

# Remarks by Paschal Donohoe following the Eurogroup video conference of 16 December 2020



Good afternoon, everybody. We had a very productive and efficient Eurogroup meeting today. We also had the pleasure of welcoming a new finance minister to our group – the new finance minister of Lithuania, Ms Gintarė Skaistė.

Our meeting today was an additional meeting just before the Christmas break, to take stock of our economic situation and to discuss the policy outlook. I started off by debriefing colleagues on the outcome of the Euro Summit last Friday, where EU Leaders welcomed the major step forward achieved in the Eurogroup at the end of November, when we agreed on the reform of the European Stability Mechanism and the early introduction of the backstop to the Single Resolution Fund. Leaders mandated the Eurogroup to prepare, on a consensual basis, a stepwise and time-bound work plan on outstanding elements needed to make further progress on banking union.

This will ensure a busy Eurogroup in 2021, and this work will involve all 27 ministers in our inclusive format.

Our first substantive exchange of views today covered economic developments. We assessed where we stand now on the basis of the ECB's latest projections. The second wave is having a significant impact on the European economy as we approach the end of 2020, but we do not expect the change to be comparable to disruption that we experienced during the first wave. Also, our prospects are becoming clearer thanks to developments on the vaccine front.

This sets off two other matters on our agenda today, where we considered the policy response to the current situation. These are regular items in the Eurogroup agenda, but they were by no means business as usual today.

So we began with a discussion on budgetary orientations. Normally at this time of the year, we would be looking to the Commission's assessment of draft budgetary plans to see exactly how each member state complies with fiscal rules and to identify where we have gaps. This year, the focus is resolutely on coordinating our policies to shield citizens from as much economic harm as we can.

We issued a statement today recommitting our group to timely, to temporary and to targeted policy measures. We again reconfirmed that the euro area will run a supportive budgetary policy throughout 2021 to see and to support our citizens through this very difficult period.

2020 was about responding back to the immediate needs created by the pandemic and its related restrictions. I'm glad to report this week that the Commission found that the €200 billion EIB fund for companies affected by

COVID-19 is fully compliant with our state aid framework. This means that all three safety nets – for workers, for businesses and for governments – that the Eurogroup agreed in April are now fully operational. In 2021, our focus will gradually shift towards supporting economic recovery. This needs to be a recovery that benefits us all, one that is sustainable, and one that is socially inclusive. It also needs to be a recovery that contributes towards reaching our climate objectives and continuing with our progress on a digital transformation.

The rollout of Next Generation EU and then particularly the Recovery and Resilience Fund will play a key role in providing substantial and important new resources to support the Eurogroup in delivering these ambitions. And in that regard, I want to recall and to commend the very important agreement achieved by our Leaders last week. We can now firmly turn our attention to implementation so that the much-needed support is deployed as quickly as possible next year.

Today, we also agreed five sets of priorities for euro area member states will be taking action individually, including through their recovery and resilience plans and then collectively in the Eurogroup. The priority areas are in line with the recommendation on the economic policy of the euro area proposed by the Commission. They are as follows:

- ensuring a policy stance which supports recovery,
- improving convergence, resilience, and through doing this, contributing to sustainable and inclusive growth,
- how we strengthen our national institutional frameworks,
- ensuring macro-financial stability, and
- continuing with our efforts to complete European economic monetary union and strengthening the international role of the euro.

So there is a huge amount ahead of us in 2020. But with this plan and with the common purpose of the Eurogroup, I believe we can look forward to 2021 with a greater sense of confidence that we can overcome the challenges that we have faced in 2020.

[Visit the meeting page](#)

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## **Dominican Republic: EIB and Ademi provide USD 10m to micro-borrowers**



- **EIB helps Ademi boost support for micro-businesses in the Dominican**

**Republic, with a focus on female entrepreneurs**

- **EU support under the ACP Microfinance Facility to address poverty reduction, gender balance and employment**
- **The loan will support micro and small business facing the impact of the COVID-19 crisis**

The European Investment Bank (EIB) is providing a EUR 10 million loan Ademi to help the microfinance lender to increase its lending to microenterprises in the Dominican Republic.

The EIB loan will help Ademi to strengthen its funding base with long-term resources in local currency, which is currently not available in the local market. It is expected that the loan will enable Ademi to provide 28,000 loans to small business, including 14,000 loans to women whilst sustaining around 12,000 jobs. In addition to the loan, Ademi will continue benefitting from the technical assistance sponsored by the EIB, which will be re-focused to support the response to the crisis (e.g. business continuity and liquidity management).

The microfinance sector has been severely impacted by the economic consequences of the COVID crisis in the Dominican Republic. The EIB places a special emphasis on private sector development, promoting investment, and economic and social inclusion for micro-enterprises. The bank has mobilised substantial resources to provide financial support to micro-enterprises, fulfilling its objective of supporting private sector development helping to create value, jobs in the region.

