



COMPETITIVENESS COUNCIL

Brussels, 26 and 27 May 2016

On 26 May, the session will start at 14.00 with industry and internal market affairs and will have a specific focus on the **digital single market**.

Before the session, ministers for competitiveness will have a joint lunch debate with ministers responsible for telecommunications on different aspects of the **digital single market strategy**.

In this context, the Council will be invited to agree, in public deliberation, on a general approach on a draft regulation aimed at ensuring cross-border **portability of online content services** in the internal market. It is also due to adopt, without discussion, conclusions on **digital single market technologies and public services modernisation**.

The fourth edition of the "**competitiveness check-up**" will allow delegations to put forward priorities and to respond to urgent issues and developments of the real economy. It will include an exchange of views on the theme "productivity of services and impact of digitalisation".

Moreover, the Council will take note of the state of play on a new proposal aimed at reviewing the **posting of workers directive**. The Commission's proposal received a yellow card because national parliaments of 11 member states submitted subsidiarity concerns. The Commission is currently reviewing the proposal.

Finally, the Council will discuss **better regulation to strengthen competitiveness** with a view to adopting conclusions.

In the evening, ministers responsible for space policy will exchange views on stimulating **the uptake of space data** from European space programmes, in order to contribute to growth and jobs and to find solutions for societal challenges.

¹ This note has been drawn up under the responsibility of the press office.

On 27 May, the session will be conducted in public. It will deal with research and innovation policy issues. It will open at 9.30 with an invitation to adopt two sets of Council conclusions related to the evaluation of the **7th framework programme for research (FP7) and the future outlook** and the creation of a friendly regulatory **environment for research and innovation**.

Following the adoption of conclusions on the transition towards an **open science system**, the Council will discuss the next steps in the transition towards open science.

At the informal working lunch, ministers will exchange views on the state of the **European Research Area (ERA)** and the implementation of national ERA roadmaps.

The meetings will take place, respectively, under the chairmanship of **Henk Kamp**, Minister of Economic Affairs, and **Sander Dekker**, State Secretary of Education, Culture and Science, of the Netherlands.

Press conferences:

- Thursday 26 May (internal market - industry - space policy): +/-20.30.
- Friday 27 May (research and innovation): +/-13.00.

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Video streaming of press conferences and public events: <http://video.consilium.europa.eu>

Video coverage in broadcast quality (MPEG4) and photo gallery: www.eucouncil.tv

INTERNAL MARKET AND INDUSTRY

Competitiveness check-up: impact of digitalisation on productivity - scoreboard

The "competitiveness check-up" allows ministers to put forward priorities and respond to urgent issues and developments in the real economy.

The ministerial exchange of views will focus on the impact of digitalisation on productivity, with a focus on the services sector. The debate will take place on the basis of a presentation by the Commission.

The Council will also take note of the progress made in preparations for the establishment of a competitiveness scoreboard. The scoreboard will be a helpful tool designed to better monitor developments in the field of competitiveness.

The competitiveness check-up exercise was launched last year. It established a new and regular working method aimed at improving the role of the Competitiveness Council as regards the analysis of horizontal and sectoral economic issues as well as the monitoring of competitiveness mainstreaming.

In practice, it is based on a presentation by the Commission of the latest figures and trends related to micro-economic issues, with ministers being invited to respond and provide input on possible implications for EU companies and citizens.

Competitiveness mainstreaming: the digital single market

"Competitiveness mainstreaming" allows ministers to discuss the competitiveness of the European economy with regards to proposals that are not entirely or not directly under the remit of the Competitiveness Council.

The Netherlands presidency will take this opportunity to present a summary of the joint informal lunch of ministers responsible for telecommunications and competitiveness of 26 May, which will be held just before the start of the Competitiveness Council session.

The lunch debate will focus on the digital single market. It will be structured by means of a presidency paper which contains an overview of the state of play of all the different initiatives related to the digital single market ([8952/16](#)).

Commission Vice-President Ansip is expected to provide member states with a brief update on the state of play of the digital single market strategy initiatives. Afterwards, ministers will be invited to express views on the following questions:

- *What are your key criteria or objectives for the Strategy in assessing your national position on the Commission's initiatives?*
- *How can the Council, Member States, and the Commission effectively implement the Strategy, and which factors may hamper, in your view, a smooth and timely realisation of the digital single market?*

The Netherlands presidency aims to ensure an efficient implementation of the strategy and to maintain a high degree of ambition.

