Press release – EU-UK relations: parliament adopts temporary contingency measures

- **Basic air connectivity**: the temporary rules ensuring certain air services between the UK and the EU continue for a maximum of six months were adopted with 680 votes in favour (3 against, 4 abstentions). This includes rights for UK and EU air carriers to continue to fly over and make technical stops on EU territory, as well as serve direct routes to the EU. Also a limited number of specific pandemic-related cargo flights will be allowed.

- **Aviation safety**: the regulation ensuring various certificates for products, parts, appliances and companies remain valid was adopted with 680 votes in favour (3 against, 4 abstentions). This will avoid UK and EU aircraft that use these products and services being grounded.

- **Basic road connectivity**: the temporary rules ensuring road freight and road passenger transport for a maximum of six months were adopted with 680 votes in favour (4 against, 3 abstentions). This will allow carriage of goods as well as coach and bus services coming to Europe and going to the UK to continue.

Background

EU rules will no longer apply to and in the UK after the end of the transition period. The targeted contingency measures aim to avoid serious traffic disruptions and considerable delays in case there is no agreement on EU-UK future relations in place by 1 January 2021. The contingency measures will cease to apply, if an agreement is reached.

MEPs also approved the Commission's proposal to extend reciprocal access by EU and UK vessels to each other's waters until 31 December 2021 by 677 votes in favour, 4 against and 6 abstentions. Read more here.

Next steps

All temporary rules have to be adopted by the Council. They will enter into force after publication in the EU Official Journal and become applicable if a similar set of measures is adopted by the UK.

EIB and CAF fund climate action projects to boost jobs and competitiveness


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- **EIB and CAF sign a new co-financing collaboration framework agreement for Latin America and the Caribbean,**
- **Financial resources from the European Union for climate action projects will target strategic sectors such as transport, energy, water and sanitation, urban development, health, education and financial intermediation for SMEs, among others.**

The COVID-19 pandemic has exposed the need for international cooperation to mitigate its adverse effects and to promote well-being and economic and social revival of countries when they need it most, with climate action as a key criterion for interventions. CAF—development bank of Latin America—and the European Investment Bank (EIB) are capitalising on their complementary strengths to underpin sustainable development and integration in Latin America and the Caribbean in an effort to close the infrastructure investment gap.

CAF and the EIB signed a Co-Financing Collaboration Framework Agreement for European support to Latin America and the Caribbean for COVID-19 relief and to promote post-pandemic economic recovery. The Agreement provides for a USD 500 million co-financing framework for sectors such as transport, energy, water and sanitation, urban development, health, education and financial intermediation targeting SMEs, among other strategic sectors for both institutions.

EIB Vice-President **Ricardo Mourinho Félix,** responsible for Latin America and the Caribbean, noted: *"This agreement highlights the EU's support to Latin America and the Caribbean at these trying times, in order to deal with the economic consequences of the crisis. CAF is one of our key partners in Latin America and the Caribbean and we are working together to help the region meet today's challenges. This Collaboration Framework Agreement will help us identify and support opportunities for collaboration in post-COVID-19 economic recovery in sectors of common interest, focusing on climate action, thus promoting economic revival, sustainability and competitiveness."*

"Investments in integration infrastructure in the region are critical to boosting economic and social revival and to have a positive effect on job creation, economic growth and increased productivity. We are a key partner in the development of our shareholder countries and seek to complement our strengths with strategic partners such as the EIB, to attract funds that allow us to undertake competitiveness-boosting projects," noted CAF Executive President **Luis Carranza Ugarte**.

CAF has identified more than 400 integration and digital infrastructure projects in 11 subsectors, all aligned with the 17 Sustainable Development Goals and the Paris Agreement in the fight against climate change. These initiatives have been prioritized based on the quality of their structuring, rapid implementation and the specialized support from experts, which can help create jobs and boost economic growth in Latin America and the Caribbean.

The EIB provides economic support to projects in Latin America by facilitating long-term investment under favorable terms and providing the necessary technical support to ensure that these projects yield positive results in the social, economic and environmental fields. Since the EIB started operations in Latin America in 1993, it has provided funding for a total of EUR 10.4 billion to support 139 projects in 14 countries in the region.

About CAF

CAF—development bank of Latin America—aims to promote sustainable development and regional integration by financing public and private sector projects, providing technical cooperation and other specialized services. Established in 1970 and currently made up of 19 countries—17 from Latin America and the Caribbean, as well as Spain and Portugal—and 14 private banks, it is one of the main sources of multilateral financing and an important generator of knowledge for the region. Learn more at www.caf.com

Road charging reform – Council agrees its stance

The EU is revising its **road charging rules** (**Eurovignette** directive) to address **greenhouse gas emissions and other environmental impacts**, congestion and road infrastructure financing.

The member states' ambassadors today agreed on a negotiating mandate for the reform, which will include a new system of **varying charges for heavy-duty vehicles based on CO_2 emissions.** The new scheme will promote the entry into the market of vehicles with lower emissions and help combat climate change in line with the European Green Deal.

> With today's mandate, the Council has shown its ambition in terms of reaching the sustainability and environmental targets in road transport. This revision of road pricing will cover not just air and noise pollution but also CO2 emissions, which will incentivise cleaner and more efficient transport operations. This will help to bring down transport emissions and effectively address global warming.
>
> *Andreas Scheuer, German Federal Minister for Transport and Digital Infrastructure, President of the Council*

Council mandate

The Council mandate provides a **toolbox for member states to levy charges for the use of roads** in order to reduce pollution from transport, make traffic flow more smoothly and recover the costs of the construction, operation and maintenance of infrastructure.

