



Brussels, 2 May 2024
(OR. en)

9318/24

ESPACE 42

NOTE

From:	General Secretariat of the Council
To:	Permanent Representatives Committee/Council
Subject:	<i>Preparation of the Council (Competitiveness (Internal Market, Industry, Research and Space) on 23-24 May 2024</i> Draft Council conclusions on “Strengthening Europe’s competitiveness through space” - Approval

I. INTRODUCTION

1. The Council conclusions on “Strengthening Europe’s competitiveness through space” have been prepared in view of the eleventh Space Council meeting, a joint and concomitant meeting of the Council of the European Union and of the European Space Agency (ESA) Council at Ministerial level¹, to be held on 23 May 2024.

¹ Based on Article 8 of the Framework Agreement between the European Community and the European Space Agency.

2. An *ad hoc* procedure was followed, based on the Framework Agreement, that is "without prejudice to the Parties' internal decision-making procedures"², so that the Belgian Presidency of the Council of the European Union, the German Presidency of the ESA Council at Ministerial level, the ESA Executive and the Commission would hold quadrilateral meetings to prepare a text on “Strengthening Europe’s competitiveness through space” to be adopted by each organisation according to their own procedure. For the Council of the European Union, the text to be adopted is Council Conclusions, whereas for the ESA it is an ESA Resolution. The body of the text is identical, but the preambles differ slightly to take into account the practices and rules of both organisations.

II. STATE OF PLAY

3. The Space Working Party examined the draft Council Conclusions on three occasions since 1 March 2024. Four quadrilateral preparatory meetings between the Belgian Presidency, the German ESA Presidency, the ESA Executive and the Commission also took place in order to coordinate and converge on the text.
4. The text presented in the Annex to this Note is identical to the latest text circulated after the last Space Working Party meeting on this topic in doc. 8661/2/24 REV2, that raised no comments from delegations. It represents an overall balanced package which could allow for its approval in the respective settings of the EU and the ESA.

III. CONCLUSION

5. The Permanent Representatives Committee is invited to confirm the compromise text set out in the Annex to this Note and submit the draft conclusions for approval by the Council (Competitiveness) at its session on 23 May 2024.

² Article 8, paragraph 4.

Draft Council conclusions on ‘Strengthening Europe’s competitiveness through space’

THE COUNCIL OF THE EUROPEAN UNION

RECALLING

- A. the Convention for the establishment of a European Space Agency of 1975;
- B. the Framework Agreement between the European Community – which has been succeeded by the European Union – and the European Space Agency, which entered into force in 2004 and is celebrating its 20th anniversary this year;
- C. the Agreement between the European Space Agency and the European Union on the security and exchange of classified information, which entered into force in 2008;
- D. the Treaty on the Functioning of the European Union (TFEU), which entered into force in 2009;

I. Space contribution to European competitiveness and societal challenges

1. HIGHLIGHTS the transformation of the space sector globally as well as the unprecedented role of space in determining Europe's prosperity, competitiveness, safety, security, and autonomous decision-making; NOTES the strength of the European space sector and its excellence in space technology, science, research, skills, services and applications, as well as its strong and diversified space industry; EMPHASISES that European space programmes are important for policies and strategic action and for making Europe and its space industry more resilient and competitive; RECALLS that these programmes should continue to benefit all the Member States of the European Space Agency (ESA) and the European Union (EU) and provide inclusive access to their different phases in accordance with their respective rules and fully respecting their institutional settings and operational frameworks;
2. EMPHASISES that space capabilities at EU, ESA and Member State level play a key role in defining, implementing and monitoring policies and strategic action for the purposes of international cooperation, socio-economic benefits and a more competitive and resilient Europe, including through but not limited to:
 - a. space-based services that enable industry to be at the forefront of technological development, thereby enhancing Europe's competitiveness across sectors;
 - b. the unique ability of space to support climate action, environmental protection and the green transition, including through the extensive contributions of Copernicus services and applications, which act as an enabler for the European Green Deal, and through taking into account the Space for a Green Future accelerator;

- c. supporting Europe's influence and leadership in international environmental and climate-related negotiations;
 - d. the contribution of space-based data and services to helping in particular industry reduce its environmental footprint through emissions monitoring and natural resource management;
 - e. the role of space as an enabler for harvesting the full potential of the digital transition, for increasing global connectivity and for closing the digital divide, allowing companies to cut costs and enhance efficiencies through space-based digital solutions;
 - f. a deeper integration between the green and digital transitions in order to benefit from the latest technologies to understand present and future climate impacts, including by providing transparency in cases of crises and disasters, as well as providing new solutions to these challenges and helping protect lives and livelihoods through space systems;
 - g. the transformative power of scientific discovery, to which space contributes, as well as the importance of science and technology in contributing to a knowledge-based society;
3. **HIGHLIGHTS** that space contributes to overall European economic growth and prosperity and that the European space sector has a large innovative and commercial potential, with an increasing but still limited level of private engagement; therefore, **WELCOMES** the potential for further growth and diversification of European New Space, including emerging space actors, as well as of the traditional space sector, with space systems, applications, services and data increasingly serving as an essential building block in a multi-sectoral market; and **EMPHASISES** the benefit of Europe being a harbour for competitive and sustainable space business development; also **UNDERLINES** the role of ESA, the European Union, including the Commission and the European Union Space Programme Agency, as well as Member States in fostering the development of a strong European space ecosystem;

