



EUROPEAN COMMISSION
DIRECTORATE-GENERAL ENVIRONMENT
DIRECTORATE-GENERAL CLIMATE ACTION
Shared Resources Directorate
Director

Brussels, 22 December 2014

Ares (2014)

[REDACTED]

98-100 Boulevard Konrad Adenauer
2940 Luxembourg
LUXEMBOURG

Subject: Natural Capital Financing Facility Authorisation for the opening of the Financial Instrument bank account.

Following the signature of the Delegation Agreement for the Natural Capital Financing Facility on the 17th and 18th December 2014, we are pleased to authorise the opening of the Financial Instrument Account according to Article 11.2 of the Delegation Agreement. The key agreed features of the Financial Instrument Account are included in Annex.

I take the opportunity to wish you and your families a new year filled with joy and peace.

[REDACTED]

Annex: Key features of the Financial Instrument Account

c.c: [REDACTED]



EUROPEAN COMMISSION
DIRECTORATE-GENERALS
ENVIRONMENT AND CLIMATE ACTION

The Director-Generals

Brussels,

NOTE TO THE ATTENTION OF M. MANFRED KRAFF
ACCOUNTING OFFICER OF THE COMMISSION

Subject: Request for opening of a fiduciary account for the financial instrument NCFF (Natural Capital Financing Facility)

Following the ISC "B2 - 2770724", the text of the Delegation Agreement for the NCFF was finalised and it is in the process of being adopted by written procedure by the Commission. We are now going on with the practical implementation of the instrument.

We would be grateful if you could give as soon as possible your agreement for the opening of a fiduciary account with the characteristics defined below. We also guarantee compliance with the principles of sound financial management.

Accountholder	European Investment Bank
Name of the account	EC/FI - NCFF
Account number (if already known)	Information will be made available as soon as possible
Currency	EUR
Financial institution	European Investment Bank
Rating of institution with main agencies	Moody's: LT Aaa, ST P-1 S&P: LT AAA, ST A-1+
Name of financial instrument	Natural Capital Financing Facility (NCFF)
Entrusted entity	European Investment Bank
DG and unit responsible	ENV/Unit B2 and CLIMA/Unit C3
Policy area/programme	Environment and Climate Action / LIFE
Budgetary line	07 02 02 and 34 02 02
Forecast for duration	2014-2040

Remuneration of account

3-month EURIBOR less 34bp per annum floored at 0.

Minimum reserve

5 million EUR.

The Director-General

The Director-General

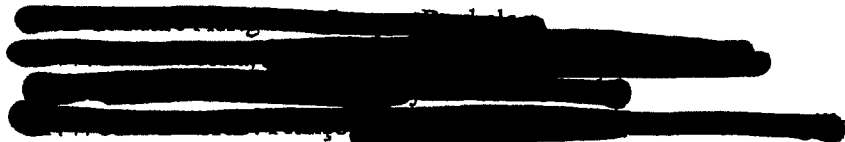
pro. 
Jos DELBEKE


Karl FALKENBERG

Agreement Accounting Officer

OK  12/12/14

Copy to:





Европейска инвестиционна банка
Evropská Investiční banka
Den Europæiske Investeringssbank
Europäische Investitionsbank
Euroopa Investeeringuspank
Ευρωπαϊκή Τράπεζα Επενδύσεων
European Investment Bank
Banco Europeo de Inversiones
Banque européenne d'investissement
Banca europea per gli investimenti
Eiropas Investīciju banka
REF: Ares(2015)044315-16/02/2015
Eвропейска инвестиционна банка
Európai Beruházási Bank
Bank Ewropew ta' l-Investiment
Europese Investeringsbank
Europejski Bank Inwestycyjny
Banco Europeu de Investimento
Banca Europeană de Investiții
Európska Investičná banka
Evropska Investicijska banka
Euroopan Investointipankki
Europelska Investeringsbanken

To:
European Commission
Directorate-General Environment
Directorate B – Natural Capital
Unit B2 - Biodiversity
Rue de la Loi 200 – B-1049 Brussels/Belgium
ENV-CLIMA-NCFF@ec.europa.eu

EXP BEI - EIB
000827 11.FEB 15

Luxembourg, 10 February 2015

OPS/NPST-3/2015-NCF-001/JR/lh

Subject: Notification of Payment Estimates and Submission of Pipeline Report

Dear Sir, Madam,

We refer to **Article 9.6** of the Delegation Agreement dated 17 and 18 December 2014 signed between the EIB and the European Union, represented by the European Commission, for the NCFF.

Articles refer to the Delegation Agreement. Words and expressions defined in the Delegation Agreement and the FAFA shall have the same meaning when used in this notification.

Please find enclosed the pipeline reports for the current year referred to in **Article 14.3** of the Delegation Agreement as well as the disbursement forecasts for the current year and the following three years substantiated by the attached disbursement forecasts.

Yours sincerely,

EUROPEAN INVESTMENT BANK


Encl.

- Disbursement Forecasts
- Pipeline Reports

Cc: Directorate-General Climate action, Directorate C - Mainstreaming Adaptation & Low Carbon Technology, Unit C3 – Adaptation, Rue de la Loi 200 – B-1049 Brussels, Belgium

**NCFF disbursement forecast for the Financial Instrument Account
(all amounts in EUR)**

Forecasts : Year 2015				
	From 1st of January to 30th of June 2015	From 1st of July to 31st December 2015	2014	Total previous years
NCFF Investment Facility				
A. Forecast allocation as EU Contributions to the PFLP, of which:			N/R	N/R
a. Cash paid into the Financial Instrument Account in accordance with point [a, b, c] of Art. 9.7			N/R	N/R
b. Amount guaranteed (A-a)			N/R	N/R
B. Forecast/actual losses	N/R	N/R	N/R	N/R
NCFF Support Facility				
Forecast allocations (signature of service contracts)	1,500,000	1,500,000	N/R	N/R
Forecast payments (to third party consultants)	N/R	N/R	N/R	N/R
Fees				
Administrative fee	0	0		N/R
Incentive fee	0	0	0	N/R
Exceptional unforeseen expenses	0	0		N/R
Estimated Balance on the Financial Instrument Account				
Amount	0	0		N/R
Estimated amounts to be requested for payment				
Amount			0	N/R

Pipeline Report as of 31st January 2015
(all amounts in EUR)

This Pipeline Report shall be provided to the Designated Services twice a year as provided for in Article 14.3 of the Delegation Agreement.

