

EUROPEAN BUSINESS INTELLIGENCE

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EUROPEAN
BUSINESS
SUMMITS

WEEKLY NEWSLETTER

4 February 2025

Mark your calendars for the EU Energy Summit and EU-Ukraine Business Summit!

The [EU Energy Summit](#) will take place on **7 & 8 April** at **Egmont Palace in Brussels**. The Summit will focus on advancing Europe's energy transition, tackling sustainability challenges, and ensuring energy security in a rapidly changing global landscape.

Shortly after, don't miss the [EU-Ukraine Business Summit](#), happening on **10 & 11 April** at **Autoworld in Brussels**. The Summit, co-organised with the European Commission, the Italian Permanent Representation to the EU, the Polish Presidency of the Council of the EU and the Ukraine Mission to the EU, will explore opportunities to strengthen economic cooperation, foster investment, and support Ukraine's path towards closer integration with Europe.

Save the date and stay tuned: registration opening soon!



- European Commission allocates €1.2 billion to 41 cross-border energy infrastructure projects
- European Union must impose a **'third way'** in field of artificial intelligence, according to several organisations in sector
- European leaders to discuss future of defence
- Facing implementation and ambition gaps, G20 countries are not on track to meet Paris Agreement targets
- Twelve EU countries urge European Commission to accelerate investigations into electoral interference via social networks

SECTORAL POLICIES: European Commission allocates €1.2 billion to 41 cross-border energy infrastructure projects

On Thursday 30 January, the European Commission announced that it would be allocating more than €1.2 billion under the 'Connecting Europe Facility' (CEF) to 41 cross-border energy infrastructure projects (5 works projects and 36 studies), which obtained the status of Projects of Common Interest and Projects of Mutual Interest (PCI and PMIs) in 2024 under the revised TEN-E Regulation.

This funding goes beyond the €850 million announced at the time of the call in April 2024 (*see EUROPE 13402/8*).

Nearly €750 million will be allocated to 8 electricity grid projects, including offshore electricity networks and smart electricity grids.

The **Bornholm Energy Island** project for the construction of an innovative hybrid interconnector in the Baltic Sea linking Denmark and Germany will receive the largest sum: €645 million.

A sum of €250 million will be devoted to hydrogen infrastructure, which will benefit from grants for 21 development studies, which **"will help to alleviate investment risks associated with this nascent market and complement the hydrogen policy framework introduced in the (...) gas market package"**, states a Commission press release.

Additionally, CO2 infrastructures will benefit from €250 million in funding (3 projects and 9 preparatory studies).

Formal adoption of the award decision will follow in the coming weeks. The European Climate, Infrastructure and Environment Executive Agency (CINEA) will then be responsible for preparing grant agreements with the beneficiaries. The next call for funding is scheduled for later this year.

To see the list: <https://aeur.eu/ffai> (*Original version in French by Pauline Denys*)

SECTORAL POLICIES: European Union must impose a 'third way' in field of artificial intelligence, according to several organisations in sector

In a joint press release published on 29 January, three artificial intelligence organisations - **European AI Forum**, **AI-Data-Robotics-Association** and **EIT Digital** - urge the Commission to find a third way forward for the development of artificial intelligence (AI) in Europe.

For the EU, it is time to invest in an artificial intelligence model **"reflective of European values - transparency, accountability and sustainability"**, they write.

"Europe can lead with purpose not by merely catching up with the US or China, but by defining a bold, forward-looking vision for AI".

In their view, there is a definite interest in AI models that would be in line with the values promoted by the Union and that could avoid dependence on the great powers criticised, namely China and the United States (*see EUROPE 13563/11*).

To achieve this, the EU must count on more private investment, a reduction in administrative burdens and an **"improvement in development conditions"** for the sector.

These demands have already been made by many other players, and echo the ambitions of the Commission in its European 'Competitiveness Compass' (*see EUROPE 13568/1*).

To see the statement: <https://aeur.eu/ffax> (*Original version in French by Isalia Stieffatre*)

SECURITY - DEFENCE: European leaders to discuss future of defence

On Monday 3 February, the Heads of State or Government of the EU Member States will meet at the Palais d'Egmont in Brussels for their first defence 'retreat'.

