

# Article – Coming up: EU spearheads efforts for recovery in 2021



## **Recovery plan and the EU's long-term budget**

Late last year, the Parliament [reached a compromise](#) with the Council on the EU's budget for 2021-2027 and secured a deal on the [budget for 2021](#) to support recovery. However, disagreements among member states over the [mechanism devised to protect EU's values](#) slowed down the approval procedure.

MEPs will have to finalise the rules on the functioning of all programmes that are part of the EU's 2021-2027 budget and the recovery plan, which will support people and businesses across the EU.

## **Sustainable recovery**

At the [heart of the EU's Covid-19 recovery plans](#), the Green Deal will lead to the development of many initiatives to promote sustainability this year. [Agriculture](#), the circular economy, [biodiversity](#), [forests](#), energy, emissions and the [Emissions Trading System](#) are among the topics MEPs will be working on.

## **Climate change**

Making the EU's 2050 climate-neutrality goal legally binding remains one of Parliament's priorities, as the EU concludes negotiations on the [Climate law](#).

Parliament is advocating a [60% emission reduction target by 2030](#).

## Digital services

2021 will be the year of regulating online platforms. At the end of 2020 the Commission proposed the Digital Services Act to set guidelines for the changing online landscape and ensure a better, safer digital environment for users and companies. Parliament [outlined its priorities for the legislation](#) in October 2020 ahead of the European Commission's proposal.

## Artificial intelligence

In early 2021, the Commission will propose new [artificial intelligence](#) legislation aimed at dealing with the technological, ethical, legal and socio-economic aspects of AI and ensuring Europe is at the forefront of developments. Parliament wants to make sure legislation helps boost the economy, while considering the impact on people.

## Migration

The European Parliament will examine legislation seeking to create a common EU [asylum and migration](#) policy. The new measures, proposed by the Commission, aim to change and improve current asylum procedures by ensuring shared responsibility and solidarity among member states, while protecting the EU's external borders.

## Conference on the Future of Europe

The [Conference on the Future of Europe](#) is a new initiative looking at what changes could be introduced to better prepare the EU for the future, with direct involvement from citizens. The Covid-19 crisis [delayed the initiative's kick-off](#): however, the two-year, ongoing consultation process should begin in earnest in 2021.

## Agriculture

The Parliament, Commission and Council are expected to conclude negotiations on reforms to the EU's [Common Agriculture Policy](#) for the period 2022-2027, including alignment with the European [Green Deal](#) and environmental objectives. The new Farm to Fork policy, which seeks to look at food more broadly, will also be scrutinised by MEPs.

## EU4Health

The new year will see the launch of the [EU4Health programme](#), which aims to help EU countries to better cooperate and coordinate in times of crisis. The priorities are protecting people from serious cross-border health threats, improving the availability of medicines and creating stronger health systems. MEPs will vote in early 2021 on a [provisional deal with the Council](#) on the rules for the programme.

## EU support for emergencies

Parliament wants to revamp the [EU Civil Protection Mechanism](#) to improve the Union's crisis management and increase preparedness for large-scale emergencies such as Covid-19 and natural disasters. MEPs want to enable the EU to acquire emergency capacities autonomously and advocate more prevention. Parliament will negotiate with the Council on the upgraded system that should become operational in 2021.

### Space programme

This year should see the adoption of the EU space programme for 2021-2027, including expanding the scope of the current European GNSS Agency ([GSA](#)), renaming it the European Union Agency for the Space Programme.

## EU-UK relations

The first day of the new year marked the official end of the transition period between the UK and EU, ushering in the start of a complex relationship between them. The Parliament will be involved in forging new ties with the UK, including the conclusion of ad hoc agreements in key fields such as aviation.

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## [Weekly schedule of President Charles Michel](#)



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## [Egypt: Team Europe – EIB and Banque Misr work together to support private businesses and speed up the recovery of SMEs from COVID-19](#)



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- €425 million to support Egyptian SMEs and mid-caps, boosting their ability to drive the economic recovery
- Part of Team Europe response to the coronavirus crisis

The **European Investment Bank** is providing [Banque Misr](#) with a €425 million

credit line to support Egyptian private small and medium-sized enterprises that have been impacted by the coronavirus pandemic, and boost their ability to lead the economic recovery in the country. The credit line will finance investment projects, as well as working capital needs, in productive and service sectors, thus sustaining growth and employment while helping to mitigate the economic and social impact of the COVID-19 crisis.

The EIB financing forms part of the EIB contribution to the Team Europe response to the [COVID-19 crisis](#) in the European Union partner countries. It is consistent with the objectives of the External Lending Mandate (2014-2020) and the EU cooperation with Egypt as set out in the EU Single Support Framework for Egypt for the period 2017-2020, as well as the EU-Egypt Partnership Priorities, in that it aims to support private sector development with a focus on SMEs, increased competitiveness, job creation and financial inclusion.

