

## Greece: EIB backs EUR 470 million road safety scheme



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- **New investment to improve road safety at 7,000 accident black spots across the country**
- **Safety barriers, anti-skid surfaces, warning signs and markings in 11 Greek regions**
- **First EIB loan to Egnatia Odos S.A., providing 50% financing**

The European Investment Bank has agreed to support a EUR 470 million nationwide programme to reduce death and injury caused by traffic accidents across Greece.

“Improving road safety across Greece is a national priority and the EIB a key partner to successful implementation of the National and Regional Road Safety Strategic Plan. The new EUR 235 million financial support agreed between the European Investment Bank and Egnatia Odos S.A. will reduce the risk of accidents in Greek cities, rural areas, mountain districts and on Greek islands. The close cooperation between Greek and EIB road experts during preparation of this project ensures that it will target the most dangerous sites on the national road network and allows best practice from Greece to strengthen future road investment by the EIB around the world” said Kostas Karamanlis, Greek Minister of Infrastructure and Transport.

Over the next three years, national road operator Egnatia Odos will improve road safety at 7,000 of the most dangerous sites, located across 11 regions of Greece. The small scale safety schemes will include installation of traffic barriers, provision of anti-skid surfaces and improved warning signs and markings on roads identified as high-risk.

The Project has benefitted from EIAH advisory services at its preparation phase through a preliminary economic analysis that derived the expected socio-economic benefits from road accidents reduction and proved the project to be technically and economically sound.

“This new financial and technical partnership between Egnatia Odos S.A. and the European Investment Bank will transform road safety across Greece and benefit road users for years to come. The EUR 235 million EIB loan, representing the first direct support for Egnatia Odos, demonstrates the EIB’s clear commitment to support road safety and back the National Road Safety Strategic Plan. The impact of this project will be strengthened following the technical cooperation between Greek and European road experts through the European Investment Advisory Hub and road safety best practice learnt from this project will be shared with similar schemes around the world” said Konstantinos Koutsoukos, chief executive officer of Egnatia Odos S.A.

#### **First EIB loan to national road operator Egnatia Odos S.A.**

The 15-year, EUR 235 million European Investment Bank loan, to be guaranteed by the Hellenic Republic, represents the first direct financing to Egnatia Odos. since the EIB first supported transport investment in Greece in 1963. The EIB loan will support half of the total EUR 470 million road safety investment under the programme.

“The European Investment Bank is committed to supporting transformational long-term transport investment in Greece. The EU Bank’s new EUR 235 million support to national road operator Egnatia Odos S.A. will help to reduce road accidents, fatalities and injuries across the country and improve the safety of road users for years to come. Over the next three years this project will implement best practice road safety measures in all regions of Greece. This project represents a milestone in the EIB’s 57 years of supporting road, rail, air and maritime transport investment in Greece” said Christian Kettel Thomsen, European Investment Bank Vice President responsible for Greece.

“I welcome the European Investment Bank’s first direct support for investment by Egnatia Odos S.A. that will be guaranteed by the Hellenic Republic. Long-term financing and technical expertise provided by the EIB that will strengthen the impact of this project and accelerate road safety investment across Greece. This project demonstrates how the EIB’s dedicated Investment Team for Greece and the European Investment Advisory Hub are working with Greek partners to support high-impact priority investment in Greece.” said Christos Staikouras, Greek Finance Minister and Governor of the European Investment Bank.

#### **EIB supporting national and EU road safety goals**

Improving road safety at 7,000 locations identified as the most dangerous accident black spots across the country will contribute to the Greek National Road Safety Strategic Plan and the European Union Strategic Action Plan on Road Safety.

### **Sharing technical expertise to improve road safety in Greece and around the world**

There was a close cooperation between technical experts from Egnatia Odos S.A., the Greek Ministry of Infrastructure and Transport and the European Investment Advisory Hub during project preparation, to strengthen the road safety and economic impact of the EUR 470 million national investment programme. Lessons learnt from this scheme will benefit future EIB road investment around the world.

