

# **Forward look: 25 November – 8 December 2019**

Overview of the main topics and events at the Council of EU and European Council.

## **Foreign Affairs Council (Development), 25 November 2019**

The Council will discuss the future financial architecture for sustainable development and neighbourhood and how the EU and member states can work better together to support the development of countries in transition, focusing on the cases of Ethiopia and Sudan. Development ministers will have an exchange of view on gender and education with the Minister of Education of Ethiopia, Dr. Tilaye Gete.

## **Competitiveness Council, 28-29 November**

The two-days Council will be asked to agree on representative actions for consumers, country-by-country reporting, regulation on the European Institute of Technology (EIT), recitals and annex IV of the Horizon Europe regulation and (possibly) Euratom research programme. It will debate external dimension of the European competitiveness and ways of fostering a sustainable space economy. Finally, it will adopt conclusions on space solutions for a sustainable Arctic, on circular economy in the construction sector and on the updated EU bioeconomy strategy.

## **Justice and Home Affairs Council, 2 and 3 December 2019**

On Monday home affairs ministers will hold two thematic debates on the implementation of the strategic agenda 2019-2024, one in the field of EU migration and asylum policy and a second on EU internal security. On Tuesday, justice ministers will aim to reach general approaches on the regulation on the service of documents and the regulation on the taking of evidence, and exchange views on the issue of environmental crime. They will also aim to adopt conclusions on victims' rights and alternative measures to detention, as part of discussions on the implementation of the strategic agenda.

## **Transport, Telecommunications and Energy Council (Transport issues), 2 December 2019**

The Council will aim to agree its position three proposals: updating rail passengers' rights, streamlining permit-granting measures for the trans-European transport network (TEN-T), and revising EU road charging rules (Eurovignette). Ministers will discuss 'digital transport services for

people: the next steps for sustainable European solutions' and the future of the Single European Sky.

## **Transport, Telecommunications and Energy Council (Telecomms issues), 3 December 2019**

The Council agenda will include a proposal to update privacy rules for electronic communications (ePrivacy). Ministers will discuss the European Union as a hub for ethical data use. The Council will adopt conclusions on the significance of 5G to the European Economy and the need to mitigate security risks linked to 5G.

## **Transport, Telecommunications and Energy Council (Energy issues), 4 December 2019**

The Council will discuss smart sector integration, the new Commission's energy policy priorities, and follow-up to the draft national energy and climate plans.

## **Economic and Financial Affairs Council, 5 December 2019**

The ECOFIN Council will take stock of progress on banking union. It will also adopt a work plan on climate action and conclusions on energy taxation, money laundering, capital markets union, non performing loans and the financial architecture for development.

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**[Belarus: EIB supports energy efficiency and small businesses](#)**



- **EUR 90m loan to support investment in biomass-based heat generators, upgrade of district heating systems and thermal renovation of multi-apartment buildings**
- **EUR 85m to Belarusbank and EUR 20m to Belagroprombank to co-finance projects of SMEs in Belarus that are expected to sustain 3 700 full-time jobs and support some 200 SMEs**

Today, the European Investment Bank (EIB) signed three loans supporting projects in Belarus.

**A EUR 90m loan** will finance the replacement of obsolete gas-fired boilers with biomass boilers capable of producing around 1 000 GWh/year of renewable energy instead of using fossil fuel. The project also involves the upgrade of district heating systems through the installation of new peak boilers and the modernisation of grids in all six Belarus regions (oblasts).

Furthermore, the EIB loan – provided under the European Union’s **EU4Energy Programme** – will support thermal renovation of multi-apartment buildings with a total floor area of 500 000 m<sup>2</sup>. This will help to significantly cut the housing sector’s energy consumption, resulting in energy savings of around 60 GWh/year, and reduce dependence on imported fuel. Overall, the project will generate substantial environmental benefits with CO<sub>2</sub> savings and improve the well-being of Belarus’s citizens.

The two other loans – EUR 85m to **Belarusbank** and EUR 20m to **Belagroprombank** – aim at improving access to long-term financing for Belarus’s SMEs. The two banks will have more financial capacity to lend to local companies. This will contribute to increasing the competitiveness of the private sector and help

economic diversification in Belarus, where a significant part of the economy is still dominated by large state-owned enterprises. Combined, these two loans are expected to support around 200 SMEs (100 each) and sustain 3 700 full-time jobs.

