



**COUNCIL OF
THE EUROPEAN UNION**



12487/04 (Presse 269)

PROVISIONAL VERSION

PRESS RELEASE

2605th Council Meeting

Competitiveness (Internal Market, Industry and Research)

Brussels, 24 September 2004

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12487/04 (Presse 269)

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Main Results of the Council

The Council reached a political agreement on the **Phthalates Directive** and on the **Machinery Directive**.

The Council adopted conclusions on **industrial policy and structural change, the evaluation of the new instruments of 6th Framework Programme and the future European Union policy to support research, and on nanotechnologies**.

The Council held an exchange of views on **the simplification of the legislation and better regulation** and on the state of **implementation of the Internal Market legislation**. It took note of the information given by the Presidency on the **general economic situation in Europe**.

The Council discussed on possible scenarios and lines to take concerning **ITER** international negotiations.

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- The documents whose references are given in the text are available on the Council's Internet site <http://ue.eu.int>.
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Mr Olli REHN

Mr Frederik BÖLKESTEIN

Mr Louis MICHEL

Member

Member

Member

ITEMS DEBATED

ECONOMIC SITUATION AND COMPETITIVENESS

The Council took note of the information given by the Presidency on the economic situation and competitiveness in Europe. In particular, the Presidency informed the Council on the exchange of views held during the Presidency dinner on the eve of the Council.

Discussions centered largely on competitiveness trends in the respective Member States on preliminary information on the midterm review of the Lisbon process and on the Services Directive which will be taken forward at the next Competitiveness Council in November.

INDUSTRIAL POLICY AND STRUCTURAL CHANGE - *Council conclusions*

Following to an exchange of views on the Commission's Communication "Fostering structural change: an industrial policy for an enlarged Europe", the Council adopted the following conclusions:

"THE COUNCIL OF THE EUROPEAN UNION,

1. RECALLING

- the conclusions of the Lisbon European Council of March 2000 which set the strategic goal for the European Union to become the most competitive knowledge-based economy in the world by 2010;
- the Commission Communication "Fostering structural change: an industrial policy for an enlarged Europe"¹;

2. RECOGNISES that intrasectoral and cross-sectoral structural change is needed to boost European competitiveness and productivity growth;

3. ACKNOWLEDGES that structural change implies a reallocation of resources into economic activities with growth potential for productivity, value-added and job creation, i.e. knowledge-intensive activities based on innovation, human skills and better use of technology. The momentum generated by enlargement of the Union should be used to facilitate structural change, especially by means of exploitation of the four freedoms of the Internal Market;

CALLS ON THE COMMISSION AND MEMBER STATES WITHIN THEIR RESPECTIVE COMPETENCIES TO

4. Facilitate structural change and enhance productivity growth by creating the framework conditions in which Europe's enterprises can compete, prosper and grow into excellent global players. Such a favourable business environment requires an efficient and effective regulatory framework including, where appropriate, social dialogue; a vibrant, competitive, and barrier-free Internal Market for goods and services, human capital with a high level of skills and knowledge, capital markets accessible by enterprises of all sizes, modern communications, energy and transport infrastructure, and public policies favourable to research, innovation, and entrepreneurship;

¹ COM(2004) 274 final.

5. Drive forward the ongoing work¹ on Better Regulation in the framework of the Inter-Institutional Agreement on Better Lawmaking and reinforce the competitiveness dimension of the integrated impact assessment process, which covers all three dimensions of sustainable development, by evaluating the cumulative impact of existing legislation on the competitiveness of industry and of specific industry sectors, and by developing a method for measuring administrative burden on business;
6. Pursue industrial competitiveness through better exploiting synergies between policies. Such policies, while still meeting their own objectives, should ensure that they contribute towards enhancing industry's competitiveness;
7. Deepen the analysis of Community policies' impact on industry's competitiveness and adjust them where necessary so that, while pursuing their own objectives, they improve their contribution to industrial competitiveness and structural change. Trade policy, competition policy, research and innovation policy, cohesion policy, and environment policy are priorities;

The following actions, inter alia, are considered important:

In the domain of trade policy

- Pursue, at both multilateral and bilateral level, the opening of third markets to Community products, in line with the agreements entered into with our trading partners, especially in the WTO framework;
- Develop more open and outward-looking policies so that the EU economy is more open to trade, particularly through the multilateral process and enhancing the economic relationship with its largest trading partners; this shall not prevent the EU from using existing legal instruments to maintain a level playing field;
- Monitor the opening up of markets in line with the agreements entered into by our trade partners;
- Extend single market rules and EU standards internationally in trade negotiations.

