

EIB supports Estonian broadband with Eesti Energia

- €70 million loan from the EIB for investments into the roll-out of a passive fibre access network for broadband communications in Estonia.
- New network set to provide over a quarter of a million households with broadband internet, including nearly 50 000 households in areas with insufficient connectivity.

Eesti Energia has signed a new €70 million loan agreement with the European Investment Bank (EIB) to support financing the roll-out of a passive fibre access network in Estonia. The maximum tenor of the debt facility is 14 years, with an availability period of three years. The network will provide Very High Capacity (VHC) broadband services with download speeds of 1 Gbps to about 266 000 households.

47 000 of these households are located in areas with insufficient broadband connectivity (white areas) and about 219 000 in areas with limited broadband service offerings. The network will be offered on an open-access basis to any retail provider of broadband services. The new broadband network is currently being installed across Estonia and is expected to be finished by 2023.

Eesti Energia and the EIB share a long history of cooperation, and the EIB remains a lender of strategic importance to the Eesti Energia Group. This is the seventh loan agreement to be signed between Eesti Energia and EIB since 2004. Following the latest agreement signed back in December 2019 for €175 million, the EIB has provided the company with some €600 million in loans since 2004.

The EIB's Vice President **Thomas Östros** commented: *"Estonia has already made name for itself as a very digitalised country and we are happy to help push the boundaries of broadband internet access in the country even further. The EIB has an excellent and long-standing partnership with Eesti Energia and we are glad to be able to support them in this venture."*

Eesti Energia is a state-owned international energy company founded in 1939 that operates in the energy markets of the Baltic Sea countries, and also in the international liquid fuels market. Eesti Energia's activities include operating the distribution grid, developing and operating renewable energy generation assets in the Baltic Sea area, offering energy solutions that include electricity, heat and fuel production, sales and customer service and other energy services.

President Charles Michel speaks at the extraordinary summit of the Organisation of African, Caribbean and Pacific States



OACPS extraordinary summit

I'd like to thank President Kenyatta and the Secretary General of the Organisation of African, Caribbean and Pacific States, Mr Chikoti, for this initiative. It brings us together at a pivotal time in our history.

We all know the damage COVID-19 is inflicting on our populations and our economies. We see it in those who have lost loved ones. And those who wonder how to put bread on the table for their families. For them, this is a moment of pain, fear, and incertitude.

But we must never be dragged down by pessimism or fatalism. This global outbreak reminds us how connected we are. That it can be a time to reinvest in what connects us –multilateralism, international cooperation, and collective action. It reminds us of our shared destinies.

The African, Caribbean and Pacific States are invested in this cooperation; today's meeting is proof of that. There's no clearer option for the European Union than to be by their side – to be by your side. Europe has a historic partnership with the ACP countries. We share a rich and diverse landscape of political, commercial and cultural exchanges. And a shared resolve to make sustainable development a reality for all.

The Cotonou Agreement, which connects us, is the only legally binding agreement that the EU and its Member States have ever concluded with so many countries. The bonds we share give us a special responsibility.

The EU is taking bold action to overcome coronavirus at home. But we will not turn our backs on our global responsibilities. Towards Africa, in particular. The partnership between the EU and African, Caribbean and Pacific States is a prime example of the vibrant multilateralism we want to promote. Our countries represent over half of the seats in the United Nations. When we band together, we can be the catalyst for change, in so many ways.

Take climate change. In 2015, we joined forces for the Paris Agreement. And we made a difference.

Today, we are facing another global threat in COVID-19. And once again, multilateralism will be our best line of defence. Solidarity must underpin this joint response. Not a solidarity based on a misplaced clear conscience. Not a solidarity of words. But a solidarity of action. Tangible and real. Both during the crisis, and tomorrow, as we forge a more caring

society.

Dear friends,

First, we need to defeat the virus. So long as the virus is somewhere, we must act as if it's everywhere. From Brussels to Vanuatu, from Addis Ababa to Port-au-Prince.

We the European Union, with our Member States, and financial institutions are redirecting 25 billion euros of funding to support our partners. But we need to go further – I have a personal commitment to debt relief.

