EUROPEAN COMMISSION

Brussels, 19.10.2011
COM(2011) 659 final

2011/0301 (COD)

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

{SEC(2011) 1237 final}
{SEC(2011) 1239 final}

EXPLANATORY MEMORANDUM

1. CONTEXT OF THE PROPOSAL

At a time of fiscal constraint, 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. Reduced possibilities to access finance by infrastructure projects calls for alternative sources of debt financing. 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) as the EU financial body established by the Treaty.

(a) Europe 2020 Project Bond Initiative in the framework of the Connecting Europe Facility (2014-2020)

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:

"The Commission has decided to propose the creation of a Connecting Europe Facility to accelerate the infrastructure development that the EU needs. (…) The Connecting Europe Facility will fund pre-identified transport, energy and ICT priority infrastructures of EU interest, and both physical and information technology infrastructures, consistent with sustainable development criteria."[1]

Following this decision, the Commission will make a proposal for a new Regulation to establish the Connecting Europe Facility. The Europe 2020 Project Bond Initiative will become part of the array of debt instruments upon which the facility may draw in addition to equity instruments and grants.

The Facility will provide the longer-term framework ensuring that projects in energy, transport and telecommunications are developed and implemented in a timely and effective manner. A comprehensive strategy of prioritised opportunities of infrastructure projects[2], has significant potential to attract more private sector financing and at the same time help to complete the internal market.

Financial instruments are needed to reduce specific barriers that prevent the flow of debt and equity finance. Their main objective is to attract and facilitate private sector finance of projects. At the same time, increased investment activity in infrastructure projects stimulates the global development of post-crisis financial markets, enhances the pace of economic recovery and promotes growth. 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 financial instruments under the Facility may be extended to other sectors such as social infrastructure, renewable energy or certain space projects, provided they fulfil the appropriate economic and financial criteria and the Commission will seek to invite a range

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[1] COM(2011) 500 final.

[2] COM(2011) 500 A budget for Europe 2020 and the relevant Commission staff working papers.

of partners, including international financial institutions or Member States' financial institutions with a public mission, to participate in the implementation of the post-2013 financial instruments.

(b) Europe 2020 Project Bond Initiative pilot phase 2012-2013

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.

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.

In addition, due to the liquidity and risk challenges arising during the financial crisis, banks reacted with a shortening of loan maturities, combined with increased pricing and collateral requirements for infrastructure projects. Even though the bank debt markets show signs of recovery, infrastructure projects continue to have great difficulties in accessing long-term debt finance. Therefore, the potential importance of bond markets as a source of finance has increased. However as there are no existing public credit enhancement measures, no project bonds in the field of TEN-T, TEN-E or broadband have been issued in the last few years. As long as infrastructure projects entail features and risks such as greenfield development, uncertain business case as regards future revenue flows, regional aspects including the influence of the sovereign crisis and cross-border impact, making the project preparation and implementation demanding and time consuming, such projects continue to be unattractive for capital market investors.

In view of this and to contribute to the completion of the Single Market, it is proposed 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 large and urgent infrastructure investment needs, combined with the long lead times for project preparation, call for immediate action to address the scarcity of funding and also to build on the momentum generated by the public consultation, and hence bolster investor confidence.

The Europe 2020 Project Bond 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. In the context of economic recovery and support actions stimulating growth, it is necessary to launch the initiative during a period when capital market investors have started looking for alternative long-term investment opportunities with stable revenues. 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.

Even though the pilot phase would be limited in terms of scope, budget availability and the number of projects that can be supported, it is expected to stimulate market behaviour towards an increased acceptance of capital market debt financing for infrastructure projects in general and thus lay the ground for a fully-fledged implementation for the period 2014-2020.

This initiative provides EU added value due to its ability to transcend the market fragmentation issues that such an initiative would be faced with at Member State level. 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. Mobilising private sector finance through EU financial instruments will preserve scarce grant funding for projects attracting insufficient private capital.

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. Experience gained through the pilot phase would allow investors and project sponsors alike to familiarise themselves with the structure of project bonds and would be taken into account as required for any further initiatives. 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. Even though, in the pilot phase, the initiative would be implemented with the EIB, for the implementation of the post-2013 phase a broader range of implementing partners would be sought.

Under the current Multi-annual Financial Framework, the EU has already implemented a risk-sharing instrument together with the EIB called the Loan Guarantee instrument for TEN-T projects (LGTT). The risk-sharing techniques and working methods of the initiative will be aligned to those of LGTT, whereby the scope would be extended to energy and telecommunications. Similar to LGTT, EU’s contribution would thus be used to share risks with the EIB. Therefore, due to the similarity, a multiplier effect of around 15-20 is expected for the Project Bond Initiative.

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.

2. RESULTS OF CONSULTATIONS WITH THE INTERESTED PARTIES AND IMPACT ASSESSMENTS

A public consultation was launched on 28 February 2011 on the basic principles of the initiative. In addition, a conference on 11 April 2011 debated the advantages and disadvantages of the planned initiative. At the end of the consultation period, over 100 responses had been received from a range of sectors.

Stakeholders have welcomed the Project Bond Initiative. Feedback on the initiative's objectives was positive with stakeholders feeling that it would increase and facilitate financing of infrastructure by opening up the bond markets as a source of debt capital in a form that is of interest to institutional investors. The suggested mechanism and the targeted credit rating of A/A- were seen as appropriate.

The impact of the initiative on financing costs and maturities is felt to be rather favourable, i.e. costs were seen to decline and maturities to be extended, with only 2% or respondents believing that it would not lower financing costs and the remainder believing that the impact would be at worst neutral and at best positive.

Regarding the degree of credit enhancement, the majority of stakeholders who responded to this question expressed the view that credit enhancement instruments of 20% of the senior debt amount is sufficient, some narrowing it to 10-20% for the sectors considered, namely TEN-T, TEN-E and ICT. Almost all stakeholders believe these three sectors should represent the core projects to be financed. In addition, 1/4 of the stakeholders think that social infrastructure should be included and 1/5 of respondents believe that renewables should also be eligible. However, such projects do not fall within the remit of TEN-T, TEN-E and ICT and will be considered at a later stage.