In the domain of state aid policy

- Develop simplified rules and procedures for aids of lesser concern, including innovation, research or SME support;

¹ See the May Council conclusions on "Better Regulation"; and the Presidency progress report on simplification of Community legislation (12339/04).

- Ensure the swift adoption, planned for next year, of a specific Communication on state aid for innovation;
- Ensure the revision in 2005 of the Community framework for State aid to research and development;
- Ensure the revision of the Communication on State aid to risk capital in 2005;
- Pay due attention to competitiveness in a future review of the regional aid guidelines;

In the domain of research, development and innovation policy

- Further analyse the potential for the development of Technology Platforms at a European level;
- Pay particular attention to improving the relevance of innovation and public research programmes to industry requirements, especially in the preparation of the 7th Framework Programme for Research and Development, and facilitating and encouraging participation of SMEs in the current and future Framework Programmes;
- Further develop actions following the 3% Action Plan concerning the financing instruments for research and innovation, IPRs, links and technology transfer between public research and industry, public–private partnerships, and research– and innovation-friendly public procurement;
- Ensure the adoption of the Innovation Action Plan;

In the domain of cohesion policy

- Accompany the process of structural change and support regional innovation initiatives by taking better account of competitiveness aspects in current cohesion programmes;
- Ensure that Cohesion policy, notably through the structural funds, supports structural change and adopts a forward-looking approach by encouraging competitiveness and innovation;

In the domain of environment policy

- Creating the conditions for sustainable production and strengthening the partnership between public authorities and the private sector and stakeholders with a double aim: better integrating business in the preparation of environmental measures relating to production systems, and promoting business commitment in implementing such measures;
- Promoting clean and energy-efficient technologies and creating public-private management structures for specific, jointly defined projects. Furthermore, public procurement ought to play a very important role in the development of clean and energy-efficient technologies by stimulating and facilitating new markets;
- Carry out a sectoral analysis of the eco-industry in the enlarged Europe, taking into account the ETAP proposals, which would assess the international competitiveness of the sector, its growth potential as well as barriers to its development in line with the sustainable development principles;
- Further consider cost-effective ways of implementing EU decisions in the field of climate change, and the potential cost of inaction, in particular medium and longer term emission reduction strategies, including targets, on the basis of a cost benefit analysis prepared by the Commission, taking account both of environmental and competitiveness considerations;

The Council looks forward to receiving the Commission's first analyses of the impact of Community policies that have a significant role in fostering structural change;

NOTES THAT

8. Whilst industrial policy is horizontal in nature, it should be applied by taking into account the different characteristics of individual sectors. The Council therefore: LOOKS FORWARD to further sectoral analyses and, if necessary, initiatives that the Commission is launching - notably in the automobile industry, mechanical engineering, information and communication technology and eco-industries;

SUPPORTS the Commission's method for such initiatives, beginning with a detailed analysis of the sector's competitiveness, followed by a wide-ranging consultation of all the stakeholders concerned, and only then considering what mix of policy tools could be adapted to foster structural change, in a framework of open markets and competition;

SUPPORTS TO

9. Build on existing initiatives and further strengthen efforts to monitor structural change within Member States and across the European Union;

CALLS ON MEMBER STATES TO

10. Share and exchange on a regular basis experiences and best practices on how they anticipate, monitor, and above all, facilitate structural change, applying and taking greater advantage of the open method of coordination;
11. Endorse the approach to industrial policy set out by the Commission in the relevant communications¹, and ensure a maximum of coherence between policies at national and European level as well as between national policies;
12. Improve framework conditions for business within their own competence, especially in the areas of
 - Better Regulation through the wider use of impact assessment, simplification of national legislation and the reduction of administrative burden on companies, and the use of alternatives to regulation where appropriate;
 - Human capital by investing in life-long learning and skill development, by encouraging a stronger alignment of research priorities with business needs, and by setting the right incentives for education, training and research to complement efforts made at European level to promote entrepreneurship, innovation and research excellence."

¹ "Industrial Policy in an enlarged Europe", doc.5078/03 - COM (2002) 714 final; "Some Key Issues in Europe's Competitiveness - Towards an Integrated Approach", doc. 15287/03 - COM (2003) 704 final; "Fostering structural change: an Industrial policy for an enlarged Europe", doc.8875/04 - COM (2004) 274 final.