We welcome the first steps taken in the G20. These will give the most vulnerable countries breathing space and margin for manoeuvre. And we can do more, by involving major creditors in debt relief efforts. Global ambitions come with global responsibilities. I will continue to advocate tirelessly for such action in the G7, G20 and with other international partners.

Next we need to find ways to put the pandemic behind us. Vaccines, treatments and diagnostics are the only way to relegate the virus to the history books.

On this sensitive issue, we stand with you. The EU recently wrapped up a successful pledging conference, together with our international partners. 9.5 billion euros were raised to develop and distribute health solutions on a large scale, at an affordable price. Our vision is a vaccine that is accessible everywhere, for everyone. I join the call for 'The People's Vaccine'. Any future vaccine should be treated as a "global common good".

Finally, after COVID-19, we must rebuild. Recreating the post-COVID world will be an immense task. I feel a special responsibility to the young generation – the millions of young people who will live the results of our actions today. Let's make sure they will benefit from our successes. As Nobel Laureate and former President of Liberia Ellen Johnson Sirleaf said: "Future generations will judge us not by what we say, but what we do".

The world after COVID-19 must not be a carbon copy of the one before. That's neither possible nor desirable. We must show greater solidarity and more respect for the planet. And use digital technologies responsibly, for the good of humankind. It's now up to us – the international community. Let's make sure the scope of our action matches the scope of this pandemic.

Asante sana (*Thank you.*)

Joint action against malaria: EIB,

European Commission and Investitionsbank Berlin inaugurate €70 million fund

- **EU Malaria Fund closes with an initial €70 million to support scientifically promising projects not yet pursued by the pharmaceutical industry**
- **The fund is backed by InnovFin EU and the European Fund for Strategic Investments, joint initiatives of the EIB and the European Commission**
- **First fund investment: €24.8 million for two companies, whose malaria R&D could potentially lead to secondary use against COVID-19**

The European Investment Bank (EIB), the European Commission and Investitionsbank Berlin (IBB) today announced the first closing of their [EU Malaria Fund](#). The European Commission and the EIB are investing an initial €64 million into the fund, which aims to bridge the gap between molecule and market for feasible and affordable innovative solutions to prevent and treat malaria. The outstanding amount of €6 million is being provided by various national and private investors, including IBB and the Bill & Melinda Gates Foundation.

The major contributor to the Fund is the [InnovFin EU programme](#) funded by EU Horizon 2020 and jointly managed by the European Commission and the EIB. Part of the project is supported by the [European Fund of Strategic Investments](#), the financial pillar of the [Investment Plan for Europe](#). In this initiative, the EIB and the European Commission partner to mobilise €500 billion in the European economy.

“Malaria is the world’s current most deadly infectious diseases. To fight it is more urgent than ever,” said [Ambroise Fayolle](#), EIB Vice-President in charge of health. “Progress has largely stalled in recent years, resistance to traditional drugs is on the rise, and new treatments are often costly. It is high time that we joined forces with public and private actors in and outside the EU to tackle the problem. If it can increase the number of ways to help prevent or cure malaria, our fund could be a life-saver for hundreds of thousands of people every year.”

[Mariya Gabriel](#), European Commissioner for Innovation, Research, Culture, Education and Youth, said: “We are joining forces with other investors to protect health and save lives. The new EU Malaria Fund is working with a total EU contribution of more than €110 million to boost research efforts and speed up market solutions against this preventable and deadly disease. This is an example of how key global players can come together to fight infectious diseases such as malaria and bring health technologies to those who need them most.”

“Investitionsbank Berlin feels honoured to be part of such an important project. Berlin has established itself as a hub for medical science

throughout Europe in recent years and so it is only right that we take part in this effort to tackle this disease. We're looking forward to working closely with our partners to find innovative solutions to prevent and treat malaria in the future," said **Dr Jürgen Allerkamp**, Chairman of the Board, [Investitionsbank Berlin](#).

"This is a decisive instrument that may yield important results and could potentially be leveraged in other disease areas where there is a similar underlying market failure," added **Holm Keller**, Executive Chairman of [KENUP Foundation](#) and Co-Managing Director of the EU Malaria Fund.

