



Council of the
European Union

079729/EU XXVII. GP
Eingelangt am 12/11/21

EN

12320/21

(OR. en)

PRESSE 26
PR CO 26

OUTCOME OF THE COUNCIL MEETING

3813th Council meeting

Competitiveness (Internal Market, Industry, Research and Space)

Research, internal market and industry issues

Brussels, 28 and 29 September 2021

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¹ • Where declarations, conclusions or resolutions have been formally adopted by the Council, this is indicated in the heading for the item concerned and the text is placed between quotation marks.
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ITEMS DEBATED

RESEARCH, 28 September 2021

Global approach to research and innovation

The Council approved conclusions on a global approach to research and innovation. The global approach identifies key actions to strengthen the EU's strategy for international cooperation in research and innovation (R&I), with a strong focus on openness and shared fundamental values and principles.

The conclusions encourage the creation, sharing and wide dissemination of knowledge for the benefit of society. Ministers stated the importance of rules-based multilateral cooperation and dialogue when it comes to social, environmental, health, digital and economic challenges. Ministers also identified openness and international cooperation with third countries as essential to tackling these global challenges.

[Council agrees on a global approach to research and innovation \(press release, 28 September 2021\)](#)
[Commission communication on the global approach to research and innovation](#)

New European Research Area

Ministers exchanged views on the governance and implementation of the European Research Area (ERA). During the public session, ministers agreed on the need to strengthen political recognition of the role of research and innovation (R&I), with a view to improving Europe's resilience and delivering on the digital and green transitions.

Ministers expressed their support for the ongoing reform of the ERA, combining the strengths of public institutions, governments and stakeholders while respecting their different roles, responsibilities and processes. This reform should take place at both national and EU level.

Ministers agreed to ensure close involvement of international partners in the new ERA. However, many delegations argued that there should be closer cooperation with partner countries that have a stronger degree of association and similar principles and values as regards R&I.

Many delegations referred to the need to put in place a modern, efficient and simplified governance structure to take forward future ERA policy agendas and maximise the impact of ERA actions. They also underlined the importance of providing for a robust monitoring system to assess progress in achieving ERA objectives.

The debate will feed into the preparation of draft Council conclusions on the governance of the new ERA and of a 'Pact for R&I' that will be presented at the Competitiveness Council in November.

[Presidency background note](#)

[Commission proposal for on a pact for research and innovation in Europe](#)

[Council conclusions on deepening the European Research Area](#)

[Council conclusions on the new European Research Area](#)

INTERNAL MARKET AND INDUSTRY, 29 September 2021

‘Fit for 55’ package from an industrial perspective

The Council discussed the impact of the new climate and energy package on the economy and industry.

Ministers discussed the biggest challenges and opportunities for businesses arising from the ‘Fit for 55’ climate package and the transition towards climate neutrality. Ministers also looked at possible pathways for ensuring a fair, competitive and green transition of the EU economy up to 2030 and beyond.

Ministers broadly agreed that the availability of affordable decarbonised energy is one of the preconditions for the success of ‘Fit for 55’. Ministers highlighted the importance of the proposed carbon border adjustment mechanism (CBAM), which should prevent the risk of carbon leakage. Several delegations pointed out the challenges for the automotive industry that come with the package and agreed that the green transition should not increase the burden on SMEs.

Ministers agreed that the Competitiveness Council should play a prominent role in the journey towards climate neutrality, as they believe it offers an opportunity to effectively contribute to the implementation of the ‘Fit for 55’ package by identifying areas, industrial ecosystems and actions that require particular attention to successfully accelerate the green transformation of industries and ensure their competitiveness.

[Commission communication: ‘Updating the 2020 new industrial strategy: building a stronger single market for Europe’s recovery’](#)

[Fit for 55: the EU’s plan for a green transition \(policy page\)](#)

Better regulation

Ministers held a public policy debate on future-proof policy-making to improve the competitiveness of the EU and further foster the single market, which is part of the better regulation agenda.

During the debate, ministers highlighted the importance of a clear, coherent and future-proof legislative framework, which they deem key in the context of the COVID-19 pandemic and the EU's economic recovery. Ministers expressed the need for high-quality legislation and discussed the 'one-in, one-out' approach, which was proposed by the Commission.

[Council conclusions on data technologies to improve 'better regulation'](#)

[Commission communication: 'Better regulation: joining forces to make better laws'](#)

[Better regulation, better law-making agreement \(policy page\)](#)

ANY OTHER BUSINESS

– *Institutionalised European partnerships*

The Slovenian presidency updated ministers on the state of play regarding Institutionalised European Partnerships. As a part of the Horizon Europe 2020 package, these partnerships are key to the EU's technological leadership.