MACHINERY

The Council unanimously reached a political agreement on a draft Directive on technical harmonisation for machines and amending Directive 95/16/EC¹. After finalisation of the text and renumbering of Annex I, the Council will adopt formally its common position at one of its forthcoming meetings and it will send it to the European Parliament for second reading.

This legal text is aimed at simplifying the approval and testing procedures, and at updating the technical prescriptions, extending inter alia the scope of the Directive to portable cartridge devices and to construction site lifts.

¹ Official journal n° L 213 du 07/09/1995 p. 0001 - 0031

PHTHALATES¹

The Council unanimously reached a political agreement on a draft Directive aimed at restricting the use of certain phthalates in toys and childcare articles amending Directive 76/769/EEC². After finalisation of the text, the Council will adopt formally its common position at one of its forthcoming meetings and it will send it to the European Parliament for second reading.

The Council took note of the written statement by the Commission on the implementation of certain provisions of this draft Directive and of the oral statement by the Danish delegation on its general position in relation to this legislative proposal.

On the basis of the text agreed on by the Council toys and childcare articles containing DEHP, DBP and BBP³ cannot be placed on the market if those substances are used in preparations of greater than 0.1% in the plasticised material. Toys and childcare articles where DINP, DIDP and DNOP⁴ have been used will be forbidden only if 1) those articles are intended for children under three years, 2) can be placed in the mouth of them and 3) the above mentioned substances are used at concentrations of greater than 0.1% in the plasticised material.

The measures proposed are based on the precautionary principle and therefore they will be subject to review in the light of new scientific data. The Commission, in co-operation with the Member State authorities responsible for market surveillance and enforcement for toys and childcare articles, and in consultation with the relevant organisations of producers and importers, shall monitor the use of phthalates and other substances as plasticisers in toys and childcare articles.

¹ Some phthalates are used to soft PVC in childcare articles and toys

² Official Journal n° L 262 du 27/09/1976 p. 0201 - 0203

³ DEHP= bis (2-ethytxyl); DBP= dibutyl phthalate; BBP= benzil butyl phthalate

⁴ DINP= di-“isononyl”phthalate; DIDP= di-“isodecyl” phthalate; DNOP= dioctyl phathlate

BETTER REGULATION – SIMPLIFICATION OF LEGISLATION

The Council took note of the Presidency's Progress report on Better regulation and Simplification of legislation on the basis of which it held a policy debate. The Council welcomed progress achieved so far towards identifying those legislative areas which offer the greatest scope for simplification and endorsed the approach outlined by the Presidency for taking work forward with a view to preparing a draft priority list for the Council to consider at its session in November 2004.

Better regulation and, more particularly, simplification of legislation has long been high up on the EU agenda. The Interinstitutional Agreement on better law-making and the Commission's Action Plan of 2002 are two important expressions of the importance of these issues which over time have become more and more linked to the efforts to improve the competitiveness of the European industry. The 2004 Spring European Council pointed to the importance of better regulation at both European and national levels for enhancing competitiveness and stated its intention to return to this issue at its November 2004 meeting.

The Competitiveness Council of 17/18 May 2004 adopted Conclusions committing itself to consider priority areas for simplification in September with a view to agreement at the end of the year (i.e. at its meeting on 25/26 November 2004).

IMPLEMENTATION OF INTERNAL MARKET LEGISLATION

The Council took note of the presentation by Commissioner Frits Bolkestein of the 2004 Scoreboard on the implementation of Internal Market legislation¹ and the Commission's Recommendation setting out a number of best practices that are currently used in the Member States to facilitate the correct and timely transposition of Internal Market directives into national law.

Following the exchange of views, the Presidency concluded that the Council recognised the need to intensify the efforts by the Member States in order to reduce the internal market transposition deficit to 1,5% or below as requested by the Stockholm European Council in March 2001. The Council encouraged Member States to examine which are the main obstacles to timely and correct transposition in their internal systems and to continue their work on the basis of the best transposition practices identified by the Commission taking due account of the national constitutional and legal rules.

A High Level Group within the Council will be in charge of coordinating the different actions to be taken by Member States and to produce a short summary report for the next Competitiveness Council meeting in November 2004.

¹ See: SEC (2004) 956 at http://europa.eu.int/comm/internal_market/score/index_en.htm

SALES PROMOTIONS

The Council had a short debate on the proposal for a Regulation concerning sales promotions in the Internal Market.

