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**REPORT FROM THE COMMISSION TO THE EUROPEAN PARLIAMENT AND  
THE COUNCIL**

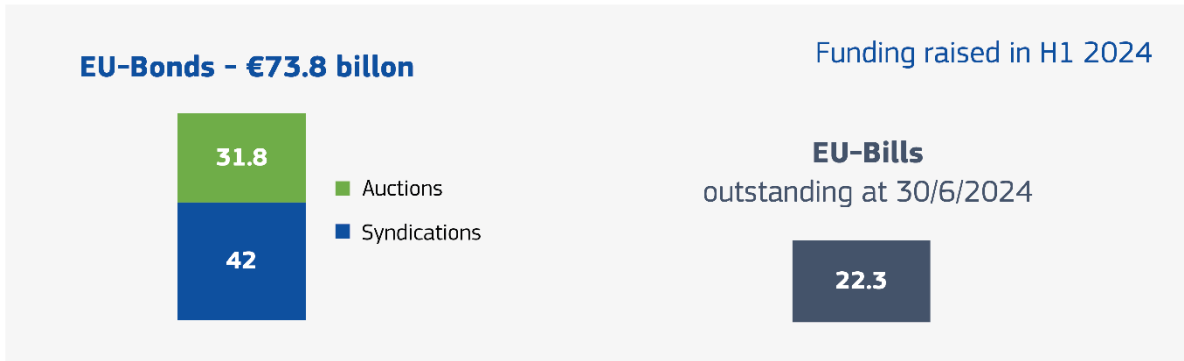
**Half-yearly report on the implementation of borrowing, debt management and related  
lending operations pursuant to Article 13 of Commission Implementing Decision  
C(2023)8010**

**1 January 2024 - 30 June 2024**

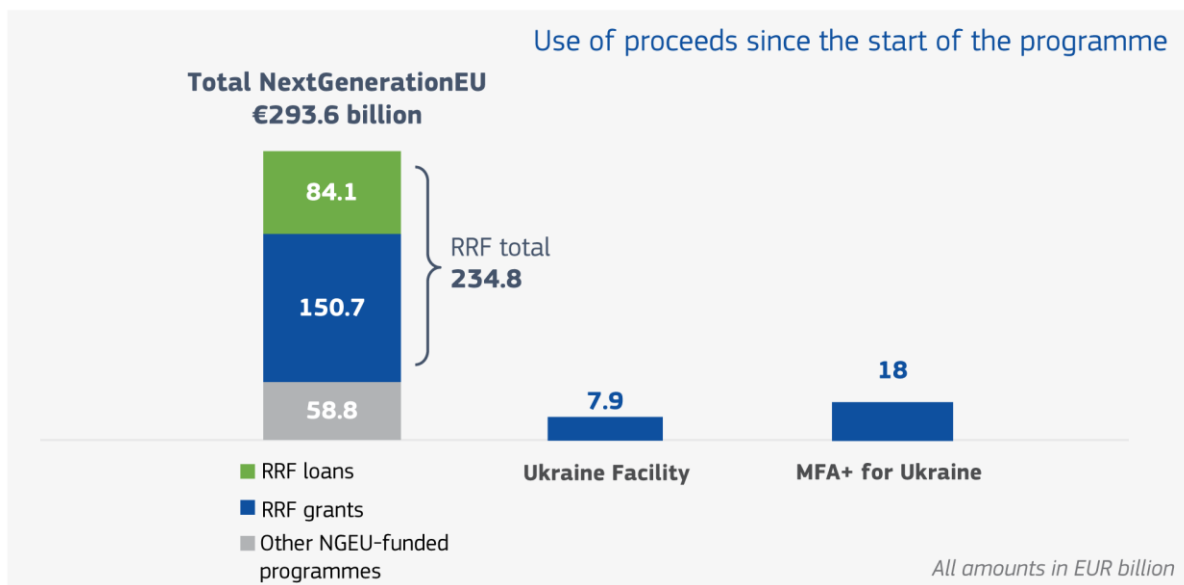
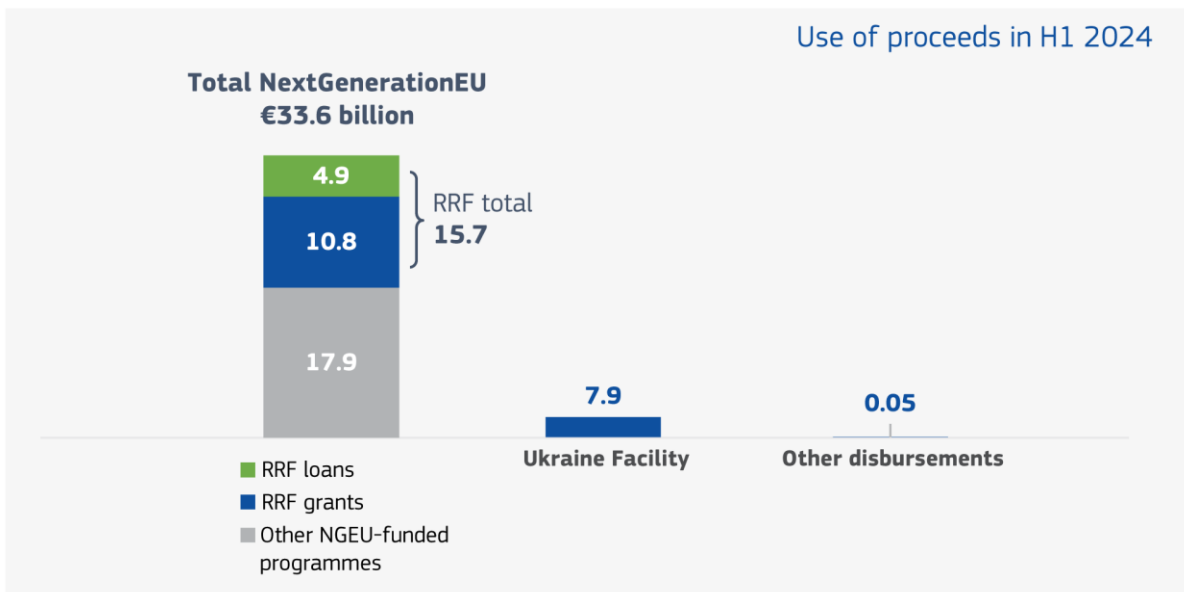
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## FUNDING RAISED H1 2024



