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EUROPE DIGEST

July 2026

EU Invests €2.5 Billion in Modernising Energy Systems Through ETS Revenues

The European Commission and the European Investment Bank disbursed €2.5 billion from the EU Emissions Trading System (ETS) Modernisation Fund to finance 51 clean energy projects across 11 Member States. The investment targets renewable energy, energy efficiency, grid modernisation and emissions reduction, reinforcing the EU's climate neutrality objectives while enhancing long-term energy security and resilience.

EU and Armenia Expand Strategic Partnership on Trade, Connectivity and Resilience

The European Union and Armenia agreed to deepen cooperation across trade, transport connectivity, governance reforms, digital transformation and economic resilience. The partnership supports Armenia's reform agenda while strengthening regional connectivity and diversifying economic links. Both sides reaffirmed their commitment to closer political engagement and enhanced cooperation under the Comprehensive and Enhanced Partnership Agreement.

EU and Türkiye Resume High-Level Economic Dialogue to Strengthen Cooperation

The EU and Türkiye revived their High-Level Economic Dialogue after several years, reaffirming cooperation on macroeconomic stability, investment, trade, customs modernisation and sustainable economic growth. Both parties agreed to strengthen institutional engagement, improve the investment climate and expand cooperation on regional economic resilience despite continuing political differences.

European Commission Launches AI and Cybersecurity Action Plan

The Commission unveiled an Action Plan integrating artificial intelligence into EU cybersecurity policy while strengthening safeguards against AI-enabled cyber threats. The strategy promotes coordinated risk assessments, AI model evaluation, enhanced cyber resilience, public-private cooperation and regulatory implementation under the AI Act to improve Europe’s digital security architecture.

EU Innovation Performance Improves Amid Intensifying Global Technological Competition

The Commission's European Innovation Scoreboard reported continued improvement in the EU's innovation capacity, driven by investments in research, digitalisation and advanced technologies. The report stressed the need to accelerate innovation ecosystems, reduce technological dependencies and strengthen industrial competitiveness as Europe faces growing global competition in emerging technologies.

Hungary Joins European Public Prosecutor's Office to Protect EU Funds

Hungary formally joined the European Public Prosecutor's Office (EPPO), expanding EU-wide cooperation against fraud, corruption and misuse of Union funds. The move strengthens judicial coordination, enhances financial oversight and reinforces the rule-of-law framework supporting the effective management of the EU budget.

Commission Approves French Offshore Wind Support Scheme

The European Commission authorised French State aid to accelerate offshore wind energy development. The scheme supports renewable electricity generation, advances the EU Green Deal objectives and contributes to energy security by encouraging investment in clean energy infrastructure while maintaining compliance with EU competition rules.

