



***Enterprise and Industry Directorate General***

**Management Plan**

**2012**

# Table of contents

1.	MISSION STATEMENT .....	3
2.	THE CHALLENGES IN 2012 AND BEYOND.....	3
3.	GENERAL OBJECTIVES WITH A MULTI-ANNUAL PERSPECTIVE (UP TO 2020) BY POLICY AREA.....	6
4.	OBJECTIVES, ABB ACTIVITIES AND EU 2020 FLAGSHIPS .....	9
	a) Competitiveness, industrial policy, innovation and entrepreneurship .....	10
	b) Internal Market for Goods and sectoral policies.....	29
	c) Space and Security .....	38
	d) EU Satellite Navigation Programmes .....	43

## 1. Mission Statement

*The mission of DG Enterprise and Industry (DG ENTR) is to promote the responsible and sustainable competitiveness of EU enterprises and industries.*

In line with the Europe 2020 strategy's aims of smart and sustainable growth, DG ENTR has set out five general objectives for its work: to strengthen the sustainable competitiveness of Europe's industrial base, enhance access to raw materials and promote the transition to a resource efficient economy; to promote innovation as a means to generate new sources of growth and meet societal needs; to encourage entrepreneurship and the creation and growth of SMEs, to ensure an open internal market for goods, and to support the European presence in space and the development of satellite-based services.

## 2. The challenges in 2012 and beyond

(A personal message from the Director-General, Mr Heinz Zourek)

2011 saw a deepening sense of crisis. No matter what else is needed, we must achieve sustainable and job-creating growth as a means to lead Europe out of this crisis. This growth must be led by the "real economy": industry manufacturing innovative and high quality goods; the small and medium-sized enterprises, which are the backbone of our economy and which can provide the jobs so urgently needed, especially for the young.

Competition in global markets and inside the EU from emerging economies underlines the need for Europe to focus on its competitiveness. This is a problem not only for businesses competing internationally, but also within the EU: differences in the competitiveness of Member State economies have contributed to the development of the current phase of crisis and may yet endanger the cohesion of the European Union.

In 2012 the internal market will be celebrating 20 years since the completion of the "1992" project. The free flow of goods and services is a foundation stone of the European Union. We know that the internal market has contributed significantly to growth in the last twenty years, but it is far from reaching its full potential and may even come under threat as economic conditions worsen. This achievement needs to be defended all the more so in times of crisis, for the benefit of enterprises and citizens. In 2012 the DG will continue to work to make this market ever more effective.

The Europe 2020 strategy provides us with the blueprint for achieving sustainable and job-creating growth, getting the economy back on track and making it more competitive. Its flagship initiatives, such as "The Innovation Union", "The Industrial Policy for the Globalisation Era", "The Digital Agenda for Europe", "Resource-efficient Europe", provide the orientation for the path that lies ahead. In 2012, the main challenge for the DG will be to ensure effective implementation of these flagships.

2012 is a pivotal year for our programmes. The individual elements under the **Multi-Annual Financial Framework (MFF)** will be negotiated with the institutions. Our primary responsibility will be to ensure that the Programme for the competitiveness of enterprises and SMEs (COSME) will be capable of meeting the needs of businesses in Europe over the seven years to follow. We will also be working closely with other services to ensure that other elements of the MFF will also help industry thrive.

- **SMEs** remain a priority in 2012. The European SME Envoy together with the Network of national SME Envoys will be a strong voice in promoting SME interests across the


EU. Ensuring access to finance is of vital importance in the current crisis. Implementation of the Small Business Act for Europe and its Review will continue. We will work to implement the actions set out in the strategic initiative “Small Business, Big World”, to help SMEs seize opportunities on global markets. It is widely recognised that SMEs are our best hope for growth, now it is time to help them integrate into the global economy.

- Creating the framework in which European businesses can grow remains at the heart of the DG’s work. We will **review the 2010 Industrial Policy Communication** with a view to refining our activities in pursuit of sustainable growth and jobs. We will propose a coordinated framework for **key enabling technologies**. A European **tourism** label will be developed to enhance the competitiveness and sustainability of European tourism. DG ENTR in collaboration with DG ENV will review the Sustainable Industrial Policy and the sustainable Consumption and Production Action Plan of 2008.
- We will continue our work on improving the competitiveness of different **industrial sectors**. In 2012, we will target individual sectors facing particular challenges as a result of changes in the global economy. Our aim is to help industry to adapt and flourish in a rapidly changing environment. An example of this is the ongoing work in the CARS21 High Level Group for a competitive and sustainable automotive industry.
- We will persist in our efforts to make the **internal market** more effective in supporting the competitiveness of European companies and providing consumers with a wide choice of safe products. DG ENTR manages about one-third of the existing internal market *acquis*. In 2012, the DG will make proposals to facilitate the registration of motor vehicles previously registered in another Member State. The framework for market surveillance across the EU will be strengthened. We will train economic operators on the new rules governing toy safety and continue the communication on toy safety directed towards consumers. Furthermore, the DG has taken on the commitment to conduct a fitness check of the type approval system for motor vehicles during 2012. Finally, we will review the REACH regulation and if necessary, propose improvements.
- As well as managing the **space and security research** programmes, the DG will focus on the industrial impact of both sectors. We will make space research a feeder for a dynamic space industry in Europe with a vibrant SME component. We will also show how Europe can reap internal market benefits for the security industry by overcoming market fragmentation, strengthening the industrial base and making this industry more competitive in the world.
- After the successful launch of the first two operational satellites of the EU's **global navigation satellite system** in October 2011, work must continue towards the full constellation of thirty satellites to be completed in 2019. The second and third launches of operational satellites are scheduled for the second half of 2012. The DG will work with the European Space Agency to implement the different phases of Galileo. The years to come will see more work on the international dimension of Galileo particularly vis-à-vis the US, China and Russia. Galileo will help Europe maintain and develop its know-how in the space, receivers and applications sectors, securing economic revenues and jobs.

In line with our ambition to achieve **smarter regulation**, the DG will propose in 2012 to simplify legislation in such sectors as non-road mobile machinery and personal protective equipment. Further efforts will be made to improve the quality of impact assessment through mainstreaming competitiveness proofing and the reinforced SME test in the IA practice. And in 2013, a report will be presented on the implementation of the New Legislative Framework.

Strengthening competitiveness, encouraging growth, strengthening the internal market – these are not things we do alone. DG ENTR will work in close partnership with Member States and other services of the Commission to ensure the delivery of all of these initiatives. It will also continue to monitor the development of policies for **competitiveness in Member States** and to make appropriate recommendations supporting the Europe 2020 process.



### 3. General objectives with a Multi-annual Perspective (up to 2020) by Policy Area

POLICY AREA: ENTERPRISE AND INDUSTRY				
GENERAL OBJECTIVES	Impact Indicators <sup>1</sup>			
	Indicator	Target (long-term)	Milestones	Current Situation
<b>To strengthen the sustainable competitiveness of Europe's industrial base, enhance access to raw materials and promote the transition to a resource efficient economy<sup>2</sup></b> 	Growth of industrial competitiveness <sup>3</sup>	An annual growth of 1%	A 5% growth in 2015	2011: n.a. 2010: +0.3% 2009: -3.1% 2008: -0.3% 2007: +0.7% 2006: +1.9% 2005: +0.6%
	Growth of the labour productivity per hour	Close the gap with the US (and Japan) in terms of levels, and have a higher yearly growth rate than the US	<u>US Benchmark:</u> 2011: 0.8% 2010: 2.7% 2009: 1.6% 2008: 0.4% 2007: 1.0%  2010/2011: n.a. 2005/2009: 1.2% 1995-2005: 2.3%  <u>Japan Benchmark</u> 2011: -0.5% 2010: +3.8% 2009: -2.0% 2008: +0.3% 2007: +1.9%	<u>EU27</u> 2011: n.a. 2010: 1.5% 2009: -1.4% 2008: 0.2% 2007: 1.2%  2005/2009: 0.5% 1995-2005: 1.9%
	New jobs created in EU 27 in industry and industry related services	5 million jobs in industry and related services up to 2020	Reaching the pre-crisis level of 2008	Accumulated growth from 2004 2011: n.a. 2010: n.a. 2009: +1.47 mio 2008: +4.10 mio. 2007: +3.22 mio 2006: +1.67 mio 2005: +0.39 mio
	EU manufacturing output (% change from previous year)	Annual growth of 2.5%	Recovery to the level from before the crisis	2011: +6.1% (3 <sup>rd</sup> Q) 2010: +7.5% 2009: -14.7% 2008: -1.7%



<sup>1</sup> These indicators refer to developments in Enterprise and Industry policy area. The Commission itself is not solely responsible for the achievement of the targets. A range of other factors outside of the control of the Commission also affects outcomes in this area.

<sup>2</sup> The objectives were updated according to the revision agreed for the draft budget 2012.

<sup>3</sup> NEER/REER based on ULC, excluding the impact of currency fluctuations (NEER = Nominal effective exchange rate; REER = Real effective exchange rate; ULC = Unit Labour Cost)

					2007: +4.2% 2006: +4.8% 2005: +1.7%
		Share of medium- and high-tech manufacturing sectors of total value added	Increase		<u>EU25</u> 2011: n.a. 2010: n.a. 2009: 46.4% 2008: n.a. 2007: 45.2% 2005: 42.1%
		Energy intensity of the economy – kgoe <sup>4</sup> per 1000 EUR	Decrease		2011: n.a. 2010: n.a. 2009: 165 2008: 167 2007: 169 2006: 176 2005: 181
		Energy consumption of manufacturing per unit of value added (in € 2005, at ppp) – Kgoe/€05p (prices of 2005)	Decrease		2011: n.a. 2010: n.a. 2009: 0,171 2008: 0,173 2007: 0,175 2006: 0,182 2005: 0,194
		EU manufacturing output growth in eco-industries (% change from previous year)	Annual growth of 5% in average during the next decade	By 2015, a 30% increase in output in comparison to 2008 is targeted.	2011: n.a. 2010: n.a. 2009: n.a. 2008: annual growth of 6-7% (turnover in 2008: €319 billion)
II	<b>To promote innovation as a means to generate new sources of growth and meet societal needs</b>  	Innovation performance of the EU as a whole and of Member States (Source: European Innovation Scoreboard)	27	Increase	26 of 27 Member States had a positive average annual growth in innovation performance 2005-2009
		Share of fast growing innovative firms in the economy	To be defined in the follow-up of the Innovation Union Flagship.	Indicator to be developed in the framework of the actions of the Innovation Union Flagship task force	Data not available before 2012 when the elaboration will be approved by the Task force 2011: n.a. 2010: n.a.
III	<b>To encourage entrepreneurship and the creation and growth of SMEs</b>  	New jobs created in SMEs in industry and industry related services	3 million jobs in industry and related services up to 2020	Reaching the pre-crisis level of 2008	Accumulated growth from 2004 2011: n.a. 2010: n.a. 2009: n.a. 2008: n.a. 2007: +2.77 mio 2006: +1.79 mio 2005: +0.94 mio

<sup>4</sup> KGOE = Kilograms of oil equivalent

		SME growth in terms of added-value and employees	Continuing growth	n.a.	Annual growth rate 2011: n.a. 2010: n.a. 2009: n.a. 2002-2008 Added-value: 4.2% Employment : +1.9%
		Gross birth rate of SMEs	11% by 2014	n.a.	2011: n.a. 2010: n.a. 2009: n.a. 2008: 9 Member States (EU-19) had a start-up rate of min. 11%
		Share of EU population involved in entrepreneurial ventures	12,5% by 2014	n.a.	2011: n.a. 2010: 10% today (US: 14%)
IV	<b>To ensure an open internal market for goods</b> 	Volume of intra-EU 27 trade (2005=100)	Increase	Recovery phase after the 2008 crisis	2011:108.4(3 <sup>rd</sup> Q) 2010: 102.8 2009: 93.5 2008: 109.4 2007: 111.2 2006: 108.0 2005: 100.0
V	<b>To support the European presence in space and the development of satellite-based services</b> 	<b><u>Earth Observation Systems (GMES)</u></b>			
		EU global market share of applications based on satellite systems	2020: Close gap with the US share (=50% in 2009)	Increase	2011: n.a. 2010: 24%
		EU market share of satellites and launchers	To maintain and if possible increase market share		2010: EU represents 41% of communication satellites launched; 21% of earth observation launched; 0% of navigation satellites launched; 8% of global launches <sup>5</sup>
		<b><u>Global Navigation Satellite Systems (GNSS: EGNOS+Galileo)</u></b>			
		Public benefits for EU economy and additional revenues for EU industry	Up to € 90 billion over a period of 20 years		2011: n.a. 2010: n.a.
		Market share of EU GNSS industry in worldwide GNSS downstream market.	2020: 33%	2016: 25% one year after start of IOC services 2012: 22% one year after EGNOS SoL declaration	2011: n.a. 2010: 20%

<sup>5</sup> 'Eurosace analysis 2011, copyright by Eurospacen, all rights reserved.'

