



**COUNCIL OF
THE EUROPEAN UNION**



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3133rd Council meeting

Competitiveness (Internal Market, Industry, Research and Space)

Brussels, 5 and 6 December 2011

President **Mr Waldemar PAWLAK**
Deputy Prime Minister and Minister for Economic Affairs
Mrs Barbara KUDRYCKA,
Minister for Science and Higher Education

of Poland

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Main results of the Council

*The Council adopted conclusions on the implementation of **industrial policy** across Europe.*

*The Council adopted conclusions on the results of the first **single market forum** and on ways of improving **impact assessments** in the course of the EU's legislative process. It also adopted conclusions on **customs cooperation with Eastern neighbouring countries**.*

*The Council adopted a general approach on a draft directive on **interconnection of business registers**.*

*The Council took note of a presentation by the Commission on a proposal for a **Competitiveness and SME (small and medium-sized enterprise) programme 2014-2020**.*

*Ministers continued their consideration of the establishment of a **unified patent litigation system** in the context of the creation of **unitary patent protection**. A large majority of delegations supported the objective of reaching agreement before the end of 2011.*

*The Council held a first general debate on the future framework **programme for research and innovation "Horizon 2020"** for the years 2014 to 2020, following a presentation of the Commission proposal.*

*It adopted conclusions on **partnering in research and innovation** and launched five **joint programming initiatives** on: "Healthy and productive seas and oceans", "The microbial challenge - An emerging threat to human health", "Connecting climate knowledge for Europe", "Urban Europe - Global urban challenges, joint European solutions" and "Water challenges for a changing world".*

*The **8th Space Council** between the EU and the European Space Agency (ESA) held a debate on the **benefits of space for the security of citizens** and adopted a resolution.*

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 - Documents for which references are given in the text are available on the Council's Internet site (<http://www.consilium.europa.eu>).
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APPOINTMENTS

– Committee of the Regions34

PARTICIPANTS

Belgium:

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Mr Kris PEETERS

Mr Vincent VAN QUICKENBORNE

Mr Olivier BELLE

Bulgaria:

Ms Milena DAMYANOVA

Mr Peter STEFANOV

Czech Republic:

Mr Martin TLAPA

Mr Ivan WILHELM

Mr Jiří ŽÁK

Denmark:

Mr Ole SOHN

Mr Morten ØSTERGAARD

Germany:

Mr Max STADLER

Mr Guido PERUZZO

Estonia:

Mr Jaak AAVIKSOO

Mr Gert ANTSU

Ireland:

Mr John PERRY

Mr Thomas HANNEY

Greece:

Ms Anna DIAMANTOPOULOU

Mr Andreas PAPASTAVROU

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Ms Cristina GARMENDIA

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Mr Laurent WAUQUIEZ

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Mr Jānis BORDĀNS

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Ms Nerija PUTINAITE

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Minister for Enterprise and Simplification

Deputy Permanent Representative

Deputy Minister for Education, Youth and Science

Deputy Permanent Representative

Deputy Minister for Industry and Trade

Deputy Minister for Research and Higher Education

Deputy Minister for Transport

Minister for Business Affairs and Growth

Minister for Science, Innovation and Higher Education

Parliamentary State Secretary to the Federal Minister for Justice

Deputy Permanent Representative

Minister for Education and Science

Deputy Permanent Representative

Minister for Small Business

Deputy Permanent Representative

Minister for Education, Lifelong Learning and Religious Affairs

Deputy Permanent Representative

Minister for Science and Innovation

Deputy Permanent Representative

Minister with responsibility for European Affairs, attached to the Ministre d'État, Minister for Foreign and European Affairs

Minister for Higher Education and Research

Deputy Permanent Representative

Minister for European Affairs

Minister for Education, Universities and Research

Deputy Permanent Representative

Minister for Science and Education

State Secretary, Ministry of Economics

Parliamentary Secretary

Deputy Minister for the Economy

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Ms Ilona ANTONISZYN KLIK

Mr Marcin SZPUNAR

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Minister for Science and Higher Education
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Under-Secretary of State, Ministry of Economic Affairs
Under-Secretary of state, Ministry of Foreign Affairs

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Mr David WILLETTS

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State Secretary
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Vice President

Vice President

Vice President

Member

Member

Member

Member

ITEMS DEBATED**REINFORCING IMPLEMENTATION OF INDUSTRIAL POLICY - *Council conclusions***

The Council adopted conclusions on reinforcing the implementation of industrial policy across the EU.

