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## NOTE

From:	General Secretariat of the Council
To:	Delegations
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Subject:	Draft Council conclusions on strengthening the competitiveness of the EU and overcoming the fragmentation of the European Research Area based on the experiences of the implementation of the ERA Policy Agenda (2022-2024) - Presidency text

Delegations will find attached a revised Presidency text on the *draft Council conclusions on strengthening the competitiveness of the EU and overcoming the fragmentation of the European Research Area based on the experiences of the implementation of the ERA Policy Agenda (2022-2024)* with a view to the Research Working Party meeting on 15 October 2024.

Changes as compared to the previous version are in **bold and underline** for additions, and in ~~striketrough~~ for deletions.

**DRAFT COUNCIL CONCLUSIONS ON STRENGTHENING THE COMPETITIVENESS  
OF THE EU AND OVERCOMING THE FRAGMENTATION OF THE EUROPEAN  
RESEARCH AREA BASED ON THE EXPERIENCES OF THE IMPLEMENTATION OF  
THE ERA POLICY AGENDA (2022-2024)**

The COUNCIL of the EUROPEAN UNION,

RECALLING

- ~~— its conclusions of 1 December 2020 on the New European Research Area, which call on the Member States and the Commission to develop in 2021 an ERA Policy Agenda and a multi-level governance model to deliver on the new ambition for the ERA;~~
- its conclusions of 28 May 2021 on Deepening the European Research Area: Providing researchers with attractive and sustainable careers and working conditions and making brain circulation a reality, which stress that uneven flows of researchers ~~and brain circulation~~ need to be addressed at national and at European levels and highlight the need to support lower performing research systems to increase their attractiveness ~~to avoid brain drain, loss of competitiveness due to persistent inequalities and promote retaining talent in all its diversity;~~
- **its Recommendation of 26 November 2021 on a Pact for Research and Innovation in Europe, as well as its conclusions on the Future governance of the European Research Area (ERA), envisaging strengthened cooperation among EU member states to foster a competitive and cohesive European Research Area (ERA);**
- its conclusions on the New European Innovation Agenda (NEIA) of 2 December 2022, which stress the importance of more balanced brain circulation, acknowledge the persistent innovation divide and recognise the need for a broader approach in the European innovation ecosystem;

- its conclusions of 2 December 2022 on Research Infrastructures, calling notably for the long-term sustainability of European research infrastructures to be ensured, and for the research infrastructures ecosystem in Europe to be advanced;
- the **European Council** conclusions of March 2023 and April 2024, underlining the importance of **fostering a more innovation-friendly environment based on excellent science accelerating market uptake and scale-up and increasing** future investments in R&D in Europe **to meet** ~~and the 3% of GDP target at EU level;~~
- its conclusions of 8 December 2023 on strengthening the role and impact of research and innovation in the policymaking process in the Union, which point out that science-informed policymaking processes can enhance the quality and reinforce the coherence of policy initiatives in different sectors and administrations and strengthen the Union's competitiveness **and that greater coordination across innovation ecosystems and a more efficient use of all capabilities and resources at European, national and regional levels would improve competitiveness and innovation performance of the Union;**
- its Recommendation of 18 December 2023 on a European framework to attract and retain research, innovation and entrepreneurial talents in Europe, which calls for framework conditions to retain talented researchers in the Union, stresses the importance of supporting attractive research careers and recognises the importance of strengthening the research management capacity;
- **its Recommendation of 23 May 2024 on enhancing research security, which aims for greater consistency of approach across the Union and recommends that Member States work towards developing and implementing a coherent set of policy actions to enhance research security;**
- its conclusions of 23 May 2024 on strengthening knowledge valorisation as a tool for resilient and competitive industry and for strategic autonomy in an open economy in Europe, calling for **the facilitation of** access to risk funding and the rise of private and public seed and growth capital as well as the interconnection of innovation ecosystems, research and technology infrastructures and other actors of the ecosystems to be facilitated;