**Flavia Palanza, Director for Neighbouring Countries at the European Investment Bank**, made the following comment on the signature: “We are reinforcing our partnership with Banque Misr to support the Bank’s strategy to expand in SME financing. Our new credit line comes at a time when SMEs need strong support to overcome the challenges created by the COVID-19 pandemic. SMEs are most vulnerable to the impact of this global crisis. We are proud of our partnership with Banque Misr and the tangible impact that our project will have on people’s lives in Egypt.”

“Small and medium-sized enterprises create job opportunities and add value and innovation while delivering products and services that people need. More than ever during these challenging times, businesses need access to finance and affordable credit from banks. A number of EU programmes where EU grants are pooled with loans provided by European Financial Institutions (EFIs) are supporting businesses by offering them access to direct concessional loans or guarantee schemes with local partner banks,” said **Christian Berger, Ambassador of the EU to Egypt**.

“Last April, the EU together with its Member States and EFIs launched the Team Europe package to help partner countries to cope with the consequences posed by the pandemic, including its socioeconomic impact. Today our partner, the EIB, is signing further important Team Europe funding, which will make a real impact on SMEs and eventually on people’s lives across Egypt,” he added.

**Akef El-Maghraby, Vice Chairman of Banque Misr**, confirmed that the signing of this agreement seeks to assist national companies – mainly SMEs – in performing various activities, especially in light of the implications of the COVID-19 crisis. Banque Misr is one of the most pioneering financial institutions in supporting and financing SMEs, attaching great importance to the SME sector, as the size of the financing portfolio of this sector amounted to 20% of the total financing portfolio. This comes in line with the directives of Central Bank of Egypt and the state’s efforts to advance the sector in order to improve economic indicators, drive rates of economic development, promote local products and reduce the import bill.

Akef El-Maghraby also highlighted that Banque Misr is also interested in

providing financial support to SME sector via its branch network, reaching more than 700 branches throughout the Arab Republic of Egypt. This is coupled with the Bank's endeavours to provide distinctive financing mechanisms that meet the financing needs of all projects in all sectors of economic and service activities, which reflects in the advancement of the national economy.

Akef El-Maghraby said that Banque Misr launched the "Express" loan for small projects, which is considered the first integrated digital product, which allows Banque Misr's small project customers to submit a financing application online via the website, without the need to visit the branch, on a step-by-step basis with minimum procedures. The small project financing loan is the fastest loan in Egypt and can be obtained within five days of the date of submission, subject to applicable terms and conditions.

Banque Misr is the second largest bank in Egypt with a clear focus on SME lending and a large retail presence across all the governorates. In 2019, Banque Misr served more than 123 000 SMEs across the country, which makes it one of the largest supporters of the SME sector in the country.

Since 2015, the EIB has provided €3.9 billion in support of Egyptian SMEs and mid-caps through 15 operations, accounting for about a third of the Bank's portfolio in Egypt. Over these years, in line with the objectives of External Lending Mandate and national priorities, the EIB has focused on building fruitful relationships with those publicly and privately owned banks that are committed to supporting SMEs and particularly with institutions willing and able to reach out to traditionally underserved segments such as small, rural, youth and female.

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## [EU-China Leaders' meeting: Delivering results by standing firm on EU interests and values](#)



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## [Press release: Signature of the EU-UK agreement, 30 December 2020](#)



On behalf of the European Union, the President of the European Council and the President of the European Commission signed this morning the EU-UK trade and cooperation agreement. This agreement will now be brought to the United Kingdom to be signed by Prime Minister Boris Johnson, before being provisionally applied as of 1 January 2021.

The agreement that we signed today is the result of months of intense negotiations in which the European Union has displayed an unprecedented level of unity. It is a fair and balanced agreement that fully protects the fundamental interests of the European Union and creates stability and predictability for citizens and companies.

*Charles Michel, President of the European Council*

This agreement will then be examined by the European Parliament and the Council, before it can be ratified by the European Union.

In this context, it is of the utmost importance for the European Union and the United Kingdom to look forward, in view of opening a new chapter in their relations.

Charles Michel, President of the European Council: *“On major issues, the European Union stands ready to work shoulder to shoulder with the United Kingdom. This will be the case on climate change, ahead of the COP 26 in Glasgow, and on the global response to pandemics, in particular with a possible treaty on pandemics. On foreign affairs, we will seek cooperation on specific issues based on shared values and interests.*

*These are major issues that will have to be discussed on a regular basis, like we do with our strategic partners, and I am looking forward to such a cooperation.”*