## 4. Objectives, ABB activities and EU 2020 flagships

GENERAL OBJECTIVES	SPECIFIC OBJECTIVES	ABB ACTIVITY
<b>I. To strengthen the sustainable competitiveness of Europe's industrial base, enhance access to raw materials and promote the transition to a resource efficient economy</b>	<ul style="list-style-type: none"> <li>To promote favourable framework conditions for European industry [IP, IU]*</li> </ul>	02 02
	<ul style="list-style-type: none"> <li>To assist structural change and sustainable development in specific manufacturing sectors and tourism [IP, IU, REE]</li> </ul>	02 02
	<ul style="list-style-type: none"> <li>To open up opportunities for European business in Third Country markets [IP]</li> </ul>	02 02
<b>II. To promote innovation as a means to generate new sources of growth and meet societal needs</b>	<ul style="list-style-type: none"> <li>To promote innovation through improved framework conditions and support measures [IU, IP]</li> </ul>	02 02
	<ul style="list-style-type: none"> <li>To support research and innovative applications in the security sector [IU, IP]</li> </ul>	02 04
<b>III. To encourage entrepreneurship and the creation and growth of SMEs</b>	<ul style="list-style-type: none"> <li>To promote a business environment favourable to SMEs and entrepreneurship [IP, IU]</li> </ul>	02 02
	<ul style="list-style-type: none"> <li>To open up opportunities for European SMEs in Third Country markets [IP]</li> </ul>	02 02
	<ul style="list-style-type: none"> <li>To ease the exchange of experience and information among SMEs and the creation of new business partnerships [IP, IU, YoM]</li> </ul>	02 02
	<ul style="list-style-type: none"> <li>To facilitate access to finance for SMEs [IP, IU]</li> </ul>	02 02
<b>IV. To ensure an open internal market for goods</b>	<ul style="list-style-type: none"> <li>To regularly review existing internal market legislation and propose new initiatives whenever appropriate [IP, IU]</li> </ul>	02 03
	<ul style="list-style-type: none"> <li>To ensure the correct enforcement of EU law [IP, IU]</li> </ul>	02 03
	<ul style="list-style-type: none"> <li>To promote the development and use of innovative European standards [IP, IU, DA]</li> </ul>	02 03
<b>V. To support the European presence in space and the development of satellite-based services</b>	<ul style="list-style-type: none"> <li>To provide satellite-based services improving the performance of GPS over Europe (EGNOS) [IP]</li> </ul>	02 05
	<ul style="list-style-type: none"> <li>To develop and provide global satellite-based radio navigation infrastructures and services (Galileo) [IP]</li> </ul>	02 05
	<ul style="list-style-type: none"> <li>To promote the operational use of EU earth observation-based services (GMES) [IP]</li> </ul>	02 02
	<ul style="list-style-type: none"> <li>To support research and innovative applications in the space sector [IP, IU]</li> </ul>	02 04

\* The links with the Europe 2020 flagships are referred to in brackets:

IP = Industrial Policy

REE = Resources Efficient Europe

IU = Innovation Union

YoM = Youth on the Move

DA = Digital Agenda

## A) COMPETITIVENESS, INDUSTRIAL POLICY, INNOVATION AND ENTREPRENEURSHIP

### Description of the activity

Within this activity the DG takes action:

- to promote favourable framework conditions for European industry and support the adjustment and sustainable development of individual industrial sectors;
- to promote access for European businesses to third countries;
- to promote innovation in Europe through improved framework conditions and support measures;
- to promote a business environment favourable to SMEs and entrepreneurship, and facilitate access to finance; and
- to promote the operational use of EU earth observation-based services (GMES) and of EU satellite-based positioning services (EGNOS, Galileo)

The Competitiveness and Innovation Framework Programme (CIP) finances actions in support of these objectives. One of its three operational programmes, the Entrepreneurship and Innovation Programme (EIP), supports innovation activities (including eco-innovation), provides better access to finance for SMEs and delivers business support services at local level across the EU and in third countries. The EIP falls under the responsibility of DG ENTR, ENV, ECFIN and SG. Certain parts of its implementation have been outsourced to the Executive Agency for Competitiveness and Innovation (EACI) and the European Investment Fund (EIF). As DG ENTR is holding the Chairmanship of the EACI Steering Committee, it will lead the process of renewing the mandate of EACI for the next Multiannual Financial Framework. In 2012, ENTR will launch an obligatory cost-benefit analysis for the delegation of the management of certain tasks regarding the implementation of COSME, Life, Horizon 2020 and internal market actions.

### EU-added value of the activity

The financial and economic crisis that unfolded in 2008 has dramatically changed Europe's economic outlook for the foreseeable future. The Commission presented in March 2010 its strategy for the five-year mandate: "Europe 2020". This strategy outlines measures to support a successful exit from the crisis in the short term, while preparing the ground for an economy which is sustainable and competitive in the future. Looking at the nature and scope of the challenges which range from global competition, unstable economic and financial systems, climate change to an ageing society, the EU must act collectively to succeed.

#### - **Industrial competitiveness policy**

Manufacturing industry is vital to the EU economy. In 2010, it contributed ca. 15 % to the GDP of the EU. When taking into account the wider productive sector (power generation, construction) the share of GDP is about 25 %. Industry (including construction) provides for some 55 million jobs in the EU (2010)<sup>6</sup>.

---

<sup>6</sup> [http://stats.oecd.org/Index.aspx?DatasetCode=SNA\\_TABLE1](http://stats.oecd.org/Index.aspx?DatasetCode=SNA_TABLE1)

In late 2011, the outlook for the European economy has taken a turn for the worse. Sharply deteriorating confidence and intensified financial turmoil is affecting investment and consumption, while urgent fiscal consolidation is weighing on domestic demand and weakening global economic conditions are holding back exports. Real GDP growth in the EU is now expected to come to a standstill around the end of this year, turning negative in some Member States. In July 2011, industrial new orders in the EU manufacturing sector, a gauge of future activity, were 7.2% higher than a year ago, whereas in August industrial production in the EU had only increased at an annual rate of 4.3%. This supports expectations for a continuation of the moderately slowing industrial production growth.

Based on the 2010 **Integrated Industrial Policy** Communication, the Commission's Europe 2020 flagship initiative on industrial policy puts forward a fresh approach to maintain a strong, competitive and diversified industrial manufacturing value chain in the EU. DG ENTR will continue to analyse the challenges and opportunities to European enterprise competitiveness in its annual European Competitiveness Report and to monitor the implementation of the actions proposed in partnership with Member States through the annual report on Member States competitiveness performance and policies and will start an exchange of best practices with Member States. DG ENTR will contribute to the monitoring of structural reforms favouring competitiveness in the Member States in the framework of the European Semester. In 2012, the DG will update and review the progress on the integrated industrial policy for the globalisation era.

In order to promote smart regulation, DG ENTR will take forward the implementation of the "**competitiveness proofing**" analyses as part of the impact assessment process. It will also contribute to the pilot projects that carry out "**fitness check**" of existing EU legislation, which were launched in 2010 by conducting a check on the type approval system for motor vehicles during 2012.

Action will be taken to help European companies get access to and seize business opportunities in the **globalisation** era. This will be done through trade negotiations and regulatory cooperation with the EU's main international economic partners, reinforcing the monitoring of the WTO prevention mechanism on Technical Barriers to Trade. In addition, actions will be launched to implement the 2011 Communication on the internationalisation of SMEs. In the effort to generate mutual understanding on international trade, Latin America will be a focal region for negotiation in 2012.

Securing access to **raw materials** for European industry is a major challenge to be tackled. The Commission will pursue actions under the three pillars of the raw materials strategy with actions aiming at ensuring a fair and sustainable supply of raw materials from third markets, fostering a sustainable supply within the EU, boosting resource efficiency and promoting recycling.

A number of **sector-specific** initiatives will also be presented in 2012 with a focus on sustainable growth. This includes outlining a strategy for the sustainable competitiveness of the EU construction sector, another one on the Fashion Industries, reviewing the 2008 Sustainable Industrial Policy/Sustainable Consumption & Production Action Plan, and calls for proposals for the Sustainable Industry Low Carbon Scheme. In addition, the DG will conduct a number of studies to analyse the competitiveness of industrial sectors from a European perspective.

A Communication on the results of the CAR21 High Level Group will assess the recommendations made by the Group for a competitive and sustainable **automotive industry** and announce how the Commission intends to react to these.

The **tourism** sector will remain a focus in 2012. A European Tourism Label enhancing the competitiveness and sustainability of tourism will be prepared. Also, an initiative is planned on developing innovation in the tourism industry by accelerating the integration of ICT tools. Among the expenditure-related measures, calls will be prepared inter alia on facilitating transnational low season exchanges, promoting European Destinations, and transnational thematic projects for a sustainable tourism in the main third countries markets, in the framework of a strengthened co-operation with the European Travel Commission (ETC).

Last but not least, the DG will launch several actions in implementing the 2011 initiative on **corporate social responsibility** in support of EU 2020 strategy.

#### - **Innovation policy**

The key to Europe's future is knowledge and innovation. The ability to bring fresh ideas to the market successfully is essential for productivity growth and business competitiveness. It is also a key to respond to societal challenges such as climate change, energy efficiency, security and raw materials. DG ENTR will further implement the actions proposed in the Innovation Union Communication of October 2010 in partnership with Member States and other Commission services. A Communication on an Innovation Partnership on Raw Materials has been prepared by DG ENTR for launching in 2012. The impact of these measures will be monitored regularly through the Innovation Union scoreboard.

DG ENTR will launch an initiative to promote the take-up and commercialisation of competitive **key enabling technologies**. The DG will also launch actions to promote the internationalisation and excellence of clusters and start the preparation of a new generation of Lead Market Initiatives to enhance innovation-friendly markets through demand side measures and accompany the implementation of the new pilots for public procurement of innovative solutions.