According to one European official, two principles underpin the meeting: the EU must assume greater responsibility for its own defence, and there must be a shared interest in greater cooperation at EU level. While no decision is expected, the discussion should help to **"prepare, shape and provide guidelines for future decisions"**, he added. The leaders will discuss defence again at their summit at the end of June.

After a discussion with the President of the European Parliament, Roberta Metsola, the Heads of State or Government will discuss the geopolitical context, in particular relations with the United States, a few days after President Donald Trump took office. In this context, Mr Trump's comments and intentions regarding Greenland will be highlighted by the Danish Prime Minister, Mette Frederiksen. Military support for Ukraine will also be addressed.

The leaders will be joined for lunch by the Secretary General of the North Atlantic Treaty Organisation, Mark Rutte, for talks on strengthening EU-NATO cooperation. 23 EU Member States are also members of the organisation.

The afternoon will be devoted to European defence. Leaders will discuss capacity needs. **“For the first time, the EU27 will be able to discuss and have a clear vision of which capabilities should be prioritised and on which to focus”**, explained one official. The question of capabilities is **“something that the Europeans cannot decide on their own and which is linked to NATO”**, said a diplomat, who pointed out that the Alliance would define the priority capabilities for the Allies, probably next June. And he added: **“Europe’s collective security is first and foremost a NATO issue”**.

Several sources stated that it was not a question of defining a list of specific projects. Areas such as air defence and maritime security, critical infrastructure protection, drones, missiles and anti-missile systems could be highlighted.

One European diplomat felt that the EU’s added value lay in its industrial policy. **“We need to strengthen the defence industry in line with our capacity requirements. Industry is the EU’s business”**, he explained, pointing out that Europe did not have the industrial and technological base to provide the capacities.

Discussions on financing. Although Europe has increased defence spending in recent years, it still needs to be further increased, according to a senior official. **“It’s not a question of if, but of how”**, he added. The leaders will therefore discuss the financing of defence acquisitions and the development of the European defence industry.

On Friday, a diplomat was keen to point out that it was above all necessary for EU Member States that are members of NATO to respect the objectives of spending 2% of their GDP on defence. Seven Member States have not yet done so. According to this diplomat, this would free up €60 billion.

At the March European Council, leaders called on the Commission to explore all options for mobilising funding. These are still awaited and could be included in the ‘White Paper’ on defence, due on 19 March, which will take account of the views of the Heads of State and Government.

Funding through the current Multiannual Financial Framework (MFF) - be it the ASAP, EDIRPA, European Defence Fund and soon as a matter of course, EDIP, defence programmes - or other funds that could be used for defence, such as those linked to cohesion, will be addressed. The targets for defence in the next MFF could be mentioned, even if the funds would not be disbursed until 2029 or 2030.

The Heads of State or Government will discuss other ways of funding defence. Some would be in favour of European bonds to finance defence. The subject of a common debt is also on the table, as is the use of the European Stability Mechanism, but on Friday one diplomat described these plans as **“irresponsible”**.

The question of exempting defence spending from the calculation of Member States’ deficits has also been raised by some.

Strengthening the role of the EIB. The Member States also want the European Investment Bank (EIB) to contribute to this effort. It has already extended the scope of its activities by amending its requirements for dual-use projects (see EUROPE 13407/7), introducing a new credit line for financing SMEs in the security and defence sector and setting up a one-stop shop for security and defence financing.

On 30 January, the leaders of 19 European countries (Belgium, Croatia, Cyprus, the Czech Republic, Denmark, Estonia, Finland, France, Germany, Greece, Italy, Latvia, Lithuania, Luxembourg, the Netherlands, Romania, Slovakia, Spain and Sweden) wrote to call on the Bank to explore other ways of playing an even greater role in financing investment and mobilising private finance for the security and defence sector.

These Member States are proposing to reassess the list of excluded activities, to adjust the lending policy in order to increase the volume of financing available in the field of security and defence, and to study the issue of debt earmarked for the financing of security and defence projects.

The ‘environmental, social and governance’ criteria and the taxonomy prevent many private funds and banks from financing defence, said one diplomat, calling for the ESG rules on defence investment to be lifted.