## USE OF PROCEEDS



## OUTSTANDING EU-BONDS

at 30 June 2024

**Total €513.6 billion**



■ **€155.5 bn** back-to-back

□ **€358.1 bn** total bonds under the unified funding approach

■ of which €297.9 bn bonds

▨ of which €60.2 bn NextGenerationEU green bonds

### KEY FACTS about H1 2024

- 6 syndications and 7 auctions to raise EUR 74.2 billion, with an average maturity of around 14 years.
- Cost of funding was 3.13%, compared to 3.57% in the second half of 2023.
- Most funds were used for NextGenerationEU, which makes the EU economy greener, more digital, and more diversified in its energy supply.
- The first payments under the newly established Ukraine Facility took place. This facility will provide up to EUR 50 billion in financial support between 2024 and 2027 to help Ukraine in its recovery, reconstruction and modernisation efforts.
- A further EUR 1.85 billion in proceeds were used to finance macro-financial assistance of EUR 50 million to North Macedonia and refinance a maturing European financial stability mechanism loan of EUR 1.8 billion to Portugal.

## 1. Summary

In the first half of 2024, the EU raised EUR 73.8 billion in long-term funding through the execution of 6 syndications and 7 auctions, in line with the target included in the funding plan published in December 2023. With these issuances, the amount of EU-Bonds outstanding passed the half a trillion mark for the first time, standing at EUR 514 billion at end-June. Issuances continued to take place under the EU's unified funding approach, enabling the Commission to continue to build a single and highly liquid curve in support of a more efficient market access.

Green bond issuance gathered pace at the same time, with EUR 11.3 billion issued compared to the EUR 4.7 billion raised in the preceding period. This was possible due to the increase in the volumes of executed and reported green expenditure by Member States, enabling the Commission to raise by end-June 2024 over EUR 60 billion worth of NextGenerationEU (NGEU) green bonds. The NGEU green bond programme was further boosted by the expansion of the pool of climate-relevant expenditures that can be financed by NGEU green bonds. This followed the update of Member States' recovery and resilience plans to add new climate relevant measures in the context of REPowerEU. The pool grew to EUR 266 billion at the end of June, up from EUR 189 billion in December 2023.

With the proceeds raised from EU-Bond issuances, the Commission was able to continue to respond in a timely and effectively way to new EU policy priorities both inside the EU and in its neighbourhood. Specifically in the first half of 2024, EUR 33.6 billion of these proceeds were disbursed to implement NextGenerationEU. Ukraine received EUR 7.9 billion under the newly established Ukraine Facility. Under this facility, the EU will provide up to EUR 50 billion<sup>1</sup> in stable and predictable financial support between 2024 and 2027 to help Ukraine in its recovery, reconstruction and modernisation. A further EUR 1.85 billion in proceeds were used to finance macro-financial assistance (MFA) of EUR 50 million to North Macedonia and to roll over a European financial stability mechanism (EFSM) loan of EUR 1.8 billion to Portugal.

The EU's cost of funding decreased in line with market conditions, while also benefiting from a tightening of the EU yields versus core European government bonds (EGBs) during the first half of 2024. Over the course of this period, the 10-year interest rate differential between EU-Bonds and a 50/50 basket of German/French sovereign bonds fell from 43 basis points at the start to 22 basis points at the end. As a result, the EU cost of funding under the cost allocation methodology<sup>2</sup> decreased to 3.1%, compared to 3.6% for the previous funding period.

The Commission has also been busy preparing the next steps in its constant drive to enhance the functioning and liquidity of the market for EU-Bonds, drawing on the feedback received through the June 2023 investor survey. Following the launch of the quoting arrangements in November 2023, the Commission is finalising the launch of a repurchase ('repo') facility for EU-Bonds in early autumn. Through the repo facility, the Commission will temporarily lend specific EU-Bonds to EU primary dealers to support them in their market marking activities. In parallel, the Commission has implemented changes to its cost allocation methodology so it can optimise funding costs across the increasingly broad range of programmes financed by EU-Bonds. These changes will create the possibility to structure the financing of new programmes according to the needs of these programmes and detach it from the financing structure required for NextGenerationEU-related liabilities.

The Commission has been in contact with leading bond market index managers in order to see if the EU's growth as an issuer should be reflected by the inclusion of EU-Bonds in sovereign indices.

