Procedure file

Basic information

COD - Ordinary legislative procedure (ex-codecision procedure) Regulation	2011/0301(COD)	Procedure completed
Financing of infrastructure projects: Competitiveness and Innovation Framework Programme (2007-2013) and trans-European transport and energy networks Amending Regulation (EC) No 680/2007 2004/0154(COD) Amending Decision 1639/2006/EC 2005/0050(COD) Subject 3.20.11 Trans-European transport networks 3.30.20 Trans-European communications networks 3.30.25 International information networks and society, internet 3.40.14 Industrial competitiveness 3.50.02 Framework programme and research programmes 3.50.04 Innovation 3.60.06 Trans-European energy networks 8.40.07 European Investment Bank (EIB) 8.70 Budget of the Union		

Key players

European Parliament	Committee responsible	Rapporteur	Appointed
	BUDG Budgets		25/01/2012
		S&D FÄRM Göran	
		Shadow rapporteur	
		ALDE JENSEN Anne E.	
		ALDE VĂLEAN Adina-Ioana	
	Committee for opinion	Rapporteur for opinion	Appointed
	TRAN Transport and Tourism		21/11/2011
		PPE CANCIAN Antonio	
	ITRE Industry, Research and Energy		14/12/2011
		PPE LANGEN Werner	
Council of the European Union	Council configuration	Meeting	Date
	Economic and Financial Affairs ECOFIN	3181	10/07/2012
European Commission	Commission DG	Commissioner	
	Economic and Financial Affairs	REHN Olli	
European Economic and Social Committee European Committee of the Regions			

Key events

19/10/2011	Legislative proposal published	COM(2011)0659	Summary
17/11/2011	Committee referral announced in Parliament, 1st reading		
25/04/2012	Vote in committee, 1st reading		

02/05/2012	Committee report tabled for plenary, 1st reading	A7-0150/2012	Summary
04/07/2012	Debate in Parliament		
05/07/2012	Results of vote in Parliament		
05/07/2012	Decision by Parliament, 1st reading	T7-0296/2012	Summary
10/07/2012	Act adopted by Council after Parliament's 1st reading		
11/07/2012	Final act signed		
11/07/2012	End of procedure in Parliament		
31/07/2012	Final act published in Official Journal		

Technical information

Procedure reference	2011/0301(COD)
Procedure type	COD - Ordinary legislative procedure (ex-codecision procedure)
Procedure subtype	Legislation
Legislative instrument	Regulation
	Amending Regulation (EC) No 680/2007 2004/0154(COD) Amending Decision 1639/2006/EC 2005/0050(COD)
Legal basis	Treaty on the Functioning of the EU TFEU 172; Treaty on the Functioning of the EU TFEU 173-p3
Other legal basis	Rules of Procedure EP 159
Mandatory consultation of other institutions	European Economic and Social Committee European Committee of the Regions
Stage reached in procedure	Procedure completed
Committee dossier	BUDG/7/07790

Documentation gateway

Legislative proposal		COM(2011)0659	19/10/2011	EC	Summary
Document attached to the procedure		SEC(2011)1237	19/10/2011	EC	
Document attached to the procedure		SEC(2011)1239	19/10/2011	EC	
Economic and Social Committee: opinion, report		CES0493/2012	23/02/2012	ESC	
Committee draft report		PE485.863	13/03/2012	EP	
Committee opinion	ITRE	PE483.478	27/03/2012	EP	
Committee opinion	TRAN	PE483.491	28/03/2012	EP	
Amendments tabled in committee		PE486.222	03/04/2012	EP	
Committee report tabled for plenary, 1st reading/single reading		A7-0150/2012	02/05/2012	EP	Summary
Text adopted by Parliament, 1st reading/single reading		T7-0296/2012	05/07/2012	EP	Summary