- ~~the Commission Communication of 30 September 2020 on ‘A New European Research Area (ERA) for Research and Innovation’, which set out a new vision for the ERA and announced the intention to propose a Pact for Research and Innovation (R&I) in Europe;~~
- ~~the Commission Communication of 5 July 2022 on a New European Innovation Agenda (NEIA), with particular emphasis on flagship area 3 on accelerating and strengthening innovation in European innovation ecosystems across the EU and addressing the innovation divide as well as flagship area 4 on fostering, attracting and retaining talent, aiming to provide a coordinated and comprehensive framework that drives innovation, boosts economic growth, and ensures inclusive development across all EU regions;~~
- ~~the Commission Communication of 16 March 2023 on the long-term competitiveness of the EU: Looking beyond 2030, which explains the consensus on the European model for inclusive economic growth based on sustainable competitiveness, economic security, trade and open strategic autonomy and fair competition, as a source of prosperity;~~
- the Letta report published on 10 April 2024, calling for ~~the~~ **a** fifth freedom of the Single Market to be realised by enabling, **among others,** the free movement of research **and,** innovation ~~and education;~~
- the Draghi report published on 9 September 2024 urging **the EU to unlock its innovative potential through refocusing its collective efforts in closing the innovation gap with the US and China. With R&I being the main driver of productivity and people’s well-being,** ~~for the fragmentation of the EU innovation ecosystem~~ **needs** to be overcome by exploiting the full potential of researchers and innovators, providing availability to world-leading research and technology infrastructure, supporting the diffusion of innovation and also reducing barriers to start-ups and innovative companies;

## Enhanced role of R&I in boosting the EU's competitiveness

1. **REAFFIRMS the EU's commitment to enhancing its long-term competitiveness, prosperity and leadership on the global stage.** ~~EMPHASISES that the enhancement of the economic and social competitiveness of the EU is a paramount strategic objective and~~ **RECOGNISES** the pivotal role played by **the Union's and Member States'** ~~European R&I~~ policies in attaining this objective. **ADVOCATES** for embedding these R&I policies at the heart of the Union's and Member States' strategies. **REAFFIRMS** that to strengthen the EU's competitiveness, it is **paramount** ~~extremely important~~ to improve the international position and leadership of the Union's science, research, and innovation.
- 1.a **TAKES NOTE of the Draghi report on "The Future of European Competitiveness", aiming at fostering the competitiveness of the Union, especially in advanced technologies. Shares the report's vision where R&I should play a central role in this objective. Underlines that the R&I policy and programmes of the Union and the Member States can contribute to the increase of productivity target presented in this report and diminish the innovation gap with other global economies.**
2. ~~STRESSES that the growing and interconnected challenges faced by the Union, linked to boosting competitiveness, accelerating the twin green and digital transitions, securing cohesion and inclusiveness, and ensuring both an open strategic autonomy and economic security, mean embracing the concept of 'sustainable competitiveness'.~~ **CONSIDERS** that this **requires** is a new approach, where competitiveness and growth are in line with the core values and societal priorities of the EU, ~~such as the prioritisation of green technologies, shared prosperity and compliance with ethical guidelines while expanding the use of digital technologies and AI.~~ **HIGHLIGHTS** the importance of evidence-based policy-making at EU and national level, **and of** ~~which is based on a co-creation process that enables all actors in the quadruple helix (science, policy, industry, and society), with particular emphasis on industry and society, to channel in their knowledge and experience.~~

3. NOTES that the competitiveness of the EU can only be improved ~~if the EU builds~~ **by** effectively **mobilising** ~~on~~ the talent and the creativity of its entire R&I community and provides **ing effective onboarding opportunities and access to R&I funding and collaboration** ~~equal and unbiased access to R&I funding and collaborations for all actors based on scientific excellence. Furthermore, STRESSES the importance of addressing European and global socio-economic challenges through broad, inclusive and strategic pan-European collaborations with the engagement of both private and public entities~~ **and EMPHASISES the European added value of both small and large-scale collaborative R&I projects.** RECOGNISES that ~~combating~~ **overcoming** fragmentation in the R&I ecosystem is vital for **the European competitiveness turnaround** ~~creating an environment where innovation can thrive and where research activities can be translated into innovative solutions throughout the entire value chain.~~ **RECALLS that the Draghi report underlines that the focus on excellence should benefit as many groups as possible across the whole of the EU to avoid deepening existing inequalities and that policies promoting R&I should be open, inclusive and readily accessible to researchers, businesses and regions.**