The European Investment Bank has agreed more than EUR 13 billion of long-term financing for road, rail, air and maritime transport investment across Greece since 1967. This includes support for the Athens Metro, airports in Athens, Thessaloniki and Heraklion, expansion of the Port of Piraeus and key national motorways.

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**[Article – Coming up: migration, digital working, water](#)**



## Right to disconnect digitally

The Covid-19 pandemic has meant many people now work from home and to ensure workers are able to maintain a work-life balance, the employment committee will vote on proposals advocating the right of employees to **disconnect digitally** from work during holidays and outside of working hours on Tuesday.

The committee will also vote on rules to give access to decent and affordable **housing** to everyone and the future of digital education.

## Drinking water

On Tuesday the environment committee is expected to approve new rules to further improve access to and the quality of [drinking water](#), ahead of a plenary vote in December, and are likely to call for the implementation of the Water Framework Directive to be speeded up.

The committee will also set out its proposals to minimise the impact of climate change and extreme weather events, ahead of a new strategy by the European Commission.

## Asylum

In light of the failure of EU asylum rules during the 2015-16 refugee crisis, the civil liberties committee will look at the common asylum system on

Tuesday and its members are likely to call for more solidarity with the countries at the EU's external borders

Committee members will also discuss allegations that staff from the EU's Frontex border agency were complicit in pushbacks of asylum seekers by Greek border guards with Fabrice Legger, the agency's director.

## Social rights: Coronavirus pandemic continues to hamper access to education and healthcare



*"News of successful COVID-19 vaccine trials bring hope, but the pandemic is far from over. It continues to disproportionately affect vulnerable groups. This includes people with disabilities, older people or migrants and refugees. EU countries did learn from the first wave and try to minimise the impact of the new restrictions on people's rights. But it is crucial that they look out for vulnerable members of our societies and give them a voice when looking for solutions,"* says FRA's Director **Michael O'Flaherty**.

FRA's latest '[Coronavirus pandemic in the EU – fundamental rights implications: with a focus on social rights](#)' bulletin brings into sharp relief the importance of social rights. They offer protection across many of the areas that most shape our daily lives.

The bulletin highlights the impact across four areas:

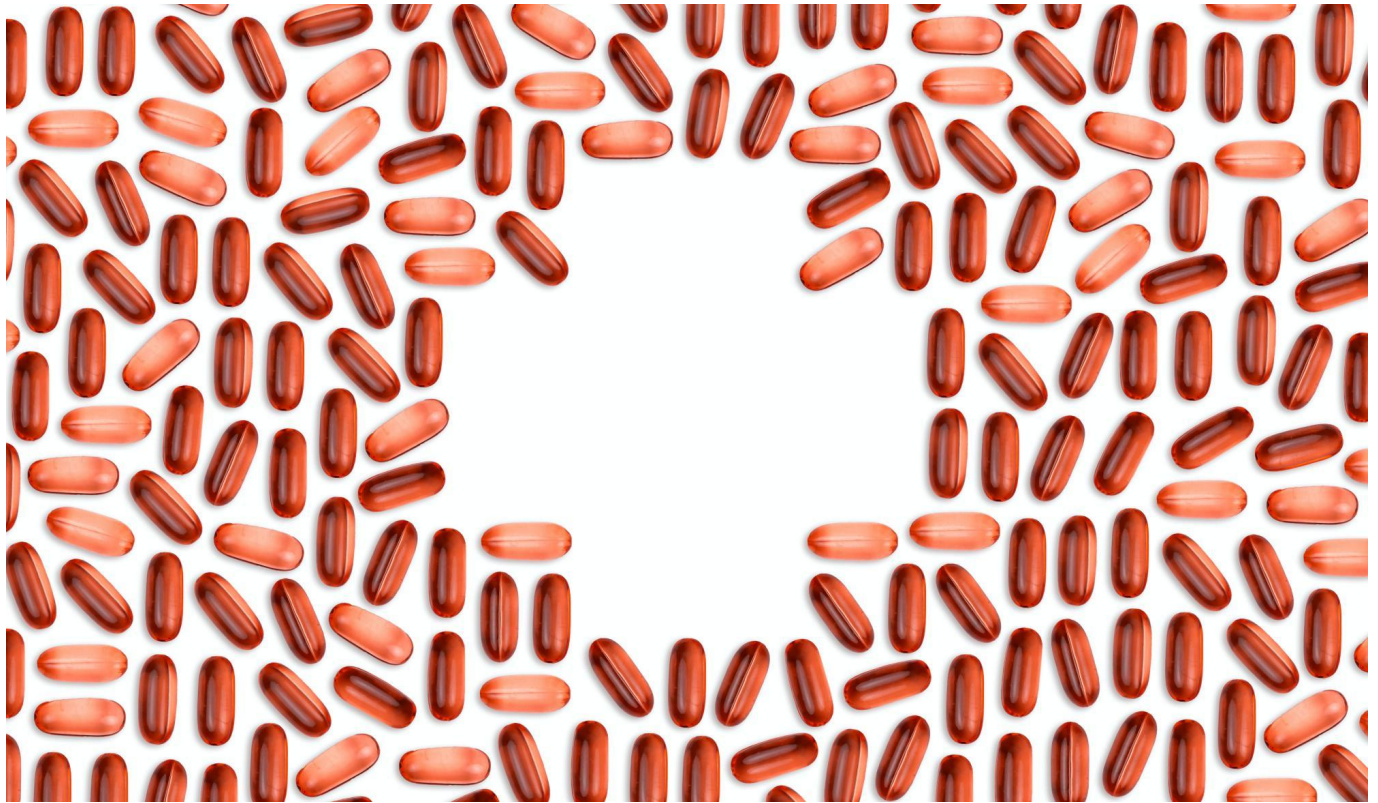
1. **Healthcare** – rising numbers of COVID-19 infections limit access to healthcare and delay other treatments. The pandemic also continues to affect the wellbeing of healthcare staff, particularly their health and safety at work.
2. **Education** – as many schools went back to distance learning, children from disadvantaged backgrounds continue to face challenges following courses online. This exacerbates educational inequalities.
3. **Work** – the economic downturn and rising unemployment across the EU is especially affecting young people and women.
4. **Housing** – homeless people run a higher risk of contracting the virus. They often experience difficulties accessing healthcare. They also face being penalised for breaking curfews and visiting bans in shelters.

The bulletin highlights how the measures to contain the spread of the virus continue to affect people's social rights. It draws attention to the impact on particular groups, such as people living in institutions, older people, people with disabilities, Roma and Travellers, as well as migrants, asylum seekers and refugees.

This bulletin covers 27 EU countries from 1 September – 31 October 2020.

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[\*\*France: EIB supports AB Science in its COVID-19 development programme\*\*](#)



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- **Financing deal worth €15.0 million signed to support clinical development programme for masitinib**
- **Masitinib developed as a credible candidate for treating COVID-19 in addition to other diseases for which no therapeutic solutions are available**
- **The EIB venture loan is financed under the Infectious Diseases Finance Facility set up as part of Horizon 2020, the European Union's research and innovation programme for 2014-2020**

**AB Science SA** (Euronext – FR0010557264 – AB) and the European Investment Bank (the **EIB**) are pleased to announce the signing of a loan agreement totalling €15.0 million (the **COVID-19 loan**) today.

This agreement will enable AB Science to fund the clinical development programme evaluating masitinib as a treatment for COVID-19.

Masitinib might be an effective treatment for COVID-19 due to its recently discovered dual mechanism allowing it to act as both an anti-inflammatory and an antiviral agent. Masitinib directly inhibits the 3CL protease, the main protease of SARS-CoV-2 directly involved in the replication of the virus.

This initial partnership with the EIB might be expanded in the future, as discussions are already underway about additional financing for other indications in which masitinib is or could be evaluated, for a maximum budget of €30.0 million.

The EIB loan to AB Science is backed by the [Infectious Diseases Finance Facility](#) (IDFF) set up as part of the European Union's [Horizon 2020 Programme](#) Horizon 2020 program. The IDFF is an example of successful collaboration between the European Commission and the EIB in the face of a

health crisis. Through this facility, the EIB has supported European companies via total lending of some €400 million for developing cures, vaccines and diagnostics for various infectious diseases, most prominently coronavirus.