Given the NCCF has not been launched yet, this pipeline has not been discussed formally neither internally at the EIB nor between the EC Services and the EIB. This table may be updated by 31st July 2015 if deemed necessary.

Indirect Loan Operations

Financial Intermediary	Total EIB Financing	-Total PFLP 2015 -Total Support Facility 2015	Total 3 rd Party Contribution (if relevant)	Project Category	Country of Establishment Of the Financial Intermediary	Geographical Focus of The Final Recipients	Stage of EIB's Deal Flow	Expected Date of Submission to EIB's Board
Polish Bank			N/A	PBB	Poland	Poland	Long list	N/A

Direct Loan Operations

Final Recipient	Total EIB Financing	-Total PFLP 2015 -Total Support Facility 2015	Total 3 rd Party Contribution (if relevant)	Project Category	Country of Establishment Of the Final Recipient	N/R	Stage of EIB's Deal Flow	Expected Date of Submission to EIB's Board
Promoter A			N/A	GI, PES, PBB, Adaptation	UK		Long list	N/A
Promoter B			N/A	PES, Adaptation	50% UK, 50% Finland		Long list	N/A
Promoter C			N/A	GI,	The		Long list	N/A

				Adaptation, PBB	Netherlands			
Promoter D		0	N/A	GI, PES, PBB, Adaptation	Romania		Long list	N/A
Promoter E			N/A	BC	France		Long list	N/A

Investment in Equity Funds

Fund Manager	Total EIB Financing	-Total PFLP 2015 -Total Support Facility 2015	Total 3 rd Party Contribution (if relevant)	Project Category	Country of Establishment Of the Financial Manager/Fund	Geographical Focus of The Final Recipients	Stage of EIB's Deal Flow	Expected Date of Submission to EIB's Board
Portugal-located Fund Manager				PES, PBB, Adaptation	N/A	Portugal, Spain	Long list	N/A



EUROPEAN COMMISSION
DIRECTORATE-GENERAL
ENVIRONMENT
Directorate B - Natural Capital
ENV.B.2 - Bio-diversity

Brussels,
ARES(15)

08/04/2015

European Investment Bank
F.a.o. Head of Division, Climate
Change and Environment
(OPS/NPST-3 CCE)
100 Blvd. Konrad Adenauer
L – 2950 Luxembourg

Email: ncf_instrument@eib.org

Subject: Notification of EU Contribution Committed

Dear Sir, Madam,

We refer to Article 9.8 of the Delegation Agreement dated 17th and 18th December 2014 signed between the EIB and the European Union, represented by the European Commission, for the NCFE.

Articles refer to the Delegation Agreement. Words and expressions defined in the Delegation Agreement and the FAFA shall have the same meaning when used in this notification.

We hereby notify to you that:

(i) Commitments:

- (a) On 26th February 2015, the Commission has committed **EUR 30.000.000** (EUR 10.000.000 in 2014 and EUR 20.000.000 in 2015) in relation to the NCFE of which:
- EUR [REDACTED] is to be used for the EU Contribution to the Portfolio First Loss Piece
 - EUR [REDACTED] is to be used for the Support Facility:
 - EUR [REDACTED] is to be used for Fees and Exceptional Unforeseen Expenses
- (b) In accordance with Article 9.11 the Minimum Reserve shall amount to EUR 5 million.

As from now on, the EU Contribution Committed corresponds to the amounts as specified in the table below (all amounts in EUR):

Year	Total EU Contribution Committed at the beginning of the year	EU Contribution Committed during the year (*)	De-commitments	Total EU Contribution Committed to date
	(a)	(b)	(d)	(a+b) - (d) = (f)
2014	0	10.000.000	0	10.000.000
2015	10.000.000	20.000.000	0	30.000.000
Total EU Contribution Committed out of which				
<i>Maximum amount available for the PFLP</i>				
<i>Maximum amount available for the Support Facility</i>				
<i>Maximum amount available for Fees</i>				
<i>Maximum amount available for Exceptional Unforeseen Expenses</i>				
<i>Minimum Reserve</i>				

- (c) The indicative EU Contribution available for commitments for the NCFF for the remainder of the Implementation Period is set out in the table below:

Year	EU Contribution In EUR thousands
2016	EUR 20.000.000
2017	EUR 10.000.000
TOTAL	EUR 30.000.000

(ii) Payments:

- (a) The total EU Contribution to be paid for the NCFF in 2015 amounts to EUR 8.237.500 and is planned to be disbursed as follows:

1 st payment	2 nd payment

These amounts include an amount of EUR [REDACTED] for exceptional unforeseen expenses which can be withdrawn from the NCFF Account according to Article 13.4 and 13.7 of the FAFA.

- (b) The Commission has transferred the following amounts to the Financial Instrument Account for the NCFF:

- EUR [REDACTED] on 29/12/2014,
- EUR [REDACTED] on 15/01/2015.

As from the dates of the transfers, the situation of the EU Contribution Paid corresponds to the amounts specified in the table below (in EUR):

Year	Total EU Contribution Paid at the beginning of the year	EU Contribution Paid during the year	Total EU Contribution Paid	Total EU Contribution Committed	Total EU Contribution Committed and not yet paid
	(a)	(b)	(a+b) = (c)	(d)	(d-c) = (e)
2014	0	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
2015	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]

Yours faithfully,

[REDACTED]



EUROPEAN COMMISSION
DIRECTORATE-GENERAL
ENVIRONMENT
SRD - Shared Resources Directorate (ENV + CLIMA)
SRD - The Director

Brussels, 15 April 2015 - Ares:ENV(15)1108187

European Investment Bank

[REDACTED]
[REDACTED]
98-100 Boulevard Konrad Adenauer
L-2950 Luxembourg

Subject: Natural Capital Financing Facility: practical steps for launching and on-going management.

