

# €2 billion to fast forward the creation of the European Innovation Council

Global competition is intensifying and Europe needs to deepen its innovation and risk-taking capability to compete on a market increasingly defined by new technologies. That is why the **Juncker** Commission is introducing a European Innovation Council (EIC) to turn Europe's scientific discoveries into businesses that can scale up faster. Currently in its pilot phase, the European Innovation Council will become a full-fledged reality from 2021 under the next EU research and innovation programme Horizon Europe.

Carlos **Moedas**, Commissioner for Research, Science and Innovation said: *"With the European Innovation Council, we don't simply put money on the table. We create a whole innovation system to place Europe at the forefront in strategic technologies and innovation that will shape our futures such as artificial intelligence, biotechnology and zero-emission energy. We must focus on the needs of the innovators, who are the ones who will generate jobs, strengthen our global competitiveness and improve our daily lives."*

The Commission launched in 2017 the pilot phase of the European Innovation Council, introducing open competitions and face-to-face interviews to identify and fund Europe's most innovative start-ups and SMEs. Since then, 1276 highly innovative projects have already benefitted from an overall funding of over €730 million.

Today the Commission announces important steps that will ramp up the remaining two years of the pilot phase of the EIC:

- **Over €2 billion of funding** in 2019-2020: covering the innovation chain: "pathfinder" projects to support advanced technologies from the research base ([opens tomorrow](#)); and "accelerator" funding to support startups and SMEs develop and scale up innovations to the stage where they can attract private investment (open in June). Under the "accelerator" funding companies will be able to access blended financing (grants and equity) of up to €15 million.
- The Commission will **appoint 15 to 20 innovation leaders** to an EIC Advisory Board to oversee the EIC pilot, prepare the future EIC, and champion the EIC globally. Innovators from across the ecosystem are invited to [come forward by 10 May](#).
- The Commission will recruit a first set of **"programme managers"** with leading expertise in new technologies to provide full-time, hands-on support for projects. The call for recruitment will be published shortly.
- Also today, the Commission announces **68 additional startups and SMEs selected** for an overall funding of **€120 million** under the existing EIC pilot. The companies are for instance developing a blockchain-based online payment technology, new energy efficient screens and a solution

to fight traffic noise ([breakdown](#) of beneficiaries per country and sector).

Given the growing economic importance of breakthrough and disruptive innovation, and based on the early success of the EIC pilot, the Commission has proposed to dedicate €10 billion to the EIC under Horizon Europe, the EU research and innovation funding programme for 2021-2027.

## Background

With only 7% of the world's population, Europe accounts for 20% of global R&D investment, produces one third of all high-quality scientific publications, and holds a world leading position in industrial sectors such as pharmaceuticals, chemicals, mechanical engineering and fashion. But Europe needs to do better at turning that excellence into success, and generating global champions in new markets based on innovation. This is particularly the case for innovations based on radically new technologies (breakthrough) or markets (disruptive).

In June 2018, the Commission proposed the most ambitious Research and Innovation programme yet, [Horizon Europe](#), with a proposed budget of €100 billion for 2021-2027. The proposal builds on the Commission's contribution to the EU Leaders' meeting on 16 May in Sofia "[A renewed European Agenda for Research and Innovation – Europe's chance to shape its future](#)", which highlighted the need to create a European Innovation Council and other steps to ensure Europe's global competitiveness.

The conclusions of the European Council of 28 June 2018 endorsed the setting up of the EIC under the next long-term budget (2021-2027). EU leaders invited the Commission to launch a new pilot initiative on breakthrough innovation within the remaining period of Horizon 2020, in order to pave the way for a fully-fledged EIC in Horizon Europe.

The European Innovation Council is part of a wider ecosystem that the EU is putting in place to give Europe's many entrepreneurs every opportunity to become world leading companies. Other initiatives include [a Pan-European Venture Capital Funds-of-Funds programme \(VentureEU\)](#), [the Investment Plan for Europe \(EFSI\)](#), the work of the [European Institute for Innovation and Technology](#), the Capital Markets Union Action Plan to improve access to finance or the proposal for a [Directive on business insolvency](#).

**For more information**

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**[Opening speech by Commissioner Arias](#)**

# Cañete at the Clean Energy Industrial Forum on Renewables

Dear high-level representatives of the renewable energy sector – dear participants,

A warm welcome to all of you to Brussels!

I am pleased to participate in this second meeting of the Clean Energy Industrial Forum on Renewables.

A lot has happened since we met in January last year, and I am confident that these changes have had a positive impact on the European renewable energy industry.

