



Enterprise and Industry Directorate General
Management Plan

2013



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1. Mission Statement

We help EU enterprises and industry to generate growth and jobs for all.

We create a business friendly environment which underpins competitiveness of EU enterprises and industry.

We aim at ensuring a fair level playing field for businesses in exploiting opportunities of the EU single market for goods and we support the expansion of their economic activities outside the EU.

2. The challenges in 2013 and beyond

(A personal message from the Director General Daniel Calleja Crespo)

The work of our DG focuses on helping businesses to generate growth and jobs.

In 2013, we will start implementing an ambitious action plan proposed in the revised Industrial Policy Communication.

Our first challenge will be to conclude the negotiations on the next MFF in a satisfactory way for our DG, i.e. for our four programmes COSME, Galileo, GMES-Copernicus and Horizon 2020. These growth enhancing programmes will significantly contribute to unleashing the potential of EU enterprises.

Access to finance continues to be the biggest problem faced by SMEs. We will analyse the financing schemes in the Member States and make proposals on how to improve their performance.

With the Entrepreneurship 2020 action plan, we show how concrete problems for entrepreneurs can be overcome. Today, digital entrepreneurship and e-skills are necessary for the industries of the future.

But also industry as a whole will continue to be a priority. This DG is at the forefront of the third industrial revolution and Key Enabling Technologies (KETs) are one of its most promising catalysts. We will make suggestions to translate the European strength in KETs research into real products made in the EU that can be sold worldwide. The DG will continue to implement the wider sustainable product policy.

Twenty years after 1992, it is now necessary to review the internal market for industrial products and DG Enterprise and Industry will review in 2013 the existing legislation concerning goods for which it is responsible, so as to take into account the complexity of legislation and the emergence of new products. The European Commission will also need to take into consideration these developments and will propose mandates, for the ICT infrastructure for example, which makes only sense at EU and international level.

Individual industrial sectors need to respond to the new global challenges, like for example the steel sector. Also the automotive sector has experienced a sharp decline in sales. The pharmaceutical sector and the defence industry are challenged by reduced government spending.

The security industry suffers from a fragmented internal market. A number of policy initiatives will be launched next year following the adoption of the Industrial Policy Communication in 2012.

The DG manages the European support for the high-tech space sector. Member States on their own face difficulties to maintaining space activities, for example the global monitoring system for environment and security. To this end, action at European level is needed to ensure its viability.

2013 will see two launches of satellites so that by the end of 2014 Galileo can start providing first services. Once Galileo is operational and the necessary legal framework for the products and services are in place, there is a market potential of an estimated €90 billion for satellite navigation in Europe.


Simplification of EU and national legislation is necessary to set the right framework conditions. Our DG will make concrete recommendations for public administrations to become more efficient and business-friendly. Evaluations, impact assessments and fitness checks on EU law, such as the one in the automotive sector, have an increasing importance.

The DG will engage on a more systematic basis with stakeholders, who are in the centre of our policy making and thus should be properly approached and consulted throughout the development cycle of our initiatives.

Our international activities next year will focus on the "Missions for Growth". Through these missions, Vice President Tajani will continue to support the internationalisation of European enterprises and the cooperation with third countries. Our regulatory dialogues with third countries will open up new markets for Europe.

We all in this DG will do our best to manage the internal market acquis, develop the right policies and manage effectively the budget of the DG to make a difference for the competitiveness of EU enterprises and industry.

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




POLICY AREA: ENTERPRISE AND INDUSTRY				
GENERAL OBJECTIVES	Impact Indicators ¹			
	Indicator	Target (long-term)	Milestones	Current Situation
<p>To strengthen the sustainable competitiveness of Europe's industrial base and promote the transition to a resource efficient economy²</p> 	Growth of industrial competitiveness (NEER ³ /REER based on ULC, excluding the impact of currency fluctuations)	An annual growth of 1%	A 5% growth in 2015	2011: n.a. 2010: +0.3% 2009: -3.1% 2008: -0.3%
	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: 0.6% 2010: 2.7% 2009: 1.46% 2008: 0.8% <u>Japan Benchmark</u> 2011: +0.2% 2010: +5% 2009: -1.2% 2008: -0.1%	<u>EU27</u> 2011: 1.2% 2010: 2% 2009: -1.43% 2008: 0.2%
	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
	EU manufacturing output (% change from previous year)	Annual growth of 2.5%	Recovery to the level from before the crisis	2011: +4.8% 2010: +7.3% 2009: -14.6% 2008: -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.
	Energy intensity of the economy – kgoe ⁴ per 1000 EUR	Decrease		2011: n.a. 2010: 168 2009: 166 2008: 168
	Energy consumption of manufacturing per unit of value added (in € 2005, at ppp) – Kgoe/€05p	Decrease		2011: n.a. 2010: 0,175 2009: 0,173 2008: 0,173


¹ 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.

² The objectives were updated according to the revision agreed for the draft budget 2012.

³ NEER = Nominal effective exchange rate; REER = Real effective exchange rate; ULC = Unit Labour Cost

⁴ KGOE = Kilograms of oil equivalent

		EU manufacturing output growth in eco-industries (% change from previous year)	Annual growth of 8% in average during the next decade	By 2015, a 50% increase in output is targeted.	Annual growth of 6-7% during the last years
II	To promote innovation as a means to generate new sources of growth and meet societal needs 	Innovation performance of the EU as a whole and of Member States (Source: European Innovation Scoreboard)	All 27 Member States	Increase in Member States' innovation performance	2007-2011: 25 of 27 MS have had a positive average annual growth in innovation performance
		Share of fast growing innovative firms in the economy	To be defined in the follow-up of the Innovation Union Flagship.	Indicator has been developed in 2012 in the framework of the Innovation Union Flagship	Data not yet available
/II I	To encourage entrepreneurship and the creation and growth of SMEs 	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	2011: n.a. 2010: n.a. 2009: n.a.
		SME growth in terms of added-value and employees	Continuing growth	n.a.	Annual growth rate 2011: added-value 2.2% Employment: 0%. 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 MS (EU-19) had a start-up rate of at least 11%
		Share of EU population involved in entrepreneurial ventures	12,5% by 2014	n.a.	2011: n.a. 2010: 10% today (US: 14%)
IV	To ensure an open internal market for goods 	Volume of intra-EU 27 trade (2005=100)	Increase	Recovery phase after the 2008 crisis	2011: 108.4 2010: 102.8 2009: 93.5 2008: 109.4

V To support the European presence in space and the development of satellite-based services 	Earth Observation Systems (GMES-Copernicus)			
	EU World-wide market share of applications based on satellite systems	2020: Close the gap with the US Market share (=50% in 2009)	Increase in market share baseline 2009	2011: n.a. 2010: 24%
	Global Navigation Satellite Systems (GNSS: EGNOS+Galileo)			
	Public benefits for Europe's economy and additional revenues for Europe's industry	€ 90 billion over the period 2010-2027		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%

4. Objectives, ABB activities and EU 2020 flagships⁵

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

⁵ The objectives were updated according to the revision agreed for the Draft Budget 2012.

A) COMPETITIVENESS, INDUSTRIAL POLICY, INNOVATION AND ENTREPRENEURSHIP

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 facilitate access to finance and promote access to markets within the EU and to third countries;
- to promote entrepreneurship and to improve framework conditions for the competitiveness of European enterprises and entrepreneurship, and
- to promote innovation in Europe through improved framework conditions and support measures;

EU-added value of the activity

The financial and economic crisis has dramatically changed Europe's economic outlook for the foreseeable future. At the same time the difficult period Europe faces today could be perceived as an opportunity for our industries to strive in global markets allowing Europe to lead the Third Industrial Revolution for a more prosperous and sustainable future. Therefore, the Commission is concentrating all its efforts to deliver effective policies for the short and medium-term term in order to exit the crisis and to attain the objectives of the EU Growth and Jobs Strategy - Europe 2020. Looking at the nature and scope of the challenges, which range from global competition and unstable economic and financial systems, to climate change and an ageing society, the EU must act collectively to succeed.

Main activities in 2013 and beyond

In order to attain the objectives, DG Enterprise and Industry (ENTR) puts forward a number of policy initiatives and instruments addressing the policy areas under the remit of this DG. To this end, our DG plays a significant role in the Commission Work Programme 2013 by putting forward important policy proposals concerning the competitiveness of our industries and enterprises such as the reform of the internal markets for goods, standardisation, access to finance and defence policy. More detailed information is found under the relevant sections. Next year will be the final year of the Competitiveness and Innovation Framework Programme (CIP) and its operational programme under direct management of this DG, the Entrepreneurship and Innovation Programme (EIP), which supports a significant number of actions corresponding to the objectives described above.