One of the partnerships is the European Partnership on Metrology, jointly undertaken by several member states. On this key file, the presidency informed ministers about the political negotiations with the European Parliament that would take place on 28 September, in the afternoon. The presidency said that it was optimistic about reaching a final agreement during those negotiations.

– *GenderAction conference and Ljubljana declaration*

The presidency briefed ministers on the virtual GenderAction conference that was held on 8 and 9 July in Slovenia. During the conference, the Slovenian presidency presented the Ljubljana declaration on gender equality in research and innovation.

The Slovenian presidency invited delegations to endorse the declaration, as gender equality is an important priority. The Ljubljana declaration underlines the importance of upholding the value of gender equality and of being proactive in mainstreaming gender equality across research and innovation in order to ensure a just twin transition, promoting new inclusive ways of life for all and creating new opportunities for jobs and research. Many delegations expressed their support for the declaration.

[Information from the presidency](#)

– *Association of third countries to Horizon Europe*

The European Commission updated ministers on the state of play regarding the association of third countries to EU programmes, in particular Horizon Europe. The Commission shared its plans until the end of the year and informed delegates about the progress made so far.

[Information from the Commission](#)

– ***SMET***

The Commission reported on the activities of the Single Market Enforcement Task Force (SMET). SMET is one of the main components of the action plan for better implementation and enforcement of single market rules, adopted in March 2020 as part of the European industrial strategy.

[Information from the Commission](#)

– ***Innovation procurement in the EU***

The Greek delegation informed ministers about the joint ministerial declaration on innovation procurement in the EU. The declaration is supported by the Italian, Cypriot and Luxembourg delegations.

[Information from the Greek delegation](#)

– ***Unitary patent and unified patent court***

The Slovenian presidency briefed the Council about the state of play as regards national ratifications of the Unified Patent Court Agreement (UPCA) and the protocol on the provisional application of the UPCA. The presidency informed ministers that one more member state is required to ratify the protocol before the provisional application phase of the UPCA can start.

The unified patent package consists of two regulations, i.e. the regulation on unitary patent protection and the regulation on the translation arrangements, and an intergovernmental agreement between EU member states setting up the Unified Patent Court (UPC).

[Information from the presidency](#)

[Ratification details of the UPC agreement](#)

OTHER ITEMS APPROVED

INTERNAL MARKET AND INDUSTRY

Public country-by-country reporting (CBCR)

The Council adopted its position at first reading and a statement of the Council's reasons on the directive amending directive 2013/34/EU as regards disclosure of income tax information, commonly referred to as the public country-by-country reporting (CBCR) directive ([11832/21](#) + COR 1 + ADD 1 REV 2; [9722/21](#) + ADD 1).

For more details, see [press release](#).

Test procedures and technical requirements for type-approval of motor vehicles

The Council does not intend to raise objections to the Commission delegated regulation supplementing regulation (EU) 2019/2144 by laying down detailed rules concerning the specific test procedures and technical requirements for the type-approval of motor vehicles with regard to their intelligent speed assistance systems and for the type-approval of those systems as separate technical units and amending Annex II to that regulation ([11648/21](#), [10309/21](#) ADD 1-7).

REACH

The Council decided not to oppose the adoption of the Commission regulation amending annex XVII to regulation (EC) no 1907/2006 of the European Parliament and of the Council concerning the registration, evaluation, authorisation and restriction of chemicals (REACH), as regards carcinogenic, mutagenic or reproductive toxicant (CMR) substances ([11456/21](#), [11070/21](#) + ADD 1).

FOREIGN AFFAIRS**23rd EU annual report on arms exports**

The Council adopted the 23rd EU annual report on arms exports, reporting in detail on arms sales authorised by EU member states in 2020 (12189/21). With over 30 000 licences issued for a value of almost €167 billion, the EU remains an important exporter of military equipment and technology. Military weapons play an indispensable role in the preservation of security, freedom and peace, provided they are used in accordance with international law, including human rights law and international humanitarian law, and provided they are traded in a responsible manner. Decisions on issuing export licences for military equipment are a national competence, following an assessment against the eight criteria of Council common position 2008/944/CFSP, which includes an assessment of the respect for human rights in the country of final destination as well as respect by that country of international humanitarian law. Over 200 licences were denied by member states in 2020 following case-by-case assessments of licence applications. In 2020, the EEAS launched a searchable online database containing the annual arms export data of all EU member states from 2013 onwards. The database offers various graphic representations for all those interested in further details.

The report also covers activities undertaken by the EU in the framework of outreach to third countries, helping them to set up arms export control systems and promoting the universalisation and implementation of the Arms Trade Treaty. The report is prepared by the EEAS based on data provided by the member states.