Opinions were divided on the issue of having a single controlling creditor. The Commission will therefore not be prescriptive on this point, but encourage investors, project sponsors and other players to decide on mutually acceptable arrangements.

The overall positive feedback confirms that the Commission and the EIB have identified a significant market need in the area of project finance, ensuring that the initiative, if designed correctly, will be a success.

The impact assessment has highlighted some potential regulatory obstacles in the areas of procurement and capital markets regulations. The Commission will continue to address these issues going forward with the aim of finding appropriate solutions if required. However, it is felt that these issues would not jeopardise the implementation of the pilot phase, although they may slow it down. Considering the de facto non-existent project bond market activity in Europe, stakeholders stressed the need to launch the initiative as soon as possible.

Considering that a project bond, cross-sectoral type financial instrument for infrastructure does not yet exist at European level, the pilot phase in 2012-2013 would allow the testing of its design and market acceptance in order to improve its effectiveness under the CEF for the 2014-2020 period. In the pilot phase, the focus would be on projects at a relatively advanced stage[3] to accelerate the implementation and facilitate the creation of a project portfolio. In order to gather relevant experience to ensure rapid take-up post-2013, the EIB is willing to work on concrete operations in parallel with the legislative process (i.e. prior to the formal political decision) in order to have first transactions executed in 2012.

Following the hearing with the Impact Assessment Board on 31 August 2011, the Board sent its opinion on 2 September 2011. Based on the recommendations received, the report has been redrafted along the following main lines:

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. The first option assessed relates to the status quo, i.e. continuing with current grant programmes for energy and transport and the current grant programmes and financial instruments for transport. The second option relates to regulatory incentives and the third one to the proposal to implement the Project Bond Initiative. In this context, the potential risks hindering the implementation of the Intiative have been reviewed and a quantifiable expected impact revealed in terms of a multiplier effect. The assessment also signals issues related to the regulatory enabling framework for long-term investment such as procurement, Solvency II or capital requirements.

[3] E.g. projects already at preferred bidder stage and/or refinancing of projects during construction).

3. LEGAL ELEMENTS OF THE PROPOSAL

3.1. Legal basis

As the scope of the proposal focuses on European networks in the field of transport, energy and telecommunications and amends notably Regulation (EC) No 680/2007, it is based on the legal bases thereof, that is Articles 172, and 173(3) of the Treaty of the Functioning of the EU.

3.2. Subsidiarity and proportionality

The proposal complies with the subsidiarity principle as the choice of the EU Regulation for financing trans-European networks projects with project bonds is best suited in order to provide an efficient means in terms of administrative burden to attract high levels of private sector financing, the expected multiplier effect in terms of EU budget contribution compared to the overall financing being estimated at around 15-20. By focusing on optimising the use of EU funds, the initiative will aim to improve the effectiveness of both EU and Member States action.

The proposal is also in conformity with the proportionality principle, as the draft Regulation does not go beyond what is necessary in order to achieve its objectives.

Whereas LGTT targets only transport projects, the Europe 2020 Project Bond Initiative will be the first EU financial instrument benefiting infrastructure projects across several sectors with similar financing needs and will produce higher benefits in terms of market impact, administrative efficiency and resource utilisation. It will provide a coherent EU financial instrument to infrastructure stakeholders such as financiers, public authorities, construction companies and operators.

3.3. Detailed explanation of the proposal

To allow the launch of the pilot phase during the current Multiannual Financial Framework, Decision No 1639/2006/EC[4] of the European Parliament and of the Council establishing the Competitiveness and Innovation Framework Programme (2007-2013) and Regulation (EC) No 680/2007[5] of the European Parliament and of the Council on the granting of Union financial aid in the field of the trans-European transport and energy networks require the following modifications:

Decision No 1639/2006/EC of the European Parliament and of the Council establishes a Competitiveness and Innovation Framework Programme, which encompasses ICT. It needs to be amended in order to permit the launch of the Europe 2020 Project Bond Initiative in the area of ICT and, in particular, high-speed broadband.

Article 1(1) of this proposal adds the word "broadband" to the existing Article 26(2)(b) of the CIP Decision. As the infrastructure projects under the CIP decision are expected to focus on the development of high-speed broadband projects, it is deemed necessary to emphasise this.

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4 OJ L 310, 9.11.2006, p. 15.
5 OJ L 162, 22.6.2007, p. 1.

Article 1(2) replaces article 31(2) of the CIP Decision. It aims to add a definition of the risk-sharing instrument for project bonds. This will enable ICT projects to benefit from the initiative in its pilot phase. The instrument should be available until 31 December 2014. The EU budget liability will be strictly limited to the budget appropriations, the residual risk being borne by the EIB.

Article 1 will also allow a transfer of up to EUR 20 million from the ICT budget for the benefit of the Europe 2020 project Bond Initiative.

In addition, Regulation (EC) No 680/2007of the European Parliament and of the Council lays down the general rules for the granting of Union financial aid in the field of the trans-European transport and energy networks and creates also the risk-sharing instrument 'Loan Guarantee instrument for TEN-Transport projects' (LGTT). Similarly, Regulation No 680/2007 needs to be amended in order to allow the EU to modify the scope of the existing risk-sharing partnership with the EIB under LGTT and allow the EIB to support bond financing under the initiative.

Thus, Article 2(1) of this proposal amending Article 2 of the Regulation (EC) No 680/2007 aims to add a definition of the risk-sharing instrument and of the credit enhancement for project bonds. This will enable transport and TEN-E projects to benefit from the initiative in its pilot phase.

Article 2(2) of this proposal amends Article 4 of Regulation (EC) No 680/2007 and foresees that applications for risk-sharing instrument for project bonds are made to the EIB, as currently is the case under LGTT.

