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DB 2014 — Working Document Part X — Financial Instruments

# Draft General Budget of the European Commission for the financial year 2014

## Working Document Part X Financial Instruments

COM(2013) 450 – June 2013

**Draft General Budget  
of the European Commission  
for the Financial Year 2014**

**Working Document Part X**

**Financial Instruments**

**COM(2013) 450**

**JUNE 2013**



## **Draft Budget Working Documents**

The 2014 Draft Budget is accompanied by ten ‘Working Documents’, as follows:

### **Part I: Programme Statements of operational expenditure**

Working Document I contains Programme Statements, which constitute the main instrument for justifying the operational appropriations requested by the Commission in the Draft Budget. These Statements are coherent with the corresponding legal bases and provide details on the resources which are dedicated to each spending Programme.

Each Statement has the same structure and includes numerical data related to the Programme, EU added value and contribution to the Europe 2020 Strategy (Headline targets, Flagship initiatives) as well as mainstreaming of climate change, general objective(s) accompanied by impact indicators and targets, specific objectives supported by result indicators and targets, and expenditure related outputs, all this classified according to the MFF Headings.

### **Part II: Commission Human Resources**

Working Document II presents information on human resources, both for the establishment plans and for external personnel, across all headings of the Multiannual Financial Framework.

### **Part III: Bodies set up by the European Union and having legal personality and Public-private partnership**

Working Document III presents detailed information relating to all decentralised agencies, executive agencies and Public-Private Partnerships (joint undertakings), with a transparent presentation of revenue, expenditure and staff levels of various Union bodies which actually receive a contribution charged to the EU budget, pursuant to Articles 208 and 209 of the Financial Regulation.

### **Part IV: Pilot projects and preparatory actions**

Working Document IV presents information on all pilot projects and preparatory actions which have budget appropriations (commitments and/or payments) in the 2014 Draft Budget, pursuant to Article 38(3)(c) of the Financial Regulation.

### **Part V: Budget implementation and assigned revenue**

Working Document V presents the budget implementation forecast for 2013, information on assigned revenue implementation in 2012, and a progress report on outstanding commitments (RAL) and managing potentially abnormal RAL (PAR) for 2012.

### **Part VI: Administrative expenditure under Heading 5**

This document encompasses administrative expenditure under all budgets to be implemented by the Commission in accordance with Article 317 of the Treaty on the Functioning of the European Union, as well as the budgets of the Offices (OP, OLAF, EPSO, OIB, OIL and PMO).

### **Part VII: Commission buildings (Section III)**

Working Document VII presents information on buildings under Section III - Commission, both for the Commission and for the bodies set up by the EU and having legal personality, pursuant to Article 203(3) of the Financial Regulation.

## **Part VIII: Expenditure related to the external actions of the European Union**

Working Document VIII presents information on human resources and expenditure related to the external actions of the European Union.

## **Part IX: Funding to international organisations**

Working Document IX presents funding provided to international organisations, across all MFF headings, pursuant to Article 38(3)(d) of the Financial Regulation.

## **Part X: Financial Instruments**

Working Document X presents the use made of financial instruments, pursuant to Article 38(5) of the Financial Regulation.

**Working Document on Financial Instruments accompanying Draft Budget 2014  
pursuant to Article 38(5) of the Financial Regulation**

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## **1 INTRODUCTION**

The purpose of this document is to provide financial and operational information on equity, guarantee, risk sharing instruments and instruments managed via Dedicated Investment Vehicles (DIV's) as well as on the instruments under the external action and neighbourhood policy. The working document (WD) will accompany the Draft Budget 2014 and illustrate the financial instruments under current implementation in a consistent picture.

In line with Article 38(5) of the Financial Regulation (FR), this WD focuses on quantitative aspects. A qualitative description of the performance of instruments is included in the report “Financial Instruments implementation in 2012” according to Article 49 of the Inter-Institutional Agreement, which will be replaced from 2014 by the reporting under Article 140(8) FR.

## 2 DETAILED FINANCIAL INFORMATION ON THE FINANCIAL INSTRUMENTS

### 2.1 Equity instrument:

#### 2.1.1 The High Growth and Innovative SME Facility under CIP (GIF)

*AMOUNT (EUR)*

<i>(i) The aggregate budgetary commitments and payments from the budget for each financial instrument</i>	
Aggregate budgetary commitments as at 31/12/2012	491 936 719
Aggregate budgetary payments as at 31/12/2012	259 456 580
<i>(ii) Revenues and repayments under Article 140(6), and accrual for additional resources for the financial year</i>	
Aggregate additional resources as at 31/12/2012	7 835 372
<i>(iii) The total amount of provisions for risks and liabilities, as well as any information on the financial risk exposure of the Union</i>	
Aggregate budgetary commitments as at 31/12/2012	491 936 719
<i>(iv) Impairments of assets of equity or risk-sharing instruments, and called guarantees for guarantee instruments, both for the preceding year and the respective accumulated figures</i>	
Impairment losses on shares and other variable-income securities as at 31/12/2012	2 687 022
<i>(v) The average duration between the budgetary commitment to the financial instruments and the legal commitments for individual projects in the form of equity or debt, where the duration exceeds three years</i>	
Not applicable as the duration does not exceed three years.	
<i>(vi) The administrative expenditure arising from management fees and other financial and operating charges paid for the management of financial instruments, where that management has been entrusted to third parties, in total and per managing party and per financial instrument managed</i>	
Aggregate other financial and operating expenses as at 31/12/2012	12 493 644



## 2.2 GUARANTEE INSTRUMENTS:

### 2.2.1 The SME Guarantee Facility under CIP (SMEG07)

AMOUNT (EUR)

<b>(i) The aggregate budgetary commitments and payments from the budget for each financial instrument</b>	
Aggregate budgetary commitments as at 31/12/2012	502 846 860
Aggregate budgetary payments as at 31/12/2012	189 521 709
<b>(ii) Revenues and repayments under Article 140(6), and accrual for additional resources for the financial year</b>	
Aggregate additional resources as at 31/12/2012	8 035 971
<b>(iii) The total amount of provisions for risks and liabilities, as well as any information on the financial risk exposure of the Union</b>	
Aggregate budgetary commitments as at 31/12/2012	502 846 860
Provisions for risks and liabilities as at 31/12/2012	180 921 532
<b>(iv) Impairments of assets of equity or risk-sharing instruments, and called guarantees for guarantee instruments, both for the preceding year and the respective accumulated figures</b>	
Aggregate called guarantees (including other liabilities due to financial intermediaries) as at 31/12/2012	72 317 137
<b>(v) The average duration between the budgetary commitment to the financial instruments and the legal commitments for individual projects in the form of equity or debt, where the duration exceeds three years</b>	
Not applicable as the duration does not exceed three years.	
<b>(vi) The administrative expenditure arising from management fees and other financial and operating charges paid for the management of financial instruments, where that management has been entrusted to third parties, in total and per managing party and per financial instrument managed</b>	
Aggregate other financial and operating expenses as at 31/12/2012	8 959 857

## 2.2.2 The European Progress Microfinance - Guarantee Facility (EPMF-G)

AMOUNT (EUR)

