

Press release – MEPs call on ECB to prepare for looming economic difficulties



The resolution concludes Monday's [debate](#) with ECB President Christine Lagarde, and was adopted by 533 in favour, 94 against and 63 abstentions.

The draftsman of the resolution, Sven Simon (EPP,DE) said:

“The ECB’s decisive action during the pandemic helped to stabilize the economic situation in Europe. Unlike in the last financial crisis, member states were not cut off from refinancing on the capital market. Monetary policy alone, however, will not be enough for a sustainable economic recovery. This requires structural reforms in the member states, some of which are apparently too comfortable with the ECB’s accommodative monetary policy. The ECB’s mandate is neither to balance national budgets nor to act as a climate protection investment bank. Its mandate for monetary stability must not become subordinated to political goals. I am grateful that President Lagarde has indicated that she will act on some of the report’s recommendations, such as re-assessing the inflation rate basket regarding housing prices.”

Dangers that need to be addressed

MEPs express concern at the impending economic downturn, which will require action from the ECB as well as reform and fiscal measures by member states. For its part, the ECB should assess if other policy measures could be used to stimulate the economy, within the confines of its mandate. Deflation in the euro area may also justify a “strong ECB intervention”, MEPs add.

They also warn of the growing systemic risk in the financial sector, caused by loose monetary financing due to the pandemic, and say that an urgent re-evaluation of this risk should be carried out.

The low interest rates currently in place to facilitate lending and investment have primarily benefitted the wealthy and have often served only to prop up zombie companies, MEPs add. For this reason, they call on the ECB to evaluate the regional and sectoral impact of its policies, as well as their inter-generational fairness.

ECB operational review

MEPs say that the upcoming ECB ‘strategy review’ must properly account for the changes in the EU economy, which is now based more on services, and is increasingly digitalised.

They also call for a broader method to measure inflation as the current one does not sufficiently factor in the cost of housing, leading to underestimations of inflation in the euro area.

Climate change

The resolution pressures the ECB to better account for climate change in its operations, notably by aligning its collateral framework with risks related to climate change and the development of a risk management policy which includes as a risk those activities that negatively impact climate change.

Monday’s debate with Christine Lagarde

During the debate, MEPs differed as to how far the ECB should go in adopting new policies to help the EU’s economies. Although they all cautioned against withdrawing ECB support too early and prematurely reapplying the Stability and Growth Pact rules, differences remained regarding the ECB’s role and the possibility of cancelling part of member states’ debt.

You can watch the debate again [here](#).

[France: EIB approves 600 million euros](#)

in financing for Valeo's research projects related to technologies designed to reduce CO2 emissions and improve active safety



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- The EIB has approved a 600 million euro financing package to fund Valeo's research and development projects in Europe, mainly in France
- An initial loan of 300 million euros has just been signed
- The financing will enable the automotive supplier to consolidate its technological leadership in electrification and driving assistance systems

The European Investment Bank (EIB) has approved a 600 million euro package for automotive supplier Valeo to finance its research projects focused on reducing CO₂ emissions and improving vehicle safety. The funds are to be allocated to Valeo's Europe-based research projects, primarily in France, but also in Germany, the Czech Republic and Ireland.

The financing package from the EIB, the European Union's climate bank, underlines its commitment to supporting research and innovation, as well as the transition to a low-carbon, environmentally friendly economy. It has been granted to Valeo on attractive terms. An initial loan of 300 million euros has just been signed.

The loan, set to be paid out by May 2022, will be dedicated to research projects in the areas of electrification and the improvement of vehicle energy efficiency (48V systems, battery cooling systems, energy-efficient thermal comfort systems, etc.), as well as safety improvement (driving

assistance and autonomous driving systems, smart lighting and wiper systems, etc.), areas in which market demand and Valeo's growth potential are strongest.

Valeo's investments in these projects will amount to more than 1.4 billion euros over a four-year period.

In 2019, 57% of Valeo's original equipment sales were generated by technologies that reduce CO₂ emissions and 36% by technologies that improve active safety. As a high-tech company, Valeo has placed innovation at the heart of its strategy. In 2019, nearly half (47%) of orders booked by Valeo concerned innovations that did not exist three years ago.