Draft final act		00027/2012/LEX	11/07/2012	CSL	
Committee of the Regions: opinion		CDR0648/2012	19/07/2012	CofR	
Commission response to text adopted in plenary		SP(2012)627	19/09/2012	EC	
Follow-up document		COM(2013)0929	19/12/2013	EC	Summary
Follow-up document		COM(2014)0686	30/10/2014	EC	Summary
Follow-up document		SWD(2014)0335	30/10/2014	EC	Summary
For information		SWD(2016)0058	07/03/2016	EC	
For information		SWD(2016)0060	07/03/2016	EC	

Additional information

National parliaments	IPEX
European Commission	EUR-Lex

Final act

Regulation 2012/670
OJ L 204 31.07.2012, p. 0001 Summary

Financing of infrastructure projects: Competitiveness and Innovation Framework Programme (2007-2013) and trans-European transport and energy networks

PURPOSE: to launch the pilot phase for the Europe 2020 initiative with respect to bonds for the financing of projects in the fields of transport, energy and information and communication technologies (ICTs).

PROPOSED ACT: Regulation of the European Parliament and of the Council.

BACKGROUND: due to fiscal austerity in the Member States, there is a danger that infrastructure projects of EU interest are not carried out at the pace required to achieve Europe 2020 objectives thereby compromising the EU's economic recovery and growth. Innovative solutions are urgently required to mobilise a greater share of private savings and to improve the range of financial instruments available for infrastructure projects, especially in the energy, transport and ICT sectors.

The norm for infrastructure projects with commercial potential should be to combine EU funds in partnerships with the capital market and banking sectors, particularly via the European Investment Bank (EIB). In its resolution of 8 June 2011, the European Parliament underlined that the Union should take action notably to enhance the use of the Union funds as a catalyst for attracting additional financing from the European Investment Bank (EIB), European Bank for Reconstruction and development (EBRD), other international financial institutions and the private sector.

On 29 June 2011, the European Commission adopted its proposal for the multi-annual financial framework (MFF) for the period 2014-2020. One of the key decisions was to bring the granting of financial aid for transport, energy and ICT infrastructure into a common legislative framework, the Connecting Europe Facility (CEF). The mechanism will provide a longer term framework enabling the creation and implementation, in a timely and efficient manner, of projects in the fields of energy, transport and telecommunications.

The Europe 2020 Project Bond Initiative will become an integral part of the risk-sharing instruments of the Connecting Europe Facility for the period 2014-2020. The main objective of the pilot phase in 2012-2013 is to prepare the operational phase of the initiative under the Connecting Europe Facility for the period 2014-2020 and to provide immediate support for infrastructure projects.

In order to allow a more efficient implementation of the financial instruments under the Connecting Europe Facility, the launch of a pilot phase is required, both to allow the optimisation of the design and stimulate investor appetite for the post-2013 period.

IMPACT ASSESSMENT:

the impact assessment reviews the current market situation with a link to the impact assessment accompanying the proposal for the CEF which includes more background on the potential CEF instruments, financing gaps and market imperfections affecting current levels of investment in infrastructure.

Three options were analysed: i) the status quo, i.e. continuing with current grant programmes for energy and transport and the current grant programmes and financial instruments for transport; ii) regulatory incentives and iii) the proposal to implement the Project Bond Initiative. In this context, the potential risks hindering the implementation of the Initiative have been reviewed and a quantifiable expected impact revealed in terms of a multiplier effect.

LEGAL BASIS: Articles 172 and 173 (3) of the Treaty on the Functioning of the European Union (TFEU).

CONTENT: the Commission is proposing To launch a pilot phase of the Europe 2020 Project Bond Initiative in the area of transport, energy and ICT. This initiative seeks to mobilise investment in areas that will stimulate growth and create jobs. The Initiative aims to provide the credit enhancement required to attract capital market investors and would facilitate the creation of a new asset class in terms of infrastructure project bonds. The initiative will complement, rather than replace bank lending and thus provide an alternative and competitive source of long-term debt finance to infrastructure projects. To have the maximum impact, the initiative could also be applied to projects at an advanced stage of the bidding process for the purposes of refinancing during or shortly after the end of the construction period.