**3.a NOTES that the Draghi report calls for expanding the scale of collaboration between European researchers, innovators and businesses across Europe and with partners around the world. REAFFIRMS the importance of international cooperation to drive excellence and the world-class R&I required to improve Europe's competitiveness and deliver on societal challenges around climate change, health and digitalisation with global partners. Given the increasing geopolitical relevance of R&I, STRESSES the need to ensure proportionate and efficient measures to improve research security are in place.**

## Role of the ERA in increasing competitiveness and decreasing fragmentation

4. [previously 20.] ~~NOTES that the Letta report calling for the realisation of the fifth freedom aligns with the objectives of the ERA, which seek to foster an integrated R&I environment where researchers, scientific knowledge, and technology circulate freely; further NOTES the significant progress made in recent years with the implementation of the ERA, underscored by the strategic rollout of the ERA Policy Agenda.~~ **RECALLS the new ERA policy framework and governance structures put in place in 2021, HIGHLIGHTS the significant progress under the first ERA Policy Agenda (2021-2024) and the importance of taking stock of the lessons learnt before the next ERA Policy Agenda is developed. EMPHASISES the critical role played by the new ERA governance structures, in particular the co-design and co-implementation approach involving Member States, the Commission, Associated Countries and European stakeholder groups. REAFFIRMS the importance of a flexible approach to the implementation of the ERA actions, the so-called variable geometry concept, while recognising the need to continue to work together to achieve the single market for knowledge and research and reduce the R&I divide.**
5. [previously 21.] SUPPORTS the ambition of the new phase of the ERA Policy Agenda (2025-2027) to accelerate joint initiatives to strengthen core R&I values and capacities in Europe, and to create operational bridges between R&I and education, industrial and sectoral policies, as requested by the Pact for R&I. STRESSES the need to stay focused on **the** original goals and **objectives and** to reach tangible outcomes **and impactful results through a streamlined set of** ~~with less actions in a transparent~~ **and efficient** manner **as set out in TFEU Article 179.** ~~ENCOURAGES the enhanced commitment of MSs in line with their capacities.~~ **CALLS on Member States and the Commission to ensure that the next ERA Policy Agenda (2025-2027) provides an appropriate balance between an ambitious and achievable three-year work plan.**

6. [~~previously 22.~~] ENDORSES the importance of strengthening synergies between ~~the ERA and other relevant~~ **funds and programmes of the Union and Member States**, such as the Cohesions Funds, **to support the development of the ERA. RECALLS the importance of ensuring consistency between ERA actions and relevant policy** ~~and initiatives, by, for example, connecting actions of~~ **such as** the New European Innovation Agenda with ERA actions. **NOTES that these synergies should be explicitly geared towards realizing the political objectives of the EU, above all improving competitiveness and technological sovereignty and exploiting the opportunities of the green and digital transitions.**
7. [~~previously 23.~~] ~~ACKNOWLEDGES that the new ERA governance structure has huge potential to provide outstanding opportunities for co-creation among Member States, stakeholder organisations, the European Commission and where relevant Associated Countries. POINTS OUT that the strengthened role of the European Research Area and Innovation Committee (ERAC) in joint priority setting~~ **and**, strategic planning, ~~and discussing R&I policy issues, together with the~~ **role of the ERA Forum and other relevant thematic groups in the** implementation of the ERA Policy Agenda, leads to better coordination and alignment between EU and national policy planning and implementation. **WELCOMES the fact that the renewed ERA has resulted in increased engagement of stakeholder organisations representing mainly public RPOs and SUGGESTS enhancing stakeholder participation through a revision of the categories represented at the ERA Forum.**
8. [~~previously 24.~~] ~~WELCOMES the fact that the renewed ERA has resulted in increased engagement of stakeholder organisations representing mainly public research organisations. CALLS for the enhanced mobilisation and inclusion of representatives from different non-academic sectors by reflecting on their needs when designing the priorities and the actions.~~