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<sup>1</sup> EUR 17 billion in the form of grants and budgetary guarantees and EUR 33 billion in the form of loans.

<sup>2</sup> Commission implementing decision C(2024)1520 establishing the framework for allocating costs related to borrowing and debt management operations under the diversified funding strategy.

Several index managers have indicated that they will raise the issue with investors and other stakeholders as part of their regular review processes. The first consultation by an index manager revealed support for inclusion of EU-Bonds in their sovereign indices but not at the level which the index manager considers necessary to justify a change of the index. This index manager will revisit the topic in the first half of 2025. Further consultations on inclusion of EU-Bonds in sovereign indices will be undertaken by other index managers in the second half of 2024. The Commission will therefore step up its efforts to promote the possibilities that EU-Bonds offer to investors as highly-rated and liquid euro-denominated assets.

Finally, on 24 June 2024 the Commission announced its funding planning for the second half of 2024, with a target of up to EUR 65 billion of bond issuance between July and December. This funding plan reflects the high disbursement needs in the second half of 2024. It also looks further ahead to 2026 as NextGenerationEU funding enters the second half of its planned lifetime and additional smaller programmes are financed through EU-Bond issuance.

## 2. Introduction

The Commission has been borrowing funds on behalf of the European Union for over 40 years. The past 4 years have seen a marked increase in the EU's bond issuance as it relies on capital markets to finance large programmes such as SURE<sup>3</sup>, NextGenerationEU, and the support to Ukraine (MFA+ in 2023 and the Ukraine Facility starting from 2024). On 30 June 2024, the EU's total debt outstanding was over EUR 530 billion, of which EUR 22.3 billion in the form of EU-Bills.

This half-yearly report<sup>4</sup> reviews the implementation of borrowing operations between 1 January 2024 and 30 June 2024. It also provides an outlook for EU-Bond issuance in the second half of 2024. This report does not evaluate how the proceeds from EU-Bond issuances are used, including for green expenditure, as this is covered in separate reports under the regulations for each instrument<sup>5</sup>.

Further to the recommendation of the European Court of Auditors in June 2023<sup>6</sup>, the annex to this report presents indicators that can be used to monitor the implementation of the overarching debt management strategy guiding the Commission's unified funding approach<sup>7</sup>.

## 3. Implementation of borrowing operations in the first half of 2024

In the first half of 2024, the Commission continued to raise funds in the markets through its unified funding approach. In addition to meeting all the disbursement commitments on time,

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<sup>3</sup> The European instrument for temporary Support to mitigate Unemployment Risks in an Emergency (SURE).

<sup>4</sup> Prepared in accordance with Article 13 of Commission Implementing Decision C(2023)8010, which lays down the arrangements for the implementation of the unified funding approach for borrowing and debt management operations.

<sup>5</sup> See for example the annual reports for [the Recovery and Resilience Facility](#) and [Macro-Financial Assistance](#) and the [NextGenerationEU Green Bonds Allocation and Impact report](#).

<sup>6</sup> [Special report 16/2023: NGEU debt management at the Commission](#) and [Replies of the Commission](#)

<sup>7</sup> A description of the overarching debt management strategy can be found in the half-yearly report on the execution of the EU borrowing and lending operations 1 January 2023 – 30 June 2023, see [Fourth half-yearly report on the execution of the EU borrowing and lending operations](#).

issuance amounts and maturities remained within the pre-set parameters, and financing terms were in line with those of an issuer of the EU's size and rating. The sections below present some of the key components of the Commission's borrowing and lending operations in the first half of 2024. Further indicators used to monitor the implementation of the Commission's funding strategy are discussed in the annex to this report.

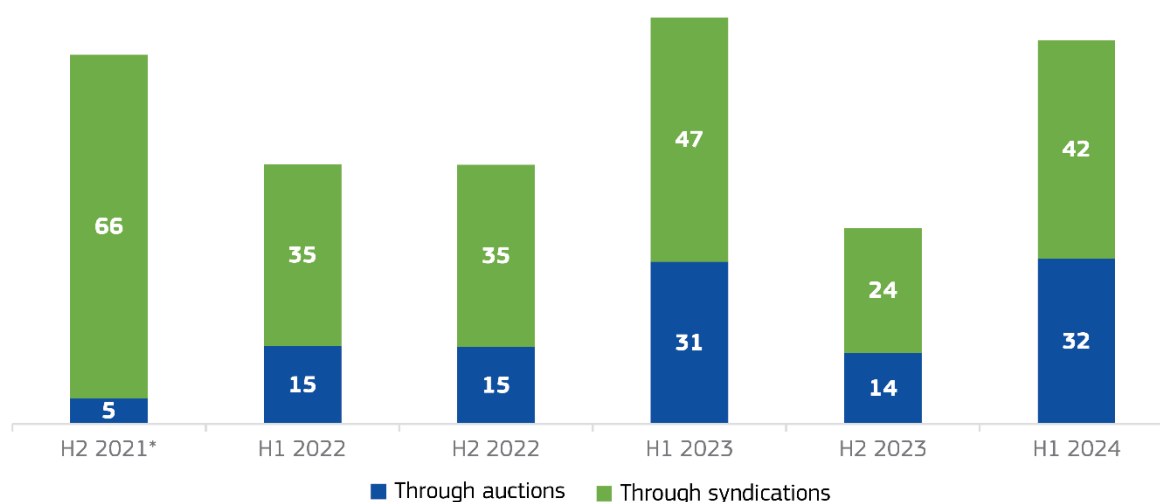
## EXECUTION OF FUNDING OPERATIONS IN THE FIRST HALF OF 2024

In December 2023, the Commission announced its intention to issue EUR 75 billion in EU-Bonds over the period from January to end-June 2024. Over this period, the Commission raised a total of EUR 73.8 billion in EU-Bonds, with an average maturity of around 14 years (compared to 13 years for the funding raised in the second half of 2023).