In this regard, preparations for the successor programmes COSME and Horizon 2020 shall be finalised in the course of 2013 in order for them to be operational as of 2014 under the new financial framework. COSME, with an approximate budget of €2.5 billion, will continue to strengthen the competitiveness-related activities of the existing Entrepreneurship and Innovation Programme, including actions to improve access to finance and markets, to promote entrepreneurship and to improve framework conditions for the competitiveness of European enterprises, in particular SMEs.

Certain parts of its implementation will be outsourced to the Executive Agency for Competitiveness and Innovation (EACI) and the European Investment Fund (EIF). The Cost Benefit Analysis on delegation of MFF programmes to executive agencies is also an important task of DG ENTR that will be completed in 2013. As DG ENTR is holding the Chairmanship of the EACI Steering Committee, we will lead the process of renewing the mandate of EACI for the next Multiannual Financial Framework.

- **Industrial competitiveness policy**

2013 will be a crucial year for implementing a number of substantial policy initiatives which were announced in the Industrial Policy Communication of 2012. The Communication calls for a re-industrialisation of Europe, but under a new vision, taking into account the green markets of the future. Based on this Communication, new initiatives will tackle the challenges which important industrial sectors, in particular the defence industry, the pharmaceutical industry, and the construction and the automotive sector, have to face. SMEs, resource efficiency and the emergence of green markets will be a major priority for 2013.

The Communication, in order to favour a recovery of industrial investments and a reversal of manufacturing's share in EU GDP, launches a new partnership between the EU, Member States and industry and focuses on four pillars:

- Investments in innovation, with a focus on six priority areas with great potential (advances manufacturing technologies for clean production; key enabling technologies; bio-based products; sustainable industrial and construction policy and raw materials; clean vehicles and vessels; smart grids).
- Better market conditions, both in the Internal Market, with special reference to goods, entrepreneurship and Intellectual Property Rights protection, and in international markets.
- Access to finance and capitals, by a better mobilising and targeting of public resources, including from the EIB, and by unlocking private funds.
- Human capital and skills, to promote job creation and better anticipation of, and investments in, the skills needed to promote industry's competitiveness.

- **Innovation**

2013 will see further implementation of the action plan on Key Enabling Technologies (KETs). The KETs action plan is based on four pillars: adaptation of EU instruments and alignment of priorities (Horizon 2020, European Regional Development Fund (ERDF) and European Investment Bank (EIB)); coordination of EU and national activities; establishment of appropriate governance; and mobilising trade instruments to ensure fair competition. A multi-annual work programme will be elaborated in 2013 which will include the support for KETs-related pilot-lines and demonstrators, with a focus on cross-cutting projects, a monitoring mechanism and measures to reduce the technical skills gap.

Furthermore, an action plan to boost the demand for innovative products and services will be developed in 2013.

In order to help green and innovative products enter the market and be taken up by both consumers and business-to-business markets, the DG will work on several strands: Ecodesign initiatives on a number of products will increase their energy and resource efficiency; a Green Action Plan for SMEs will help SMEs take up the challenge of a resource efficient economy and reap the business potential of green markets.

In 2013 the European Innovation Partnership (EIP) on Raw Materials will commence its work alongside the establishment of the EIP governance groups who will develop and adopt the Strategic Implementation Plan (SIP) by July 2013. The EC will publish a Communication on the SIP by the end of 2013.

- **Small and medium-sized enterprises**

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 their 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 together with the Network of SME Envoys will continue to provide that voice in policy making in favour of SME interests. Recurring events at a European level, like the SME Assembly, the European Enterprise Promotion Awards and the SME week will help raise the awareness for the needs of SMEs.

To tackle the pressing problem of access to finance for SMEs, the DG will prepare an assessment of the financing situation by Member State and a global view of which EU and national instruments are available to SMEs so as to identify gaps and deficiencies.

The Entrepreneurship Action Plan will be adopted in early 2013 and will outline concrete actions in support of entrepreneurs. These need to be implemented in 2020. Among them are proposals to give a second chance to entrepreneurs and ease the transfer of businesses from one generation to another.

In 2013, EACI on behalf of DG ENTR will continue to support financially the Enterprise Europe Network in order to help SMEs to find new commercial or technological opportunities in Europe and even abroad. The Commission will also continue to support the participation of SMEs to European standardisation as well as the secretariat of European organisations.

- **International activities**

In support of the internationalisation of our enterprises the VP Tajani will continue pursuing the Missions for Growth to key partnering countries such as China, Russia, India, Chile and Peru.

These missions will help our businesses to exploit business opportunities in these countries and will also serve as an occasion for putting solid bases for enhanced cooperation in various sectors of competence of the DG through the signature of political agreements.

The follow up of a number of Letters of Intent on SME cooperation that were signed as a result of the missions for growth will be pursued. We will continue our SME dialogue with the USA, China, Russia and Brazil.

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: n.a. 2010: 0 implemented action	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 yearly Commission staff working documents: (SEC (2010) 1272, SEC (2011) 1187, SWD(2012)298)	2014-2020 Improvement of industrial competitiveness in Member States as captured in the annual Commission's Industrial Performance Scoreboard and 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, due to the usual time lags of competitiveness related indicators.

Main policy outputs

Initiative highlighted in the Commission Work Programme (CWP) for 2013:
 Communication on a comprehensive strategy to strengthen Europe's defence sector – 4th quarter 2013 (Lead: DG MARKT ; Co-Lead: DG ENTR) (Action to implement the Industrial Policy Communication of 2012)

Further actions:
 Initiative to foster the development of new markets for waste and recycling (Action to implement the Industrial Policy Communication of 2012)
 Follow-up to the 2012 study to prepare the next list of Critical Raw Materials (Action to implement the Industrial Policy Communication of 2012)
 Fitness checks to be finalised on

- the aluminium industry, and (Action to implement the Industrial Policy Communication of 2012)
- the petroleum refinery sector (Action to implement the Industrial Policy Communication of 2012)
- the type approval system in the automotive sector

Input to the European Semester:

- Initiatives for the modernisation of public administration in relation to competitiveness and growth
- European Competitiveness Report 2013

- Report on Competitiveness Performance and Policies of Member States and Industrial Performance Scoreboard – 2013

Other reports:

- EU Industrial Structure Report 2013: Trends and Performance
- Report on the Competitiveness of the EU Electrical Engineering Industry
- Exchanges of good practices on Foreign Direct Investment Promotion, Tourism, and Green Business Models
- Annual Progress Report on the development of the non-energy raw materials strategy

Establishment of a European Rare Earth Competency Network of the relevant European stakeholders

Main expenditure-related outputs

Launch of studies on competitiveness/cross-sectoral issues for the 2014 EU Competitiveness Report; printing and dissemination of the 2013 report and the Economist Visitors Programme

Conference to follow-up on the implementation of the raw materials strategy

Financial Support to the European Patent Office for machine translation services for patents

Promotion of Corporate Social Responsibility in support of the EU 2020 Strategy: (1) call for tender: facilitate an open and inclusive debate with citizens, enterprises and other stakeholders on the role and potential of business in the 21st century; (2) call for tender: follow-up activities on business and human rights

Studies with analysis and policy recommendation on promoting industrial competitiveness through technologies and innovation in the context of globalisation

Launch of competitiveness proofing studies in support of impact assessments of proposals with significant impact on business

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: 14 measures are adopted (366 TWh annual savings by 2020 – including ENER proposals) 2 voluntary agreements operational by the end of 2012	2014: 18 new measures 7 new measures still in 2012, 11 in 2013 (including ENER proposals)
Progress on implementation and follow-up of ENTR measures announced in the 2010 European strategy on clean and energy efficient vehicles	2010: December 'A European Strategy for Clean and Energy Efficient Vehicles - Rolling Plan'	2014: All measures (47) implemented by DG ENTR, other DGs and Member States
Number of destinations joining the European Destinations of Excellence network for the promotion of sustainable tourism development models	2011: 98 2010: 77 2009: 52	2015: 148 2013: 122 2012: 103

Main policy outputs

Implementation of CARS 2020 Action Plan – 2013 (Action to implement the Industrial Policy Communication of 2012)

Action Plans in 2013 for the following sectors:

- Pharmaceutical sector (Action to implement the Industrial Policy Communication of 2012)
- Sustainable construction (Action to implement the Industrial Policy Communication of 2012)
- SMEs, Resource Efficiency and Green Markets (Action to implement the Industrial Policy Communication of 2012)
- Steel industry

Tourism Sector:

- Mid-term review of the 2010 Tourism Communication – 2013
- Voluntary platform for tourism exchanges in the low season for senior citizens – 2013

Preparation of Ecodesign Commission Regulations, e.g. on professional refrigerating equipment, power transformers and ventilation equipment

