

**ANNEX I**

**ANNEX bis**

to the Commission Implementing Decision C(2014) 1919 of 26 March 2014 establishing an Annual Work Programme 2014 for financial assistance in the field of Connecting Europe Facility (CEF) - Transport sector

**1. BUDGET**

**1.1. Budget line**

Article 06 020 105 – Creating an environment more conducive to private investments for transport infrastructure projects.

**1.2. Budgetary resources**

On the basis of this amendment to the Annual Work Programme which grants financial aid in the field of the trans-European transport network in 2014, the additional amount of funds available is €70 million.

**2. OBJECTIVE**

The amendment to the 2014 CEF Annual Work Programme Transport sector provides for a contribution to the Debt instrument of the Connecting Europe Facility, as part of the implementation of financial instruments under the Connecting Europe Facility, with the view to promote substantial participation in infrastructure investment by private-sector investors and financial institutions.

**Specific Objective**

The CEF debt instrument will be a joint instrument by the Commission and the European Investment Bank which provides added value of the Union intervention, addresses sub-optimal investment situations when projects do not receive adequate financing from the markets, and provides additionality, by completing or attracting financing by Member States or the private sector.

The EIB shall be a risk-sharing partner and will manage the European Commission's contribution to the CEF debt instrument on behalf of the Union. The more detailed terms and conditions for implementing the Debt instrument, including its monitoring and control, will be laid down in a co-operation agreement between the Commission and the EIB, taking into account the provisions laid down in the Annex to the CEF Regulation.

**3. EXPECTED RESULTS**

The contribution to the Debt instrument is expected to increase the pace and the extent of TEN-T infrastructure development by leveraging the Union funds and attracting additional interest from private investors to participate in the financing of projects on the TEN-T network, in particular on the core network and its corridors, in line with the Europe 2020 objectives.

#### **4. CONSIDERATION OF ADMISSIBILITY**

Only projects related to one or several of the projects of common interest identified in the TEN-T Guidelines may receive Union financial aid under the present CEF debt instrument.

The granting of Union aid under the Debt instrument to projects of common interest is subject to compliance with the relevant Union law, particularly concerning interoperability, environmental protection, competition and public procurement.

#### **5. SELECTION OF THE EIB AS AN ENTRUSTED ENTITY**

The CEF Regulation (Annex 1, Part 3) provides for the possibility to select in accordance with the Financial Regulation an entrusted entity for the design and implementation of the CEF debt instrument.

The ex-ante assessment on the potential use of the financial instruments within the Connecting Europe Facility concluded that, given the current market failures in the financing of infrastructure projects in the CEF sectors, a Debt Instrument should be set up and launched initially in cooperation with the EIB.

The selection of the EIB as an entrusted entity has been made taking account of the CEF Regulation and of the requirements of Art. 84(3) of the Financial Regulation (EU, Euratom No 966/2012) and of Article 94 of its Rules of Application.

The EIB has been playing a very important role in financing infrastructure projects in the 3 CEF sectors. Only the EIB, as the EU bank, covers all Member States. Moreover, the CEF debt instrument will build on the existing Project Bond Initiative and the Loan Guarantee for TEN-Transport, which were set up and run in coordination with the EIB. The EIB is therefore at this stage best placed to leverage public and private investment in TEN networks under the CEF debt instrument.

As a risk-sharing partner of the Commission, the EIB is entrusted with the following tasks:

- Management of the EU contribution to the CEF debt instrument
- Design the products
- Finding intermediaries
- Implementation of Support Actions
- Establishment of a project pipeline
- Operational and financial reporting
- Management of the merger of the existing (LGTT and PBI) and new financial instruments under the CEF

## **6. INDICATIVE IMPLEMENTATION TIMETABLE**

- 1 January 2015: Delegation Agreement is expected to enter into force.
- 1 January 2015 - 31 December 2022: Duration of the Delegation Agreement.
- Throughout 2015: Projects to be identified and concluded.