

EIB Vice-President visits Ecuador: EU bank reaffirms its support for sustainable economic growth

- EIB Vice-President Emma Navarro met with the President and Minister of Economy and Finance of Ecuador today in Quito
- The EIB signed two agreements to drive the development of technical and technological institutes
- One of the technological institutions will be built in Portoviejo with a EUR 11.6m EU grant, part of the EUR 160m in financing provided by the EIB for reconstruction after the 2016 earthquake

A delegation from the European Investment Bank (EIB) led by Vice-President Emma Navarro is on a two-day visit to Ecuador to reaffirm the EU bank's commitment to maintain its support for projects promoting sustainable development in the country. To this end, Emma Navarro held meetings with President of Ecuador Lenín Moreno, Vice-President María Alejandra Vicuña and Minister of Economy Richard Martínez today to analyse the close working relationship between the EIB and Ecuador. The EU bank delegation also met with various international financial organisations operating in Ecuador to pool efforts and strengthen partnerships in the country.

Ecuador is among the biggest beneficiaries of EIB financing. Since the EU bank started working there in 2006, it has provided over EUR 700m to finance investments with favourable conditions – in terms of both maturity and interest rates – with the aim of improving the quality of life of Ecuadorians. The financing came with EU grants of up to EUR 18.6m to promote the development of EIB-supported projects and make their financial conditions more favourable.

Ecuador is also the first Latin American country to receive EIB funds to finance education projects. In concrete terms, this comprises EUR 70m provided by the EU bank to build and fit out 15 technical and technological institutes across the country to strengthen the dual professional training system, a key element of supporting human capital development in Ecuador, meeting the needs of the labour market.

This financing was granted under the Latin America lending mandate 2014-2020, meaning that it is covered by the EU budget guarantee. The EIB signed an agreement with the Ministry of Economy and Finance of Ecuador today, constituting a major step forward in implementing this development plan for technical and technological institutes. In addition, the project is benefiting from a EUR 11.6m grant from the European Union's Latin America Investment Facility (LAIF) to build an institute in the Portoviejo area, as part of reconstruction efforts following the 2016 earthquake. The EIB Vice-President also signed an agreement with EU Ambassador to Ecuador Marianne Van Steen under which EU bank will supervise the use of this grant. Vice-President of Ecuador María Alejandra Vicuña attended the signing ceremony,

demonstrating her support for this project.

During her visit, **Emma Navarro** highlighted *“the EIB’s commitment to continue working with Ecuador to foster sustainable and inclusive growth in the country. The aim of our financing is to help develop key social and economic infrastructure and combat climate change. Our support for the reconstruction programme following the 2016 earthquake and the construction of the Quito metro are clear examples of our priorities.”* The EIB Vice-President also indicated that she was pleased to be signing *“two important agreements to drive the technical and technological institute programme, a project offering clear economic and social benefits by providing new training opportunities for young people and improving their employability.”*

One of the stops on the EIB delegation’s Ecuador visit is to see how work is progressing on the first line of the Quito metro, a project financed with a EUR 240m loan from the EU bank aiming to foster environmentally friendly economic growth. Helping to combat climate change is one of the priorities of the EIB, which provides more funds for climate action than any another institution.

The EIB in Latin America

The EIB provides economic support for projects in Latin America by facilitating long-term investment with favourable conditions and by providing the technical support needed to ensure that these projects deliver positive social, economic and environmental results. Since the EIB began operating in Latin America in 1993, it has provided total financing of EUR 8.2bn to support 110 projects in 14 countries in the region.