<b>(i) The aggregate budgetary commitments and payments from the budget for each financial instrument</b>	
Aggregate budgetary commitments as at 31/12/2012	19 500 000
Aggregate budgetary payments as at 31/12/2012	11 600 000
<b>(ii) Revenues and repayments under Article 140(6), and accrual for additional resources for the financial year</b>	
Aggregate additional resources as at 31/12/2012	106 767
<b>(iii) The total amount of provisions for risks and liabilities, as well as any information on the financial risk exposure of the Union</b>	
Aggregate budgetary commitments as at 31/12/2012	19 500 000
Provisions for risks and liabilities as at 31/12/2012	1 754 136
<b>(iv) Impairments of assets of equity or risk-sharing instruments, and called guarantees for guarantee instruments, both for the preceding year and the respective accumulated figures</b>	
Aggregate called <sup>1</sup> guarantees as at 31/12/2012	433 694
<b>(v) The average duration between the budgetary commitment to the financial instruments and the legal commitments for individual projects in the form of equity or debt, where the duration exceeds three years</b>	
Not applicable as the duration does not exceed three years.	
<b>(vi) The administrative expenditure arising from management fees and other financial and operating charges paid for the management of financial instruments, where that management has been entrusted to third parties, in total and per managing party and per financial instrument managed</b>	
Aggregate other financial and operating expenses as at 31/12/2012	1 052 902

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<sup>1</sup> Recoveries not available

## 2.3 RISK-SHARING INSTRUMENTS:

### 2.3.1 Risk-Sharing Finance Facility (RSFF)

*(i) The aggregate budgetary commitments and payments from the budget for each financial instrument*

In the period 2007-2012, a total amount of EUR 1 005,93 million was committed from the EU budget (FP7 primary credits plus additional EFTA and Third Country appropriations to FP7) and paid to the EIB to support RSFF loan finance.

*(ii) Revenues and repayments under Article 140(6), and accrual for additional resources for the financial year*

For the period 2007-2012, the EU received the following revenues and repayments on the EU RSFF Account: *EUR million*

— Total operating revenues	66,487
— Of which expected loss recovery	12,109

*(iii) The total amount of provisions for risks and liabilities, as well as any information on the financial risk exposure of the Union*

	<i>EUR million</i>
Aggregate budgetary commitments as at 31/12/2012	1 005,93
— <i>For further information:</i>	
— Expected loss premium paid to the EIB:	50,49
— Capital Allocation due to the EIB:	9,70
— Total Expected loss and Capital Allocation from the EU:	<b>213,00</b>
— Total FLP (First Loss Piece) from the EU	<b>803,00</b>
— Of which to EIB (compartment 1 and 3)	683,00
— Of which to EIF (compartment 2)	120,00

*(iv) Impairments of assets of equity or risk-sharing instruments, and called guarantees for guarantee instruments, both for the preceding year and the respective accumulated figures*

None; by 31/12/2012, an "Available for sale" reserve of EUR 15,88 million was included in the Balance Sheet.

*(v) The average duration between the budgetary commitment to the financial instruments and the legal commitments for individual projects in the form of equity or debt, where the duration exceeds three years*

Not applicable as the duration does not exceed three years.

*(vi) The administrative expenditure arising from management fees and other financial and operating charges paid for the management of financial instruments, where that management has been entrusted to third parties, in total and per managing party and per financial instrument managed*

Total RSFF administrative costs for the period 2007-2012: EUR 63,264 million

Due to the provisions of the RSFF Co-operation Agreement, the Commission did not reimburse any RSFF Administrative costs to the EIB for the period 2007-2011 as Net Receipts from RSFF Operations (Administrative margin; fees) exceeded RSFF Administrative costs.

For 2012, an amount of EUR 3,095 million for partially covering RSFF administrative costs is due to EIB and EIF (according to the Financial Statements 2012), due to amendment provisions for the reimbursement of RSFF Administrative Costs in 2011 (4th amendment of the RSFF Co-operation Agreement).

### 2.3.2 Loan Guarantee Instrument (LGTT) under the current MFF 2007-2013 <sup>2</sup>

- (i) *The aggregate budgetary commitments and payments from the budget for each financial instrument*  
in million EUR

	2007	2008	2009	2010	2011	2012	Total
Commitment	10	35	60	50	40	10	205
Payment	10	35	60	50	0	0	155

- (ii) *Revenues and repayments under Article 140(6), and accrual for additional resources for the financial year*

In accordance with Article 5 of the Cooperation Agreement LGTT has the following source of revenue and repayments:

- Interests earned and other income from treasury operations from the LGTT Account
- Revenues from the risk margin of the instrument
- Repayments of unused amounts on LGTT Account and repayment of principal

Regulation 680/2007, Annex I, heading "trust account" point 2 stipulates that interests and other revenues are added to the trust account, unless the Commission decides, in accordance with the procedure of Art 15(2) of that Regulation to return them to the TEN-T budget line.

Since establishment of the instrument in 2007, all accrued revenues have been made available to the instrument in form of the Aggregate EC Contribution. The total amounts to EUR 22,81 million (Table 1).

In Annex I of the Regulation under "Duration of the loan guarantee instrument" point 2 and 3 state, "If the loan guarantee instrument is not extended into the next financial framework, any remaining funds shall be returned to the revenue side of the general budget of the EU. Funds allocated to the loan guarantee instrument may be called upon until the last guarantee expires or until the last subordinated debt has been reimbursed, whichever is earlier." Since establishment of the instrument no repayments have occurred.

**Table 1 – Revenues under LGTT**

in million EUR

	2008	2009	2010	2011	2012	Total
Interests from Treasury operations	1,77	1,22	2,46	2,58	1,96	9,99
Revenues from the risk margin	0,33	1,69	0,83	8,49	1,49	12,82
Repayments	0	0	0	0	0	0

- (iii) *The total amount of provisions for risks and liabilities, as well as any information on the financial risk exposure of the Union*

The maximum financial risk exposure refers to the aggregate amount of the EU Contribution committed of EUR 205 million (see also point i).

- (iv) *Impairments of assets of equity or risk-sharing instruments, and called guarantees for guarantee instruments, both for the preceding year and the respective accumulated figures*

No impairments have been registered for 2012 or the previous years.

- (v) *The average duration between the budgetary commitment to the financial instruments and the legal commitments for individual projects in the form of equity or debt, where the duration exceeds three years*

Not applicable as the average duration between budgetary commitment and signature of the guarantee instrument through the EIB is 2,1 year for the end of 2012<sup>3</sup>.

<sup>2</sup> The operation of LGTT ends with the current financial framework. It is planned to transfer the guarantee portfolio to a legacy debt instrument under the Connecting Europe Facility. The legal base for financial instruments under the Connecting Europe Facility for the MFF 2014-2020 is not yet finalised.

<sup>3</sup> Calculated as weighted average between date of the commitment and signature of deals.

- (vi) *The administrative expenditure arising from management fees and other financial and operating charges paid for the management of financial instruments, where that management has been entrusted to third parties, in total and per managing party and per financial instrument managed*

The management and operating fees for 2007-2012 amount to EUR 16,8 million.