The conclusions point to a number of industrial policy issues which should be addressed as a priority by the Commission and by member states. They are in line with the political guidance provided by the European Council last October, which identified a number of key priorities for economic policy in order to achieve economic growth and job creation.

The text of the conclusions can be found in [17851/11](#).

INTERCONNECTION OF BUSINESS REGISTERS

The Council reached an agreement on a general approach concerning a draft directive on interconnection of central, commercial and companies registers ([16968/1/11](#)).

The directive is aimed at improving access to up-to-date and trustworthy information on companies.

Under the proposed system, all member states will engage in making possible electronic communication between registers and transmitting information to individual users in a standardised way, by means of identical content and interoperable technologies, throughout the Union. The interoperability of registers should be ensured through the member states' delivery of information from their registers, by providing services which will constitute interfaces to a European central platform. This platform will be a centralised set of information technology tools and services, used by all domestic registers.

The European e-Justice Portal¹ will serve as one of the electronic access points. Companies and their branches in other member states will have a unique identifier that allows them to be unequivocally identified.

A multi-language support will facilitate access and use of information both for consumers and businesses.

The future directive will require an update of three existing company law directives:

- 89/666/EEC on the requirements of branches opened in other member states;
- 2005/56/EC on cross-border mergers of limited liability companies; and
- 2009/101/EC on coordination of safeguards, which ensures, amongst other things, that documents and particulars stored in the register can be accessed.

¹ <https://e-justice.europa.eu>

SINGLE MARKET FORUM - Council conclusions

The Council adopted conclusion on the results of the first single market forum (SIMFO), which took place in Krakow, Poland, on 3 and 4 October 2011.

The SIMFO, which was organised jointly by the European Parliament, the Commission and the Polish presidency, is intended to be the starting point of a permanent platform for debate among EU institutions, stakeholders and citizens on the development of the internal market.

The conclusions elaborate on the issues addressed in the "Krakow declaration"¹ endorsed by the participants at the SIMFO.

"THE COUNCIL (Competitiveness)

RECALLING:

the Conclusions of the European Council of 23 October 2011 highlighting a key role of the Single Market in delivering growth and employment and stating that all efforts should be made to ensure agreement by the end of 2012 on the 12 priority proposals set out in the Single Market Act, giving utmost priority to those which can bring the most benefits to growth and jobs;²

the Conclusions of the Council (Competitiveness) of 10 December 2010 on the Single Market Act;³

the Conclusions of the Council (Competitiveness) of 30 May 2011 on the Priorities for Relaunching the Single Market, which stresses that emphasis should be laid on measures which create jobs and bring tangible results to citizens and businesses and points out the need for ambitious steps to be taken to achieve a genuine and fully-fledged Single Market and, moreover, that the Single Market must rest upon a strong economic and social basis with a view to building a highly competitive social market economy;⁴

¹ http://www.mg.gov.pl/files/upload/14617/20111004_THE_KRAKOW_DECLARATION.pdf

² doc. st00052/11

³ doc. st17799/10

⁴ doc. st10993/11

the Commission's Communication "Single Market Act - Twelve levers to boost growth and strengthen confidence"¹ of 13 April 2011;

the opinion of the Committee of the Regions² and of the European Economic and Social Committee³;

the European Parliament's resolution of 20 May 2010 on delivering a Single Market to consumers and citizens⁴;

the European Parliament resolutions of 6 April 2011 on "Governance and partnership in the single market"⁵, on the "Single market for Europeans"⁶ and on the "Single market for enterprises and growth"⁷;

the Commission Staff Working Paper of 31 August 2011: The Single Market through the lens of the people: A snapshot of citizens' and businesses' 20 main concerns⁸;

STRESSES that the Single Market, with its 27 Member States and approximately 500 million citizens, is the largest integrated marketplace in the world and the basis for growth, employment, prosperity and well-being of the Union citizens;

REAFFIRMS, also in times of great economic and financial challenges, its commitment to further implement the fundamental principles of the internal market and to further improve its functioning; in this respect UNDERLINES the need for ambitious measures which are driven by a clear and coherent strategy to promote competitiveness and contribute to Europe's economic recovery;

¹ COM(2011) 206/4.

² CdR 330/2010-ECOS-V-009

³ INT/548-CESE525/2011

⁴ adopted 20 May 2010, P7_TA(2010)0186.

⁵ P7_TA-PROV(2011)0144 adopted on 6 April 2011.

⁶ P7_TA-PROV(2011)0145 adopted on 6 April 2011.

⁷ P7_TA-PROV(2011)0146 adopted on 6 April 2011.