In the pilot phase, the Commission would work in particular with the EIB to optimise the design of the initiative for optimal implementation from 2014 onwards. Budgetary funds should be requested by the EIB on the basis of a range of projects, which the EIB would deem suitable and likely to be realised. Any such requests should be made prior to 31 December 2013. Due to the complexity of large infrastructure projects, the actual approval might take place at a later date, but no later than 31 December 2014.

In order to implement the pilot phase of the Europe 2020 Project Bond Initiative, Decision No 1639/2006/EC establishing the Competitiveness and Innovation Framework Programme (CIP)and Regulation (EC) No 680/2007 laying down the general rules for the granting of Community financial aid in the field of the trans-European transport and energy networks should be amended.

Given the short time available, the Commission invites the Parliament and the Council to adopt the proposal for a pilot phase as speedily as possible.

BUDGETARY IMPACT: the total budget available from the EU for the pilot phase of the Europe 2020 Project Bond Initiative is EUR 230 million .

The initiative will be entirely financed by redeployment within the envelopes of existing programmes in 2012 and 2013. The following redeployments could be made in favour of the initiative:

- up to EUR 200 million from the TEN-T (transport) budget,
- up to EUR 20 million from the budget of the framework programme for innovation and competitiveness in order to allow the financing of projects in the field of ICT and in particular broadband,
- and an amount of up to EUR 10 million from the TEN-E (energy) budget.

Financing of infrastructure projects: Competitiveness and Innovation Framework Programme (2007-2013) and trans-European transport and energy networks

The Committee on Budgets adopted the report drafted by Göran FÄRM (S&D, SE) on the proposal for a regulation of the European Parliament and of the Council amending Decision No 1639/2006/EC establishing a Competitiveness and Innovation Framework Programme (2007-2013) and Regulation (EC) No 680/2007 laying down general rules for the granting of Community financial aid in the field of the trans-European transport and energy networks.

It recommends that the European Parliaments position adopted at first reading, under the ordinary legislative procedure, should amend the Commission proposal as follows:

Risk-sharing instrument for project bonds: this shall mean a joint instrument by the Commission and the EIB which provides a credit enhancement to projects of common interest with European added value, complementing financing by Member States or private investors and addressing sub-optimal investment situations when projects do not receive adequate financing from the market.

Implementation of the instrument: Members state that the Commission shall inform the European Parliament and the Council without delay of the basic elements of that agreement. Risk assessment by the EIB shall be guaranteed in accordance with the EIB Credit Risk Policy Guidelines, and the EIB's selection criteria in the social, environmental and climate field shall be duly taken into account.

Independent assessments: the Commission should perform an independent, in-depth assessment of the pilot phase of the risk-sharing instrument for project bonds. That assessment must, if appropriate, be accompanied by legislative proposals on innovative financial instruments in the context of the Multiannual Financial Framework for the period 2014-2020.

Reporting requirements: Members call on the Commission to report to the European Parliament and the Council every six months during the pilot phase. Such reporting shall include the provision of information regarding the performance of the risk-sharing instrument for project bonds and recommendations regarding ways of enhancing its effectiveness.

Before 30 June 2013, the Commission shall submit to the European Parliament and the Council a report containing a list of the projects selected for the financial aid specifying the contribution, the financing institutions and the investors involved. The Commission shall include in that report a good practice guide and a list of investors potentially interested in innovative financial instruments.

Financing of infrastructure projects: Competitiveness and Innovation Framework Programme (2007-2013) and trans-European transport and energy networks

The European Parliament adopted by 579 votes to 32, with 9 abstentions, a legislative resolution on the proposal for a regulation of the European Parliament and of the Council amending Decision No 1639/2006/EC establishing a Competitiveness and Innovation Framework Programme (2007-2013) and Regulation (EC) No 680/2007 laying down general rules for the granting of Community financial aid in the field of the trans-European transport and energy networks.

Parliament reached its position in first reading under the ordinary legislative procedure. The amendments adopted in plenary are the result of a compromise negotiated between Parliament and the Council. They amend the Commissions proposal as follows:

Pilot phase for the Europe 2020 Project Bond Initiative: this pilot phase shall be launched with the aim of helping to finance priority projects with a clear EU added value, as well as to facilitate greater private sector involvement in the long-term capital market financing of economically viable projects in the field of transport, energy and ICT infrastructure.