9. [previously 25.] POINTS OUT that the Policy Agenda of the renewed ERA is ambitious and actionable with concrete topics, milestones and deliverables, so it is easier to measure the impact and progress. STRESSES that ERA actions should be self-standing, with impact beyond existing programmes and activities, and address the Pact priorities, using three-year work plans, where possible, and respond to a need for joint actions at European level rather than being addressed at national level only. ~~CONSIDERS the ongoing and planned actions need to be refocused in such a way that they have a stronger innovation or competitiveness perspective.~~ SUPPORTS a policy change for this purpose, so that the ERA is not only considered as a forum for horizontal, value-based topics but also as a political framework for boosting the Union's competitiveness **the reinforcement of the ERA, as it contributes to the Union's competitiveness.**

**9.a INVITES the Commission to explore together with the Member States, Associated Countries and stakeholder organisations the need of removing the remaining barriers to free circulation of researchers, technology, knowledge and data, and for boosting the implementation of the Pact for R&I.**

10. [previously 26.] HIGHLIGHTS the importance of monitoring the progress of developments in realising the ERA and ACKNOWLEDGES that the ~~recently established~~ ERA Monitoring Mechanism provides facts and certain insights on the progress. INVITES the Commission and Member States to fine tune this mechanism by **further** developing ~~country-specific recommendations~~ **ERA country reports**, collaboratively formulated by experts and Member States, and providing a supportive framework that fosters stronger commitment to national reforms and evidence-informed policy-making. POINTS OUT that increased commitment should also lead to a better uptake of ERA policy recommendations, hence, better coordination.

## **Building up and Reinforcing R&I Ecosystems**

11. [previously 4.] STRESSES that it is essential to **continue building up and reinforcing** R&I ecosystems by interlinking the actors of the quadruple helix **at the EU, national and regional levels** and capitalising on **ensuring the impact of** excellent research results and innovative solutions to address socio-economic challenges and ~~combat fragmentation~~ **enhance strategic autonomy and digital sovereignty**. POINTS OUT that these R&I ecosystems should follow a needs-based approach reflecting on the real challenges, needs and opportunities ~~at local and regional level~~, by building on strategic areas of regional strength and specialisation in line with the smart specialisation strategies **principle such as** (S3 **strategies**).
12. [previously 5.] CONFIRMS that urgent societal challenges can be tackled only by relying on functional R&I ecosystems where businesses, higher education institutions and research organisations, as well as entrepreneurs and innovators are linked to civil society and governmental actors to generate forward looking and sustainable solutions. RECOMMENDS to **address** ~~combat fragmentation~~ **of the R&I ecosystem through systemic support for increased R&I collaboration across the Union, improved synergies between R&I related policies, spreading excellence in R&I, and strengthening efforts towards decreasing of the European R&I gap** by fostering greater collaboration and coordination among these ecosystems to make the European R&I ecosystem more integrated, cohesive, to share the benefits and to improve access to excellence.
13. [previously 6.] ACKNOWLEDGES that significant efforts have been made to provide equal opportunities within the EU framework programmes; nevertheless, EMPHASISES that ~~reducing the fragmentation of the European R&I ecosystem should not be addressed exclusively with dedicated programmes, but through the entire EU Framework Programme, which should ensure the involvement of all Member States under equal conditions.~~

## **Unlocking and Empowering Europe's Talent Potential**

14. [previously 7.] ACKNOWLEDGES that talent is a key asset for driving economic growth, **competitiveness**, innovation and technological development, as well as societal progress. **REMINDS that the priorities agreed in the Council Recommendation on research careers play a key role for developing R&I talent and maintaining Europe as a globally attractive location for research. Therefore** ADVOCATES for **national as well as European** policies, initiatives and programmes that encourage brain circulation to **tackle** combat brain drain within the European Union. ~~HIGHLIGHTS how important it is for the EU Framework Programme to be capable of identifying talents regardless of geographical and sectoral bases and integrating them into collaborative projects.~~
15. [previously 8.] STRESSES the importance of opening up and reinforcing Europe-wide networks of researchers, entrepreneurs, innovators, and professionals in research management and support, to enable better circulation of knowledge, ideas and people. HIGHLIGHTS the **Europe-wide** added value **and track record** of COST (European Cooperation in Science and Technology) actions in creating inclusive R&I European networks spilling over to generate excellent know-how and R&I collaborations. ~~Thus, CALLS on the Commission to continue to broaden the scope of COST and the Member States to launch complementary initiatives at national level.~~
16. [previously 9.] URGES the Commission and the Member States to empower researchers, entrepreneurs, innovators and all ~~professionals in~~ research management and support **professionals** to improve their skills, competences and attitudes towards excellence and impact, **enabling the uptake of digital technologies, in order to meet**. ~~Therefore, CALLS for the impact assessment of current initiatives that provide essential up- and re-skilling opportunities, as well as flexible and tailor-made capacity building addressing the market and sector needs and enabling the uptake of digital technologies, to support the design of future policies and programmes. Stronger attention should also be paid to early-stage researchers' careers and gender gap in any future policies.~~