⁸ SEC(2011) 1003 final

WELCOMES the Krakow Declaration delivered by the participants of the 1st Single Market Forum held in Krakow on 2-4 October 2011, that gathered together representatives of all Single Market stakeholders: European businesses, including SMEs, citizens, consumers, social partners, non-governmental organisations, think tanks, media, national Parliaments, European institutions and public authorities at central, regional and local levels; in this respect APPRECIATES the initiative of the European Parliament as well as the common effort and great cooperation with the European Parliament, and the European Commission, which made this unprecedented event possible;

UNDERLINES the importance of dialogue on current concerns and challenges ahead involving all participants of the Single Market and ACKNOWLEDGES the Single Market Forum's contribution in giving a new impetus to an all-European debate on the future of the Single Market, with direct participation of businesses and citizens from all Member States;

Taking into account the outcome of all workshops held during the 1st Single Market Forum and in the light of further discussions on the future of the Single Market, the Council:

European Professional Card

1. IS READY to examine the introduction of the European Professional Card, supported by the IMI system and which could help to promote cross-border mobility in the European Union, in particular by speeding up and simplifying recognition procedures, giving more certainty to professionals and enhancing trust among national authorities, keeping in mind that the costs related to the development and delivery of the card have to be further examined;

Alternative Dispute Resolution and Online Dispute Resolution

2. ATTACHES GREAT IMPORTANCE to ensuring that European businesses and consumers purchasing goods and services (online, offline, cross-border or domestically) have access to efficient, affordable and simple means of resolving their disputes with traders, taking into account diversity of different national Alternative Dispute Resolution schemes;
3. BELIEVES that it is essential to increase businesses' and citizens' knowledge and understanding of Alternative Dispute Resolution schemes throughout Europe;

4. STRESSES that simple, efficient and affordable Online Dispute Resolution systems allowing consumers to solve effectively their problems when shopping on-line are crucial for improving confidence in the digital Single Market;

"Points of Single Contact"

5. CALLS ON the Member States to ensure that the Points of Single Contact (PSCs) are fully operational and to improve as a matter of priority their availability, quality and user-friendliness in order to facilitate and promote trade across borders, as well as simplify access to and use of the PSCs for entrepreneurs from other Member States;
6. ENCOURAGES Member States to promote the development of fully-fledged e-Government centers, which could allow entrepreneurs to deal with administrative procedures and formalities online;
7. STRESSES THE IMPORTANCE of overcoming barriers to the cross-border use of the PSCs, in particular by improving the interoperability and mutual recognition of electronic IDs, electronic signatures and electronic documents and increasing efforts to promote the existence and benefits of the PSCs among citizens and businesses, especially SME's;
8. ACKNOWLEDGES the advantages of creating links between PSCs and other services for businesses at Union and national level including Product Contact Points within the administrations of Member States, where applicable;

E-commerce

9. ACKNOWLEDGES the high potential of e-commerce to boost growth in Europe and create jobs; UNDERLINES that increased confidence of both consumers and businesses, in particular of SMEs, is of key importance to further growth of cross-border e-commerce and therefore CALLS ON the Member States and the Commission to continue all efforts in order to enable all actors in the Single Market to benefit from e-commerce and to support innovation in this sector;

10. RECOGNISES the need to provide consumers with effective instruments to solve their problems when shopping cross-border on-line; to update legislation on data protection; to modernise Europe's copyright regime with a view to ensure the Union's competitive edge and unleash possibilities for new business models while ensuring a high level of protection of intellectual property rights and taking into account cultural diversity; to remove barriers and discriminations based on the country of residence of consumers and to avoid the creation of new ones, where they hamper the proper functioning of the single market; to better enforce existing legislation;
11. STRESSES the importance of an urgent adoption of the Commission's Communication on e-commerce; as a response to the European Council's proposal, INVITES the Commission to rapidly present the roadmap on the completion the Digital Single Market by 2015, giving priority to proposals aimed at promoting a fully integrated Digital Single Market through the facilitation of e-commerce and the cross-border use of online services;

Posting of workers and fundamental social rights

12. EMPHASISES that facilitating provision of services by companies in another Member State is an essential feature of a dynamic internal market. This should go hand in hand with guaranteeing an adequate level of protection for any worker posted to another Member State to provide services, while respecting national competences;
13. STRESSES that posting of workers should contribute to the effective use of the opportunities offered by the Single Market, while ensuring a climate of fair competition and improving working conditions for posted workers across the Union in line with existing *acquis*; CALLS ON the Member States to provide access to information on terms of employment as well as effectively fight against disrespect of posted workers' rights, in accordance with the rules on posting of workers;
14. CALLS ON the Commission to ensure that, in order to avoid abuses, the rules on posting of workers are transparent and clear and, if necessary, should be clarified in a proportionate manner without inadvertently creating obstacles to the free provision of services, while the implementation, application and enforcement of the Posting of Workers Directive should equally be improved by the Member States, where appropriate;