However, there is one element that has not changed. **Strengthening Europe's industrial competitiveness is still essential for the future of Europe's economy**, and it remains one of the five pillars of our Energy Union.

We are convinced that the clean energy transition is a real and concrete opportunity in terms of investment, growth and jobs in Europe and the renewable energy sector will play a key role to help European industries to be a world leader in decarbonisation, innovation and digitalisation.

Our meeting today provides a timely opportunity to reflect on the developments at both policy and regulatory level as well as in the European industry, and to discuss how these new trends can be further translated into new actions to support the competitiveness of the European renewable energy industry.

Today I would like to cover three main areas:

- **Firstly**, to explain the progress that we have made since our first meeting, notably in setting the framework to 2030 – and outlining our ambitions in the 2050 perspective;
- **Secondly**, to underline the importance of European Union policies for boosting competitiveness, notably through research & innovation and trade, and driving the clean energy transition forward;
- And **thirdly**, to briefly consider some of the new developments that we are witnessing.

## ***Setting the framework to 2030 and outlining the ambitions in the 2050 perspective***

The **first important message** I would like to convey today is that with the Clean Energy for All Europeans package adopted, we have prepared a solid and comprehensive basis for strengthening the industrial competitiveness of your industry. With at least 32% renewables by 2030, and a review clause by 2023, we have an ambitious target for renewables and coherent supporting provisions, including for the heating and cooling as well as transport

sectors. We have the new Electricity Market Design. With our Governance Regulation, we have concrete and transparent National Energy and Climate Plans being developed for the period up to 2030. In this way, we have now in place the most advanced regulatory framework supporting the clean energy transition.

The new regulatory framework delivers some of our key objectives that we envisioned. It provides certainty to investors and will support European industries in the renewable energy sector. It delivers a “*Europeanisation*” of renewable energy policy creating bigger market opportunities to go beyond national borders.

It creates a modernised electricity system that is fit to integrate the growing share of variable and decentralised renewable energies in a flexible, competitive and secure way. It will deliver on jobs, economic growth, energy security, and empowerment of our citizens.

Our efforts are already reflected in the positive market signs that are appearing for the years 2017 and 2018. Turnover in the renewable energy industry grew with 3.6% over the period from 2016 to 2017, and jobs grew with 1% to around 1.4 million. The early estimates suggest that investments in renewable energy technologies in 2018 grew with 27% compared to 2017, and that the share of renewable energy grew with 0.5% compared to 2016. With a share of 17,5% of renewables in our final energy consumption [2017 data], we are on track to reach our 2020 target but efforts should be pursued.

Also, with more than 95% of our newly installed power generation capacity based on renewables, we have reached a point of no return for the electricity sector – it is clear that from now onwards the future of electricity is renewables. Already today, more than 30% of our electricity is powered by renewables. This share is expected to reach around 85% in the 2050 perspective.

The solar PV sector had a booming year with 36% growth compared to 2017, and the final investment decisions in the wind power sector were up with 20% compared to 2017. The early signs for other technologies, including the deployment of heat pumps, are also encouraging.

Industrial competitiveness is not a short-term objective. It has to be seen within the broader transformation of Europe’s economy. That is why we published our strategy for “A Clean Planet for All” in November 2018.

The Strategy outlines a vision of the economic and societal transformations required, engaging all sectors of the economy and society, to achieve the transition to a climate neutral economy by 2050. It seeks to ensure that this transition is socially fair – not leaving any EU citizens or regions behind – and enhances the competitiveness of EU economy and industry on global markets, securing high quality jobs and sustainable growth in Europe.

The Strategy recognises that a competitive European industry – operating

within a circular economy – is a key enabler to get to a climate neutral economy.

The Strategy also reflects the importance of a common approach across the EU in order to consolidate an open and competitive energy market, avoid relocation risks and loss of competitiveness.

A climate neutral economy will require substantial growth compared to today's levels. Deployment levels of solar PV will have to double in the next couple of years to achieve our 2030 targets, and double again thereafter to achieve our long-term decarbonisation goals. The same applies to wind power, which annual installation levels would have to triple compared to today. The share of renewables in heating and cooling would also increase substantially, from 19% today to almost 80% in some scenarios. Similar developments are expected in the transport sector, where batteries and fuel cells would provide more than 90% of the stock of passenger and light commercial vehicles.

Our analysis indicates that all pathways towards a decarbonised Europe present tremendous opportunities for the European renewable energy industry. The European industry also needs to be ready to capitalise on the emerging opportunities outside of the European Union, and at the same time be robust to face increased competition. The EU industry should be strong enough to meet the challenges ahead and seize these opportunities.

And that brings me to **my second point**.