The Presidency concluded that, it being impossible to reach agreement at this stage, the file should be referred back to the Committee of Permanent Representatives for further examination with a view to enabling the Competitiveness Council to reach an agreement at its meeting of 25 and 26 November.

ITER

Following the exchange of views, the Presidency concluded as follows:

"The Council had an exchange of views on the line to take in the international negotiations on ITER, on the basis of information from the Commission. The Commission is encouraged to pursue actively these negotiations with a view to enabling the Council, at its session of 25 and 26 November 2004, to reach agreement on the main elements of the future international agreement on ITER.

Moreover, the Presidency notes, that during this exchange of views:

- The Council reaffirmed its strong support to the current efforts undertaken by the Commission to find a solution in the negotiations with the international partners for the still unsolved question of the host site of ITER, and to the European candidate, Cadarache, bearing in mind its advantageous position both from the scientific and environmental point of view.
- Because of the global importance of fusion research, there is a consensus that international cooperation should be on the broadest possible basis and involve as many partners as possible. It would be advantageous to pursue a broader approach and the fast track method involving an accompanying programme of research and technological development such as materials research, in addition to ITER, as the means for advancing fusion research.
- With a view to enabling the rapid commencement of the ITER project on the European site in line with the European Council conclusions of March 2004, the Council has invited the Commission to:
 - elaborate a clear roadmap in respect of the final phase of the international negotiations;
 - take every initiative, also counting on Member States' support, to explain Europe's proposal and its position to its partners and make a strong effort to preserve the global character of the project;
 - examine the respective financial implications of the possible scenarios for ITER and related activities, it being understood that the share of the cost of ITER construction to the Community budget should not exceed the present estimate, and present the results of this examination as soon as possible to the Council;
 - provide the necessary input in due time to enable the Council to arrive at an appropriate decision in November."

EUROPEAN RESEARCH POLICY - *Council conclusions*

Following to an exchange of views on the Commission's Communication on the evaluation of the new instruments of the 6th Framework Programme, which followed the report of the high level panel lead by Prof. Marimon, and the Commission Communication on the future European Union policy to support research, the Council adopted the following conclusions:

"THE COUNCIL OF THE EUROPEAN UNION:

1. RECALLS the crucial role of research policy in the context of the Lisbon strategy and the importance of the successful realisation of the European Research Area as reflected in the Lisbon 2000 and subsequent European Council conclusions¹ as well as in several Commission communications and Council Resolutions and conclusions², notably Council conclusions of November 2002³ on the progress made in the development of the European Research Area, Council Resolution of 22 September 2003 on investing in research for European growth and competitiveness⁴ and Council Conclusions of 11 March 2004 on "Europe and Basic Research"⁵ ;
2. RECALLS that the European Council of 25/26 March 2004 stated that the Framework Programme for Research and Development should be simplified and made more user friendly in particular for SMEs and start-ups, and that the Council in its conclusions of 19 July 2004, invited the Commission to continue its efforts to improve its organisational and management approaches to the implementation of the Sixth Framework Programme⁶ and to report on this before the end of 2004⁷;

¹ Doc. 5643/00; OJ C 205 of 19.07.2002, p. 1; OJ C 374 of 28.12.2000, p.1.

² Doc. 5643/00; OJ C 205 of 19.07.2002, p. 1; OJ C 374 of 28.12.2000, p.1.

³ OJ C 43 of 22.2.2003, p. 1.

⁴ OJ C 250, 18.10.2003, p. 2.

⁵ Doc. 7379/04.

⁶ It is recalled that the 6th Framework programme consists of EC and Euratom framework programmes.

⁷ Council conclusions of 19 July 2004 on the Court of Auditors' Special Report 1/2004 on the management of indirect RTD actions under the 5th Framework Programme (FP5) for Research and Technological Development (1998-2002), doc. 10942/04.

3. RECALLS that the 6th Framework Programme¹ provides for an evaluation by independent experts of the effectiveness of its instruments; NOTES that the high level expert panel set up for this purpose submitted its report² on 1 July 2004 and WELCOMES the Commission's response of 27 August 2004 to its observations and recommendations³;
4. UNDERLINES that, notwithstanding the need to strengthen research and technological development at a European level as an indispensable complement of national efforts, in particular to exert a strong leverage effect on private investment in research, this is without prejudice to the ongoing discussions concerning the Financial Perspectives (2007-2013);