Preparatory work within the Council has mainly focused on horizontal conditions that can be considered essential elements for a common European approach, such as:

- Timeliness of actions to capture all benefits of digitisation as quickly as possible.
- Delivering all of the initiatives, given that the full package is needed in order to make a true difference, particularly, but not limited to, through ensuring the best possible infrastructure is in place for digital innovations to reach businesses and consumers.
- Balancing diverging national situations to obtain a European level playing field.
- Aligned national efforts to increase the efficiency of programmes to stimulate innovation, by allowing industry to benefit from substantial support.
- Establishment of a future-proof regulatory framework which is simple, effective and provides legal certainty.

Portability of digital content

In a public session, the Council will be invited to reach agreement on a general approach on a draft regulation aimed at ensuring the cross-border portability of online content services in the internal market ([8939/16](#)).

The agreement will enable the Council to start negotiations with the European Parliament, once the Parliament has set its negotiating position.

The regulation will allow consumers who have subscribed to or acquired online content such as music, games, films or sporting events to access that content not only in their country of residence but also when they are temporarily present in another EU country for purposes such as holidays, travel or business trips.

The technological development leading to a proliferation of portable devices such as tablets and smartphones increasingly facilitates the use of online content services by providing access to them regardless of the consumers' location. There is a rapidly growing demand on the part of consumers for access to content and innovative online services not only in their home country but also when they are temporarily abroad.

Therefore, barriers that hamper access to and use of such online content services within the single market will be eliminated.

Under the general agreement, the regulation would only apply to online content services which are provided against payment of money. Providers of such services would be able to verify the country of residence of their subscribers.

Discussions in the Council preparatory bodies have focused mainly on two main issues:

- the meaning of "temporarily present" in another member state, which is key for the application of the new rules, and
- the verification obligation by service providers of the subscribers' country of residence.

The Commission presented the original [proposal](#) in December 2015. It is among the first initiatives of the Digital Single Market strategy put forward with the objective of creating an internal market for digital content and services.

Digital single market technologies and public services modernisation

Without discussion (as an "A item"), the Council is due to adopt conclusions on the Digital Single Market and Public Services Modernisation package ([8735/16](#)).

On 19 April 2016, the Commission presented the [Digital Single Market and Public Services Modernisation package](#). The package contains a set of measures to support and link up national initiatives for the digitisation of industry and related services and to boost investment through strategic partnerships and networks. It consists of four communications:

1. digitising European industry (with an accompanying document on the internet of things)
2. ICT standardisation priorities for the digital single market
3. European cloud initiative (with accompanying documents on high performance computing and quantum technologies)
4. EU e-Government action plan for 2016-2020

With the adoption of the Digital Single Market and Public Services Modernisation package, the Commission plans to mobilise over €50 billion of public and private investment in support of the digitisation of industry. The objective of the communication on Digitising European Industry is to support the digitisation of industry in order to make it globally competitive, including setting up a governance framework with member states and industry to help coordinate national and regional initiatives.

The Digital Single Market and Public Services Modernisation package is the first part of the [Digital Single Market strategy](#), which was submitted by the Commission in May 2015, focusing on the needs of industry.

The ICT standardisation priorities include 5G, cloud computing, internet of things, data technologies and cybersecurity.

With the European cloud initiative, the Commission plans to create a new European science cloud that will give Europe's 1.7 million researchers and 70 million science and technology professionals a virtual environment to store, manage, analyse and re-use their data across disciplines and borders.

Finally, the e-Government action plan establishes 20 measures to be launched by end-2017 to modernise digital public services across the EU, including setting up a digital single gateway enabling users to obtain information and assistance to operate efficiently across borders or helping EU member states to develop cross-border e-health services.

The European Council stressed in June 2015 that digital technologies bring immense opportunities for innovation, growth and jobs and that action must be taken on key components of the Digital Single Market strategy, including ensuring effective investment instruments and improving the innovation climate. In its February 2016 Declaration on competitiveness, the European Council further stated that Europe must boost its international competitiveness in key areas such as the digital single market.