***The importance of EU policies for boosting competitiveness, notably through research & innovation and trade, and driving the clean energy transition forward.***

It is our role today to discuss and identify concrete actions that will be able to prepare and reinforce the industrial competitiveness of the European renewable energy industry.

In our meeting last year, we also discussed the important role that research and innovation play to establish and maintaining global competitiveness.

Our past experience shows us concrete examples. Offshore wind, for example, represents a unique success story of European clean energy leadership. Europe was the first to install an offshore wind farm (Vindeby) in Denmark in 1991. Europe was also the first to develop the industry to a point where offshore wind farms secured the deal without subsidies.

This year we will again be the first to deploy large scale offshore wind turbines of 10 MW, another example where sustained research and innovation support has helped European companies to have a leading edge in the industry.

As a further example, innovative perovskite solar cells solutions have emerged this year into the market thanks to European Union support. Through continuous support, we are now at a stage where a German manufacturing plant will demonstrate the commercial viability of producing crystalline silicon and perovskite solar cells. This very promising new technology for PV panels will represent a leap in PV efficiency compared to other commercially

available technologies, assuring a strong competitive advantage of European renewable energy technologies.

We want to maintain our commitment to public investments to support technological leadership across the renewable portfolio.

We have therefore proposed that in our future research and innovation programme Horizon Europe, 35% of the funding will be dedicated to clean energy transition related technologies.

Furthermore, we have adopted the Innovation Fund with an expected EUR 10 billion in funds to support technological solutions to fast-forward us towards a climate-neutral society over the period from 2020 to 2030.

Furthermore, we have rolled out our InnovFin-Energy Demonstration Projects fund which mobilised EUR 172 million to support first-of-its-kind demonstration projects for clean energy technologies.

With these and other funds already open today, or with a call for tenders scheduled in 2020, I encourage you to bring your suggestions for new projects and initiatives to the table. We are keen to hear what projects are crucial to maintain and improve the competitiveness of the European renewable energy industry.

Another important area to support European leadership and industrial competitiveness is our trade policy. The European Union clean energy transition cannot be separated from the global energy transition. Global competition is higher than before and we need to ensure that European industry can compete globally and maintain its leadership in the global energy transition.

The European Union has kick-started renewables deployment, but today, around 174 countries have established their own renewables target. Through our trade policies, we have to make sure that we have access to these emerging markets, and that our European companies can compete at a level playing field.

At the same time, an open and positive agenda towards global trade in clean energy technologies is only one element to ensure European industrial competitiveness, in parallel to negotiating energy provisions in our bilateral trade deals. To do so, we also have to continue to innovate, and make sure that our technologies and companies are of the highest standard and quality. Developing and spreading the EU energy standards will ensure a strong advantage to EU industry and will contribute to its competitiveness.

***Let me now come to the third and final element I wanted to cover today – new developments.***

It is also important to reflect on the new developments, brought by the new regulatory framework and enabling initiatives of the Clean Energy package. Developments that we are witnessing already and that will become even more prominent as we move into the next phase of the energy transition.

Examples include:

1. the more central role of the citizen and communities in the energy transition;
2. our new electricity regulation designed to encourage flexible markets while guarantying security of supply;
3. the digitalisation of the energy sector;
4. the electrification of the transport sector;
5. the increasing sectoral integration;
6. the rapid rise of corporates directly deploying or purchasing renewable energy;
7. the pro-active role of cities and islands to transform their energy systems; and
8. the implementation of our circular economy action plan.

These are just a few examples of recent developments that are creating new opportunities for the European renewable energy industry. That is why it is important to reflect in meetings like ours today on how these new opportunities impact the competitiveness of this industry.

Ladies and gentlemen,

The year 2018 was marked by the conclusion of our Clean Energy Package for the period up to 2030, and with the introduction of our vision for a climate-neutral economy by 2050.

The year 2019 will be as important as 2018. We are already working on the concrete implementation of the Clean Energy Package through the draft National Energy and Climate Plans that have been submitted by all Member States as a sign of a positive commitment by all. You can provide an important input, both at national and European level, to ensure that energy transition policies are also boosting industrial competitiveness.

We will also conclude our Long-Term Decarbonisation Strategy for Europe. In this context, I would like to encourage you to actively engage in the discussion and stakeholder meetings that we are conducting, and to let us know how the energy transition and the specific pathways towards a climate-neutral economy can create opportunities for the industry, and how we can ensure that the European Union industry takes advantage of its global leadership role in the energy transition.