Article 2(3) of the proposal will allow a transfer of up to a total of EUR 200 million from the Loan-Guarantee instrument for TEN-Transport projects (LGTT) and EUR 10 million from the TEN-E budget for the benefit of the Europe 2020 Project Bond Initiative. The EU budget liability will be strictly limited to the budget appropriations, the residual risk being borne by the EIB.

In order to allow a prompt implementation, Article 3 of the proposal specifies that the proposed Regulation should enter into force on the day following its publication.

4. BUDGETARY IMPLICATION

The initiative will be entirely financed by redeployment within the envelopes of existing programmes in 2012 and 2013.

An amount of EUR 500 million is already determined by the Regulation (EC) No 680/2007 for LGTT, of which up to EUR 200 million may be redeployed for the use of project bonds during the pilot phase in the transport area as follows:

06 03 03 TEN Transport up to EUR 200 million in 2012-2013

EUR 10 million and EUR 20 million respectively may be redeployed from the TEN-E and CIP budget lines as follows:

32 03 02 TEN Energy up to EUR 10 million in 2012-2013 for TEN-E projects

09 03 01 CIP up to EUR 20 million in 2013 for ICT and broadband projects

These budgetary reallocations are set out in the financial statement accompanying the proposal. There would not be any contingent liabilities for the EU budget as the EU contribution would be capped to the amount to be committed for this purpose under the budget lines.

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THE EUROPEAN PARLIAMENT AND THE COUNCIL OF THE EUROPEAN UNION,

Having regard to the Treaty on the Functioning of the European Union, and in particular Articles 172, and 173 (3) thereof,

Having regard to the proposal from the European Commission,

After transmission of the draft legislative act to the national Parliaments,

Having regard to the opinion of the European Economic and Social Committee[6],

Having regard to the opinion of the Committee of the Regions[7],

Acting in accordance with the ordinary legislative procedure,

Whereas:

(1) Decision No 1639/2006/EC of the European Parliament and of the Council of 24 October 2006[8] establishes the Competitiveness and Innovation Framework Programme (CIP) with different types of implementing measures pursued by specific programmes, of which 'the Information and Communications Technologies (ICT) Policy Support Programme' provides support for the strengthening of the internal market for ICT products and services and ICT-based products and services, and aims at stimulating innovation through the wider adoption of and investment in ICT.

(2) Regulation (EC) No 680/2007 of the European Parliament and of the Council of 20 June 2007[9] lays down the general rules for the granting of Community financial aid in the field of the trans-European transport and energy networks and creates also the risk-sharing instrument 'Loan Guarantee instrument for TEN-Transport projects' (LGTT).

(3) Over the next decade, unprecedented investment volumes in Europe's transport, energy, information and communication networks will be needed in order to underpin

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[6] OJ C , , p. .
[7] OJ C , , p. .
[8] OJ L 310, 9.11.2006, p. 15.
[9] OJ L 162, 22.6.2007, p. 1.

the Europe 2020 flagship actions and develop smart, upgraded and fully interconnected infrastructures to foster the completion of the internal market. Estimated investment needs of the TEN-T network amount to EUR 500 billion. Among energy infrastructure projects of European relevance, approximately EUR 100 billion of investments is at risk of not being delivered due to obstacles related to permit granting, regulation and financing, while another EUR 100 billion will be financed by the sector itself. Investment needs for achieving the Digital Agenda objective of providing fast internet access for all European citizens and businesses range from EUR 181 to EUR 273 billion, of which private sector investment is expected to amount to between EUR 30 billion and EUR 100 billion.

(4) In its resolution of 8 June 2011 on Investing in the future: a new Multiannual Financial Framework (MFF) for a competitive, sustainable and inclusive Europe[10], 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 and welcomed the Europe 2020 Project Bond Initiative, as a risk-sharing mechanism with the EIB, providing capped support from the Union budget, that should leverage the Union funds and attract additional interest from private investors for participating in priority Union projects in line with Europe 2020 objectives.

(5) Financial instruments can improve the efficiency of budget spending and achieve high multiplier effects in terms of attracting private sector financing and achieved investment volumes. The expected multiplier effect of the Europe 2020 Project Bond Initiative is 15-20.

(6) The Council of 12 July 2011 recalled that financial instruments need to be assessed in terms of leverage effects in comparison to existing instruments, risks that would be added to government balance sheets and possible crowding out of private institutions. The Commission Communication[11] on a pilot for the Europe 2020 Project Bond Initiative and its impact assessment, which draw on a public consultation contributes to addressing the aforementioned issues.

(7) The Europe 2020 Project Bond Initiative has a double objective : first to help finance projects of European policy priorities, and second, to facilitate greater private sector involvement in the long-term capital market financing of infrastructure projects. It will redirect some EU budget spending towards growth-enhancing areas, taking into account the Unions budgetary discipline and the ceilings under the current Multiannual Financial Framework.

(8) It will be the first financial instrument benefiting infrastructure projects with similar financing needs across several sectors and will as such produce higher benefits in terms of market impact, administrative efficiency and resource utilisation. It will provide a coherent instrument to infrastructure stakeholders such as financiers, public authorities, construction companies and operators.

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10 COM(2011)500
11 COM(2011)660

(9) With the Europe 2020 Project Bond Initiative, bonds would be issued by project companies, the Union budget together with financing from a financial partner would be used to improve the credit quality of the bonds in order to attract debt capital market investors such as pension funds and insurance companies.

(10) The Union support should mitigate the risk inherent in project bonds to the extent that capital market participants are willing to invest in a larger volume infrastructure project bonds than would be possible without Union support.

(11) Europe's economic recovery should not be compromised by growing transport congestion, missing energy links and a slowing down of broadband penetration due to infrastructure projects' difficulties in gaining access to long-term private finance or public funding.

(12) The reassessment of infrastructure investment programmes by Member States in the context of their fiscal austerity and structural reforms will not facilitate the required acceleration of the pace of infrastructure investment. In addition, long-term bank lending for infrastructure projects continues to be insufficient and expensive, calling for alternative and competitive sources of debt financing.

