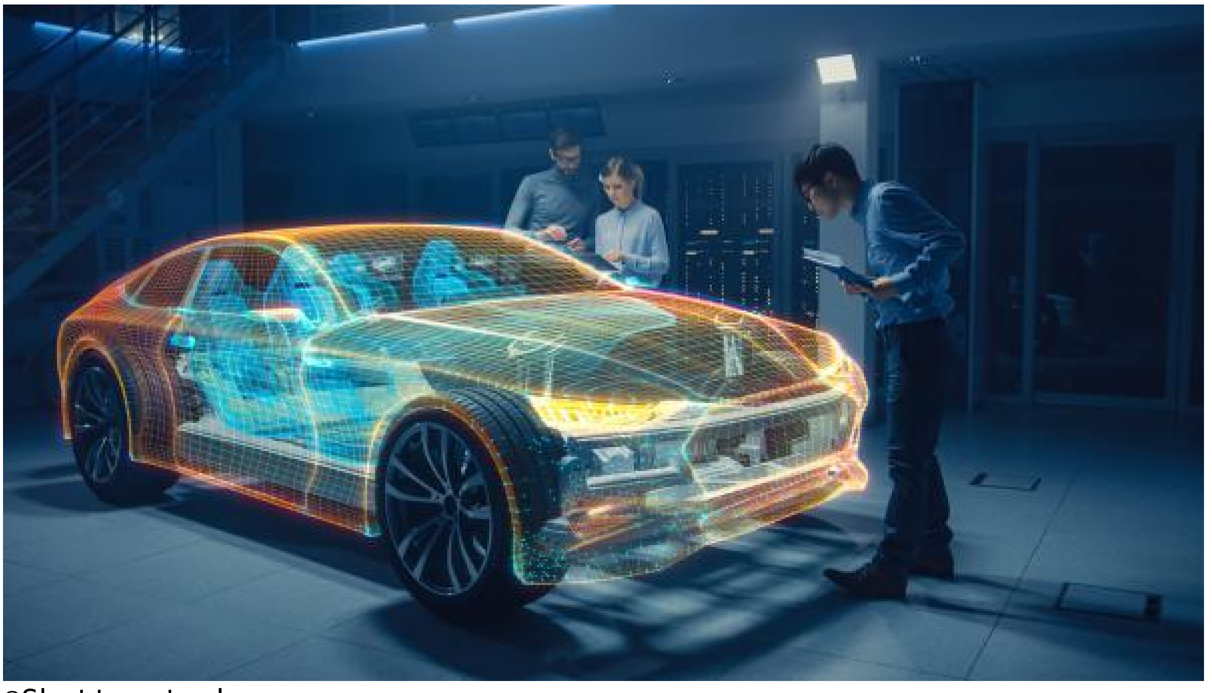
# France: EIB approves 600 million euros in financing for Valeo's research projects related to technologies designed to reduce CO2 emissions and improve active safety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- **The EIB has approved a 600 million euro financing package to fund Valeo’s research and development projects in Europe, mainly in France**
- **An initial loan of 300 million euros has just been signed**
- **The financing will enable the automotive supplier to consolidate its technological leadership in electrification and driving assistance systems**

The European Investment Bank (EIB) has approved a 600 million euro package for automotive supplier Valeo to finance its research projects focused on reducing $CO_2$ emissions and improving vehicle safety. The funds are to be allocated to Valeo’s Europe-based research projects, primarily in France, but also in Germany, the Czech Republic and Ireland.

The financing package from the EIB, the European Union’s climate bank, underlines its commitment to supporting research and innovation, as well as the transition to a low-carbon, environmentally friendly economy. It has been granted to Valeo on attractive terms. An initial loan of 300 million euros has just been signed.

The loan, set to be paid out by May 2022, will be dedicated to research projects in the areas of electrification and the improvement of vehicle energy efficiency (48V systems, battery cooling systems, energy-efficient thermal comfort systems, etc.), as well as safety improvement (driving assistance and autonomous driving systems, smart lighting and wiper systems, etc.), areas in which market demand and Valeo's growth potential are strongest.

Valeo's investments in these projects will amount to more than 1.4 billion euros over a four-year period.

In 2019, 57% of Valeo's original equipment sales were generated by technologies that reduce $CO_2$ emissions and 36% by technologies that improve active safety. As a high-tech company, Valeo has placed innovation at the heart of its strategy. In 2019, nearly half (47%) of orders booked by Valeo concerned innovations that did not exist three years ago.