Strategic policy document linked to DG AGRI's Communication on forest-based industries – 2013

Initiative on monitoring and assessing the costs of renewable energy policies and ETS (emission trading schemes) on energy intensive industry sector – 2013

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

Organisation of a Round Table Discussion on the Chemical Industry's Priorities in Industrial Policy and on the implementation of certain recommendations of the High Level Group on the Competitiveness of the European Chemicals Industry with a focus on energy/climate change policies and the operational framework for industry in Europe

Review of the LeaderSHIP 2015 initiative

Assess the feasibility of a standardized EU ID Card for the furniture sector, to provide technical information for its whole supply chain, including final users

Put in place a monitoring mechanism relating to mineral policies of Member States by developing a Scoreboard

Assess the follow up of the study relating to the feasibility of establishing a certification scheme for recycling facilities in non OECD countries

Main expenditure-related outputs

Sustainable Growth Initiatives:

Third call for proposal for the Sustainable Industry Low Carbon Scheme (SILC1)

Study 'Modelling for Economic Assessment' to support the DG's position on Climate Change, Resource Efficiency and other environment policies

Study 'Treating waste as a resource'

Study 'Sustainable Product Policy – renewable equipment and services'

Tourism

Eurobarometer survey on tourism demand prospects in 2013

Maintenance and enhancement of the ICT and Tourism Portal

Enhancing the socio-economic knowledge base by collecting information related to economic impact of tourism

Enhancing visibility of Europe and its destinations in particular towards third emerging countries

Design, maintenance and development of the web-based host for the Virtual Tourism Observatory (working title) to have a user-friendly and modern website

Calls for proposal:

- Supporting and promoting emerging/lesser known Destinations of Excellence
- Transnational Thematic Projects for a Sustainable Tourism
- Facilitating transnational low season exchanges in Europe

Call for tender:

- Mapping the supply side of education and training in the tourism sector

Events:

- Carrefour d'Europe event on cultural routes

- 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 and emerging tourist destinations of excellence EDEN

Preparatory action - Tourism for all

Preparatory action - Cultural and industrial heritage - tourism products

Automotive:

Multi-client studies, statistics and forecasts on automotive industry

Memorandum of understanding with the Joint Research Centre on green cars

Other Sectors:

Follow-up to the on-going review of the Leadership strategy, once it is finalised

Follow-up on the High Level Forum for a Better Functioning Food Supply Chain

Expert meetings following the Process on Corporate Responsibility in the field of Pharmaceuticals

Co-ordination of Expert Group for the Bio-based Products Sector in the framework of the EC Bio-economy Strategy and the Industrial Policy Communication Update

BIO International Convention 2013 (the world's largest biotechnology-related annual event) in Chicago, USA and preparation for the participation in BIO International Convention 2014

Organisation of meetings of the Commission's Task Force for Defence

Study on the competitiveness of the European Maritime equipment industry

Follow-up actions on the Communication on Sustainable Construction

Conference related to innovation in the construction sector

Continue the work on the informative tool on light industries (ITI)

Call for tender: Studies on the competitiveness of food, healthcare and biotech industries

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: n.a. 2010: 1 (South Korea)	2014: up to 10
Number of countries with which regulatory/industrial policy dialogues are conducted	2011: idem 2010: 6 (USA, Canada, Japan, Russia, China and Brazil)	2014: 8
Number of concluded ACAAs	2011: Preparations for negotiations are intensified with 2 countries: Tunisia and Egypt	2013 : Start actual negotiations with both countries

Main policy outputs

Action plan for international regulatory co-operation (Action to implement the Industrial Policy Communication of 2012)

Monitoring system for trade negotiations

Follow up of forest-based industries dialogues with Brazil, Canada, Japan and Russia

Follow up of the raw materials dialogues established with third countries, i.e. Chile, Colombia, Uruguay, Greenland

Manage bilateral trade relations and market access negotiations with third countries in the area of processed agricultural products

Co-manage bilateral regulatory dialogues and participate in international regulatory cooperation in the field of pharmaceuticals and biotechnology, and follow up on existing trade agreements in the area

Manage multilateral trade relations and negotiations in the context of WTO in the area of processed agricultural products

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

Euro-Mediterranean dialogue on the future of the textiles and clothing sector

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)

Specific Objective 4: To promote innovation through improved framework conditions and support measures		
<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: 4 2010: 1 adopted measure	2020: 12 measures to be implemented 2014: 6 measures to be implemented
Share of innovative enterprise of total number of all enterprises (Source: Community Innovation Survey)	2011: 53% 2008: 52%	2014: 60%
Number of citations of publications of the European Cluster Observatory	2011: 200 2010: 100	2014: 300
Take-up of new tools and instruments developed in support of SMEs	2011: 12 2010: n.a. 2009: 9	2014: 25
Estimation of leverage effect of projects in terms of additional innovation support funding mobilised by pilot projects	2011: € 35 million 2010: € 25 million	2014: € 150 million
<i>Main policy outputs</i>		
<p>Implementation of the European strategy for Key Enabling Technologies (KETs) and launch a new High Level Group on Key Enabling Technologies (Action to implement the Industrial Policy Communication of 2012)</p> <p>Action plan to boost the demand for innovative European goods and services – 2013 (Action to implement the Industrial Policy Communication of 2012)</p> <p>Task Force for advanced manufacturing technologies for clean production – 2013 (Action to implement the Industrial Policy Communication of 2012)</p> <p>Communication on the Strategic Implementation Plan for the European Innovation Partnership (EIP) on Raw Materials – 2013 (Action to implement the Industrial Policy Communication of 2012)</p> <p>Implementation of the action plan for accelerating the take up of design in innovation policy – 2013 (Action to implement the Industrial Policy Communication of 2012)</p> <p>Launch the EU Learning Network for Workplace Innovation (Action to implement the Industrial Policy Communication of 2012)</p> <p>Events:</p>		

- Preparation and the organisation of the European e-Skills Week in 2014 (Action to implement the Industrial Policy Communication of 2012)
- First awards of the Social Innovation Prize Competition

Set up of a new demand-side monitoring system to measure the impact of demand-side policies in Europe and the implementation of the Action plan on demand-side policies.

Implementation of the roadmap creating the conditions for the development of civil applications of Remotely Piloted Aircraft systems (see SWD(2012) 259 final), through the integration of RPAS into civil airspace

IMP3rove – official launch of the European Innovation Management Academy

Launch of the Business Innovation Observatory to provide policy-makers on a regular basis with analysis and intelligence on latest novel business and industrial innovation trends, activities and models

Launch the Regional Innovation Monitor (RIM Plus) to monitor regional innovation policy developments

Cluster policy:

- European Cluster Collaboration Platform (ECCP): Identification of potential international partners for, and preparation of MoUs; preparation of International Matchmaking Events ; maintenance & further development of the ECCP as the cluster cooperation platform in Europe and internationally; Official launch of new phase of ECCP; Launch of 2nd "Put your cluster on the map" competition & award ceremony; Follow-up of 1st informal call for expression of interest for Strategic Cluster Partnerships under ECCP; Support European Cluster Consortia pilot actions to develop into Strategic Cluster Partnerships; Stakeholder workshop on Strategic Cluster Partnerships
- European Cluster & Competitiveness Foundation (ECCF): Further development of cluster excellence methodology, training schemes and benchmarking; Official launch of the ECCF; Support cluster excellence pilot actions to capitalise on ECEI tools and training; Development of concept & implementation modalities for institutionalising & further promoting cluster excellence

Reports on:

- Public Sector Innovation; Public Procurement of Innovation; Non-technological innovation in connection with the Innovation Partnership Agreement with OECD
- The "Analysis of Innovation drivers and barriers in support of better policies"
- e-Leadership for fast growing SMEs
- the European meta-model of foundational body of knowledge for ICT practitioners
- identified market failures and international distortions of markets which prevent the deployment of KETs in Europe and identification of possible remedies

Main expenditure-related outputs

Calls for tender:

- E-skills for competitiveness and innovation: (1) fostering e-Leadership for SMEs; (2) Awareness raising campaign; (3) Promotion of ICT Professionalism
- Key Enabling Technologies: (1) Launch of the KETs monitoring mechanism; (2) Preparation of the Horizon 2020 joint work programme on KETs (Action to implement

- the Industrial Policy Communication of 2012); (3) Sectoral pilot on skills
- Mainstreaming digital technologies among enterprises: (1) Connecting SMEs to global digital value chains – follow-up; (2) Monitoring tools on digital entrepreneurship and its prospects for European businesses; (3) Awareness raising events
- Intelligence about public procurement of innovation
- Networking social innovation entrepreneurs
- Specialised expertise on social innovation
- Developing an industrial innovation demand monitoring system
- European Cluster Observatory II
- Matchmaking events for SME internationalisation through clusters
- European Innovation Partnership on Raw Materials: (1) Support activities; (2) International dialogues and raw materials diplomacy
- European Innovation Partnership on water: support of the implementation
- Preparatory action EUROMED innovative entrepreneurs for change

