

## EIOPA responds to the European Commission's consultation on the revision of the Non-Financial Reporting Directive

The European Insurance and Occupational Pensions Authority (EIOPA) [has responded to the European Commission's consultation](#) on revision of the Non-Financial Reporting Directive (NFRD). EIOPA welcomes the initiative to revise the NFRD. Insurance undertakings and pension funds are at the forefront of pushing long-term, sustainable investments and the integration of environmental, social and governance (ESG) factors. To empower sustainable investment opportunities and to enable an effective integration of ESG factors, high quality non-financial reporting is needed. Corresponding non-financial reporting standards shall ensure consistency with the important Disclosure and Taxonomy Regulations and be based on the European Supervisory Authorities' experience to develop technical standards in that area.

The European Banking Authority (EBA) and the European Securities and Markets Authority (ESMA) have also provided responses to the consultation. Along with their responses, EBA, EIOPA and ESMA have submitted a [joint letter](#) from their Chairs, highlighting key messages which are of particular importance for Europe's future non-financial reporting regime.

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## EIB approves € 7.5 billion for COVID-19 response and investment in health, private sector, clean transport, education and energy



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- **€ 3.2 billion for COVID-19 public health, elderly care and targeted business support**
- **€ 1.5 billion for clean transport, including electric vehicle, high speed rail and public transport**
- **Additional backing for higher education, renewable energy and urban development**
- **€ 1.9 billion for health and private sector investment outside Europe**

The European Investment Bank today approved € 7.5 billion of new financing for projects across Europe and around the world. This includes investment to improve public health, hospital and elderly care facilities and dedicated new business lending programmes to support sectors most impacted by the COVID-19 pandemic.

Meeting by video conference the EIB Board also approved support for renewable energy, energy efficiency and biogas, and new clean transport investment.

“The COVID 19 pandemic makes support for the public health sector and business desperately urgent, and the EIB Group is responding without delay. At the same time we continue to support a green recovery of the European economy. Sustainability and the fight against global warming remain priorities for the EU Bank. I was glad to receive support from the EIB governors, the EU finance ministers, earlier this week for this combination of crisis response and long-term investment into a green and digital future. Europe needs a sustainable recovery. The EIB Group is discussing with EU Member States how to step up its efforts even further, as proposed by the

European Commission.”, said Werner Hoyer, President of the European Investment Bank.

### **€ 3.2 billion backing for public health and business investment**

The Board approved € 3.2 billion of new financing to support private sector and public health investment.

This includes targeted credit lines in Spain, Mexico, Uzbekistan, the Maldives and through regional initiatives with partners across Africa to help companies in sectors most impacted by the COVID-19 pandemic, a climate action business financing programme in Greece and financing for innovative companies in Italy.

New hospital and healthcare financing approved today will support the emergency response to COVID-19 in Spain and Portugal, and construction of a new hospital and improvement of existing intensive care facilities in Antwerp. The EIB also agreed to finance a new programme to improve care facilities for elderly people across Portugal.

The Board also approved a regional initiative to strengthen the public healthcare response to COVID-19 in Morocco, Tunisia, Egypt and Jordan, as well as Moldova, Belarus and Uzbekistan.

### **€ 1.5 billion for clean transport and improving electric vehicle charging**

Commuters and travellers across Europe will benefit from improved air quality and more sustainable transport following EIB support for new rail, electric car and public transport investment agreed today.

The Board approved financing for new regional trains in Baden-Württemberg in Germany and investment in the Spanish high-speed rail network, alongside a new financing programme to accelerate use of zero emission hydrogen and electricity powered buses across the Netherlands.

New EIB financing to expand the network of electric vehicle charging stations in Spain and Portugal will encourage adoption of electric cars in the two countries.

### **Scaling up use of renewable energy and ensuring security of energy supply**

Two new projects approved today will help to increase the use of renewable energy in France through support for small-scale renewable energy schemes and biogas technology.

The EIB Board also approved financing for a new cross-border gas interconnector between Serbia and Bulgaria and a gas import facility in Cyprus.

### **Supporting energy efficiency in urban development and social housing**

Thousands of families will benefit from EIB backing agreed today for more than 1,500 new near zero emission affordable homes in towns across France and

improvements to district heating in the Lithuanian city of Kaunas.

The Board also backed financing for the construction of near zero energy office buildings in Latvia.

### **Improving higher education and research**

Future generations of students and researchers will benefit from redevelopment at University College Dublin and higher education institutions across Romania, along with new EIB financing for three new specialist oceanographic climate research ships in Italy.