(13) However, debt capital market financing is not readily available for infrastructure projects in the Union. Due to the fragmentation of the bond markets across the EU, combined with the size and complexity of infrastructure projects which demand long lead times for project preparation, addressing this issue at Union level through an accelerated process well in advance of the Connecting Europe Facility is both timely and appropriate.

(14) Therefore, a pilot phase for the Europe 2020 Project Bond Initiative should be launched during the current financial framework in order to develop debt capital market financing in the area of infrastructure more generally and to extend the range of financial instruments currently available for transport projects.

(15) In order to implement the pilot phase of the Europe 2020 Project Bond Initiative, Decision No 1639/2006/EC and Regulation (EC) No 680/2007 should be amended. This pilot phase aims to support infrastructure projects with commercial potential in the transport, energy and ICT sectors, while after 2013 the initiative may be extended to other sectors.

(16) In light of the EIB's long-standing expertise and as the major financier of infrastructure projects and given its nature as the EU financial body established by the Treaty, the Commission should involve the EIB in the implementation of this pilot phase. The specific terms and conditions of the co-operation including risk-sharing and remuneration of the EIB, should be laid down in an agreement between the Commission and the EIB.

(17) The pilot phase of the Europe 2020 Project Bond Initiative should be launched in preparation of the proposed Connecting Europe Facility. This pilot phase will help to pave the way for the risk-sharing financial instrument under the Connecting Europe Facility.

(18) The application for support, selection and implementation of all projects shall be subject to Union law, in particular with regard to state aid and shall seek to avoid creating or adding to market distortions.

(19) The pilot phase should be funded using budget redeployment in 2012 and 2013 from existing transport, energy and telecommunication programmes. For this purpose, up to EUR 200 million might be redeployed for this initiative from the TEN-T budget, up to EUR 20 million from the budget of the Competitiveness and Innovation Framework Programme and up to EUR 10 million from the TEN-E budget. The budget available limits both the scope of the initiative and the number of projects that can be supported.

(20) 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.

(21) In order for the emasures provided for in this Regulation to be effective, this Regulation should enter into force on the day following its publication,

HAVE ADOPTED THIS REGULATION:

Article 1

Amendments to Decision No 1639/2006/EC

Decision No 1639/2006/EC is amended as follows:

1. In Article 26(2), point (b) is replaced by the following:

"(b) stimulation of innovation through the wider adoption of and investment in ICT and broadband;"

2. Article 31 is amended as follows:

(a) Paragraph 2 is replaced by the following:

"2. 'The projects shall aim to promote innovation, technology transfer and the dissemination of new technologies that are ready for market uptake.

The Union may award a grant to contribute to the budget of the projects referred to in paragraph 1(a).

Alternatively, the Union may make a financial contribution to the EIB to the provisioning and capital allocation for loans or guarantees to be issued by the EIB on its own resources under the risk-sharing instrument for project bonds referred to in paragraphs 2a to 2d."

(b) The following paragraphs 2a to 2d are inserted:

"2a. Risk-sharing instrument for project bonds means a credit enhancement which fulfils the following criteria:

(a) takes the form of a loan or a guarantee granted by the EIB in favour of financing provided to projects in the field of ICT and broadband;

(b) covers the debt service risk of a project and mitigates the credit-risk of bond holders;

(c) is used only for projects whose financial viability is based on project revenues.

2b. The Union exposure to the risk sharing instrument for project bonds, including management fees and other eligible costs, shall be strictly limited to the amount of the Union contribution to the risk-sharing instrument for project bonds and there shall be no further liability on the general budget of the Union. The residual risk inherent in all operations shall be borne by the EIB.

2c. The detailed terms and conditions for implementing the risk-sharing instrument for project bonds, including its monitoring and control, shall be laid down in a delegation agreement between the Commission and the EIB.

2d. In 2013, an amount of up to EUR 20 million may be used from the budget allocated for the pursuance of ICT and broadband policy in accordance with the rule set out in point (b) of Annex I. The risk-sharing instrument may reuse any revenues received within the investment period for new loans and guarantees".

Article 2

Amendments to Regulation (EC) No 680/2007

Regulation (EC) No 680/2007 is amended as follows:

(1) In Article 2:

the following points 14 and 15 are added:

"14. 'risk-sharing instrument for project bonds' means a credit enhancement provided to projects of common interest. The risk-sharing instrument for project bonds covers the debt service risk of a project and mitigates the credit-risk of bond holders. It is used only for projects whose financial viability is based on project revenues.

15. 'Credit enhancement' means the use of an EIB loan or an EIB guarantee to improve the credit quality of the project debt."

(2) In the first paragraph of Article 4:

the following sentence is added:

"Applications for risk-sharing instrument for project bonds under point (g) of Article 6(1) shall be addressed to the EIB in accordance with the EIB's standard application procedure."

(3) Article 6(1) is amended as follows:

(a) in point (d), the following sentence is added:

"In 2012 and 2013, an amount of up to EUR 200 million may be redeployed for the risk-sharing instrument for project bonds in the transport sector."

(b) the following point (g) is added:

'(g) a financial contribution to the EIB to the provisioning and capital allocation for loans or guarantees to be issued by the EIB on its own resources under the risk-sharing instrument for project bonds in the field of TEN-T and TEN-E. The Union exposure to the risk sharing instrument, including management fees and other eligible costs, shall be strictly limited to the amount of the Union contribution to the risk-sharing instrument for project bonds and there shall be no further liability on the general budget of the Union. The residual risk inherent in all operations shall be borne by the EIB. The detailed terms and conditions for implementing the risk-sharing instrument for project bonds, including its monitoring and control, shall be laid down in a delegation agreement between the Commission and the EIB. In 2012 and 2013, an amount of up to EUR 210 million, of which up to EUR 200 million for transport projects and up to EUR 10 million for energy projects, may be redeployed for the risk-sharing instrument for project bonds in accordance with the procedure referred to in Article 15(2) from the TEN-T (LGTT) and TEN-E budget lines, respectively. The risk-sharing instrument for project bonds may reuse any revenues received within the investment period for new loans and guarantees.

