[Brazil: Climate action – EIB supports construction of water infrastructure in state of Minas Gerais]

- **EIB investment of EUR 145m will finance new wastewater treatment plants and the extension of water supplies**
- **Water supply to around 140 000 unconnected households**
- **Sanitation infrastructure, including collection and treatment of wastewater, for an additional 300 000 households**
- **The project will contribute to reducing greenhouse emissions and to promoting climate resilience investments**

The European Investment Bank (EIB) will provide EUR 145m to Companhia de Saneamento de Minas Gerais (COPASA), the water utility company in the State of Minas Gerais (Brazil), to improve the water supply, sanitation coverage and treatment both in terms of drinkable water and wastewater. The agreement is supported by the External Lending Mandate for Latin America 2014-2020 and contributes to the fulfilment of the Framework Agreement between Brazil and the EIB.

In concrete terms, the EIB investment will finance the construction of new wastewater treatment plants and the extension of the water supply to roughly 140 000 unconnected households, while refurbishing pumping stations and water-related infrastructure. Moreover, it is estimated that 700 000 Brazilians will benefit from improved sanitation infrastructure, including collection and treatment of wastewater. As part of this agreement, COPASA will also build a water supply system for the city of Montes Claros focused on easing water stress in the region.

EIB Vice-President **Emma Navarro**, responsible for EIB operations in Latin America and the Bank's climate action, said: "I am delighted to sign the first water and sanitation project financed by the EU bank in Brazil. Today's deal will improve the quality of life of the people of Minas Gerais and highlights the EIB's commitment to promoting environmentally sustainable projects that also create jobs. Moreover, this project is perfectly in line with the UN Sustainable Development Goals as it targets clean water and sanitation in developing regions."

Carlos Augusto Botrel Berto, CFO and Investor Relations Director of COPASA, stated: "We are very pleased with this new financial agreement signed with the European Investment Bank. This new loan will allow COPASA to improve water supply and sewage services in several municipalities of Minas Gerais".

The EIB and the climate crisis

The EIB is among the world's largest multilateral providers of climate finance. The Bank's goal is to be a leader in mobilising the finance needed to keep global warming to under 2 ˚C and limit temperature rises to 1.5 ˚C to meet the Paris Agreement objectives. On 14 November, the EIB Board of Directors approved its new climate objectives and the new energy lending policy. The Bank will gradually increase its financing for climate and environmental objectives up to 50% by 2025, to ensure that the EIB Group mobilises at least EUR 1tn by 2030 to promote investments helping to meet these objectives. It also announced its intention to align all EIB Group activities with the Paris Agreement. To this end, the EIB will cease financing fossil fuel-based projects from late 2021.

Related links:
Brazil: COP 25 – EIB to increase cooperation with public promotional bank of Minas Gerais

COP25 – EIB and Iberdrola sign two financing agreements for EUR 690m for renewable energy projects in Brazil and new digitalisation of electrical networks

Brazil: EIB provides EUR 100m to boost climate action investments in Minas Gerais

Climate action in Latin America: EIB and EDPR support the development of renewable energy in Brazil

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Declaration by the High Representative on behalf of the EU on the alignment of certain countries with Council Decision concerning restrictive measures in view of the situation in Venezuela

On 11 November 2019, the Council adopted Decision (CFSP) 2019/1893[1] concerning restrictive measures in view of the situation in Venezuela.

The Council has decided that the restrictive measures should be renewed for a further period of 12 months, until 14 November 2020. The Council also decided to amend the statement of reasons for eight persons listed in Annex I to Decision (CFSP) 2017/2074.

The Candidate Countries Republic of North Macedonia* and Albania*, and the EFTA countries Iceland and Liechtenstein, members of the European Economic Area, as well as Ukraine, the Republic of Moldova, Armenia and Georgia align themselves with this decision.

They will ensure that their national policies conform to this Council Decision.

The European Union takes note of this commitment and welcomes it.

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[1] Published on 12.11.2019 in the Official Journal of the European Union L 291/42.

*Republic of North Macedonia and Albania continue to be part of the Stabilisation and Association Process.

ESMA updates ISO 20022 XML schemas for SFTR Reporting

The European Securities and Markets Authorty (ESMA), the EU’s securities markets regulator, has published updated ISO 20022 XML Schemas to be used for reporting under the Securities Financing Transactions Regulation (SFTR).

In addition to the updated reporting schemas, ESMA will publish in early January an update to its SFTR validation rules.

Truck drivers reform: Coreper confirms provisional agreement on mobility package

A major step forward was taken today in securing key **reform of the EU road transport sector**, when the Council’s Permanent Representatives Committee (Coreper) approved a set of proposals – known as **the mobility package** – on **drivers’ working conditions, special posting rules for drivers in international transport, access to the haulage market**, and **improved enforcement**. The new rules are designed to ensure a balance between improved working conditions for drivers and the freedom to provide cross-border services for operators, and will also contribute to road safety. In addition, they will provide much-needed clarity for the sector and put an end to uneven application of these rules between member states. A provisional agreement was reached between the Council presidency and the European Parliament on 11

December.

> The rules we endorsed today are clear, fair and enforceable. They will improve working and social conditions for drivers, in a profession that needs to become more attractive. At the same time, we are creating more harmonised and stable business conditions for transport companies, many of which are SMEs. Smoother procedures and more uniform enforcement will make life easier for drivers, businesses and national authorities.
>
> *Timo Harakka, Finland’s Minister for Transport and Communications, President of the Council*

The rules on maximum work and minimum rest times for drivers will remain unchanged. However, a degree of flexibility will be introduced in the **organisation of work schedules** for drivers in international freight transport to enable them to spend more time at home. Drivers will also have the right to return home every three or four weeks, depending on their work schedule.