EU public procurement legislation

15. WELCOMES the Commission's intention to modernise and simplify the Public Procurement Directives to ensure that the public sector can purchase goods and services in a transparent and non-discriminatory way at best value for taxpayers' money, while businesses, in particular SMEs, have a good and fair chance of accessing a public contract and transaction costs remain minimal for all parties involved;
16. RECOGNISES the need to further professionalise the public procurement sector through improved training, to stimulate the use of e-procurement and to reinforce implementation of public procurement rules by Member States in order to ensure stability and predictability of the legal framework;

Bridging the information gap between citizens and the Single Market

17. STRESSES that information on the opportunities of the Single Market is crucial for citizens and businesses, in particular for SMEs, and therefore ENCOURAGES the Commission to further develop the Your Europe portal in cooperation with Member States, so that all stakeholders are provided with well-structured, up to date, practical information and assistance;
18. CALLS ON the Commission to organise systematically public consultations on new legislation, before submitting it to the European Parliament and the Council, where appropriate, in partnership with national and local stakeholders; available in all official EU languages;
19. FULLY SUPPORTS the 1st Single Market Forum recommendation that promotion of information and assistance in finding solutions should be organised with greater involvement of all existing networks and should be closer to the citizens;

Implementing the Single Market rules

20. STRESSES that the Single Market rights can only be guaranteed if there is a necessary political will at all levels – a strong commitment to make them effective and efficient; COMMITTS ITSELF to improve correct and timely transposition of Internal Market Directives as a matter of political priority;

21. RECOGNISES the difficulties in implementing and enforcing Union law faced by authorities at different governance levels, and therefore ENCOURAGES close cooperation on all Single Market issues between Union, national, regional and local authorities;
22. UNDERLINES the importance of effective, efficient and coherent enforcement of Union law throughout the Single Market as well as the tools to provide businesses and citizens with informal problem solving, such as SOLVIT, which offers practical solutions to businesses and citizens; CALLS ON the Commission to come up with concrete proposals to further reinforce it, if necessary;

CONCLUSION

23. CALLS ON the Commission to put forward all 12 priority proposals set out in the Single Market Act in line with the timetable announced in the Single Market Act; CALLS ON the Member States and the European Parliament, in close cooperation with the Commission, to make all efforts to ensure agreement on these 12 priority proposals by the end of 2012 and thus bring new impetus to the Single Market;
24. COMMITS ITSELF to take the necessary steps to strengthen governance of the Single Market by assuring proper and coherent enforcement of its rules on the ground;
25. CALLS ON the Commission to regularly assess the state of the Single Market and take further initiatives to improve its functioning. The Commission Staff Working Paper listing the 20 main concerns constitutes a valuable exercise in this regard. Identified issues should be examined in depth and appropriate steps should be taken to ensure progress in the problematic areas;
26. UNDERLINES the importance to convert the Single Market Forum into a regular event, to enable businesses and citizens as well as local and regional authorities to directly participate in and influence the further development of the Single Market;
27. STRESSES the need of a follow-up on the results of the 1st Single Market Forum; INVITES the Commission to develop and use online tools as a platform open to general public, enabling all Single Market actors to stay up to date with Single Market developments and actively participate in its shaping, as well as share experiences and current Single Market concerns."

IMPACT ASSESSMENT IN THE COUNCIL - Council conclusions

The Council held an exchange of views and adopted the conclusions set out in [16976/11](#).

CUSTOMS COOPERATION WITH EASTERN NEIGHBOURING COUNTRIES - Council conclusions

The Council adopted conclusions on customs cooperation with Eastern neighbouring countries, focusing on priority areas of cooperation, and in line with the commitment of the EU and its Eastern neighbours to further enhance political association and economic integration.

The conclusions address, in particular, specific areas for improved cooperation which include the need to develop safe and fluid trade lanes; the fight against fraud along the EU's Eastern border and investments in customs modernisation.

They can be found in [16881/11](#)

BUSINESS COMPETITIVENESS AND SMEs PROGRAMME (2014 - 2020)

The Council took note of a presentation by the Commission on the proposals for a Business Competitiveness and SMEs programme for the years 2014-2020 ([17489/11](#)).