We refer to the Delegation Agreement (DA) signed by the European Commission and the Bank on 17 and 18 December 2014 for the implementation of the Natural Capital Financing Facility (NCFF). In this letter we set out some practical steps for the launch and on-going management of the NCFF. This letter supersedes and replaces our letter dated 18 December 2014.

1. Article 9.3 of the DA sets out the indicative amounts of the EU Contribution. It should be noted that while the 2014 Contribution will be covered by budget commitments of the Commission in its 2014 budget, some related payments were made in early 2015, as explained further below.
2. The DA provides at Article 9.5 that the Commission will inform the Bank by 15 January of the relevant year of the indicative EU contribution that may be available for commitment and payment for that year.
3. [REDACTED]
4. In accordance with Article 9.6 of the DA, you will send to us at the start of each semester your semi-annual forecast of the likely utilisation of the EU Contribution. This will include:
 - a) the pipeline report referred to in Article 14.3, that sets out expected operations in the next semester, and
 - b) the forecast of the amount of the EU Contribution that will be utilised in the next semester. This will be broken down to show:
 - the amount to be paid as remuneration of the Bank;
 - amounts to be paid out under the NCFF Support Facility;

- the expected amount of the EU contribution to the Portfolio First Loss Piece for the next semester;
- amounts to be paid out as Exceptional Unforeseen Expenses, if any.

By these means, the Bank provides the Commission with its first estimate of the projected needs related to the EU contribution in the forthcoming 6 months.

The first such semi-annual forecast for the first half of 2015 was sent on the 10th February 2015.

5. In the light of forecast described at (4) above, and subject to approval by the respective authorities of the Commission financing decision and the EU budget for the year in question, the Commission will confirm within 30 business days, the amount that it will commit in its budget for the semester in question, as foreseen in Article 9.8. This amount will be broken down as specified in Article 9.8 as follows:

- EU contribution to the PFLP,
- Remuneration of the Bank,
- Support facility, and
- Exceptional Unforeseen Expenses.

If the amount that the Commission is able to commit is less than the needs forecast by the Bank at (4) above, then the latter forecast will be adjusted down (see Art. 9.8).

It is acknowledged that any determination that amounts committed are "excessive" within the meaning of the last paragraph of Article 9.8 must fully take into account the risk considerations set out in Annex 3.

For the avoidance of doubt, and by derogation from Article 9.8, we specify that the Commission has already committed [REDACTED] for NCFF under its 2014 Budget and [REDACTED] under its 2015 Budget.

6. [REDACTED]

- a) As regards the first payments to set up the facility,

[REDACTED]

- b) As regards subsequent payments

Every six months the Bank will request according to Article 9.9 a payment being the sum of the following possible elements:

- the amount needed for the remuneration of the Bank according to Annex 5;
- the amount needed for the Support Facility;

[REDACTED]

The Bank will submit to the Commission a payment request as provided for in Article 9.9. The Commission will pay in accordance with the provisions of Article 9.10.

By derogation from the previous paragraph, and reflecting the heavy start-up costs and risks, an analysis of the amount available on the Financial Instrument Account will be done at the end of March 2015 in view of a possible additional payment to build up the reserve according to the provisions of Article 9.11. Subsequently, the provisions of Article 9.13 will apply to determine whether a top-up payment into the account is required.

7. Where a loss on an operation is notified, Articles 9.12, 9.13, 9.14 and 9.15 of the DA shall apply, provided that:
 - a) the reference in Article 9.12 to the expected date of disbursement by the Bank shall be interpreted to mean the expected date of any necessary payment from the PFLP to the Bank; and
 - b) the payments referred to in paragraphs (a) and (b) of Article 9.15 shall be interpreted to mean a single payment, within 30 calendar days from the receipt of the payment request, of the amount requested pursuant to Article 9.13 and, if applicable, Article 9.14.
8. It is noted that the target of 30% of the Investment Facility being used as equity financing stated in paragraph 2(d) of Annex 1 is subject to the overall limit of EUR 25 million for the equity window stated in Annex 3.

If you are in agreement with the above, please sign and return a copy of this letter.

[REDACTED]

Agreed on behalf of EUROPEAN INVESTMENT BANK

[REDACTED]

[REDACTED]

c.c. [REDACTED]



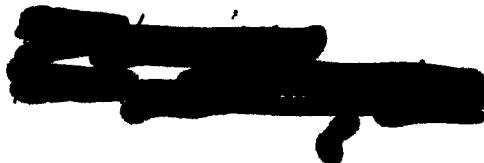
Ευρωπαϊκή επενδυτική τράπεζα
Evropská investiční banka
Den Europæiske Investeringsbank
Europäische Investitionsbank
Euroopa Investeeringuspank
Ευρωπαϊκή Τράπεζα Επενδύσεων
European Investment Bank
Banco Europeo de Inversiones
Banque européenne d'Investissement
An Banc Eorpach Infheistíochta
Europska Investicijska banka
Banca europea per gli investimenti

Ref. Ares(2015)2036701 - 13/05/2015

Ευρωπαϊκή επενδυτική τράπεζα
Evropská investiční banka
Den Europæiske Investeringsbank
Europäische Investitionsbank
Euroopa Investeeringuspank
Ευρωπαϊκή Τράπεζα Επενδύσεων
European Investment Bank
Banco Europeo de Inversiones
Banque européenne d'Investissement
An Banc Eorpach Infheistíochta
Europska Investicijska banka
Banca europea per gli investimenti

To:

European Commission
Directorate-General Environment
Directorate B – Natural Capital
Unit B2 – Biodiversity
Rue de la Loi 200 – B-1049 Brussels/Belgium
ENV-CLIMA-NCFF@ec.europa.eu



EXP BEI-EIB
B 001624 07.MAY 15

Luxembourg, 07 May 2015

OPS/NPST-3/2015-NCF-002/JR/lh

Subject: 2nd Payment Request by the EIB for an EU Contribution for the NCFF

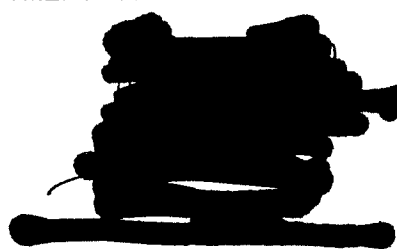
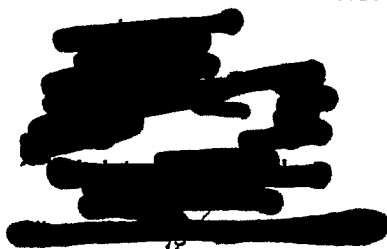
Dear Sir, Madam,

We refer to Article 9.9 of the Delegation Agreement dated 17 and 18 December 2014 signed between the EIB and the European Union, represented by the European Commission, for the NCFF.