ON THE EVALUATION OF THE NEW INSTRUMENTS

5. ACKNOWLEDGES the extensive work by the high level expert panel and its overall conclusion which highlights a number of issues concerning the design and implementation of instruments of the Sixth Framework Programme and puts forward recommendations for improvement, in particular regarding the needs of industrial participants, notably SMES;
6. RECOGNISES the potential of the new instruments ("Integrated Projects" and "Networks of Excellence") as well as "Specific Targeted Research Projects" (STREPs) for transnational collaborative research in Europe and calls for continuity between the 6th and 7th Framework Programmes and the maintenance of these instruments in the Seventh Framework Programme, as well as ensuring an appropriate balance between the use of the new and traditional instruments;

¹ Decision 1513/2002/EC of the European Parliament and of the Council of 27 June 2002 concerning the sixth framework programme (OJ L 232 of 29.8.2004) and Council Decision 2002/834/EC of 30 September 2002 on the Specific Programme "Integrating and strengthening the European Research Area" (OJ L 294 of 29.10.2002).

² The panel was chaired by Professor Ramon Marimon.

³ Doc. 12053/04.

7. WELCOMES the Commission's intention, by working closely with Member States and all stakeholders, in particular the EU S&T community, to pursue actively the implementation of current and additional corrective measures¹, in the context of the 6th Framework Programme. RECOGNISES that the Commission will give priority to further improving and simplifying administrative and financial procedures, will monitor the impact of these measures, taking into account the views of participants and report on this by the end of 2004 and regularly thereafter;
8. STRESSES the need for the Commission, in its proposals for the Seventh Framework Programme and the implementing regulations and accompanying guidance documents, to consider other appropriate corrective measures, in particular in relation to the simplification and improvement of administrative and financial procedures, which require modification of the legislative framework. WELCOMES, in this respect, the Commission's intention to set up an appropriate consultation mechanism involving all relevant stakeholders, and to report on a regular basis on the results of the consultations and measures taken;

ON THE FUTURE OF EUROPEAN UNION POLICY TO SUPPORT RESEARCH

9. WELCOMES the initiative by the Commission to start a policy debate² with the European Institutions on the future European Union policy to support research and innovation and to launch a wide-ranging consultation process with users and stakeholders, while NOTING in this context the discussions held during the Informal Competitiveness Council in Maastricht (1-3 July 2004);
10. RECOGNISES the important role of the Framework Programme in furthering the development of the European Research Area (ERA) , and in this context stresses the importance of reinforcing the ties between it and European intergovernmental organisations, such as Eureka and COST;

¹ These include:

- clearly classifying the instruments according to the objectives they seek to achieve, with special attention for "Networks of Excellence", establishing clear guidelines and criteria for their use and improving communication to participants;
- clarifying the definition of the concept of "critical mass", acknowledging that this may vary according to topic, thematic area etc;
- improving participation by industry, small and medium sized enterprises, participants from new Member States and smaller and emerging players, for example by allocating an increased proportion of financial resources to STREPs in certain priority thematic areas;
- improving the procedures for consortia-building, proposal submission and evaluation and contract negotiation for both "Networks of Excellence" and "Integrated Projects", including, where appropriate, a broader introduction of a two-stage evaluation procedure to improve efficiency and reduce costs for participants.

² See the Commission's Communication "Science and technology, the key to Europe's future - Guidelines for future European Union policy to support research", doc. 10740/04 - COM (2004)353 final.

11. TAKES NOTE of the approach by the Commission of identifying a number of major objectives and corresponding activities as the starting point for the ongoing discussion on the future of EU research¹ and NOTES the relevance of the annual reports on progress with implementing the Sixth Framework Programme² and the “five-year assessment”³ of the Framework Programmes for this discussion;
12. STRESSES the need for coherence and synergy between the major objectives as well as the need for continuation of the collaborative research actions as a key component of the next Framework Programme;
13. UNDERLINES the need for further reflection and clarification on how existing horizontal themes will be integrated in the next Framework Programme, such as:
 - the openness of the Framework Programme to the rest of the world and international research co-operation;
 - encouraging and facilitating industrial participation, in particular by small and medium size enterprises, in the Framework Programmes;
 - improving the relation between science and society;
 - research and innovation in support of the European Union’s policies;

¹ The areas identified by the Commission are as follows:

- Creating European centres of excellence through collaboration between laboratories;
- Launching European technology initiatives, which bring together the main stakeholders to mobilise a critical mass of public and private resources in specific technology areas;
- Stimulating the creativity of basic research through competition between individual teams at European level and defining the appropriate mechanism to support such research (see also Commission Communication of 14 January 2004, doc. 5598/04 RECH 9);
- Making Europe more attractive to the world’s best researchers;
- Developing research infrastructures of European interest;
- Improving the co-ordination of national research programmes, building on the successful experience of ERA-NET;
- Consideration of specific action for space and security.