In total, the EU Malaria Fund is expected to bundle investments of €150 million. The instrument will finance companies through venture debt. The two first investments earmarked by the fund are expected to go to Italian [AchilleS Vaccines](#) and to Austrian [Themis Bioscience GmbH](#).

AchilleS Vaccines is a Siena-based biotech company specialising in research on malaria, antimicrobial resistance and, lately, COVID-19. The company follows an innovative approach to malaria vaccine development while also offering reverse vaccinology-based therapeutic and preventive interventions against COVID-19. The fund also offered support to Themis, a company that has developed a platform to rapidly advance immune modulation therapies for a range of infectious diseases and cancer. Themis' vaccine candidate against chikungunya, a mosquito-borne disease with global outbreak potential, uses this platform and has shown an excellent safety and immunogenicity profile in clinical trials to date. The company's know-how might prove especially precious when it comes to working on a vaccine against COVID-19 and malaria.

The EU Malaria Fund blends investment from the European Union, the EIB, IBB, the Bill & Melinda Gates Foundation, and other European national and private actors. The National Academy of Medicine of the United States of America intends to provide independent decision support, and the Organisation for Economic Co-operation and Development (OECD) will analyse the fund's intervention system strengths and weaknesses. The fund is supporting the implementation of the [World Health Organization's Global Technical Strategy for malaria 2016 – 2030](#), combining WHO's technical expertise and EIB's financial muscle. The fund was initiated by KENUP Foundation with support from the EIB and will be managed by IBB Group Berlin, the group of the public promotional bank of the Federal State of Berlin.

Background information

Malaria kills one child every two minutes. [Pregnant women and children](#) under five remain especially vulnerable, as do the impoverished, immune-compromised and marginalised. Thus, this preventable and curable disease continues to claim the lives of more than 400 000 people each year, largely in Africa. In the last two decades, significant progress to reduce disease burden has taken place with the support of the European Union and other global partners. However, the effects of global warming, the increasing resistance to available treatments and insecticides, as well as increased travel and migration flows, may imminently paint a radically different epidemiological picture. In addition, the World Health Organization estimates that the

[COVID-19 pandemic could set back the fight against malaria by 20 years.](#)

Consequently, product development efforts must be boosted with sustainable, blended financing solutions.

The InnovFin – EU Finance for Innovators programme was launched in 2014 by the European Commission and the EIB Group, with the purpose to offer a new generation of financial instruments and advisory services to help innovative firms access finance more easily across Europe and beyond. It is funded by Horizon 2020, the EU Framework Programme for Research and Innovation.

[Next Generation EU recovery plan – An unprecedented exercise in solidarity](#)



A few days after the European Commission presented its proposal for a major recovery plan to face the consequences of the COVID-19 pandemic, on 2 June the European Economic and Social Committee (EESC) held a webinar to assess its suitability. All participants agreed on the importance of this ambitious initiative, an example of the solidarity and the political will of all EU Member States in times of uncertainty.

The recovery plan proposed by the Commission, called Next Generation EU, consists of extraordinary funding of € 750 billion to be invested across three pillars: a new recovery and resilience facility of € 560 billion which will be allocated to Member States with a mix of loans and grants (45/55%); a new Solvency Support Instrument with a budget to support private companies; and a third pillar, called “Addressing the lessons of the crisis”, that includes a new health programme, EU4Health, to strengthen health security and prepare for future health crises.

All participants in the webinar, called “Recovery Now: How to turn the Commission’s #NextGenerationEU plan into a success, leaving no one behind” agreed on the timely and ambitious response given by the European Commission in its proposal.

Valdis Dombrovskis, Executive Vice-President of the European Commission, highlighted the quick response of the EU institutions to the crisis, with a safety net already in place to protect workers and people’s incomes: *Member States should use these instruments to save jobs and ensure liquidity, specially for SMEs. The money is already there, and it is reaching companies and citizens.*

This was also the main message delivered by **Luca Jahier**, President of the EESC, who mentioned the unprecedented capacity of solidarity shown by the EU: *Europe has done in two and a half months more than in the four years that followed the financial crisis; this is the result of an enormous political consensus.* He also pointed to the strongly positive reaction of the financial markets after the plan was announced, and explained that this was because the proposal shows solidarity, clear goals and is in line with the main EU strategic priorities, namely the Green Deal and digitalisation.