17. [previously 10.] STRESSES that increasing competitiveness requires a change in the attitude of the actors in the R&I ecosystem towards innovation, entrepreneurship, ~~marketisation~~ **knowledge valorisation** and risk-taking. CALLS therefore for increased visibility of European success stories and the promotion of role models who can nurture talent. Strongly ADVOCATES for the future development of European, ~~and national,~~ **regional and local** programmes and awards providing more visibility to role models and success stories. ~~such as the EIT and the EIC awards recognising the outstanding achievements of researchers, entrepreneurs, innovators, and other talents~~ ENCOURAGES intersectoral mobility along the different axes of the quadruple helix, with particular emphasis on government–industry, academia–industry, and academia–government to enable a better understanding of the needs and gaps of the different sectors and improve intersectoral dialogue and the co-creation of competitive ecosystems.

### **Building bridges: Strengthening Europe’s Research and Technology Infrastructures**

18. [previously 11.] ACKNOWLEDGES the significance of European Research and Technology Infrastructures as strategic assets to boost R&I, scientific discoveries and deep-tech developments **and the translation of knowledge into innovation** at regional, national and European levels, of securing access to Europe-wide ecosystem of research and technology facilities and services, and of training and employing highly skilled researchers and professionals. TAKES NOTE of the capacity of Research and Technology Infrastructures to have a strong role in increasing the R&I potential of ~~academia~~ **research performing organisations (RPOs)** and industry in local and regional ecosystems, thus enhancing competitiveness, innovation in strategic areas and overcoming fragmentation. ENCOURAGES better use and deployment of Research and Technology Infrastructure facilities and services by ~~academia~~ **RPOs** and industry, including SMEs and start-ups across the entire EU. **WELCOMES the progress made by the Commission in mapping users’ needs for Technology Infrastructures and INVITES the Commission to analyse the diverse European landscape of Technology Infrastructures and elaborate recommendations on the possible connection, combination and funding of existing and potential Technology Infrastructures with European relevance.**

19. [previously 12.] **RECALLS the Tenerife Declaration on Research Infrastructures (RIs), which called for ensuring long-term sustainability of RIs, covering not only their design and construction, but also their governance, operations and service provision, for which adequate funding schemes and mechanisms should be explored. REITERATES that concrete further actions at national and European level would be needed to address these challenges, in particular for a better engagement of all Member States in the RI ecosystem.** ~~ENCOURAGES the adaptation of the operational models of research infrastructures to diverse user needs, and the exploration of optimal operational and funding strategies for their long-term sustainability. Furthermore, CALLS on~~ **STRESSES the complementary roles of** the Commission, ~~and the Member States~~ **and private actors,** ~~to~~**wards** ~~securinge~~ the necessary funding for ~~RIs~~**research Infrastructures** with European relevance (especially ESFRI landmarks) to enable increased and more inclusive access to these ~~RIs~~**research Infrastructures** by ~~RPOs~~**research Performing Organisations**, including SMEs and companies ~~to better serve their needs. BELIEVES that increased and more inclusive access will contribute to combatting fragmentation across the ERA and across the value chains, attracting and retaining top talent, supporting the development of new communities of users, facilitating the digitalisation of equipment, experiments and data handling, and streamlining a pan-European ecosystem of Research Infrastructures and services.~~
20. [previously 13.] ~~TAKES NOTE of the capacity of Technology Infrastructures to rely on regional specificities and to play a strong role in increasing the innovation potential of local and regional ecosystems, thus overcoming fragmentation. INVITES the Commission and the Member States to analyse the diverse European landscape of Technology Infrastructures and elaborate recommendations on the possible connection, combination and funding of existing and potential Technology Infrastructures with European relevance. ENCOURAGES the digitisation of their services, strengthening their accessibility and the orchestration of networking activities. CALLS for the extension of the Testing and Experimentation Facilities (TEFs) under the Digital Europe Programme to enable Europe-wide access and create a dense network of users.~~