The new rules confirm that the regular weekly rest period (at least 45 hours) must be spent **outside the vehicle**. If this rest period is taken away from home, the accommodation must be paid for by the employer.

Although the regular weekly rest period cannot be taken in a parking area, the EU will promote the construction and use of **safe and secure parking areas**. The Commission will develop standards and a certification procedure for such parking areas through secondary legislation. It will also create a website to make it easier to find these areas.

With regard to rules on transport operations carried out within a national market outside a transport operator’s own country (**‘cabotage’)**, the current system allowing a maximum of 3 operations in 7 days will remain unchanged. To prevent systematic cabotage, a ‘cooling-off’ period of 4 days will be introduced before further cabotage operations can be carried out in the same country using the same vehicle. A member state may apply these same rules to road legs of combined transport in its territory.

Rules on the **posting of drivers** clarify how professional drivers in goods or passenger transport will benefit from the principle of the same pay for the same work at the same place. The general rule will be that if an operation is organised in such a way that the link between the driver’s work and the country of establishment remains intact, the driver will be excluded from posting rules. This means that bilateral transport operations are explicitly excluded. On the way to the destination country and on the way back, one additional activity of loading and/or unloading goods is permitted in both directions without falling under the posting regime, or there may be zero activity on the way out and up to two activities permitted on the way back. Transit is also excluded. For all other types of operations, including cabotage, the full posting regime will apply from the first day of the operation. Similar rules will apply to the carriage of passengers, with one additional stop during bilateral operations. The posting rules will also create a unified control standard, based on a communication tool developed by the Commission, to which the transport operator can send its posting declarations directly.

To ensure a level playing field between operators using different vehicles, rules on access to the European road haulage market, as well as driving and rest-time rules, will be extended to cover **vans used in international transport** (light commercial vehicles of over 2.5 tonnes), with a transition period of 21 months for market supervision, and until the middle of 2026 for tachograph and rest-time rules.

To combat the phenomenon of ‘letterbox companies’, the reform tightens the **link between the transport operator’s place of establishment and its activities**. To ensure that the link is genuine, trucks in international transport will have to return to the company’s operational centre at least once every eight weeks. This eight-week period is designed to allow drivers to return home, together with the vehicle, at the end of their second four-weekly work cycle.

One key element for improving **enforcement** is having a reliable way to register when and where the truck has crossed a border and to localise loading and unloading activities. The **second version of the smart tachograph** will do all this automatically. It will be introduced in three different stages for vehicles carrying out international transport. New trucks will have to be fitted with this device in 2023; those vehicles which have an analogue or digital tachograph will have to be retrofitted by the end of 2024; and those equipped with a ‘version 1’ smart tachograph, in 2025.

To improve cross-border monitoring of compliance, the text also modernises the rules for information sharing and administrative cooperation between member states.

The rules in the posting and market access proposals (including the rule on the return of trucks) will become applicable 18 months after the entry into force of the legal acts. The rules in the driving times proposal (including the return of drivers) will apply 20 days after publication, with the exception of the special deadlines for tachographs.

The proposals are part of the first mobility package, presented by the Commission in June 2017.

The agreed text will now undergo legal and linguistic finalisation. It must then be formally adopted, first by the Council and then by the Parliament (early second reading).

A link to the approved texts will be added to this press release on our website.

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Italy: EU provides EUR 45m to develop Port of Trieste

- **EUR 39m loan from the European Investment Bank (EIB) and EUR 6.5m in funds from the European Commission via the CEF (Connecting Europe Facility)**
- **70 km of track within the port connecting the docks to the national and international rail network**
- **During project implementation 400 extra jobs per year will be created**

The European Union is supporting the development of the Port of Trieste with new funding worth EUR 45.5m. The EIB today signed a EUR 39m loan with the Eastern Adriatic Sea Port Authority, which will also receive EUR 6.5m in EU funding via the CEF (Connecting Europe Facility) as part of the TriesteRailPort project.

Trieste is the first port in Italy to have its own internal rail system (70 km of track) connecting with the national and international rail network, which enables all the docks to be served by rail, with the possibility of freight train assembly directly at the various terminals. More than 400 trains a month connect the Port of Trieste with the manufacturing and industrial areas of north-east Italy and various central European destinations including Germany, Austria, Czech Republic, Switzerland and Luxembourg.

The project at the centre of the financing operation has two different components, both linked to the increased capacity and efficiency of rail operations in the port's service area:

- reorganisation of the existing switching yard to make it fully accessible simultaneously to several trains of up to 750 m in length;
- restoration of all existing internal track in the port to connect the main station to the service areas.

The operation falls within the EIB's traditional areas of activity both as a trans-European transport network project and on account of its strong environmental credentials, i.e. supporting climate action investments.

It is estimated that implementation of the works will create around 400 extra jobs per year.

The European Union is making a contribution directly via the CEF, the financial instrument designed to enhance the quality of Europe's transport, energy and telecommunications networks.

President of the Port Authority Zeno D'Agostino said: "This financing operation demonstrates the interest and attention being paid by the EU in the Port of Trieste, a strategic and dynamic hub that is investing substantial resources in rail, which is a sustainable mode of transport."

Andrea Clerici, Head of the EIB's Rome Office, stated: "This is a significant operation for the EIB for two reasons. On the one hand, it fully supports environmental projects; and on the other, it reinforces our commitment to the key ports sector: nine operations in recent years totalling some EUR 600m."