Calls for proposal:

- Support to demand-oriented industrial innovation measures
- Supporting public procurement of innovative solutions
- New forms of cooperation with CIP participating countries for better innovation support
- Extension of the European Mobile and Mobility Industries Alliance
- Clusters in support of entrepreneurship in emerging industries
- Cluster excellence and SME internationalisation through clusters
- Projects to promote the take up of design by innovation policies in the EU
- Union ETV pilot programme – setting-up of verification bodies
- Support to the creation of harmonised regulations allowing to develop civil applications for RPAS

Other:

- Industrial Innovation survey using the Innobarometer
- Communication strategy for the European Innovation Partnership on Raw Materials
- Financial support for the Innovation Partnership on Raw Materials technical and administrative Secretariat
- Organisation of plenary sessions and preparatory meetings for the High Level Group on Administrative Burden
- European Creative Industries Alliance: Organisation of 2 meetings of the ECIA Policy Learning Platform, publication of a mid-term report, organisation of the European Creative Industries Alliance Conference; reporting on ECIA progress & results for Innovation Union website & periodic reports
- European Mobile and Mobility Industries Alliance: organisation of meetings for the EMMA Policy Learning Platform and publication of mid-term report
- European Service Innovation Centre (ESIC): Official establishment of ESIC ; Launch of ESIC webpages; Meetings with 6 model demonstrator regions; Methodological workshop on European Service Innovation Scoreboard
- Regions for Strategic Choice Forum: Expert workshop to determine scope & mandate of Forum; Further development of mandate and implementation modalities; Establishment & 1st meeting of the Forum; Organisation of 2nd meeting of the Forum
- European Cluster Observatory (ECO) II: publication of reports; organisation of 2 meetings of the European Forum of Cluster in emerging industries; Publication of informal call for expression of interest for model demonstrator regions to receive services from ECO II

- PRO INNO Europe® & Europe INNOVA: phasing out of the initiatives including processing of final reports
- Support the development of civil applications of unmanned aircraft systems in Europe
- Lead market on shipbuilding and off-shore renewable energy – strategic sector assessment
- Workshops and European e-Skills 2013 Conference
- Support to the KETS issues group as well as other workshops and seminars

Specific Objective 5: To promote a business environment favourable to SMEs and entrepreneurship		
<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: 6.5 2010: 7 2009: 8	2014: n.a. 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: €397 2010: €399 2009: €417	2014: n.a. €100 by the end of 2012
Time needed to get licences to take up and perform the specific activity of an enterprise	2011: 67.04 days 2010: n.a. 2009: n.a. EU average (2009): Between 0 day and 2 years (depending on the Member-State and sector concerned)	2014: n.a. 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: n.a. Reduction of the discharge time and debt settlement for an honest entrepreneur after bankruptcy to a maximum of 2 years by 2013
Number of SMEs experts participating in the elaboration of standards in the Technical Committees (TCs) of the ESOs (CEN-CENELEC-ETSI) – considering the n° of TCs of SME interest	2011: 49 experts in 58 TCs 2010 : 43 experts in 51 TCs	2014: n.a. 2013: n.a. December 2012 : 58 experts in 68 TCs
Main policy outputs		
Implementation of the Entrepreneurship 2020 Action Plan, including actions on e-skills – 2013 (Action to implement the Industrial Policy Communication of 2012) SME Envoy activities and mainstreaming of SME Policy in the context of the SBA		

Publication of the annual SME Performance Review Report 2013 and the SBA country fact sheets 2013

Information campaign addressed to enterprises, in particular SMEs, on combating late payment in commercial transactions

Main expenditure-related outputs

Study on the impact of entrepreneurship education strategies and measures implemented by national and regional authorities to promote education for entrepreneurship in schools and universities

Study to verify Member States compliance with the May 2011 Competitiveness Council recommendations to promote a second chance for honest bankrupt entrepreneurs

Publication of a manual with guidelines and good practice examples on Teacher Education and Training in Entrepreneurship

Promotion of female entrepreneurship through collection of data from CIP participating countries, exchange of good practices and a conference on female entrepreneurship

Promotion of 'Second chance for honest entrepreneurs' through a study

Transfer of business: study aimed at assessing which best or good practices could address problems; development of a publication with the good practices from the study and organisation of a conference

Study on Licensing Procedures to provide a reliable benchmark to measure future progress on the reduction of time needed to get licences and permits

Social Business Initiative (SBI) implementation: call for tender on study on asset locks, European Fair of Social Enterprises, statistics on the economic impact of social enterprises, meetings of Expert Group on Social Business (GECES), Impact Assessment of the proposed amendments (if any) in the Regulation 1435/2003 on the Statute for the European Cooperative Society (SCE)

SBA implementation: monitoring and exchange of good practices – organisation of the SME Assembly, the SME Week and the European Enterprise Promotion Awards, meetings of the Network of SME Envoys, expert meetings of the SBA national contacts, database of good practices

Outreach activities on SBA implementation (Maintenance and update of the SME portal and SME policy website, audiovisual products and interactive tools and communication tool for SME Envoy network)

Continuation of the information campaign on the revised Safety of Toys Directive focussing on SMEs directly involved in toy manufacturing and marketing

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: 18% 2014: 14%
Share of SME-dominated sectors in EU exports to twelve target markets, including China, Japan, Russia, India and Brazil	2011: 51%	To be defined

Main policy outputs

Missions for Growth and follow-up of them, including SME policy dialogues and regulatory dialogue with third countries (Action to implement the Industrial Policy Communication of 2012)

Transatlantic Innovation Action Partnership under the umbrella of the TEC; Development of innovation policy co-operation for SME innovation with partners in East and South Asia; Assistance to neighbourhood policy for SME innovation

Better understanding of market opportunities for European SMEs in third country markets – through engaging with third countries thanks to SME dialogues

Main expenditure-related outputs

Internationalisation of SMEs through clusters: Organisation of 3 events in 2013

SME internationalisation: strategic overview of the existing support services and the identified gaps, policy recommendations for the future and the launch of the information portal

Euro-Mediterranean Industrial Cooperation 2013: organisation of expert meetings/seminars and publication to share knowledge

Eastern Partnership SMEs: preparation of grant agreement (OECD) and launch of the process of regional assessment of policies on SME, business environment, organisation of bilateral meetings in the participating 6 countries to review the SME policy and business environment

Turkey and Western Balkans: launch of assessment process on industrial policies and competitiveness (OECD grant 2012)

Calls for proposal: European IPR Helpdesk; and China IPR Helpdesk (Action to implement the Industrial Policy Communication of 2012)

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, nearly 5,000 entrepreneurs have registered to take part in it (<=2/3 new and >=1/3 host entrepreneurs). Approximately 1200 exchanges have been organised.</p> <p>The original target (870 exchanges before June 2010) was not met. However, the pace of matching for exchanges has been picking up rapidly as the programme becomes better known throughout Europe (Due to strong demand, the exchange budget will be exhausted by most of the intermediary organisations that are implementing the programme on the ground in the current programme cycle)</p>	<p><u>Targets for 2014 and 2013:</u> Continue the exchange activities reaching a pace of 550-600 relationships per year, if the budget remains at the current level</p> <p><u>Targets for end of 2012:</u> around 1,500 exchanges will have been financed since the launch of the project.</p> <p><u>Targets for end of 2011:</u> 1,000 exchanges 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: 1,852</p> <p>2008-2010 (36 months): 4,320 agreements</p>	<p><u>Targets for 2014 and 2013: 2,000 per year</u></p> <p>Targets for 2011 and 2012: 1.800 per year</p>
Individual SMEs reached by Enterprise Europe Network promotion	<p>2011: 2.2 million SMEs</p> <p>2008-2010: 2.1 million SMEs per year</p>	<p><u>Targets for 2014 and 2013: 2.3 million SMEs per year</u></p> <p>2011-2012: 2.2 million SMEs per year</p>

Main policy outputs

Development of the Enterprise Europe Network services (Action to implement the Industrial Policy Communication of 2012)

Connecting Enterprise Europe Network with EU policies through the Annual Guidance Note to the Network

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

Promoting and facilitating international business cooperation and technology transfer through activities of the Enterprise Europe Network

Main expenditure-related outputs

Enterprise Europe Network: Network grants, Network animations and development of IT tools and cooperation databases (managed by EACI)