Valeo recently announced its commitment to achieve carbon neutrality by 2050 across its entire value chain – which includes its suppliers, its own operating activities and the end use of its products – and reach 45% of this objective by 2030.

The European Investment Bank is a long-term partner of Valeo's. In 2009, the EIB granted it 300 million euros to finance its research into technologies designed to reduce carbon emissions and improve active vehicle safety.

Ambroise Fayolle, Vice-President of the EIB, commented: *"The EIB's support for Valeo's research and development programs is central to its mission to support investment in innovation. Mastering these new technologies is of crucial importance for Europe in enabling industry to successfully transition to a new, low-carbon and more environmentally friendly model."*

Jacques Aschenbroich, Valeo's Chairman and Chief Executive Officer explained: *"This financing is extremely important, particularly given the profound transformation taking place in the automotive industry. It will enable us to continue our research efforts and strengthen our technological leadership in the key areas of reducing $CO_2$ emissions and improving road safety."*

**About Valeo:**

Valeo is an automotive supplier, partner to all automakers worldwide. As a technology company, Valeo proposes innovative products and systems that contribute to the reduction of $CO_2$ emissions and the improvement of road safety. In 2019, the Group generated sales of €19.5 billion and invested 13% of its original equipment sales in Research and Development. At December 31, 2020, Valeo had 191 plants, 20 research centers, 39 development centers and 15 distribution platforms, and employed 114,700 people in 33 countries worldwide. Valeo is listed on the Paris Stock Exchange.

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# [Press release – Parliament gives go-ahead to €672.5 billion Recovery and Resilience Facility]


The regulation on the objectives, financing and rules for accessing the Recovery and Resilience Facility (RRF) was adopted with 582 votes in favour, 40 against and 69 abstentions. The RRF is the biggest building block of the €750 billion [Next Generation EU] recovery package.

**Curbing the effects of pandemic**

€672.5 billion in grants and loans will be available to finance national measures designed to alleviate the economic and social consequences of the pandemic. Related projects that began on or after 1 February 2020 can be financed by the RRF, too. The funding will be available for three years and EU governments can request up to 13% pre-financing for their recovery and resilience plans.

**Eligibility to receive funding**

To be eligible for financing, national recovery and resilience plans must focus on key EU policy areas – the green transition including biodiversity, digital transformation, economic cohesion and competitiveness, and social and territorial cohesion. Those that focus on how institutions react to crisis and supporting them to prepare for it, as well as policies for children and youth, including education and skills, are also eligible for financing.

Each plan has to dedicate at least 37% of its budget to climate and at least 20% to digital actions. They should have a lasting impact in both social and economic terms, include comprehensive reforms and a robust investment package, and must not significantly harm environmental objectives.

The regulation also stipulates that only member states committed to respecting the rule of law and the European Union's fundamental values can receive money from the RRF.

**Dialogue and transparency**

To discuss the state of the EU recovery and how the targets and milestones have been implemented by member states, the European Commission, which is responsible for monitoring the implementation of the RRF, may be asked to appear before Parliament's relevant committees every two months. The Commission will also make an integrated information and monitoring system available to the member states to provide comparable information on how funds are being used.

**Quotes**

Siegfried MUREŞAN (EPP, RO), one of the lead MEPs involved in the negotiations said during the debate on Tuesday: "Today's vote means that money will go to people and regions affected by the pandemic, that support is coming to fight this crisis and to build our strength to overcome future challenges. The RRF will help to modernise our economies and to make them cleaner and greener. We have set the rules on how to spend the money but left them flexible enough to meet the different needs of member states. Finally, this money must not be used for ordinary budgetary expenditures but for investment and reforms."

Eider GARDIAZABAL RUBIAL (S&D, ES), one of the lead negotiators said: "The RRF is the correct response to the impact of the virus. It has two aims: in the short-term, to recover by supporting gross national income (GNI), investments and households. In the long-term, this money is going to bring about change and progress to meet our digital and climate goals. We will ensure that the measures will alleviate poverty and unemployment, and will take into account the gender dimension of this crisis. Our health systems will also become more resilient".