In accordance with Article 9.9 and following the receipt of the notification on the EU Contribution Committed dated 8 April 2015, we hereby request the payment of [REDACTED] which shall be disbursed in two tranches of [REDACTED] the Financial Instrument Account (Reference: 3752480) in line with the provisions outlined in Article 10.

Yours faithfully,

EUROPEAN INVESTMENT BANK



Cc: Directorate-General Climate Action, Directorate C – Mainstreaming Adaptation & Low Carbon Technology, Unit C3 – Adaptation, Rue de la Loi 200 – B-1049 Brussels, Belgium



EUROPEAN COMMISSION
DIRECTORATE-GENERAL
ENVIRONMENT
Directorate B - Natural Capital
ENV.B.2 - Bio-diversity

Brussels, 15.06.2015
ARES(15)

European Investment Bank
Att: Head of Division, Climate
Change and Environment
(OPS/NPST-3 CCE)
100 Blvd. Konrad Adenauer
L - 2950 Luxembourg

Email: ncf_instrument@eib.org

Subject: Notification of EU Contribution Paid

Dear Sir, Madam,

We refer to Article 9.9 of the Delegation Agreement signed between the EIB and the European Union for the NCFF Instrument.

Following your payment request dated 07/05/2015, we notify you that the Commission has made a payment of EUR [REDACTED] to the NCFF Instrument Account. The amount has been transferred into the Euro Account notified by the EIB in accordance with Annex 9 of the Delegation Agreement.

At the date of this notification, the EU Contribution Committed which remains to be paid amounts to EUR 18.250.000. At the date of the payment notified by the present letter, the EU Contribution Paid corresponds to the amounts specified in the table below.

Year	Total EU Contribution Paid at the beginning of the year	EU Contribution Paid during the current year	Repayments re-committed during previous years	Total EU Contribution Paid	Total EU Contribution Committed	Total EU Contribution Committed and not yet Paid
	(a)	(b)	(c)	(a + b + c) = (d)	(e)	(e - d) = (f)
2015	0	[REDACTED]	0	[REDACTED]	[REDACTED]	[REDACTED]
2015	[REDACTED]	[REDACTED]	0	[REDACTED]	[REDACTED]	[REDACTED]

Yours faithfully,

François Wakenhut
Head of Unit



EUROPEAN COMMISSION
DIRECTORATE-GENERAL
ENVIRONMENT
Directorate B - Natural Capital
ENV B - Director

Brussels, 04-02-2016
ENV/B2/ATS/fb Ares(2016)

[REDACTED]
[REDACTED]
[REDACTED]
98-100, blv Konrad Adenauer
L-2950 Luxembourg

Subject: Management declaration

Dear [REDACTED]

Article 6b, paragraph 3, of the Natural Capital Finance Facility (NCFF) Delegation agreement provides for the EIB to submit on a yearly basis a management declaration of assurance in the form set out in Schedule III of the FAFA.

In 2015, the EU Contribution amounting to [REDACTED] was paid and remains on the Financial Instrument Account. No agreements with Intermediaries or Final Beneficiaries were signed in 2015.

In view of this situation, [REDACTED] asked by emails of 20 November 2015 whether the externally audited financial statements for 2015 could be accompanied by a lighter management declaration of assurance.

I am happy to agree to this request and confirm that the summary report on controls and audits and Management declaration can be replaced by a short management assurance statement that the amount was left untouched and remains in full on the fiduciary/trust account. There is accordingly no need for an audit conclusion.

Yours sincerely,

(signed)
Humberto Delgado Rosa

Contact: [REDACTED]
CC: [REDACTED]
[REDACTED]
[REDACTED]



Европейска инвестиционна банка
Evropská investiční banka
Den Europæiske Investingsbank
Europäische Investitionsbank
Euroopa Investeeringispank
Ευρωπαϊκή Τράπεζα Επενδύσεων
European Investment Bank
Banco Europeo de Inversiones
Banque européenne d'investissement
Banca europea per gli investimenti
Eiropas Investīciju banka
Ref: Ares(2016)479054 03/02/2016
European Investment Bank
Európai Beruházási Bank
Bank Europeu tal-Investiment
Europese Investeringsbank
Europejski Bank Inwestycyjny
Banco Europeu de Investimento
Banca Europeană de investiții
Európska Investičná banka
Evropska Investicijska banka
Euroopan investointipankki
Europelska Investeringsbanken

To:
European Commission
Directorate-General Environment
Directorate B – Natural Capital
Unit B2 - Biodiversity
Rue de la Loi 200 – B-1049 Brussels/Belgium
ENV-CLIMA-NCFF@ec.europa.eu

EXP BEI - EIB
000340 01.FEB 16

Luxembourg, 2 February 2016

OPS/NPST-3/2016-NCF-001

Subject: Notification of Payment Estimates and Submission of Pipeline Report

Dear Sir, Madam,

We refer to **Article 9.6** of the Delegation Agreement dated 17 and 18 December 2014 signed between the EIB and the European Union, represented by the European Commission, for the NCFF.

Articles refer to the Delegation Agreement. Words and expressions defined in the Delegation Agreement and the FAFA shall have the same meaning when used in this notification.

Please find enclosed the pipeline reports for the current year referred to in **Article 14.3** of the Delegation Agreement as well as the disbursement forecasts for the current year.