The Commission used a mix of 6 syndications (57%) and 7 auctions (43%), in keeping with the announced target. EU-Bond issuances were spread over the semester, taking into account market liquidity conditions while ensuring regular presence in the market.

During the first half of 2024, NextGenerationEU green bond issuance increased by EUR 11.3 billion to EUR 60.2 billion (versus EUR 4.7 billion in the second half of 2023). This was made possible by the increase in the volumes of Member States' executed and reported green expenditure (see Section 6).

**Chart 2: Funding raised under the unified funding approach**



\* The first two NextGenerationEU transactions took place in June 2021. These have been included in the number for H2 2021 as they were part of the same funding plan as the transactions that took place in H2 2021.

*All amounts in EUR billion*

The transactions in the first half of 2024 brought the total outstanding EU-Bonds to EUR 514 billion. Almost EUR 360 billion of this amount has been issued through the EU's unified funding strategy, launched in June 2021. Of this last amount, EUR 60.2 billion was issued in the form of NextGenerationEU green bonds.

In the first half of 2024, the Commission also issued 3-month and 6-month EU-Bills through auctions twice a month to meet short-term funding needs. The EU had EUR 22.3 billion credit outstanding through EU-Bills at the end of June 2024.

## USE OF PROCEEDS

On the back of these transactions, the Commission continued the funding of Member States' recovery and resilience plans through the timely (i.e. within about 6 working days) disbursement of proceeds.

In the first half of 2024 over EUR 43 billion of the funding proceeds were used for all policies combined. The largest part of the proceeds raised in the first half of 2024 - EUR 33.6 billion - was used to finance implementation of NextGenerationEU. Around EUR 15.7 billion of these proceeds were disbursed to 17 Member States under the Recovery and Resilience Facility (RRF). Of this, around EUR 10.8 billion was in the form of grants and EUR 4.9 billion in the form of loans. EUR 17.9 billion of the proceeds financed EU-managed programmes supported by NGEU<sup>8</sup>. Proceeds from EU-Bond issuance were also used to make a first disbursement of EUR 5.9 billion to support the Strategic Technologies for Europe Platform (STEP).

Overall, since the summer of 2021, the Commission has used its funding proceeds to disburse EUR 293.6 billion to support NextGenerationEU. This comprises EUR 150.7 billion in grants and EUR 84.1 billion in loans to Member States under the RRF<sup>9</sup> and EUR 58.8 billion for the EU-managed NGEU programmes.

In addition to NextGenerationEU disbursements, the Commission disbursed EUR 7.9 billion to Ukraine in the first half of 2024 under the Ukraine Facility. During the first half of 2024, EU-Bond issuance also financed an MFA loan of EUR 50 million to North Macedonia and a roll-over of an existing EFSM loan to Portugal worth EUR 1.8 billion.

## INVESTOR DEMAND AND SECONDARY MARKET LIQUIDITY

EU-Bond issuances continued to enjoy demand from a balanced and diversified global investor base<sup>10</sup>, even in volatile market conditions.

New issue premiums (NIPs)<sup>11</sup> demanded by investors as a concession when the EU issues bonds through syndication stood at around 1.2 basis points in the first half of 2024. This is lower than the second half of 2023 (when the figure was around 2.5 basis points) and in line with concessions offered by other issuers on comparable transactions (measured by size and maturity) during that period.

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<sup>8</sup> These include Horizon Europe, the InvestEU Fund, ReactEU, the EU Civil Protection Mechanism (RescEU), the European Agricultural Fund for Rural Development (EAFRD), and the Just Transition Fund.