Video [https://youtu.be/8xnYP\\_evcGI](https://youtu.be/8xnYP_evcGI)

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## **Record low number of asylum applications lodged in EU**

***Only 8,730 asylum applications were registered in the EU+ in April, the lowest since at least 2008, and a massive 87% decrease from pre-COVID-19 levels in January and February.***

The European Asylum Support Office (EASO) has released a [special report](#) which shows that the COVID-19 related travel restrictions and national health measures which were imposed during the past few months led to a dramatic cut in asylum applications in Europe.

Despite the emergency measures, there were still almost 10 times as many applications for asylum as detected illegal border crossings (900) into the EU+ in April. The disparity indicates that despite the temporary suspension of certain asylum activities in many EU+ countries, some countries did continue lodging applications.

While less applications were recorded for all nationalities, those from Latin America, notably Venezuela and Colombia which have become amongst the top countries of origin in recent years, were almost negligible due to emergency measures. In the case of Venezuelans, applicants dropped from 5,013 in January to 80 in April, while Colombians registered 5,272 applications in January and just 64 in April.

Decision making of asylum authorities was impacted to a much lesser degree than asylum applications. Overall in the EU+, some 35,075 first-instance decisions were issued in April, down by 31% compared to January, compared to 87% fewer asylum applications. This has led to a significant reduction of backlogs in some countries.

**Applications expected to slowly increase in coming months**

As national and travel restrictive measures begin to ease, EASO expects that asylum applications will slowly begin increasing. In May, asylum applications were already rising again, albeit slowly.

There is no indication that there is less demand for international protection, and as also [highlighted by EASO in May](#), EU+ countries should be prepared for increases in asylum applications in the medium term, including due to the repercussions of COVID-19 on low-income countries.

## **Global situation**

In its report, EASO also warns that two diametrically opposed forces seem to be at work at a global level: on the one hand interrelated effects of the pandemic, such as contracting economies, food insecurity and social unrest, could result in displacements, including persons with international protection needs. On the other hand, migration patterns will likely remain highly disrupted due to restrictions on mobility, possibly coupled with increased digital surveillance.

Combined, these two forces raise important questions about the number of people likely to need international protection, and their ability to access such protection, whether or not this occurs in Europe or elsewhere.

*Any further information may be obtained from the European Asylum Support Office on the following email address: [press@easo.europa.eu](mailto:press@easo.europa.eu).*

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## **ESMA renews its Decision requiring net short position holders to report positions of 0.1% and above**

ESMA considers that its renewed measure will maintain the ability of NCAs to deal with any threats to market integrity, orderly functioning of markets and financial stability at an early stage, allowing them and ESMA to timely address such threats in case of signs of market stress.

The COVID-19 pandemic continues to have serious adverse effects on the real economy in the EU with any outlook for a future recovery remaining uncertain. While EU financial markets have partially recovered since 16 March 2020, this uncertainty is potentially threatening their future development and the stability of the financial system in the EU.

The measure applies from 17 June 2020 for a period of three months. The temporary transparency obligations apply to any natural or legal person, irrespective of their country of residence. They do not apply to shares admitted to trading on a regulated market where the principal venue for the



trading of the shares is located in a third country, market making or stabilisation activities.

ESMA, in coordination with NCAs, continues to monitor developments in financial markets as a result of the COVID-19 situation and is prepared to use its powers to ensure the orderly functioning of markets, financial stability and investor protection.

The EFTA Surveillance Authority, in cooperation with ESMA, adopted a corresponding [decision](#) today, also effective as of 17 June, applicable to EEA EFTA States' markets

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## Article – EU defines green investments to boost sustainable finance



During the June plenary session, MEPs will vote on a framework that determines which activities can be considered sustainable. This would establish a common classification system across the EU, provide business and investors with clarity, and encourage an increase in private sector funding for the [transition towards climate neutrality](#).

Parliament and Council negotiators [reached a provisional agreement](#) in

December 2019. Parliament's economic affairs and environment committees backed the agreement on 28 May.

## Need for a common definition

Sustainable development requires the preservation of natural resources and respect for human and social rights. Climate action is an important aspect, as the need to limit and mitigate the effects of climate change becomes [more and more urgent](#).

The EU is committed to gradually [decreasing its greenhouse gas emissions](#). The [European Green Deal](#), the EU's flagship initiative on climate action, sets a goal of zero net emissions by 2050.

To achieve the goal, the EU must invest in new technologies. The European Commission estimates that Europe needs about [€260 billion in extra investment every year](#) over the next decade.

Public investment will not suffice and private investors will have to step in to finance climate-friendly projects. This requires clear criteria on what exactly is sustainable and eco-friendly; otherwise, some funding might be directed to "greenwashing" projects that claim to be green, but in reality are not.

Some EU countries have already started developing classification systems. Both companies seeking funding and investors interested in supporting sustainable projects would benefit from common EU standards.