Maintenance and further development of the Erasmus for Entrepreneurs IT Tool

Communication activities for Erasmus for Entrepreneurs

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

Call for tender – WORTH Pilot Project to promote the competitiveness of consumer goods industries, such as textile-clothing, footwear, accessories and other fashionable products as well as furniture and home decoration, by integrating new business models, competences and skills such as design content

Calls for proposal: Erasmus for Entrepreneurs (mobility scheme); and 100 entrepreneurs – Exchange Europe-Brazil

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 2012: 191,583 SME beneficiaries under SMEG and 236 under GIF (of which 228 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

Initiative highlighted in the Commission Work Programme (CWP) for 2013:
 Access to Finance for SMEs: Reinforcing EU and national initiatives to enhance SMEs access to finance – 3rd quarter 2013 (Action to implement the Industrial Policy Communication of 2012)

Further initiatives

Implementation of the action plan to improve access to finance for SMEs – 2013 (Action to implement the Industrial Policy Communication of 2012)

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 world financial markets and their effect on the economy and on financing innovation and SMEs

Structured monitoring of Member State reforms in the area of access to finance: presentation to EPG and dissemination of results through SME envoys and EEN

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

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

Survey on 'Access to Finance' in cooperation with the European Central Bank (Action to implement the Industrial Policy Communication of 2012)

Improve information to beneficiaries through the promotion of the new EU Financial Instruments (Action to implement the Industrial Policy Communication of 2012)

Organisation of workshops on SME finance with stakeholders to exchange good practices and provide recommendations on how to improve SME finance policies in the EU (Action to implement the Industrial Policy Communication of 2012)

Specific Objective 9: To promote the operational use of EU Earth observation-based services (GMES-Copernicus)

<i>Result Indicators</i>	<i>Latest known result</i>	<i>Target (mid-term)</i>
<p>Number of GMES-Copernicus 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-Copernicus precursor services (land, marine, emergency response, atmosphere and security and climate change) were developed on the basis of the FP7 Space programme, as well as some downstream services. The above mentioned large projects ended in 2011 or 2012. Follow-up projects for marine and atmosphere addressed in the FP7 Space Work Programme 2011.</p> <p>Publication of calls for tenders for pan-EU Land monitoring and Emergency services (Early Flood Awareness System) occurred in 2012 as foreseen in the GMES Regulation (GMES initial operations 2011-2013) and Work Programme 2012. Part of the Land Monitoring service is currently run by the European Environment Agency, the other by the Joint Research Centre.</p> <p>For climate change, work on the definition of user requirements was launched during the June 2011 Helsinki Conference on Climate Change and pursued during meetings of the Climate Change Expert Group. User requirements for Climate Change were further defined through discussions at the GMES-Copernicus User Forum meetings of November 2011 and March 2012. The FP7-Space-2013-1 call addresses a number of Climate Change topics, in line with the conclusions of the Helsinki Conference, which will lead to research projects in support of the Climate Change service.</p>	<p>GMES-Copernicus 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 global land monitoring service and support of services take up by users. Finalisation of the definition of Climate Change service user requirements through further consultations.</p>

Main policy outputs

Implementation of the actions of GMES-Copernicus Initial Operations Work Programme 2013

Follow-up in the implementation of the amended delegation agreement EC/ESA

Implementing the GMES Regulation governance

Main expenditure-related outputs

Financial support GMES-Copernicus initial operations

Support actions for the promotion and innovative services and business applications using data and information from GMES-Copernicus programme and the EGNOS and Galileo signals

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 (ESOs⁶: 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 addressed in the internal market legislation. Thirdly, internal market regulation needs to be proportionate 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 essential requirements and conformity assessment to achieve the policy objectives.

In the non-harmonized area, free movement of goods is assured by the Treaty itself (Articles 34-36) and the “mutual recognition” principle deriving from the case-law of 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, electrical equipment, telecommunications, toys, textiles, wood, and construction products (the list is not exhaustive).

Main activities in 2013 and beyond

One of the strategic initiatives is a DG ENTR initiative "to update and simplify the rules for the circulation of products in the single market, and identify gaps still blocking free circulation, as well as intensified work on standards, certification and labels." This initiative will be based on an external evaluation of the industrial products *acquis*, which will deliver results by mid-year 2013, and on a public consultation of stakeholders.

The initiative will examine three main problem areas: 1) Identification and elimination of the remaining barriers to the internal market for industrial products due to the evolving nature of

⁶ 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)

the market for industrial products. 2) Simplification and alignment of existing rules in order to avoid overlaps, inconsistencies and even conflicts between different legislative as experienced by stakeholders. 3) Possible inclusion of non-harmonised / non-consumer products in order to help market surveillance authorities to better identify which legislation applies.

Since in the future European standards will affect more and more Europeans in the internal market, the Commission will undertake a broad consultation of stakeholders in establishing the strategic work programme for European standardisation. The programme also aims to ensure a strategic approach to European standardisation which supports a wide variety of policy areas such as protecting consumers, enhancing competitiveness of SMEs, ensuring accessibility, tackling climate change and improving resource efficiency.

In 2013, the Commission will launch an independent review to assess whether the European standardisation system is able to adapt to the quickly evolving environment and to contribute to Europe's strategic internal and external objectives.

The DG will continue to develop in 2013 new initiatives to further improve the internal market for goods: For example, based on a comprehensive fitness check of the type approval system in the automotive sector, the Commission may make proposals on how to enhance this system in order to ensure a level playing field for manufacturers and to avoid unnecessary costs for public authorities and economic partners.

In 2013, 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 Directive 98/34/EC 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.

The DG will also continue its work on simplification and administrative burden reduction. Three legislative initiatives will aim to lower the bureaucratic burden especially for SMEs. Further fitness checks of our legislation in the internal market may lead to simpler rules. The follow up to the 2012 stakeholder consultation on the most pressing burdens for SMEs will be the basis for action in 2013.

Specific Objective 1: To regularly review existing internal market legislation and propose new initiatives whenever appropriate		
<i>Result Indicators</i>	<i>Latest known result</i>	<i>Target (mid-term)</i>
Adoption of a Product Safety and Market Surveillance Package consisting of a proposal for a General Product Safety Regulation replacing Directive 2001/95/EC, a new regulation on market surveillance, a Communication on a multi-annual action plan on market surveillance and a report on the implementation of Regulation EC/765/2008 in accordance with Article 40, sub-paragraph 2 thereof.	2012 Joint work between ENTR and SANCO is ongoing on the Product Safety Package for which both DGs are jointly responsible	Favourable opinion by the Impact Assessment Board on 19 September 2012. Adoption of Product Safety and Market Surveillance Package by the College on 13 February 2013 2013 et seq.: Implementation of the multi-annual action plan for market surveillance (which does not need to wait for adoption of the Package by co-legislator)
Progress in aligning Union harmonisation legislation with Decision 768/2008 which contains reference provisions on all main horizontal aspects of harmonisation rules	A package of 9 directives to be aligned with the reference provisions of Decision 768 was adopted by the Commission in November 2011. The package is now under discussion by the Council and the Parliament.	Agreement on first reading is possible by early 2013.
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	2012 (end August): 17 evaluations	2012-2018: 32 evaluations
Main policy outputs		
Initiative highlighted in the Commission Work Programme (CWP) for 2013:		
Reforming the internal market for industrial products – 2013 (Action to implement the Industrial Policy Communication of 2012)		
Simplification initiatives and administrative burden reduction		
Directive amending the Non-Road Mobile Machinery Directive 97/68/EC – public consultation and finalisation of IA report 4th quarter 2012 - adoption 1st half 2013		
Revision of Directive 89/686/EC on personal protective equipment – 3rd quarter 2013		
Proposal for a Regulation of the European Parliament and the Council to harmonise the legal requirements for placing on the market of all fertilising materials including inorganic fertilisers, organic fertilisers, growing media, soil improvers and biostimulants and repealing Regulation (EC) No 2003/2003 – June 2013		
Revision of Directive 2000/9/EC relating to cableway installations designed to carry persons – 3rd quarter 2013		

Initiative (Commission Delegated Act) on the electronic processing of declarations of performance under the Construction Products Regulation (305/2011/EU)

Commission Implementing Regulation amending Regulation (EC) No 340/2008 on the fees and charges payable to the European Chemicals Agency pursuant to Regulation (EC) No 1907/2006 (REACH) Subject to the 2012 REACH review

Review (= adaptation to Lisbon Treaty) of all existing Commission regulations, implementing Council regulation (EC) No 1216/2009 (trade arrangements applicable to certain goods resulting from the processing of agricultural products)

Review (= adaptation to Lisbon Treaty) Council Regulation (EC) No 1216/2009 (trade arrangements applicable to certain goods resulting from the processing of agricultural products) and integration of Council Regulation (EC) No 614/2009 on the Common system of trade for ovalbumin and lactalbumin in the trade arrangements for processed agricultural products

