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ESPACE 57
RECH 230
COMPET 380
MI 368
IND 138
ENV 324
EU-GNSS 26
TRANS 312
TELECOM 216
ENER 195
EMPL 213
CSDP/PSDC 267
CFSP/PESC 501

NOTE

From: Permanent Representatives Committee (Part 1)
To: Council

No. prev. doc.: 8630/21

Subject: Council conclusions on "New Space for People"
- *Adoption*

I. INTRODUCTION

1. The Council Conclusions on "New Space for People" have been prepared in view of the Competitiveness Council to be held on 28 May 2021. The conclusions focus on the evolutions and transformation of the space sector and recognise the need for a European New Space approach, taking into account the European context, culture and structures, underling that the Space Programme Regulation, together with other initiatives, contribute to strengthening New Space.

2. With the conclusions, the Presidency wishes to stress the importance of New Space for an innovative, resilient and competitive Union space sector, its impact in the European economy and its potential to answer to the needs of European citizens.

II. STATE OF PLAY

3. The Space Working Party examined the draft Council Conclusions on four occasions since 16 February 2021.
4. The text presented in the Annex to this Note reproduces the text set out in the Annex to doc. 8630/21 agreed in the Permanent Representatives Committee on 19 May 2021. The Committee agreed to forward the draft conclusions to the Council (Competitiveness) of 28 May 2021 for adoption.

III. CONCLUSION

5. The Council (Competitiveness) is therefore called upon to adopt the conclusions set out in the Annex.

Draft Council Conclusions on “New Space for People”

THE COUNCIL OF THE EUROPEAN UNION

RECALLING

- The Treaty on the Functioning of the European Union that establishes an EU competence in Space¹;
- The Council Conclusions on "A Space Strategy for Europe" of 30 May 2017, encouraging the Commission and Member States to work with relevant actors to facilitate innovation and development of space applications, business opportunities, outreach activities as well as industrial capacity, including for "New Space" companies and initiatives, SMEs, start-ups and scale-ups;
- The Council Conclusions on "Space as an enabler" of 28 May 2019, confirmed at the ninth Space Council, acknowledging the profound transformation that the space landscape is undergoing, maturing and shaped by new actors, such as new space-faring nations and in particular by new private actors;
- The Council Conclusions on “Space Solutions for a sustainable Arctic” of 29 November 2019 recognising the opportunities provided by New Space to foster the provision of new space-enabled services and solutions for the Arctic needs, among others;

¹ In particular Articles 4(3) and 189.

- The Council Conclusions on “Space for a sustainable Europe” of 4 June 2020, acknowledging the emergence of the so-called “New Space” and inviting the Commission to develop an in-depth analysis of the European New Space current landscape and future perspectives and its contribution to the European economy, expanding existing market capacities, supporting SMEs and start-ups and encompassing the emergence of new actors and new developments;
- The Council Conclusions on “Orientations on the European contribution in establishing key principles for the global space economy” of 11 November 2020, confirmed at the tenth Space Council, stressing the importance of an innovation strategy for New Space with a focus on increased commercialisation, competitiveness and efficiency and common European objectives in the mid and long-term perspective;
- The Council Conclusions on “A recovery advancing the transition towards a more dynamic, resilient and competitive European industry” of 16 November 2020, stressing that the EU should pursue an ambitious and assertive European industrial policy to create a sustainable, attractive and competitive business environment to unlock the high potential of spill-over effects from cooperation throughout the EU, which includes identifying and reducing strategic dependencies and increasing resilience in the most sensitive industrial ecosystems and specific areas such as space;

I Context and dynamics of the European Space Sector

- 1) CONSIDERS that the space sector is undergoing rapid transformation and expansion on a global scale due to technology disruption, new ways of exploitation of existing capabilities, commercialisation, democratisation of space, and that space is emerging as a profitable sector, in which new business models arise among companies of different sizes;
- 2) CONSIDERS the recent dynamics towards a convergence of the institutional and private markets, including the growing role of industry. This results in the opening of the space sector to new users and players, that may deliver innovative and more affordable space products and space-based services, and also allows for an increased interest for space by countries not previously engaged in space activities;
- 3) ACKNOWLEDGES that the space sector is creating and exploring new markets in Europe and worldwide, derived from new technology developments and market approaches centred on cost reduction, and higher flexibility and agility, while safeguarding the continuity of observations and the quality and security of ground technologies and space systems. These dynamics are fostered by spin-in innovation, greater cross-fertilisation of non-space sectors to space technologies and applications, and the emergence of new applications and services profiting from the rapid development of digital technologies and data processing systems integration from the open data of Copernicus, among other components;
- 4) HIGHLIGHTS the importance of space technology, data and applications in finding solutions to climate transition and the developments towards the achievement of the targets set in the Paris Agreement, alongside the goals of the European Green Deal and the evolution towards a holistic view of our planet to better understand and value its complexity and systemic nature as well as the interlinkage of environment with our wellbeing, health and the socioeconomic system;