The LGTT Cooperation Agreement identifies the following types of management and operating fees, which are to be paid to the EIB:

Administrative fees: flat fee for the coverage of the costs of LGTT linked to payments to the LGTT instrument, which is capped at 2,5% of the EU Contribution transferred to the LGTT Account in a given year, and the overall amount of the administrative fee is set at 2,8% of the EU Contribution for the LGTT operations signed

Expected loss premium: Commission-share of expected loss for individual LGTT operation

Closing fee: Fee paid to EIB for each operation that supports a specific TEN-T policy objective. The fee is expressed in percentage of guarantee and capped at a maximum amount.

Treasury management fee: remuneration for treasury management for funds on LGTT Account

**Table 2 – Fees**

	<i>in million EUR</i>						
	<b>2007</b>	<b>2008</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>	<b>Total</b>
Administrative fee	2	1,1	1,1	1,3	0	0	<b>5,5</b>
Expected loss premium paid to EIB	0	0,3	1,6	0,8	6,70	1,1	<b>10,5</b>
Closing fee	0	0,05	0	0	0,25	0	<b>0,3</b>
Treasury management fee	0	0,04	0,08	0,15	0,15	0,16	<b>0,5</b>

### 2.3.3 Pilot Phase of the Project Bond Initiative

**(i) The aggregate budgetary commitments and payments from the budget for each financial instrument**

Aggregate budgetary commitments/payments as at 31/12/2012	EUR million
Commitment MOVE (TEN-T appropriations)	100
— Commitment CONNECT	0
— Commitment ENER	0
Payments MOVE (TEN-T appropriations)	50
— Payments CONNECT	0
— Payments ENER	0

**(ii) Revenues and repayments under Article 140(6), and accrual for additional resources for the financial year**

Article 1.8 of the Cooperation Agreement with the EIB explains that the credit risks and associated revenues for each Portfolio will be shared between the Commission and the EIB.

All revenues generated on the EU Contribution will be subject to audited financial statements at the end of 2013 in accordance with Annex III, Article 2(2) of the Cooperation Agreement.

In practice, no revenues have been generated so far.

**(iii) The total amount of provisions for risks and liabilities, as well as any information on the financial risk exposure of the Union**

Based on the 2012 budgetary commitments as of 31/12/2012, the financial risk exposure amounts to EUR 100 million.

*Additional information:* Article 1.10 of the Cooperation Agreement establishes that the EU contribution will cover 95 % of the Portfolio First Loss Piece. In accordance with Annex I (iv), the EU Portfolio First Loss Piece contribution amounts to 28,5 % of the Expected Nominal Exposure.

**(iv) Impairments of assets of equity or risk-sharing instruments, and called guarantees for guarantee instruments, both for the preceding year and the respective accumulated figures**

Not applicable in 2012 as the instrument began its operation in late 2012 and no projects had been signed at 31 December 2012.

**(v) The average duration between the budgetary commitment to the financial instruments and the legal commitments for individual projects in the form of equity or debt, where the duration exceeds three years**

Not applicable as the duration does not exceed three years.

**(vi) The administrative expenditure arising from management fees and other financial and operating charges paid for the management of financial instruments, where that management has been entrusted to third parties, in total and per managing party and per financial instrument managed**

In accordance with the provisions of the Cooperation Agreement, a flat fee of EUR 1,7 million was due to the EIB for the establishment, management and monitoring of the instrument in 2012. The flat fee is shared between DG CONNECT, DG ENER and DG MOVE (TEN-T) according to a key which will be laid down in a Service Level Agreement (SLA) between the Directorates General (finalisation pending). The flat fee for the year 2012 is initially paid from the EU Contribution from the TEN-T appropriations. Flat fees for the year 2013 and beyond will be covered by the appropriations of DG CONNECT, DG ENER and DG MOVE (TEN-T) according to the key in the SLA, with potential adjustments to implement the ex-post sharing of the flat fee for 2012. The flat fee is not linked to specific-sectoral projects but is related to the remuneration of the EIB for the management and reporting on the instrument.

In addition, the EIB is entitled to a policy related incentive fee as specified in Article 6 (4) of the Cooperation Agreement. Furthermore, the EIB receives a Treasury Management Fee in accordance with article 6(6) and Annex IV (6).

## 2.4 DEDICATED INVESTMENT VEHICLES

If the financial instrument is implemented through a Dedicated Investment Vehicle (DIV) such as FCP-FIS (Fonds Commun de Placement – Fonds d'Investissement Spécialisé) or SICAV-FIS, the operational reports as well as financial statements will cover the whole vehicle and will need to be distributed to all public and/or private investors together with the market value of the shares per investor. The Commission will base its financial reporting on the market value of its shares in the vehicle, i.e. the Net Asset Value ("NAV") per share.

### 2.4.1 European Progress Microfinance FCP-FIS (EPMF FCP-FIS)

	<i>AMOUNT (EUR)</i>
<b>(i) The aggregate budgetary commitments and payments from the budget for each financial instrument</b>	
Aggregate budgetary commitments as at 31/12/2012	58 000 000
Aggregate budgetary payments as at 31/12/2012	51 000 000
<b>(ii) Revenues and repayments under Article 140(6), and accrual for additional resources for the financial year</b>	
Aggregate additional resources as at 31/12/2012	Not available
<b>(iii) The total amount of provisions for risks and liabilities, as well as any information on the financial risk exposure of the Union</b>	
Aggregate budgetary commitments as at 31/12/2012	58 000 000
<b>(iv) Impairments of assets of equity or risk-sharing instruments, and called guarantees for guarantee instruments, both for the preceding year and the respective accumulated figures</b>	
Impairment losses on shares and other variable-income securities as at 31/12/2012	Not available
<b>(v) The average duration between the budgetary commitment to the financial instruments and the legal commitments for individual projects in the form of equity or debt, where the duration exceeds three years</b>	
Not applicable.	
<b>(vi) The administrative expenditure arising from management fees and other financial and operating charges paid for the management of financial instruments, where that management has been entrusted to third parties, in total and per managing party and per financial instrument managed</b>	
Total operating expenses <sup>4</sup> as at 31/12/2012	2 020 811

<sup>4</sup> Calculated as Total operating expenses of the fund of EUR 4 714 912 \* 42.86% (European Community interest/share hold in the Fund, according to the latest Draw Down from the EIF – Ares (2012)1258840 - 24/10/2012).

## 2.4.2 The European Energy Efficiency Fund – (EEE F)

### (i) *The aggregate budgetary commitments and payments from the budget for each financial instrument*

	<i>AMOUNT (EUR)</i>
Aggregate budgetary commitments as at 31/12/2012 <i>(Fully committed on 31 March 2011 through a delegation agreement with the EIB)</i>	146 300 000
Aggregate budgetary payments as at 31/12/2013	
— for the Fund (to EIB Fund trust account)	25 000 000
— for the Technical Assistance (to EIB TA Trust Account)	5 934 251
— <i>Additional information</i>	
RAL as at 31/12/2012:	
— for the Fund	100 000 000
— for the Technical Assistance	14 400 393

### (ii) *Revenues and repayments under Article 140(6), and accrual for additional resources for the financial year*

In the case of the European Energy Efficiency Fund, the revenues and repayments are linked to investment repayment (principal and interests) that follow a payment waterfall, of which the direct operating expenses are first to be hit followed by Notes (not yet issued) and target dividends of A-class shares. The Commission as a holder of C-shares bears the losses and is not entitled to any target dividend but to a replenishment of its shares (one of last item of the waterfall).