Technical Centre for Agricultural and Rural Cooperation: decision of the ACP-EU Committee of Ambassadors regarding the discharge for 2020

The Council approved a decision of the ACP-EU Committee of Ambassadors giving a discharge to the Director of the Technical Centre for Agricultural and Rural Cooperation in respect of the implementation of its budget for the financial year 2020 (11818/21).

The Council also decided to forward the decision to the ACP side for adoption by the ACP-EU Committee of Ambassadors by exchange of letters, and ordered that the decision of the ACP-EU Committee of Ambassadors, once adopted, be published in the Official Journal.

Union for the Mediterranean (UfM) ministerial declaration on environment and climate action

The Council approved the EU's and its member states' position on the draft declaration for the Union for the Mediterranean ministerial conference on environment and climate action, scheduled for 4 October 2021, in Cairo.

Council decision on countering illicit proliferation and trafficking of weapons

The Council adopted a decision in support of countering illicit proliferation and trafficking of small arms, light weapons and ammunition in Latin America and the Caribbean. The Organization of American States requested a five-month extension of the implementation period, i.e. until 31 May 2022, due to the impact of the COVID-19 pandemic.

JUSTICE AND HOME AFFAIRS

Schengen evaluation

The Council adopted an implementing decision setting out a recommendation on addressing the deficiencies identified in the 2020 evaluation of Germany on the application of the Schengen acquis in the field of management of the external borders ([12305/21](#)).

ECONOMIC AND FINANCIAL AFFAIRS

Conclusions on ECA special report 13/2021 on EU efforts to fight money laundering in the banking sector

The Council approved its conclusions on ECA special report 13/2021 'EU efforts to fight money laundering in the banking sector are fragmented and implementation is insufficient' (11904/21, 11903/21).

Council decision approving the external auditors of Banka Slovenije

The Council adopted the decision approving PricewaterhouseCoopers, podjetje za revizijo in druge finančno računovodske storitve, d.o.o. as the external auditors of Banka Slovenije for the financial years 2021 to 2023 ([11445/21](#), [11422/21](#)).

Council decision approving the external auditors of the Banco de España

The Council adopted the decision approving the extension of the mandate of Mazars Auditores, S.L.P. - Mazars, S.A. as the external auditors for the Banco de España to the financial years 2021 and 2022 ([11444/21](#), [11421/21](#)).

Extension of objection period for first climate delegated act

The Council extended (by two months) the objection period for the Commission delegated regulation supplementing regulation (EU) 2020/852 by establishing the technical screening criteria for determining the conditions under which an economic activity qualifies as contributing substantially to climate change mitigation or climate change adaptation and for determining whether that economic activity causes no significant harm to any of the other environmental objectives.

TRADE POLICY

Note verbale to Japan notifying the non-conclusion of ACTA

The Council approved a note verbale to the government of Japan stating that the EU will not be completing the internal procedures necessary for the approval of the Anti-Counterfeiting Trade Agreement (ACTA).

This agreement was signed by the European Union on 26 January 2012. However, the European Union will not be completing the internal procedures necessary for the approval of the Agreement. The European Union will thus not deposit an instrument of ratification, acceptance or approval, as referred to in paragraph 1 of Article 40 of the Agreement.

EU-US Trade and Technology Council joint statement

The Council approved the draft joint statement ahead of the first EU-US ministerial meeting of the Trade and Technology Council ([12259/21 ADD 1](#), [12259/21 ADD 2](#)).

GENERAL AFFAIRS

Brexit adjustment reserve

The Council adopted a regulation establishing the Brexit adjustment reserve. The reserve will provide support to member states, their regions and local communities, as well as sectors adversely affected by the UK's withdrawal from the EU. It will also help mitigate the negative impact on economic, social and territorial cohesion. ([PE-CONS 59/21](#), [11828/21](#), [11828/21 ADD 1](#))

AGRICULTURE

Official controls

The Council approved the European Parliament's position at first reading on a draft regulation amending regulation (EU) 2017/625 as regards official controls on animals and products of animal origin exported from third countries to the Union in order to ensure compliance with the prohibition of certain uses of antimicrobials and Regulation (EC) No 853/2004 as regards the direct supply of meat from poultry and lagomorphs ([11852/21](#), [PE-CONS 46/21](#)).

Maximum residue levels in or on certain products

The Council decided not to oppose the adoption of a Commission regulation amending regulation (EC) no 396/2005 as regards maximum residue levels for amisulbrom, flubendiamide, meptyldinocap, metaflumizone and propineb in or on certain products ([11827/21](#), [11282/21](#) ADD 1-3).