See the letter: <https://aeur.eu/f/fbj>

Finally, over dinner, the Heads of State or Government will discuss security and defence cooperation between the EU and the UK with the British Prime Minister, Keir Starmer. This is the first time since **Brexit** that the British Prime Minister has met with his 27 counterparts from the EU Member States. A few days ago, EU High Representative Kaja Kallas said that an EU/UK agreement on security and defence would be a **“logical next step”** in their relationship (see EUROPE 13563/8). **(Original version in French by Camille-Cerise Gessant)**

SECTORAL POLICIES: Facing implementation and ambition gaps, G20 countries are not on track to meet Paris Agreement targets

The new edition of the **‘Global Energy and Climate Outlook’** (GECO 2024), published by the European Commission on Friday 31 January, shows that the world is still not on track to meet its climate targets due to existing implementation gaps between the current policies of G20 economies and their commitments.

There are also ambition gaps, as commitments set out in the ‘Nationally Determined Contributions (NDCs) are not enough to achieve the 1.5°C trajectory set by the Paris Agreement.

“Whilst emissions peak in the coming years in all scenarios, the world is currently (...) on track for 2.6°C of warming by the end of the century”, the study points out.

However, if countries fully implement their NDC targets, this increase could be limited to 2.3°C and **“mid-century decarbonisation pledges [could] lower this increase to 1.8°C”**.

The study indicates that the current decade is essential for keeping the 1.5°C target possible, as is aligning the new cycle of NDCs expected before COP30 in Belém in November.

The European Union’s NDC will derive from the 2040 greenhouse gas emissions reduction target on which the co-legislators are due to agree later this year. However, the deadline seems short, since the European Commission has yet to present its legislative proposal and an indicative date was not included in the agenda set out in the ‘Competitiveness Compass’ published on 29 January (see EUROPE 13569/9).

However, a Commission spokesperson confirmed to the European press on 31 January that **“the plan”** remained to present the EU’s NDC in time for the COP.

The GECO 2024 study presents a set of 1.5°C-aligned indicators for 2035 consisting of (1) producing clean electricity, (2) electrifying end-

uses and improving energy efficiency, (3) decarbonising sectors where it is difficult to reduce emissions, and (4) scaling-up negative emissions.

By 2035, according to the analysis, each G20 country should produce at least 50% of its electricity from non-fossil fuels and ensure that electricity accounts for at least 35% of its final energy consumption, with continuous improvements in energy efficiency. In addition, they should implement carbon capture and storage (CCS) to deal with around 10% of industrial emissions.

To see the study: <https://aeur.eu/f/bk> (Original version in French by Pauline Denys)

SECTORAL POLICIES: Twelve EU countries urge European Commission to accelerate investigations into electoral interference via social networks

In a letter sent on Friday 31 January, twelve Member States have called on the European Commission to take action against “**interference [...] during key electoral events**” by third countries, in particular by speeding up the investigations currently underway under the Digital Services Act (DSA) (see [EUROPE 13560/4](#)).

The signatories include France and Germany, who will be holding parliamentary elections on 23 February, and who are already receiving increased attention from national and European authorities (see [EUROPE 13565/26](#)).

A stress test was carried out this Friday with the European Commission, several online platforms – **Google (YouTube), LinkedIn,**

Microsoft,

Meta (Facebook, Instagram), Snapchat, TikTok and **X** – as well as the German authorities and civil society organisations in order to prepare certain “**fictitious scenarios aimed at identifying and reducing potential election-related risks**” that “**could pose a risk to civic discourse and electoral processes**”.

According to Commission spokesperson Thomas Régnier, a response to the current investigations will be announced “**in due course**”, but the current processes will not be accelerated. “**It takes time, so we have to be careful. When we are ready, we will take the necessary measures**”, he declared.

In a letter obtained by **Agence Europe**, the twelve countries “**urge**” the Commission to make full use of the powers conferred by the DSA.

They also call on the EU to put forward “**robust proposals**” to strengthen the means of action at European level, by setting up a ‘shield for democracy’ (see [EUROPE 13567/5](#)) and drawing up “**individual sanctions**”, in order to “**send a firm signal to those involved in**

destabilising activities”.

See the letter from the twelve EU countries: <https://aeur.eu/f/bk> (Original version in French by Isalia Stieffatre, with Mathieu Bion)

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