Yours sincerely,

EUROPEAN INVESTMENT BANK

Encl.

- Disbursement Forecast – 31 January 2016
- Pipeline Report – 31 January 2016

Cc: Directorate-General Climate Action, Directorate C – Mainstreaming Adaptation & Low Carbon Technology, Unit C-3 Adaptation, Rue de la Loi 200 – B-1049 Brussels, Belgium



NCCF disbursement forecast for the Financial Instrument Account

(All amounts in EUR)

Forecast year: 2016			
	From 1 January to 30 June 2016	From 1 July to 31 December 2016	Full year 2016
NCCF Investment Facility			
A. Forecast allocation as EU Contributions to the PFLP, of which:			
a. cash to be paid into the Financial Instrument Account			
b. amount guaranteed (A-a)			
B. Forecast/actual losses	0	0	
NCCF Support Facility			
Forecast allocations (signature of service contracts)			
Forecast payments (to third party consultants)			
Fees			
Administrative fee			
Incentive fee			
Exceptional unforeseen expenses			
Estimated Balance on the Financial Instrument Account (at the end of the period)			
Amount			
Estimated amounts to be requested for payment			
Amount	-		

Pipeline Report as of 31 January 2016
(all amounts in EUR)

Indirect Loan Operations

Financial Intermediary	Total EIB Financing	Total FLP	Total Support Facility	Total 3 rd Party Contribution	Project Category	Country of Establishment of the Financial Intermediary	Geographical Focus of the Financial Intermediary	Stage of EIB's deal flow	Expected quarter of submission to EIB's Board
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	PBB, PES	Netherlands	Several EU countries including Italy, Portugal, and Romania	Appraisal	Q1
Commercial Bank	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	PBB, GI, Adaptation	Poland	Poland	Project Identification	Q3

Direct Loan Operations

Final Recipient	Total EIB Financing	Total FLP	Total Support Facility	Total 3 rd Party Contribution	Project Category	Country of Establishment of the Final Recipient	Geographical Focus of the Final Recipient	Stage of EIB's deal flow	Expected quarter of submission to EIB's Board
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	GI,BO	Luxembourg	Luxembourg	Project Identification	Q1
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	PES	United Kingdom	United Kingdom	Project Identification	Q3
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	GI, PES, Adaptation	United Kingdom	United Kingdom	Project Identification	Q4
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	GI, PES	Finland	Finland	Project Identification	Q4

Investment in Equity Funds

Fund Manager	Total EIB Financing	Total FLP	Total Support Facility	Total 3 rd Party Contribution	Project Category	Country of Establishment of the Fund Manager	Geographical Focus of the Final Recipients	Stage of EIB's deal flow	Expected quarter of submission to EIB's Board
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	GI, Adaptation	United Kingdom	Ireland	Appraisal	Q1

Conclusions:

Total PFLP for 2016 is foreseen at:

EUR [REDACTED]

Total cash for Support Facility is foreseen at:

EUR [REDACTED]



EUROPEAN COMMISSION
DIRECTORATE-GENERAL
ENVIRONMENT
Directorate B - Natural Capital
ENV.B.2 - Bio-diversity

Brussels,
ARES(16)

European Investment Bank
F.a.o. Head of Division, Climate
Change and Environment
(OPS/NPST-3 CCE)
100 Blvd. Konrad Adenauer
L – 2950 Luxembourg

Email: ncf_instrument@eib.org

Subject: Notification of EU Contribution Committed

Dear Sir, Madam,

We refer to Article 9.8 of the Delegation Agreement dated 18th December 2014 signed between the EIB and the European Union, represented by the European Commission, for the NCFF.

Articles refer to the Delegation Agreement. Words and expressions defined in the Delegation Agreement and the FAFA shall have the same meaning when used in this notification.

We hereby notify to you that:

(i) Commitments:

- (a) The Commission intends to commit additional EUR 20.000.000 in 2016 on top of the EUR 30.000.000 (EUR 10.000.000 in 2014 and EUR 20.000.000 in 2015) already committed in relation to the NCFF. The total committed amount in 2016 will be EUR 50.000.000 of which:
- EUR [REDACTED] is to be used for the EU Contribution to the Portfolio First Loss Piece
 - EUR [REDACTED] is to be used for the Support Facility:
 - EUR [REDACTED] is to be used for Fees and Exceptional Unforeseen Expenses
- (b) In accordance with Article 9.11 the Minimum Reserve shall amount to EUR 5 million.

As from now on, the EU Contribution Committed corresponds to the amounts as specified in the table below (all amounts in EUR):

Year	Total EU Contribution Committed at the beginning of the year	EU Contribution Committed during the year (*)	De-commitments	Total EU Contribution Committed to date
	(a)	(b)	(d)	(a+b+c) – (d) = (f)
2014	0	10.000.000	0	10.000.000
2015	10.000.000	20.000.000	0	30.000.000
2016	30.000.000	20.000.000		50.000.000
Total EU Contribution Committed out of which				
<i>Maximum amount available for the PFLP</i>				██████████
<i>Maximum amount available for the Support Facility</i>				██████████
<i>Maximum amount available for Fees</i>				██████████
<i>Maximum amount available for Exceptional Unforeseen Expenses</i>				██████████
<i>Minimum Reserve</i>				██████████

- (c) The indicative EU Contribution available for commitments for the NCFF for the remainder of the Implementation Period is set out in the table below:

Year	EU Contribution In EUR thousands
2017	10.000.000
TOTAL	10.000.000

- (ii) Payments:

- (a) The total EU Contribution to be paid for the NCFF in 2016 amounts to **EUR 937.500** and is planned to be disbursed as follows:

1 st payment	2 nd payment ¹
██████████	██████████

- (b) The Commission has transferred the following amounts to the Financial Instruments Account for the NCFF:

- EUR ██████████ on 29/12/2014;
- EUR ██████████ on 15/01/2015;
- EUR ██████████ on 07/05/2015.

As from the date of the transfer, the situation of the EU Contribution Paid corresponds to the amounts specified in the table below (in EUR).

¹ 2nd payment may be revised following the pipeline report to be submitted in July 2016.