The EIB loans are being provided in the framework of the European Union's **EU4Business Initiative** targeted at smaller businesses in the Eastern Partnership countries.

The EIB enjoys a well-developed and fruitful cooperation with the two banks: the EU bank provided a loan of EUR 25m to Belarusbank and EUR 50m to Belagroprombank in November 2018. Both these loans have been successfully disbursed for the benefit of Belarus's SMEs.

**EIB Vice-President Lilyana Pavlova** commented: *"Today marks another milestone in the EIB's cooperation with Belarus. The three loans that we are signing cover a wide area of the country's priorities, from SME support to energy efficiency. Our portfolio of Belarusian projects is growing dynamically, in line with EU objectives, and I am looking forward to further collaboration."*

**Prime Minister of the Republic of Belarus Sergei Roumas** stated: "The Republic of Belarus highly appreciates relationships built with the European Investment Bank. With no other financial institution we had such a jumpstart and significant investment projects within so short time".

#### **Background information:**

As the largest multilateral [borrower](#) and lender by volume, the EIB provides finance and expertise for sound and sustainable investment projects which contribute to furthering EU policy objectives. More than 90% of EIB activity is focused on [Europe](#) but it also supports the [EU's external and development policies](#).

The EIB finances projects in Belarus on the basis of the EU External Lending Mandate. This provides the EIB with a guarantee covered by the EU budget for projects of significant interest to the EU and its Eastern Neighbours in the areas of social and economic infrastructure, local private sector development and climate action.

The [EU4Energy Programme](#) covers all EU support to improve energy supply, security and connectivity, as well as to promote energy efficiency and the use of renewables in the Eastern Partnership countries of Armenia, Azerbaijan, Belarus, Georgia, Moldova and Ukraine. It does this by financing projects and programmes that help to reform energy markets and reduce national energy dependence and consumption. Over the longer term, this makes the energy supply more reliable, transparent and affordable, thus reducing energy poverty and energy bills for both citizens and the private sector.

The [EU4Business Initiative](#) helps SMEs in the six countries of the Eastern Partnership (Armenia, Azerbaijan, Belarus, Georgia, Moldova and Ukraine) to finance their development and boost economic growth. EU4Business support is delivered by the EIB together with other organisations outside the EU such as

the European Bank for Reconstruction and Development. All EU activities that support SMEs in the Eastern Partnership countries are part of EU4Business.

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## Labelling of tyres: Council endorses agreement to make labels more visible

EU Ambassadors today positively analysed a provisional agreement between the Presidency of the Council and the European Parliament on **new rules on how tyres must be labelled** with respect to parameters such as fuel efficiency, wet grip and noise. The aim of the regulation is to **give consumers more information** and enable them to choose tyres which are safer, more fuel efficient and quieter. The agreement was struck in the late evening of 13 November. The new rules still have to be formally adopted by the Council and the European Parliament.



Consumers will now be better informed when buying new tyres, so that they can choose those which are safest and most fuel efficient. This will help save lives and reduce greenhouse gas emissions in the road sector.

*Katri Kulmuni, Minister of Economic Affairs of Finland and chair of the Council*

The new rules replace a previous regulation and introduce a number of **important changes**:

- the label design is updated and includes icons for snow and ice grip, in accordance with international standards
- labels will become more visible to consumers due to new rules on how to display them, including for distance-selling and in online advertisements
- the lowest fuel efficiency classes, which are no longer in use, are deleted to make the scale clearer and easier to understand
- tyres for trucks and buses (C3 tyres) will in future also have to carry the label
- enforcement is improved thanks to an obligation to register tyres in a product database.

In addition, the regulation includes **re-treaded tyres** within its scope. The new rules will apply to them once a suitable testing method has been developed. It also includes provisions for adding parameters on **mileage and abrasion** once suitable testing methods are available. This is expected to

have an impact on reducing the amount of microplastics getting into the environment due to tyre abrasion.

## **Background**

The objective of the tyre labelling system is to increase road safety and public health and to reduce greenhouse gas emissions and noise pollution in the transport sector. The regulation aims to achieve this by better informing consumers about the fuel efficiency, safety and noise parameters of the tyres they buy. Road transport is responsible for about 22% of the EU's total greenhouse gas emissions, and tyres, mainly because of their rolling resistance, account for 20-30% of a vehicle's fuel consumption. A reduction of the rolling resistance of tyres therefore contributes to lowering emissions while also providing cost savings to consumers thanks to lower fuel consumption.