Work will also be pursued to promote the development of innovation support services and mechanisms through the **Europe INNOVA** and **PRO INNO Europe** platforms. It will also establish European Alliances in support of emerging industries and reinvigorating the value chains of traditional industries addressing for example creative industries.

A number of studies and publications will analyse the **innovation performances and potentials** from a European perspective with a particular business innovation dimension, among them the widely known Innovation Union Scoreboard 2012 or the new Public Sector Innovation Scoreboard.

#### - **Small and Medium-sized Enterprises and Entrepreneurship policy**

Small and medium-sized enterprises (SMEs) have been hard hit by the crisis, suffering in particular from tighter financing conditions. At the same time, they are vital to recovery, given their job creation potential and flexibility to adapt to new circumstances. However, for this potential to be fulfilled they need a favourable business environment.

First of all, SMEs need a voice. The European **SME Envoy** and the national SME Envoys will continue to provide that voice in policy making in favour of SME interests. Recurring events like the **SME week** will help raise the awareness for SMEs in Europe.

In its strategic Communication “**Small business, Big World**”, the Commission outlined actions to help SMEs seize the opportunities offered by the global markets. These actions will start to be implemented in 2012, among them the identification of priority markets, the mapping of support services, and the set-up of a SME internationalisation forum.

In the context of the continuing implementation of the landmark **Small Business Act (SBA)** for Europe of 2008, a Communication on **female entrepreneurship** is planned for 2012 exploring ways to unlock the potential of women entrepreneurs.

To tackle the problem of access to **finance for SMEs**, a High-level dialogue between representatives of financial institutions and SMEs (SME Finance Forum) will be continued monitor market developments and make recommendations on how to improve that access.

In 2012, EACI on behalf of DG ENTR will continue to support financially the **Enterprise Europe Network** in order to help SMEs to find new commercial and technological opportunities in Europe and even abroad. The **SME Performance Review Report and SBA country fact sheets** are published each year in order to monitor the effectiveness of actions devoted to the competitiveness of SMEs.

**Specific Objective 1: To promote favourable framework conditions for European industry**

<i>Result Indicators</i>	<i>Latest known result</i>	<i>Target (mid-term)</i>
Progress on implementation and follow-up of ENTR measures announced in the 2010 Industrial Policy Communication (43 adopted actions)	2011: state of implementation on track with no substantial delays for major initiatives	2015: 43 actions to be implemented
Under the Europe 2020 strategy, degree of competitiveness in Member States as identified in the Commission's country analysis, as judged on the basis of a set of 26 indicators	For each country, see the data in the staff document attached to the Communication Industrial Policy; Reinforcing Competitiveness (COM (2011) 642 and SEC(2011) 1187)	2014-2020 Improvement of industrial competitiveness in Member States as captured in the annual Commission report on Member States' competitiveness performance and policies (NB: Improvements which materialise in the year t will in general only become visible in the year t+2)

**Main policy outputs**

**Communication 'update and review of progress on the integrated industrial policy for the globalisation era' – 4<sup>th</sup> quarter 2012**

European Competitiveness Report 2012 with a focus on EU enterprises' international performance

Report on Competitiveness Performance and Policies in the Member States

Communication on key aspects of the competitiveness of the Fashion Industries – 4<sup>th</sup> quarter 2012

Establishment of a monitoring mechanism of best practices under the second pillar of the Raw Materials Initiative

Implementation of an active raw materials diplomacy with a view to securing access to raw materials through strategic partnerships and policy dialogues including developing co-operation with the African Union in the areas of governance, investment and geological knowledge and skills

Combat export restrictions on raw materials through the establishment of a monitoring mechanism for export restrictions and support to multilateral and bilateral negotiations where justified

Strengthening the enforcement of the Waste Shipment Regulation to ensure that waste exported from the EU is recycled under similar conditions as faced by EU recyclers

Report on the implementation of Electra Communication

Final report on assessment of competitiveness for the rail supply industry

Workshop on promoting harmonisation of provisions at the international level: best practices in non-road mobile machinery

**Main expenditure-related outputs**

Launch of studies on competitiveness/cross-sectoral issues for the 2013 EU Competitiveness Report, dissemination of the 2012 report, and Economist Visitors Programme

Promoting good practices in improving the business environment by identifying the key factors that are conducive to best performance in the selected area; allowing stakeholders to exchange expertise and experience; and formulating recommendations that could serve as guidance for policy makers when designing reform measures

Launch of impact assessment studies for Competitiveness proofing

Promotion of Corporate Social Responsibility in support of EU2020 strategy: 1. Facilitate a small number of sector-based platforms through which enterprises and other stakeholders will make commitments regarding CSR and review progress. 2. Finance a survey of citizen trust in enterprises and attitudes towards CSR. 3. Organise an award scheme to recognize leading enterprises in the field of CSR

Conference on the implementation of the European Cooperatives Regulation under the Cyprian EU Presidency Conference

Disseminate and follow-up the expert group's recommended definition on family business and mainstream needs of family businesses in relevant existing policies (e.g. SME policy, studies, Eurobarometer)

Conference on the Regulatory review on nanomaterials

Preparatory study on methodology and evaluation of raw materials in view of updating the list of critical raw materials in 2013

**Specific Objective 2: To assist structural change and sustainable development in specific manufacturing sectors and tourism**

<i>Result Indicators</i>	<i>Latest known result</i>	<i>Target (mid-term)</i>
Number of adopted implementing measures of the Eco-design Directive and related energy savings	2011: 12 measures are adopted (376 TWh annual savings by 2020 – including ENER proposals) 2 voluntary agreements operational	2014: 5 measures 2012 or 2013: 5 measures and 3 voluntary agreements (including ENER proposals)
Progress on implementation and follow-up of ENTR measures announced in the 2010 European strategy on clean and energy efficient vehicles	End 2011 (estimation): 25 of 47 measures implemented by DG ENTR, other DGs and Member States  2011: December 'A European Strategy for Clean and Energy Efficient Vehicles - State of Play 2011	Remaining measures to be implemented by end 2014
Number of destinations joining the European Destinations of Excellence network for the promotion of sustainable tourism development models	2011: 98 2010: 77 2009: 52 2008: 30 2007: 10	2015: 148 2014: 123 2013: 123 2012: 98

**Main policy outputs**

**Communication on the strategy for the sustainable competitiveness of the EU construction sector – 1<sup>st</sup> quarter 2012**

**Communication on the results of the CARS 21 High Level Group – 2<sup>nd</sup> quarter 2012**

**European Tourism Label – 4<sup>th</sup> quarter 2012**

Communication reviewing the Sustainable Industrial Policy/Sustainable Consumption & Production Action Plan (of 2008) – October 2012

European Charter for a sustainable and responsible tourism – 3<sup>rd</sup> quarter 2012

Develop innovation in the tourism industry by strengthening the integration of ICT tools into all tourism activities and helping adapt the sector to new market developments

Dissemination of agro food industry innovation through Presidency events organised to share practices, create interactions and enhance dialogue between stakeholders

Study report on the policies in chemicals regions to support the competitiveness of the chemicals industry

Organisation of a workshop / seminar on the competitiveness of the European chemicals industry and on the implementation of certain recommendations of the High Level Group on the Competitiveness of the European Chemicals Industry with a focus on logistics and raw materials

Workshops, study report and follow-up actions on the future of unmanned aircraft systems in Europe

Launch and organisation of meetings of the Commission's Task Force for Defence

Revision and extension of the Leadership Strategy in the shipbuilding sector

Finalise the evaluation and review of the Ecodesign Directive

#### *Main expenditure-related outputs*

#### **Tourism:**

Eurobarometer Survey on tourism demand prospects in 2012

#### *Calls for tender:*

- Development of a European Qualifications and Skills Framework in the Hospitality sector
- Creation of the ICT Tourism Platform
- Provision of specific studies, reports and other data and statistics collecting for the Virtual Tourism Observatory

#### *Calls for proposal:*

- Supporting and promoting European Destinations of Excellence focussing on sustainability;
- Promotion of trans-national sustainable tourism products
- Transnational Thematic Projects for a Sustainable Tourism
- Facilitating Transnational Low Season Exchanges in Europe through the Development of Social Tourism

Preparatory action - Tourism accessibility for all

Preparatory action – Promotion of European/trans-national tourism products, in particular Cultural and Industrial

#### *Events:*

- Communication activities, awareness-raising and visibility events with regard to the tourism policy and tourist destinations
- Activities enhancing promotion and visibility of Europe and its destinations on third markets
- Promotional activities to ensure increased visibility and awareness among tourists in Europe and in third countries, about transnational thematic tourist products, with special focus to cultural and industrial heritage tourist products
- Promotion of Cultural Routes as trans-national thematic tourism products

#### **Sustainable Growth Initiatives:**

A call for proposals for the Sustainable Industry Low Carbon Scheme (SILC1) (developing technological and non-technological innovation measures to reduce the carbon-intensity for a wider range of sectors)

Study on Sustainable Product Policy in view of the revision of the SCP/SIP Action Plan

Sustainable Industrial Policy: Promote pilot sector specific mitigation actions - sustainable industry monitoring database - contribution of environmental goods and services to green growth

**Automotive:**

Multi-client studies, statistics and forecasts on automotive industry

Memorandum of understanding with the Joint Research Centre on green cars

**Other Sectors:**

Study on the Competitiveness of the European maritime equipment industry

Multi-client studies and market data/information on the defence, aeronautic and shipbuilding sectors

Impact assessment on labelling textiles - link between allergies and chemicals used in textile products

Organisation of meetings of the High Level Group on the Competitiveness of the Agro-Food Industry

Organisation of meetings of the Expert Group on Corporate Social Responsibility in the field of Pharmaceuticals

Studies on the competitiveness of food, healthcare and biotech industries

Participation in the major biotechnology-related international event BIO 2013 International Convention in Chicago

Call for tender – preparatory action for the improvement of plastic scrap recycling

Study on the Competitiveness of the EU Electrical Engineering Industry

Follow-up actions on the Communication on Sustainable Construction

**Specific Objective 3: To open up opportunities for European businesses in Third Country markets**

<i>Result Indicators</i>	<i>Latest known result</i>	<i>Target (mid-term)</i>
Number of concluded Free Trade Agreements	2011: 1 (Ukraine) 2010: 1 (South Korea)	2014: up to 10
Number of countries with which regulatory/industrial policy dialogues are conducted	2011: 5 (USA, Canada, Russia, China, Brazil) 2010: 6 (USA, Canada, Japan, Russia, China, Brazil)	2014: 8
Number of concluded ACAAs	2011: Negotiations intensified with Tunisia and Egypt	2013 : Start actual negotiations with both countries

**Main policy outputs**

Report on the application of the notification procedure from 2008 to 2010 established by the Agreement on Technical Barriers to Trade (TBT)

International regulatory dialogue, in particular with the US, Russia, India, China in the automotive sector (TBT notifications and market access issues)

Regulatory and industrial policy international dialogues with Brazil, China, Russia

Negotiations and implementation of trade agreements for processed agricultural products in the framework of bilateral and multilateral agreements

Negotiations and implementation of trade agreements for medicines

International tasks/contacts in the field of Pharmaceuticals

Improve market access for goods & global trading rules

Facilitating trade with third countries- eliminate tariff and non tariff barriers to Trade

