

Community financial aid in the field of the trans-European transport and energy networks, 2007-2013

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This Staff Working Document (SWD) constitutes an Annex to the report of the Commission to the European Parliament and the Council on financial instruments supported by the general budget according to Article 140(8) of the [Financial Regulation](#) as at 31 December 2013. It provides specific information on individual financial instruments, their progress made in implementation and their environment in which they operate.

Financial instruments are a proven way to achieve EU policy objectives. They use EU funds to support economically viable projects and attract very significant volumes of public and private financing. By injecting money into the real economy, financial instruments contribute to the achievement of the EU policy objectives enshrined in the Europe 2020 Strategy, notably in terms of employment, innovation, climate change and energy sustainability, education and social inclusion.

The report gives detailed information on each financial instrument.

TEN-T infrastructure projects – Loan Guarantee Instrument (LGTT)

The LGTT is a debt instrument for project finance in transport infrastructure jointly established by the Union and the EIB in 2008 prior to the global financial crisis. Risk-sharing in this context means that both partners share financial risk, to accelerate and implement TEN-T infrastructure projects.

The "LGTT facilities" are guarantee facilities provided by the EIB under LGTT to the project companies involved in traffic-risk TEN-T transport projects.

The actual approval of guarantees by the EIB board is to be finalised by end of 2014. Guarantees can be called for the first 5 to 7 years operation, the latest draw down date of a project in the current portfolio is end of 2021. Therefore the instrument will be wound down at the latest by the end of 2028. LGTT is available for transactions approved by the EIB of Directors by end of 2014 with financial close until 2016.

To date, six projects have been signed using almost EUR 500 million of guarantees and attracting EUR 4 billion of public and private financing.

Due to changing market conditions and the financial crisis, demand-based revenue projects have declined in Europe since 2009. Based on the forecast of projects provided by the Bank and the discussions with the Member States, the LGTT can be still adapted to some traffic based projects in Europe.

The Commission is currently assessing the possibility of merging the portfolios of existing risk-sharing financial instruments (LGTT and the [Project Bond Initiative](#)) with the [Connecting Europe Facility](#) (CEF) financial instruments, which would maximize the number of projects that can be supported by the EU funds.