Repealing the current legislative framework had become necessary after its review showed that the tyre labelling scheme was not fully reaching its objective of improving safety and reducing greenhouse gas emissions in the transport sector due to low visibility of the labels and a lack of proper tools to ensure enforcement.

## **Next steps**

The new rules will be formally adopted by the Council and the Parliament at a later stage.

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**[Ukraine: EU bank supports road infrastructure upgrade with EUR 450m loan](#)**





- **Construction of new bypass to the north of the city of Lviv in western Ukraine to be used by some 20 000 vehicles daily**
- **Rehabilitation of the M05 highway Kyiv – Odessa in the Cherkassy, Kirovohrad, Mykolaiv and Odessa regions**
- **The Lviv bypass will be used by some 20 000 vehicles and the M05 highway by 10 000 to 25 000 cars daily, depending on the section**

The European Investment Bank (EIB) has agreed to provide a loan of EUR 450m to finance new road construction and road network rehabilitation along the most important highway connections in Ukraine. The financing will increase safety and help modernise parts of the network included in the extended Trans-European Network for Transport (TEN-T), which links the country internationally and to the EU in particular.

The project consists of two parts:

- **Construction of a new 23 km long northern motorway bypass in Lviv** – the largest city in western Ukraine with over one million inhabitants. The bypass, from which drivers of 20 000 vehicles a day are expected to benefit – will connect Lviv with the Kyiv – Chop international highway and the Lviv – Lutsk national road. It will provide a link with the Lviv – Rava Ruska, Lviv – Krakovets and Lviv – Shegyni international highways on the route from Ukraine to Poland and further to Western Europe.
- **Upgrade of the existing 314 km section of the M05 highway along the Kyiv-Odessa line**, in the Cherkassy, Kirovohrad, Mykolaiv and Odessa

regions. This is the main north-south road connection from Kyiv towards the Black Sea ports, which is varyingly used by 10 000 to 25 000 vehicles daily, depending on the section.

**EIB Vice-President Lilyana Pavlova** commented: *“The EU bank is working towards ensuring a safer, faster and more interconnected transport system in Ukraine, with better links with the neighbouring European Union. Modern and high capacity regional transport systems and improved road infrastructure provide significant benefits to both Ukraine and the EU. This contributes to a higher quality of everyday life for people in terms of improved road safety, removal of bottlenecks and time savings and supports economic development by boosting trade, accelerating economic growth and providing better access to services and markets.”*

**Prime Minister of Ukraine Oleksiy Honcharuk** stated: *“We very much appreciate our cooperation with the EIB and EBRD. We have a common goal to accelerate economic growth in Ukraine, which will also improve the quality of life of Ukrainian citizens. Building and reconstructing roads are extremely demanded by Ukrainians and are a positive factor for foreign investors. This particular Agreement will help us reconstruct over 300 km long road connecting Kyiv and Ukraine’s Black Sea ports. In its turn, the Government of Ukraine will adopt all the necessary anti-corruption and institutional changes to make the cooperation with the partners as fruitful as possible”.*

The borrower of the EIB loan is Ukraine, while the project promoter is the State road agency Ukravtodor. The project will be co-financed by the European Investment Bank and the European Bank for Reconstruction and Development (EBRD). Construction works will start in 2020 and the project is envisaged to be completed by 2025.

The EU bank’s lending commitment supporting Ukraine’s transport infrastructure, including the current loan, amounts to some EUR 2bn since the launch of the Bank’s lending in the country in 2007. This represents one third of the total EIB lending commitment in Ukraine (approximately EUR 6bn).

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## [Steven Maijoor delivers keynote at EFAMA Investment Management Forum](#)

In his address Mr Maijoor’s focused on fund liquidity and how asset management can play a role in the Capital Markets Union, while supporting investor protection and financial stability.

The speech covered:

- The concept of liquidity;



- Liquidity as a long-running concern in asset management;
- Challenges pose by the low-yield environment;
- How fund liquidity is a core activity for ESMA;
- Stress testing; and
- Supervisory action and liquidity requirements under UCITS.