In June 2016, the European Council is expected to adopt an Agenda for the implementation of all aspects of the single market, including delivery of the Digital Single Market strategy.

Better regulation to strengthen competitiveness

Following a policy debate on better regulation to strengthen competitiveness, the Council will be invited to adopt conclusions on this subject.

The debate will be based on a presidency paper with a questionnaire (8551/16).

Ministers will have the opportunity, together with Vice President of the Commission Frans Timmermans, to take stock of the progress made so far in the better regulation agenda since it was launched in May 2015, and to discuss the way forward, in particular with a view of making the approach to better regulation more future proof and enabling for innovation.

The conclusions will address four key aspects:

- a future-proof and innovation-friendly legislation
- impact assessment and quantification of costs and benefits
- reduction targets in burdensome areas
- better regulation and SMEs

In its conclusions of 20-21 March 2014, the European Council stated that "...Europe needs a strong and competitive industrial base, in terms of both production and investment, as a key driver for economic growth and jobs. Competitiveness requires a stable, simple and predictable environment, including better regulation and in particular an ambitious [REFIT programme](#)".

Review of the posting of workers directive

The presidency will inform the Council ([8664/1/16](#)) about the state of play on the recent [Commission's proposal to revise the 1996 posting of workers directive](#).

The targeted revision of directive 96/71/EC seeks to address current unfair practices and to promote the principle that the same work at the same place should be remunerated in the same manner.

The EPSCO (employment and social affairs Council) is the leading Council configuration responsible for the examination of the file.

Posting of workers plays an essential role in the internal market, particularly in the cross-border provision of services. Directive 96/71/EC regulates three variants of posting:

- the direct provision of services by a company under a service contract
- posting in the context of an establishment or company belonging to the same group ('intra-group posting')
- posting through hiring out a worker through a temporary work agency established in another member state.

The EU treaty establishes the right for companies to provide their services in other member states.

SPACE POLICY

Uptake of space data from European space programmes

The Council will exchange views on the uptake of space data from European space programmes.

The results of the discussion will be a valuable input for the forthcoming Commission initiative “A Space Strategy for Europe”, to be issued in autumn this year.

On the basis of a presidency document ([8508/16](#)), ministers will be invited to express views on:

- the most significant challenges and barriers preventing the optimal uptake of space data
- the most promising actions that could be taken at European and national levels
- the actions that should be prioritised in the upcoming Space Strategy for Europe

Space data refers to data and information produced by a.o. Copernicus and signals stemming from the European satellite navigation programmes (Galileo and EGNOS). These data can produce valuable contributions to numerous markets, particularly when coupled with data and information from other terrestrial sources and ICT solutions.

New initiatives with the use of space data are arising gradually. The wide potential of the use of space data, services and applications is technically proven but not necessarily well integrated in other policy domains outside the space domain.

The presidency document identifies benefits, challenges and barriers to the uptake of space data by using illustrative themes in the domains of agriculture, air quality and automated transport.

In addition, the presidency has collected best practices and inspiring ideas from member states.

Space data, applications and services, coupled with the rapid development of the digital economy, offer enormous potential benefits for more effective and efficient public policies, as well as opportunities for science, the private sector and society.

European companies and users in general should be able to reap the benefits of the large public investments made over several decades into European space programmes.

In this way space can contribute to sustainable growth, jobs and tackling societal challenges in the EU. In addition to the investments in upstream space infrastructures, investments in downstream developments are also necessary to demonstrate the important role of space in achieving the key objectives of the EU policies and for paying off the investments made.

Under the auspices of the Netherlands presidency, the fourth edition of the [European Space Solutions](#) conference will take place in The Hague from 30 May to 3 June 2016. It is a major conference that will bring together business and the public sector with users and developers of space-based solutions.

Participants will learn about new innovations that harness information from the European flagship space programmes, [Galileo](#) and [EGNOS](#) (satellite navigation) and [Copernicus](#) (Earth observation), and the EU's [Horizon 2020](#) research programme, for a wide range of applications, gather insights about current developments, and discuss what is possible and needed in the future.

RESEARCH AND INNOVATION

Open science

The Council will hold a policy debate and will be called upon to adopt conclusions on the transition towards an open science system ([8791/16](#)).

The debate will be structured by means of a background document tabled by the presidency ([8507/16](#)), which will invite ministers to put forward key elements on open science.

