



Council of the
European Union

Brussels, 14 December 2017
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DRAFT MINUTES

Subject: **3580th** meeting of the Council of the European Union
(Competitiveness (Internal Market, Industry, Research and Space)),
held in Brussels on 30 November and 1 December 2017

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¹ Deliberations on Union legislative acts (Article 16(8) of the Treaty on European Union), other deliberations open to the public and public debates (Article 8 of the Council's Rules of Procedure).

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MEETING ON THURSDAY 30 NOVEMBER 2017 (10:00)

"A" ITEMS

2. Approval of the list of "A" items

- a) **Legislative list (Public deliberation in accordance with Article 16(8) of the Treaty on European Union)** 14696/17

Economic and Financial Affairs

1. **General budget of the European Union for 2018** 14587/17
- **Joint text** + ADD 1 to ADD 5
Approval
following Council (ECOFIN/Budget) on 17.11.2017

The Council approved the joint text on the budget for 2018 as set out in the Annex and in addenda 1 to 5 to of 14587/17.

Joint statement by the European Parliament, Council and Commission on the payment appropriations

"The European Parliament and the Council recall the need to ensure, in the light of implementation, an orderly progression of payments in relation to the appropriations for commitments so as to avoid any abnormal level of unpaid invoices at year-end.

The European Parliament and the Council calls on the Commission to continue monitoring closely and actively the implementation of the 2014-2020 programmes. To that end, they invite the Commission to present in a timely manner, updated figures concerning the state of implementation and estimates regarding payment appropriations requirements in 2018.

The Council and the European Parliament will take any necessary decisions in due time for duly justified needs to prevent the accumulation of an excessive amount of unpaid bills and to ensure that payment claims are duly reimbursed."

Joint statement by the European Parliament, Council¹ and Commission on the Youth Employment Initiative

"The Parliament, the Council and the Commission recall that reducing unemployment and, in particular, youth unemployment, remains a high and shared political priority, and to this end they reaffirm their determination to make the best possible use of budgetary resources available to tackle it, and in particular through the Youth Employment Initiative.

Therefore, they welcome the increase of the amount allocated to this initiative in 2018. However, it is not only essential to provide for an adequate financing in the EU budget, but also to put in place, at the same time, the right procedures to implement them effectively.

¹ The United Kingdom does not support this statement.

In this regard, an effective cooperation between the Parliament, the Council and the Commission is needed to ensure the highest possible impact of the measures adopted.

Therefore, the Council and the European Parliament undertake to consider as a matter of priority the modification in the Common Provisions Regulation required by the adoption of the 2018 budget.

The Commission shall facilitate the swift approval of the changes in the programmes to implement the YEI."

Statement by the Commission on the Youth Employment Initiative

"Reducing youth unemployment remains a high political priority. The Commission undertakes to monitor closely the implementation trend of the Youth Employment Initiative (YEI). Should the trend of this initiative accelerate and should the absorption capacity allow for an increase, the Commission will propose an increase of the YEI funding through an amending budget to be financed by the Global margin for commitments in accordance with Article 14 of the MFF Regulation.

In that case, the Commission expects the Council and the European Parliament to process rapidly any such draft amending budget."

Statement by the Council on the 5 % staff reduction

"The Council recalls that the target year for the full implementation of the 5 % reduction of staff was 2017. However, as not all institutions, bodies and agencies have met the reduction target, the Council urges continued efforts in 2018 in order to fulfil the agreement.

It is essential that the 5% staff reduction target is implemented by all institutions, bodies and agencies, and monitored until it is fully achieved. With that in mind, the Council invites the Commission to continue to assess the outcome of the exercise in order to draw lessons for the future."

Internal Market and Industry

2. Regulation on consumer protection cooperation

Adoption of the legislative act

approved by Coreper, Part 1, on 29.11.2017



14768/1/17 REV 1
+ REV 1 ADD 1
PE-CONS 41/17

The Council approved the European Parliament's position at first reading and the proposed act has been adopted, with the Swedish delegation voting against and the Austrian delegation abstaining, pursuant to Article 294(4) of the Treaty on the Functioning of the European Union. (Legal basis: Article 114 TFEU).

Statement by Austria

"Austria underlines the importance of Recital 16, which states that Member States should not be required to establish a new penalty regime."

Commission statement

"The European Commission declares the following.

- Article 21 requires competent authorities to take the necessary enforcement measures to cease widespread infringements. The Article sets out (in a non-exhaustive manner) in what situations enforcement measures are particularly appropriate.
- Amongst these situations, Article 21 lists: in paragraph (1)(d) commitments which are insufficient to ensure the cessation of the infringement or, where appropriate, to remedy consumers harmed by the infringement; and in paragraph (1)(e) the failure by the trader to implement those commitments.
- Article 21 (1) (d) and (e) must be read in consistency with the objectives of the Regulation, which are to set up an effective and efficient enforcement cooperation among competent public enforcement authorities to detect, investigate and order the cessation of intra-Union infringements and widespread infringement, and with the main provisions on remedial measures contained in the Regulation, in particular Article 9 (4) (c). In coordinated actions, where a competent authority has sought to obtain commitments from the trader to offer adequate remedies to the consumers concerned by an infringement, it may be particularly appropriate to take enforcement measures when those commitments are insufficient to remedy consumers harmed by the infringement or when those commitments are not implemented."

b) Non-legislative list

14695/17
+ ADD 1

The Council adopted the "A" items listed in 14695/17+ADD 1.