*Additional information:* At 31/12/2012, the EEE F made a total of EUR 629 792 of negative income (losses).

### (iii) *The total amount of provisions for risks and liabilities, as well as any information on the financial risk exposure of the Union*

In the EEE F, the financial risk exposure of the EU, including management fees and other eligible costs is limited to the amount of its contribution (EUR 125 million) with no further liability on the general budget of the Union. The EU commitment agreement with the EEE F states, "*The amount drawn down from the Investor may not exceed the Investor's commitment.*"

### (iv) *Impairments of assets of equity or risk-sharing instruments, and called guarantees for guarantee instruments, both for the preceding year and the respective accumulated figures*

No impairments have been registered since the establishment of the Fund in 2011. Audited data for 2012 show no impairments either.

### (v) *The average duration between the budgetary commitment to the financial instruments and the legal commitments for individual projects in the form of equity or debt, where the duration exceeds three years*

Budget Commitment was made on 31 March 2011 and allocation to projects is limited to 31 March 2014 (3 years maximum).

The Fund was established on 1 July 2011, after which the Fund manager started building up a strong project pipeline. By 31/12/2012, two projects were approved and signed resulting in EUR 2.09 million of legal commitment with another 3 projects approved pending signature worth EUR 42 million. The final closure takes time due to complex public tendering procedures and long deal structuring (see the **Table 3** below).



**Table 3 – Projects signed and/or approved by the Fund**

Projects	Country	Category	Status	EEE F share (M€)	Type of investment
Jewish Museum Berlin	DE	EE-Building retrofit	approved & signed	1,50	forfeiting loan
University Pasing	DE	EE-Building retrofit	approved & signed	0,59	forfeiting loan
City	FR	EE-CHP	approved*	5,14	equity/loan
Municipality	FR	EE/RES-Biomass heating	approved*	4,90	Project bond
Hospital	IT	EE-Combined heating and cooling system	approved*	32,30	Project bond
<b>Total</b>				<b>44,43</b>	

\*Approved projects to be signed with beneficiaries by mid-April

- (vi) *The administrative expenditure arising from management fees and other financial and operating charges paid for the management of financial instruments, where that management has been entrusted to third parties, in total and per managing party and per financial instrument managed*

The table 4 below summarises the direct operating expenses of the Fund including the Investment Manager's fees (EUR 750 000 minimum fee for 2011).

**Table 4 - Direct Operating Expenses***in EUR*

EUR	31 Dec 2012	31 Dec 2011
Custodian and Administrative Agent fees	82 765	15 975
<u>Investment Management fees</u>	<u>3 468</u>	<u>750 000</u>
Carbon Reporting fees	200 000	101 362
Technical Assistance Management Fee	75 000	0
Luxembourg state, local, foreign or other taxes	3 124	2 736
Auditors, counsel, accountants and other advisors fees	41 078	34 500
Legal fees	149 740	82 511
Director and officer liability or other insurances	27 048	13 635
Marketing, placement, structuring and promotion fees	23 584	42 335
Due diligence expenses	35 266	0
Preparation of reports	10 000	0
Other expenses	523	35 793
<b>Total Direct Operating Expenses</b>	<b>651 596</b>	<b>1 078 847</b>

### 2.4.3 Marguerite - the 2020 European Fund for Energy, Climate Change and Infrastructure

(i) *The aggregate budgetary commitments and payments from the budget for each financial instrument*

	<i>AMOUNT (EUR)</i>
Aggregate budgetary commitments ( <i>fully committed in 2010</i> )	80 000 000
Aggregate budgetary payments	20 200 000
<i>Additional information – RAL as at 31/12/2012</i>	59 800 000

(ii) *Revenues and repayments under Article 140(6), and accrual for additional resources for the financial year*

In the case of the Marguerite Fund, the revenues and repayments consist on the distribution of dividends or redemption of shares (net distributable cash).

Article 20.1 of the Private Placement Memorandum establishing the fund specifies that the Net Distributable Cash will be distributed (either through the payment of dividends or through the redemption of Shares) to Investors pro rata as soon as possible in the reasonable discretion of the Board upon recommendation of the Investment Adviser after the relevant amount becomes available for distribution.

Up to 31/12/2012, no distribution has taken place.

(iii) *The total amount of provisions for risks and liabilities, as well as any information on the financial risk exposure of the Union*

The financial risk exposure refers to the amount of the Aggregate Budgetary Commitments (ABC) including the investment transactions, management fees reserved, and eligible expenses.

For the Marguerite Fund, it amounts to EUR 80 million.

(iv) *Impairments of assets of equity or risk-sharing instruments, and called guarantees for guarantee instruments, both for the preceding year and the respective accumulated figures*

No impairments have been registered since the establishment of the Fund in 2010. Unaudited data for 2012 show no impairments either.

(v) *The average duration between the budgetary commitment to the financial instruments and the legal commitments for individual projects in the form of equity or debt, where the duration exceeds three years*

Date of validation of the budgetary commitment (total Union contribution): 26/02/2010

Consumption of this commitment (capital calls):

- *In 2010 – EUR 960 000 or 1,2 % of the total Union contribution*
- *In 2011 – EUR 4 720 000 or 5,9 % of the total Union contribution*
- *In 2012 – EUR 14 520 000 or 1,2 % of the total Union contribution*
- *Total consumption at 31/12/2012 = EUR 20 200 000 or 25,3% of the total European Community contribution*

Marguerite Fund is an Equity type of financial instrument in which the budgetary commitment is made the day the Commission enters into the Fund, while the investments into the projects is done during a period of 4 years after final closing of the Fund. Final closing of Marguerite took place on 31/12/2012; therefore, the fund will invest until the end of 2016. Additionally, there is the possibility to extend the investment period for another 1+1 years.

Approved transactions: *Total costs to be borne by all investors, European Community included.*

<b>Investment overview (as at 31-12-2012)</b>	<b>in EUR</b>	
C-Power (Belgium)	39 150 000	Renewables
Toul (France)	27 200 000	Renewables
<b>Total 2011</b>	<b>66 350 000</b>	
Massangis (France)	25 050 000	Renewables
Aeolus (Poland)	26 602 000	Renewables
Chirnogeni (Romania)	24 300 000	Renewables
Autovia Arlanzon (A1) (Spain)	24 500 000	TEN-T
<b>Total 2012</b>	<b>100 452 000</b>	
<b>Commitments (from all investors, including the Commission)</b>	<b>166 802 000</b>	

(vi) *The administrative expenditure arising from management fees and other financial and operating charges paid for the management of financial instruments, where that management has been entrusted to third parties, in total and per managing party and per financial instrument managed*

The Section 28 of Private Placement Memorandum (PPM) of the Fund determines four types of expenses related to the operations and the management of the fund:

- Advisory fee,
- Investment expenses,
- Bonus and
- Other operating expenses such as custodian and audit fees or costs related to regulatory authorities, taxation, interests and bank charges, certain type of legal fees, etc.