Revision of Directive 97/23/EC on Pressure Equipment – 3rd quarter 2013

Revision of Directive 2009/142/EC on Gas Appliances – 3rd quarter 2013

Further initiatives:

Proposal for a Directive/Regulation on harmonised certification procedures for airport screening equipment – 2013 (Action to implement the Industrial Policy Communication of 2012)

Proposal for a Directive/Regulation on harmonised certification procedures for alarm systems – 2013 (Action to implement the Industrial Policy Communication of 2012)

Based on the outcome of the fitness check of the type approval system, an initiative could be launched on enhancing the internal market for motor vehicles and improving the global competitive position of EU automotive industry – 2013

Revision of Council Directive 93/7/EEC on the return of cultural objects – 1st quarter 2013

Regulation of the European Parliament and of the Council on motor vehicles type-approval requirements for the implementation of the eCall system and amending Directive 2007/46/EC

Adoption by the European Parliament and the Council of the Commission proposal of regulation on the registration of motor vehicles previously registered in another Member States

Commission Regulation adapting for the 8th time the Annexes of Regulation (EC) No 2003/2003 relating to fertilisers to technical progress

Commission delegated Regulation on the braking systems of agricultural or forestry tractors - dependent on adoption of the basic act by Council and Parliament. Indicative - Q1 2013

Follow-up to the review conducted in accordance with Art. 45 of the Regulation (EC) No 1272/2008 on classification, labelling and packaging of substances and mixtures concerning the harmonisation of information to be submitted to poison centres in the Member States

Adaptation to Technical Progress of Regulation (EC) No 1272/2008 (CLP) (4th ATP) – 2013

Adaptation to Technical Progress of Annex VI to Regulation (EC) No 1272/2008 (5th ATP) – 2013

Commission Directive setting up a traceability system for pyrotechnic articles – 2013

Adoption by the European Parliament and the Council of the amendment of Regulation (EC) No 273/2004 on drug precursors

Promoting the development of civil applications of Remotely Piloted Aircraft System – 2013

Proposal for an Implementing measure of the strategy of 2007 on CO2: Regulation of the Commission amending Directive 2007/46/EC on eco-innovation

Commission Directives amending Directive 2009/48/EC on the safety for toys (technical progress amendments as regards lead, barium and TCEP)

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

Proposal on complementary provisions to Euro 5/6 and Euro VI

Proposals for a Delegated act on the braking system requirements for agricultural and forestry vehicles; Delegated act on construction requirements, including occupational safety; Delegated act on environmental and propulsion performance requirements and a Delegated act on functional safety aspects

Develop Guidelines on retrofitting measures for EURO VI vehicles

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 issued in accordance with these regulations

Main expenditure-related outputs

Technical assistance for preparatory studies, impact assessment studies, evaluation studies and/or technical assistance to the ecodesign methodology (Action to implement the Industrial Policy Communication of 2012)

Study on "The notion of Information Society Services within the framework of Directive 98/34 following the recent technological and regulatory developments"

Ad-hoc study to support the evaluation of the use of phosphates in Consumer Automatic Dishwasher Detergents (CADD)

Organise a Conference on the Regulatory Review on nanomaterials with stakeholders

Study on the impact of the MoU on harmonisation of chargers for Mobile phones

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

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

Economic and technical assistance in relation to the emissions of environmental pollutants from automobiles in 2013

Impact assessment of the adaptation to progress in the Measuring Instruments Directive

Specific Objective 2: To ensure the correct enforcement of EU law		
<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 (free movement of goods or Information Society Services)	2012: 125 2011: 109 2010: 104 2009: 130	Reduction of "Detailed opinions" stating possible obstacles to the functioning of the internal market
Awareness of stakeholders on 98/34 and TBT notifications	2012: 157 2011: 141 2010: 118 2009: 100	Yearly increase in comparison with previous year
Awareness of Member States and economic operators on the Mutual Recognition Regulation (EC N° 764/2008)	2009-2012: 12 seminars	Increased participation in information dissemination initiatives
New infringement cases for the policy area Enterprise and Industry (including complaints, non communication cases, excluding cases transferred into ENTR by other DGs)	2012 (1 st semester): 8 ⁷ 2011: 56 2010: 63 2009: 148	Reduction of new infringement cases 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.
Chemicals (REACH Regulation with support of ECHA)		
Adoption of Commission Regulation adding chemical substances of very high concern (SVHCs)	82 substances on the candidate list for substances of very high concern (June 2012) – 54 substances in the process for inclusion in the	ECHA to continue process of updating the candidate list in 2012. Achievement of the target of including 136 SVHC in the candidate list by end of 2012

⁷ This figure corresponds to infringement cases opened in the NIF database. However, it should be noted that 77 new complaints were registered in the CHAP system and 23 EU Pilot files were also opened during the first semester.

to Annex XIV of REACH	candidate list by the end of 2012 Second amendment of Annex XIV has been adopted on 14 February 2012 with inclusion of 8 substances. The list contains 14 substances	Commission to update Annex XIV by 1 st quarter 2013
Adoption of Commission Regulations adding restrictions to Annex XVII of REACH	2012: Restrictions on DMFu and on newly classified CMR have been adopted (February and May 2012). Restrictions on cadmium, lead in jewellery, mercury in measuring devices and phenylmercury compounds have been adopted in September.	ECHA expected to transmit scientific opinions for 2 restriction proposals in 2013 to the Commission.

Main policy outputs

Report to the Council, the European Parliament and the Economic and Social Committee on the application of Directive 98/34 in 2011 and 2012 (Action to implement the Industrial Policy Communication of 2012)

Initiatives related to the REACH Regulation:

- Report to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions in accordance with Article 117(4) REACH and Article 46(2) CLP, and a review of certain elements of REACH in line with Articles 75(2), 138(3) and 138(6) of REACH and an accompanying Staff Working Paper – 1st quarter 2013
- Continuation of REACH implementation: Adoption of revisions of Annex XVII or possible new Annex XVII entries and Adoption of 3rd revision of Annex XIV (1st quarter 2013)
- Scoping study for the application of article 68.2 of REACH TO CMR 1 and 2 substances requiring priority action
- Study on nanomaterials – an impact assessment of the relevant regulatory options, in particular possible amendments of REACH annexes

Report to the Council and the European Parliament on the Regulation 1007/2011 on textile fibre names and related labelling and marking of the fibre composition of textile products:

- on possible EU harmonisation needs for the labelling of textile and clothing products
- on possible EU harmonisation needs for the labelling of leather and leather products
- on allergies linked to the use of chemicals in textile

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

Control of the correct application of the relevant rules related to the application of Articles 34-36 TFEU and to obstacles to intra-EU trade in the non-harmonised area, to the Mutual Recognition Regulation (EC N° 764/2008) and to the Strawberry Regulation (EC N° 2679/98)

Report on the application of Council Directive 93/7/EEC on the return of cultural objects unlawfully removed from the territory of a Member State – 1st quarter 2013

Delegated Act on digital supply of performance information (DoP)

Monitoring the transposition and implementation of Directive 2011/7 on Late Payments

Implementing Act on the European Technical Assessment format

Study on the impact assessment for the adaptation to technical progress of the Aerosol Dispensers Directive

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 Administrative Co-operation Groups (AdCos)

Technical assistance on European Assessment Documents relating to construction products

Communication and information campaign for the Construction Products Regulation

Operating Grant to the European co-operation for Accreditation (EA)

Operation of the IT tools for market surveillance:

- RAPEX (RAPid EXchange of Information System, the EU rapid alert system for dangerous consumer products)
- ICSMS (Information and Communication System for the pan-European Market Surveillance)

Management of the database for notification procedures

Organisation of a conference on REACH Review

Call for tender: Review of authorisation route for SVHC (Substances of Very High Concern) identified as endocrine disruptors

Call for tender: Development of EU enforcement indicators for REACH and CLP (Classification, Labelling and Packaging of substances)

Call for tender: Substance identity in REACH. Case study of UVCB (substances of Unknown or Variable composition, Complex reaction products or Biological materials)

Development of QSAR (Quantitative Structure Activity Relationships, an alternative testing method) and Read-Across approaches for nanomaterials (managed by the Joint Research Centre)

Develop and manage a database relating to pricing and reimbursement of medicinal products (EURIPID)

Organisation of 2 conferences under the Presidencies of Ireland and Latvia on the pricing and reimbursement of pharmaceuticals with representatives of the national

competent authorities

Impact Assessment Study of possible amendments to the ATEX (*Appareils destinés à être utilisés en ATmosphères EXplosives*), pressure equipment and machinery directives with respect to offshore equipment