For the following items, the related documents should read as follows:

Foreign Affairs

- | | | |
|-----|--|----------------------------|
| 13. | CARIFORUM-EU EPA - Opening of negotiations GIs | 14329/17 |
| | <i>Adoption</i> | 14072/17 + ADD 1 |
| | approved by Coreper, Part 2, on 22.11.2017 | <u>+ COR 1 (pl)</u> |
| 14. | EU-Canada Joint Ministerial Committee | 14336/17 |
| | Council Decision regarding the rules of procedure | 14334/17 |
| | Joint Ministerial statement | <u>+ COR 1 (ro)</u> |
| | <i>Adoption</i> | 14655/17 |
| | approved by Coreper, Part 2, on 29.11.2017 | |
| 16. | EU-Mongolia: Protocol to the Framework Agreement on Partnership and Cooperation | 14288/17 |
| | <i>Adoption</i> | <u>+ COR 1</u> |
| | approved by Coreper, Part 2, on 29.11.2017 | 8940/16 |
| 18. | EU-Philippines: Protocol to the Framework Agreement on Partnership and Cooperation | 9264/16 |
| | <i>Adoption</i> | 14293/17 |
| | approved by Coreper, Part 2, on 29.11.2017 | 13082/14 |
| | | <u>+ COR 1 (it)</u> |
| | | <u>+ COR 2 (pt)</u> |
| | | 13085/14 |

19. Restrictive measures to combat terrorism (Common Position 2001/931/CFSP) - adoption of amended statements of reasons
Adoption
approved by Coreper, Part 2, on 22.11.2017
- 14520/17 + COR 1
+ REV 1 (nl)
+ ADD 1

A statement related to these items is set out in the Annex of 15273/17 INIT.

"B" ITEMS

INTERNAL MARKET AND INDUSTRY

Legislative deliberations

(Public deliberation in accordance with Article 16(8) of the Treaty on European Union)

3. Regulation on Single Digital Gateway

General approach



14401/1/17
REV 1

The Council agreed on a general approach on the regulation on the single digital gateway.

Statement by Germany

- "1. We strongly argue for the exclusion of registration in a company register from the 'starting a business' procedure (cf. 'general registration of business activity') in Annex II. Failure to exclude entry in the register of companies would lead to well-established and reliable procedures being abandoned. That would have serious consequences for the security of legal transactions and the fight against money laundering and terrorism.
2. We believe that Member States absolutely must be enabled to have uniform rules on digital access to the registration procedure for corporations (company law package), partnerships and sole traders.
3. We are strongly in favour of limiting the obligations to provide information laid down in the draft Regulation to administrative services, and excluding information about private law matters from Article 4 in conjunction with Annex I.
4. We take it that the focus on the internal market set out in point (a) of Article 1(1) ('rights derived from Union law in the field of the internal market') applies to the entire draft Regulation, and that the words 'established at national level' in Articles 2 and 4 do not create any additional obligation to provide information in respect of arrangements protected by the safeguards in Article 168(7) TFEU."

Statement by Belgium

"Belgium firmly supports the improvement of e-government, and therefore endorses the objectives of the proposal of a Single Digital Gateway in order to improve the functioning of the single market.

Nevertheless, Belgium wishes to formulate a reservation concerning the language requirements of the current proposal, that are not in accordance with the basic principles of Belgian language rules applicable to administrative matters.

The Belgian language regulations are of constitutional nature and express the fundamental commitments and agreements regarding the functioning of the public authority, the relation between citizens and the public authority, and the functioning of the federal structure of Belgium characterized by three official languages and four separate linguistic areas.

Belgium considers that the Member States' autonomy regarding the use of languages in the public legal sphere must be guaranteed."

Statement by Slovakia

"We wish to point out that governance of public administration including providing its processes and services/procedures either on paper (physically) or on-line (digitally) should remain a Member State's competence. Taking into consideration the nature of different cultural and administrative practices across the Union, the Member States have better knowledge how to effectively manage their public administrations. The only acceptable way how to achieve that the Member States digitize a set of services/procedures mandatorily is when these digital public services/e-procedures are already legally established and digitized at national level, as this principle has been already recognized in the EU acquis in accordance with the principles of subsidiarity and proportionality."

Non-legislative activities

4. **Competitiveness check-up: Objectives of the Industrial Policy** 
Presentation by the Commission
Exchange of views

The Council listened to the presentation by the Commission and had an exchange of views.