Last but not least, we hope to conclude the negotiations of European Union's next seven-year budget, including the sectoral programmes. The rise of clean energy investments in Europe, increasing to around EUR 66 billion in 2018, up from EUR 50 billion in 2017, is a positive sign for the industry. However, we will need much more to achieve our targets for 2030 and realise our ambitions in the 2050 perspective.

This is why we believe that the European Union budget will remain instrumental to leverage the necessary private investments in the sector. We have also proposed that at least 25% of our budget will be spent on climate action including clean energy transition, up from the current level of 20%.

We have also developed specific proposals to support renewable energy technologies and solutions across all stages of development, from initial Research and Development to demonstration projects to the deployment of cross-border projects and infrastructure needs to support the integration of renewables. Most recently, we have reached with the co-legislators a political agreement on the future Connecting Europe Facility which will now include a new window to support cross-border renewable energy projects.

I am pleased to see that part of the meeting today will focus on the financial barriers that you may perceive within the market, and discuss how our instruments can be tailored to help leverage the necessary private sectors investments in both renewable energy technologies as well as enabling technologies for the renewable energy industry.

I am very pleased that we have gathered this distinguished group of renewable energy industry leaders representing all different renewable energy technologies and different parts of the value chain that are all important to building a strong and healthy industrial basis in Europe.

I look very much forward to the discussion today and hear your views on the main priorities to further strengthen the renewables sector in Europe.

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## **Human rights: Council approves the EU human rights guidelines on non-discrimination in external action**

The Council adopted conclusions approving the EU human rights guidelines on non-discrimination in external action:

1. The Council reaffirms the EU's commitment to the purposes and principles of the Universal Declaration of Human Rights that applies to all human beings without distinction of any kind.
2. The Council recalls that the Treaty on the European Union establishes that the action of the Union on the international scene shall be guided by the principles which have inspired its own creation, development and enlarging, and which it seeks to advance in the wider world: democracy, the rule of law, the universality and indivisibility of human rights and fundamental freedoms, respect for human dignity, the principles of equality and solidarity and respect for the principles of the United Nations Charter



and international law.

3. The Council further recalls that the Charter of Fundamental Rights of the European Union prohibits any discrimination based on any ground such as sex, race, colour, ethnic or social origin, genetic features, language, religion or belief, political or other opinion, membership of a national minority, property, birth, disability, age or sexual orientation.

4. With the view to enhancing the EU's effectiveness in combatting discrimination on any grounds and the visibility and awareness of the EU's values and action in combatting discrimination in its external action, the Council approves the EU Human Rights Guidelines on Non-Discrimination in External Action.

5. These Guidelines on Non-discrimination deliver on the EU Action Plan on Human Rights and Democracy, complement and reinforce all other EU Human Rights Guidelines and support the EU's Right Based Approach to Development Cooperation encompassing all Human Rights.

6. The Guidelines on Non-discrimination shall be disseminated widely and their accessibility be ensured including for persons with disabilities. The effective operationalisation of these Guidelines on Non-discrimination will be undertaken jointly by the European Union and its Member States. The Council Working Party on Human Rights (COHOM) will support the implementation while involving, when appropriate, other Council working groups. Regular exchanges of views will be held on the implementation and review of these Guidelines.

[Visit the meeting page](#)

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## **ESMA registers Beyond Ratings SAS as credit rating agency**

Beyond Ratings SAS is based in Paris, France, and intends to issue sovereign and public finance ratings. The registration takes effect from today, 18 March 2019.

The CRA Regulation seeks to ensure that credit ratings issued in the EU meet minimum standards of quality, transparency and independence by providing that only companies registered by ESMA as CRAs may lawfully issue credit ratings which can be used for regulatory purposes by credit institutions, investment firms, insurance and reinsurance undertakings, institutions for occupational retirement provision, management companies, investment companies, alternative investment fund managers and central counterparties.

To be registered as a CRA, a company must be able to demonstrate to ESMA that

it complies with the requirements of the CRA Regulation, which covers inter alia:

- the governance of CRAs and the management of conflicts of interest;
- the development and application of methodologies for assessing credit risk; and
- the disclosure of information to ESMA and to market participants.

Once registered, CRAs are subject to on-going monitoring and supervision by ESMA to ensure that they continue to meet the conditions for registration. ESMA will impose sanctions and/or penalties where it finds that a CRA has failed to meet its obligations under the CRA Regulation.

The total number of CRAs registered in the EU is 28 CRAs. Amongst the [28 registered CRAs](#), four operate under a group structure, totalling 19 legal entities in the EU, which means that the total number of CRA entities registered in the EU is 43.

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## **Indicative programme – General Affairs and General Affairs (Art. 50) Councils of 19 March 2019**

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