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NOTE

From: General Secretariat of the Council
To: Delegations
Subject: Innovation Deals
- Information from the Commission

Delegations will find in Annex an information note from the Commission on the above subject, to be dealt with under "Any other business" at the Council (Environment) meeting on 4 March 2016.

Innovation Deals
- Information from the Commission -

The Concept

The Commission Communication "Closing the loop - An EU action plan for the circular economy" identifies innovation as a key to creating the conditions under which a circular economy can flourish.

Among the actions to be implemented, there is a pilot approach for innovation deals (IDs) that support the transition to a circular economy.

An ID is a voluntary cooperation agreement between innovators, national/regional/local authorities and Commission Services **to identify EU regulatory obstacles, better achieve EU policy objectives, clarify legal provisions to improve the regulatory framework**, complementing the Better Regulation Agenda.

IDs will be available only for innovations that:

- Have a limited or no access to the market and potential of wide applicability;
- Are more effective or efficient in achieving EU policy objectives, in particular going beyond regulation;
- Do not violate EU legislation or principles of EU law.

IDs cannot deviate from the existing EU legislation but may make use of the flexibility allowed by different types of legislative acts and involve actions which the EU legislation already allows. In this respect, the IDs may explore available flexibility within the existing EU legislative framework eventually leading to testing and/or application of the innovative solutions, in full compliance with existing legislation.

The proposed innovations should **always contribute to better achieving EU policy objectives** and shall not infringe and/or jeopardise any environmental, social or competition principles. The IDs are not meant to lower existing standards or national legislation that are more ambitious than EU legislation.

The European Commission does not fund the preparation or the implementation of IDs.

The results

The outcome of an ID may be a clarification or guidance on the EU regulatory framework, including on the existing flexibility. The objective is to stimulate a more efficient and effective cooperation between innovators and institutions in the demonstration of the innovative solution.

If the conclusion of an ID is that a legislative clause acts as a barrier to innovation bringing wider net benefits, the Commission may also explore further evaluation within the REFIT Programme.

IDs and their **outcomes** will be kept **open, transparent and sufficiently generic** in order not to interfere with technology development or to give competitive advantage to a single entity.

Next Steps

- Q2 2016 - Publication of an **invitation for expressions of interest for ID in the area of the Circular Economy**. In this pilot phase, a **maximum of 5 IDs** will be selected.
- Early 2017 - Selection of 10 IDs submitted by beneficiaries of projects funded under the **Horizon 2020's Work Programme call on 'Industry 2020 in the Circular Economy'**.