

## DOCUMENTS



### **The EU and the International Partners Group announced a Just Energy Transition Partnership with Senegal combining climate and development goals**

**Paris, 22 June 2023**

New Global Financing Pact aims to build a new consensus for a more inclusive international financial system, Senegal and the international partners group (IPG) comprising France, Germany, the European Union, the United Kingdom and Canada are launching a Just Energy Transition Partnership (JETP) to support Senegal's efforts to achieve universal access to energy and consolidate a low-carbon, resilient and sustainable energy system.

It will facilitate financial and technical support of international partners, its determination to strengthen the deployment of renewable energies in its energy mix as part of its Integrated Low-Cost Electricity Plan, with a view to reducing emissions from the sector, while enabling fair and resilient development.

The partnership will offer significant opportunities for investment from the private sector, sovereign wealth funds and philanthropic foundations.

To accelerate the deployment of renewable energies, international partners and multilateral development banks will mobilize 2.5 billion euros in new and additional financing over an initial period of 3 to 5 years, starting in 2023. Additional financing may be mobilized during and beyond this period to support Senegal's ambitions.

This partnership will help accelerate the deployment of renewable energies, so as to increase the share of renewable energies in installed capacity to 40% of Senegal's electricity mix by 2030, and the publication by COP28 of a vision for a long-term low greenhouse gas emission development strategy (LTS) due to be finalized in 2024. Senegal's new nationally determined contribution, to be published at COP30, will reflect the enhanced climate ambition of this new energy strategy.

Senegal, in conjunction with the members of the international partners' group (IPG), will draft an investment plan within twelve months, identifying the investments required and the opportunities to implement its vision of a just and equitable energy transition.

Today's Just Energy Transition partnership with Senegal is the fourth, following the launch of partnerships with South Africa, Indonesia and Vietnam.

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## **State aid: Commission approves €280 million Belgian measure to support ArcelorMittal decarbonise its steel production**

**Brussels, 22 June 2023**

The European Commission has approved, under EU State aid rules, a €280 million Belgian measure to support ArcelorMittal Belgium ('ArcelorMittal') in partially decarbonising its steel production processes. The measure will contribute to the achievement of the EU Hydrogen Strategy, the European Green Deal and the Green Deal Industrial Plan targets, while helping to end dependence on Russian fossil fuels and fast forward the green transition in line with the REPowerEU Plan.

### **The Belgian measure**

Belgium notified to the Commission a €280 million measure to support ArcelorMittal's project aimed to partially decarbonise its steel production in Ghent, where it operates two blast furnaces producing liquid hot metal from a mixture of iron ore, coke and limestone.

The aid, which will take the form of a direct grant and a soft loan, will support the construction of a direct reduction iron plant. Together with a new electric arc furnace, the plant will substitute one of the two existing blast furnaces. Natural gas, initially used in the energy\* mix, will be gradually phased out of the steel production processes. Ultimately, the plant will be operated using renewable hydrogen and only complemented by low-carbon hydrogen if there is not sufficient renewable hydrogen available.

The plant is envisioned to start operating in 2026 and it is expected to produce 2.3 million tonnes of low-carbon direct reduced iron per year. Once completed, the project is expected to avoid the release of above 50 million tonnes of carbon dioxide. ArcelorMittal has committed to disseminate the technical know-how gained through the project.

### **The Commission's assessment**

The Commission assessed the measure under EU State aid rules, in particular Article 107(3)(c) of the Treaty on the Functioning of the European Union

(‘TFEU’), which enables Member States to support the development of certain economic activities subject to certain conditions, and the Guidelines on State aid for climate, environmental protection and energy 2022 (‘CEEAG’).

Belgium selected ArcelorMittal's project in the context of an open call in 2021 to form part of an IPCEI on hydrogen technologies and systems. ArcelorMittal's project intends to reduce greenhouse gas emissions in the energy-intensive steel sector. As aid for the reduction of greenhouse gas emissions, including through support of decarbonisation projects, is one of the main categories of aid allowed by the CEEAG, the measure was best suited for assessment under these guidelines

- The measure facilitates the development of an economic activity, in particular the production of green steel. At the same time, it supports the objectives of key EU policy initiatives such as the European Green Deal, the EU Hydrogen Strategy, the Green Deal Industrial Plan and the REPowerEU Plan.
- The aid has an ‘incentive effect’, as the beneficiary would not carry out the investments in green steel production without the public support.
- The measure is necessary and appropriate to promote the production of green steel. In addition, it is proportionate, as the level of the aid corresponds to the effective financing needs.
- The measure has sufficient safeguards to ensure that undue distortions of competition are limited. In particular, if the project turns out to be very successful, generating extra net revenues, the beneficiary will return part of the aid received to Belgium (claw-back mechanism). Furthermore, the beneficiary will disseminate the technical know-how gained through the project. Finally, the project is subject to monitoring to verify its progress towards the objectives of CO<sub>2</sub> emission savings, phasing out of natural gas and phasing in the renewable hydrogen.
- The aid brings about positive effects that outweigh any potential distortion of competition and trade in the EU.

On this basis, the Commission approved the Belgian measure under EU State aid rules.

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## **EU invests €6.2 billion in sustainable, safe and efficient transport infrastructure**

**Brussels, 22 June 2023**

The Commission has selected 107 transport infrastructure projects to receive over €6 billion in EU grants from the Connecting Europe Facility (CEF), the EU's instrument for strategic investment in transport infrastructure. Over 80% of the funding will support projects that deliver a more efficient, greener, and smarter network of railways, inland waterways and maritime routes along the trans-European transport (TEN-T) network. Projects will in addition bolster the EU-Ukraine Solidarity Lanes, set up to facilitate Ukraine's exports and imports.

Major cross-border rail connections along the TEN-T core network have been also prioritised for funding. These include notably the Brenner Base tunnel (linking Italy and Austria), Rail Baltica (connecting the three Baltic States and Poland with the rest of Europe), as well as the cross-border section between Germany and the Netherlands (Emmerich–Oberhausen), among others.

Maritime ports in Ireland, Greece, Spain, Latvia, Lithuania, the Netherlands and Poland will receive funding for developing on-shore power supply to reduce greenhouse gas emissions from moored vessels.

To help make inland waterway transport future-proof, infrastructure along the Seine-Scheldt cross-border waterways between France and Belgium will be modernised. Inland ports on the Danube and the Rhine basins, such as Vienna and Andernach, will also receive an upgrade.

To further increase the safety and interoperability of EU rail transport, the European Rail Traffic Management System (ERTMS) will be installed on trains and railway lines in Czechia, Denmark, Germany, France, Austria and Slovakia. On roads, several EU Member States will deploy Intelligent Transport Systems and Services (ITS), in particular cooperative ITS (C-ITS) for safer and more efficient transport. Several Member States will get support

to European air traffic management projects, with a view to increasing efficiency in air transport and creating a Single European Sky.

The 107 projects have been selected from a total of 353 submitted in response to the call for proposals, published in 2022.

EU funding will take the form of grants, which will be used to co-finance total project costs.

Under the CEF Transport programme for 2021-2027, €25.8 billion is available for grants to co-fund TEN-T projects in the EU Member States. Since 2014, CEF has supported almost 1,300 projects with a total of €29.4 billion in the transport sector (excluding today's proposed selection).

Further financing opportunities are available under CEF Transport, with the 2023 call for Military Mobility currently open until 21 September 2023 and the Alternative Fuels Infrastructure Facility calls open until 7 November 2023. The next CEF Transport calls for proposals will be launched towards the end of September 2023.

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