Article 3

This Regulation shall enter into force on the day following that of its publication in the *Official Journal of the European Union*.

This Regulation shall be binding in its entirety and directly applicable in all Member States.

Done at Brussels,

For the European Parliament
The President

For the Council
The President

LEGISLATIVE FINANCIAL STATEMENT FOR PROPOSALS

LEGISLATIVE FINANCIAL STATEMENT FOR PROPOSALS

1. FRAMEWORK OF THE PROPOSAL/INITIATIVE

1.1. Title of the proposal/initiative

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.

1.2. Policy area(s) concerned in the ABM/ABB structure[12]

Policy area: Economic and Financial Affairs

ABB Activity: Financial operations and instruments

Policy area: Mobility and Transport

ABB Activity: Trans-European Networks

Policy area: Information Society and Media

Activities: ICT take-up (0903)

Policy area: Energy

ABB Activity: Trans-European Networks (3203)

1.3. Nature of the proposal/initiative

The proposal/initiative relates to **an action redirected towards a new action**

1.4. Objectives

1.4.1. The Commission's multiannual strategic objective(s) targeted by the proposal/initiative

To prepare CEF Support development of energy infrastructures which ensure continuity and safety of the energy supply and, thereby, proper functioning of the economy To ensure interconnections and interoperability of transport networks To support ICT take-up

1.4.2. Specific objective(s) and ABM/ABB activity(ies) concerned

Specific objective: The number of transport, energy and broadband projects supported.

ABB Activity:

[12] ABM: Activity-Based Management – ABB: Activity-Based Budgeting.

ECFIN: Financial operations and instruments

MOVE Interconnections and interoperability of networks through removal of bottlenecks

INFSO ICT take-up (0903)

ENER To improve security of energy supply through infrastructure

1.4.3. Expected result(s) and impact

Specify the effects which the proposal/initiative should have on the beneficiaries/groups targeted.

The objective of the initiative is to support the revival of the European project bond markets and facilitate infrastructure projects' access to finance. The Europe 2020 Project Bond Initiative is a new risk-sharing financial instrument to be introduced in the TEN-policies for transport, energy and telecommunications, in particular broadband. It aims at encouraging more private sector debt finance for European infrastructure projects actions.

As part of the TEN-T, TEN-E and Competitiveness and Innovation Framework Programme (CIP) budget – instead of being used as a grant – the EU budget is invested in the form of provisions and capital allocation at the European Investment Bank (EIB) in order to cover a share of the risk the EIB is taking when financing infrastructure projects under this initiative.

The implementation of the facility should allow:

a) Financing by the EIB of a larger lending volume to infrastructure projects, and riskier but still “bankable” infrastructure projects.

b) Generation of a multiplier effect of EU budget funding on private investment in infrastructure, so that EUR 1 of EU funds allocated to the initiative could generate between EUR 15 and EUR 20 invested in European infrastructure projects.

However, considering the amounts available under the budget lines and their non-fungibility in the pilot phase, it is estimated that the number of projects that can be supported is limited to 5-14 infrastructure projects. This estimated number of projects will mainly depend on their size and market acceptance.

1.4.4. Indicators of results and impact

The objective is to increase capital market debt financing available for infrastructure projects which are eligible for support under the Regulation No 690/2007 and Decision No 1639/2006/EC. Thus the following indicators will be applied:

- The number of TEN-T, TEN-E and broadband projects having received EIB financing under the initiative.

- The achieved multiplier effect, cumulative and per sector. The expected multiplier effect is up to 15-20 in terms of EU budget support compared to the total investment raised for the projects supported under the initiative and the terms of the transactions.

- The volume of debt capital market financing being raised for these projects, cumulative and per sector in question.

The monitoring of the results will be based on the reporting by the EIB and market research.

1.5. Grounds for the proposal/initiative

1.5.1. Requirement(s) to be met in the short or long term

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 EU's economic recovery and growth.

In addition, due to the liquidity and risk problematic during the financial crisis, banks reacted with a shortening of loan maturities, increased pricing and collateral requirements for infrastructure projects. Even though the bank debt markets show signs of recovery, infrastructure projects continue to have difficulties in accessing long-term debt finance. Therefore, the potential importance of bond markets as a source of finance has increased. However as there are no permanent public credit enhancement measures, no project bond operations in the field of TEN-T, TEN-E or broadband have been done in the last years.

The Europe 2020 Project Bond Initiative aims at providing 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. In the context of economic recovery and support to actions stimulating growth, it is necessary to launch the initiative at a moment when capital market investors have started looking for alternative longer term, rather secure investment alternatives. In order to stimulate market behaviour and allow a more efficient implementation of the financial instruments under the Connecting Europe Facility, the launch of a pilot phase is required, also for market testing purposes which would allow optimising the design for the post-2013 period.

1.5.2. Added value of EU involvement

The initiative will complement, rather than replace bank lending and thus provide an alternative and competitive source of long-term debt finance to projects. Similar instruments which would attract capital market financing into key EU infrastructure projects do not exist.

Innovative solutions are required to mobilise urgently a greater share of private EU and foreign savings for infrastructure projects and alleviate the pressures on national public budgets. EIB financing operations under the Europe 2020 Project Bond Initiative will complement the activities carried out under the current equity and debt instruments, Marguerite and Loan Guarantee instrument for TEN-Transport (LGTT).

EIB Financing Operations represent a highly visible and effective tool in support of infrastructure projects in the area of transport, energy and ICT, which are significant for the implementation of Europe 2020 strategy. The EIB passes on in full the financial advantages resulting from the EU support and the attractive funding costs of the EIB to final beneficiaries in the form of competitive interest rates.

This risk-sharing instrument provides for the necessary financial backing by the EU for projects which would not normally fit within the EIB's standard guidelines and criteria.

1.5.3. Lessons learned from similar experiences in the past

The findings are summarised and analysed in the impact assessment which accompanies the present proposal.