The "Competitiveness and SMEs programme" will be the successor to the non-innovation part of the current "Competitiveness and Innovation Framework Programme" (CIP). All research and innovation support to SMEs (including the innovation part of the CIP) will be included in the framework programme for research and innovation "Horizon 2020".

The new multi-annual programme, with a proposed total budget of EUR 2.5 billion for the whole period, will focus mainly on measures to promote more dynamic and internationally competitive SMEs.

These measures will include:

- actions to improve the competitiveness and sustainability of EU industry;
- innovative financial instruments for growth to facilitate SMEs' access to funding;
- measures to support EU companies trying to gain better access to markets;
- activities to promote entrepreneurship.

UNIFIED PATENT COURT

Ministers in charge of intellectual property files held a policy debate on the creation of a unified patent litigation court, as part of a package aimed at establishing a patent system with unitary effect to ensure uniform protection for inventions across Europe, together with the necessary translation arrangements.

The debate took place on the basis of a compromise package drawn up by the Presidency.

The compromise was broadly accepted in substance, but the debate showed that further work is still needed. The Polish Presidency is committed to take the work forward with a view to reaching agreement on the creation of a unified patent court before end 2011.

The essential elements of the compromise include:

1. The seats of the Central Division of the Court of First Instance, the Court of Appeal and the Patent Arbitration Centre

Several proposals have been made by member states interested in hosting the seats.

2. The financial contribution of the member states hosting a local division, a regional division, the Central Division or the Court of Appeal

The host member state would provide for the necessary facilities, equipment and, for the initial period, the management of the administrative staff.

3. Other financial contributions of the member states

While the objective should be that the Unified Patent Court becomes self-financing over time, financial contributions will be required in the setting-up phase, on the basis of a balanced and transparent formula.

4. Language of proceedings

While the principle should be maintained that the language of proceedings of a local division can be changed only with the agreement of both parties, a party could address a request to the President of the Court to change the language of proceedings for reasons of convenience and fairness.

5. Actions to be brought to the central division

The possibility to enhance the role of the central division and give parties the option to bring actions for infringements concerning a number of member states before the central division instead of bringing them before a local or regional division.

Under the compromise the parties would have the option to bring an infringement action before the central division if the defendant is domiciled outside the EU.

6. Number of ratifications required for the entry into force

There is general consensus that the Unified Patent Court should enter into force once a minimum number of member states have ratified the Agreement.

7. Transitional period

A transitional period will be fixed for "classical" European patents without unitary effect, during which actions can still be brought before the national court.

8. Revision clause

A range of provisions would have to be reviewed by the administrative committee in order to improve the functioning, efficiency and cost-effectiveness of the Unified Patent Court and the quality of its judgements.

The debate follows discussions at the ministerial meeting of 29 September 2011 (*see press release [14691/11](#), page 9*), on the basis of the draft agreement for creating a common patent court that would ensure compliance with the EU treaties. Previously, on 30 May 2011, a large majority of member states endorsed the setting up of a unified patent court by means of an agreement to be concluded between the member states outside the EU institutional framework.

Over recent weeks, EU preparatory bodies have carried out intensive work on the other parts that make up the package: two draft regulations implementing enhanced cooperation in the area of unitary patent protection <http://register.consilium.europa.eu/pdf/en/11/st11/st11328.en11.pdf> (*see press release [11831/11](#)*). Following negotiations with the European Parliament, a provisional agreement has been reached between the Council and the Parliament, which includes additional provisions for the benefit of the small and medium-sized enterprises (SMEs) in the future use of unitary patent protection.

The European Parliament is expected to vote on the two draft regulations for the creation of unitary patent protection and the applicable translation arrangements early in 2012.

FRAMEWORK PROGRAMME FOR RESEARCH AND INNOVATION: "HORIZON 2020"

The Council held a public debate on the new common strategic framework for research and innovation for the years 2014-2020, called "Horizon 2020". The debate followed a presentation by the Commission of the proposal issued on 30 November 2011 ([17932/11](#)).

"Horizon 2020" will be the continuation of the EU's 7th research framework programme (FP7), which runs until the end of 2013.

Ministers welcomed the overall architecture of the programme. They expressed preliminary views on the programme which is expected to eliminate fragmentation in this field and to ensure more coherence, including with national research programmes.

A number of features were highlighted for the purpose of promoting growth and tackling societal challenges, including:

- Major simplification through a simpler programme architecture, a single set of rules and less red tape;
- An inclusive approach open to new participants ensuring that excellent researchers and innovators from across Europe and beyond can participate;
- More support for innovation by providing seamless and coherent funding from idea to market, leading to a direct economic stimulus;
- A strong focus on creating business opportunities, in particular for SMEs, when addressing through science and innovation the major societal challenges;
- Synergies with other funding sources and instruments for research in Europe.