Year	Total EU Contribution Paid at the beginning of the year	EU Contribution Paid during the year	Total EU Contribution Paid	Total EU Contribution Committed	Total EU Contribution Committed and not yet paid
	(a)	(b)	(a+b) = (c)	(d)	(d-c) = (e)
2014	0	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
2015	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
2016	0				

Yours faithfully,

[REDACTED]

This form is as per art 9.8 of the agreement:

No later than 30 Business Days following the receipt of the notification on forecasts for the disbursements and payments of the EU Contribution from the EIB, and subject to the adoption of the general budget of the Union by the EU budgetary authorities and to the adoption of the financing decision for the NCFF by the Designated Service for the relevant year, the Designated Service shall notify the EIB, in the form foreseen in Annex 2a, of the EU Contribution Committed for the relevant year. The notification shall include the indicative breakdown of the EU Contribution Committed between the Portfolio First Loss Piece for the NCFF Investment Facility, the NCFF Support Facility, the Fees and the Exceptional Unforeseen Expenses, as at the date of the notification. The notification shall also include the indicative amount of the EU Contribution that is available for payments during the relevant year.

By exception from the foregoing, the first notification on the EU Contribution Committed shall be sent by the Designated Service to the EIB no later than twenty (20) Business Days following the signature of the Delegation Agreement.

The Designated Service may provide to the EIB at any time revised notifications on the EU Contribution Committed for the relevant year, in the form foreseen in Annex 2a, if it deems necessary in the event the amounts already committed prove excessive in light of the actual amounts disbursed or paid by the EIB.



European Commission
DG Environment
DG Natural Capital
Unit B2 - Biodiversity
Rue de la Loi 200 – B-1049 Brussels/Belgium

Attention: [REDACTED]

Luxembourg, 14th December 2015

Subject: Statement of Fees

Dear Sir, Madam,

With reference to Article 12 and Annex 5 of the Delegation Agreement signed on 17 and 18 December 2014 between the European Union and the EIB in respect of the NCFI Instrument, and to Articles 13.1 to 13.7 of the Financial and Administrative Framework Agreement between the European Union and the EIB dated 7 and 8 May 2014, please find below the Statement of Fees to be paid in 2015.

Administrative Fee

The Administrative Fee conditions have been fulfilled as follows:

Signature of the Delegation Agreement	Information on the NCFI Instrument published on EIB Website	Delegation Agreement not terminated
Fulfilled	Fulfilled	Fulfilled

The Administrative Fee is the combination of a lump sum for 2015 and a percentage of the EU Contribution Utilised which consists of:

Lump Sum due 2015 (a)	Cumulated EU Contribution Utilised as of 31/12/2014 (b)	Implementation component 5% of the Cumulated EU Contribution Utilised (c)	Administrative fee paid to date including the Lump Sum due 2015 (d)	Administrative fees due 2015 (e) = (a) + (c) - (d)
EUR [REDACTED]	EUR 0	EUR 0	EUR 0	EUR [REDACTED]

* EUR [REDACTED] from the Investment Facility and EUR [REDACTED] from the Support Facility

Incentive Fee

The Incentive Fee conditions have been fulfilled as follows:

	Geographical outreach - Number of EU Member States (MS) covered by signed Operations as of 31/12/2014	Type of projects - Investment Leverage component - Investment leverage Effect achieved as of 31/12/2014	Achieved leverage effect on Operations as of 31/12/2014
Target	5**	3***	2.0****
Achieved	0	0	0
Status	Unfulfilled	Unfulfilled	Unfulfilled

In accordance with Annex 5. of the Delegation Agreement: Geographical outreach: 5 MS: 0.04% OR 7 MS: 0.12% OR 9 MS: 0.30% of the EU Contribution Utilised in as far as allocated by the Bank to signed Operations / *Type of projects: 3 project categories: 0.10% OR 4 project categories: 0.30% of the EU Contribution Utilised in as far as allocated by the Bank to signed Operations / ****Leverage effect on Operations: 2.0: 0.20% OR Leverage effect on Operations: 2.7: 0.40% of the EU Contribution Utilised in as far as allocated by the Bank to signed Operations

The Incentive Fee is a percentage of the EU Contribution Utilised which consists of:

Cumulated EU Contribution Utilised as of 31/12/2014 (a)	Geographical component: 0.04% of the Cumulated EU Contribution Utilised (b)	Type of project component: 0.10% of the Cumulated EU Contribution Utilised (c)	Achieved leverage component: 0.20% of the Cumulated EU Contribution Utilised (d)	Incentive fee paid to date (e)	Incentive fee due 2015 $(f) = (b) + (c) + (d) - (e)$
EUR 0	EUR 0	EUR 0	EUR 0	EUR 0	EUR 0

Summary of Fees due

	Fees to be drawn from the NCFF Instrument Account
Administrative fee	EUR [REDACTED]
Incentive fee	EUR 0
Total	EUR [REDACTED]

In accordance with 13(7) of the Financial and Administrative Framework Agreement between the European Union and the EIB, the Commission shall approve this Statement of Fees within 30 calendar days. Please note that no payment is required from the Commission as the amount due is already available at the NCFF Instrument Account. Further to the approval of this Statement of Fees by the Commission, the EIB shall be entitled to draw the amount of the fees stated above from the NCFF Instrument Account.

Yours faithfully,

EUROPEAN INVESTMENT BANK

For approval:

[REDACTED]

(date) 16/12/2016

(Designated Service)

[REDACTED]



EUROPEAN COMMISSION
DIRECTORATE-GENERAL
ENVIRONMENT
Directorate B - Natural Capital
ENV.B.2 - Bio-diversity

Brussels,
ENV B2/ATS/fc Ares (2015)

Head of Division, Climate Change
& Environment
European Investment Bank
100 Boulevard Konrad Adenauer
L-2950 Luxembourg

Ncf-instrument@eib.org

Subject: Reply to the Eligibility Checklist Irish Sustainable Forest Fund

Dear Sir, Madam,

Thank you for the submission of the eligibility checklist concerning the project Irish Sustainable Forest Fund. Please find below our assessment in accordance with Article 6.5 of the Delegation Agreement.