The Latin America Investment Facility (LAIF) provides non-repayable grants to raise the additional financial resources needed to fund investment projects in sectors such as transport infrastructure, energy, the environment, climate change, and private sector development in Latin American countries. LAIF was officially launched during the EU-LAC Summit in May 2010 with a view to making the most of additional financing and increasing the impact of EU assistance.

https://ec.europa.eu/europeaid/regions/latin-america/laif-latin-america-investment-facility_en

[Nepal: Energy Minister highlights European support for rural electricity and clean energy](#)

- New transmission link to enable 600 MW of clean energy to benefit Nepal
- More than 7,200 households to gain first-time reliable electricity

access

- **European and Nepalese partners highlight benefit of technical and financial cooperation**

The impact of expanding access to electricity to rural communities and benefits from harnessing renewable energy were highlighted today at the ground breaking ceremony to formally mark the start of construction of the Chilime-Trishuli transmission system in central Nepal.

“Once complete the new Chilime-Trishuli Transmission link allows thousands of people living in communities in the Trishuli River Basin and beyond to benefit from clean hydropower energy and a more reliable power supply. This crucial energy project is key for sustainable development in Nepal and demonstrates the close partnership between Nepal and European partners.” said Barshaman Pun, Minister of Energy, Water Resources and Irrigation of Nepal, speaking at the ceremony.

The new 27km transmission line will be built through difficult mountainous terrain 50km west of Kathmandu by the Nepal Electricity Authority and financed by the European Investment Bank, the European Union through the Asian Investment Facility, German Development Bank KfW and Government of Nepal.

The ground breaking ceremony in Trishuli was attended by Minister Barshaman Pun, Kul Man Ghising, Managing Director of the Nepal Electricity Authority, Andrew McDowell, Vice President of the European Investment Bank, Veronica Cody, European Union Ambassador to Nepal and Roland Schäfer, German Ambassador to Nepal and local government and community representatives.

Crucial connection to harness renewable energy in Nepal

The new transmission link will enable 600 MW of clean energy generated from hydropower plants, including independent power producers, on the Trishuli River corridor to be connected to Nepal’s national electricity grid and upgrade existing electricity distribution to enable a more reliable supply of energy.

“Over the coming years investment in clean energy will support sustainable development across Nepal and significantly increase use of renewable energy sources. The Chilime-Trishuli transmission line highlights how technical and financial cooperation between the Nepal Electricity Authority and European partners benefits our country and helps to harness low-carbon power sources.” said Kul Man Ghising, Managing Director of the Nepal Electricity Authority.

New link to expand provision of electricity to rural communities

The distribution scheme under the transmission system will also enable households in remote rural communities to benefit from first time access to electricity and reduce the need for expensive generators and cooking fuels.

European commitment to improve access to electricity in Nepal

The project was supported by a number of European partners working closely

with the Government of Nepal and Nepal Electricity Authority.

“Seeing at first hand how local communities benefit from access to electricity and how communities most vulnerable to a changing climate can benefit from clean energy makes today’s groundbreaking important for both Nepal and Europe. This project demonstrates the European Investment Bank’s firm commitment to supporting climate related investment across Asia and we are pleased to provide EUR 30 million to finance construction of the Chilime-Trishuli transmission link.” said Andrew McDowell, European Investment Bank Vice President responsible for energy and South Asia.

“The European Union is pleased to support the Chilime-Trishuli project. The joint cooperation between Nepalese and European partners has enabled detailed preparation to be completed and construction to formally start today. The presence of Minister Pun, EIB Vice President and the German Ambassador here today reflects the high importance we give to this project and highlights our shared goals to improve energy access in Nepal.” said Ambassador Veronica Cody, Head of the European Union Delegation to Nepal.

“Support for energy is a key priority for German cooperation in Nepal. Today provides an excellent opportunity to stand alongside Nepalese friends and European partners to show how together we can support sustainable development in this country.” said Roland Schäfer, Ambassador of the Federal Republic of Germany to Nepal.

The European Union and German government financed comprehensive technical assistance totalling EUR 16.25 million, essential for preparation and implementation of the project, and the European Investment Bank is providing a EUR 30 million long-term loan to finance construction of the new transmission link.

