

EIB and Fund FLAG agree €25 million loan for cities across Bulgaria



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- **20% of investment for energy efficiency and climate adaptation**
- **Supported projects expected to create 1 500 construction jobs**
- **Linked with advisory and technical assistance from European Investment Advisory Hub**

The European Investment Bank (EIB) and Fund FLAG have signed a €25 million loan to promote urban regeneration and rehabilitation in cities across Bulgaria. Fund FLAG will match the loan amount with €25 million of its own resources and channel the total €50 million to municipalities, municipal enterprises and other institutions responsible for providing public services.

Fund FLAG will support investments for upgrading urban green areas and open public spaces, improving sustainable urban transport and renovating and reconstructing public buildings (schools, health centres and administrative buildings). In addition, it will focus on upgrading small-scale basic municipal infrastructure (road network, drinking water and sewers) and climate change adaptation measures.

This operation forms part of a wider collaboration to increase the firepower of cohesion funding for urban development. Earlier this year, the EIB, the Fund of Funds (Fund Manager of Financial Instruments in Bulgaria) and Fund

FLAG [established the Bulgarian Urban Investment and Advisory Platform](#).

Financed by the European Investment Advisory Hub, this platform aims to benefit Bulgarian municipalities by coordinating the efforts of funding and advisory partners, both at EU and national level, and bringing together EU cohesion funding with EIB lending and advice via dedicated urban development financial instruments and intermediaries.

“As we rebuild our economies following the COVID-19 crisis, we must pay special attention to urban development and make sure we build cities that will prosper today and far into the future,” said EIB Vice President Lilyana Pavlova. “The loan we signed today marks an important step in the EIB’s support for Bulgarian cities. It will make a positive contribution to economic growth and job creation, reducing energy bills for consumers and increasing the attractiveness of urban areas as business locations and tourism destinations. The EIB’s support for Fund FLAG will also play an important role in its facilitation capacity so that additional EU structural funds can be absorbed by the respective beneficiaries with the goal of supporting urban development. As the EU bank, we are committed to continuing to play our key role in supporting cohesion and climate action projects across Bulgaria through our lending and advisory activities.”

“The financing contract with the EIB is another step forward for Fund FLAG and financial instruments for urban development. By pursuing its mission to support the Bulgarian local authorities in their efforts to build sustainable, green and dynamically developing Bulgarian cities and regions for the last 13 years, FLAG has established itself as a reliable and preferred partner,” said FLAG Executive Director Nadia Dankinova. “We are confident that the implementation of the platform will fill a financing gap for important investment projects arising from municipal investment programmes. The partnership with the EU bank and the Bulgarian Fund of Funds is strategic and we are confident that it will be a long-term and very successful one. We are fully ready to start offering the product, structured with this financing contract, and to contribute to speeding up the economic recovery and the sustainable development of Bulgarian municipalities and regions.”

Background information

The [European Investment Advisory Hub](#) (EIAH) is a partnership between the EIB Group and the European Commission under the Investment Plan for Europe. The EIAH is designed to act as a single access point to various types of advisory and technical assistance services. It supports the identification, preparation and development of investment projects across the European Union. The EIAH is helping project promoters active in the urban development sector identify, prepare and implement more investments to increase the attractiveness and resilience of European cities. Today, the Hub’s partner network includes more than 40 local institutions, with almost 30 formal agreements signed with national promotional banks and institutions (NPBIs) and other partners. Through a dedicated call for proposals, the Hub made funding and technical support available to NPBI partners to develop their capacity to deliver advisory services locally and boost investments on the ground. Watch a short video on the [Advisory Hub’s support in Bulgaria here](#).

Fund FLAG is a state policy-driven instrument aimed at Bulgarian municipalities and their financing needs for investment projects implemented using grants under the Operational programmes or other European schemes. Fund FLAG provides bridge financing and long-term loans for the provision of own contributions. For the past 10 years, Fund FLAG has supported 220 out of the 265 municipalities in Bulgaria, allocating over €0.7 billion in loans.

Georgia: Meeting between High Representative/Vice-President Jose



On 29 September, the EU High Representative for Foreign Affairs and Security Policy/Vice-President of the European Commission (HR/VP), Josep Borrell, met in Brussels with the Prime Minister of Georgia, Giorgi Gakharia, who was accompanied by Foreign Minister David Zalkaliani.

During their meeting, the HR/VP welcomed the considerable progress made by Georgia in implementing its commitments made under the EU Georgia Association Agreement, with its deep and comprehensive free trade area, which came into force in 2016. The High Representative called on Georgia to continue the reform momentum in the period ahead, particularly in the justice sector, where in the short term the recommendations of the Venice Commission should be taken on board as regards the selection process of Supreme Court judges. Reforms across all sectors have delivered and – with further implementation – will continue to deliver great dividends to the lives and livelihoods of the Georgian people.

The High Representative/Vice-President stressed the EU's continued solidarity with Georgia in its response to the coronavirus pandemic. In addition to the €183 million of funds allocated to Georgia's coronavirus response, Georgia is also benefitting from €150 million of emergency Macro-Financial Assistance from the EU.