The experiences with the Loan-Guarantee Instrument for TEN-Transport (LGTT) show that significant time is needed to get the financial markets, financial and legal advisors, public authorities, project sponsors and operators to accept new ideas and understand the beneficial impact of LGTT on the financial structuring of projects. LGTT was launched in 2007 and was a novelty, a dedicated instrument to cover operational risks after the constuction period of transport infrastructure projects. Therefore, it is important to launch a pilot phase for the Europe 2020 Project Bond Initiative in order not to lose the momentum by these stakeholders, which welcome the initiative.

1.5.4. Coherence and possible synergy with other relevant instruments

This initiative is coherent with the Europe 2020 Strategy, with the proposal to implement the Connecting Europe Facility and with the Annual Growth Survey.

The Connecting Europe Facility will provide the longer-term framework ensuring that projects in energy, transport and telecommunications are developed and implemented in a timely and effective manner. A comprehensive strategy of prioritised opportunities of infrastructure projects, as proposed by the Commission on 29 June 2011[13], has significant potential to attract more private sector financing and at the same time help to complete the internal market. The strategy including the selection of projects eligible for funding is transparent, thus ensuring a high level of certainty for all stakeholders. Within this strategy, the setting of policy priorities, regulations, incentive schemes, close co-ordination between stakeholders, information and awareness campaigns are required to establish the overall framework conditions for infrastructure investments, enforcing behavioural changes amongst stakeholders and accelerating the pace of intervention. Grants and financial instruments, each under a distinct set of financial rules, would be available in a co-ordinated manner.

Financial instruments are needed to reduce specific barriers that prevent the flow of debt and equity finance. Their main objective is to attract and facilitate private sector finance of projects. At the same time, increased investment activity in infrastructure projects stimulates the global development of post-crisis financial markets, enhances the pace of economic recovery and promotes growth. The Europe 2020 Project Bond Initiative will become an integral part of the risk-sharing instruments of CEF for the period 2014-2020. The main objective of the pilot phase in 2012-2013 is immediate support for infrastructure projects and preparation of the operational phase of the initiative in 2014-2020.

1.6. Duration and financial impact

Implementation with a start-up period from 2012 to 2013 .

1.7. Management mode(s) envisaged[14]

Joint management with the delegation of implementation tasks to the EIB.

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13 COM(2011) 500 - A budget for Europe 2020 and the relevant Commission staff working papers.

14 Details of management modes and references to the Financial Regulation may be found on the BudgWeb site: http://www.cc.cec/budg/man/budgmanag/budgmanag_en.html

In line with existing provisions, the proposal foresees that the EIB finances investment projects in accordance with its own rules and procedures. The Commission is responsible for managing the budget appropriations. The EIB and the Commission enter into an agreement laying down the detailed provisions and procedures relating to the implementation of the proposed Decision.

2. MANAGEMENT MEASURES

2.1. Monitoring and reporting rules, management and control

EIB Financing Operations will be managed by the EIB in accordance with the EIB's own rules and procedures, including appropriate audit, control and monitoring measures. As foreseen in the EIB Statute, the Audit Committee of the EIB, which is supported by external auditors, is responsible for verifying the regularity of the EIB operations and accounts. The EIB accounts are approved annually by its Board of Governors.

Furthermore, the EIB Board of Directors, where the Commission is represented by a Director and an alternate Director, approves each EIB Financing Operation and monitors that the EIB is managed in accordance with its Statute and with the general directives laid down by the Board of Governors.

The existing tripartite agreement between the Commission, the Court of Auditors and the EIB of October 2003, renewed for another four-year period in 2007, details the rules under which the Court of Auditors is to carry out its audits on the EIB Financing Operations under EU guarantee.

As per Article 49 of the Interinstitutional Agreement, the Commission shall report to the budgetary authority each year on the activities carried out by the EIB.

Furthermore, the EIB shall provide the Commission with statistical, financial and accounting data on each of the EIB Financing Operations as necessary to fulfil its reporting duties or requests by the European Court of Auditors as well as an auditor’s certificate on the outstanding amounts of the EIB Financing Operations.

Monitoring by the Commision in accordance with sound financial management shall include the drawing up of regular reports on progress made in implementing the initiative by means of financial implementation, results and impact indicators. The reporting under Article 49 of the Interinstitutional agreement will include a section on this initiative.

Finally, the Commission intends to carry out an evaluation of the pilot phase in the second half of 2013 in order to evaluate its success during the short period of operation and any lessons for the post-2013 implementation within CEF.

2.2. Measures to prevent fraud and irregularities

As this initiative entails the operational management by the EIB, the initiative builds on the control and monitoring already in place for the Loan-Guarantee instrument for TEN-Transport projects (LGTT). The EIB has the main responsibility for the adoption of fraud prevention measures, notably through the application to the financed operations of the "EIB’s Policy on preventing and deterring Corruption, Fraud, Collusion, Coercion, Money Laundering and the Financing of Terrorism in European Investment Bank activities" as adopted in April 2008.

The EIB's rules and procedures include, among the detailed arrangements to fight against fraud and corruption, the competence of OLAF to carry out internal investigations. In particular, in July 2004, the EIB Board of Governors approved a decision "concerning the terms and conditions for internal investigations in relation to the prevention of fraud, corruption and any illegal activity detrimental to the Communities' financial interests".

3. ESTIMATED FINANCIAL IMPACT OF THE PROPOSAL/INITIATIVE

3.1. Heading(s) of the multiannual financial framework and expenditure budget line(s) affected

- Existing expenditure budget lines. The financing of the instrument will be guaranteed by redeployment of EU budget within the current programmes in the same policy areas (MOVE, ENER and INFSO) which are concerned by this new instrument and under the same budget lines.