² See Article 173 of the Treaty and Article 4 of Decision 1513/2002/EC on the Sixth Framework programme (OJ C L 232/1 of 29.8.2002).

³ See Article 6 of Decision 1513/2002/EC on the Sixth Framework programme (OJ C L 232/1 of 29.8.2002).

- the role of industrial innovation and competitiveness as drivers for the design and implementation of RTD activities;
14. INVITES the Permanent Representatives Committee to reflect further on the communication on the future European Union policy to support research, on the basis of further clarifications by the Commission, with a view to a timely preparation of an in-depth debate by the Competitiveness Council of 25/26 November 2004 on the essential features of the future Framework Programme."

NANOTECHNOLOGIES - *Council conclusions*

Following to an exchange of views on the Commission's Communication on an European strategy for nanotechnology, the Council adopted the following conclusions:

"THE COUNCIL OF THE EUROPEAN UNION:

1. RECOGNISES the important role and potential of nanosciences and nanotechnologies in many areas, such as health care, information technologies, materials sciences, manufacturing, instrumentation, energy, environment, security, space; and thus their significance for quality of life, sustainable development and the competitiveness of European industry;
2. RECALLS the general context of the Lisbon strategy and the creation of the European Research Area as reflected, notably, in:
 - the Commission's Communication of January 2000 on the European Research Area¹ and the subsequent Council Resolutions² and Conclusions³;
 - the Conclusions of the Lisbon European Council of March 2000 on the strategy for making the EU the world's most competitive and dynamic knowledge-based economy by 2010 and the elaboration of this strategy by the Stockholm, Gothenburg and Barcelona European Councils;
 - the Conclusions of the European Council of March 2003 stressing the need for Europe to do more to turn ideas into real value-added, and Council Resolution⁴ of 22 September 2003 on investing in research for European growth and competitiveness;
3. NOTES the Commission's Communication of June 2004 "Science and technology, the key to Europe's future – Guidelines for future European Union policy to support research"⁵ which highlighted the need for the integration of research activities, at European level, in highly competitive sectors such as nanotechnology;

¹ Doc. 5643/00.

² O.J. C 205 of 19.7.2000, p. 1 and C 374 of 28.12.2000, p. 1.

³ O.J. C 43 of 22.2.2003, p.1.

⁴ O.J. C 250 of 18.10.2003, p.2.

⁵ Doc. 10740/04.

4. WELCOMES the Commission's Communication "Towards a European Strategy for Nanotechnology"¹ and ENDORSES the main message of this Communication, namely the need to develop an integrated and responsible strategy;
5. NOTING the existing European knowledge base and industrial capacity in nanosciences and nanotechnologies, STRESSES that:
 - with a view to maintaining and reinforcing European scientific excellence and industrial competitiveness, it is important to continue to generate scientific and technological knowledge in nanotechnology and to encourage its use in industrial applications;
 - a coherent and co-ordinated management of initiatives both at the national and European level is needed, thus ensuring efficiency, effectiveness, synergy, concentration of efforts, critical mass and visibility of actions; it WELCOMES forthcoming initiatives to this effect both in areas of enabling technologies and applications, such as nanomaterials, nanoelectronics and nanomedicine;
 - there is a need for a sustainable and responsible development of nanotechnology, addressing its health, environmental, societal, industrial and economic aspects at the earliest possible stage in order to respond to the justified expectations and concerns of European citizens.
6. HIGHLIGHTS the need to pay special attention to actions in the following areas:
 - increasing investment in R&D activities in order to capitalise upon the interdisciplinary nature of nanotechnology and to reinforce the industrial application of nanotechnologies;
 - creating high-level "poles" of excellence and infrastructures in nanotechnology that can compete on a global level by bringing together academia, research organisations and industry to establish an appropriate critical mass, and to develop possible synergy with other initiatives, in particular the European Action for Growth, in line with the conclusions of the European Council of 12 December 2003 in order to strengthen the capital base for nanotechnology research in Europe;
 - promoting interdisciplinary education and training of research personnel together with a stronger entrepreneurial mindset;
 - promoting favourable conditions for technology transfer and innovation, especially taking into account the needs of SMEs, noting in this context the importance of intellectual property rights;

¹ Doc. 9621/04.