Breakdown of financing for Chilime-Trishuli transmission line project:

Source of finance	Amount	
Nepal Electricity Authority	EUR 19 million	Project implementation
European Investment Bank	EUR 30 million	Long-term loan
German Development Cooperation through KfW	EUR 14 million	Technical assistance grant
European Union through KfW	EUR 2.25 million	Technical assistance grant

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Commission sets out EU’s economic and social priorities for 2019, presents Opinions on Draft Budgetary Plans and confirms the existence of particularly

serious non-compliance with the Stability and Growth Pact in the case of Italy; Greece is integrated into the European Semester for the first time.

Remarks by Commissioner Moscovici at the European Semester Autumn Package press conference

Merci, je suis heureux de vous présenter, avec Valdis et Marianne, le dernier paquet de guidance économique de cette Commission avant les élections européennes.

Et cette guidance repose sur deux réalités économiques :

Premièrement, la situation économique et budgétaire en Europe et en zone euro n'a jamais été aussi favorable depuis 2014 et nous devons donc agir pour maintenir ce dynamisme durablement.

Et deuxièmement, c'est le paradoxe, les risques restent marqués, en Europe bien sûr où des déséquilibres demeurent et, au niveau global, où ils n'ont jamais été si importants ces dernières années. Et donc nous devons rendre l'Europe plus forte pour affronter ces défis.

C'est le double sens, paradoxal encore une fois, de notre rapport annuel de croissance.

Pour revenir sur notre continent, la situation n'a en effet jamais été aussi favorable car la croissance en zone euro, après une année record en 2017, va rester, si elles sont selon nos prévisions, robuste cette année et l'année prochaine. Les cicatrices de la crise sur nos sociétés, nos territoires, nos économies n'ont pas été encore totalement effacées, loin s'en faut. Mais les années de croissance que nous avons connues ont aussi, il ne faut pas sombrer dans la morosité, indéniablement eu un effet positif sur l'investissement, sur l'emploi, sur les conditions de vie de la majorité de nos concitoyens dans une majorité d'Etats-membres.

Et en matière budgétaire aussi, les perspectives sont désormais très positives, je veux y insister à mon tour, la dernière procédure pour déficit excessif héritée de la crise – celle qui concerne l'Espagne – devrait se clore avec l'exercice 2018, plus des deux tiers (13 sur 19) des budgets des Etats-membres de la zone euro sont désormais considérés comme « conformes » ou « globalement conformes ». Et c'est une très bonne nouvelle si on se souvient des périodes antérieures.

Cinq Etats seulement se classent donc « en risque de non-conformité » car ils pourraient ne pas réaliser les efforts structurels requis en 2018 et/ou 2019.

Je veux tout de suite dire que ce sont là des risques qui ne se sont pas matérialisés et que c'est la procédure et les critères qui le définissent ainsi, mais que nous ne voyons pas là de problème qu'il faut marquer de façon plus préoccupante.

Bien sûr l'Italie est dans une catégorie spécifique, de « non-conformité sérieuse » et je vais y revenir dans un instant.

Il y a donc des différences budgétaires qui se reflètent aussi dans des déséquilibres macro-économiques qui demeurent. Comme indiqué dans notre rapport d'alerte, nous allons donc examiner de près la situation de 13 Etats-membres et nous rendrons nos analyses en février prochain, dont sur les onze pays identifiés comme ayant des déséquilibres macro-économiques, au printemps.

Enfin, si la situation budgétaire s'améliore globalement dans la zone euro, soyons conscients que les défis structurels demeurent. C'est tout le sens de la recommandation que nous présentons aujourd'hui aux Etats-membres de la zone euro et je crois qu'elle est plus d'actualité que jamais.

Enfin, si on regarde en dehors de la zone euro, la situation budgétaire de deux pays, la Roumanie et la Hongrie, continue à nos yeux d'être tout à fait préoccupante et nous avons donc adopté de nouvelles recommandations, assorties, pour ces pays, d'un effort supplémentaire.

Now I move to Italy, to follow on what Valdis said.

Our opinion on Italy's revised Draft Budgetary Plan confirms our initial assessment that it is in "particularly serious non-compliance" with the Council recommendation to Italy – which the government itself signed up last July. And this step, that we take today, is the logical and unavoidable consequence of the decision taken by the Italian authorities not to modify their fiscal targets in the revised DBP they have sent us.