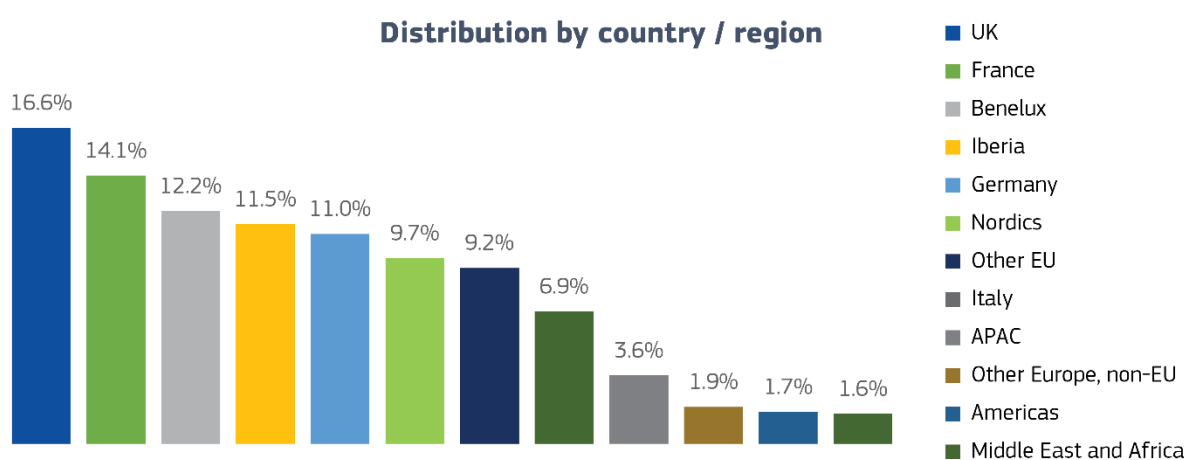
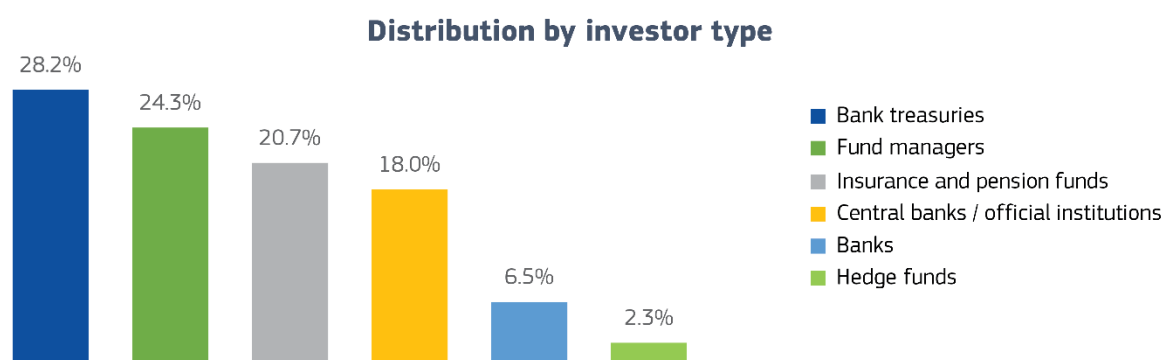
<sup>9</sup> An additional EUR 5.5 billion of RRF payments has been financed by other sources (i.e. the Emission Trading Scheme (ETS) and the Brexit adjustment reserve (BAR)).

<sup>10</sup> To date, EU issuances have in total attracted more than 1,800 different investors from over 70 different countries. Over 60% of investment in EU-Bond syndications has come from investors located in the EU, and more than 20% has come from international investors operating from the UK. The remainder has come from international investors in Asia or other non-EU European countries like Norway and Switzerland. Over 65% of the EU-Bonds issued have been going to buy-and-hold investors (i.e. fund managers, insurance companies, pension funds and central banks / official institutions). There is also a good representation of investors demanding different maturities. Central banks / official institutions and bank treasuries (which usually prefer to invest in maturities up to 10 years) account for about 45% of purchases of EU-Bonds in the primary markets, while pension funds and insurance companies (which prefer maturities above 10 years) account for almost 15%.

<sup>11</sup> The NIP is a premium that the issuer pays to persuade investors to buy its bonds in the primary market rather than in the secondary market.



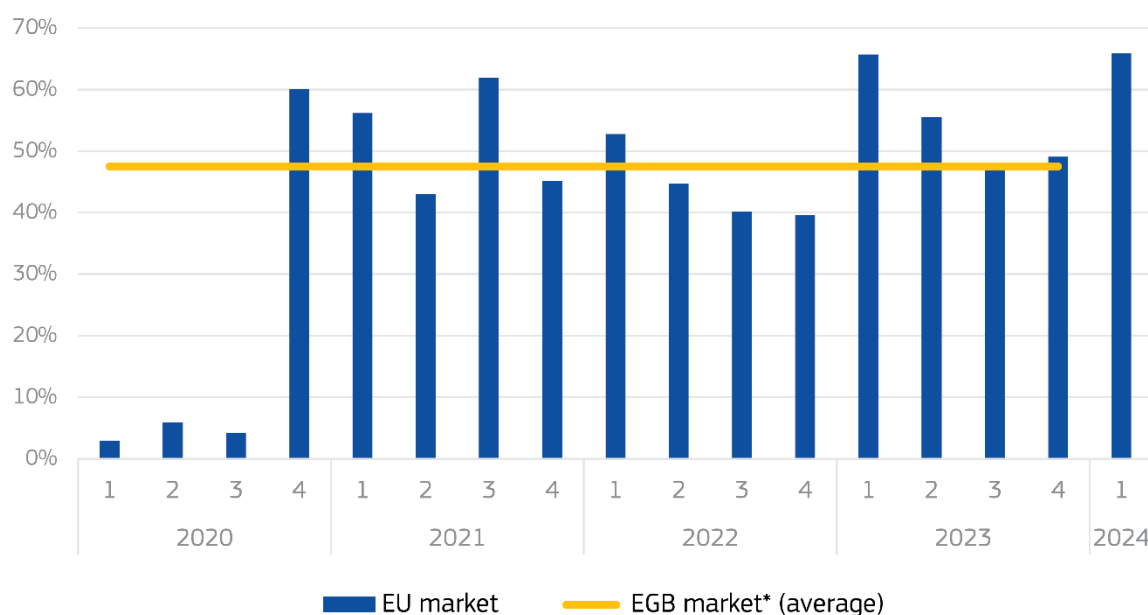
**Chart 3: Investor split in the first half of 2024**



At the same time, the secondary market liquidity of EU-Bonds further increased in the first quarter of 2024. The liquidity of EU-Bonds has increased substantially since the introduction on 1 November 2023 of quoting arrangements whereby EU primary dealers are encouraged to post reliable EU-Bond prices on the leading electronic bond trading platforms. Since the introduction of these quoting arrangements, daily trading volumes of EU-Bonds on the main electronic trading platform have averaged well above EUR 800 million with daily peaks in excess of EUR 2 billion.