The advisory fee relates to the costs of operating Marguerite Adviser and, on an annual basis, they cannot exceed 1 % of the total commitments of EUR 710 million, meaning EUR 7,1 million per year.

The rest of potential administrative expenses refer to general operating activities and are not considered part of the advisory fees according to the PPM, therefore not capped.

The table below summarises the total costs incurred by the Fund since the establishment of the fund, in EUR. These costs are shared between all investors based in their participation in Marguerite.

The European Commission participates with 11,26%, i.e. EUR 3,099 million.

	<i>in EUR</i>			
	<b>2010</b>	<b>2011</b>	<b>2012*</b>	<b>Total</b>
<b>Advisory fees</b>	2 688 189	4 846 843	5 086 000	12 621 032
<i>% of total commitments</i>	<i>0,38%</i>	<i>0,68%</i>	<i>0,72%</i>	<i>1,78%</i>
<b>Investment Expenses</b>	-	3 341 091	1 791 000	5 132 091
<b>Bonus</b>	1 126 163	1 536 000	1 585 000	4 247 163
<b>Other operating expenses</b>	2 901 389	819 552	1 805 000	5 525 941
<b>Total</b>	<b>6 715 741</b>	<b>10 543 486</b>	<b>10 267 000</b>	<b>27 526 227</b>

\* Non audited data

## 2.5 EXTERNAL FACILITIES NOT FINANCED EXCLUSIVELY THROUGH THE EDF

### 2.5.1 Regional Facilities

#### 2.5.1.1 Neighbourhood Investment Facility (NIF)

AMOUNT(EUR)

- |             |   |                    |
|-------------|---|--------------------|
| <b>i.</b>   | <b><i>The aggregate budgetary commitments and payments from the budget for each financial instrument</i></b>  |                    |
|             | Aggregate Budgetary Commitments as at 31/12/2012  | 541 920 334        |
|             | Aggregate Budgetary Payments as at 31/12/2012   | 376 139 797        |
| <b>ii.</b>  | <b><i>Revenues and repayments under Article 140(6), and accrual for additional resources for the financial year</i></b>   |                    |
|             | Reflows in 2012   | 416 969            |
| <b>iii.</b> | <b><i>The total amount of provisions for risks and liabilities, as well as any information on the financial risk exposure of the Union</i></b>  |                    |
|             | Financial risk exposure corresponds to aggregate budgetary commitments as at 31/12/2012   | 541 920 334        |
| <b>iv.</b>  | <b><i>Impairments of assets of equity or risk-sharing instruments, and called guarantees for guarantee instruments, both for the preceding year and the respective accumulated figures</i></b>  |                    |
|             | No impairment   |                    |
|             | <i>Additional information</i>   |                    |
|             | ENPI shares as at 31/12/2011  | 1 097 288          |
|             | <u>Movement 2012</u>  | <u>+ 2 627 738</u> |
|             | Total as at 31/12/2012  | 3 725 026          |
| <b>v.</b>   | <b><i>The average duration between the budgetary commitment to the financial instruments and the legal commitments for individual projects in the form of equity or debt, where the duration exceeds three years</i></b>  |                    |
|             | Not applicable  |                    |
| <b>vi.</b>  | <b><i>The administrative expenditure arising from management fees and other financial and operating charges paid for the management of financial instruments, where that management has been entrusted to third parties, in total and per managing party and per financial instrument managed</i></b> |                    |
|             | The management fees for 2012  | 1 650 000          |

### 2.5.1.2 Investment Facility for Central Asia (IFCA) and Asian Investment Facility (AIF)

AMOUNT(EUR)

- |             |   |            |
|-------------|---|------------|
| <b>i.</b>   | <b><i>The aggregate budgetary commitments and payments from the budget for each financial instrument</i></b>  |            |
|             | Aggregate Budgetary Commitments as at 31/12/2012  | 75 000 000 |
|             | Aggregate Budgetary Payments as at 31/12/2012   | 19 113 870 |
| <b>ii.</b>  | <b><i>Revenues and repayments under Article 140(6), and accrual for additional resources for the financial year</i></b>   |            |
|             | Not applicable  |            |
| <b>iii.</b> | <b><i>The total amount of provisions for risks and liabilities, as well as any information on the financial risk exposure of the Union</i></b>  |            |
|             | The financial risk exposure refers to the aggregate budgetary commitments as at 31/12/2012  | 75 000 000 |
| <b>iv.</b>  | <b><i>Impairments of assets of equity or risk-sharing instruments, and called guarantees for guarantee instruments, both for the preceding year and the respective accumulated figures</i></b>  |            |
|             | Not applicable  |            |
| <b>v.</b>   | <b><i>The average duration between the budgetary commitment to the financial instruments and the legal commitments for individual projects in the form of equity or debt, where the duration exceeds three years</i></b>  |            |
|             | Not applicable  |            |
| <b>vi.</b>  | <b><i>The administrative expenditure arising from management fees and other financial and operating charges paid for the management of financial instruments, where that management has been entrusted to third parties, in total and per managing party and per financial instrument managed</i></b> |            |
|             | The management fees in 2012   | 635 000    |

### 2.5.1.3 Latin America Investment Facility (LAIF)

#### AMOUNT(EUR)

<b>i.</b>	<b><i>The aggregate budgetary commitments and payments from the budget for each financial instrument</i></b>	
	Aggregate Budgetary Commitments as at 31/12/2012	105 850 000
	Aggregate Budgetary Payments as at 2012	39 426 439
<b>ii.</b>	<b><i>Revenues and repayments under Article 140(6), and accrual for additional resources for the financial year</i></b>	
	Not applicable	
<b>iii.</b>	<b><i>The total amount of provisions for risks and liabilities, as well as any information on the financial risk exposure of the Union</i></b>	
	The financial risk exposure refers to the aggregate budgetary commitments as at 31/12/2012	105 850 000
<b>iv.</b>	<b><i>Impairments of assets of equity or risk-sharing instruments, and called guarantees for guarantee instruments, both for the preceding year and the respective accumulated figures</i></b>	
	Not applicable	
<b>v.</b>	<b><i>The average duration between the budgetary commitment to the financial instruments and the legal commitments for individual projects in the form of equity or debt, where the duration exceeds three years</i></b>	
	Not applicable	
<b>vi.</b>	<b><i>The administrative expenditure arising from management fees and other financial and operating charges paid for the management of financial instruments, where that management has been entrusted to third parties, in total and per managing party and per financial instrument managed</i></b>	
	The management fees in 2012	1 310 000

## 2.5.2 Additional Facilities

### 2.5.2.1 Facility for Euro-Mediterranean Investment Partnership (FEMIP)

AMOUNT(EUR)