Countervail any unfair and injurious practices in international trade

Reduce barriers to trade and investment through Regulatory Cooperation Dialogues

Help European business gain better access to markets and to improve the business environment in developing economies through Enterprise/Industrial Policy Dialogues

Monitoring the adoption of the Enlargement and Western Balkan Coordination

Sustainable industrial policy dialogue with Japan

**Main expenditure-related outputs**

Support for the EU-Japan Centre

Annual membership fees for international organisations (Rubber Study Group; Copper Study Group; Nickel Study Group, Lead & Zinc Study Group)

<b>Specific Objective 4: To promote innovation through improved framework conditions and support measures</b>		
<i>Result Indicators</i>	<i>Latest known result</i>	<i>Target (mid-term)</i>
Progress on implementation and follow-up of ENTR measures announced in the 2010 Innovation Union Communication (12 adopted measures)	2011: 11 on track, 1 abandoned 2010: 1 adopted measure	2020: 12 measures to be implemented 2014: 6 measures to be implemented
Number of Member States including evidence from the Innovation Union Scoreboard and/or the INNO Policy Trend chart in their policy making processes	2011: 17, plus 2 other CIP countries 2009: 12 Member States	2014: 27 Member States
Share of innovative enterprise of total number of all enterprises (Source: Community Innovation Survey)	2011: [2010 Community Innovation survey not yet available] 2010: [2010 Community Innovation survey not yet available] 2009: [2010 Community Innovation survey not yet available] 2008: 52% 2006: 53% 2004: 51%	2014: 60%
Number of actions completed from the Lead Market Initiatives action plans	2011: 25 completed, 57 implemented according to plan, 4 abandoned  2010: 58/88 actions implemented according to action plan	2012: Renewal of the Lead Market Initiative (see mentioned in outputs)
Number of citations of publications of the European Cluster Observatory	2011: 199 2010: 100	2014: 1000
Take-up of new tools and instruments developed in support of SMEs	2011: 17 2010: 8 2009: 9	2014: 29
Estimation of leverage effect of projects in terms of additional innovation support funding mobilised by pilot projects	2011: € 207.5 million 2010: € 45.25 million	2014: € 150 million

### *Main policy outputs*

#### **Communication on Key Enabling Technologies (KETs) – 1<sup>st</sup> quarter 2012**

Communication on an Innovative Partnership for Raw Materials – January 2012, followed by a Communication on the European Innovation Partnership's Strategic Implementation Plan – end 2012

Publications including the European Innovation Scoreboard 2012, and the Public Sector Innovation Scoreboard 2012

Renewal of the Lead Market Initiative in 6 market areas

EU 2020 Pilot Project - Young Innovators Mobility (Innovation Union)

Establishment of the Expert Forum on Innovative Creative Industries

Following-up and supporting the discussions and decision-making process in the Council and in the European Parliament on the ICT standardisation reform proposal

Analysis of the policy needs of all Commission services requiring ICT and e-Business standardisation support; Updating ICT standardisation work programme; Contribution to the Commission Work programme for European Standardisation; Preparation of future ICT standardisation mandates

Establish the European Multi-stakeholder Platform to further enhance dialogues between all actors involved in ICT standardisation

Report on the impact of globalisation on innovation e-skills

Report on the monitoring of key indicators and scenarios on the supply and demand of e-skills

Report on European guidelines and labels for new curricula on e-skills

Preparation of the multiannual work programme of KETs in Horizon 2020

Further development and implementation of the EU monitoring mechanism on Key Enabling Technologies which was launched with a feasibility study on its set-up in 2011

### *Main expenditure-related outputs*

#### *Calls for tender:*

- Industrial innovation policy related analysis, benchmarking and monitoring
- Social Innovation Actions; Exploitation of IP for Industrial Innovation
- E-Skills for competitiveness and innovation: (1) European Guidelines and Labels for New Curricula; (2) Assessing the Impact of Globalisation on Innovation Skills and (3) Monitoring and Benchmarking policies and partnerships
- Boosting ICT integration along digital value chains: assisting SMEs in 2 specific industry or services sector participate in global digital value chains in the Single Market
- Evaluation of the series of 5 on-going and completed demonstration actions for ICT-enabled innovation
- Foresight study on the transformation of the business landscape by ICT-enabled innovations
- Key Enabling Technologies (KETs) demonstration action; (2) Feasibility studies regarding the implementation of the High Level Group policy recommendations and (3) Set-up of an EU monitoring mechanism on Key Enabling Technologies and organisation of a series of expert workshops
- European Design Innovation Initiative implementation

*Calls for proposal :*

- Bridge to Europe Day 2012 to build a stronger bridge between European experts and Europe by bringing European expats, who founded new businesses or work as researchers in Silicon Valley together with European institutions and companies to exchange experience and practices
- Development of European Creative Districts

*Events:*

- European Innovation Platform for Eco-innovation (Eco-IP): REMake eco-innovation competition awards (May 2012) & final conference (July 2012) BIOCHEM European business plan competition (February 2012) & venture capital event (April 2012) Eco-Trophéa competition (Paris, October 2012) INNOWATER international information days, DK/NL/UK, November 2012) ECO-IP partnering event (December 2012); EUSEW 2012 workshop on new forms of support for eco-innovation
- European Innovation Platform on Cluster Cooperation (Cluster-IP): EcoCluP international business trips for cluster managers to third countries
- Conferences, events, meetings and workshops, e.g. on industrial innovation, design innovation, service innovation, social innovation, regional cooperation, e-skills, innovation partnerships and demand-side policy (including standards and procurement) and cooperation with the third countries; including matchmaking events for SME internationalisation through clusters; events on patent tools and IPR and ICT standardisation
- Europe INNOVA 2012 Conference under Danish Presidency
- Innovation Festival Finale event (Milan, February 2012)
- European Cluster Conference 2012 (Vienna, April 2012)

*Other:*

- Launch of the Industrial Innovation survey
- Public and expert consultation on the new generation Lead Market Initiatives as part of demand side innovation policies
- PRO INNO Europe® : Maintenance of up-to-date PRO INNO Europe® website, and organisation of final annual PRO INNO Europe® partnering event (spring 2012)
- European Creative Industries Alliance: Kick-off meetings of individual projects & start of activities ECIA Platform: Call for expression of interest for members of Policy Learning Platform & launch of Policy Learning Platform & launch of ECIA web platform, ECIA launch event (Milan, February 2012)
- European Mobile and Mobility Industries Alliance: Call for expression of interest for members of Policy Learning Platform, launch of Policy Learning Platform & launch of EMMIA web platform, EMMIA launch event
- Europe INNOVA communications platform: Maintenance of up-to-date Europe INNOVA website
- Creation of A Rare Earth Competency Network For Europe

<b>Specific Objective 5: To promote a business environment favourable to SMEs and entrepreneurship</b>		
<i>Result Indicators</i>	<i>Latest known result</i>	<i>Target (mid-term)</i>
Reduction of start-up time and complexity for new enterprises	Working days on average in all Member States: 2011: n.a. 2010: 7 2009: 8 2008: 9 2007: 12	2014: 3 working days by 2014 as indicated in the Council's Action Plan for a Small Business Act for Europe  2012: 3 working days by 2012 as indicated in the Council's Action Plan for a Small Business Act for Europe
Reduction of cost for start-up of new enterprises	2011: n.a. 2010: €399 2009: €417 2008: €463 2007: €485	2014: €100 by the end of 2014  2012: €100 by the end of 2012
Time needed to get licences to take up and perform the specific activity of an enterprise	2011: n.a. 2010: n.a. 2009: n.a.  EU average (2009): Between 0 day and 2 years (depending on Member-State and sector)	2014: 1 month by the end of 2014  2013: 1 month by the end of 2013
Bankruptcy: reduction of the discharge time and debt settlement for an honest entrepreneur after bankruptcy	EU average in years: 2011: n.a. 2010: n.a. 2009: n.a.  Discharge time varies from less than 1 year (UK) to no discharge at all (CY, ES, IT)	2014: Reduction of the discharge time and debt settlement for an honest entrepreneur after bankruptcy to a maximum of 3 years by 2014  2013: Reduction of the discharge time and debt settlement for an honest entrepreneur after bankruptcy to a maximum of 3 years by 2013
No. of SMEs experts participating in the elaboration of standards in the Technical Committees (TCs) of the ESOs (CEn-CLC-ETSI) considering the n° of TCs of SME interest	2011: 49 experts in 58 TCs 2010 : 43 experts in 51 TCs	2014: n.a.  July 2012 : 55 experts
<b>Main policy outputs</b>		
Communication on Female Entrepreneurs – July 2012  Improve the effectiveness of public SME policies in fostering competitiveness by promoting the innovative use of ICT through the eBusiness policy coordination platform of the eBSN, in close cooperation with the EEN (Enterprise Europe Network)		

Follow-up of the Communication on e-invoicing and implementation of proposed activities and actions, in particular with regard to "SMEs" and "standardisation" pillars. Develop policy lines aimed at improving the expansion of e-business among EU enterprises.

Implementation of Trans-national entrepreneurship education projects specifically aimed at entrepreneurship education of students at schools and universities, training of teachers and professors of entrepreneurship education, development of didactic material/teaching methodologies and entrepreneurship education for women

SME Envoy activities and mainstreaming of SME Policy in the context of the SBA

Publication of the annual SME Performance Review Report 2012 and the SBA country fact sheets 2012

Monitoring of trade policy activities related to SMEs (EU Business Centre abroad, support programmes)

Monitoring of SME issues in candidate countries

Promote SME participation in public procurement (promotion of code of best practices, inputs to the revision of the public procurement directives)

#### *Main expenditure-related outputs*

Conference to present the results of the 2011 external evaluation on the SME definition

Information campaign addressed to enterprises about combating late payment in commercial transactions

Organisation of the European SME Week campaign in 37 countries and preparation of the "Secret of Success" brochure containing portraits of entrepreneurs

Cost benefit analysis on externalisation of actions to Executive Agency for Competitiveness and Innovation (EACI)

Flash Eurobarometer "Attitudes Towards Entrepreneurship" survey.