The Commission has also supported the liquidity of the EU curve by tapping existing lines, alongside creating new ones in order to meet programme needs and investor demand. As a result, the average amount outstanding per EU-Bond remained around EUR 13 billion by the end of the semester. The first half of 2024 saw the launch of new 5-year, 10-year and 15-year and 30-year conventional EU-Bonds and a new 25-year green EU-Bond.

**Chart 4: Quarterly secondary market turnover of EU and European government bonds (% of outstanding volume)**



Source: European Commission based on data of the Economic and Financial Committee’s (EFC) Subcommittee on EU Sovereign Debt Markets (ESDM).

Note: The European government bond (EGB) market here comprises euro-area sovereigns, the European Financial Stability Fund and the European Stability Mechanism. Data are not yet available for Q2 2024.

## 4. Cost of funding and liquidity balances

### COST OF FUNDING

The cost of funding<sup>12</sup> for January to June 2024 is estimated at 3.13%. This compares to 3.57% for the previous time 6-monthly time compartment (abbreviated to TC in the table below).

**Chart 5: Cost of funding over time compartments**

TC1	TC2	TC3	TC4	TC5	TC6
0.15%	1.39%	2.62%	3.26%	3.57%	3.13%

In the first half of 2024, despite the ECB interest rate cut in June 2024 (the first since 2019), financial markets reduced their expectations of rate cuts as inflation proved to be more persistent than initially thought. As a result, funding costs increased market-wide during the first half of 2024, although remaining below their October 2023 peak. Reflecting this trend, yields on 10-year EU-Bonds increased to 3.2%, up from 2.7% at the start of the year.

<sup>12</sup> The interest costs incurred are allocated to the budget and the Member States receiving loans in accordance with the methodology set out in Commission implementing decision C(2024)1520. This methodology distinguishes between three different cost categories: (i) cost of funding to finance non-reimbursable support and loan disbursements calculated for 6-monthly time compartments; (ii) cost of holding and managing liquidity; and (iii) administrative costs.

Despite these market-wide increases, yield spreads between the EU and most EGB issuers tightened during the semester. For example, the 10-year interest rate differential between EU-Bonds and a 50/50 basket of German/French sovereign bonds fell from 43 basis points at the start of the semester to 22 basis points at the end. This development was in part due to the closing gap between the swap curve and EGB yields. Previously, this gap had caused EU-Bond yields to rise compared to Member State yields in 2022 and 2023.

**Chart 6: Yields of 10-year EU-Bonds**



## LIQUIDITY MANAGEMENT

The Commission maintained a regular and predictable presence in financial markets, in line with the funding plan announced in December 2023, with planned dates for auctions and syndications. Over the first semester of 2024, average liquidity holdings decreased to significantly lower levels compared to the previous semester. Average holdings stood at EUR 30.2 billion in the first half of the year, compared with EUR 58.7 billion in the previous semester. This was primarily due to sizeable disbursements concentrated at the end of 2023 and beginning of 2024, which reduced cash holdings to EUR 12.4 billion at the start of 2024. Due to slow cash outflows in subsequent months, cash holdings increased to EUR 50.1 billion at the end of semester. These cash balances will be drawn upon in the start of the second half of the year to meet planned disbursement needs.

The liquidity holdings did not translate into any costs for the programmes supported. On the contrary, a net income of EUR 81.8 million was earned on the cash holdings from January to June 2024. This income will be shared proportionately between the EU budget and RRF loan beneficiaries.

To optimise returns on cash holdings without putting funds at risk, the Commission is setting up its capacity to actively manage excess liquidity holdings through the use of term deposits with risk-free counterparties and repurchase agreements. This follows the amendment of the governance framework for the EU-Bond programme last year.

## 5. Steps to further develop the ecosystem of EU-Bonds

The June 2023 investor survey gathered valuable feedback from market participants on possible steps to improve the functioning of EU-Bond markets<sup>13</sup>. The Commission has taken several measures in line with the survey's findings, such as introducing quoting arrangements for EU-Bonds in November 2023 (see Section 3).

In the first semester of 2024 the Commission continued to work on establishing a repurchase ('repo') facility to support market participants in trading EU-Bonds, as announced in December 2022. A repo facility is a tool commonly used by sovereign issuers to support the market-making activity of their primary dealers. Through the repo facility, the Commission will make its securities available on a temporary basis in the event of scarcity, thus providing primary dealers with the necessary assurance for their market-making activities by reducing significantly risks of unsettled (short) positions. This backstop facility to primary dealers posting prices in EU-Bonds will further boost the liquidity of EU-Bonds in the secondary market.

The launch of the repo facility is expected to take place in early autumn, once the implementation set-up with the selected counterparties has been finalised.