<i>i. The aggregate budgetary commitments and payments from the budget for each financial instrument</i>	
Aggregate Budgetary Commitments as at 31/12/2012	192 000 000
Aggregate Budgetary Payments as at 31/12/2012	192 000 000
<i>ii. Revenues and repayments under Article 140(6), and accrual for additional resources for the financial year</i>	
Reflows in 2012	40 431 884 <sup>5</sup>
<i>iii. The total amount of provisions for risks and liabilities, as well as any information on the financial risk exposure of the Union</i>	
The financial risk exposure refers to the aggregate budgetary commitments as at 31/12/2012	192 000 000
<i>iv. Impairments of assets of equity or risk-sharing instruments, and called guarantees for guarantee instruments, both for the preceding year and the respective accumulated figures</i>	
Not applicable	
<i>v. The average duration between the budgetary commitment to the financial instruments and the legal commitments for individual projects in the form of equity or debt, where the duration exceeds three years</i>	
Not applicable	
<i>vi. the administrative expenditure arising from management fees and other financial and operating charges paid for the management of financial instruments, where that management has been entrusted to third parties, in total and per managing party and per financial instrument managed</i>	
The management fees in 2012	4 357 409

<sup>5</sup> The amount of EUR 40 million refers to the reflows from 'risk capital operations' under the MEDA Instrument, which comprises both ENPI and FEMIP instrument. The reflows do not come only from 'FEMIP' because the actual FEMIP Programme was created under the ENPI in 2006.

### 2.5.2.2 Global Energy Efficiency and Renewable Energy Fund (GEEREF)

AMOUNT(EUR)

- |             |   |            |
|-------------|---|------------|
| <b>i.</b>   | <b><i>The aggregate budgetary commitments and payments from the budget for each financial instrument</i></b>  |            |
|             | Aggregate Budgetary Commitments as at 31/12/2012  | 76 100 000 |
|             | Aggregate Budgetary Payments as at 31/12/2012   | 76 100 000 |
| <b>ii.</b>  | <b><i>Revenues and repayments under Article 140(6), and accrual for additional resources for the financial year</i></b>   |            |
|             | Not applicable  |            |
| <b>iii.</b> | <b><i>The total amount of provisions for risks and liabilities, as well as any information on the financial risk exposure of the Union</i></b>  |            |
|             | The financial risk exposure refers to the aggregate budgetary commitments as at 31/12/2012  | 76 100 000 |
| <b>iv.</b>  | <b><i>Impairments of assets of equity or risk-sharing instruments, and called guarantees for guarantee instruments, both for the preceding year and the respective accumulated figures</i></b>  |            |
|             | No impairment for GEEREF  |            |
| <b>v.</b>   | <b><i>The average duration between the budgetary commitment to the financial instruments and the legal commitments for individual projects in the form of equity or debt, where the duration exceeds three years</i></b>  |            |
|             | Not applicable  |            |
| <b>vi.</b>  | <b><i>The administrative expenditure arising from management fees and other financial and operating charges paid for the management of financial instruments, where that management has been entrusted to third parties, in total and per managing party and per financial instrument managed</i></b> |            |
|             | The annual trustee fee for GEEREF in 2012 (payable in 2013)   | 86 067     |



## 2.6 FINANCIAL INSTRUMENTS IN THE ENLARGEMENT COUNTRIES

### 2.6.1 Turkey

#### 2.6.1.1 Anatolian Venture Capital Project (G43)

AMOUNT(EUR)

- i. The aggregate budgetary commitments and payments from the budget for each financial instrument**
- |  |            |
|--|------------|
| Total Public Commitment (EU + Turkey)                      | 16 300 000 |
| Aggregate Budgetary Commitment (= 85% share)               | 13 855 000 |
| Aggregate Budget Payment (= Total Disbursement to the EIF) | 13 855 000 |
- ii. Revenues and repayments under Article 140(6), and accrual for additional resources for the financial year**
- Not applicable to G43 (Anatolian Venture Capital Fund) at this stage as no investment by the EIF has been made yet.
- iii. The total amount of provisions for risks and liabilities, as well as any information on the financial risk exposure of the Union**
- The financial risk exposure refers to the total liability under the G43 (total commitment to the fund incl. management fees payable to the fund manager) 13 855 000
- iv. Impairments of assets of equity or risk-sharing instruments, and called guarantees for guarantee instruments, both for the preceding year and the respective accumulated figures**
- Funds not yet committed, thus not applicable.
- v. The average duration between the budgetary commitment to the financial instruments and the legal commitments for individual projects in the form of equity or debt, where the duration exceeds three years**
- Not applicable
- vi. The administrative expenditure arising from management fees and other financial and operating charges paid for the management of financial instruments, where that management has been entrusted to third parties, in total and per managing party and per financial instrument managed**
- Management fee/administration costs to cover whole period of implementation until 31st of December 2017: EUR 1 716 404 (EIF fee for trustee services + EIF advisory fee + transaction legal costs + establishment costs)

### 2.6.1.2 Greater Anatolia Guarantee Facility (GAGF)

AMOUNT(EUR)

**i. The aggregate budgetary commitments and payments from the budget for each financial instrument**

Total Public Commitment and Total Disbursement to the EIF (EU + TR)	51 157 895
Aggregate Budgetary Commitment (85% share)	43 484 211
Aggregate Budgetary Payment (= Disbursement to EIF)	43 484 211

*Additional information*

Out of EUR 51 157 895 only EUR 45 000 000 is provided as direct guarantee on SME lending. The rest of the budget is for capacity building, visibility activities, and management fee. The financial exposure in this context (only EU contribution) amounts to 38,25 million (85% share of 45 million).

**ii. Revenues and repayments under Article 140(6), and accrual for additional resources for the financial year**

Not applicable to GAGF (no revenue generation involved)

**iii. The total amount of provisions for risks and liabilities, as well as any information on the financial risk exposure of the Union**

The financial risk exposure refers to the aggregate budgetary commitments as at 31/12/2012

	43 400 000
--	------------

*Additional Information*

Total liability under GAGF (total guarantee amount provided in Phase 1 and 2 under EU + TR)	45 000 000
--	------------

**iv. Impairments of assets of equity or risk-sharing instruments, and called guarantees for guarantee instruments, both for the preceding year and the respective accumulated figures**

Total guarantee calls under GAGF - cumulative as of 31/03/2013:	153 288
Total guarantee calls under GAGF in 2012	22 733

**v. The average duration between the budgetary commitment to the financial instruments and the legal commitments for individual projects in the form of equity or debt, where the duration exceeds three years**

Not applicable

**vi. The administrative expenditure arising from management fees and other financial and operating charges paid for the management of financial instruments, where that management has been entrusted to third parties, in total and per managing party and per financial instrument managed**

Management fee/administration costs to cover whole period of implementation until 31st of December 2017: 4 157 895 Euros

## 2.6.2 Western Balkans

### 2.6.2.1 Guarantee Facility under the Western Balkans Enterprise Development and Innovation Facility

*AMOUNT(EUR)*

***i. The aggregate budgetary commitments and payments from the budget for each financial instrument***

An aggregate Budgetary Commitment was committed and paid (to EIF as the GF Manager) in as of December 2012

16 500 000

***ii. Revenues and repayments under Article 140(6), and accrual for additional resources for the financial year***

No revenues or repayments attributable to 2012

***iii. The total amount of provisions for risks and liabilities, as well as any information on the financial risk exposure of the Union***

The financial risk exposure refers to the aggregate budgetary commitment

16 500 000

*Additional information*

Out of this amount, EUR 1,5 million is a provision for fees to the EIF as the Manager and EUR 15 million is the guarantee capital (equivalent to the direct financial risk exposure of the EU with regard to operational transactions under the instrument).