Transfer of business: a study to measure the actual size and economic importance of the transfer market in Europe and analyse current measures to support transfers

Call for proposal Entrepreneurship education: to promote entrepreneurial culture of young people and entrepreneurship education

Organisation of a conference on female entrepreneurship and meetings of the European network to promote women's entrepreneurship

SBA implementation: monitoring and exchange of good practices – organisation of annual SBA European conference and SME Assembly, meetings of the Network of SME Envoys, expert meetings of the SBA national contacts, database of good practices

Communication activities on SBA implementation (Maintenance of SME portal, Audiovisual products and interactive tools and Communication tool for SME Envoy network)

SMEs and Craft enterprises' participation in European Standardisation - Promotion of SMEs in the European standardisation

Editorial assistance for the "Enterprise & Industry magazine"

**Specific Objective 6: To open up opportunities for European SMEs in Third Country markets**

<i>Result Indicators</i>	<i>Latest known result</i>	<i>Target (mid-term)</i>
Percentage of SMEs active outside the EU	2011: 13%	2020: 25% 2014: 18%
Share of SME-dominated sectors in EU exports to twelve target markets, including China, Japan, Russia, India and Brazil	2011: 51%	2020: 60% 2014: 55%

**Main outputs (policy or expenditure-related)**

Launch in 2012 an awareness-raising campaign with Member States and stakeholders to familiarise SMEs with available support services  
 Identify in 2012 priority markets for SMEs on the basis of the criteria mentioned in the Communication  
 Set-up in 2012 a periodic "SME internationalisation Forum"  
 SME dialogue with third countries in order to exchange best practices in SME Policy

**Main expenditure-related outputs**

Launch an in-depth mapping of existing support services, both public and private, within the EU and in non-member countries with the aim to complete, by the end of 2012, the work on priority markets  
 Launch in 2012 an online portal that will provide third country- and sector- specific information about priority markets and a detailed overview of the different support services available  
 Internationalisation of SMEs through clusters: Organisation of 5 matchmaking events with third countries

**Specific Objective 7: To ease the exchange of experience and information among SMEs and the creation of new business partnerships**

<i>Result Indicators</i>	<i>Latest known result</i>	<i>Target (mid-term)</i>
N° of young entrepreneurs participating in the ERASMUS for Entrepreneurs programme	<p>Since the launch of the programme, over 3,600 entrepreneurs have registered to take part in it (2/3 new and 1/3 host entrepreneurs). 507 exchanges have been completed, 125 are ongoing and 63 are under preparation.</p> <p>The original target (870 exchanges by June 2010) has not been met. However, we can expect that the "1,000 exchanges" target will be reached by end 2011 and the 1200 exchanges target by mid-2012.</p>	<p><u>Targets for 2014 and 2013:</u> Continue the exchange activities reaching a pace of 630 relationships per year, if the budget remains at the current level</p> <p><u>Targets for end of 2012:</u> around 1,600 will have been financed since the launch of the project.</p>
Number of business, technology and research partnership agreements concluded with the assistance of the Enterprise Europe Network	<p>2011: 1,800 (expected)</p> <p>Jan. 2008-Dec. 2010 (36 months): 4,320 agreements</p> <p>2008-June 2010 (36 months of activity): 2,773 agreements</p>	<p><u>Targets for:</u></p> <p>2014-2013: 2,200 agreements per year</p> <p>2011-2012: 1,800 agreements per year</p>
Individual SMEs reached by Enterprise Europe Network promotion	<p>2011: 1.8 million SMEs</p> <p>January 2008- December 2010 (36 months): 5.5 million SMEs = 1.8 million per year</p>	<p><u>Targets for:</u></p> <p>2014-2013: 2 million SMEs per year</p> <p>2011-2012: 2 million SMEs per year</p>

**Main policy outputs**

Report on the development of the Enterprise Europe Network

Connecting Enterprise Europe Network with EU policies through an annual guidance note

Involving SMEs in EU single market decision-making through Enterprise Europe Network: organisation of SME Panels and management of the SME Feedback database

International development of Enterprise Europe Network: evaluation of proposals received from third countries to participate to the Network

**Main expenditure-related outputs**

Enterprise Europe Network: Network grants and network animations (managed by EACI)

Erasmus for Young Entrepreneurs: Call for proposal; development of web banner; web based campaign, conference and Business Plan Contest Awards

Promotion, development, maintenance, provisioning and multilingual translation of national information for the Your Europe Business portal (managed by EACI)

Maintenance and further development of the Erasmus for Young Entrepreneurs IT Tool

**Specific Objective 8: To facilitate access to finance for SMEs**

<i>Result Indicators</i>	<i>Latest known result</i>	<i>Target (mid-term)</i>
Number of SME receiving new financing through SMEG and GIF facilities	30 June 2011: 142,168 SME beneficiaries under SMEG and 175 under GIF (of which 169 were in CIP participating countries)	315,750 SMEG beneficiaries by 2015 (based on the last CIP contracts being signed in December 2013, followed by a guarantee availability period of up to 18 months)  1,350 GIF beneficiaries by 2019 (based on the last CIP contracts being signed in December 2013, allowing up to 6 months for the VC funds to reach their 'first closing', followed by the usual investment period of 5 years)

**Main policy outputs**

SME Finance Forum – bringing together stakeholders to follow, discuss and make proposals concerning SME finance at European level

Financial Market Monitoring - Regular reports on the events in the world financial markets and their effect on the overall economic situation, and on financing innovation and SMEs

Structured monitoring of Member State reforms in the area of access to finance

Facilitate the transfer of knowledge from universities and research organisations into SMEs

Support for SMEs in the new financial environment by encouraging small regional banks and credit institutions, especially in the new Member States, to provide microloans to SMEs

Organisation with third countries or international organisations of events aiming at improving mutual information and exchanging good practices in the field of easing SMEs access to finance

**Main expenditure-related outputs**

Implementation of EIP financial instruments: GIF (the High Growth and Innovative SME facility, which provides venture capital for SMEs) and SMEG (the SME Guarantee facility, which provides guarantees on loans to SMEs) – managed by the European Investment Fund and supervised by DG ECFIN and DG ENTR

Enterprise Finance Index (in cooperation with the OECD, Eurostat and the European Central Bank)

Development of good accounting practices for different types of legal entities and sizes of SMEs which are not regulated in the accounting field at EU-level

**Specific Objective 9: To promote the operational use of EU Earth monitoring services (GMES)**

<i>Result Indicators</i>	<i>Latest known result</i>	<i>Target (mid-term)</i>
<p>Number of GMES operational services for Earth monitoring</p> <p>1) Atmosphere monitoring</p> <p>2) Climate change monitoring in support of adaptation and mitigation policies</p> <p>3) Emergency management</p> <p>4) Land monitoring</p> <p>5) Marine environment monitoring</p> <p>6) Security</p>	<p>GMES precursor services (land, marine, emergency response, atmosphere and security and climate change) under development on the basis of the FP7 Space programme, as well as some downstream services. The above mentioned large projects will end in 2011 – 2012. Follow-up projects for marine and atmosphere addressed in the FP7 Space Work Programme 2011.</p> <p>Publication of call for tenders for Land monitoring and Emergency services are foreseen in the GMES Regulation (GMES initial operations 2011-2013) Work Programme 2011 (second half 2011).</p> <p>For climate change, work on the definition of user requirements is planned in 2011.</p>	<p>GMES service requirements consolidated and validated by Commission for operation of permanent services in six thematic areas</p> <p>2014: implementation of the items mentioned below plus gradual implementation of the services in the marine, atmosphere and climate change areas developed earlier under FP7</p> <p>2013: implementation of the services mentioned below, plus global land monitoring and support of services take up by users</p> <p>2012: implementation of pan-EU Land monitoring, rapid mapping and Early Warning on Floods</p> <p>Agreement on data policy to facilitate users' uptake</p>

**Main policy outputs**

Commission adoption of a delegated act on GMES data policy as empowered to the Commission by GMES Initial Operation Regulation

GMES Services - To stimulate uptake by the downstream sector: sponsor and/or support initiatives on GMES and Galileo targeted to downstream applications and increase synergies with Galileo on the development of common applications

Implementation of the actions of GMES Initial Operations Work Programme 2012

Implementing the GMES Regulation governance

Final adoption of the GMES programme post 2013

**Main expenditure-related outputs**

Evaluation of GMES preparatory actions

Interim evaluation of the GMES programme - Implementation of the operational actions

Financial support GMES initial operations

Call for proposal European Innovation Action for Satellite-enabled Services

### Description of the activity

Within this activity the Commission takes measures to ensure an open internal market for goods, while promoting high standards for health, safety and environmental protection. This is done by continually reviewing and renewing existing internal market *acquis*, proposing new legislative or non-legislative actions whenever appropriate and by ensuring a correct implementation of EU law. For this purpose, DG ENTR relies also on the expertise of external bodies such as the European Chemicals Agency (ECHA) and the European Standardisation Organizations (ESOs<sup>7</sup>: CEN, CENELEC and ETSI).

### EU-added value of the activity

The single market is one of the main pillars of the European Union. It contributes to competitiveness and prosperity. In the current economic crisis it provides a safeguard against protectionism within the EU and the negative effects that would have on the economy. The aim of this activity is first and foremost to ensure the free flow of goods as stipulated in the Treaty. Secondly, societal needs such as environmental and consumer health and safety are highlighted in the internal market legislation. Thirdly, internal market regulation should be as light as possible to avoid weakening business competitiveness.

Within this activity, the DG manages both the *harmonized* and *non-harmonized* areas of the single market for goods. In the harmonized area, secondary legislation lays down requirements for around 75% of products in the single market. To ensure a flexible regulatory framework providing access to the single market while protecting essential public requirements, the DG promotes the use of the New Legislative Framework. This framework lays down common rules for market surveillance and accreditation, and promotes the use of standards to achieve the policy objectives.

In the non-harmonized area, free movement is assured by the Treaty itself and the “mutual recognition” principle established by the Court of Justice. Ensuring that these rules are implemented across the EU is a key challenge.

The Commission’s legislative work on the internal market for goods is structured around industrial sectors as diverse as motor vehicles, chemicals, metrology and pre-packaging, electrical equipment, telecommunications, textiles, wood, and construction products (the list is not exhaustive).

#### - New legislation

While the internal market for goods is already well-developed as compared to that for capital, labour and services, there is no room for complacency. DG ENTR will, therefore, continue its work to make sure that the internal market *acquis* under its responsibility functions well, by carrying out reviews and coming forward with proposals for new legislation or legislative revisions, as necessary.

---

<sup>7</sup> The European Committee for Standardisation (known by its French abbreviation CEN), the European Committee for Electro Technical Standardisation (CENELEC), and the European Telecommunications Standards Institute (ETSI)

For instance, in 2012 the DG will present a proposal to facilitate the registration of motor vehicles previously registered in another Member State. Initiatives to strengthen market surveillance will also be taken in 2012 in the form of legislative proposals and developing the necessary IT tools. In order to make the internal market legislation even more effective, the DG will work on simplification initiatives in such areas as non-road mobile machinery and personal protective equipment. The fitness check on the type approval system for motor vehicles will be conducted in 2012 and may lead to a new initiative in 2013 in light of the results of this check. The work on implementing the New Legislative Framework needs to be continued also in 2012, in particular in the fields of accreditation, market surveillance and legislative coherence.

#### - **Implementation**

In 2012, the DG will also continue to ensure the correct implementation of the legislation under its responsibility. This will be done, for instance, through monitoring the situation in Member States and by reacting to notifications under the 98/34 Directive and complaints that may lead to infringement proceedings. The DG will pursue the development of secondary legislation through its Comitology work, in particular in the chemicals area (e.g. on the authorisation of dangerous substances of high concern) and on toy safety.

The REACH regulation (Registration, Evaluation, Authorisation and Restriction of Chemical substances) will be reviewed in 2012 as required in the legal base. The Commission will closely look into the effectiveness of the regulation and, if necessary, propose some adaptations.

#### - **Standardisation**

The DG will continue to follow and support the work of the European standardisation organisations in developing standards in support of EU policy goals and their implementation at national level. In order to promote European standards worldwide, the DG will conduct regulatory dialogues on standardisation with China, India, Russia, USA and Japan. Standardisation will be extended to new areas of economic activities: in 2012 the DG will look, for example, into standards for services and applications provided by European global satellite navigation systems.

In 2012, the draft Regulation on European Standardisation reforming the European Standardisation system will be discussed in the Council and the European Parliament. A close follow-up of discussions will be done with the aim of the adoption of the Regulation by the end of 2012.