**Commenting on the new loan, EIB Vice-President, Ricardo Mourinho Félix,** responsible for the Caribbean said: “Enhancing access to finance to small business owners is crucial to reduce poverty and increase living standards. This new EIB loan will help unlock economic opportunities, create jobs and improve social development in the Dominican Republic. Ademi is one of the EIB’s long-term microfinance partners in the country and we are glad to reinforce our cooperation to support micro enterprises in a difficult context such as the one we are in today, when these small businesses are among the hardest hit by the Covid-19 pandemic and need our help more than ever.”

**Ademi President, Guillermo Rondón** said: “With this agreement, we reaffirm our commitment to serving the most vulnerable sectors, which generate a great social impact because they contribute to the progress and quality of life of families and to the commercial development of the country. We are pioneers in granting these types of loans to entrepreneurs and owners of micro and small businesses, always considering equity in terms of gender”.

The loan was signed under the ACP Microfinance Facility – a EUR 40 million lending facility which supports microfinance in African, Caribbean and Pacific countries, targeting poverty reduction, gender equality and employment.

50% of the loans for micro-entrepreneurs will be provided to female business owners as part of the [2X challenge](#),

Starting as an NGO in 1982 operating in marginalized neighbourhoods in Santo Domingo, Ademi has grown to become one of the largest providers of financial services to MSMEs in the country. Ademi was the first NGO in the country to become a commercial bank in 1997. The EIB has been collaborating with Ademi for almost 30 years and has signed 10 loan agreements with the microfinance provider.

### **EIB in the region**

The EIB is the largest multilateral public bank in the world and roughly 10% of its lending targets investments outside of the European Union.

The European Investment Bank is the world's largest international public bank and has supported development and economic activity in the Caribbean with loans and equity investment worth EUR 2 billion since its first operation in the region.

In the Dominican Republic, the EIB has provided a total of EUR 409 million to projects, including in the energy, small business and transport sectors.

**Banco Ademi**, which began operations in 1983 in Santo Domingo's marginalized neighborhoods as an NGO, has become one of the largest providers of financial services for micro, small and medium-sized enterprises in the country. Banco Ademi was the first NGO in the country to become a commercial bank in 1997. Since May 2013, the Bank has been authorized to offer all the products and services typical of multi-service banks in the Dominican Republic. The EIB has collaborated with Banco Ademi for almost 30 years and has signed 10 loan agreements with this microfinance institution.

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## **[Press release – EP Today](#)**



Live coverage of debates and votes can be found on [Parliament's webstreaming](#) and on [EbS+](#).

For detailed information on the session, please also see our [newsletter](#).

All information regarding plenary, including speakers' lists, can be found [here](#).

### **Summit, long-term budget and rule of law mechanism**

From 8.45, MEPs will assess the results of the 10-11 December EU summit, with special focus on the EU long-term budget 2021-2027 (MFF), the rule of law conditionality and own resources. Speakers are also set to comment on the other topics on the summit's agenda, such as climate change, coordination of COVID-19 measures or relations with Turkey.

The final votes on the *MFF regulation* and on the *Interinstitutional Agreement* (incl. the Own Resources calendar) will take place at 12.45, and the results will be announced at 18:00.

Since no amendments have been tabled to the agreed text, the *Rule of Law* regulation will be announced as adopted at the end of the debate, at around 12.15.

In the evening, EP-President Sassoli and the German Council Presidency will sign the respective laws.

The final vote on a *resolution* on the three topics takes place at 20:00, with results announced the next morning at 8.45.

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### **Belarus opposition to be awarded Sakharov Prize**

At 12.15, the democratic opposition in Belarus, represented by several laureates including opposition leader Sviatlana Tsikhanouskaya, will be awarded the 2020 Sakharov Prize for Freedom of Thought. EP President Sassoli, Ms Tsikhanouskaya and fellow laureate Veranika Tsapkala will hold a press conference immediately after the award ceremony at around 12.40. More info [here](#).

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## COVID-19 vaccines

In a debate at 15:00, MEPs will present their views on an EU strategy for COVID-19 vaccinations that addresses challenges inside and outside the EU. They are expected to call for coordinated efforts to ensure universal access to safe vaccines across Europe once EU market authorisation has been granted priority for the most vulnerable, as well as for the EU to facilitate equal access to vaccines across the world.

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### In brief

**Beethoven 250th anniversary celebration.** At 8.30, before the start of the debates, President Sassoli will make a short speech marking the 250th anniversary of the birth of Ludwig van Beethoven, whose 'Ode to Joy' was adopted as the European anthem. This will be followed by a video recording of the 'Ode to Joy' played by musicians from the Oxalys chamber music ensemble of Brussels.

**Security Union.** From around 16:00, MEPs will discuss the overall EU strategy on security issues as well as the new EU Counter-Terrorism Agenda.

### Votes:

The **first voting session** lasts from **12.45-14.00**, with results announced at **18.00**.