Through the past months, the Commission's commitment to dialogue with Italy has been genuine, and it will always be genuine. Both Valdis and I have met Giovanni Tria more times than I can recall now and I myself spent two days in Rome last month. Yet our questions and also our doubts about the growth, deficit, debt projections, these question and doubts persist. We had no answer to this questions. Where will this extra growth come from? If you look at our forecast, you can see our doubts. Who will pay the bill for this extra spending?

We continue to believe that this budget carries risks for Italy's economy, for its companies, for its savers and for its taxpayers. The European Commission is therefore taking its legal and political responsibilities today in the interests of the citizens of Italy and of the euro area as a whole.

The size of Italy's public debt, which we do not see, as you know, declining over the next two years, remains for us the key concern. So we have had today adopted a new report – the fifth since 2014 – on Italy's debt, but with the conclusion this time that Italy is not respecting the debt criterion, and

that as such a debt-based Excessive Deficit Procedure is warranted.

This is not, I insist on that, the opening of an EDP yet. It is now for the Member States to give their views on our report within 2 weeks. Should they agree with the Commission's conclusion, and frankly it would be more than logical, then the Commission will have to prepare the excessive deficit procedure as well as a new recommendation for Italy to correct its deficit and debt trajectory.

If we have to go along that road, we will discuss the precise modalities in the coming weeks, first and foremost with the Italian authorities. In this situation, dialogue and cool blood are more than ever required and obviously we are determined to show it. Our door remains open to this dialogue with Italy. As we move closer to the opening of an EDP, it makes it even more essential that the Italian authorities engage constructively.

Un dernier mot sur la Grèce pour dire que:

Aujourd'hui marque une étape importante sur le chemin que j'ai appelé de mes vœux depuis des années de la normalisation, du retour à la normale, de la Grèce dans la zone euro. En présentant notre Opinion sur le premier avant projet de budget jamais soumis par la Grèce dans le cadre du Semestre, nous avons conclu que la Grèce, le budget était conforme aux demandes du Pacte de stabilité et de croissance., C'est donc une entrée tout à fait réussie dans le Semestre.

De plus, la Grèce remplit les engagements en matière budgétaire qui ont été faits l'été dernier. La Grèce a proposé un paquet de mesures dont nous pensons de manière tout à fait argumentée, qu'il permet d'atteindre le surplus primaire de 3.5% du PIB qui avait été conclu. Je pense qu'il y a derrière ça aussi une leçon politique, que les efforts qui ont été faits par les Grecs, le programme lui-même avec tout ce qu'il comportait d'accompagnement et d'exigence, tout ça paye ses fruits. Ça paye ses fruits en termes de finance publique, ça paye ses fruits en termes de croissance et ça peut et doit aussi payer ses fruits en termes de justice sociale et de retour vers la population grecque.

Ce rapport ouvre la voie maintenant à l'annulation des mesures qui avaient été pré-légiférées de coupes supplémentaires dans les retraites, cela avait été décidé il y a deux ans. Mettre en place ces coupes supplémentaires aurait entraîné une réduction supplémentaire de 14% des retraites d'1,4 millions de retraités grecs, et puis ça aurait risqué de mettre encore plus de retraités grecs dans une situation de pauvreté. La Commission n'a jamais souhaité qu'il en soit ainsi, mais maintenant, avec le fait que les engagements budgétaires sont tenus, nous pensons que ça n'a plus lieu d'être. C'est pourquoi je suis à la fois dans l'espoir, mais aussi tout à fait, confiant que l'Eurogroupe du 3 décembre va accepter cette proposition. Et ce sera, je crois, une bonne nouvelle pour la Grèce pour le peuple grec et pour la zone euro tout entière.

Tableau de bord de la procédure de déséquilibres macroéconomiques – Un éventail d'indicateurs pour la détection précoce des déséquilibres macroéconomiques

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