***iv. Impairments of assets of equity or risk-sharing instruments, and called guarantees for guarantee instruments, both for the preceding year and the respective accumulated figures***

Not applicable

*The call for expression of interest was issued to financial intermediaries in the region only in mid-April; first guarantee agreements will be signed in the second half of the year.*

***v. The average duration between the budgetary commitment to the financial instruments and the legal commitments for individual projects in the form of equity or debt, where the duration exceeds three years***

No legal commitments pending beyond three years

***vi. The administrative expenditure arising from management fees and other financial and operating charges paid for the management of financial instruments, where that management has been entrusted to third parties, in total and per managing party and per financial instrument managed***

Management fees attributable to 2012 amount to EUR 0,7 million (chargeable upon signature).

**2.6.2.2 Enterprise Expansion Fund (ENEF) under the Western Balkan Enterprise Development and Innovation Facility (EDIF)**

**AMOUNT(EUR)**

**i. The aggregate budgetary commitments and payments from the budget for each financial instrument**

An aggregate budgetary commitment was committed and paid (to the EIF as a trustee) as of December 2012 10 400 000

**ii. Revenues and repayments under Article 140(6), and accrual for additional resources for the financial year**

No revenues or repayments attributable to 2012

**iii. The total amount of provisions for risks and liabilities, as well as any information on the financial risk exposure of the Union**

The financial risk exposure refers to the aggregate budgetary commitment as of 31/12/2013 10 400 000

*Additional information*

The amount consists of EUR 0,9 million for a provision for fees (EUR 0,4 to the EBRD as investment advisor and up to EUR 0,5 million to EIF as trustee) and EUR 9,5 million for capital to be subscribed to the Fund in 2013 (expected first closing in June 2013).

**iv. Impairments of assets of equity or risk-sharing instruments, and called guarantees for guarantee instruments, both for the preceding year and the respective accumulated figures**

No impairment attributable to 2012

**v. The average duration between the budgetary commitment to the financial instruments and the legal commitments for individual projects in the form of equity or debt, where the duration exceeds three year**

No legal commitments pending beyond three years

**vi. The administrative expenditure arising from management fees and other financial and operating charges paid for the management of financial instruments, where that management has been entrusted to third parties, in total and per managing party and per financial instrument managed**

No management fees attributable to 2012

However, EUR 0,9 million is earmarked as a provision for fees (EUR 0,4 million to EBRD as investment advisor and up to EUR 0,5 million to EIF as trustee).

**2.6.2.3 Enterprise Innovation Fund (ENIF) under the Western Balkan Enterprise Development and Innovation Facility (EDIF)**

**i. The aggregate budgetary commitments and payments from the budget for each financial instrument**

Not applicable

*Additional information:*

The aggregate budgetary commitment of EUR 21,2 million will be made in the second quarter of 2013. The commitment amount consists of EUR 7,1 million as a provision for fees (up to EUR 0,9 million to the EIF as trustee and up to EUR 6,2 million to the Fund Manager) and EUR 14,1 million for capital to be paid out to the EIF and subscribed to the Fund in the second half of 2013.

**ii. Revenues and repayments under Article 140(6), and accrual for additional resources for the financial year**

Not applicable

**iii. The total amount of provisions for risks and liabilities, as well as any information on the financial risk exposure of the Union**

Not applicable

**iv. Impairments of assets of equity or risk-sharing instruments, and called guarantees for guarantee instruments, both for the preceding year and the respective accumulated figures**

Not applicable

**v. The average duration between the budgetary commitment to the financial instruments and the legal commitments for individual projects in the form of equity or debt, where the duration exceeds three years**

Not applicable

**vi. The administrative expenditure arising from management fees and other financial and operating charges paid for the management of financial instruments, where that management has been entrusted to third parties, in total and per managing party and per financial instrument managed**

Not applicable

## 2.6.3 Private Sector Support (Crisis Response Package)

### 2.6.3.1 Private Sector Support Facility for Turkey

**AMOUNT(EUR)**

**i. *The aggregate budgetary commitments and payments from the budget for each financial instrument***

Aggregate Budgetary Commitments and payments 22 500 000  
At present, no further contributions are planned.

*Additional information*

EBRD contribution 250 000 000

**ii. *Revenues and repayments under Article 140(6), and accrual for additional resources for the financial year***

The Private Sector Support Facility for Turkey is a revolving fund; there have been no revenues and repayments.

**iii. *The total amount of provisions for risks and liabilities, as well as any information on the financial risk exposure of the Union***

In principle, the assets belong to the beneficiary in the sense that these will receive the future assets when the project ends.

The financial risk exposure refers to the aggregate budgetary commitment 22 500 000

**iv. *Impairments of assets of equity or risk-sharing instruments, and called guarantees for guarantee instruments, both for the preceding year and the respective accumulated figures***

Not applicable

**v. *The average duration between the budgetary commitment to the financial instruments and the legal commitments for individual projects in the form of equity or debt, where the duration exceeds three years***

Not applicable

**vi. *The administrative expenditure arising from management fees and other financial and operating charges paid for the management of financial instruments, where that management has been entrusted to third parties, in total and per managing party and per financial instrument managed***

The Organisation shall be reimbursed the costs of management, administration and other expenses incurred by the Organisation in respect to the Action. For this purpose, the Organisation shall deduct and retain a management fee for 1,25% of the amount financed by the Contracting Authority under this Agreement.

The maximum amount of the management fee shall not exceed EUR 281 250.

### 2.6.3.2 Private Sector Support Facility for Western Balkan

AMOUNT(EUR)

**i. The aggregate budgetary commitments and payments from the budget for each financial instrument**

Aggregate Budgetary Commitments and payments 31 500 000  
At present, no further contributions are planned.

*Additional information*

EBRD contribution 110 000 000

**ii. Revenues and repayments under Article 140(6), and accrual for additional resources for the financial year**

The Private Sector Support Facility for Western Balkan is a revolving fund; there have been no revenues and repayments.

**iii. The total amount of provisions for risks and liabilities, as well as any information on the financial risk exposure of the Union**

In principle, the assets belong to the beneficiary in the sense that these will receive the future assets when the project ends.

The financial risk exposure refers to the aggregate budgetary commitment 31 500 000

**iv. Impairments of assets of equity or risk-sharing instruments, and called guarantees for guarantee instruments, both for the preceding year and the respective accumulated figures**

Not applicable

**v. The average duration between the budgetary commitment to the financial instruments and the legal commitments for individual projects in the form of equity or debt, where the duration exceeds three years**

Not applicable

**vi. The administrative expenditure arising from management fees and other financial and operating charges paid for the management of financial instruments, where that management has been entrusted to third parties, in total and per managing party and per financial instrument managed**

The Organisation shall be reimbursed the costs of management, administration and other expenses incurred by the Organisation in respect to the Action. For this purpose, the Organisation shall deduct and retain a management fee for 1,25 % of the amount financed by the Contracting Authority under this Agreement.

