. - Focus on progress made in the field of services standardization. Discuss the need for a coherent approach towards standardization and to overcome fragmentation and existing gaps in the Single Market. 	<ul style="list-style-type: none"> - Depending on the status of the various proposals in the regulatory process, discussion on remaining SMS proposals or focus on implementation e.g., through facilitating the exchange of best practices. - Exchange of views regarding the collaborative economy and/or new business models.
	Digital Single Market Strategy (DSM)	<ul style="list-style-type: none"> - Contribute to delivering the European Council objective to implement DSM initiatives in 2018 and streamline the principles of “digital by default, interoperability and once-only” to strengthen the competitiveness and innovation of the Single Market and the Member States. - Digital Economy (digital platform, free flow of data, cloud, privacy, cybersecurity) 	<ul style="list-style-type: none"> - Follow up on DSM progress. - Discuss the free movement of data. 	<ul style="list-style-type: none"> - Provide input for Council debates and review progress of the DSM Strategy measures. 	<ul style="list-style-type: none"> - Depending on the status of the various proposals in the regulatory process, discussion on remaining DSM proposals or focus on implementation, e.g., through facilitating the exchange of best practices.
Pillar II: Industry and Business Climate (SMEs, Start-ups/Scale-ups)	Industry	<ul style="list-style-type: none"> - Coordinate efforts towards revitalising the competitiveness of the European Industry to compete globally on a level playing field, particularly through innovation and digitisation. -Contribute to the comprehensive discussions on the future of EU industry. - Shape a common view on the missing aspects at EU level. - Define elements for a strong and sustainable European industrial base 	<ul style="list-style-type: none"> - Contribute to the discussion on the future of industrial policy and outlining strategic views for its future development 	<ul style="list-style-type: none"> - Identify necessary measures and providing input for further action at EU level. - Follow up on “Digitising European Industry Initiative 	<ul style="list-style-type: none"> - Discussion of the Report on Single Market Integration and Competitiveness. - Identify necessary measures and providing input for further action at EU level. - Digital transformation of industry and

	<p>(identification of barriers, transformation of industry, innovation ecosystem).</p> <ul style="list-style-type: none"> - Discuss the impact of EU proposals / measures (Mainstreaming) on industrial competitiveness (eg. energy and climate issues). 		(DEI)".	<p>innovation ecosystems: Chances and challenges.</p> <ul style="list-style-type: none"> - Sectoral impact check-up and status analysis (possible stakeholder input or expert discussions). - Mainstream industrial competitiveness & integration of EU-industry in global value chains. 	
	<p>SMEs business climate (including for start-ups and scale-ups, fostering innovation ecosystems)</p>	<ul style="list-style-type: none"> - Foster a level playing field for businesses and entrepreneurs (especially SMEs, taking into account their different size and needs). - Develop an overall favourable environment that enables growth across borders via regulatory, financial and social aspects, via the implementation of the "Think Small First" principle and the Innovation principles, the competitiveness dimension and the use and support of digitisation in the whole regulatory process. - Support for investments in innovation, research and development and an easier access to intellectual property products and technology transfer of particular importance for SMEs. 	<ul style="list-style-type: none"> - Contribute to the discussions of government's role in fostering RDI demand side innovation policy. 	<ul style="list-style-type: none"> - Support for entrepreneurship based on digital technologies and innovations, including by providing access to alternative forms of financing. - Exchange of views on REFIT state of play. 	<ul style="list-style-type: none"> - Exchange of best practices regarding access to finance - Provide input for the debate for the future of (SME) financing frameworks. - Follow up on progress made in implementing measures proposed in the start-up-initiative, especially regarding access to finance, fostering entrepreneurship and skills.
Pillar III: Horizontal Topics	<p>Competitiveness Mainstreaming</p>	<ul style="list-style-type: none"> - Support the Council in its role of monitoring and mainstreaming competitiveness in identified sectoral and horizontal policies by making concrete suggestions to the Council in all policy areas, especially in those sectors that could be particularly affected. - Improve awareness on competitiveness related topics, engage with other relevant bodies and stakeholders (EFC, EPC, SME Envoys; SME Assembly but also Social, Education, Research, Taxation, Energy, Transport, Digital related bodies). - Evidence based policy making: focussed use 	<ul style="list-style-type: none"> - Prepare the next competitiveness check-up for the Council. - Monitor progress made in 2017/18 - Give strategic advice for the mainstreaming debate in the COMPET Council. 	<ul style="list-style-type: none"> - Prepare the next competitiveness check-up for the Council. - Give strategic advice for the mainstreaming debate in the COMPET Council. - Monitor progress made in 2017/18 	<ul style="list-style-type: none"> - Prepare the next competitiveness check-up for the Council. - Give strategic advice for the mainstreaming debate in the COMPET Council. - Monitor progress made in 2017/18 and follow-up on European Council / COMPET Council Conclusions.

	(thematic areas) of the Competitiveness Scoreboard for continuous progress. - Follow-up on European Council / COMPET Council Conclusions.			
European Semester micro-economic dimension (AGS 2017) / post Europe 2020)	- Further streamline the European Semester, in coordination with other relevant bodies. - Proper follow-up on micro-economic issues in the framework of the European Semester and reflecting on recommendations to tackle barriers to growth and investment.	- Follow-up on issues brought up under AGS 2017.	- Follow-up discussions of previously adopted Council conclusions.	- Reflect on steps taken in 2017/18. - tent. Discussion on post 2020 Agenda and content of MFF2021+