Measures and provisions to ensure conformity with the requirement to help achieving the LIFE Regulation objectives (point iv and v of subsection 1.3.2 of Annex 1a) including the relevant baseline indicators

Compliance with point iv of subsection 1.3.2

Replacing full fell management of monoculture forests with Continuous Cover Forestry (CCF) and introducing other tree species, mainly native broad leaf, are measures that in many situations can contribute to the biodiversity. These measures may, however, not always suffice or even be appropriate. The Commission may be able to confirm the compliance of the project with the objectives of Article 3 in conjunction with Article 11 of the LIFE Regulation as referred to in point iv of subsection 1.3.2 of Annex 1a to the Delegation Agreement if the following is ensured:

- For investments to fall under the category of green infrastructure, they should comply with (all elements of) the definition of green infrastructure as provided in section 1.3.2 of Annex 1a to the Delegation Agreement.¹

¹ "GI is a strategically planned network of natural and semi-natural areas with other environmental features designed and managed to deliver a wide range of ecosystem services" (emphasis added).

- Investments in continuing monoculture forests should be excluded explicitly. Such investments would normally not fall under the definition of Green Infrastructure as the extent and variety of ecosystem services they deliver is usually too limited. The undue focus on monocultures of sitka spruce and lodgepole pine in Ireland has been the subject of a long standing debate with the Irish authorities, and over the years the Commission has consistently emphasised the need to increase the contribution of native broadleaved trees in the plantation policy. So the investments supported by the NCFF should as a minimum apply CCF and introduce native broad leaf species;
- When introducing other tree species, great care should be undertaken to ensure that no alien species with the potential to become invasive are introduced;
- It has to be ensured that negative impacts on other policies to foster biodiversity in and around forests are excluded. Examples of such policies include:
 - o The conservation of the hen harrier and of suitable habitats for this species²;
 - o Protection of sensitive catchments in upland areas which are important for Natura 2000. This is particularly relevant in the context of rivers that are designated for the Freshwater Pearl Mussel. Forestry is a key issue in this matter. There is also a new LIFE project for the Freshwater Pearl Mussel in Ireland³;
 - o Measures to support the Natura 2000 native forests in Ireland (e.g. oak woodlands) which are small and fragmented.
- The demonstration value of the envisaged Operation should be clarified. For this, the Operation should be different from measures that have already been demonstrated. A comparison with other funds for the forestry sector would be needed, in particular funds used in combination with other support measures as may be the case in Ireland, since recently, the Irish authorities notified a State Aid scheme in the forestry sector and the Commission decided not to raise objections.^{4 5}

If the above issues are satisfactorily addressed, the measures would also indirectly contribute to the climate adaptation objectives of the NCFF.

Compliance with point v of subsection 1.3.2

Under the conditions mentioned above, the project would promote management and enhancement of ecosystems applied to the sector of forestry and hence could comply with the first indent of point v of the same subsection and address an identified risk associated with climate change, as required in the second indent of this point.

² <http://dahg.maps.arcgis.com/apps/webappviewer/index.html?id=a964809ffbad4c16ae2c4ec72f5d3921>

³ <http://www.npws.ie/research-projects/kerrylife>

⁴ State aid cases SA39744 and 39783 to 39792.

⁵ <http://www.agriculture.gov.ie/media/migration/forestry/forestryprogramme2014-2020/IRELANDForestryProgramme20142020230215.pdf>

Relevant baseline indicators

The eligibility checklist does not provide the relevant baseline indicators as required pursuant to Annex 1c to the Delegation Agreement. Please provide us with these indicators, including a (rough) estimate of the baseline situation in relation to these indicators and the values that the project would aim to achieve. In addition to the relevant indicators provided in Annex 6 to the Delegation Agreement, please include as well the following specific indicators that will be used for all forestry related projects supported under the LIFE Programme:

- Reforested area/area newly under sustainable forest management (including fire prevention), in ha or km². This should be done separately for reforested area and area newly under sustainable forest management
- The number of forest data sets provided to the European Forest Data Centre (EFDAC).

The establishment of the more precise baseline for the fund and for the investments from the fund would, needs to be done at a later stage.

In this context, I would like to inform you that the Commission is finalising the set of mandatory indicators for traditional LIFE projects in the fields of Nature, Biodiversity and Climate Change adaptation. These indicators are largely the same as those included in Annex 6a of the Delegation Agreement, whilst being more structured and defined in some greater detail for their application on project level. I propose to send them to you as soon as they are finalised to discuss how to ensure alignment between the different sets of indicators in view of an adequate and efficient evaluation of the NCFF. This would also be relevant for the present project.

Further remarks

Obviously, these contributions to these objectives in the LIFE Regulation would materialise only if the Fund effectively makes the investments. In the absence of information on underlying business model, the Commission is not able to judge this aspect, but trusts this will be carefully addressed in the further investigation by the Bank.

The present assessment under these eligibility criteria is without prejudice to the potential subsequent assessment under the selection criteria laid down in Section 5 of Annex 1a to the Delegation Agreement. On the basis of the available information, the Commission is, e.g., not able to judge whether or not the project should receive the minimum score of 6 points under the criterion for "biodiversity and climate impacts". In this context, if the project would be further developed, the Commission urges looking also into the following aspects:

- In line with Action 12 of the Biodiversity Strategy to 2020, projects should encompass as many of the following measures as possible:
 - o maintain optimal levels of deadwood, taking into account regional variations such as fire risk or potential insect outbreaks;
 - o preserve wilderness areas;
 - o ecosystem-based measures to increase the resilience of forests against fires as part of forest fire prevention schemes, in line with activities carried out in the European Forest Fire Information System (EFFIS);
 - o ecosystem-based measures to increase the resilience of forests to pests;

- specific measures developed for Natura 2000 forest sites;
- ensuring that afforestation is carried out in accordance with the Pan-European Operational Level Guidelines for Sustainable Forest Management, in particular as regards the diversity of species, and climate change adaptation needs;
- Coherence with the provisions on forestry in Regulation (EU) No 1305/2013 and in its implementing (EU No 808/2014) and delegated (EU No 807/2014) acts should be ensured;
- The investment from the NCFE should not be used for investment projects that apply lower standards than those set out in the European Union Guidelines for State aid in the agricultural and forestry sectors and in rural areas 2014 to 2020⁶, also when projects do not benefit from State aid authorised pursuant to these Guidelines.