Horizon 2020 integrates into the current FP7 concept, the Competitiveness and Innovation Programme (CIP) and the European Institute for Innovation and Technology (EIT). It will be closely linked to major societal challenges such as health, food security, energy and climate change, etc., and will have strong links to cohesion policy as well as rural development.

The Commission proposed to allocate EUR 80 billion for the 2014-2020 period for the Horizon 2020 framework programme for the next EU multiannual budget.

In February 2011, the European Council called for the implementation of a strategic and integrated approach to boosting innovation and taking full advantage of Europe's intellectual capital, to the benefit of citizens, companies - in particular SMEs - and researchers, in the framework of the Europe 2020 strategy for creating growth and jobs.

PARTNERING IN RESEARCH AND INNOVATION- Council conclusions

The Council adopted the conclusions on partnering in research and innovation set out in [17427/11](#).

LAUNCHING OF FIVE RESEARCH JOINT PROGRAMMING INITIATIVES - Council conclusions

By means of conclusions, the Council launched the following joint programming initiatives:

- "Healthy and Productive Seas and Oceans";
- "Urban Europe - Global Urban Challenges, Joint European Solutions";
- "Connecting Climate Knowledge for Europe"
- "Water Challenges for a Changing World";
- "The Microbial Challenge – An Emerging Threat to Human Health".

The conclusions are set out in [17424/11](#).

8TH SPACE COUNCIL: BENEFITS OF SPACE FOR THE SECURITY OF CITIZENS

The meeting of the 8th Space Council between the EU and the European Space Agency (ESA¹) took place on 6 December, in the margins of the Competitiveness Council.

The Space Council held an exchange of views and approved orientations on the value and benefits of space for the security of European citizens.

During the debate, ministers shared national experiences and best practices in this field and assessed the contribution of space to the well being and security of European citizens. They also expressed views on further actions that should be taken at national and European level to maximise the benefits of space for civil society.

Ministers also took note of the outcome of the Third conference on space exploration that took place in Lucca, Italy, on 9 and 10 November.

After the debate, the EU Council adopted the resolution set out in [17828/1/11](#).

Following the 8th Space Council, EU ministers in charge of space matters took note of a presentation by the Commission of its communication about GMES (Global monitoring for environment and security) and its future operations from 2014 onwards ([17072/11](#)).

¹ <http://www.esa.int>

ANY OTHER BUSINESS

Industry

Shipbuilding industry - Situation and outlook

The Council took note of information provided by the Commission on the state of the European shipbuilding industry and its competitiveness ([17069/11](#)).

REACH system for chemical substances

- Substances of very high concern

The Council took note of a report by the Commission related to ongoing work on the candidate list of substances of very high concern, the uses of which will in the future become subject to authorisation ([17862/11](#)).

The Commission encouraged member states to actively participate in joint efforts to increase substitution of substances of very high concern by less dangerous substances, by proposing such substances for inclusion in the candidate list.

Authorisation is one of the two procedures laid down in the REACH regulation for limiting the use of dangerous chemical substances. Under this procedure only a small number of users will be allowed to use certain substances of very high concern, such as carcinogenic substances. An authorisation can only be obtained if the user can either show that he can adequately control the handling of the substance of very high concern or he can show that the socio-economic benefits outweigh the risks to human health or the environment caused by the use and that no suitable alternative exists. Substances for which use is subject to authorisation will, in accordance with REACH, eventually be substituted by less dangerous substances.

- Review of the system from the point of view of competitiveness

The Council also took note of concerns by the Czech and Slovak delegations as regards the impact of the REACH system on the competitiveness of the European chemical industry.

They called, in particular, for an assessment of the impacts on SMEs and of the compatibility of some REACH provisions with EU initiatives to cut red tape and for the results to be taken into account for the future review of the system.

The Commission is due to publish in June 2012 a general report on experience acquired in relation to the operation of the REACH regulation and, if necessary, to propose amendments.

The objectives of REACH are to ensure a high level of protection of human health and the environment, to increase the competitiveness of the European chemical industry and to promote innovation.

Standardisation reform

The Council took note of information provided by the Presidency on the progress made on a draft regulation aimed at modernising European standardisation ([16982/11](#)).

The purpose of the regulation is, *inter alia*, to streamline existing procedures for the adoption of harmonised standards by European standardisation organisations following Commission mandates.