<b>Specific Objective 1: To regularly review existing internal market legislation and propose new initiatives whenever appropriate</b>		
<i>Result Indicators</i>	<i>Latest known result</i>	<i>Target (mid-term)</i>
Progress in implementing the New Legislative Framework aiming at a smoother application of EU law	<p>2011: Alignment package of 9 New Approach Directives to the NLF – adopted 21 November 2011</p> <p>Agreement on the follow up of the Schaldemose report on the revision of the GPSD to present a revised GPSD, a new market surveillance regulation (merging GPSD and NLF market surveillance requirements) accompanied by a multi annual plan</p> <p>2008: Adoption in co-decision of the New Legislative Framework</p> <p>Regulation 765/2008 came into application on 1/01/2010.</p> <p>Member States and Commission have to put into place the implementation infrastructures and develop common tools</p>	<p>2014: Implementation of the multi-annual programme for market surveillance</p> <p>2013: The original report to the EP for September 2013 will most likely be overtaken by the new proposals</p> <p>2012: Presentation of a new market surveillance package including a revision of the GPSD, a new stand alone regulation, including market surveillance chapters from GPSD and Regulation 765, and a multi-annual market surveillance plan. This will supersede the preparation of the <i>ex post</i> evaluation of the implementation of Regulation 765/2008 and Decision 768/2008.</p>
Progress in implementing the DG's Multiannual Evaluation Plan as measured by the number of <i>ex post</i> evaluations carried out on legislation under its responsibility	<p>2011: n.a.</p> <p>2004-2010: 9 evaluations</p>	2012-2014: 12
<b>Main policy outputs</b>		
<p><b>Communication on the regulatory aspects of nanomaterials – January 2012</b></p> <p><b>New Horizontal single legislative initiative for market surveillance – 4<sup>th</sup> quarter 2012</b></p> <p><b>Decision on multi-annual plan for market surveillance – 4<sup>th</sup> quarter 2012</b></p> <p><b>Registration of motor vehicles previously registered in another Member State – 1<sup>st</sup> quarter 2012</b></p> <p><b>Review of Council Directive 89/105/EEC relating to the transparency of measures regulating the pricing of medicinal products for human use and their inclusion in the scope of national health insurance systems – 1<sup>st</sup> quarter 2012</b></p> <p><b>Fitness check on the type approval system for motor vehicles - 2012</b></p> <p><b>Directive amending the Non-Road Mobile Machinery Directive 97/68/EC – 4<sup>th</sup> quarter 2012 (Simplification)</b></p>		

**Amendments to the RTTE Directive 1999/5/EC (Radio and Telecommunications Terminal Equipment – 1<sup>st</sup> quarter 2012 (Simplification)**

**Legislative amendment of Directive 89/686/EC on personal protective equipment – 2<sup>nd</sup> quarter 2012 (Simplification)**

**Regulation relating to fertilisers and repealing Regulation (EC) No 2003/2003 – December 2012 (Simplification)**

Proposal for the revision of Directive 93/7/EC on the return of cultural goods unlawfully removed from the territory of a Member State – December 2012

Staff working document on information on nanomaterial types and uses

Memorandum of understanding with the Joint Research Centre on green cars

Regulation on motor vehicles type-approval requirements for the implementation of the eCall system and amending Directive 2007/46/EC – March 2012

Proposal for replacing the Council Regulation on the trade arrangements applicable to certain goods resulting from the processing of agricultural products – 1<sup>st</sup> quarter 2012

Legislative proposal on complementary provisions to Euro 5/6 and Euro VI – 2<sup>nd</sup> quarter 2012

Commission Regulation amending annex II, part III of Directive 2009/48/EC on toy safety (TSD) – 4<sup>th</sup> quarter 2012

Commission Regulation adapting for the 6th time the Annexes of Regulation (EC) No 2003/2003 relating to fertilisers to technical progress

Commission Regulation adapting for the 7th time the Annexes of Regulation (EC) No 2003/2003 relating to fertilisers to technical progress

Commission Directive to postpone application of Directive 2008/43/EC a system for the identification and traceability of explosives for civil uses

3rd Comitology package on heavy duty emissions legislation

Implementing measure of the strategy of 2007 on CO2: Regulation of the Commission amending Directive 2007/46/EC on ecoinnovation

Implementing act based on Regulation 661/2009 which foresees the replacement of Directives 92/21/CEE and 97/21/EEC on masses and dimensions

Delegated and implementing acts for the new regulatory framework for L-category vehicles: (Draft Regulation for vehicle construction, for administrative requirements, for environmental and propulsion performance requirements and for functional safety requirements)

Commission delegated Regulation on the braking systems of agricultural or forestry tractors

Progress made in UNECE on the review of the 1958 Agreement, in terms of endorsing the inventory of issues to be addressed and the milestone planning for the development of amending proposals to the 1958 Agreement on harmonised vehicles regulations and the mutual recognition of type-approvals

Third report on the implementation of the European strategy on clean and energy efficient vehicles

Developing and implementing legislation for processed agricultural products (Non-Annex I goods)

Report on the review conducted in accordance with Art. 45 of the CLP Regulation

Final report on the evaluation of the pressure equipment Directive

Efficient use of the SCC mechanism with its subordinated groups in order to create and maintain the sufficient efficiency to be able to settle the pending CPD-related issues during the transition period to full application of the CPR

### *Main expenditure-related outputs*

Reports from contractors to support the Commission's impact assessment of the 3 eco-design implementing measures (commercial refrigeration equipment, transformers, sound and imaging equipment)

Implementation of the Eco-design Directive 2009/125/EC: 3 studies to support the Commission's impact assessments on draft Regulations for specific product groups developed following the Commission's Working Plan 2009-11; 1 study to support the Commission's impact assessments on an amendment to the Eco-design Directive; 2 studies to prepare Regulations for specific product groups following the Commission's Working Plan 2012-14.

Technical assistance and economic analysis in the field of legislation pertinent to the issue of on-board diagnostics, of eco-innovation, and of automotive safety

Economic and technical assistance in relation to the emissions of environmental pollutants from automobiles in 2012

Studies relating to Economic and Internal market issues of the European Automotive legislation

Impact Assessment of EU harmonisation needs for the labelling of leather products and textile and clothing products

Studies on the pricing and reimbursement of medicinal products (EMINET)

Elaborate a database relating to pricing and reimbursement medicinal products (EURIPID)

Organisation of 2 conferences on the networking, pricing and reimbursement of pharmaceuticals

Support to the Joint Research Centre on the application of Directive 97/68/EC on Non Road Mobile Machinery (NRMM)

Impact Assessment Study on Machinery

Impact Assessment Study - Merging Machinery with Noise Directive

Update and maintenance of the One Stop Notification portal for notifications under Article 6.4 of Directive 1999/5/EC (R&TTE).

Final report on the impact assessment for the revision of the Gas Appliances Directive (GAD)

<b>Specific Objective 2: To ensure the correct enforcement of EU law</b>		
<i>Result Indicators</i>	<i>Latest known result</i>	<i>Target (mid-term)</i>
Number of “Detailed opinions” by the Commission and the Member States stating that draft national technical regulations notified by Member States (according to Directive 98/34) may create obstacles to the functioning of the Internal Market	2011: 92 (up to 5 December) 2010: 105 2009: 114 2008: 103 2007: 104	Reduction of “Detailed opinions” stating possible obstacles to the functioning of the internal market
Awareness of stakeholders on 98/34 and TBT notifications	2011: 133 2010: 126 2009: 108 2008: 100	Yearly increase in comparison to previous year
New infringement cases for the policy area Enterprise and Industry (including complaints, non communication cases, excluding cases transferred into ENTR by other DGs)	2011: 125 <sup>8</sup> 2010: 73 2009: 148 2008: 140 2007: 310 2006: 277 2005: 338	Reduction of new infringement cases <sup>9</sup>  Targets for new infringement cases for 2012, 2013 and 2014 cannot currently be estimated due to the present transition to a new infringement data system.
<b>Chemicals (REACH Regulation with support of ECHA)</b>		
Adoption of Commission Regulation adding chemical substances of very high concern (SVHCs) to Annex XIV of REACH	53 substances on the candidate list for substances of very high concern (June 2011)  Adoption of first Annex XIV with inclusion of 6 substances on 17 February 2011	ECHA to continue process of updating the candidate list in 2011.  Commission to update Annex XIV by 1 <sup>st</sup> quarter 2012

<sup>8</sup> Up to 17/11/2011. The final figure for 2011 should be known at the end of January 2012.

<sup>9</sup> The figures have decreased since 2008 due to the entry into use of the EU Pilot and the resolution of many cases in that system. For 2010 the figure decreased significantly again due to the entry into to use of the CHAP system. In practice, it is really only in 2011 that cases are beginning to flow out of those two systems into NIF. In addition, in 2011 DG ENTR also had an exceptionally large number of directives that reached their deadlines for transposition by the MS which lead to the creation of many non-communication cases: out of the 125 new infringement cases created so far in NIF in 2011, 111 are non-communication cases.

Adoption of Commission Regulations adding restrictions to Annex XVII of REACH	Restrictions on cadmium and acrylamide adopted by Commission Regulation on 20 May and 14 April respectively	Commission to adopt Annex XVII on the basis of ECHA opinions in 2 <sup>nd</sup> quarter 2012
<b>Main policy outputs</b>		
<p><b>Communication on the 2012 REACH Review – June 2012</b></p> <p>Report to the European Parliament and the Council on categorization of firearms – 3<sup>rd</sup> quarter 2012</p> <p>Report to the European Parliament and the Council on the transposition of Directive 2009/43/EC simplifying terms and conditions of transfers of defence-related products within the Community – 3<sup>rd</sup> quarter 2012</p> <p>Commission Directive updating the list of defence-related products set out in the Annex of Directive 2009/43/EC of the European Parliament and of the Council of 6 May 2009 simplifying terms and conditions of transfers of defence-related products within the Community</p> <p>Effective implementation of the New Legislative Framework in the fields of accreditation, market surveillance and legislative coherence</p> <p>Develop accreditation as the final level of public authority control in the control chain of safe products and ensure that conformity assessment bodies both in the regulated and non regulated fields are competent</p> <p>Facilitation of cooperation between national market surveillance authorities and customs to ensure an equal control of all products on the market and ensure level playing field for operators</p> <p>Control of the correct application of the relevant rules related to the Mutual Recognition Regulation (EC N° 764/2008), to the Strawberry Regulation (EC N° 2679/98) and to the application of the articles 34 - 36 TFEU</p> <p>Report to the European Parliament and the Council on the application of the Mutual Recognition Regulation (EC N° 764/2008)</p> <p>Guidelines focused on credit management published on the new version of the eJustice Portal and seminars providing SMEs with information on credit management, claims management and the available legal instruments, especially for commercial transactions across borders within the EU.</p> <p>Continuation of REACH implementation,: Adoption of revisions of Annex XVII or possible new Annex XVII entries and Adoption of 3rd revision of Annex XIV</p> <p>Creation of a European Database for a better implementation of Drug Precursor Legislation</p> <p>Possible Proposal to amend Regulation (EC) 273/2004 on Drug Precursors</p> <p>Proposal for a traceability system for pyrotechnic articles - adaptations to the labelling requirements to identify types of pyrotechnic articles and their manufacturer</p> <p>Amendment of Annex VI to Regulation (EC) No 1272/2008 for harmonised classification and labelling of substances</p> <p>Follow-up on the Commission obligations under Article 9 of Pack Sizes Directive 2007/45/EC, comprising the monitoring of developments in certain specific sectors (enumerated in Article 2(2): milk, butter, dried pasta, coffee and white sugar), after the abolition of a limited number of existing national sizes in 2012</p> <p>Follow-up in Council and Parliament of the outcomes of the Commission (Omnibus) proposals for the adoption of NLF for Directive 2009/23/EU (NAWI) and Directive 2004/22/EC (MID)</p>		