The conclusions will address key aspects on open science, in particular:

- Open access to scientific publications
- Optimal reuse of research data

The development of an open science system is a top priority for the Netherlands presidency, which is committed to open access to scientific publications and the best possible re-use of research data, and it seeks to accelerate the transition this requires.

Open science involves moving from a system in which it is difficult to access and locate the results of scientific research to one that openly disseminates results to all kinds of users, such as researchers, knowledge institutions, companies, patient organisations, teachers, students, farmers and citizens in general.

The presidency considers that the transition to open science requires support from stakeholders, especially researchers, but member states must also be actively involved. The EU has to set common goals, but each member state will follow its own course during the transition, because the research and innovation system is different in each of them and responsibilities throughout these systems are different as well. In order to follow the progress of the transition regular monitoring should be ensured by the Competitiveness Council.

The "[Amsterdam Call for Action on Open Science](#)" was the main result of the conference "Open science: from vision to action" hosted by the Netherlands presidency on 4 and 5 April 2016.

This document reflects the present state of open science and puts forward twelve actions to pave the way for the transition towards open science, grouped around five crosscutting themes that follow the structure of the [European Open Science Agenda](#) proposed by the Commission.

The communication on a "European Cloud Initiative" released on 19 April 2016 presents the plan for building a world class cloud and data infrastructure for science and engineering that will provide scientists and engineers in the EU with wide computing and data handling capacity. It is accompanied by two staff working documents on high-performance computing and on quantum technologies.

Friendly environment for research and innovation

The Council is due to adopt conclusions on the creation of a research and innovation-friendly regulatory environment ([8675/16](#)).

The establishment of framework conditions for research and innovation is a part of the development of the Better Regulation Agenda and of the EU's efforts for more jobs, growth and investment.

In December 2015, the Commission issued a working document titled "Better regulations for innovation-driven investment at EU level" ([15392/15](#)).

The document acknowledges that there is no simple relation between research and innovation and the regulatory environment due to the large number of systemic factors affecting research and innovation. Therefore it highlights the need to evaluate the impact of existing or proposed legislation on research and innovation.

The document also identifies a number of barriers to research and innovation in existing legislation applicable to specific sectors at EU level.

The Netherlands presidency conducted a discussion on framework conditions for research and innovation at the [informal meeting of research ministers](#) on 27 January 2016.

At this meeting, ministers discussed several key subjects on innovation, including the “innovation principle”, whereby all new European legislation must be evaluated in terms of its impact on research and innovation.

7th framework programme for research (FP7): final evaluation and future outlook

The Council is due to adopt conclusions on the evaluation of the EU's 7th framework programme for research (FP7) and the future outlook for research and innovation investments for growth, jobs and solutions to societal challenges ([8785/16](#)).

The final evaluation and lessons learnt of the FP7, which was running from 2007 to 2013, provides valuable findings to improve the implementation of the current Horizon 2020 framework programme for research (2014-2020) in the context of its mid-term review due by December 2017. It also shows that FP7 had substantial and concrete impact on science, society and economy.

In a longer-term perspective it is also of paramount importance for the design and implementation of future EU research and innovation framework programmes.

The decision that established the FP7 required carrying out an ex-post evaluation by independent experts of the FP's rationale, implementation and achievements two years following the completion of the programme.

The [evaluation report](#) was released in November 2015 and raised five key recommendations to strengthen Europe's position as a hub of global innovation and knowledge generation:

- (a) Ensure focus on critical challenges and opportunities in the global context
- (b) Align research and innovation instruments and agendas in Europe
- (c) Integrate the key components of the research framework programmes more effectively
- (d) Bring science closer to the European people
- (e) Establish strategic programme monitoring and evaluation

The Commission replied to the report findings in a [communication adopted on 19 January 2016](#).

The Netherlands presidency launched a first discussion on the topic at the informal meeting of ministers responsible for research in Amsterdam on 27 January. The discussion focused on the importance of investing in excellent research and innovation, as well as the impact of cross-border cooperation through framework programmes.

The text of the Council conclusions will take into account the outcome of this discussion and will note that the €55 billion FP7 has proved to be effective in boosting excellent science, strengthening Europe's industrial competitiveness, contributing to jobs and growth and addressing societal challenges.