EU and United Kingdom Sign Long-Awaited Gibraltar Agreement

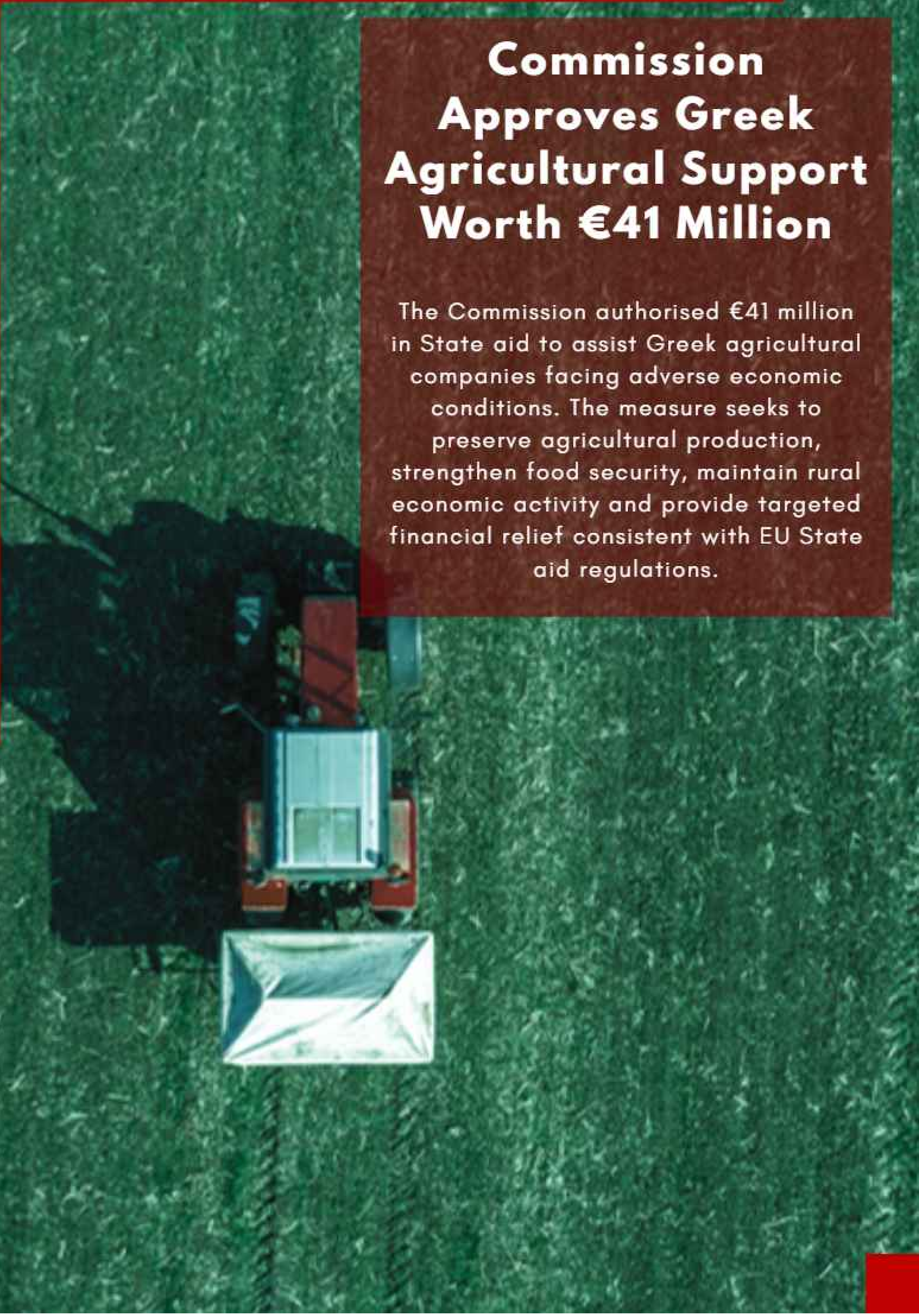
The European Commission and the United Kingdom signed an agreement resolving key post-Brexit arrangements concerning Gibraltar. The accord facilitates cross-border movement, strengthens customs and border cooperation, enhances legal certainty and supports economic stability while preserving the respective legal positions of all parties involved.

EU and India Deepen Trade, Technology and Strategic Cooperation

During the third EU-India Trade and Technology Council meeting, both sides agreed to deepen cooperation on semiconductors, artificial intelligence, quantum technologies, resilient supply chains, clean technologies and research collaboration. Negotiations on India's association with Horizon Europe will commence, reflecting the growing strategic importance of the EU-India partnership.

Commission Approves Greek Agricultural Support Worth €41 Million

The Commission authorised €41 million in State aid to assist Greek agricultural companies facing adverse economic conditions. The measure seeks to preserve agricultural production, strengthen food security, maintain rural economic activity and provide targeted financial relief consistent with EU State aid regulations.



EU Launches Defence Partnership and Drone Initiative with Ukraine

The European Commission established a defence industrial partnership with Ukraine, launched the EU-Ukraine Drone Deal and disbursed an additional €1 billion to strengthen Ukraine's drone capabilities. The initiative advances defence industrial integration, joint production and long-term military cooperation while supporting Ukraine's defence against Russian aggression.

Commission Proposes Support for Workers Affected by Industrial Restructuring

The Commission proposed mobilising €6.5 million from the European Globalisation Adjustment Fund to assist nearly 2,000 workers dismissed in Belgium and Spain. The funding will support retraining, employment assistance and labour market reintegration, helping workers adapt to structural economic transitions.

Commission Endorses Latvia's €617 Million Social Climate Plan

The Commission approved Latvia's Social Climate Plan worth €617 million to mitigate the social impacts of the green transition. The plan supports vulnerable households, promotes clean mobility, improves energy efficiency and facilitates an equitable transition under the EU's climate policy framework.

European Union Adopts 21st Sanctions Package Against Russia

The EU adopted its 21st package of sanctions targeting Russia's energy sector, financial services, military-industrial complex and sanctions circumvention networks. The measures include additional export restrictions, asset freezes and actions against entities supporting Russia's war effort, maintaining sustained economic pressure over the conflict in Ukraine.

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