The combination of the EIB's expertise and the European Commission's support with the InnovFin guarantee has made it possible to set up an innovative financing package tailor-made to the needs of AB Science.

The COVID-19 loan consists of two tranches of €6 million each, and a third tranche worth €3 million. The first tranche is expected to be released in the coming weeks. The remaining two tranches will be made available at a later stage, subject to certain milestones, including clinical progress in AB Science's study regarding the treatment of COVID-19 and the company's future equity funding.

The COVID-19 loan is supplemented by an agreement to issue warrants for the EIB. The number of warrants to be issued by AB Science each time a tranche of the COVID-19 loan is drawn will depend on its reference price prior to the disbursement and the amount of the tranche in question. Purely as an illustration, a reference price of €10.0 would mean that AB Science should issue 162,162 warrants when it draws the first tranche. Each warrant will entitle the EIB to subscribe to one ordinary share in AB Science at the reference price (discount of 5.0%) for a period of 15 years.

Each time a tranche of the COVID-19 loan is drawn, AB Science will issue a press release specifying the terms and conditions and the final number of warrants issued on the occasion.

**Alain Moussy**, co-founder and chief executive of AB Science, said: *"This is an important agreement because this major loan is a sign of a leading European institution's interest in the development of masitinib. The EIB loan supporting masitinib's development as a treatment for COVID-19 demonstrates that masitinib is a credible candidate thanks to its dual antiviral and anti-inflammatory mechanism. We hope that this first agreement is only the beginning of a long partnership with the European Investment Bank, allowing us to move faster in developing new medicines for diseases where therapeutic solutions are not available or insufficient."*

*"I am delighted to announce this funding agreement with AB Science. The fight against COVID-19 is a priority for the European Union's bank, which is why we support the development of therapeutic options that could provide an effective response to the health crisis,"* said EIB Vice-President **Ambroise Fayolle**. He added, *"Small and medium-sized enterprises are a major source of medical innovation that we need to build on. That's why it is important that we support and work with them."*

Against the backdrop of the health crisis, this new financing reflects the EIB's strong mobilisation to support the development of new and effective treatments for COVID-19. This new funding takes total European investment to €700 million in support of 20 biotechs and medtechs involved in the fight against the pandemic.



## **Background information**

The **InnovFin Infectious Diseases Finance Facility (IDFF)** is dedicated to supporting the fight against infectious diseases. This joint European Commission and EIB Group initiative is part of Horizon 2020, the 2014-2020 EU research and innovation programme. The IDFF enables the EIB to provide between €7.5 million and €75 million of funding to innovative players active in developing vaccines, drugs, medical and diagnostic devices and research infrastructure for combating infectious diseases. The financing mainly goes to projects that have completed the preclinical stage and need clinical approval for further development. The IDFF has been increased by €400 million to boost its capacity for tackling the outbreak of the coronavirus. The total EU contribution to the IDFF via Horizon 2020 is estimated at almost €700 million.

## **About masitinib**

Masitinib is a new orally administered tyrosine kinase inhibitor that targets mast cells and macrophages, which are important cells for immunity, by inhibiting a limited number of kinases. Thanks to its unique mechanism, masitinib can be developed for a large number of medical conditions including cancer, inflammatory diseases, and certain diseases of the central nervous system. In oncology, masitinib has the potential to improve survival when administered alone or in combination with chemotherapy, thanks to its immunotherapeutic properties.

Masitinib can alleviate symptoms in certain inflammatory disorders and central nervous system diseases by acting on mast cells and microglia, thereby inhibiting the activation of the inflammatory process.

## **About AB Science**

Founded in 2001, AB Science is a pharmaceutical company specialising in the research, development and commercialisation of protein kinase inhibitors (PKIs), a class of targeted proteins whose action is key in signalling pathways within cells. Our programmes only target diseases which have high unmet medical needs, are often lethal with short-term survival, or are rare or refractory to a previous line of treatment. AB Science has developed a proprietary portfolio of molecules and the company's lead compound, masitinib, has already been registered for veterinary medicine and is developed in human medicine in oncology, neurological diseases, and inflammatory diseases. The company is headquartered in Paris, France, and listed on Euronext Paris (ticker: AB).