This view was also shared by **Irene Tinagli**, Chair of the Committee on Economic and Monetary Affairs (ECON) of the European Parliament: *This proposal shows that the EU is ready to do whatever is necessary to overcome the crisis; this will only be possible if all EU countries work together in a determined way,* said Ms Tinagli.

Amélie de Montchalin, French Minister of State for European Affairs, was of the same opinion, and mentioned the importance of preserving the internal market as *no country can overcome this crisis on its own.* She also pointed out that the Commission’s proposal includes not only an ambitious recovery plan, but also a long-term investment plan *to ensure the EU finds its place in a complex world.*

The issue of implementation

All participants in the webinar outlined that the key challenge is now that citizens and companies benefit as soon as possible from the recovery plan.

What matters most now is implementation. This is mostly in the hands of individual Member States, but we need clear rules to make sure that money reaches the people that need it, said Luca Jahier.

On this topic, Valdis Dombrovskis explained that most of the funding will be accompanied by proposed allocation that will take into account the circumstances of each Member State: prosperity, unemployment rate, prevalence of the COVID-19 pandemic, etc. *Member States must prepare recovery plans that are in line with the needs identified and with EU strategic policies*, Mr Dombrovskis said.

Irene Tinagli said that all the procedures should be accelerated and insisted on the need to ensure that *the plans go hand in hand with the needs*, avoiding the pro-cyclical effects that other plans have had in the past. She also recalled that we are at the beginning of the process, so it is still hard to say how fit for purpose the recovery plan will be.

The issues of timing and implementation were also mentioned by Amélie de Montchalin, who insisted that all proposals should be in place after the summer. *We know we cannot fail, and the only way to succeed is to work together. We need to be courageous: this is not a technical agreement, it's an agreement on a vision*, she argued.

Luca Jahier concluded that the vision is already there, and it is a vision of solidarity and political ambition: *The EU has faced the worst crisis of its history, but it has also given the fastest response. Now I am more convinced than ever that we are at the beginning of a real renaissance. We will not have a second chance.*

[ESMA consults on cloud outsourcing guidelines](#)

The guidelines' purpose is to provide guidance on the outsourcing requirements applicable to financial market participants when they outsource to cloud service providers. In particular, they aim to help firms and competent authorities identify, address and monitor the risks and challenges that arise from cloud outsourcing arrangements.

Steven Maijoor, Chair, said:

“Cloud outsourcing can bring benefits to firms and their customers, for example reduced costs and enhanced operational efficiency and flexibility. It also raises important challenges and risks that need to be properly addressed, particularly in relation to data protection and information security.

“Financial markets participants should be careful that they do not become overly reliant on their cloud services providers.. They need to closely monitor the performance and the security measures of their cloud service provider and make sure that they are able to exit the cloud outsourcing

arrangement as and when necessary.”

“Today’s proposals will help firms understand and mitigate the risks that they are exposed to when outsourcing to cloud service providers.”

The proposed guidelines set out:

- The governance, documentation, oversight and monitoring mechanisms that firms should have in place;
- The assessment and due diligence which should be undertaken prior to outsourcing;
- The minimum elements that outsourcing and sub-outsourcing agreements should include;
- The exit strategies and the access and audit rights that should be catered for;
- The notification to competent authorities; and
- The supervision by competent authorities.

The proposed guidelines are consistent with the [recommendations](#) on outsourcing to cloud service providers published by the European Banking Authority (EBA) in February 2017 and subsequently incorporated into revised [EBA guidelines](#) on outsourcing arrangements in February 2019, and the [guidelines](#) on cloud outsourcing published by the European Insurance and Occupational Pensions Authority (EIOPA) in February 2020.

Next steps

The consultation is open until 1 September and seeks feedback from both national competent authorities and financial market participants that use cloud services provided by third parties. The consultation is also important for cloud service providers, as the draft guidelines aim to ensure that potential risks firms may face from the use of cloud services are properly addressed. ESMA aims to publish the Final Report on the Guidelines by Q1 2021.