- integrating societal, environmental and health considerations into the R&D process and assessment of potential risks throughout the life cycle of nanotechnology-based products;
- 7. INVITES MEMBER STATES to substantially reinforce research, development and innovation for nanotechnology in view of the Lisbon objectives and within the "3%" Barcelona objective, while ensuring maximum effectiveness, efficiency and synergy at European level;
- 8. WELCOMES the Commission's intention:
 - to draw up an Action Plan for nanotechnology during the first quarter of 2005, after having launched a wide-ranging stakeholder debate;
 - to engage in a dialogue at international level, with a view to establishing a framework of shared principles for the safe, sustainable, responsible and socially acceptable development and use of nanotechnologies."

OTHER ITEMS APPROVED

EXTERNAL RELATIONS

Ukraine - Cooperation in peaceful nuclear energy

The Council adopted a Decision approving the conclusion of an Agreement on the peaceful use of nuclear energy between the Community and Ukraine (12033/04).

The Agreement will be implemented through exchange of technical information, personnel and samples, materials, instruments and apparatus for experimental purposes.

All EU Member States and Ukraine are Parties to the Treaty on the Non-Proliferation of Nuclear Weapons.

Euro Mediterranean Conference - Industry

The Council adopted a Common Position on draft conclusions to be adopted at the Euro-Mediterranean Conference of Ministers for Industry. The Conference will be held in Caserta, Italy on 3 and 4 October 2004.

Relations with Egypt - EU Enlargement

The Council adopted a Decision on the signature and provisional application of a Protocol to the Euro-Mediterranean Agreement between the European Community and Egypt in order to take into account of the EU's enlargement (11146/04).

DEVELOPMENT CO-OPERATION

Relations with Guinea- Bissau*

The Council adopted a Decision concluding consultations with Guinea-Bissau aimed at remedying violations of the respect for human rights, democratic principles and the rule of law in Guinea-Bissau following a military coup in September 2003 (10955/04).

A number of measures have been taken by the authorities of Guinea-Bissau, aimed at ensuring free and fair elections, re-establishment of an independent judiciary with the appointment of a public prosecutor, the election of a supreme court president and the adoption of an emergency economic programme. However, public accounting, the collection of customs revenue and the payment of government employees still remain an issue of concern for the EU.

Aid to Haiti - Support for democracy and the rule of law

The Council adopted a Decision allowing for distribution of funds from the European Development Fund (EDF) to aid programmes for the Haitian people, aimed at strengthening civil society and the private sector, to support democratisation, strengthening of the rule of law and the electoral process (11347/04).

The Decision was taken in view of political developments in Haiti and in particular the undertakings made by the Haitian provisional government as regards human rights, democratic principles and the rule of law. The EU will monitor further developments in the democratisation process, in particular steps towards national elections, expected to be held by mid-2005.

TRADE POLICY

Relations with Moldova - Steel exports

The Council adopted a Decision and a Regulation establishing a double-checking system on exports of steel products from Moldova to the European Community. The Decision, which implements an Agreement between the Community and Moldova, aims to improve transparency and avoid possible diversions of trade. The double-checking system will apply until December 2006 (11511/04 + 11509/11).

Relations with Bulgaria - Agricultural products

The Council adopted a Regulation enabling trade with Bulgaria in certain processed agricultural products to be exempted from duties and enabling tariff quotas to be opened on a yearly basis for certain other goods (11447/04).

The Regulation provides for the exception from duties for the imports of certain processed agricultural products.

The Regulation was adopted by qualified majority, the Austrian delegation voting against.

China - Anti-dumping - Glyphosate

The Council adopted a Regulation imposing anti-dumping duties on imports of glyphosate from China (12299/04).

The decision was taken by qualified majority, the Netherlands and Swedish delegations voting against.

EUROPEAN SECURITY AND DEFENCE POLICY

European Defence Agency* - Staff regulations

The Council adopted Rules and Regulations applicable to the European Defence Agency's contractual staff and seconded national experts (12431/04 + 12434/04).

GENERAL AFFAIRS

Outermost regions - Conditions for re-export of products*

The Council adopted a Regulation regarding the conditions under which products can be re-exported and re-dispatched in the outermost regions of the European Union, in order to encourage economic activity there. These conditions include reimbursement of aid received and payment of import duties (9676/04).