To find out more about AB Science: [www.ab-science.com](http://www.ab-science.com)

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# Christine Lagarde: The future of money – innovating while retaining trust



INTERVIEW

**Article by Christine Lagarde, President of the ECB, in *L'ENA hors les murs* magazine**

Paris, 30 November 2020

**Important lessons can be drawn from the past to understand the factors influencing the journey towards the future of money, including the possible introduction of a digital euro. Ensuring the euro meets the needs of European citizens is at the core of the ECB's mandate.**

Throughout history, the nature of money has evolved in response to socioeconomic changes. But the functions of money – as a means of exchange, a unit of account and a store of value – have remained the same for centuries.

One reason why money first emerged was to overcome the limitations and inefficiencies of bartering. As economies became more specialised, trade became all the more essential, and a universal medium of exchange was needed to facilitate it. Coins made from (precious) metals fulfilled that purpose for centuries.

But with the development of international trade, coins became increasingly impractical because they are difficult to store and transport in large volumes.

This led to the next phase in the evolution of money through medieval times into the late middle ages and early modern times. Developments included the

advent of Templar's credit notes in France, private giro banking in Italy, bills of exchange and promissory notes, and the first predecessors of paper money.

### **Role of the public sector**

All of these instruments foresaw convertibility into precious metal coins. The acceptance of these forms of dematerialised and easy-to-carry money depended on the reputation of the issuer, and credit risk became relevant.

This led to the public sector playing an increasingly important role in issuing money and ensuring its value remained stable. Examples include the emergence of early public giro banks at the beginning of the 15th century and the first attempts to issue modern banknotes in the second half of the 17th century.<sup>[1]</sup>

In today's modern economies, including in the euro area, money is no longer convertible into, or backed by, any commodity. Fiat money, as it is known, serves as legal tender by decree of the government or even constitutional legislation (such as the EU Treaty<sup>[2]</sup>). The value of money is based on citizens' trust in it being generally accepted for all forms of economic exchange and in the ability of central banks to maintain its purchasing power through monetary policy. Central banks' institutional independence also bolsters their ability to maintain trust in money.

Since early modern times central banks have gradually been assuming an increasingly pivotal role in ensuring that money delivers on the three functions I outlined. They must be fully aware of and adapt to changing realities.

### **Technological progress**

As we enter the digital age, the nature of money, but also of goods and services, is changing quickly. Digitalisation and technological advances are transforming all areas of society, accelerating the process of dematerialisation.

Non-cash payments continue to increase. In the euro area, over the last year the total number increased by 8.1% to 98 billion. Nearly half of these transactions were made by card, followed by credit transfers and direct debits.<sup>[3]</sup>

The coronavirus (COVID-19) pandemic has accelerated this trend towards digitalisation, with a surge in online payments and a shift towards contactless payments in shops.<sup>[4]</sup> Market participants expect payments to be the financial service that will be most affected by technological innovation and competition over the next five years, according to a survey conducted in 2019.<sup>[5]</sup>

To meet the demand for digital means of payment, new forms of private money (i.e. a liability of private entities) have emerged. They are available as commercial bank deposits which can be used for transfers and direct debits,

and as electronic money through credit cards and mobile payment apps.

In the euro area, the Eurosystem's supervision mechanisms ensure commercial banks and payment service providers are effective and safe. This enables people to continue to have confidence in private money, which remains an integral part of our financial system.

But central bank money in digital form is still not available for retail payments.

### **Digital euro**

The ECB wants to ensure the euro remains fit for the digital era. Early this year, the Governing Council decided to explore the possibility of issuing of a digital euro – digital central bank money for retail payments, in other words.

The Eurosystem is assessing the implications of the potential introduction of a digital euro, which in legal terms would be a liability of the central bank. In October the ECB published the Report on a digital euro<sup>[6]</sup> and launched a public consultation<sup>[7]</sup>.

But why issue a digital euro, if other forms of (private) digital money are already available?