MEPs will cast their **final vote** on

- the regulation on the EU long-term budget 2021-2027
- the Interinstitutional Agreement on budgetary discipline, cooperation in budgetary matters, sound financial management and new own resources
- a new strategy for SMEs.

They will vote on **amendments** on:

- a resolution on MFF, Rule of Law Conditionality and Own Resources
- the European Citizens' Initiative "Minority Safepack", promoting diversity
- a report to better align companies' financial interests with their long-term impact on society and the environment.

The **second voting session** lasts from **20:00-21.15**, with **results** announced at **8:45** on **Thursday**.

MEPs will cast their **final votes** on

- the resolution on the MFF, Rule of Law Conditionality and Own Resources
- the implementation of the Dublin III Regulation and the Return Directive.

They will vote on **amendments** on resolutions on

- the implementation of EU water legislation
- an EU Security Union Strategy
- the need for a dedicated Council configuration on gender equality.

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## [Press release – NextGenerationEU: deal on the Technical Support Instrument](#)



The text agreed on Tuesday by negotiators from Budgets and Economic and Monetary committees with the Council provides that the Technical Support Instrument (TSI) will support economic recovery after and beyond the COVID-19 pandemic, by promoting economic, social and territorial cohesion as well as digital and green transitions including biodiversity and implementation of climate targets. The reforms supported by the instrument should effectively address the challenges identified in the adopted country-specific recommendations.

### **Specific objectives and actions**

The TSI will assist national authorities in preparing, amending, implementing and revising their national plans. The text sets out a list of key actions to be carried out, such as digitalisation of administrative structures and public services, in particular healthcare, education or the judiciary, creating re-skilling policies for the labour market and building resilient

care systems and coordinated response capabilities.

### **TSI budget and implementation**

The overall budget of the TSI will be EUR 864 400 000 in current prices. In order to receive technical support, a member state should submit a request to the Commission by 31 October of a calendar year, identifying the policy areas they will focus on.

To ensure timely availability of resources and immediate response in case of urgency or unforeseen events, up to 30% of the yearly allocation should be reserved for special measures.

### **Transparency**

For the purposes of democratic accountability and visibility, Parliament obtained to receive annual implementation reports from the Commission as the Council. A single online public repository will provide information on the actions under TSI.

### **Quotes**

[Othmar Karas](#) (EPP, AT), one of the lead MEPs, said “The political agreement between the European Parliament and the Council on the new Technical Support Instrument is an important element to fill the recovery fund #NextGenerationEU with life. The EU programme will support Member States to implement urgent reforms and encourage investments for a stronger recovery from the Covid-19 pandemic and beyond. I am particularly pleased with the improved focus on effectively addressing the country-specific recommendations within the European Semester of economic policy coordination. Parliament also successfully strengthened the TSI’s objectives, its scope, transparency and democratic accountability.”

[Dragoş PÎSLARU](#) (Renew, RO), one of key negotiators, said: “The Technical Support Instrument comes at the right timing. It will assist Member States in preparing their reform and investment plans for a full recovery after the pandemic. Together with my colleagues, we have an enhanced instrument, that already builds on a successful programme, but with more transparency and accountability at Union level. Most importantly, the instrument is as of now available also to assist private investment projects.”

[Alexandra GEESE](#) (Greens/EFA, DE), one of the lead negotiators, said: Thanks to a strong position of the European Parliament today we have a TSI that is substantially greener, more gender-equal and ensures stronger transparency. Knowledge about climate mainstreaming and tracking as well as gender budgeting will help member states to make their economies and societies future-proof. Strong transparency mechanisms will help to showcase the positive contribution of the European Union and foster pro-European attitudes.”

### **Next steps**

The agreement will now have to be approved first by the two committees,



followed by a plenary vote. The Council also has to approve the deal.

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## Council supports EU-wide animal welfare label

The Council approved conclusions for an EU-wide animal welfare label, highlighting the overarching objective of **improving animal welfare** for as many food producing animals as possible. Through the approved conclusions, the Council **invites the European Commission to submit a proposal on an EU-wide animal welfare label** for food produced under animal welfare standards higher than those in EU legislation.



Animal welfare has been a priority for our presidency and I am very pleased to see that it is also now becoming an EU priority for more ambitious and higher standards. A common EU label on animal welfare would increase credibility and transparency in our markets and would enable consumers to make more informed choices. It would also help reward producers who respect those standards.

*Julia Klöckner, Germany's Federal Minister of Food and Agriculture*

Ministers supported consumer demands to easily recognise food produced under stronger animal welfare standards and, through the conclusions, called for specific **criteria** to be taken into account when developing an EU-wide label. Among others, ministers stressed the need to go **beyond current EU legal requirements** on animal welfare, to **gradually include all livestock** species in the label covering their **entire lifetime** (also transport and slaughter), and to ensure a smooth **interplay with existing labels**.

[Visit the meeting page](#)