The instrument will benefit projects with similar financing needs and, thanks to synergies between the sectors, should produce greater benefits in terms of market impact, administrative efficiency and resource utilisation. It should provide infrastructure stakeholders such as financiers, public authorities, infrastructure managers, construction companies and operators with a coherent instrument and will be driven by market demand.

During the pilot phase for the Europe 2020 Project Bond Initiative, the Union budget is to be used along with financing from the EIB in the form of a joint risk-sharing instrument for project bonds issued by project companies. That instrument seeks to mitigate the debt-service risk of a project and the credit risk of bondholders to such an extent that capital market participants, such as pension funds, insurance companies and other interested parties, are willing to invest in a larger volume of infrastructure project bonds than would be possible without Union support .

Involvement of the EIB: the Commission shall involve the EIB in the implementation of the pilot phase. The main terms, conditions and procedures of the risk-sharing instrument for project bonds are laid down in a new annex to the Regulation.

The detailed terms and conditions for implementing the risk-sharing instrument for project bonds, including risk sharing, remuneration, monitoring and control, shall be laid down in a cooperation agreement between the Commission and the EIB. That cooperation agreement shall be approved by the Commission and the EIB according to their respective procedures.

Implementation: the pilot phase of the Initiative should be implemented without undue delay in order to ascertain whether, and to what extent, such risk-sharing financial instruments offer added value in the area of infrastructure financing and for the development of debt capital market financing of infrastructure projects. Application for support, and selection and implementation of all projects should be subject to Union law, in particular with regard to state aid, and should seek to avoid creating or adding to market distortions.

Independent evaluation: in addition to the reporting requirements under point 49 of the Interinstitutional Agreement of 17 May 2006 between the European Parliament, the Council and the Commission on budgetary discipline and sound financial management, the Commission should, with the support of the EIB, report every six months during the pilot phase to the European Parliament and the Council after the signature of the cooperation agreement and submit an interim report to the European Parliament and the Council in the second half of 2013. An independent full-scale evaluation should be carried out in 2015.

Drawing upon that independent full-scale evaluation, the Commission should assess the relevance of the Europe 2020 Project Bond Initiative as well as its effectiveness in increasing the volume of investments in priority projects and enhancing the efficiency of Union spending.

Financing of infrastructure projects: Competitiveness and Innovation Framework Programme (2007-2013) and trans-European transport and energy networks

PURPOSE: to launch the pilot phase for the Europe 2020 initiative with respect to bonds for the financing of projects in the fields of transport, energy and information and communication technologies (ICTs).

LEGISLATIVE ACT: Regulation (EU) No 670/2012 of the European Parliament and of the Council amending Decision No 1639/2006/EC establishing a Competitiveness and Innovation Programme (2007-2013) and Regulation (EC) No 680/2007 laying down general rules for the granting of Community financial aid in the field of the trans-European transport and energy networks.

CONTENT: following an agreement with the European Parliament at first reading, the Council adopted a Regulation launching the 2012-2013 pilot phase of the EU project bonds initiative aimed at mobilising up to EUR 4.5 billion in private sector long-term capital market financing of economically viable projects in the field of transport, energy and ICT infrastructure.

In its resolution of 8 June 2011, entitled Investing in the future: a new Multiannual Financial Framework (MFF) for a competititve, sustainable and inclusive Europe, the European Parliament welcomed the Europe 2020 initiative with respect to project bonds for the financing of projects in the field, a risk-sharing mechanism with the EIB providing capped support from the Union budget, that is designed to leverage the Union funds and attract additional interest from private investors for participating in priority projects that are in line with Europe 2020 objectives.

Project bonds are private debt issued by the sponsor(s) of a project, either a private company or a special purpose vehicle (SPV) created by one or more companies to finance a specific project. The EU project bonds instrument will provide credit enhancement for projects in order to make it easier for their sponsors to attract private financing.