21. [*previously 14.*] CALLS on the Commission and Member States to promote open science and open innovation practices and infrastructures, which ~~that facilitates~~ the sharing of knowledge, data, and resources across borders to the extent that it does not hamper innovation and the marketisation valorisation of research results and safeguards ~~is in line with the principles of~~ economic and research security. ~~BELIEVES that this can help to overcome fragmentation, break down barriers to collaboration and enable more efficient use of talent and resources, and improve research quality and impact.~~

### **Driving Innovation: Unleashing Growth and Investment in Europe**

22. [*previously 15.*] ~~CALLS on the Commission and Member States to consider~~ **CONSIDERS** it a priority to ~~develop~~ **ensure flexible and investor friendly** business framework conditions **for innovation** and ~~legislation~~ in line with the global trends that facilitate the operation and growth of start-ups and scaleups within the Single Market ~~in order to position the EU regulatory environment as the world's most attractive framework, thereby boosting innovation and safeguarding~~ **strengthening** the Union's technological leadership **capabilities** and competitiveness.

**22.a RECOGNISES the importance of focusing on disruptive innovation and technologies to improve the EU's competitiveness. CALLS on the Commission and Member States to develop support schemes that encourages large-scale high-risk / high-reward innovation activities. REAFFIRMS the need to continue to support all types of innovation – from incremental to breakthrough innovation – and ensure that all SMEs are supported to innovate and strengthen their resilience, which will facilitate improved competitiveness.**

23. [previously 16.] **NOTES that, as pointed out by the Draghi report, the EU's deficit in developing new technologies and scaling them up to reach their full business potential is also driven by a relatively underdeveloped financial ecosystem.** STRESSES the importance of engaging private venture capital investments in innovation funding and REITERATES the significance of amplifying cross-border investments to address crucial market gaps in EU business finances. ENCOURAGES the Commission and the Member States to provide incentives for private investors, business angels, and crowdfunding platforms to increase private investment in innovation funding and mainstream **risk-taking** investment culture. WELCOMES Commission's efforts to mobilise large institutional investors (pension, insurance and sovereign wealth funds) to explore opportunities and requirements for increasing investments into ~~V~~venture Capital funds investing in innovative companies.
24. [previously 17.] In parallel, **ENCOURAGES** ~~CALLS on~~ the Commission and the Member States to make the funding instruments more attractive, efficient and less complicated for **applicants and** beneficiaries by significantly reducing their administrative burden (especially in the case of venture capital investments), spreading the use of rolling deadlines and regulatory sandboxes.
25. [previously 18.] ACKNOWLEDGES the importance of ~~fortifying~~ **strengthening** the strategic use of innovation procurement, to accelerate the development and deployment of innovative solutions in Europe, and to dismantle barriers caused by the fragmented public procurement market that currently restrict innovative companies' ability to operate across Europe.

26. [previously 19.] REITERATES the key importance of increased investments in R&D and the goal of reaching the 3% GDP target for private and public expenditure at EU level by 2030, agreed by the European Council in March 2002 and, most recently, reiterated by the European Council in its conclusions of 18 April 2024, **while EMPHASISING the need for efficient use of funds and ensuring alignment between national and EU funding**. HIGHLIGHTS, therefore, the importance of dedicating adequate budget and stability during the implementation phase for the future EU Framework Programmes for R&I, without prejudice to the future MFF of the Union. RECALLS the need to mobilise public R&D related investments **at national and EU level**, and to design and implement R&I policies and reforms that will create the right conditions to incentivise stronger private R&D investments. Moreover, ENCOURAGES Member States **and the Commission** to analyse international good practices and exchange knowledge to identify the optimal policy mix that will increase private expenditure to two-thirds of R&D investments.

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