4. HIGHLIGHTS that the untapped potential of the space sector to boost Europe's economy and competitiveness, keeping in mind the national programmes and initiatives, should be exploited against the backdrop of rapid global commercialisation and increasing global competition in the space sector; and EMPHASISES that space-based solutions must therefore be even more strongly integrated into non-space sectors, and vice-versa;

II. Boosting the competitiveness of the European space sector

5. UNDERLINES that the evolving user needs of non-space sectors and commercial markets are a key driver for the European space sector; STRESSES the need to increase user uptake of space-based data and services by continuing to raise awareness and fostering dialogue amongst potential users in various sectors about the benefits that actionable and user-driven space-based data and services can offer for advancing competitiveness across industries, and to continue to develop ever more accessible, useable and actionable space data that is relevant to both established, new and potential user groups and to encourage their adoption;
6. EMPHASISES that a competitive European space sector needs to continue to secure public and private space investments and capabilities, as well as ensure the preparedness, including technical and financial capability, of the private sector to take risks; WELCOMES that increased service procurement promotes the transfer of responsibility and authority for mission design and implementation to private enterprises, where appropriate;
7. HIGHLIGHTS the potential benefits for operators and service and application providers of anchor customer procurement schemes and aggregated demand; and UNDERLINES the importance of open, fair and transparent public procurement processes which support the development of a diversified and innovative European space industry;

8. RECOGNISES that risk-taking and risk-sharing are crucial for a more competitive European space sector; and UNDERLINES the need for a tailored approach towards risks and requirements, conducive to efficiency gains and profitability in that sector;
9. UNDERLINES innovative schemes at national and European level, such as CASSINI and ESA's Investor Network, to support co-funding models coupled with combined efforts to increase access to finance for all European actors, especially start-ups and small and medium-sized enterprises, and including through fostering asset-based financing; and CALLS ON the private sector to leverage investments in the European space industry and to support disruptive innovation and advance technological readiness; STRESSES the role of small and medium sized enterprises in space and their contribution to the innovation and competitiveness of the European space sector; and RECOGNISES that the long-term success of Europe depends on harnessing the innovation potential of enterprises of all sizes across all ESA and EU Member States;
10. RECOGNISES that stability and predictability in the space business environment will encourage more private investment; NOTES that public authorities can support the development of new business opportunities in space;
11. HIGHLIGHTS the importance and multiplier effect of expenditure on space research and development and its positive spill-over effects of space technologies on the wider European economy; NOTES the need to raise the appeal of the space sector in order to attract and retain talent and a skilled workforce, building on the excellence of skills and talent in Europe; STRESSES the need to increase upskilling and reskilling efforts;

12. RECOGNISES the need to help decision-makers and companies to process space data more rapidly and accurately, turning space information into actionable insights; and STRESSES the importance of public authorities having adequate access to the necessary data and capabilities to implement policies and enable space-related services with the required level of independence, reliability and cost-efficiency; further NOTES the need for effective management and protection of space data, underpinned by a commitment to data security;

III. Space as a backbone for European global action

13. IS CONVINCED of the need for ESA, the EU and their respective Member States to strive, where appropriate in consultation with the private sector, for progressive global rules and best practices in space, to allow for a European impact and a strong position on global space governance matters including in creating a sustainable space environment; RECOGNISES the central role of standards in supporting policy goals with regards to the objectives of sustaining trade, innovation and economic growth;
14. HIGHLIGHTS that the space sector, benefitting from the close collaboration between ESA, the EU and their respective Member States, enhances the position of the European economy on the global stage and is a backbone of European strategic autonomy in an open economy; LOOKS FORWARD TO increased expansion of the European space sector towards markets opportunities worldwide, including through greater global collaboration and trusted partnerships;

15. STRESSES the importance of operational space systems for the protection and secure operation of critical European and national infrastructure, such as energy systems and electricity grids, including the global monitoring of space weather and the coordination of preventive measures; RECOGNISES the urgency of enhancing European autonomy as regards security, safety and resilience in and through space; and UNDERLINES the importance of continuing to work together, in line with the respective competences of the EU, ESA and their Member States, in order to secure critical technologies, capabilities and supply chains in a targeted and balanced way, as well as defining clear priorities, thereby reinforcing Europe's competitiveness;
16. HIGHLIGHTS, on the basis of the EU-ESA Framework Agreement and in close consultation with all Member States, the importance to reinforce the ESA-EU strategic partnership in its various forms of cooperation in view of fostering a globally competitive European space economy in a highly challenging international market, including to benefit from the Space Council in order to achieve these objectives and to reinforce coordination for the development of the overall European Space Policy.
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