5. **EU industrial strategy for the future**

- a) **Presidency report**  14365/17
Exchange of views 14367/17

The Council held an exchange of views based on questions as set out in 14367/17.

- b) **Council conclusions on "A renewed EU Industrial Policy Strategy"**  14450/17
Adoption

The Council adopted Council conclusions as set out in 15223/17.

Any other business

Internal Market and Industry

6. a) Current legislative proposals

(Public deliberation in accordance with Article 16(8) of the Treaty on European Union)

i) Regulation on geo-blocking

Information from the Presidency



The Council took note of the information provided by the Presidency.

ii) Implementation of the Digital Single Market

Information from the Commission on the state of play



The Council took note of the information provided by the Commission on the state of play of the implementation of the Digital Single Market.

iii) Progress on the European Defence Industrial Development Programme (EDIDP)

Information from the Presidency



10589/17

The Council took note of the information provided by the Presidency.

c) European SME Action Programme

Information from the German delegation



14888/17

The Council took note of the information provided by the German delegation and the Commission.

d) Public procurement package

Presentation by the Commission



13286/17

12941/17

12977/17

The Council took note of the presentation by the Commission.

MEETING ON FRIDAY 1 DECEMBER 2017 (10:00)

Non-legislative activities

SPACE

7. **Council conclusions on the "Mid-term evaluation of the Copernicus programme"**  14468/17
Adoption 13599/17

The Council adopted Council conclusions as set out in 15299/17.

8. **EU Space Programmes: The way forward**  14410/17
Exchange of views

The Council held an exchange of views based on questions as set out in 14410/17.

RESEARCH

9. **Council conclusions on "From the Interim Evaluation of Horizon 2020 towards the ninth Framework Programme"**  14469/17
Adoption

The Council adopted Council conclusions as set out in 15320/17. A Joint statement by Croatia, Poland, Portugal, Romania, Slovenia and Spain, supported by Italy and Lithuania, and a Joint statement by Hungary, Lithuania, Poland, Romania and Slovenia, supported by Latvia, Italy and Slovakia, are set out below.

Joint statement by Croatia, Poland, Portugal, Romania, Slovenia and Spain, supported by Italy and Lithuania

"As explained in our joint position paper on "Harmonised rules to boost the global competitiveness of the European through research and innovation", the experience in the current multiannual financial frameworks shows that effective synergies and coherence for R&I funding activities are still hampered in practice, by the different intervention logics and rules of the diverse funding schemes, and by the additional legal requirements, notably State Aid rules. It is essential to remove the discrepancies between EU programmes in order to make potential synergies operational and to maximise the impact of European R&I funding.

The next financial perspective provides a unique opportunity to address these issues. In the spirit of Better Regulation, harmonised rules should be designed from the very beginning in order to bring an optimal impact.

Therefore, we invite the Commission to set up the necessary internal coordination of the relevant services to propose a revised framework and to set up appropriate mechanisms to discuss it with the Member States during the preparation phase of the next programming period post-2020. This revised framework should include at least the following measures:

1. Any R&I programme or project selected through an **open, transparent and EU-wide competition** should be exempted from State Aid rules, irrespective of its source of funding (FP9, or alternatives like ESIF, or national or regional funds);
2. The same should apply to R&I projects included in the ESIF operational programmes;
3. Regional and national authorities should be entitled to use ESIF and national financial instruments to co-fund R&I partnerships and to co-fund research infrastructures, including their operational expenditure, in particular the staff costs;
4. Implementation rules for R&I activities, including definitions of eligible costs and control and audit procedures, should be harmonised to those of the Framework Programme when being co-funded by other EU funds (in particular ESIF);
5. Keeping in mind that R&I activities differ deeply from production activities, the EU State Aid rules should be simplified and made more innovation-friendly. The abovementioned position paper indicates a number of action lines for this reform of State Aid rules."

Joint statement by Hungary, Lithuania, Poland, Romania and Slovenia, supported by Latvia, Italy and Slovakia

"It is important for us to have a constructive discussion, especially at this stage of our work on the Council conclusions. From our perspective the text that has been drafted does not contain sufficient commitment and measures that could help ensure significant improvement of the situation of the widening countries. Existing data only shows that even though widening participation was addressed by specific measures and recognized as a cross-cutting issue, the slight increase of EU-13 countries participation is far from the ambition of having excellent European RDI. Continuation of the current policy will with high probability not bring about changes that we would all expect and will certainly not bring us closer to achieving those goals.

There is an urgent need for a more profound analysis that would use existing good practices gathered in cross-cutting issues like gender or SMEs in order to help identify remedy measures for the next Framework Programme. Adequate actions coupled with national reforms and higher level of investments at national level should be the right mix for increasing participation.

We are ready to engage in a constructive dialogue with our colleagues and the Commission on this issue."

10. The mission-oriented approach in the ninth EU RDI Framework Programme
Policy debate



14320/17

The Council held a policy debate based on questions as set out in 14320/17.



First reading.



Public debate according to Article 8(2) of the Council's Rules of Procedure.



Item based on a Commission proposal.
