

The Europe 2020 Project Bond Initiative



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Motivation

- Annual Growth Survey: urgency for measures to spur growth
- Public budgets are constrained
- Future Multiannual Financial Framework: Attract more private capital to EU policy priorities
- Revitalise the project bond market that dried up in the crisis



Key issues

- Large infrastructure projects: require decades of revenues to amortise the high upfront investment
- Investor base: Expand from bank loans to capital market by Project Bonds
- Private, not public debt; EU/EIB will not issue debt...
- ... but absorb part of the credit risk
- Open issues:
 - How to provide the credit enhancement?
 - Regulatory barriers?
 - Early start of Initiative?
 - ...