Follow-up in Council and Parliament on the Report on Directive 2004/22/EC (MID), including the simplification of 8 Directives within the field of legal metrology  
Creation of implementation mechanisms of CPR (notably tools for the notification of NBs and designation of TABs, establishment of the organisation of TABs, transitional arrangements required ...)  
Promoting better awareness and enhanced respect of the Community rules in force under the CPD

*Main expenditure-related outputs*

Translation contract for managing Directive 98/34  
Financial support for the Technical Secretariats of Notified Bodies  
Financial support for Market surveillance: Technical Secretariat for the 18 coordination groups ADCOS  
Operating Grant to the European co-operation for Accreditation (EA)  
Operation of the IT tools for market surveillance (RAPEX and ICSMS) and the translation of RAPEX notifications  
Organisation of seminars at the request of Member States for national administrations to improve the knowledge and good functioning of notifications for 98/34 and TBT.  
Management of the database for notification procedures  
Conference on REACH Review to inform the stakeholders about the conclusions on the review and ways forward  
Several thematic studies providing input to the review process of REACH  
Conference for stakeholders on REACH enforcement awareness  
Organisation of a Construction Products Regulation Conference in June 2012

**Specific Objective 3: To promote the development and use of innovative European standards**

<i>Result Indicators</i>	<i>Latest known result</i>	<i>Target (mid-term)</i>
Rate of national transposition of European standards (ENs in support of EU legislation & policies and other ENs)	Implementation rates reported by the European standardisation organisations (ESOs) in 2010 <sup>10</sup> : - ENs in support of EU legislation & policies: CEN: 96,5%, CENELEC: 97%, ETSI: 93%; - Other ENs: CEN: 97%, CENELEC: 96%, ETSI: 92%	Close to 100% implementation rate of European standards at national level
Number of SMEs experts participating in the elaboration of standards in the Technical Committees (TCs) of the ESOs – considering the n° of TCs of SME interest	2011: 49 experts in 58 TCs 2010 : 43 experts in 51 TCs	2014: n.a. July 2012 : 55 experts

**Main policy outputs**

Follow up of discussions in Council and European Parliament with the aim of adoption of the Regulation by end 2012  
 Communication on a 2013 Work Programme for European Standardisation – 4<sup>th</sup> quarter 2012  
 Regulatory Dialogues on Standardisation with China, India, Russia, USA and Japan  
 Preparation for a Commission Report on the future of Eurocodes  
 Provide common European rules of the structural design/assessment of buildings and civil engineering works

**Main expenditure-related outputs**

Provision of support for the running of the standardisation organisations CEN, CENELEC and ETSI, for standardisation actions and for the translation of standards  
 Promotion of European Standards through Standardisation workshop  
 The management of the standardisation mandates and publication of references of harmonised standards (SIGNIFERI, HAS and CEN/CENELEC Standards database)  
 Consolidation and maintenance of the IT tool 'Signifieri' to follow the standardisation activities, maintenance of the Harmonised Standards Database (HAS) and also of the CEN standards database and upgrade with CENELEC standards  
 Calls for tender – GNSS standardisation for Local Based Services and Standardisation for the terrestrial applications (Galileo)

<sup>10</sup> The European Committee for Standardisation (known by its French abbreviation CEN), the European Committee for Electro technical Standardisation (CENELEC), and the European Telecommunications Standards Institute (ETSI)

### **Description of the activity**

Within this activity, the Commission supports the development of the European Space Policy in accordance with Article 189 of the Treaty and proposals for measures to implement this policy, as well as R&D and the development of operational applications in the space and security sectors, through the EU Research Framework Programmes. For this purpose, the Commission draws on the expertise of the Research Executive Agency (REA), the European GNSS Agency (GSA), the European Space Agency (ESA), through a delegation agreement for the GMES Space Component.

### **EU-added value of the activity**

The space and security sectors provide a stimulus to innovation and growth in the European economy. Both sectors are crucial if the EU wants to remain competitive in areas which require access to critical technologies. The Commission supports these sectors with a view to generating applications and services that benefit European citizens (e.g. environmental monitoring, satellite-based radio-navigation, security); and to stimulating technology spin-offs that benefit other industrial sectors. Given the size of investments needed to develop these sectors, there is a clear added-value of common and coordinated EU-level action.

#### **- Space research and applications**

The objectives of the planned Communication on Space Industrial Policy are to further develop a balanced industrial base in Europe and support SME participation, establish a coherent regulatory framework, improve the world-wide competitiveness of European industry, develop markets for space applications and services, and ensure the non-dependence in strategic sectors.

The DG will continue to support the research for the development of the EU's earth observation-based industry through the EU system for Global Monitoring for the Environment and Security (GMES), notably for some applications related to six themes: land, marine, emergency response, atmosphere, security and climate change.

Research will also be supported to further develop global satellite-based navigation systems (GNSS), notably the European geostationary navigation overlay system (EGNOS) and the European Satellite Navigation System (Galileo). These research activities have a clear European dimension, namely to provide a European alternative to satellite navigation systems developed by the US, Russia and China. EU activities in the field of satellite navigation are also funded by a specific programme under the ABB "EU Satellite Navigation Programmes".

#### **- Security research and applications**

Research in the security field contributes to the creation of an EU-wide area of freedom, justice and security, in the context of the "Stockholm Programme" and the "Internal Security Strategy", to policy areas such as transport, health, civil protection, energy, development, and environmental protection, and to implementing EU external policies. It also contributes to growth and employment, innovation and the competitiveness of European industry. The security research theme also supports the restructuring of the European security sector.

The major political initiative in 2012 will be the Communication 'Industrial Policy for the Security Industry'. Nearly each EU Member State has different regulations on performance standards, certification systems and procurement schemes. The Commission will outline ways to overcome the fragmentation in the European security industry.

**Specific Objective 1: To support research and innovative applications in the space sector**

Result Indicators	Latest known result	Target (mid-term)
-------------------	---------------------	-------------------

**FP7 contribution to Space research in general, including GMES**

Number of projects generated in new topic/thematic areas through FP7 space R&D.	2011: 33 (4 <sup>th</sup> call) 2010: 77 (3 <sup>rd</sup> call) 2009: 27(2nd call) 2008:18 (1st call)	2014: increase in research activities in the Horizon 2020 Programme  2013: call preparation of 30-40 projected proposals (6 <sup>th</sup> call)  2012: 45 projected proposals (5 <sup>th</sup> call) subject to evaluation outcome and negotiations by REA
Progress made in development of GMES space infrastructure: i.e. towards completion and launch of Sentinel 1, 2 and 3 A and B satellites	Remaining procurement contracts placed for development and construction of the satellites and ground segment.  First set of preliminary and critical design reviews conducted and launch providers selected for Satellite A systems and their ground segments.	Completion of Sentinel 1, 2 and 3 A and B satellites and launch of 1, 2 and 3 A by end 2014.
Space data provision in response to service requests	Coordinated Data Access System deployed and provision of space data to GMES services and R&D activities secured until May 2014 for an amount of up to 96 M€	Continuation of space data provision for GMES services operations and for geo-information R&D activities complementary to Sentinel satellites after 2014.
Number of GMES operational services for Earth monitoring: 1) Atmosphere monitoring 2) Climate change monitoring in support of adaptation and mitigation policies 3) Emergency management 4) Land monitoring 5) Marine environment monitoring 6) Security	Five GMES services (land, marine, emergency response, atmosphere and security) under development on the basis of the 2007-2008 Work Programme.  These projects end in 2011 – 2012. Negotiation of follow-up projects for marine and atmosphere services from call for proposals will be finalised in 2011.	2014: GMES services ready for operation in five thematic areas at the end of FP7 (end of commitments in 2013).  2013: Complementary R&D support of Climate Change service development, and downstream/integrated services to stimulate usage of space infrastructures (GNSS/EO)  2012: Complementary R&D support of Land and Emergency services foreseen in the new Regulation on the GMES Programme and its Initial Operations 2011-2013 to be foreseen in draft 2012 Work Programme.

<b><i>FP 7 contribution to GNSS (Egnos and Galileo)</i></b>		
Number of projects funded	FP7 3rd call (2011): 40 FP7 2nd call (2009): 50 FP7 1st call (2008): 23 FP6: 77	FP8: n.a.
Number of companies and organisations involved	FP7 3rd call (2011): 245 FP7 2nd call (2009): 166 FP7 1st call (2008): 119 FP6: 428	FP8: n.a.
Amount spent by EC + amount put in by industry (EUR mio)	FP7 3rd call (2011): 32.3 + 25.0 M€(estimate) FP7 2nd call (2009): 27.1 + 14.2 M€ FP7 1st call (2008): 19.4 + 9.4 M€ FP6: 110 + 60 M€	FP8: n.a.
Share of SME participation	FP7 3rd call (2011): 35% FP7 2nd call (2009): 37% FP7 1st call (2008): 50% FP6: 33%	FP8: n.a.
<b><i>Main policy outputs</i></b>		
<p><b>Communication 'Industrial Policy for the Space Industry' – 3<sup>rd</sup> quarter 2012</b></p> <p>Draft Regulation on production and dissemination of private space data – 2<sup>nd</sup> quarter 2012</p> <p>Ex-post evaluation of space industrial policy aspects within European space policy</p> <p>Dialogues with third countries on international cooperation in space, in particular preparation of meetings of the EU-US dialogue on civil space cooperation, EU-Russia space dialogue and the setting up of new space dialogues with other third countries (e.g. South American countries, China) and international organisations (African Union)</p>		

Proposal for a Space Situational Awareness data policy

Draft Regulation on the setting up of a European Space Situational Awareness capability

Monitoring of FP7 contracts managed by REA

Monitoring of FP7 contracts managed by GSA

Preparation of elements for future proposal for a "specific programme" of the 8th Research Framework programme

Ensure the coordination of GMES programme in the international context of GEOSS

Ensure the development of the GMES services coordinating the current FP7 projects and GIO actions

Follow-up actions with ESA and EEA respectively on the space and in-situ GMES components

Contribute to the research financial programming for 2011-2013 to make it coherent and complementary with the GMES initial operations programme

#### *Main expenditure-related outputs*

Commitment of budget to the projects of the 5<sup>th</sup> call for proposals under the 7<sup>th</sup> Research Framework Programme (FP7) in the areas of:

- Space-based applications at the service of European society (Testing and validating the intelligence-driven and high time-critical scenarios of the CONOPS; Testing and validating the low time-critical components of the CONOPS; GMES Security: support to EU external actions; Support to emergency response management; Preparing take-up of GMES Sentinel data; Research and development for in-situ component; GMES climate change: coordination of earth observation data validation for re-analysis and data archiving and exchange; Consolidation of user requirements for GMES)
- Strengthening space foundations (exploitation of science and exploration data; key technologies enabling observations in and from space and for in-space activities)
- Cross-cutting activities (Bringing terrestrial SME research into the space domain; European Space Policy studies and events; Research agenda definitions and research activity roadmaps for a European Research framework programme; New emerging research needs: reduction of vulnerability of space infrastructure)

