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NOTE

From:	Permanent Representatives Committee (Part 1)
To:	Council
No. prev. doc.:	8506/16 RECH 116 COMPET 195 MI 280 POLGEN 33
Subject:	Draft Council conclusions on Research and Innovation friendly regulation - Adoption

1. As the Dutch Presidency considers Research and Innovation friendly regulation as one of its priorities in the R&I area, it has proposed draft Council conclusions on the issue. The draft conclusions have been discussed by the Research Working Party on 11 and 21 March and 18 April 2016 as well as jointly by the Research and Competitiveness and Growth Working Parties on 4 May.
2. The Permanent Representatives Committee, at its meeting on 11 May 2016, examined these draft conclusions, resolved the remaining open issues and agreed to forward the draft conclusions to the Council (Competitiveness) of 26-27 May 2016 for adoption.
3. The Council (Competitiveness), at its session of 26-27 May 2016, is therefore called upon to adopt the conclusions as set out in the attached text.

DRAFT COUNCIL CONCLUSIONS
'RESEARCH AND INNOVATION FRIENDLY REGULATION'

The Council of the European Union,

Creation of a research and innovation-friendly environment

1. REITERATES the importance of attracting investments and creating maximum impact on jobs, growth and addressing societal challenges; ACKNOWLEDGES that Europe's ability to attract and mobilise private investments requires a sound regulatory framework conducive to research and innovation.
2. ACKNOWLEDGES the findings of the Commission Staff Working Document “Better regulations for innovation-driven investment at EU level” and AGREES that unnecessary legal barriers, non-supportive, unclear or unpredictable regulatory frameworks, shortcomings in implementation and regulatory gaps are *inter alia* the bottlenecks hampering research and innovation within the EU.
3. STRESSES the need for effective research and innovation policies, better regulation and regulatory frameworks, including an effective intellectual property rights regime, which are future-proof, more goal-oriented and technology neutral, foster research and innovation and avoid imposing unnecessary burdens on innovative businesses, including SMEs, and other research and innovation actors.
4. STRESSES that, when considering, developing or updating EU policy or regulatory measures, the 'Innovation Principle' should be applied, which entails taking into account the impact on research and innovation; and CALLS upon the Commission, together with Member States, to further determine its use and to evaluate its potential impact¹.

¹ The Council recalls the precautionary principle.

5. CALLS on the Commission, in cooperation with Member States, in the context of the ‘Better Regulation Agenda’ and the use of the REFIT platform (i) to take a forward-looking regulatory approach, starting on a case-by-case basis from business opportunities to ensure EU regulatory frameworks that are more conducive to research and innovation, (ii) to use all possibilities under the existing legislation to facilitate investments in research and innovation, and (iii) to make an inventory and to publish a list of regulations that cause bottlenecks, every two years. Furthermore, Member States should consider reviewing their own national frameworks and implementation of EU law to facilitate investments in research and innovation.
6. INVITES the Commission to explore options for alignment and greater coherence of the rules of Horizon 2020 and of the European Structural Investment Funds for investments in research and innovation within their respective roles, and, where possible, with state aid rules so that they support research, development and innovation, and also taking into account the context of global competitiveness of research and innovation.
7. INVITES the Commission and Member States, in view of rapid technological developments, increasing digital possibilities and new business models, to explore room for experimentation under existing legislation in order to speed up scaling-up innovative solutions, such as pilot lines and demonstrators. Furthermore, invites the Commission and Member States to foster demand-driven innovation policy, including pre-commercial procurement and public procurement of innovation.

8. CALLS on the Commission, in cooperation with Member States, to develop and implement new non-legislative tools at EU level; to further develop and implement a pilot for the envisaged tool of 'Innovation Deals'², and to assess and evaluate the results of that pilot before mid 2018; to be a pro-active partner together with stakeholders and national/regional authorities in addressing existing regulatory bottlenecks at EU level that hamper research and innovation, in order to provide legal clarity, enable investments in research and innovation and facilitate the development and deployment of innovative solutions, and CALLS on the Commission to investigate how the main EU trading partners and global competitors are removing barriers to innovation.
9. CONSIDERS that more should be done to boost Europe's economies, foster research and innovation and increase Europe's attractiveness for startup founders. INVITES the Commission, in cooperation with interested Member States, to explore whether, and, if so, how a European startup visa scheme would be of added value at EU level, could boost cross-border expansion of startups and EU's attractiveness for innovators, while respecting national competences and including the necessary safeguards.
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² Described in the Commission Staff Working Document 'Better Regulation for Innovation driven Investments at EU level' of 15.12.2015.