II European New Space approach

- 5) RECOGNISES that rapid and persistent transformations call for a European New Space approach; STRESSES the potential of New Space in contributing to the overall objectives of the European Union, including to the green and digital transitions, and to reinforcing European resilience. New Space also contributes to other public policy areas and impacts the European society and economy, answering to the needs of citizens;
- 6) RECOGNISES the need for a common understanding on New Space taking into account the European context, culture and structures. A European approach to New Space should cover the whole space value chain, encompassing upstream, midstream and downstream segments, with a new innovation and business perspective and with framework conditions that favours the emergence of new European players and the building and interlinking of space ecosystems throughout Europe, by reducing regulatory and market entry-barriers, opening-up value-chains, changing procurement approaches and increasing private investments;
- 7) RECOGNISES the innovative capacity of the private sector increasingly driven by private investments, and the value it can bring to the development of the European space sector;
- 8) HIGHLIGHTS that European, national and regional ecosystems are at the heart of New Space in Europe; RECOGNISES the need for a coherent approach to the downstream segment, enhancing openness to new space actors, namely SMEs, mid-caps, scale-ups and start-ups, both in early and growth stages, alongside the promotion of space-related entrepreneurship and capacity building and support measures, including funding opportunities to foster space ecosystems across Europe;

- 9) UNDERLINES the role of fundamental and applied research, development and innovation for New Space complementing the traditional space, including high performance computing, artificial intelligence (AI) and quantum technologies, with the combination of different technologies, favouring cost reduction in new space systems through miniaturization and higher versatility of space platforms, for higher quality, cost-effective and secure space-based data, information and services; and HIGHLIGHTS the role of new technologies and design approaches, including for space exploration and use of space resources, and for reusability of space platforms;
- 10) STRESSES the importance of addressing the specific needs for access to space by New Space actors, if necessary, through adapted and complementary ground infrastructures;
- 11) HIGHLIGHTS the role of the EU and Member States in the international, multilateral context and the contribution of New Space in fostering space diplomacy;
- 12) EMPHASISES the value created by New Space for society, economy and the environment, and how space is an enabler for environmental, societal and economic benefits, as they rely more and more on space-based assets for telecommunications, navigation, and Earth observation (EO) applications, thus impacting on sustainability and the green and digital transitions; and STRESSES the need to increasingly use space applications, services and data in close cooperation with end-users, stakeholders and across the space industry in all Member States in order to achieve those environmental, societal and economic benefits;

III EU programmes and initiatives and their contribution to strengthening New Space

- 13) STRESSES that the current space programme components Copernicus, EGNOS and Galileo contribute to and benefit from New Space, in terms of market uptake of space-based data and signals, information for the development of new applications, products and services; NOTES the potential of GOVSATCOM in this regard;
- 14) ACKNOWLEDGES the opportunities brought by operational services in the areas of Space Situational Awareness, in supporting safe, secure and sustainable space activities and protecting European space infrastructure, with the upgrade and further developments of the system of sensors, catalogue of space objects and services, currently provided through EU-SST; STRESSES the importance to develop a Space Traffic Management (STM) approach for Europe in the future and guiding global standards;
- 15) EMPHASISES the importance of traditional and innovative procurement in the EU programmes, with higher openness and transparency in the policy and procedures, throughout the supply chains, favouring the involvement of start-ups, scale-ups, other SMEs and mid-caps;
- 16) RECALLS the development of the European space policy and the importance of seeking complementarities and a structured approach for developing synergies between Member States, the Commission, EUSPA, ESA, other entrusted entities and stakeholders based on their expertise, roles and responsibilities, to best fulfil the objective of the EU Space Programme in the New Space domain;

- 17) STRESSES the need to promote further synergies and complementarities of the EU Space programme with other EU programmes, namely research and technological development and innovation via Horizon Europe, the Digital Europe Programme (DEP), the European Defence Fund, InvestEU, the Recovery and Resilience Facility, and the European Structural and Cohesion Funds, to leverage the investment in the space sector, including the New Space ecosystem, maximising the efficiency in the use of public resources, raising awareness of opportunities provided by these programmes to New Space actors, and fostering a competitive and innovative European space sector;
- 18) REITERATES that it is essential to continue to support advanced skills development, knowledge sharing, and training to create the needed competences throughout Europe, including with more support to countries with emerging space capabilities, and fostering diversity in the sector, as well as increasing interest of young people to study science, technology, engineering and mathematics;

IV Towards an innovative, resilient and competitive Union space sector to realise the opportunities of New Space

- 19) UNDERLINES that the combination of supply-side and demand-driven approaches are crucial for fostering cross-fertilisation of space and non-space technologies, services and applications through different policies and sectors, both public and private, to promote value creation and market uptake for secure digitalisation and environmentally sustainable solutions, through a user-centred approach;