The maximum amount of the management fee shall not exceed EUR 393 750.

## 2.6.4 Other/Mixed

### 2.6.4.1 European Fund for Southeast Europe (EFSE)

*AMOUNT(EUR)*

*i. The aggregate budgetary commitments and payments from the budget for each financial instrument*

Aggregate Budgetary Commitments 47 000 000  
At present, no further contributions are planned.

Aggregate Budgetary Payments 33 000 000

*Additional information*

The Commission assets Q4/2012 were EUR 117,7 million. Total value of the fund (NAV Q4/2012) was EUR 687,7 million. This includes both public and private investors.

*ii. Revenues and repayments under Article 140(6), and accrual for additional resources for the financial year*

EFSE is a revolving fund; there have been no revenues and repayments.

*iii. The total amount of provisions for risks and liabilities, as well as any information on the financial risk exposure of the Union*

In principle, the assets belong to the beneficiaries in the sense that these will receive the future assets when the project ends.

The financial risk exposure refers to the aggregate budgetary commitment

47 000 000

*iv. Impairments of assets of equity or risk-sharing instruments, and called guarantees for guarantee instruments, both for the preceding year and the respective accumulated figures*

Not available

*v. The average duration between the budgetary commitment to the financial instruments and the legal commitments for individual projects in the form of equity or debt, where the duration exceeds three years*

This project has funding from different sources. Regarding the IPA components, the timing is in the range of months.

*vi. The administrative expenditure arising from management fees and other financial and operating charges paid for the management of financial instruments, where that management has been entrusted to third parties, in total and per managing party and per financial instrument managed.*

The EIF receives annually EUR 81 760 (nominal 2013).



#### 2.6.4.2 Green for Growth Fund (GGF)

AMOUNT (EUR)

- (i) **The aggregate budgetary commitments and payments from the budget for each financial instrument**
- |  |            |
|--|------------|
| Aggregate budgetary commitments as at 31/12/2012 | 20 000 000 |
| Aggregate budgetary payments as at 31/12/2012    | 20 000 000 |
- (ii) **Revenues and repayments under Article 140(6), and accrual for additional resources for the financial year**
- GGF is a revolving fund; there have been no revenues and repayments.
- (iii) **The total amount of provisions for risks and liabilities, as well as any information on the financial risk exposure of the Union**
- In principle, the assets belong to the beneficiaries in the sense that these will receive the future assets when the project ends.
- |  |            |
|--|------------|
| Aggregate budgetary commitments as at 31/12/2012 | 20 000 000 |
|--|------------|
- (iv) **Impairments of assets of equity or risk-sharing instruments, and called guarantees for guarantee instruments, both for the preceding year and the respective accumulated figures**
- Not available.
- (v) **The average duration between the budgetary commitment to the financial instruments and the legal commitments for individual projects in the form of equity or debt, where the duration exceeds three years**
- According to IPA Decision and Contracting rules, the duration is less than one year.
- (vi) **The administrative expenditure arising from management fees and other financial and operating charges paid for the management of financial instruments, where that management has been entrusted to third parties, in total and per managing party and per financial instrument managed**
- EUR 122 640 / year (nominal 2013).

### 2.6.4.3 SME Recovery Support Loan for Turkey

AMOUNT (EUR)

- (i) **The aggregate budgetary commitments and payments from the budget for each financial instrument**
- |  |             |
|--|-------------|
| Aggregate budgetary commitments as at 31/12/2012 | 30 000 000  |
| Aggregate budgetary payments as at 31/12/2012    | 30 000 000  |
| <i>Additional information:</i> EIB contribution  | 120 000 000 |
- (ii) **Revenues and repayments under Article 140(6), and accrual for additional resources for the financial year**  
SME Recovery Support Loan for Turkey is a revolving fund; there have been no revenues and repayments.
- (iii) **The total amount of provisions for risks and liabilities, as well as any information on the financial risk exposure of the Union**  
In principle, the assets belong to the beneficiary in the sense that these will receive the future assets when the project ends.  
Aggregate budgetary commitments as at 31/12/2012 30 000 000
- (iv) **Impairments of assets of equity or risk-sharing instruments, and called guarantees for guarantee instruments, both for the preceding year and the respective accumulated figures**  
Not applicable.
- (v) **The average duration between the budgetary commitment to the financial instruments and the legal commitments for individual projects in the form of equity or debt, where the duration exceeds three years**  
Not applicable.
- (vi) **The administrative expenditure arising from management fees and other financial and operating charges paid for the management of financial instruments, where that management has been entrusted to third parties, in total and per managing party and per financial instrument managed**  
The single tranche paid by the Commission to EIB shall include management fees (the “Management Fees”) equal to 1,20% of the Union Contribution and paid out of the SME SUPPORT 2009 Special Account at the time the tranche is received by EIB. The maximum amount of the Management Fees is EUR 360 000.  
*The Management Fees are intended to cover the costs for implementation of the Action and monitoring and reporting on project implementation progress to be done by EIB in accordance with this Agreement. For the avoidance of doubt, the Management Fees are not intended to cover the consultancy costs at Project level for the Financial Intermediaries to report to EIB.*

### 3 GLOSSARY

ABC	Aggregate Budgetary Commitments
AIF	Asian Investment Facility
DIV	Dedicated Investment Vehicle
EBRD	European Bank for Reconstruction and Development
EEE F	European Energy Efficiency Fund
EFSE	European Fund for Southeast Europe
EIF	European Investment Fund
EIB	European Investment Bank
EIB TA	European Investment Bank Trust Account
ENEF	Enterprise Expansion Fund Guarantee Facility under the Western Balkans Enterprise Development and Innovation Facility (EDIF)
ENIF	Enterprise Innovation Fund (ENIF) under the Western Balkans Enterprise Development and Innovation Facility (EDIF)
EPMF FCP-FIS	European Progress Microfinance FCP-FIS
EPMF-G	European Progress Microfinance - Guarantee Facility
EU	European Union
FCP-FIS	"Fonds Commun de Placement – Fonds d'Investissement Spécialisé"
FEMIP	Facility for Euro-Mediterranean Investment Partnership
FR	Financial Regulation
G43	Anatolian Venture Capital Project
GAGF	Greater Anatolia Guarantee Facility
GEEREF	Global Energy Efficiency and Renewable Energy Fund
GGF	Green for Growth Fund
GIF	High Growth and Innovative SME Facility under CIP
IFCA	Investment Facility for Central Asia
IPA	Instrument for pre-accession assistance
LAIF	Latin America Investment Facility
LGTT	Loan Guarantee Instrument
Marguerite	The 2020 European Fund for Energy, Climate Change and Infrastructure
NAV	Net Asset Value
NIF	Neighbourhood Investment Facility
PBI	Project Bond Initiative
PPM	Private Placement Memorandum
RSFF	Risk-Sharing Finance Facility
SMEG07	SME Guarantee Facility under CIP
TEN-T	Trans-European Transport Network