Central bank money is unique. It provides people with unrestricted access to a simple, essentially risk-free and trusted means of payment they can use for any basic transaction. But for retail use it is currently only offered physically in the form of cash.

A digital euro would complement cash and ensure that consumers continue to have unrestricted access to central bank money in a form that meets their evolving digital payment needs.

It could be important in a range of future scenarios, from a decline in the use of cash to pre-empting the uptake of foreign digital currencies in the euro area. Issuing a digital euro might become necessary to ensure both continued access to central bank money and monetary sovereignty.

A properly designed digital euro would create synergies with the payments industry and enable the private sector to build new businesses based on digital euro-related services.

A digital euro would also be an emblem of the ongoing process of European integration and ultimately help to unify Europe's digital economies.

### **Crypto-assets pose risks**

But what about bitcoin or other crypto-assets that have been trying to gain a foothold in the digital payments space and to anchor trust in their technology?

Innovations like distributed ledger technology (DLT), in particular

blockchain (which is at the core of crypto-assets such as bitcoin), bring both new opportunities and new risks.

Transactions between peers occur directly, with no need for a trusted third-party intermediary. The trust that is usually inherent in a transaction is replaced by cryptographic proofs and the security and integrity of records is ensured by DLT, which avoids the “double-spending” problem. Nevertheless, trust is not entirely dispensable.

The main risk lies in relying purely on technology and the flawed concept of there being no identifiable issuer or claim. This also means that users cannot rely on crypto-assets maintaining a stable value: they are highly volatile, illiquid and speculative, and so do not fulfil all the functions of money.<sup>[8]</sup>

Recently, we have seen the emergence of stablecoins, which try to solve crypto-assets’ problem of a lack of stability and trust by pegging their assets to stable and trusted fiat money issued by States.<sup>[9]</sup> And the issuers of “global” stablecoins, which target a global footprint, further aim to introduce their own payment schemes and clearing and settlement arrangements.<sup>[10]</sup>

Although stablecoins could drive additional innovation in payments and be well integrated into social media, trade and other platforms, they pose serious risks.

If widely adopted, they could threaten financial stability and monetary sovereignty. For instance, if the issuer cannot guarantee a fixed value or if they are perceived as being incapable of absorbing losses, a run could occur. Additionally, using stablecoins as a store of value could trigger a large shift of bank deposits to stablecoins, which may have an impact on banks’ operations and the transmission of monetary policy.<sup>[11]</sup>

Stablecoins, particularly those backed by global technology firms (the “big techs”), could also present risks to competitiveness and technological autonomy in Europe, as they would attempt to leverage their competitive advantage and control of large platforms. Their dominant positions may harm competition and consumer choice, and raise concerns over data privacy and the misuse of personal information.<sup>[12]</sup>

### **“Money is memory”**

In general, end users prioritise ease of use and smooth integration with other apps or services, and therefore welcome new solutions in exchange for providing their personal data. Public authorities are open to innovation and are prepared to act as catalysts for change, while implementing appropriate policy measures to ensure this innovation helps consumers rather than hindering them.

Payment providers and their payment solutions must be subject to appropriate regulation and oversight – in accordance with the principle of “same business, same risks, same rules” – to protect users and safeguard the

stability of the economy against new risks that even go beyond financial ones.

Some say that “money is memory”<sup>[13]</sup>, and it seems that this memory is becoming increasingly digital. But consumers’ digital data and records must not be misused. The abuse of personal information for commercial or other purposes could endanger privacy and harm competition. These and other potential risks are being assessed by the Eurosystem and European institutions.

At the same time, public authorities must balance the benefits and risks of innovation in payments and be prepared to take a leading role in ensuring that payments remain efficient, safe and inclusive in the digital age.

As the economy continues to evolve and new expectations about the nature of money emerge, the Eurosystem must be ready to respond and ensure that European payments adapt to changing consumer preferences and remain inclusive and efficient.

Despite all the changes I have mentioned, the foundations of money remain intact. People accept money only if it is highly trusted, maintains its value and respects privacy – an aspect that is becoming increasingly important in the digital age. These foundations have been and will continue to be found in central bank money, irrespective of the form it takes in the future.