Heading of multiannual financial framework	Budget line	Type of expenditure	Contribution			
	Number [Description………………………..……….]	Diff./non-diff (15)	from EFTA[16] countries	from candidate countries[17]	from third countries	within the meaning of Article 18(1)(aa) of the Financial Regulation
1A	06.03.03 TEN-T	Diff	NO	NO	/NO	NO
Heading of multiannual financial framework	Budget line	Type of expenditure	Contribution			
	Number [Heading……………………………………..]	Diff./non-diff.	from EFTA countries	from candidate countries	from third countries	within the meaning of Article 18(1)(aa) of the Financial Regulation
1A	32.03.02 TEN-E	Diff	NO	NO	NO	NO
Heading of multiannual financial framework	Budget line	Type of expenditure	Contribu tion			
	Number [Heading……………………………………..]	Diff./non-diff.	from EFTA countries	from candidate countries	from third countries	within the meaning of Article 18(1)(aa) of the Financial Regulation
1A	09.03.01 CIP ICT PSP	Diff	YES	YES	YES	NO

15 Diff. = Differentiated appropriations / Non-Diff. = Non-differentiated appropriations.
16 EFTA: European Free Trade Association.
17 Candidate countries and, where applicable, potential candidate countries from the Western Balkans.

3.2. Estimated impact on expenditure

3.2.1. Summary of estimated impact on expenditure

This decision on credits allocated to this action will be taken by the budgetary authority in the context of the annual procedure. Therefore, the split of the commitment and payment appropriations over the years is indicative only. In any case, the total EU budget available for the pilot phase of the Europe 2020 Project Bond Initiative is capped at EUR 230 million.

In the case of DG MOVE and TEN-T EA, the administrative effort required is expected to remain stable at the same level as the one presently required for the management of the Loan Guarantee Facility for TEN-Transport. There is therefore no net impact on staffing. For DGs ENER and INFSO, this represents a new action, while for ECFIN, the implementation and follow-up requires administrative effort. Hence, there are staffing impacts, albeit different ones, reflecting the different tasks, for these DGs.

EUR million (to 3 decimal places)

Heading of multiannual financial framework:	1A	Competitiveness for Growth and Employment

DG: MOVE, ENER and INFSO			2012[18]	2013	2014	**TOTAL**
• Operational appropriations						
06.03.03	Commitments	(1)	100	100	0	**200**
	Payments	(2)	40	60	100	**200**
32.03.02	Commitments	(1a)	0	10	0	**10**
	Payments	(2a)	0	10	0	**10**
09.03.01	Commitments	(1a)	0	20	0	**20**

18 Year N is the year in which implementation of the proposal/initiative starts.

	Payments	(2a)	0	20	0	**20**
Appropriations of an administrative nature financed from the envelope for specific programmes[19]			**0**	**0**	0	
Number of budget line		(3)				
TOTAL appropriations for DG MOVE, ENER and INFSO	Commitments	=1+1a +3	100	130	0	**230**
	Payments	=2+2a +3	40	90	100	**230**

• TOTAL operational appropriations	Commitments	(4)	100	130	**0**	**230**
	Payments	(5)	40	90	**100**	**230**
• TOTAL appropriations of an administrative nature financed from the envelope for specific programmes		(6)	**0**	**0**	**0**	**0**
TOTAL appropriations under HEADING 1A of the multiannual financial framework	Commitments	=4+ 6	100	130	**0**	**230**
	Payments	=5+ 6	40	90	**100**	**230**

19 Technical and/or administrative assistance and expenditure in support of the implementation of EU programmes and/or actions (former "BA" lines), indirect research, direct research.

Heading of multiannual financial framework:	5	" Administrative expenditure "

EUR million (to 3 decimal places)

		2012	2013	2014	2015	… enter as many years as necessary to show the duration of the impact (see point 1.6)			**TOTAL**
DG: MOVE, ENER, INFSO and ECFIN and TEN-T EA									
• Human resources		0.5 staff (ECFIN) + 0.1 staff (ENER) = **0.0762** (0.6*127000 standard cost per post)	0.1 staff (ECFIN) + 0.1 staff (ENER)+ 0.5 staff (INFSO) = **0.0889** (0.7*127000 standard cost per post)	0.1 staff (ECFIN) + 0.1 staff (ENER) = **0.0254** (0.2*127000 standard cost per post)					
• Other administrative expenditure		- (ENER)	- (ENER)	- (ENER)					
TOTAL DG <…….>	Appropriations	0.0762	0.0889	0.0254					

TOTAL appropriations under HEADING 5 of the multiannual financial framework	(Total commitments = Total payments)	**0.0762** (ENER + ECFIN + INFSO)	**0.0889** (ENER + ECFIN + INFSO)	**0.0254** (ENER + ECFIN + INFSO)								

EUR million (to 3 decimal places)

		Year **2012**[20]	Year **2013**	Year **2014**	Year **2015**	… enter as many years as necessary to show the duration of the impact (see point 1.6)			**TOTAL**
TOTAL appropriations under HEADINGS 1 to 5 of the multiannual financial framework	Commitments	**100.0762**	**130.0889**	**0.0254**)					**230.1905**
	Payments	**40.0762**	**90.0889**)	**1000.0254**)					**230.1905**

[20] Year N is the year in which implementation of the proposal/initiative starts.

3.2.2. *Estimated impact on operational appropriations*

- ☐ The proposal/initiative does not require the use of operational appropriations
- x The proposal/initiative requires the use of operational appropriations, as explained below: However, these needs will be covered through redeployment. In addition, there are no fixed costs per project as the EU budget required will depend on the size of the project and other conditions. Therefore, the figures provided hereunder are only estimates and indicative to demonstrate that the number of projects to be supported will be limited.
- The outputs are the number of projects enhanced and the budget contribution required from EU to EIB.

Commitment appropriations in EUR million (to 3 decimal places)

Indicate objectives and outputs ⇩			Year **2012**		Year **2013**		Year **2014**		Year **N+3**		… enter as many years as necessary to show the duration of the impact (see point 1.6)						**TOTAL**	
	OUTPUTS																	
	Type of output[21]	Average cost of the output will depend of the size of the project and its risk clasificaction, maturity, etc	Number of outputs	Cost	Number of outputs	Cost	Number of outputs	Cost	Number of outputs	Cost	Number of outputs	Cost	Number of outputs	Cost	Number of outputs	Cost	Total number of outputs	Total cost

[21] Outputs are products and services to be supplied (e.g.: number of student exchanges financed, number of km of roads built, etc.).