The High Representative and the Prime Minister addressed the deterioration of the security and human rights situations along the Administrative Boundary line of South Ossetia, exacerbated by unacceptable 'borderisation' activities. The HR/VP recalled the EU's full commitment to peaceful conflict resolution in Georgia and reiterated its firm support to the sovereignty and territorial integrity of Georgia within its internationally recognised borders.

They also discussed the worrying situation as regards Nagorno Karabakh.

Looking ahead to the upcoming legislative elections in Georgia, High Representative/Vice-President Borrell underlined the importance of the entire electoral process taking place in line with international standards and being transparent, inclusive and credible. He stressed that these elections offer an opportunity to demonstrate Georgia's attachment to delivering on its commitments and its democratic credentials.

The High Representative welcomed Georgia's continued active participation in and contribution to the Eastern Partnership and looked forward to continuing this collaboration in the period ahead, which includes the March 2021 Summit.

[ECB publishes statement of compliance of €STR with IOSCO Principles for Financial Benchmarks](#)



30 September 2020

- Statement explaining how ECB administers €STR
- Compliance of the ECB with IOSCO Principles, and therefore with international best practice, in its administration of €STR
- Independent assurance by external auditor

The European Central Bank (ECB) today published its statement of compliance with the Principles for Financial Benchmarks developed by the International Organization of Securities Commissions (IOSCO). This statement shows how the ECB complies with these principles, and therefore with international best practice, in its administration of the €STR. The statement has been independently assured by the auditing firm PricewaterhouseCoopers.

The ECB has been the administrator of the euro short-term rate (€STR) since it went live on 2 October 2019. The ECB's governance, quality and accountability processes for the €STR apply the IOSCO Principles – where relevant and appropriate – to ensure that an effective and transparent control framework in line with international best practice is in place in order to protect the integrity and independence of the process used to determine the €STR. The statement of compliance with the IOSCO Principles for Financial Benchmarks provides an overview of how the ECB administers the €STR, presents a self-assessment of its compliance with each IOSCO Principle, and describes the relevant frameworks and procedures.

More information on the €STR can be found on the [ECB website](#).

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Speaking engagements

[Media contacts](#)

[Kuwait: Joint Statement by the President of the European Council](#)



Today we learnt with sadness of the passing of His Highness Sheikh Sabah Al Ahmad al-Sabah, late Emir of the State of Kuwait. We would like to express our deepest condolences to his family, to the people and to the Government of Kuwait. Under His Highness's leadership, widely regarded as the architect of modern Kuwait's foreign policy, Kuwait assumed the role of a respected international partner and regional mediator. His vision steered a foreign policy that placed Kuwait among the European Union's close partners. The European Union has been a staunch supporter of the indefatigable efforts of His Highness to promote dialogue towards the settlement of disputes in the Gulf region. His Highness's dedication to humanitarian relief worldwide have earned him much deserved recognition as a global humanitarian leader. His loss will be mourned for years to come. The European Union will continue to work towards consolidating a strong and enduring partnership with the State of Kuwait and its people.

[Invitation letter by President Charles Michel to the members of the European Council ahead of their special meeting on 1-2 October 2020](#)



Dear colleagues,

Our special meeting on Thursday and Friday will primarily focus on Europe's place in the world and our capacity to shape our own destiny.

Our meeting will start on Thursday at 15.00 with the traditional exchange of views with the President of the European Parliament, David Sassoli. We will then use our first working session for a debate on EU-China relations, following the EU-China leaders' meeting via video conference on 14 September.

We want to work with China on tackling major global challenges such as the COVID 19 pandemic and climate change. We also want to insist on a more balanced and reciprocal economic relationship, ensuring a level playing field. And we will continue to promote our values and standards.

At the end of the session, we will discuss current issues requiring our attention, namely the situation in Belarus, the poisoning of Alexei Navalny and the Nagorno-Karabakh escalation.

The dinner will be entirely devoted to the situation in the Eastern Mediterranean and our relations with Turkey. Our objective is to create a space for a constructive dialogue with Turkey to achieve stability and security in the whole region, and to ensure full respect for the sovereignty and sovereign rights of all EU Member States. This will only be possible if Turkey engages constructively. All options remain on the table to defend the legitimate interests of the EU and its Member States.

The EU can only be strong on the international stage if it has a resilient and innovative economic base.

COVID-19 has undoubtedly revealed some of the EU's weaknesses. But I believe we should turn this into an opportunity, critically assessing together how to make the EU more resilient. Crucially, I would like us to discuss how we can best enhance the EU's strategic autonomy alongside an open and competitive social market economy.

Against this backdrop, we will have an in-depth discussion on Friday morning on unlocking the full potential of the Single Market, developing an ambitious industrial policy and exploiting the opportunities offered by the latest digital developments.

The exceptional recovery package, adopted in July, will help transform our economies and, along with the Green and Digital transitions, will support us achieve these ambitions.

At the end of the meeting, we will provide a brief update on negotiations with the United Kingdom.

I look forward to seeing you in Brussels.