When raising financing through a project bond, the company or SPV shall issue senior and subordinated tranches of debt. By creating a subordinated tranche, which takes first losses, the credit standing of the senior debt is enhanced because it carries less risk and thus can attract more investors.

The European Investment Bank will take up the subordinated debt, whereby funds from the EU budget will be used to cover part of the EIB's risk.

The risk-sharing instrument for project bonds referred to in the Regulation is a joint instrument by the Commission and the EIB which provides added value as a Union intervention, addresses sub-optimal investment situations when projects do not receive adequate financing from the market, and provides additionality. It avoids distortion of competition, aims to secure a multiplier effect and aligns interests in the form of a credit enhancement. The risk-sharing instrument for project bonds shall:

- take the form of a debt instrument or a guarantee granted by the EIB with the support of a Union budget contribution in favour of financing provided to projects in the field of ICT and broadband, complementing or attracting financing by Member States or the private sector;
- mitigate the debt service risk of a project and the credit risk of bond holders;
- be used only for projects whose financial viability is based on project revenues.

The main terms, conditions and procedures of the risk-sharing instrument for project bonds are laid down in Annex IIIa of the Regulation.

The initiative will be entirely financed by the EU budget via redeployment within the envelopes of existing programmes in 2012 and 2013. Under the Regulation

- up to EUR 200 million in 2012-2013 will be allocated for transport projects,
- up to EUR 10 million for energy and
- up to EUR 20 million for ICT and broadband projects.

If successful, the pilot phase will be followed by an operational phase during 2014-2020 under the EU's "Connecting Europe" facility for transport, energy and ICTs.

ENTRY INTO FORCE: 01/08/2012.

Financing of infrastructure projects: Competitiveness and Innovation Framework Programme (2007-2013) and trans-European transport and energy networks

In accordance with the requirements of Regulation (EU) N° 670/2012, the Commission presents its interim report evaluating the progress of the pilot phase of the Europe 2020 Project Bond Initiative (PBI). To recall, the PBI pilot was set up with EU budget of EUR 230 million to allow stakeholders to familiarise themselves with the new instrument on the basis of concrete transactions during an initial pilot phase.

In the pilot phase, which started on 7 November 2012, projects may be approved by the EIB until 31 December 2014 and must reach financial close by 31 December 2016.

The full roll-out is envisaged within the Connecting Europe Facility (CEF) forming part of the 2014-2020 Multi-annual Financial Framework (MFF).

This report prepared in cooperation with the EIB, covers the first 12-month period from November 2012 to November 2013 and shows the progress made on project approval and financing. The report analyses lessons learnt during the pilot phase and highlights possible synergies and economies of scale that could be achieved within the framework of the CEF. The CEF role could be maximized by creating synergies through the combination of grants and financial instruments, such as the PBI, Loan Guarantee for TEN-Transport (LGTT) and programme support actions.

In a context where private sector financing of infrastructure in the EU has not yet recovered to pre-crisis levels of EUR 25-30 billion, which was still insufficient for EU infrastructure needs, the report considers the initiative a success.

Summary of achievements: in the first year of operation, eight projects have been approved by the EIB Board as potential beneficiaries of Project Bond Credit Enhancement (PBCE) and further projects are being advanced. Two projects have been credit enhanced by EIB and an additional project is expected to be signed by early 2014. One of these three projects was closed without support from the EU budget.

The active promotion by the EC and the EIB of Project Bonds for infrastructure financing has been recognised and appreciated by the market and has supported the development of other market solutions through the catalytic effect envisaged. In particular, the PBI has provided a wider range of investors with access to infrastructure assets as evidenced by the transactions completed already. Even where PBI has not ultimately been selected as the preferred funding option, it has provided competitive pressure reducing overall financing costs for a number of projects.

However, the market has so far focused on smaller sized local infrastructure projects in the UK with limited activity in support of larger projects at national level. In particular, the conditions for TEN greenfield projects remain difficult. Member States should speed up the identification and preparation of infrastructure projects in order to bring them to the market.