I would also like to draw your attention to the Union Forest Strategy in line with the Communication from the Commission to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions entitled "A new EU Forest Strategy: for forests and the forest-based sector".⁷

Measures and provisions to ensure compliance with the requirement of additionality (point c) of Section 2 of Annex 1a)

The Commission takes note of the elements provided in the submitted Eligibility Checklist and has no comments.

Source of financing: expected Contributions from the EIB, financial intermediary and other third parties

The proposed conditions for investment and the related contribution from the NCFE are in line with the Delegation Agreement.

As already indicated above, Ireland notified a State Aid scheme that, inter alia, seeks to encourage biodiversity in the forestry sector. Ireland's rural development programme also provides for support for small scale forestry measures. In this context, I would like to draw your attention to point g) in section 2 of Annex 1a to the Delegation Agreement, which contains provisions as regards ensuring consistency and synergies, and avoiding overlap with other funding and the requirement to respect the rules of the respective instruments or support schemes and the State aid rules.

⁶ OJ C 204, 1.7.2014, p. 1.

⁷ COM(2013) 659 final of 20.9.2013.

Conclusion and further remarks

Provided the issues mentioned above are properly addressed, the project may be eligible as regards the above-mentioned criteria. In this respect I invite you to submit a revised checklist for the Commission's approval.

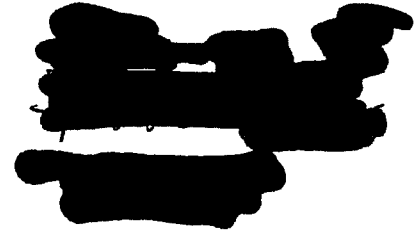
The eligibility checklist submitted by the EIB only mentions investments in existing forests and hence the Commission assumed that the measure would not support afforestation or reforestation. Should this assumption be wrong, please clarify this in a revised checklist.

This letter is without prejudice to the assessment under other eligibility criteria and to the assessment under the selection criteria.

I would like to underline the importance of selecting solid projects with a strong contribution to the LIFE objectives and with high EU added value. In this regard, we may consider dedicating in the guidance to be developed pursuant to Section 5 of Annex 1a to the Delegation Agreement a section on forestry related projects.

I look forward to the further cooperation on the implementation of the NCFF.

Yours sincerely,

A large black rectangular redaction box covering the signature and name of the sender.

c.c.: Ms Malmnaes, Mr Ranaivoson, Ms Mayerhofer, Mr Canu (EIB)
Ms Ledoux, Mr Seinen, Ms Pardo Lopez, Mr Barrett, Mr O'Briain (ENV)
Ms Dali (CLIMA)

Natural Capital Finance Facility - Eligibility Check List - Direct Operation

Project name	[REDACTED]
Project category	Green Infrastructure contributing to ecosystem-based climate adaptation
Summary of the project	<p>The project aims to naturalise the river channel along a 26km long section in the middle of the [REDACTED] river. The river connectivity with the floodplains will be restored and therefore the hydraulic capacity of the river in the event of flooding will be improved and the fluvial biotype will be expanded and improved. This will involve the complete removal of levees, the setting back of levees and the reconnection of 10km of secondary channels. Longitudinal connectivity will also be improved through fish ladders.</p> <p>From a socio-economic perspective there is a double justification for this project. On the one hand, the abandonment of land that has been occurring in the area favours a progressive substitution of herbaceous crops by forest crops, which in the case of riparian areas are fundamentally poplar plantations, perfectly compatible with flooding since they improve the input of silt and land irrigation. On the other hand, the authorities save on the construction and maintenance of costly water works to provide protection from floods, which almost have a higher cost than the economic value of what they protect.</p>
Member state where the project is located.	Spain
Amount of NCF Funding	<p>Expected loan size of EUR [REDACTED] under the Investment Facility</p> <p>Support facility may be required. The amounts required will be determined during the project appraisal.</p>
Conformity with the Life Regulation Objectives	<p>The main objective of the renaturalisation process is to recover the stream space and therefore the capacity to attenuate floods of the floodplain, which have been systematically encroached upon and disconnected hydrologically from the stream. By achieving a greater infiltration rate and rate of recharge of the alluvial aquifer as well as achieving higher habitat diversity by recovering a series of areas adjacent to the stream such as secondary channels, side bars, oxbow wetlands will not only contribute to an increase in resilience to climate change, but will also contribute to improving the biodiversity associated to stream ecosystems as well as related ecosystems.</p> <p>A small section of the project covers a Natura 2000 site (1.5 km out of 26 km) and as a result of the project two riparian SCIs will be connected.</p> <p>Improvements are expected for all native species. Four of the species of greater importance potentially present the project area are the common otter (<i>Lutra lutra</i>), the desman (<i>Galemys pyrenaicus</i>), and two species of fish;</p>

	<p><i>Achondrostoma arcasii</i>, and <i>Pseudochondrostoma duriense</i>.</p> <p>The project is therefore expected to contribute to target 2 and 5 of the Biodiversity Strategy.</p>
Additionality of NCFF	Without the NCFF EIB would not finance a direct loan of this size. The cost savings generated by the project will repay the EIB loan. The savings are not estimated to be substantial enough yet to be able to support a commercial bank loan.
Compliance with concentration rule	Maximum guarantee under the Investment Facility available for any Member State is EUR [REDACTED]. The expected guarantee available for this project will be smaller than the loan amount of EUR [REDACTED] which is well within the geographical concentration limit.
Evidence of innovative nature of the project if in the category "innovative pro-biodiversity and adaptation business"	N/A
Sources of Funding	EIB loan under NCFF of EUR [REDACTED] with the balance of funds likely to come from the own resources [REDACTED]