- 20) RECOGNISES the importance of European competitiveness in the context of New Space and the need to foster private investment and to reinforce market-based approaches for strengthening Europe-based technology developers, suppliers and service-providers and the support to the development of innovative and disruptive technologies and industrial capabilities; HIGHLIGHTS the importance of achieving resilience in European strategic space value chains, through technical regulations, standards, public procurement and financing instruments;
- 21) STRESSES the need to reinforce European strengths towards a more innovative, resilient and competitive space sector in areas such as critical components, space-based secure connectivity, industrial alliances in microelectronics and raw materials;
- 22) TAKES NOTE of the Commission's intention, in order to support strategic autonomy in access to space, to contribute to the efforts to develop a common roadmap for the next generation of launchers, launch technologies and infrastructures, in close coordination and cooperation with Member States and ESA and industries, whilst respecting the principles of an open economy;
- 23) STRESSES the importance of enabling conditions, that are essential to foster entrepreneurship and to facilitate the creation of new business opportunities, growth of new markets and innovation ecosystems;
- 24) UNDERLINES that the current free and open EO data policy has been instrumental in driving strong demand for data and information and is an essential tool contributing to an effective European space ecosystem, enabling the market to develop downstream applications for a wide number of private and institutional customers;

- 25) RECOGNISES the new opportunities offered by the availability and accessibility of high resolution data to foster the convergence of EO and AI for better ability to deliver solutions to non-technical users, which directly translates in benefits for the European citizens;
- 26) UNDERLINES the role of space and how space-based data and information can be an enabler of different EU policies and can benefit European data strategy and EU initiatives, such as the Destination Earth Initiative in cooperation with ESA, ECMWF and EUMETSAT, the common European Green Deal Data Space or the deployment of 5G or uptake of Internet of Things;
- 27) TAKES NOTE of the intention of the Commission to address the development of space-based secure connectivity capability in complement to existing terrestrial and submarine connectivity networks;
- 28) UNDERLINES the importance of cyber security for New Space systems and operations on the ground and in space; and NOTES the global market potential for cyber security solutions, bringing opportunities to European companies, including start-ups, SMEs and mid-caps;
- 29) HIGHLIGHTS the need to ensure sustainable use of space by all space actors, including New Space actors, in accordance with the relevant United Nations treaties, resolutions and following the UNCOPUOS recommendations and guidelines;

V Financing and growth of Europe's space businesses

- 30) STRESSES the importance of risk capital investment for the whole New Space ecosystem; and RECOGNISES the need to develop public financing schemes and instruments at national and regional level as a de-risk tool in investment and as a means to attract private investment, to complement financial instruments like equity and debt financing for start-ups, scale-ups in the early stages and other SMEs and mid-caps in the growth stages, with the aim of increasing the number of private investors in the space markets segments and the amounts of private capital invested;
- 31) WELCOMES the CASSINI (Competitive Space Start-ups for INnovation) initiative, targeting a EUR 1 billion EU space fund-of-funds making full use of InvestEU to facilitate access to finance, and its role in expanding the number of start-ups in the EU, building businesses based on innovative EU space technologies, services and applications and accelerating their growth and scale up;
- 32) STRESSES the importance of encouraging public authorities to use procurement and pre-commercial procurement of innovative solutions as a way to facilitate commercialisation and give market traction to start-ups, SMEs and mid-caps in the space industry and digital services based on space data;

VI Monitoring and Evaluation

- 33) CALLS on the Commission to promote a regular impact measurement of the space sector within the European economy, taking into account existing work, with a special focus on New Space and to develop a methodology in that regard showing how New Space can benefit citizens and the European economy, and to regularly update the Council;

- 34) HIGHLIGHTS the importance of evaluating the environmental footprint of European space technologies in a global cost approach (economic, environmental, societal) with the aim of improving the environmental performance of the European space sector;
- 35) STRESSES that when measuring the impact of New Space in the European economy, a number of variables should be taken into account, including the number of jobs created, exports, investment levels, sales and revenues towards a real snapshot of the trends and evolution of New Space in Europe, while addressing societal and environmental challenges and showing the added value of space and its benefits to society and citizens' well-being and resilience;

VII Priority actions

- 36) CALLS on the Commission, in coordination with Member States, to propose an innovation strategy for New Space, encompassing the whole value chain and access to finance, towards an innovative and competitive Union space sector;
- 37) CALLS on the Commission and EUSPA to foster, through an action plan, the uptake of space services by stimulating the adoption of space solutions across a wide range of EU policies and to increase the competitiveness of the EU downstream space industry, facilitating clustering of downstream space applications and users' across the Union, with a particular focus on capacity building in the Member States with emerging space capabilities, and considering the development of norms and standards, where appropriate.