## 6. Other milestones in the first half of 2024

### INCREASED POOL OF ELIGIBLE GREEN EXPENDITURE

Following NextGenerationEU green bond issuance in the second half of 2023 amounting to EUR 4.7 billion, green bond issuance increased to EUR 11.3 billion in the first half of 2024 (see Section 3). The total NextGenerationEU green bonds issued since the programme's launch in 2021 has risen to EUR 60.2 billion (versus EUR 48.9 billion at end-2023). This increased issuance was backed by a significant increase in executed and reported expenditures by Member States on climate-transition-relevant measures, which went up from EUR 26 billion at end-2023 to EUR 43 billion at end-June 2024.

The NextGenerationEU green bond programme was further boosted by an increase in the total pool of planned expenditure eligible for financing from NGEU green bonds following the update of the national recovery and resilience plans under the REPowerEU programme. Member States updated their recovery and resilience plans to accelerate the green transition. As a result of these developments, at the end of June 2024 the pool of planned eligible expenditures stood at EUR 266 billion, up from EUR 189 billion on 31 December 2023.

These developments will allow continued steady roll-out of the NextGenerationEU green bond programme in the second half of 2024.

### CHANGES IN THE COST ALLOCATION DECISION

July 2024 saw the amendment of the cost allocation decision<sup>14</sup>, which lays down the methods used to calculate cost of funding, liquidity management and administrative costs for programmes financed through the unified funding approach. This was to reflect the introduction of new borrowing programmes under the diversified funding strategy such as the Ukraine Facility and the Western Balkan Facility.

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<sup>13</sup> More detailed information on the outcomes of the survey can be found on the Commission [here](#).

<sup>14</sup> Commission implementing decision C(2024)1520 establishing the framework for allocating costs related to borrowing and debt management operations under the diversified funding strategy.

The amendment introduces the concept of programme compartments to organise and monitor the allocation of disbursements and related funding instruments per policy. This amendment provides flexibility on the maturity profile of funding of the different programmes in view of their respective financial structures. This gives the EU the possibility to differentiate the maturities of issuance to finance new programmes or NextGenerationEU.

## **7. Issuance outlook for the second half of 2024**

On 24 June 2024, the Commission announced its intention to issue up to EUR 65 billion in EU-Bonds in the second half of 2024, bringing the 2024 total EU issuances to up to EUR 140 billion (relative to the EUR 120 billion funding target in 2023).

These funding volumes are part of the planned progression of EU-Bond issuance towards volumes in the region of EUR 150 – EUR 160 billion in 2025 and 2026. This is to finance the wider range of EU policy programmes (e.g. NextGenerationEU, support to Ukraine, the Reform and Growth Facility of the Western Balkans Facility and macrofinancial assistance programmes). Amounts raised through EU-Bond issuance will be supplemented by short-term funding through EU-Bills and other short-term funding tools, with the EU-Bill programme continuing to increase in the second half of 2024. Execution of these funding operations will require continuous market presence throughout the semester through syndicated transactions and auctions.

**Annex: Implementation indicators on the use of the means of delivering against the Commission’s overarching debt-management strategy’s efficiency and effectiveness objectives**

	<b>Means</b>	<b>Indicator</b>	<b>Value in H1 2024 (unless indicated otherwise)</b>	<b>Commentary on execution in H1 2024</b>
<b>Implementation of the EU-Bond programme</b>	<p>a) <i>Regular issuances across the curve</i> Regular EU-Bond (and NGEU green bond) issuances in all maturities across the curve (up to 30 years) to provide different types of investors with investment opportunities. This is a way of maintaining strong investor demand and thus the flexibility to determine issuance volumes and maturities for individual transactions based on market conditions.</p>	<p>i. <i>Maturity split of issuance programme</i></p>	<p>1-4 years: 15% 4-8 years: 17% 8-12 years: 22% 12-17 years: 11% 17-23 years: 11% 23-31 years: 24%</p>	<p>In H1 2024 the Commission pursued its objective through regular bond issuances across different tenors to provide the EU curve with liquidity on all segments. The funding transactions were spread over the semester to ensure a regular presence in the market. Over the semester, a greater number of transactions were made than in the previous semester due to the H1 2024 funding target of up to EUR 75 billion (compared with EUR 40 billion in H1 2023).</p> <p>While ensuring a presence in all benchmark maturity buckets, the issuances were, on average, geared slightly towards the long-end of the curve (with an average maturity of issuances of around 14 years), in light of the need to spread redemptions over time but also stronger demand from investors for long-dated EU-Bonds.</p> <p>Green bond issuance was higher than in the previous semester, in line with the higher overall funding target, cumulative reported green expenditures by Member States, and appropriate calibration of green bond issuances to these expenditures.</p>
		<p>ii. <i>Timely distribution of issuances</i></p>	<p>6 syndications and 7 bond auctions, resulting in 2-3 issuances per month.</p>	
		<p>iii. <i>Green issuances<sup>15</sup></i></p>	<p>Approximately EUR 11 billion through the new issuance of a 2050 bond and taps of 2048 and 2033 bonds.</p>	
	<p>b) <i>Achieving a proper balance of auctions and syndications</i> Use of different funding techniques with a proper balance, depending on total issuance volumes and market conditions, in order to manage execution risks, improve secondary market liquidity and improve borrowing costs.</p>	<p>i. <i>Split auction / syndication in %</i></p>	<p>43% of bond issuances via auction.</p>	<p>In H1 2024, the Commission issued 43% of the EU-Bonds via auction, in line with the share in the previous funding semester</p>

<sup>15</sup> Additional information on NGEU green bonds can be found in the [NGEU Green Bond Dashboard](#).