Impact assessment on the draft Regulation on production and dissemination of private space data

Studies related to competitiveness / space industrial policy issues

EU-US workshop on critical infrastructure protection

Contribution to the GMES Space Component under the ESA delegation agreement

Organisation of the 7<sup>th</sup> Research Framework Programme (FP7) Space Research Conference 2012 in Cyprus

Publication of research results in volume II of the "Let's embrace Space" book

Conferences GMES for users and launch a GMES communication campaign through different media

**Specific Objective 2: To support research and innovative applications in the security sector**

<i>Result Indicators</i>	<i>Latest known result</i>	<i>Target (mid-term)</i>
Number of new technologies/services/databases being developed by the security research projects	2011: The European Security Research Advisory Board (ESRAB) has defined 176 technologies/ services to be developed under the FP7 security programme. Out of the technologies listed by ESRAB, we are currently developing around 75%	By 2013, increase the number of outputs integrated in new technologies or services to 100%, i.e. covering all technologies/services listed by ESRAB.
Patents	2011: not available yet 2010: developed: 6, registered: 3	
Proportion of SME participants among the R&D projects supported	2011: 21,89% 2010: 20,6% 2009: 19%	2013: 25%

*Main policy outputs*

**Communication ‘Industrial Policy for the Security Industry’ – 1st quarter 2012**

*Main expenditure-related outputs*

Commitment of budget to the projects of the 5<sup>th</sup> call for proposals under the 7<sup>th</sup> Research Framework Programme (FP7) in the areas of :

- security of citizens (organised crime, intelligence against terrorism, explosives, ordinary crime and forensic, CBRN protection, information gathering)
- security of infrastructures and utilities (design, planning of buildings and urban areas, energy, transport, communication grids, surveillance, supply chain, cyber crime)
- intelligent surveillance and border security (sea borders, land borders, air borders, border checks, border intelligent surveillance)
- restoring security and safety in case of crisis (preparedness, prevention, mitigation and planning, response, recovery, CBRN response)
- security systems integration, interconnectivity and interoperability (information management, secure communications, interoperability, standardisation)
- security and society (citizens, media and security, organisational requirements for interoperability of public users, foresight, scenarios and security as an evolving concept, security economics, ethics and justice)
- security research co-ordination and structuring (ERA-net, small and medium enterprises, studies, other coordination, end users, training)

Support to Security Standardisation Programming Mandate

Organisation of the European Security Research Conference and communication activities

Call for tender Study on Third Party Liability Limitation

### Description of the activity

This activity aims at providing global satellite-based navigation infrastructures and services, notably the European Geostationary Navigation Overlay System (EGNOS) and the European global navigation satellite system (Galileo).

- § EGNOS aims to provide satellite-based services to improve the performance of the Global Positioning System (GPS) over Europe.
- § The Galileo programme is Europe's initiative for a state-of-the-art global satellite navigation system, providing a highly accurate, guaranteed global positioning service under European civilian control.

Space-based technologies such as EGNOS and Galileo are at the heart of a technological revolution that will create new markets, improve the quality of life and make economic growth more sustainable – fitting perfectly in the framework of the Europe 2020 Strategy. Galileo will ensure Europe's independence in an area that is strategic to its economy and security.

EGNOS and Galileo are the first major infrastructures belonging exclusively to the European Union and managed directly by the Union. Although the public management of the programmes was originally foreseen to be implemented by an EU agency, the change from a public-private partnership to a publicly run programme<sup>11</sup> caused a shift in political thinking on the governance. In view of the political impact, in particular in areas such as national security, international relations, industrial policy, technical performances, budget implementation, liabilities and risk management, Council and Parliament have insisted on the political accountability of programme management and therefore insisted that the Commission takes the role of programme manager.<sup>12</sup> A key activity of the programmes is the management of risks, some of which could have a potentially high impact on the programmes and incur delays and extra costs not foreseen in the current budget and schedule.

In order to meet this challenge, DG ENTR has developed its technical and managerial expertise and receives support from external bodies such as the European Space Agency (through a delegation agreement), the EGNOS Service Provider (ESSP), and the European GNSS Agency (GSA).

### EU-added value of the activity

Today close to 7% of the EU's GDP i.e. about €800 billion rely on satellite navigation and thus currently on GPS. The Commission is convinced that this strong dependency of European economic interest on strategic systems controlled by third countries is highly undesirable in particular as our dependence on satellite navigation system will most probably further increase in the future.

EGNOS and Galileo will provide sizeable additional benefits compared to GPS alone, resulting from the additional services it will offer and the increased performance coming from additional satellites to complement GPS. Galileo is also the only Global Navigation Satellite System (GNSS) specifically designed for civil purposes, i.e. it aims to satisfy the requirements and the needs of the civil sector. The total cumulative benefits are forecasted to be up to €90

<sup>11</sup> Negotiations related to the set-up of this public-private partnership structure failed as the private sector was not able to accept market and technology risks.

<sup>12</sup> Regulation (EC) No 683/2008

billion over the period of the next 20 years. This figure has been estimated by external consultants for the GSA based on the results of studies, FP7 projects, and research performed by the European Commission.

These programmes contribute to stimulating economic activity and technological innovation. They will enable traffic management, to be optimised whether on road, waterborne or aerial. Better managed traffic not only improves safety but also reduces pollution since travel is more efficient. Satellite navigation also enables emergency services to better carry out their duties (e.g. in case of fires, road accidents, mountain rescue, etc). Another added-value is that the combined use of GPS and Galileo signals will allow for better precision and availability and opens the door to new applications which are not possible by using GPS alone.

In addition, the technological advances resulting from R&D investment in the space industry are transferred to firms in other sectors in the form of "spill over" effects. Research suggests that such "spill over" effects are very large, with R&D investment by the aerospace sector generating a social return of around 70%, i.e. every €100 million invested in R&D leads to an increase in GDP of €70 million in the longer term in other sectors (health and medicine, transport, computer science, etc.).

Both programmes are complex projects, which exceed the financial and technical capacities of a single Member State, as such they fully fall within EU competence. Moreover, considering their requirements in terms of security, all Member States must be involved in those programmes.

In the long run, the main objectives of Galileo coupled with EGNOS are to:

- ensure Europe's independence in an area of strategic importance to its economy and security;
- guarantee the stable provision of high quality satellite navigation services;
- maximise the economic and social benefits for Europe and job creation by enabling novel services and business opportunities relying on more accurate, available and robust services;
- deliver a system which supports Member States' requirements in terms of security.

Specific Objective 1: To provide satellite-based services improving the performance of GPS over Europe (EGNOS)		
Result Indicators	Latest known result	Target (mid-term)
<b>A) EGNOS services</b>		
Open service [OS] <sup>13</sup>	Since 2009: Operational	
Safety of Life Service [SOL] <sup>14</sup> , number of operational approach procedures for aircraft using SOL	<p>Since March 2011: Service certified and operational</p> <p>Approach procedures (2011): 3 within EU, additional procedures planned until end 2011</p> <p>As of Autumn 2011, degradation primarily of the SOL service due to increased solar activity is being observed. Remedial actions are being undertaken.</p>	
EGNOS Data Access Service [EDAS]	<p>2011: negotiations for a contract amendment with ESSP progressing, contract to be awarded by end of 2011</p> <p>2010: Free testing</p>	2012: Operational
<b>B) EGNOS geographical coverage extension</b>		
Number of ranging and Integrity Monitoring Stations (RIMS) deployed deployed and qualified	<p>2010: 39 (+2)</p> <p>2010: 37</p>	<p>2014: 44</p> <p>2014: 41</p>
<b>Main policy outputs</b>		
Declaration of EGNOS Data Access Service (EDAS)		

<sup>13</sup> The Open Service (OS) is defined for mass-market applications. It provides signals for timing and positioning, free of direct user charge. The Open Service is accessible to any user equipped with a receiver, with no authorisation required.

<sup>14</sup> The *Safety-of-Life Service* (SoL) improves the open service performance through the provision of timely warnings to the user when it fails to meet certain margins of accuracy (integrity). It is envisaged that a service guarantee will be provided for this service.

*Main expenditure-related outputs*

To provide satellite based services improving the performance of GPS over Europe (EGNOS), namely and Open Service, a Safety of Life Service and an EGNOS Data Access Service (EDAS) through the contract with the EGNOS Services Provider (ESSP) and the delegation agreement with ESA.

Call for tender – EGNOS enabled certification for manufacturers

Extension of the EGNOS operations contract from 2014 and increase number of Member States fully covered by EGNOS

Develop SBAS approach procedures (increasing the number of available approach procedures for aircraft using EGNOS Safety-of-Life in Europe)

<b>Specific Objective 2: To develop and provide global satellite-based radio navigation infrastructures and services (Galileo)</b>		
<i>Result Indicators</i>	<i>Latest known result</i>	<i>Target (mid-term)</i>
<b>A) Galileo infrastructure</b>		
Cumulative number of launched satellites (IOV <sup>15</sup> +IOC satellites)	2011: 2  Two experimental satellites were launched in 2005 and 2008	2014: 18 2013: 14 2012: 6
Number of operational satellites		2014: 18 (OSSR <sup>16</sup> 3) 2013: 12 (OSSR 2) 2012: 6 (IOV-R and OSSR 1)
<b>B) Galileo services</b>		
Open Service [OS]		2014: early service (enhanced GPS), 2019: full service
Search and Rescue Service [SAR]		2014: early service
Public Regulated Service [PRS]		2014: demonstrator, 2016: early service
Commercial Service [CS]		2014: demonstrator
Safety-of-Life Service [SOL]		to be defined
<b>Main policy outputs</b>		
<p><b>Regulation establishing a Third Party Liability regime for the EU Global Navigation Satellite Systems – November 2012</b></p> <p>Proposal for a modification of Regulation 912/2010 (GSA) - European GNSS Agency – November 2012</p> <p>Second and Third launches of the satellites of the IOV phase</p> <p>Registration of IOV satellites</p>		

<sup>15</sup> IOV = In Orbit Validation, IOC = Initial Operational Capability

<sup>16</sup> OSRR= Operational System Readiness Review

Successful negotiations with the European Institutions for the proposal of legal basis on the continuation of the GNSS programmes

Implementation of international actions of the Action Plan for Global Navigation Satellite System (GNSS) Applications

Conclusion and management of Galileo cooperation agreements with third countries

Implementation of the PRS Access Rules

*Main expenditure-related outputs*

ESA FOC (Full Operational Capability) delegation agreement

Financial Support for the European GNSS Agency (GSA)

Call for tenders - GALILEO - SAR Data Service Provider

Call for tenders – Local elements

Development of GNSS programme - IPR policy

To develop a global satellite-based radio navigation infrastructures and services (Galileo) – Commercial Service Consolidation and Demonstration; Risk Advisory Services

Financial support for GNSS consultants

Financial support for tasks delegated to Eurocontrol

Call for tenders - Certification Galileo/EGNOS for all applications in road transport

Galileo Work Programme - Applications and Research: Release updated version of EGNOS toolkit for smartphones, Include GNSS function in chronotachygraphs regulation; Achieve adoption of at least 60 EGNOS landing procedures within EU

Conclude 6 specific contracts under existing framework contracts in support of the implementation of the Action Plan for Global Navigation Satellite System Applications