A first ministerial debate on the reform of the standardisation system in Europe took place on 29 September 2011. Ministers expressed broad support for increasing the role of European standards, to benefit the EU economy, and agreed on the need to shape a standardisation model that would be adaptable to ever-changing conditions by making it more flexible.

The basis for discussions on the future reform was put forward by the Commission in the communication "A strategic vision for European standards" ([11471/11](#)) and the draft regulation on European standardisation ([11300/1/11](#)).

Tourism: Informal ministerial meeting - European forum

The Council took note of the outcome of the informal ministerial meeting and the European Tourism Forum that took place in Krakow, Poland, from 5 to 7 October 2011 ([17070/11](#)).

The ministerial discussion was organised around the title “Promotion of Europe in third countries: strengthening transnational cooperation between the European Commission, EU member states (and candidate countries) and their national tourism organisations, with the cooperation of the European Travel Commission”.

The theme of the forum was: "The stimulation of competitiveness in the tourism sector of Europe".

Two main competitiveness-related topics were discussed by European tourism stakeholders: “Consolidating the socio-economic knowledge base for tourism” and “Developing innovation and information and communication technologies in tourism”. The role of the “Virtual Tourist Observatory” and the “ICT and Tourism Platform” as strategic tools for developing tourism policy was also a central topic of discussion.

Lead markets initiative and innovation partnerships

The Council took note of the outcome of a policy seminar on the implementation of the lead markets initiative and European innovation partnerships, held in Warsaw on 26 and 27 October 2011 ([17071/11](#)).

The seminar focused on two items: the implementation of the lead markets initiative and its impact on the competitiveness of European industry and the Europe 2020 targets for the creation of growth and jobs; and the future of this initiative, which the Commission proposes to integrate into the new concept of European innovation partnerships.

<http://en.lmiwarsaw.pl/seminar.html>

Annual growth survey for 2012

At the request of the German delegation, the Commission made a concise presentation of its communication "Annual growth survey 2012", issued on 23 November ([17229/11](#)).

The annual growth survey for 2012 launches the 2012 European semester of economic governance. It is the basis for building the necessary common understanding about the priorities for action at national and EU level for the next twelve months, which should then feed into national economic and budgetary decisions.

Internal Market

Single Market Act - Services directive - state of implementation

The Commission briefed ministers on the state of implementation of the Single Market Act.

The Commission presented in April 2011 its communication on the "Single Market Act", which contains twelve priority actions to boost growth and strengthen confidence in the internal market and which should be adopted by the Council and the Parliament by the end of 2012.

Six proposals have already been submitted to the legislators (on a unitary patent system, standardisation, energy taxation, simplification of accounting directives, trans-European networks and alternative dispute resolution). Four proposals are to be submitted before the end of 2011 and the remaining two (on e-authentication/e-signature and posting of workers) will be presented during the first months of 2012.

The Commission also gave an update on the state of implementation of the directive on services. So far 24 member states have completed its transposition into national law.

Reform of EU state aid rules on services of general economic interest

The Council took note of concerns expressed by the French delegation regarding draft proposals for the revision of the 2005 state aid rules applicable to services of general economic interest ([17856/11](#)).

These concerns are related to the suitability of the draft proposals to achieve the objectives of simplification and clarification of existing rules and the appropriateness of the procedure chosen by the Commission.

These concerns were also expressed in a joint letter addressed by the authorities of Austria, Germany, Hungary, France, Luxemburg, the Netherlands and Spain to the Commission on 18 November 2011.

Intellectual property: reports on three files under examination

Ministers took note of the progress made on three files under examination by the Council preparatory bodies in the field of intellectual property:

- a draft directive on the protection of orphan works ([17864/11](#));
- a draft regulation for entrusting the Office for Harmonisation in the Internal Market with certain tasks related to the protection of intellectual property ([17865/11](#)); and
- a draft regulation concerning customs enforcement of intellectual property rights.

Consumer policy

The Council took note of presentations by the Commission on the following subjects:

- *consumer programme for 2014-2020*

Last November the Commission submitted a proposal for a draft regulation on a consumer programme for 2014-2020. The new consumer programme, with a proposed budget of EUR 175 million, will replace the 2007-2013 programme in the field of consumer policy.

- *Alternative Dispute Resolution and On-line Dispute Resolution*

The Commission made a presentation on two legislative proposals submitted on 29 November 2011: a draft directive on Alternative Dispute Resolution (ADR) and a draft regulation on On-line Dispute Resolution (ODR).