Means	Indicator	Value in H1 2024 (unless indicated otherwise)	Commentary on execution in H1 2024
<p>c) Establishment of large and liquid benchmark bonds</p> <p>Tapping of EU-Bonds to bring the outstanding volume of different lines to levels commensurate with large and liquid benchmark lines.</p>	i. <i>Issuances via new bonds vs volume issued via taps</i>	<ul style="list-style-type: none"> <li>• EUR 30 billion via new bonds</li> <li>• EUR 43.8 billion via taps</li> </ul>	To support the liquidity of EU securities, the Commission used its transactions to tap existing funding lines, with approximately 59% of the funding volume mobilised via taps.
	ii. <i>Speed of tapping of new bonds<sup>16</sup></i>	1-2 months	<p>New funding lines were launched to provide the market with new benchmark lines where needed on the curve and based on the recommendations of the EU primary dealers. New 3-year, 10-year, 15-year, 25-year and 30-year bonds were launched during the semester.</p> <p>As a result, the average amount outstanding per bond remained at around EUR 13 billion by the end of the semester, ensuring the bonds' consistent liquidity.</p>
	iii. <i>Average size of outstanding bonds<sup>17</sup></i>	Around 13 billion	
	iv. <i>Turnover relative to issuance volume</i>	Approximately 108% between January-May 2024 vs 92% over H2 2023.	
	v. <i>Absolute turnover</i>	EUR 544 billion between January-May 2024 vs EUR 397 billion in H2 2023.	
<p>d) Management of the maturity profile of EU-Bond issuances with due regard to:</p> <ul style="list-style-type: none"> <li>• the temporary additional headroom (for NGEU-related borrowing) and permanent headroom (for MFA+) under the EU budget</li> <li>• the future redemption of disbursements in any given year</li> <li>• stable future roll-over needs</li> <li>• the need to protect the EU's rating to ensure low borrowing costs in the long run and strong demand from its core investor base.</li> </ul>	i. <i>Average maturity of issuance</i>	Around 14 years	
	ii. <i>Average time to maturity of outstanding debt</i>	Around 12 years	
	iii. <i>Refinancing in the short term, i.e. percentage of outstanding stock of bonds and bills maturing in the next 12 months</i>	Less than 11 %	
	iv. <i>Refinancing in the medium term, i.e. percentage of outstanding stock of bonds and bills maturing in the next 5 years</i>	Less than 37 %.	

<sup>16</sup> Based on the average number of months between new issuance and first tap when considering the new lines tapped over the semester.

<sup>17</sup> Outstanding bonds over number of bonds as at end of semester. Based on bonds issued under the diversified funding strategy.

	Means	Indicator	Value in H1 2024 (unless indicated otherwise)	Commentary on execution in H1 2024
<b>Implementation of the EU-Bill-programme</b>	Regular issuance of EU-Bills with maturities of up to 1 year via auction to attract additional investors (or additional portfolios of existing investors) and support liquidity management.	<i>i. Outstanding volume of EU-Bills</i>	EUR 15-22 billion	Outstanding debt under the EU-Bill programme increased slightly from around EUR 15 billion to around EUR 22 billion over the period. This reflected the ongoing development of the programme as a tool for providing additional liquidity when needed.
		<i>ii. Number of EU-Bill auctions</i>	12	
<b>Liquidity management</b>	Management of a liquidity pool in view of payment obligations, disbursement needs and costs of cash holding, with due regard to prevailing market conditions.	<i>i. Number of payment failures due to lack of liquidity</i>	None	The Commission met all disbursement needs and there were no settlement failures during the semester.
<b>Primary dealer network</b>	Attracting a wide range of financial institutions showing strong commitment to supporting the EU issuances.	<i>i. Number of institutions which signed underwriting commitments for transactions over the past 6 months</i>	19 (compared to 16 in H2 2023)	The Commission continued to be supported by EU primary dealers and rotation of primary dealers that are joint lead managers at the syndications helped the Commission to make best use of all banks eligible to be part of a syndicate.
<b>Communication with diverse market stakeholders and peer issuers</b>	Maintaining and building trust with investor base, market participants and peer issuers to support demand for EU debt and improve the EU's understanding of market dynamics and investor needs.	<i>i. Deviations from the pre-announced timings for the publication of funding plans</i>	None	The Commission maintained regular and predictable communication with the markets, in line with previous announcements.  Over the semester a reduced allocation of EUR 2 billion occurred due to the securing of attractive financing conditions in the bond auctions.  The Commission regularly published investor statistics which remained stable and continued to see an increase in its diversified investor base.
		<i>ii. Deviation from the volumes announced in the funding plan</i>	Less than EUR 2 billion or less than 2% (compared with less than 6% in H2 2023).	
		<i>iii. Investor distribution statistics</i>	Per type: bank treasuries 28.2 %, fund managers 24.3%, insurance and pension funds 20.7%, central banks/official institutions 18.0%, banks 6.5%, hedge funds 1.8% Per country/region: UK 16.6%, France 14.1%, Benelux 12.2%, Iberia 11.5%, Germany 11.0%, Nordics 9.7%, other EU 9.2%, Italy 6.9%, Asia-Pacific 3.6%, other Europe 1.9%, Americas 1.7%, Middle East and Africa 1.6%	