Valeo recently announced its commitment to achieve carbon neutrality by 2050 across its entire value chain – which includes its suppliers, its own operating activities and the end use of its products – and reach 45% of this objective by 2030.

The European Investment Bank is a long-term partner of Valeo's. In 2009, the EIB granted it 300 million euros to finance its research into technologies designed to reduce carbon emissions and improve active vehicle safety.

Ambroise Fayolle, Vice-President of the EIB, commented: *“The EIB's support for Valeo's research and development programs is central to its mission to support investment in innovation. Mastering these new technologies is of crucial importance for Europe in enabling industry to successfully transition to a new, low-carbon and more environmentally friendly model.”*

Jacques Aschenbroich, Valeo's Chairman and Chief Executive Officer explained: *“This financing is extremely important, particularly given the profound transformation taking place in the automotive industry. It will enable us to continue our research efforts and strengthen our technological leadership in the key areas of reducing CO₂ emissions and improving road safety.”*

About [Valeo](#):

Valeo is an automotive supplier, partner to all automakers worldwide. As a technology company, Valeo proposes innovative products and systems that contribute to the reduction of CO₂ emissions and the improvement of road safety. In 2019, the Group generated sales of €19.5 billion and invested 13% of its original equipment sales in Research and Development. At December 31, 2020, Valeo had 191 plants, 20 research centers, 39 development centers and 15 distribution platforms, and employed 114,700 people in 33 countries worldwide. Valeo is listed on the Paris Stock Exchange.

Press release – Parliament gives go-ahead to €672.5 billion Recovery and Resilience Facility



The regulation on the objectives, financing and rules for accessing the Recovery and Resilience Facility (RRF) was adopted with 582 votes in favour, 40 against and 69 abstentions. The RRF is the biggest building block of the €750 billion [Next Generation EU](#) recovery package.

Curbing the effects of pandemic

€672.5 billion in grants and loans will be available to finance national measures designed to alleviate the economic and social consequences of the pandemic. Related projects that began on or after 1 February 2020 can be financed by the RRF, too. The funding will be available for three years and EU governments can request up to 13% pre-financing for their recovery and resilience plans.

Eligibility to receive funding

To be eligible for financing, national recovery and resilience plans must focus on key EU policy areas – the green transition including biodiversity, digital transformation, economic cohesion and competitiveness, and social and territorial cohesion. Those that focus on how institutions react to crisis

and supporting them to prepare for it, as well as policies for children and youth, including education and skills, are also eligible for financing.

Each plan has to dedicate at least 37% of its budget to climate and at least 20% to digital actions. They should have a lasting impact in both social and economic terms, include comprehensive reforms and a robust investment package, and must not significantly harm environmental objectives.

The regulation also stipulates that only member states committed to respecting the rule of law and the European Union's fundamental values can receive money from the RRF.

Dialogue and transparency

To discuss the state of the EU recovery and how the targets and milestones have been implemented by member states, the European Commission, which is responsible for monitoring the implementation of the RRF, may be asked to appear before Parliament's relevant committees every two months. The Commission will also make an integrated information and monitoring system available to the member states to provide comparable information on how funds are being used.

Quotes

[Siegfried MUREȘAN](#) (EPP, RO), one of the lead MEPs involved in the negotiations said during the debate on Tuesday: "Today's vote means that money will go to people and regions affected by the pandemic, that support is coming to fight this crisis and to build our strength to overcome future challenges. The RRF will help to modernise our economies and to make them cleaner and greener. We have set the rules on how to spend the money but left them flexible enough to meet the different needs of member states. Finally, this money must not be used for ordinary budgetary expenditures but for investment and reforms."

[Eider GARDIAZABAL RUBIAL](#) (S&D, ES), one of the lead negotiators said: "The RRF is the correct response to the impact of the virus. It has two aims: in the short-term, to recover by supporting gross national income (GNI), investments and households. In the long-term, this money is going to bring about change and progress to meet our digital and climate goals. We will ensure that the measures will alleviate poverty and unemployment, and will take into account the gender dimension of this crisis. Our health systems will also become more resilient".