Preparatory study for Leather labelling Legislation Proposal

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 three European standardisation organisations ⁸ : - ENs in support of EU legislation & policies: CEN: 99%, CENELEC: 98% (June 2012) ETSI: 95% (November 2011) - Other ENs: CEN: 99%, CENELEC: 98% (June 2012) ETSI: 95% (November 2011)	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 (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

Main policy outputs

Initiative highlighted in the Commission Work Programme (CWP) for 2013:
 Review of the Standardisation acquis and Strategic EU Work Programme for European Standardisation (Action to implement the Industrial Policy Communication of 2012)

Further initiatives:
 Coordination of evaluations of ad-hoc proposals submitted by European Standardisation Organisations
 Management of the European Multi-stakeholder Platform to further enhance dialogues between all actors involved in ICT standardisation
 Increase the visibility and promotion of European standardisation through the Internet
 Regulatory Dialogues on Standardisation with China, India, Russia, USA and Japan

⁸ 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)

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

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

Call for proposal: ensure the involvement of SMEs and Craft Enterprises participation in European Standardisation

Call for tender: Standardisation of local augmentation systems for Galileo

Organisation of the World Standards Day Conference 2013

Action grants to the ESOs to support standardisation experts in China (SESEC, Seconded European Standardisation Expert in China) and India (SESEI, Seconded European Standardisation Expert in India)

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-Copernicus 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 policy and research

As concerns political initiatives in 2013, the main task will be to implement the actions in the Communication on Space Industrial Policy of 2012. The goals are to further develop a balanced industrial base in Europe and support SME participation, improve the world-wide competitiveness of European industry, develop markets for space applications and services, and ensure the non-dependence in strategic sectors.

In 2013, DG ENTR 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-Copernicus), notably for some applications related to six themes: land, marine, emergency response, atmosphere, security and climate change.

The proposals submitted under the sixth Space call of the current Research Framework Programme will be assessed in December-February 2012/2013, the negotiations with the projects will take place in 2013. The focus of this call with a volume of €126 million is on research topics in climate change, critical technologies, Earth analogue R&D preparing for space exploration missions, space weather, and space debris and collision threats. Proposals with international cooperation are solicited in particular with China and Ukraine. SME specific research is funded to enhance technology transfer.

- 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 the implementation of EU external policies. It also contributes to growth and employment, innovation and the competitiveness of European industry, in particular through support for the creation of a true internal market for security

technologies. The security research theme also supports the restructuring of the European security sector.

In 2013, the actions foreseen in the Communication Industrial Policy for the Security Industry adopted in 2012 will be implemented. The main thrust of this Communication is to outline ways to overcome the fragmentation in the European security industry since nearly each EU Member State has different regulations on performance standards, certification systems and procurement schemes.

- **New EU Research & Innovation Programme 2014-2020**

In 2013 the negotiations among the European institutions on the research and innovation programme 'Horizon 2020' should be finalised with the aim of making it operational as of 2014. This programme will also finance space and security research and innovation activities. An area of focus for Space research will namely be to support the further development of the 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".

Specific Objective 1: To support research and innovative applications in the space sector		
Result Indicators	Latest known result	Target (mid-term)
<u>FP7 contribution to Space research in general, including GMES-Copernicus</u>		
Number of projects generated in new topic/thematic areas through FP7 space R&D.	2013: 6 th call closed on 21 November 2012 2012: 49 (5 th call) 2011: 33 (4 th call) 2010: 77 (3 rd call) 2009: 27 (2nd call)	2014: increase in research activities in the Horizon 2020 Programme 2013: 46 projected proposals (6 th call) subject to evaluation outcome and negotiations by REA
Progress made in development of GMES-Copernicus 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. 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	Preliminary Coordinated Data Access System deployed and providing space data.	Space data provision for GMES-Copernicus service development and geo-information R&D activities.
Number of GMES-Copernicus 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-Copernicus services (land, marine, emergency response, atmosphere and security) under development on the basis of the 2007-2008 Work Programme. Follow-up projects for marine and atmosphere services not yet financed from operational GMES-Copernicus budgets have been initiated. Furthermore, complementary R&D support of operational Land and Emergency services is being negotiated following the 5 th call	2014: GMES-Copernicus services ready for operation in five thematic areas at the end of FP7 (end of commitments in 2013). 2013: R&D aiming at preparation of the sixth thematic area of Climate Change is open in the 2013 Work Programme, deadline 21 November 2012.e

<i>FP 7 contribution to GNSS (Egnos and Galileo)</i>		
Number of projects funded	2012: n.a. FP7 3 rd call (2011): 42 FP7 2 nd call (2009): 50 FP7 1 st call (2008): 23 FP6: 77	FP8: n.a.
Number of companies and organisations involved	2012: n.a. FP7 3 rd call (2011): 218 FP7 2 nd call (2009): 166 FP7 1 st call (2008): 119 FP6: 428	FP8: n.a.
Amount spent by EC + amount put in by industry (EUR mio)	2012: n.a. FP7 3 rd call (2011): 30.5 + 20.3 FP7 2 nd call (2009): 27.1 + 14.2 FP7 1 st call (2008): 19.4 + 9.4 FP6: 110 + 60	FP8: n.a.
Share of SME participation	2012: n.a. FP7 3 rd call (2011): 35% FP7 2 nd call (2009): 37% FP7 1 st call (2008): 50% FP6: 33%	FP8: n.a.
<i>Main policy outputs</i>		
<p>Directive on production and dissemination of high resolution satellite data for commercial purposes – 2013</p> <p>Decision of the European Parliament and of the Council establishing a space surveillance and tracking support programme – 2013</p> <p>Communication from the Commission to the European Parliament, the Council, the European Economic and Social Committee and the Committee of Regions on EU Space industrial policy releasing the potential for economic growth in the space sector.</p> <p>Monitoring of FP7 contracts managed by REA</p> <p>Monitoring of FP7 contracts managed by GSA</p>		

Dialogue meetings with third countries on international cooperation in space

Communication and publication of content and results of EU Research programmes

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

Conduct study on the mid-term review of the GNSS Action Plan and prepare related Impact Assessment including securing Galileo Market Update

Main expenditure-related outputs

Commitment of budget to the projects of the 6th call for proposals under the 7th Research Framework Programme (FP7) in the areas of:

- Space-based applications at the service of European society (Global 20th century re-analysis and coupling; Ensemble system of regional re-analyses; Traceable quality assurance system for multi-decadal ECVs; provision of access to stimulated and observed climate datasets and climate indicator toolbox; Attribution products; Stimulating development of downstream services and service evolution; Remote sensing methods)
- Strengthening of Space foundations (Exploitation of space science and exploration data; Earth-analogue research preparing for space exploration; Space critical technologies; Space-weather events; Security of space assets from in-orbit collisions)
- Cross-cutting activities (SME space technology research and technology transfer; Co-operation with third countries)

European Space Agency Delegation Agreement

Publication of a Eurobarometer on space foresights

Studies on EU initiative on the improvement of certain framework conditions for the economic development of space-related activities: liability, insurance, claims, authorisation, state aid, environmental requirements, safety and protection

Various communication actions on Space such as cartoons animation and games, promotional video on Space, Space conference support; promotional and information material; organisation of workshops and conferences

Study on Atomic clock

Demonstrator for Galileo Commercial Service

Establish an International EGNOS and GALILEO Application Forum where users, developers, infrastructure and systems providers can exchange views to feedback into the Europe GNSS evolution project

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	2012: 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 90% out of these.	By 2013, increase the number of outputs integrated in new technologies or services to 100%, i.e. covering all technologies/services listed by ESRAB. The main remaining priorities are the two large scale demonstration projects on Crisis Management and Supply Chain Security. Both of which have been integrated in the final call of the FP7 research theme and should be launched by the end of 2013.
Patents	The data on patents for 2010 was based on the mid-terms review of the FP7 Security Theme. Further data on the patents will only be available after the final review of the FP7 Security Theme in 2014. 2010: Developed: 6; Registered: 3	
Proportion of SME participants among the R&D projects supported	2012: 23,69% 2011: 21,89% 2010: 20,6% 2009: 19%	2013: 25%
<i>Main policy outputs</i>		
<p>Implementation of the actions in the Communication on Security Industrial Policy Action Plan for an innovative and competitive Security Industry" (COM (2012) 417)</p> <p>The following outputs are foreseen for 2013:</p> <ul style="list-style-type: none"> • Establish concrete and detailed standardisation roadmaps for certain security technologies • Issue standardisation mandates to the European Standardisation Organisations for 'hybrid standards' • Finalisation of the study begun in 2012 on the analysis of the legal and economic implications of third party liability limitation <p>Work on other outputs foreseen in the following years will be done in 2013. These outputs concern:</p> <ul style="list-style-type: none"> • impact assessment analysis and consultation of stakeholders in the context of two legislative proposals: one to establish an EU wide harmonised certification system for airport screening (detection) equipment; and one to establish an EU harmonised certification system for alarm systems. Both of these are planned to be adopted in 2014. 		