Member states will still be able to **choose their preferred charging model**. As EU countries differ in their geography, population density and road networks and in terms of the charging systems they already have in place, time-based charging will be maintained as a cost-effective alternative to distance-based charging.

The **scope** of the rules will be extended from **heavy goods vehicles** only to other vehicles for which member states may wish to apply charges, such as **buses, vans or passenger cars**. Countries will have the possibility to apply tolls and user charges for each type of vehicle independently of each other. In addition, member states may provide for reduced toll rates or user charges, or exempt vehicles from the obligation to pay tolls or user charges under specific conditions.

The **main change** compared to the current system will be the introduction of a new EU-wide tool for varying infrastructure and user charges with regard to heavy-duty vehicles based on **CO_2 emissions**. The variation will be based on the existing CO_2 standards. Initially, the scheme will only apply to the largest trucks, but it can gradually be extended to other types of heavy-duty vehicles and regularly adapted to technological progress through implementing acts.

To incentivise the purchase of “best-in-class” vehicles, member states will be able to give preferential treatment to **zero-emission vehicles**.

Member states may continue to apply the current charge variation based on **EURO emission classes** for the existing fleet. However, they will have to apply reduced charges based on CO_2 emissions for new vehicles.

The main principles for **earmarking** road charge revenue remain unchanged. In general, member states should earmark revenue generated by infrastructure and external cost charges for projects in the transport sector, in particular in support of the trans-European transport network. However, they are not obliged to do so. With regard to revenue generated by mark-ups, transport-related earmarking remains obligatory.

The rules will allow member states to apply higher mark-up (up to 50%) to the infrastructure charge levied on specific highly congested road sections, if all affected member states agree.

Member states will have two years from the entry into force of the directive in which to incorporate the provisions into their national law.

Procedure

In May 2017, the Commission presented the proposal for a revised Eurovignette directive as part of the first mobility package.

The mandate was approved by ambassadors meeting in the Council’s Permanent Representatives Committee. This allows the presidency to **start negotiations** with the European Parliament on the final text.

Background: current EU road charging rules

Road charging is a national choice in the EU, and member states can **choose whether or not to introduce it on their territory**. However, if they do opt to levy charges, they must follow certain common rules laid down in the Eurovignette directive. The aim of this is to ensure that the imposition of road charges does not discriminate against international traffic or result in the distortion of competition between transport operators.

Current EU road-charging rules concern **distance-based tolls** and **time-based user charges (vignettes)** for heavy-goods vehicles for the use of certain infrastructures. The idea is that the cost of constructing, operating and developing infrastructure can be covered through tolls and vignettes for road users. The charges may be complemented by an ‘external cost’ charge, aimed at reducing pollution from road transport. Member states may also modulate the infrastructure charge to take account of road congestion.

Council endorses agreement on multiannual Single Market Programme

The EU is taking steps to improve the functioning of the Single Market in view of strengthening the competitiveness of European business, especially SMEs, and of enhancing the protection of consumers. Member states' ambassadors today approved a deal concluded between the German presidency of the Council and the European Parliament on the EU's Single Market Programme for the years 2021 to 2027.

The main objectives of the programme are to:

- improve the functioning of the internal market;
- strengthen the competitiveness of EU enterprises, including SMEs;
- enable the development of high-quality European standards;
- increase consumer protection;
- enhance human, animal and plant health, as well as animal welfare;
- promote high-quality, timely and reliable statistics.

The programme brings together activities currently financed under six different programmes. Its total budget is €4.2 billion. This is a "top-up" of €119 million compared to the original Commission proposal from 2 years ago.

The main changes agreed upon as compared to the Commission's proposal include:

- a stronger focus on market surveillance;
- more details on how to support small and medium-sized enterprises (with specific references to the tourism sector and the Social Economy) and how to protect the interests of consumers.

Next steps

On the basis of the agreed text (subject to its political endorsement by the European Parliament), the Council will adopt its position at first reading in early 2021. The European Parliament will then approve the Council's position at first reading and the regulation will be deemed to have been adopted at second reading.

Background

The Commission presented its proposal for a regulation establishing the Single Market Programme on 7 June 2018.

The Council adopted a partial general approach on the Commission’s proposal and gave a mandate to start negotiations with the European Parliament on 29 November 2018.

The European Parliament adopted its position at first reading on 12 February 2019.

Negotiations between the European Parliament and the Council started on 23 October 2019 but were put on hold in December 2019 pending an agreement on the multiannual financial framework (MFF). Following the agreement on the multiannual financial framework reached at the European Council in July 2020, negotiations resumed under the German Presidency and were concluded on 8 December 2020 by the provisional political agreement endorsed today by the Permanent Representatives Committee.

Update on Mediterranean migrant search and rescue

Since 2018, some EU national authorities restrict civil society rescue operations.

Civil society tries to save migrants and asylum seekers in distress at sea, floundering in overcrowded or unseaworthy boats, often provided by smugglers and traffickers.

According to the latest FRA update on NGO search and rescue in the Mediterranean, there are 15 NGO ships and planes involved. But of these, only two are carrying out rescue operations. Three are involved in reconnaissance.

The remainder are in port, pending legal hearings or under mandatory maintenance.

The update also provides an overview of legal developments, including open and closed proceedings, since 2017 until 15 December 2020.

It notes that EU countries increasingly use administrative rather than criminal measures to prevent rescues. It also shows that there are fewer cases against crew or NGO staff.

Since the June 2020 update, EU countries have started nine new administrative proceedings.

This brings the total number of legal proceedings since 2018 to around 50.