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European Union

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COMPET 124  
MI 154  
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**NOTE**

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From: Presidency  
To: Delegations

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No. prev. doc.: 6545/16 RECH 32 COMPET 73 MI 106 POLGEN 12

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Subject: Draft Council conclusions on "Innovation and Research Friendly  
Regulation/Framework conditions"  
*- Presidency text*

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Delegations will find in annex a Presidency text on Draft Council conclusions on "Innovation and Research Friendly Regulation/Framework conditions" with a view to the Research Working Party meeting on 21 March 2016.

Explanation:

~~Strikeout~~ = deletion in relation to doc. 6545/16

**Bold underlined** = new text

**DRAFT COUNCIL CONCLUSIONS**  
**'INNOVATION AND RESEARCH FRIENDLY REGULATION/FRAMEWORK**  
**CONDITIONS'**

The Council of the European Union,

— ~~RECALLING the Conclusions of the European Council of 24-25 October 2013<sup>1</sup>, stating that investments in research and innovation fuel productivity and growth and are key for job creation while noting the need to accelerate structural reforms of national R&I systems;~~

— ~~RECALLING the Conclusions of the European Council of 26-27 June 2014<sup>2</sup> which outline a 'Strategic agenda for the Union in times of change' with priorities set for the next five years in support of a Union of jobs, growth and competitiveness, including the need to invest and prepare our economies for the future by addressing overdue investment in research and innovation;~~

— ~~CONSIDERING that economic recovery is too slow, too fragile and too dependent on our external partners, that the objective of smart, inclusive and sustainable growth, including the target to raise overall R&D investment to 3% of GDP, is more relevant than ever;~~

***Creation of an research and innovation-friendly environment***

1. REITERATES the importance of attracting ~~private~~ investments and creating maximum impact on jobs and growth; ~~for which framework conditions for R&I are essential, including a clear and predictable regulatory framework conducive to innovation;~~ ACKNOWLEDGES that Europe's ability to attract **and mobilise inward private** investments requires a ~~pro-innovation regulatory context~~ **regulatory framework conducive to research and innovation.**

<sup>1</sup> ~~Doc. EUCO 169/13.~~

<sup>2</sup> ~~Doc. EUCO 79/14.~~

2. ACKNOWLEDGES the findings of the Commission Staff Working Document “Better regulations for innovation-driven investment at EU level” and AGREES that ~~regulatory bottlenecks may be the result of~~unnecessary legal barriers, non-supportive, unclear or unpredictable regulatory frameworks, shortcomings in implementation problems and absence of a level playing field due to regulatory gaps are *inter alia* the bottlenecks hampering research and innovation within the EU.
  
3. STRESSES the need for ~~high quality~~effective R&Iresearch and innovation policies, better regulation and regulatory frameworks, including an effective intellectual property rights regime, which are future-proof, more goal-oriented, foster research and innovation and avoid imposing unnecessary burdens on ~~(new)~~ innovative businesses, SMEs and other organisationsresearch and innovation actors. ~~UNDERLINES the necessity to take a forward-looking regulatory approach on a case-by-case basis, starting from sectorial business opportunities, to ensure a legal environment that is more open to innovation.~~
  
4. STRESSES that, when considering, developing or updating EU policy or regulatory measures~~new legislation~~, the 'Innovation Principle' should be applied in a complementary manner to the precautionary principle; this ‘Innovation Principle’ entails taking into account the impact on research and innovation; ~~when considering policy or regulatory measures, and to create an environment favourable to initiatives by all actors in the innovation eco-system~~and CALLS upon the Commission, together with Member States, to further determine its scope.

5. [CALLS on the Commission and Member States (i) to take a forward-looking regulatory approach on a case-by-case basis, starting from sectorial business opportunities to ensure EU and national regulatory frameworks that are more conducive to research and innovation, (ii) to improve the EU and Member States' framework conditions for Research and Innovation and use all possibilities under the existing legislation to facilitate investments in research and innovation, and (iii) to make an inventory of regulations that cause bottlenecks, also in view of the implementation of EU law by relevant public authorities and to identify concrete measures as a follow-up, and to publish a list of regulations, considered every two years; and include all these actions mentioned above as part of 'the Better Regulation Agenda' and the REFIT platform.]<sup>‡</sup>—also cross borders. INVITES the Commission and Member States, in view of rapid technological change and new business models, to provide experimental opportunities — pilot lines and demonstrators, among others— for scaling up innovative solutions.
6. ~~CALLS on Member States to urgently address the barriers to innovation identified, notably to speed up the ratification of the Agreement on a Unified Patent Court, to ensure a timely transposition of the EU Public Procurement Directives to remove national regulatory obstacles and burdens in the operation of European Venture Capital Funds.~~INVITES the Commission to explore options for alignment and synergies of the rules of Horizon 2020 and of the European Structural Investment Funds for investments in research and innovation within their respective roles, and, where possible, with the state aid rules for research, development and innovation.

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<sup>‡</sup> Precise text also to be coordinated with colleagues in Working Party on Competitiveness and Growth (Better Regulation).

7. ~~[CALLS on the Commission and Member States to take into account the impact on innovation when considering policy or regulatory proposals, and include this as part of ‘the Better Regulation Agenda’ and the REFIT platform.~~ **INVITES the Commission and Member States, in view of rapid technological change, increasing digital possibilities and new business models, to provide experimental opportunities under existing legislation – amongst others, pilot lines and demonstrators – for scaling-up innovative solutions.**<sup>2</sup>
8. ~~INVITES Member States to take the necessary steps to identify regulatory uncertainty or obstacles to innovation in view of the interpretation of EU law by the public authority on national level and to identify concrete measures as a follow up.~~
9. ~~CALLS on the Commission, in cooperation with Member States, to develop and implement new non-legislative tools at EU level;~~ **to implement a pilot for the envisaged tool of,** such as ‘Innovation Deals’<sup>3</sup>, **assess the results of that pilot and further develop and implement this tool;** to be a pro-active partner together with stakeholders and national/regional authorities, in addressing existing regulatory bottlenecks at EU level that hamper **research and** innovation, in order to provide legal clarity, enable investments in **research and** innovation and facilitate the development and deployment of innovative solutions.
10. ~~STRESSES the need for an innovation friendly business climate. CONSIDERS that a European startup visa scheme could boost Europe’s economies, increase Europe’s attractiveness for foreign startup founders and cut the red tape for scaling up within Europe. CALLS on the Commission, in cooperation with the Member States~~ **and respecting their national competences and national policies,** to explore the possibilities for a European startup visa scheme, which include the proper conditions to accomplish the economic goal of the instrument.

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<sup>2</sup> **Precise text also to be coordinated with colleagues in Working Party on Competitiveness and Growth (Better Regulation).**

<sup>3</sup> Described in the Commission Staff Working Document 'Better Regulation for Innovation driven Investments at EU level'.