- Preparation of the Horizon 2020 implementation with particular emphasis on the security aspect and the Pre-Commercial Procurement (PCP) instrument
- Work on ensuring a fair access of security industry to international procurement markets
- Issue of a mandate to the European Standardisation Organisations to develop a standard modelled on existing quality management schemes, but applied to the management of privacy issues during the design phase

Main expenditure-related outputs

Commitment of budget to the projects of the 5th call for proposals under the 7th 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, intelligent border 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)

Call for tender:

- Electronic tools allowing the secured exchange of classified information higher than 'restreint UE'
- Develop statistical data to obtain a clearer picture of the technological industrial base of the security industry in Europe

Monitoring and reviews of security research projects

Organisation of the annual Security Research conference and communication activities

Survey on statistical data for security

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 evolution 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.

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.⁹

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).

In the future, it is envisaged that operational management of the programmes will be assured by the European GNSS Agency (GSA), while the European Commission retains overall political responsibility.

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. This strong dependency of European economic interest on strategic systems controlled by third countries is highly undesirable in particular as Europe's dependence on satellite navigation system will further increase in the future.

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.

EGNOS and Galileo will provide sizeable additional benefits compared to GPS alone,

⁹ Regulation (EC) No 683/2008

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. The total cumulative benefits are forecasted to be up to €90 billion over the period of the next 20 years as estimated by external consultants.

These programmes contribute to stimulating economic activity. 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). This market is currently valued at €124 billion and expected to increase to €250 billion by 2020. Galileo will provide EU business opportunities for a wide variety of applications in many sectors of the European economy, including electricity grids, fleet management companies.

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.).

Main activities in 2013 and beyond

In October 2012, the Galileo programme achieved another key milestone with the successful launch of two additional satellites. This major achievement completes the quartet of satellites in orbit, out of the 30 satellites of the final Galileo constellation. We will now be in a position to validate the Galileo system.

Now, Galileo has entered its deployment phase. This will be accelerated in the coming years as additional satellites will secure the deployment of Galileo. 26 satellites in total (including the four already launched) have been ordered while the launch plan allows to deploy 18 satellites by the end of 2014. There is now a clear path to reach the objective of delivering by the end of 2014 early Galileo services, still in combination with GPS at this stage.

In parallel to the deployment of the Galileo and EGNOS infrastructures, more efforts will be made to encourage the uptake of services and applications building on these systems. Amongst these, the European Commission will consider the options available for promoting the integration of Galileo in GNSS receivers.

The Commission has proposed €7 billion for the GNSS programmes within the next multi-annual financial framework. Subject to the result of the inter-institutional negotiations, this financial envelope will enable to fund the final constellation, maintain and operate it in order to deliver services. As outlined above, it is intended that the Commission will keep the overall responsibility of the programmes while it is proposed that the European GNSS Agency (GSA) will be entrusted gradually with their operational management.

Specific Objective 1: To provide satellite-based services improving the performance of GPS over Europe (EGNOS)

<i>Result Indicators</i>	<i>Latest known result</i>	<i>Target (mid-term)</i>
A) EGNOS services		
Open service [OS] ¹⁰	Since October 2009: Operational	Continuity of OS Transfer to GSA in 2014
Safety of Life Service [SoL] ¹¹	Since March 2011: Certified and operational	Continuity of SoL Transfer to GSA in 2014
EGNOS Data Access Service [EDAS] ¹²	Since July 2013: EDAS declared as operational	2013: Additional features + Establish pricing policy 2014: Transfer to GSA

B) EGNOS geographical coverage extension

Number of operational Ranging and Integrity Monitoring Stations (RIMS)	2012: 37 2011: 34	2013: 39 (+2) 2014: 41 (+2)
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Main policy outputs

Sign the ESSP service provider contract extension
 Launch the second EGNOS Geo-transponder on-board Sirius 5 satellite
 Conclude the deployment of EGNOS v2.3.2
 Achieve adoption of at least 100 EGNOS landing procedures within the EU
 Continue works on the extension of EGNOS to South Africa • Support the export of EGNSS applications • Continue the EU-AUC (African Union Commission) cooperation

¹⁰ The Open Service (OS) is defined for mass-market applications. It provides signals for timing and positioning and will remain free of direct user charge. The Open Service is accessible to any user equipped with an SBAS enabled receiver, with no authorisation required.
¹¹ 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 currently offered free of charge.
¹² The EGNOS Data Access Service (EDAS) is aimed at market applications wanting to benefit of EGNOS data via terrestrial networks. It provides added value services and is currently offered free of charge to users.

for EGNOS in Africa • Continue dialogues with other GNSS providers

Main expenditure-related outputs

Support the implementation of activities related to the analysis of the extension of EGNOS beyond Europe

Call for tender: EGNOS enabling branding

Specific Objective 2: To develop and provide global satellite-based radio navigation infrastructures and services (Galileo)

<i>Result Indicators</i>	<i>Latest known result</i>	<i>Target (mid-term)</i>
A) Galileo infrastructure		
Cumulative number of launched satellites (IOV ¹³ +IOC satellites)	The third and fourth satellites have been successfully launched in October 2012	2014: 18 2013: 8
Number of operational satellites	2012: 4	2014: 10 (OSSR ¹⁴ 3) 2013: 4 (IOV-R and OSSR 1)
B) Galileo services		
Open Service [OS]	The first two Galileo satellites continue transmitting the signals. The two satellites launched in 2012 are parked on their normal slots and in-orbit tests are progressing normally.	2014: early service (in combination with American GPS and Russian GLONASS)
Search and Rescue Service [SAR]	SAR ground segment contract has been signed	2014: early service (first contribution to COSPAS SARSAT MEOSAR service) 2013: have a SAR service provider in place
Public Regulated Service [PRS]	The first PRS signals were successfully received on 14 February 2012.	2014: early service 2013: demonstrator capability - pilot projects with Member States
Commercial Service [CS]		2014: demonstrator capability
Integrity Service (Safety-of-Life Service [SOL] re-		2014: contribution of the Galileo Open Service Signals to the

¹³ IOV = In Orbit Validation, IOC = Initial Operational Capability

¹⁴ OSRR= Operational System Readiness Review

Main policy outputs

Securing market uptake for Galileo to ensure an optimum return on the investments in the EU GNSS systems and European non-dependence on foreign systems

Preparatory work on a Delegated Act: Framework for ensuring the optimal use of intellectual property rights of the European GNSS Programmes

Proposal for a Commission Decision on the main technical requirements for the safety of the European GNSS Systems

Annual implementation report for the GNSS Programme

Follow-up of Regulation 912/2010 (GSA) - European GNSS Agency

Launch of the first (OHB) FOC (full operational capacity) phase satellites

Achieve IOV authorisation to operate

Registration of IOV satellites

Transfer of IOV ownership

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

Galileo Work Programme - Prepare World Radio Conference 2015 • Follow-up of ITU agreements with GPSIII and GLONASS • Agree early PRS common minimum standards and publish PRS Signal-in-Space Interface Control Document • Sign framework agreement with PRS pilot project Member States • Conclude PRS agreements with several countries; Continue negotiations with Cospas-Sarsat on EU's involvement • Re-visit agreement with Israel and South Korea • Conclude cooperation agreements with Switzerland and Russia • Conclude cooperation agreements with Latin America

Organise EU US Galileo-GPS Plenary meeting

Main expenditure-related outputs

ESA FOC (Full Operational Capability) delegation agreement

Financial Support for the European GNSS Agency (GSA)

Calls for tender:

- Galileo Reference Centre, set up of early services
- Galileo Service Centre – Version 1 (Procurement)
- Galileo Service Centre – Version 1 (Operations)
- Search and Rescue (SAR)
- Galileo Mission and Service Implementation
- Security World Radio Conference (WRC) SC
- Security P3RS1 SC (provide technical and logistical support and accompaniment of the PRS Demonstrator (former Pilot) Projects activities)

- Security support (provide analyses on security issues related to the EGNSS)
- Galileo infrastructure trouble-shooting & maintenance improvement

Financial support for Search and Rescue (SAR) hosting sites

Various communication activities for Galileo (advertisement campaign, information & promotion stands, brochure on early services)

Organise 3 GNSS workshops (Russia - in the framework of the negotiations on an GNSS agreement; Conference on Multimodal transport; Workshop on Venture Capital Investments in the field of GNSS)

Financial Support for Info Centres in Israel and Latin America to continue providing visibility to the EU GNSS programme and to foster closer contacts