Assessment: Market interest in and feedback on the initiative have been positive and this has been instrumental in terms of focusing investors on bond solutions. In terms of developing project bonds:

- more work is needed to develop an active bond market, including the issuance of further bonds so that a sufficient stock is outstanding and benchmarks for future issuance can more easily be defined. This will make it easier for investors and procuring authorities to assess likely funding levels and make the pricing of bond solutions more predictable, perhaps enabling procuring authorities to move away from requiring fully committed funding;
- a liquid project bond market requires better prepared and more mature projects. Governments should commit to long term planning so as to ensure a more stable and transparent pipeline of infrastructure projects. In this respect, CEF provides for technical assistance at institutional and project level to help prepare future pipelines of project of common interest in order to support Member States and the private sector. There is also scope to expand the PBI to other policy areas where the financing of smaller local infrastructure projects could be pooled at national or regional level;
- the CEF role could potentially be maximized if a merger of the three sector portfolios (i.e. transport, energy and broadband), as referred to in the upcoming Regulation establishing the CEF, were carried out. With a view to increasing the efficiency and leverage effect of EU budget spending, this opportunity could be used to create a shared first loss provisioning system to benefit from the inherent diversification of the three sectors wherein the pre-existing instruments could be used as a seed portfolio.

Financing of infrastructure projects: Competitiveness and Innovation Framework Programme (2007-2013) and trans-European transport and energy networks

This report from the Commission concerns financial instruments supported by the general budget according to Article 140(8) of the Financial Regulation as at 31 December 2013.

The report focuses on all centrally-managed Financial Instruments for internal and external Union policies supported by the general budget according to Article 140(8) of the Financial Regulation as of 31 December 2013.

To recall, financial instruments, including loans or guarantees with greater risk capacity, represent a smart way to finance the real economy, and boost growth and employment. They can achieve financial leverage (multiplying scarce budgetary resources by attracting private and public funds to support EU policy objectives), policy leverage (incentivising entrusted entities and financial intermediaries to pursue EU policy objectives through alignment of interest), and institutional leverage (benefiting from the expertise of the actors involved in the implementation chain).

This report is the first to be prepared under the new requirements of the Financial Regulation. It is intended to provide an informative overview of how the taxpayer's money has been used and of the progress made in the implementation of the Financial Instruments as of 31 December 2013.

The report is complemented by a Commission Staff Working Document which provides specific information on individual financial instruments, their progress made in implementation and their environment in which they operate.

The report highlights that important outcomes have been achieved through the use of Financial Instruments in the years 2007-2013, and they will play an even more significant role in the 2014-2020 Multi-annual Financial Framework (MFF). The budgetary authorities have expressed their political commitment and increased the necessary resources. Furthermore, the Financial Regulation has been extended with a dedicated chapter, setting up the appropriate regulatory framework for Financial Instruments' design, management and reporting.

The main conclusions of the report are:

(1) The implementation of the 2007-2013 centrally-managed financial instruments has been instrumental in helping to alleviate financial market failures and leverage the positive effects of EU-wide actions. For example, in the 2007-2013 period, the main EU-level financial instruments dedicated to SME support (CIP-GIF, CIP-SMEG 07 and RSI) and micro-SME support (EPMF) with an overall contribution (EU commitments) of more than EUR 1.6 billion, mobilised lending of nearly EUR 17.9 billion and also supported equity investments of about EUR 2.8 billion, thus enhancing access to finance for more than 336 000 SMEs.

(2) The achieved leverage is equal to 5 for Equity Instruments, and ranges from 4.8 to 31 for Guarantee instruments, from 10 to 259 for Risk-sharing instruments, from 1.54 to 158 for Dedicated Investment Vehicles, from 5 to 7 for Financial Instruments in the Enlargement Countries, from 5 to 27.6 for Financial Instruments in Neighbourhood Countries and Countries covered by the Development Cooperation Instrument.

