



Council of the
European Union

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NOTE

From: Presidency
To: Permanent Representatives Committee/Council

Subject: *Preparation of the Competitiveness Council of 27-28 May 2019*
Research and Innovation as driving force for a more competitive European Union
- *Policy debate*

Delegations will find attached a Presidency note on "Research and Innovation as driving force for a more competitive European Union" with a view to the policy debate at the Competitiveness Council on 28 May 2019.

Competitiveness Council (Research) - 28 May 2019

Policy debate

“Research and Innovation as driving force for a more competitive European Union”

The European Union was established and has been developing based on a set of common objectives and principles that represent the basis for a number of European policies, such as: the objective of ensuring economic and social convergence throughout the entire Union, which is supported by the Cohesion Policy; the objective of guaranteeing accessible and affordable food supply for all EU citizens, which is supported by the Common Agriculture Policy; fostering a full-fledged European Single Market, founded on its four freedoms of movement - goods, services, capital and persons - which is supported through a number of policies (e.g. industry, competition and state aid).

The competitiveness of the European Union lies in ensuring a fully functional Single Market, which relies on its ability to properly integrate the technological progress, to adapt to the realities of the present and to be able to anticipate the future evolutions and challenges.

Especially in the current economic context, the European Union faces new and consistent challenges that require prompt/swift common response at EU level. For example, assuring the energy transition for a Union with low carbon emissions; ensuring the protection of biodiversity through the development of clean ecological activities and the preservation of the environment (e.g. oceans without plastics); allowing for new production tools; responding to challenges of an ageing society (e.g. nursing and care).

R&I are crucial for providing solutions to these challenges. The evolutions in research and innovation (advanced robotics, immunotherapy, cyber) are paving the way for the sustainable transformation of our economy and society. To strive for a more competitive Europe, able to rapidly respond to global social, economic and environmental challenges, the EU and the Member States need to invest in R&I, in education and in adequate dedicated infrastructure. They need to leverage their scientific strengths into leadership in breakthrough and disruptive innovation. Together with the European industry, the EU and the Member States should partner up to invest and focus financial resources and skills on cutting-edge research and innovation projects. All these challenges require an integrated approach and a new way of addressing them, including from different policy perspectives.

The Commission proposed to allocate €100 billion to R&I under the next EU budget (Horizon Europe). At the same time, the EU cohesion policy funds will continue to support innovation in all regions of Europe. While the amount of allocations within the next Multiannual Financial Framework is still to be established, the Commission highlights that the use of these funds should be closely aligned with the EU industrial policy and with reforms identified in the context of the yearly European Semester cycle of economic policy coordination. In order to be able to deliver on the objectives undertaken at EU level in the field of R&I, a higher level of commitment from both the EU and the Member States is still needed for reaping the full potential of Europe in the research and innovation field.

Question

With all these new challenges ahead of us, what are the strategic choices at European level that would ensure that R&I are a strong driving force for a more competitive European Union?