JUSTICE AND HOME AFFAIRS

Oil pollution - International compensation fund - EU Enlargement

The Council adopted a Decision enabling the ten new Member States to accede to a 2003 Protocol to the International Convention on the Establishment of an International Fund for Compensation for Oil Pollution Damage (11240/04).

The Decision adapts Decision (EC) 2004/246, requiring the new Member States to be bound by the Protocol and its underlying instruments before the end of December 2005.

TRANSPORT

Electronic control systems for road transit

The Council adopted a Decision on the position to be taken by the Community at the TIR Convention¹ Administrative Committee on the introduction of electronic control systems for TIR carnets (12046/04).

TELECOMMUNICATIONS

Community programme for more accessible digital content

The Council adopted a Common Position on a draft Decision establishing a Community programme, eContentplus, aimed at making digital content more accessible, usable and exploitable (10458/04 + ADD 1).

The draft Decision will be transmitted to the European Parliament for a second reading under the co-decision procedure.

The programme aims to create conditions for broader access to and use of digital content and, where necessary, for greater economic return from services based on access and (re)use of digital content. The Common Position provides for a budget of EUR 135 million for the 2005-2008 period.

FISHERIES

Greenland Waters fishing opportunities*

The Council adopted a Regulation amending Regulation 2287/2003 in order to extend fishing possibilities for EU vessels in Greenland waters as regards snow crab, cod, Northern prawns and Greenland halibut (also in the North-East Atlantic) (12083/2/04 + 12420/04 ADD1).

¹ Customs Convention on the international transport of goods under cover of TIR carnets.

Regulation (EC) No 2287/2003 fixes for 2004 the fishing opportunities and associated conditions for certain fish stocks and groups of fish stocks, applicable in Community waters and, for Community vessels, in waters where limitations in catch are required. The Regulation has been amended by Regulation (EC No 1245/2004) on fisheries between the European Economic Community, on the one hand, and the Government of Denmark and the local Government of Greenland, on the other, in order to prepare for the optimal use of fishing possibilities and in particular the transfer by the Member State concerned of the non-utilised fishing opportunities to another Member State, who make a request for such a transfer.

Fisheries Agreements with South Africa

The Council adopted Decisions authorising Spain and Portugal to extend their fisheries agreement with South Africa until 7 March 2005 (as concerns Spain) and 9 April 2005 (as regards Portugal) (11749/04 and 11773/04).

SOCIAL POLICY

Protection of groups at risk - European Economic Area

The Council approved a draft Decision, to be adopted by the European Economic Area (EEA) Joint Committee, extending the Community Programme aimed at preventing and combating violence against children, young people and women (Daphne II Programme) to the entire EEA (11879/04).

TRANSPARENCY

Public access to documents

The Council adopted the replies to the confirmatory applications made by :

- Mr Jelle van BUUREN (1/04), the Danish, Italian, Dutch, Finnish and Swedish delegations voting against (11581/04);
- Mr Jelle van BUUREN (2/04), the Italian delegation voting against (11584/04);
- Mr Fabian HEß (1/04), the Danish, Dutch, Finnish and Swedish delegations voting against (11991/04)

APPOINTMENTS

Court of Justice

On 22 September 2004 the Representatives of the Governments of the Member States appointed Mr Aindrias Ó CAOIMH judge at the Court of Justice of the European Communities for the period from the date of his swearing in until 6 October 2009, to replace Mrs Fidelma MACKEN, who has resigned (11862/04).

Economic and Social Committee

The Council adopted a Decision appointing Mr Peter COLDRICK as a member of the Economic and Social Committee in place of Mr David FEICKERT for the remainder of the latter's term of office, which runs until 20 September 2006 (12058/04).

Committee of the Regions

The Council adopted a Decision appointing:

- Mr Onno HOES, Gedeputeerde van de provincie Noord-Brabant, as a member of the Committee of the Regions in place of Mr Wim VAN GELDER for the remainder of the latter's term of office, which run until 25 January 2006 (12325/04).
 - Mr Wim VAN GELDER, Commissaris van de Koningin in de provincie Zeeland, as an alternate member of the Committee of the Regions in place of Mr Onno HOES for the remainder of the latter's term of office, which run until 25 January 2006 (12325/04).
 - Mr Gerold WUCHERPFENNIG, Minister für Bundes- und Europaangelegenheiten und Chef der Thüringer Staatskanzlei, as a member of the Committee of the Regions in place of Mr Hans KAISER for the remainder of the latter's term of office, which runs until 25 January 2006 (12338/04).
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