



**COUNCIL OF
THE EUROPEAN UNION**

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REPORT

from: Presidency

to: Permanent Representatives Committee

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Subject: 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 [Project Bond Initiative pilot phase]

I. INTRODUCTION

1. On the 24 October 2011, the Commission transmitted to the Council its 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 (Europe 2020 Project Bond Initiative pilot phase 2012-2013).

2. The proposal has been examined by the Working Party of Financial Counsellors at several meetings during the Polish and Danish Presidency.
3. The European Economic and Social Committee adopted its opinion on the proposal on 23 February 2012.
4. On 2 March 2012, the European Council called for work on the pilot phase of the Europe 2020 project bond initiative to be stepped up with a view to reaching agreement by June.
5. In these circumstances the Presidency aims at an agreement on a mandate in order to start negotiations with the European Parliament with a view to a first reading agreement.

II. STATE OF PLAY

6. Following the Working party meeting of 6 March 2012, the Presidency has issued a compromise text as set out in doc. 6389/2/12 REV 2, which it considers the best achievable balance between the views expressed. In particular, additional requirements as regards the evaluation of the pilot phase of the project bond initiative have been specified and it has been made clear that the pilot phase does not prejudice any negotiations and decisions on the project bond initiative in the context of the next multiannual financial framework.
7. In order to address the request for further information on the implementation of the pilot phase of the project bond initiative the EIB has transmitted a declaration to the EIB Board of Directors (see the Annex).

III. CONCLUSION

8. Against this background the Permanent Representatives Committee is invited to:
- agree on a mandate with regard to the proposed regulation, as set out in doc. 6389/2/12 REV 2;
 - invite the Presidency to conduct negotiations with the European Parliament on the basis of this mandate with a view to reaching an agreement at first reading.

IV. ANNEX

Declaration of the European Investment Bank

With reference to 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 (the “Proposal”), the European Investment Bank (“EIB”) wishes to confirm that each financing operation falling within the scope, eligibility criteria and conditions of the Proposal will be appraised and selected by the EIB according to its own governance and best banking practices to ensure its economic, financial, technical and environmental viability.

In addition to the forecast pursuant to section (b) of Annex IV of Decision 1639/2006/EC and section (b) of Annex II of Regulation 680/2007/EC as set forth in the Proposal, the relevant governing bodies of the EIB will receive semi-annually information on the status of each financing operation, including, if applicable, reasons for attrition of operations.