Maximum residue levels for cyprodinil

The Council decided not to oppose the adoption of a Commission regulation amending regulation (EC) No 396/2005 as regards the maximum residue levels for cyprodinil in blueberries, cranberries, currants and gooseberries ([11823/21](#), [11184/21](#) ADD 1-2).

FISHERIES

Opening of negotiations for an implementing protocol to the FPA with Mauritius

The Council adopted a Council decision authorising the opening of negotiations for an implementing protocol to the Fisheries Partnership Agreement (FPA) with Mauritius.

Allocation of fishing opportunities under the SFPA

The Council adopted a Council regulation amending Council regulation (EU) 2019/440 on the allocation of fishing opportunities under the Sustainable Fisheries Partnership Agreement between the European Union and the Kingdom of Morocco and the implementation protocol thereto.

The aim of the regulation is the reallocation of fishing opportunities that were previously allocated to the United Kingdom ([11753/21](#); [11540/21](#)).

TRANSPORT

International carriage of passengers by coach and bus

The Council adopted a decision on the conclusion, on behalf of the EU, of a protocol to the agreement on the international occasional carriage of passengers by coach and bus (interbus agreement) regarding the international regular and special regular carriage of passengers by coach and bus ([11707/21](#); [11441/20](#); [11442/20](#))

Air passengers' rights during the COVID-19 pandemic

The Council approved conclusions on Special Report No 15/2021 of the European Court of Auditors: 'Air passengers rights during the COVID-19 pandemic: key rights not protected despite Commission efforts' ([11715/21](#)).

International carriage by rail

The Council adopted a decision on the position to be adopted on behalf of the EU within the 15th General Assembly of the Intergovernmental Organisation for International Carriage by Rail (OTIF) ([11709/21](#), [11576/21](#), [11579/21](#)).

International Civil Aviation Organisation

The Council approved a working paper and endorsed co-sponsorship of that document by the EU, so that it can be submitted by the presidency on behalf of the EU in preparation for the International Civil Aviation Organisation (ICAO) high-level conference on COVID-19 (HLCC) ([11673/21](#) + ADD 1).

EU-Western Balkans Transport Community

The Council adopted a decision on the EU position to be taken in the Regional Steering Committee of the Transport Community as regards establishing a technical committee on waterborne transport and multimodality ([11786/21](#), [11490/21](#), [11514/21](#)).

ENERGY

Decarbonisation roadmap for the contracting parties to the Energy Community

The Council authorised the European Commission to propose and support the adoption, subject to possible minor adjustments, on behalf of the European Union, of the decarbonisation roadmap for the contracting parties to the Energy Community at its next Ministerial Council.

The roadmap will be presented as the EU position during the Ministerial Council of the Energy Community on 25 November. It calls for a political commitment for the contracting parties to move forward on the EU's path to decarbonisation (11791/21).

Declaration on the Global Methane Pledge

The Council approved the declaration on the Global Methane Pledge and authorised the European Commission to sign it on behalf of the European Union.

The declaration on the Global Methane Pledge has been put forward by the United States and the EU and will be signed at the UN Climate Change Conference (COP 26) in November in Glasgow.

Countries joining the Global Methane Pledge will commit to a collective goal of reducing global methane emissions by at least 30% from 2020 levels by 2030. They will also commit to moving towards using best available inventory methodologies to quantify methane emissions, with a particular focus on high emission sources (11427/21).

ENVIRONMENT

Ministerial statement on marine litter and plastic pollution

The Council authorised the Commission to endorse a ministerial statement on marine litter and plastic pollution on behalf of the EU. The ministerial statement was presented at the ministerial conference on marine litter and plastic pollution on 1-2 September 2021 (Geneva).

The ministerial statement is a non-binding instrument (NBI) that contains political commitments. It aims to keep the issue of plastic pollution high on the political agenda and support the launch of decisive discussions on a potential global agreement on plastics at the upcoming United Nations Environment Assembly (UNEA5.2) in February 2022. The ministerial statement is open for endorsement until 15 October (11804/21).

OSPAR Convention for the Protection of the Marine Environment of the North-East Atlantic

The Council authorised the Commission to endorse non-binding instruments (NBIs) related to the 2021 OSPAR ministerial declaration and the North-East Atlantic environment strategy (NEAES) 2030 on behalf of the EU.

Both the declaration and the strategy reiterate the determination of the OSPAR contracting parties to increase efforts to protect the marine environment of the north-east Atlantic, thus also contributing to their regional and global commitments.

The NEAES 2030 will be the key operational document that guides the work of the OSPAR Commission until 2030 (11799/21).