With the experience gained in the course of implementation during the 2007-2013 period, and in the context of programme evaluations and audits, several lessons have been learned on how to further improve the design and management of financial instruments:

- best practices have been capitalised on the design and the management of the new generation of financial instruments;
- further, Financial Instruments will now cover all main types of final recipients over the full funding cycle and will include offer of both pro- and counter-cyclical instruments to respond flexibly to market needs, based on demand-driven implementation;
- effectiveness and efficiency have been enhanced through fewer instruments with larger volumes, ensuring critical mass in full consistency with State aid rules;
- alignment of interest with entrusted entities and financial intermediaries will be further achieved through fees and incentives, and risk sharing.

Since 2013 is the last year of commitment for the 2007-2013 programming period for a number of instruments, a final evaluation assessing the extent to which objectives have been achieved has not been finalised. More qualitative and in-depth feedback on the attainment of objectives will be available within one year and will be duly reported upon.

Financing of infrastructure projects: Competitiveness and Innovation Framework Programme (2007-2013) and trans-European transport and energy networks

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.

Project Bonds Initiative

The Pilot Phase of the Project Bond Initiative (PBI, MFF 2007-2013) & the Risk sharing debt instrument under the Connecting Europe Facility (CEF) including the PBI.

The Project Bond Initiative aims to stimulate capital market financing for infrastructure projects in the areas of Trans-European networks in transport and energy as well as broadband networks. Several transactions have reached financial close under the Pilot Phase of the PBI so far.

The pilot phase has a total financial envelope of EUR 230 million: EUR 200 million from the TEN-T budget line, EUR 10 million from the TEN-E budget line and EUR 20 million from the CIP ICT line.

The Initiative shall start up progressively within a ceiling of EUR 230 million during the years 2014 and 2015.

The Project Bond Initiative will be continued under the Connecting Europe Facility, with some adjustments necessary for the implementation of the instrument.

The Loan Guarantee Instrument for Trans-European Transport Network Projects (LGTT)

This is a debt instrument for project finance. To date, six TEN-T projects worth a cumulated capital cost of EUR 11,716 million have been supported, using almost EUR 500 million of guarantees and attracting EUR 6 billion of private financing.

The Risk sharing debt instrument including the PBI

This will target projects of common interest in the sectors of transport, broadband, and energy networks. The expected Union contribution of EUR 121 million in 2014 is estimated to support financing for EUR 720 million -1.8 billion.

The Equity Instrument under the Connecting Europe Facility (CEF)

This will aim to provide risk capital for actions contributing to projects of common interest in the field of transport, energy and broadband. The goal of the instrument shall be to attract capital market financing by providing equity and quasi-equity investments to European infrastructure projects. The instrument will be designed at a later stage.

The Private Finance for Energy Efficiency Instruments (PF4EE)

This is financed under the LIFE programme, shall provide inter alia a Risk Sharing Facility, designed to reduce the credit risk faced by financial intermediaries when lending to the energy efficiency sector. The Union budget commitment of EUR 80 million is expected to support a total investment up to about EUR 650 million for 2014-2020.

The 2020 European Fund for Energy, Climate Change and Infrastructure (Marguerite)

This is a Pan-European equity fund which supports infrastructure investment within the transport (TEN-T), energy (TEN-E) and renewables sectors in Member States. The Union contribution of EUR 80 million is expected to support funding volumes around EUR 10.2 billion.

The European Energy Efficiency Fund (EEE-F)

This Fund is a spin-off of the European Energy Programme for Recovery (EEPR) which invests in energy efficiency, renewable energy projects, and clean urban transport. By the end of March 2014, the Fund fully allocated the EU contribution (EUR 125 million) for a total of EUR 219 million investment in projects. From the Technical Assistance envelope, EUR 17.7 million has been allocated to support project preparation by the same date.

The Natural Capital Financing Facility (NCFF)

This Facility will finance upfront investment and operating costs for revenue-generating or cost-saving pilot projects, which promote the conservation, restoration, management, and enhancement of natural capital in the areas of Nature and Biodiversity and Climate Change Adaptation. The initial Union contribution is foreseen at EUR 60 million.