[Dragoș PÎSLARU](#) (Renew, RO), one of the lead MEPs involved, said: "Europe's destiny is in our hands. We have a duty to deliver recovery and resilience to our youth and children, who will be at the centre of the recovery. One of the RRF's six pillars is dedicated especially to them, which means investing in education, reforming with them in mind and doing our bit for youth to help them get the skills they will need. We do not want the next generation to be a lockdown generation".

Next steps

Once Council has also formally approved the regulation, it will enter into force one day after its publication in the Official Journal of the EU.

[Press release – Circular economy: MEPs call for tighter EU consumption and recycling rules](#)



The report, adopted today with 574 votes in favour, 22 against and 95 abstentions, is a response to the Commission's [Circular Economy Action Plan](#).

Binding 2030 targets are needed for materials use and our consumption footprint, covering the whole lifecycle of each product category placed on the EU market, MEPs stress. They also call on the Commission to propose product-specific and/or sector-specific binding targets for recycled content.

Parliament urges the Commission to put forward new legislation in 2021, broadening the scope of the [Ecodesign Directive](#) to include non-energy-related products. This should set product-specific standards, so that products placed on the EU market perform well, are durable, reusable, can be easily repaired, are not toxic, can be upgraded and recycled, contain recycled content, and are resource- and energy-efficient. Other key recommendations are detailed

[here](#).

In the plenary debate, MEPs also emphasised that achieving the Green Deal objectives will only be possible if the EU switches to a circular economy model, and that this change will create new jobs and business opportunities. Existing legislation on waste must be implemented more thoroughly, and further measures are needed for key sectors and products, such as textiles, plastics, packaging and electronics, MEPs added. Watch the full recording of the debate [here](#).

Context

In March 2020, the Commission adopted a new “[Circular Economy Action Plan](#) for a Cleaner and More Competitive Europe”. A [debate](#) in the Environment Committee took place in October 2020, and the report was adopted on 27 January 2021.

Up to 80% of the environmental impact of products is determined at the design phase. The global consumption of materials is expected to double in the next forty years, while the amount of waste generated every year is projected to increase by 70% by 2050. Half of total greenhouse gas emissions, and more than 90% of biodiversity loss and water stress, come from extracting and processing resources.

[Press release – MEPs criticise visit of EU foreign policy chief to Moscow](#)



In a debate on Tuesday afternoon with EU Foreign Policy Chief Josep Borrell on the current situation in Russia, some MEPs defended the purpose of his visit, whilst many condemned the [trip to Moscow](#). They stressed that it did not come at a good time, due to the protracted deterioration in EU-Russia relations, with continued Russian aggression in Ukraine, the crackdown on protesters, EU diplomats expelled from the country, assassination attempts by the country's intelligence services and the imprisonment of opposition leader Alexei Navalny.

Mr Borrell said in his opening statement that he went to Moscow to see, through principled diplomacy, whether the Russian government was interested in addressing differences and reversing the negative developments in EU-Russia relations. The reaction he received points in a different direction, he added.

Russian attempts to undermine the EU

Many members underlined that the Russian government is not interested in reversing the negative trend in EU-Russia relations, as long as the European Union keeps raising issues related to human rights and rule of law. They also strongly criticised the behaviour and attitude of Russian Foreign Minister Sergey Lavrov towards the EU and Josep Borrell during their meetings and press conference, which served to undermine the EU.

Members also pointed to the failure of EU member states in the Council to put in place more and stronger actions against Russia, including further sanctions. Some denounced certain EU capitals for not responding

appropriately to the deterioration of EU-Russia relations, for instance by stopping the Nord Stream II pipeline.

You can watch the debate in full [here](#). (09.02.2021)

Live replay to individual speakers:

[Josep BORRELL FONTELLES](#) High representative/Vice President of European Commission

[Michael GAHLER](#) (EPP, DE)

[Kati PIRI](#) (S&D, NL)

[Dacian CIOLOS](#) (Renew Europe, RO)

[Thierry MARIANI](#) (ID, FR)

[Sergey LAGODINSKY](#) (Greens/EFA, DE)

[Anna FOTYGA](#) (ECR, PL)

[Clare DALY](#) (The Left group, IE)