SPECIFIC OBJECTIVE No 1[22]…			Number of transport, energy and broadband projects supported.															
- Output MOVE	Nr of project	Estimated 20	1-2	40	1-3	60	1-6	100									3-11	200
- Output ENER	Nr of project	Estimated 10			1	10											1	10
- Output INFSO	Nr of project	Estimated 20			1-2	20											1-2	20
Sub-total for specific objective N°1			1-	40	3-6	90	1-6	100										
SPECIFIC OBJECTIVE No 2…																		
- Output																		
Sub-total for specific objective N°2																		
TOTAL COST			1-2	40	1-6	90	1-6	100									5-14	230

TOTAL COST	1-2	40	1-6	90	1-6	100									5-14	230

[22] As described in Section 1.4.2. "Specific objective(s)…"

3.2.3. Estimated impact on appropriations of an administrative nature

3.2.3.1. Summary

– ☐ The proposal/initiative does not require the use of administrative appropriations

– X The proposal/initiative requires the use of administrative appropriations, as explained below:

EUR million (to 3 decimal places)

	Year **2012** [23]	Year **2013**	Year **2014**	Year **2015**	… enter as many years as necessary to show the duration of the impact (see point 1.6)			**TOTAL**
HEADING 5 of the multiannual financial framework								
Human resources	0.0762	0.0889	0.0254					**0.1905**
Other administrative expenditure								
Subtotal HEADING 5 of the multiannual financial framework	0.0762	0.0889	0.0254					**0.1905**

Outside HEADING 5[24] of the multiannual financial framework								
Human resources								
Other expenditure of an administrative nature								
Subtotal outside HEADING 5 of the multiannual financial framework								

TOTAL	**0.0762**	**0.0889**	**0.0254**					**0.1905**

[23] Year N is the year in which implementation of the proposal/initiative starts.

[24] Technical and/or administrative assistance and expenditure in support of the implementation of EU programmes and/or actions (former "BA" lines), indirect research, direct research.

3.2.3.2. Estimated requirements of human resources

– The proposal/initiative requires the use of human resources, as explained below:

		2012	2013	2014	2015	Enter as many years as necessary to show the duration of the impact (see point 1.6)
• Establishment plan posts (officials and temporary agents)						
ECFIN: 01 01 01 01, ENER 32.01.01, INFSO 09.01.01 (Headquarters and Commission's Representation Offices)		0.1 (ENER) + 0.5 (ECFIN)	0.1 (ENER) + 0.1 ECFIN + 0.5 INFSO	0.1 (ENER) + 0.1 INFSO		
• External personnel (in Full Time Equivalent unit: FTE)[25]						
XX 01 02 01 (CA, INT, SNE from the "global envelope")		- (ENER)	- (ENER)	- (ENER)		
XX 01 02 02 (CA, INT, JED, LA and SNE in the delegations)		- (ENER)	- (ENER)	- (ENER)		
XX 01 04 ***yy*** [26]	Headquarters[27]	- (ENER)	- (ENER)	- (ENER)		
	delegations	- (ENER)	- (ENER)	- (ENER)		
XX 01 05 02 (CA, INT, SNE - Indirect research)		- (ENER)	- (ENER)	- (ENER)		
10 01 05 02 (CA, INT, SNE - Direct research)		- (ENER)	- (ENER)	- (ENER)		
Other budget lines (specify)		- (ENER)	- (ENER)	- (ENER)		
TOTAL						

Estimate to be expressed in full amounts (or at most to one decimal place)

XX is the policy area or budget title concerned.

The human resources required will be met by staff from the DGs who are already assigned to management of the action and/or have been redeployed within the DGs, together if necessary with any additional allocation which may be granted to the managing DG under the annual allocation procedure and in the light of budgetary constraints. Description of tasks to be carried out:

25 CA= Contract Agent; INT= agency staff ("*Intérimaire*"); JED= "*Jeune Expert en Délégation*" (Young Experts in Delegations); LA= Local Agent; SNE= Seconded National Expert.

26 Under the ceiling for external personnel from operational appropriations (former "BA" lines).

27 Essentially for Structural Funds, European Agricultural Fund for Rural Development (EAFRD) and European Fisheries Fund (EFF).

Officials and temporary agents	As the main operational responsibility lies with the EIB, Commission staff will carry out the following tasks: - Negotiation of contractual arrangement etc - Administration of the budgetary procedure (based on the project pipeline provided by the EIB); - Assessment of the regular information submitted by the EIB and preparation of reports to the budgetary authority, such as those under Article 49 of the Interinstitutional Agreement; - Participation to steering group meetings to monitor the implementation; - Accounting; - Relations with the Court of Auditors, Parliament and Council. - Providing eligibility guidelines to the EIB on individual project cases
External personnel	N/A

3.2.4. *Compatibility with the current multiannual financial framework*

– Proposal/initiative is compatible the current multiannual financial framework. These amounts will come from redeployment within existing programmes.

3.3. Estimated impact on revenue

Interest and other revenues generated by the instrument, such as fees paid by the beneficiaries, and received by 31 December 2013 can be added to the resources of the initiative. After 1 January 2014, the revenues are returned to the Union budget. At this stage, it is not possible to estimate the flow and timing of potential revenues.

– ☐ Proposal/initiative has no financial impact on revenue.

– X Proposal/initiative has the following financial impact:

  – ☐ on own resources

  – X on miscellaneous revenue

EUR million (to 3 decimal places)

Budget revenue line:	Appropriations available for the ongoing budget year	Impact of the proposal/initiative[28]						
		2012	2013	2013	Year **N+3**	… insert as many columns as necessary in order to reflect the duration of the impact (see point 1.6)		
Article ………….								

For miscellaneous assigned revenue, specify the budget expenditure line(s) affected.

Specify the method for calculating the impact on revenue.

[28] As regards traditional own resources (customs duties, sugar levies), the amounts indicated must be net amounts, i.e. gross amounts after deduction of 25% for collection costs.