Dragoş PÎSLARU (Renew, RO), one of the lead MEPs involved, said: "Europe's destiny is in our hands. We have a duty to deliver recovery and resilience to our youth and children, who will be at the centre of the recovery. One of the RRF's six pillars is dedicated especially to them, which means investing in education, reforming with them in mind and doing our bit for youth to help them get the skills they will need. We do not want the next generation to be a lockdown generation".

**Next steps**

Once Council has also formally approved the regulation, it will enter into force one day after its publication in the Official Journal of the EU.

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## [Press release – Circular economy: MEPs call for tighter EU consumption and recycling rules]


The report, adopted today with 574 votes in favour, 22 against and 95 abstentions, is a response to the Commission's Circular Economy Action Plan.

Binding 2030 targets are needed for materials use and our consumption footprint, covering the whole lifecycle of each product category placed on the EU market, MEPs stress. They also call on the Commission to propose product-specific and/or sector-specific binding targets for recycled content.

Parliament urges the Commission to put forward new legislation in 2021, broadening the scope of the Ecodesign Directive to include non-energy-related products. This should set product-specific standards, so that products placed on the EU market perform well, are durable, reusable, can be easily repaired, are not toxic, can be upgraded and recycled, contain recycled content, and are resource- and energy-efficient. Other key recommendations are detailed here.

In the plenary debate, MEPs also emphasised that achieving the Green Deal objectives will only be possible if the EU switches to a circular economy model, and that this change will create new jobs and business opportunities. Existing legislation on waste must be implemented more thoroughly, and further measures are needed for key sectors and products, such as textiles, plastics, packaging and electronics, MEPs added. Watch the full recording of the debate here.

**Context**

In March 2020, the Commission adopted a new "Circular Economy Action Plan for a Cleaner and More Competitive Europe". A debate in the Environment Committee took place in October 2020, and the report was adopted on 27 January 2021.

Up to 80% of the environmental impact of products is determined at the design phase. The global consumption of materials is expected to double in the next forty years, while the amount of waste generated every year is projected to increase by 70% by 2050. Half of total greenhouse gas emissions, and more than 90% of biodiversity loss and water stress, come from extracting and processing resources.

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# Press release – MEPs criticise visit of EU foreign policy chief to Moscow

In a debate on Tuesday afternoon with EU Foreign Policy Chief Josep Borrell on the current situation in Russia, some MEPs defended the purpose of his visit, whilst many condemned the trip to Moscow. They stressed that it did not come at a good time, due to the protracted deterioration in EU-Russia relations, with continued Russian aggression in Ukraine, the crackdown on protesters, EU diplomats expelled from the country, assassination attempts by the country’s intelligence services and the imprisonment of opposition leader Alexei Navalny.

Mr Borrell said in his opening statement that he went to Moscow to see, through principled diplomacy, whether the Russian government was interested in addressing differences and reversing the negative developments in EU-Russia relations. The reaction he received points in a different direction, he added.

**Russian attempts to undermine the EU**

Many members underlined that the Russian government is not interested in reversing the negative trend in EU-Russia relations, as long as the European Union keeps raising issues related to human rights and rule of law. They also strongly criticised the behaviour and attitude of Russian Foreign Minister Sergey Lavrov towards the EU and Josep Borrell during their meetings and press conference, which served to undermine the EU.

Members also pointed to the failure of EU member states in the Council to put in place more and stronger actions against Russia, including further sanctions. Some denounced certain EU capitals for not responding appropriately to the deterioration of EU-Russia relations, for instance by stopping the Nord Stream II pipeline.

You can watch the debate in full here. (09.02.2021)

Live replay to individual speakers:

Josep BORRELL FONTELLES High representative/Vice President of European Commission

Michael GAHLER (EPP, DE)

Kati PIRI (S&D, NL)

Dacian CIOLOŞ (Renew Europe, RO)

Thierry MARIANI( ID, FR)

Sergey LAGODINSKY (Greens/EFA, DE)

Anna FOTYGA (ECR, PL)

Clare DALY (The Left group, IE)

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# EIB Group activity in Portugal: highest lending volumes since 2014

- **In 2020, the EIB Group supported 27 operations in Portugal for a total volume of more than €2.3 billion, an increase of 44% compared to 2019.**
- **Portugal was the 4th EU country benefiting the most from EU bank's support as a percentage of GDP and it ranks 9th in absolute terms.**
- **56% of total EIB Group lending activity in the country was for COVID-19-related projects.**
- **Portugal was the 4th largest beneficiary of the EIB Group's financial support for small and medium-sized businesses (SMEs).**
- **Portugal among the main beneficiaries of the Investment Plan for Europe, ranking 4th in terms of expected mobilised investment per EUR1 million of GDP.**

The European Investment Bank Group (EIB and EIF) signed 27 operations in Portugal in 2020 for a total financing volume of €2.336 billion, an increase of 44% compared to 2019, and accounting for around 1.2% of the country's GDP. Overall, Portugal was, of all EU countries, the 4th largest beneficiary of EIB Group support as a percentage of GDP.