The objective is to create a common framework for ADR in the EU member states by setting out common ADR principles and stimulate the creation of ADR in those member states where it does not exist. Existing ADR should be able to continue to operate within that framework. In compliance with the ADR directive, the Commission also proposes an ODR mechanism involving the setting up of a European on-line dispute resolution platform (this will be an interactive website accessible electronically and free of charge in all languages of the Union).

ADR schemes, also known as "out-of-court mechanisms", have been set up across Europe to help citizens engaged in the resolution of disputes which they have been unable to resolve directly with the trader. These mechanisms have been developed differently across the EU, either publicly or privately, and the status of the decisions adopted by these bodies differ greatly.

Between 18 January and 15 March 2011 the Commission conducted a public consultation on this subject.

– *Consumer Market Scoreboard*

The Commission presented a summary ([17794/11](#)) of the sixth edition of the scoreboard "Making markets work for consumers", which was published last October ([15961/11](#)).

Started in 2008, the Consumer Market Scoreboard is the Commission's main tool for identifying potentially underperforming sectors in the single market.

The majority of the scoreboard data is supplied by a survey of 51 consumer markets, accounting for more than 60 % of the household budget (housing, education and most medical products and services are not covered).

Research

Euratom programme for nuclear research (2012-2013)

The Council took note of information by the Presidency on the next steps to finalise, before the end of 2011, the extension of the "Euratom programme 2012-2013" related to fusion energy research, nuclear fission and radiation protection.

The Euratom framework programme concerns research activities in nuclear energy (fusion and fission) and radiation protection. It is implemented by means of decisions establishing indirect and direct actions, and a regulation setting out the rules for the participation of undertakings, research centres and universities in indirect actions.

On 28 June, the Council agreed on a general approach for extending the Euratom framework programme for nuclear research for 2012 and 2013 ([12161/11](#)).

On 30 September, the Council agreed on a general approach for the rest of the Euratom package: two decisions concerning specific programmes and a regulation laying down the rules for participation.

Simplification of procedures in European research programmes

The Council took note of the recommendations formulated by the informal ministerial group on simplification, contained in its final report on simplification of rules and procedures in European research and innovation programmes ([17727/11](#)).

Active and healthy ageing - European innovation partnership

The Council took note of information from the Commission on the pilot project for a European innovation partnership on active and healthy ageing ([17658/11](#)) and its implementation plan ([17854/11](#)).

The European innovation partnership on active and healthy ageing is the first pilot of a new approach proposed by the Commission for the speeding-up of innovation and breakthroughs to address major societal challenges, in this case the challenge of the ageing of Europe's population.

Agricultural research on sustainable food production

The Council took note of information from the Hungarian delegation on the follow-up to the conference entitled "Transition towards sustainable food consumption and production in a resource constrained world" that took place in Budapest on 4 and 5 May 2011 ([17855/11](#)).

Cohesion policy

The Council took note of written information from the Commission on the complementarities of the future cohesion policy with other EU instruments and funding programmes ([17990/11](#)).

Work programme of the upcoming Danish presidency

The Danish delegation informed ministers about the Danish presidency's work programme on competitiveness for the first half of 2012.

In the field of internal market and industry, one of the top priorities will be the development of the twelve initiatives contained in the Single Market Act.

In the field of research, the Danish presidency will take forward the preparations for the framework programme for research and innovation "Horizon 2020".

OTHER ITEMS APPROVED

ENVIRONMENT

Additional greenhouse gases and activities by Italy

The Council decided not to oppose the adoption of a Commission decision concerning the unilateral inclusion by Italy of additional greenhouse gases and activities in the scheme for greenhouse gas emission allowance trading within the Union ¹ ([16132/11](#)).

The Commission decision is subject to the so-called regulatory procedure with scrutiny. Now that the Council has given its consent, therefore, the Commission may adopt it, unless the European Parliament objects.

Storage of metallic mercury

The Council adopted a directive regarding specific criteria for the storage of metallic mercury considered as waste ([16085/11](#)).

The directive amends directive 1999/31/EC on the landfill of waste. Member states will have to comply with the provisions of this directive by 15 March 2013.

APPOINTMENTS

Committee of the Regions

The Council appointed Ms A.E. (Anne) BLIEK-DE JONG, Mr J.C. (Co) VERDAAS, Mr P.G. (Piet) DE VEY MESTDAGH, Mr W.B.H.J. (Wim) VAN DE DONK, Ms W.H. (Hester) MAIJ and Mr R.E. (Ralph) DE VRIES, (The Netherlands) as members of the Committee of the Regions for the remainder of the current term of office, which runs until 25 January 2015. ([17667/11](#))

¹ OJ L 275, 25.10.2003.