At the press conference, **EIB Vice-President Ricardo Mourinho Félix**, who is responsible for the Bank’s activity in the country, said: “*In 2020, the EIB Group stand hand-in-hand with the Portuguese citizens. We delivered a remarkable response to the economic crisis caused by COVID-19. The EIB is adopting a bold package of measures that supports businesses, notably SMEs. In 2020, the EIB Group provided the highest volume of financing to Portugal since the financial crisis. We increased our lending to support the productive and social sectors as well as to safeguard jobs. It was a very hard working year for all, but we reached so many companies struggling to cope with the economic constraints posed by the health crisis. With is aim, we devoted more than half of last year’s funds to mitigate the economic effects caused by the pandemic and nearly three quarters of our lending aimed at financing small and medium-sized businesses, providing them with the necessary financial support to pay salaries, invoices and to keep them afloat. I am very proud of what we are doing for Portugal and for Europe. In 2020, the EIB did a lot; in 2021, we will do even more to build back better. Welcome 2021!*”

**COVID-19**

The measures taken by the EIB to mitigate the effects of the pandemic focused on two main areas: the healthcare sector and small and medium-sized enterprises (SMEs). With these objectives, the EIB Group signed 10 operations in Portugal for a total volume of €1.3 billion, accounting for 56% of the EIB Group’s total lending activity in the country in 2020. Portugal was the 4$^{th}$ largest recipient of financing for projects related to COVID-19.

**SMEs**

The COVID-19 crisis has placed even more emphasis on the need to support SMEs, which are the backbone of the production and employment in Portugal. To this end, 72% of the EIB Group’s total activity in Portugal was intended to improve the funding for SMEs, which therefore received €1.690 billion. In 2020, Portugal ranked 4$^{th}$ among the countries receiving the most financial support from the EIB Group for this objective.

**Investment Plan for Europe in Portugal**

2020 saw the end of the investment programme of the European Fund for Strategic Investments (EFSI), the main pillar of the Investment Plan for Europe (best known in Portugal as Juncker Plan). Since the launch of this investment programme in 2015, the EIB Group approved nearly €4 billion in financing for 50 projects in the country, with more than €14 billion expected to be mobilised. Between 2015 and 2020, Portugal was one the main beneficiaries of the Investment Plan for Europe, ranking 4$^{th}$ in terms of mobilised investment per €1 million of GDP.

This funding is supporting major projects fostering innovation and the introduction of the latest technologies. This will enhance the competitiveness of Portuguese companies and the implementation of new, environmentally friendly production processes.

**The European Investment Fund (EIF) in Portugal in 2020**

The European Investment Fund (EIF) is the specialist arm of the EIB providing risk-financing solutions to financial intermediaries to support SMEs and mid-caps and foster innovation. In 2020, the EIF signed 16 transactions with Portuguese-based intermediaries in the form of securitisations, portfolio guarantees, inclusive finance ranging from microfinance to social entrepreneurship, and equity deals for a total of €951 million. This result corresponds to 7.4% of total EIF financing in 2020, with Portugal being the 6th Member States that received the most financial support from the EIF in 2020.

**Overall EIB Group results**

Overall financing from the EIB Group in 2020 reached €76.8 billion (an increase of 6% compared to 2019), with €66.09 billion provided in the form of loans from the EIB and €12.87 billion released via the EIF, the subsidiary of the EIB.

The immediate response to the crisis resulting from the COVID-19 pandemic accounts for one-third of the total financing from the EIB (€25.5 billion). Most of these funds went to SMEs to prevent insolvency and job losses.

In 2020, the EIB increased green investment and became the EU climate bank. The share of investments allocated to environmental and climate sustainability projects increased from 34% in 2019 to 40% in 2020. This brings the EU bank closer to its objective of devoting 50% of its lending activity to combating climate change, in line with the target set in the Climate Bank Roadmap adopted in November 2020.