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COMMISSION STAFF WORKING DOCUMENT

EURI implementation report
Pursuant to Article 4 of the Council Regulation (EU) 2020/2094 of 14 December 2020
establishing a European Union Recovery Instrument to support the recovery in the
aftermath of the COVID-19 crisis

Introduction

The European Union Recovery Instrument (NextGenerationEU) is a temporary recovery instrument to help repair the immediate economic and social damage brought about by the coronavirus pandemic. Under NextGenerationEU (NGEU), the Commission will raise up to EUR 806.9 billion in current prices through funding operations on international capital markets between 2021-2026. This will help boost the economic recovery after the pandemic and help make Europe greener, more digital, more resilient and better prepared for new challenges.

To finance the recovery, the European Commission is on behalf of the EU borrowing on the capital markets to finance NextGenerationEU. The funds are assigned to six spending programmes:

- the Recovery and Resilience Facility (RRF),
- the Recovery Assistance for Cohesion and the Territories of Europe (REACT-EU),
- Horizon Europe,
- the Just Transition Fund (JTF),
- the European Agricultural Fund for Rural Development (EAFRD),
- and the Union Civil Protection Mechanism (rescEU).

The Council established NextGenerationEU in December 2020¹. The Commission started borrowing to finance NextGenerationEU in June 2021, following the adoption by all Member States of the Own Resources Decision in accordance with their constitutional requirements, which empowered the Commission to raise the funds².

The implementation was preceded by the operational preparations linked to the programming for the relevant EU programmes and, for the Recovery and Resilience Facility, by the adoption of the national Recovery and Resilience Plans. The Commission then started implementing NextGenerationEU in 2021 following the adoption of the legal bases for all the sectoral programmes receiving support under the fund. The first payments were made through REACT-EU still in June 2021.

Thanks to the EU's high credit rating, the Commission is able to borrow on advantageous conditions. The Commission then passes on the benefit, in the form of low interest rate payments on borrowings to finance recovery spending, either to the EU Member States directly when providing loans or to the EU budget when providing non-repayable support.

Net borrowing will take place between mid-2021 and 2026. All borrowing will be repaid by 2058. The EU budget, which is financed by own resources and contributions from all EU Member States, underwrites the borrowing against the temporary and dedicated Own Resource ceiling (0.6% of EU GNI) that has been created for this purpose.

The Own Resources Decision, the Interinstitutional Agreement, and the Governance Decision (C(2021)2502) ensure that the Commission informs the European Parliament

¹ Council Regulation (EU) 2020/2094 of 14 December 2020 establishing a European Union Recovery Instrument to support the recovery in the aftermath of the COVID-19 crisis, OJ L 433I, 22.12.2020, p. 23-27.

² Council Decision (EU, Euratom) 2020/2053 of 14 December 2020 on the system of own resources of the European Union and repealing Decision 2014/335/EU, Euratom, OJ L 424, 15.12.2020, p. 1-10.

and Council regularly and comprehensively on relevant aspects of its debt management strategy. The Commission therefore regularly provides updates on borrowing and lending activities and the execution of NGEU operations.

Objective and content of the report

Article 4 of the EURI Regulation requires the Commission to submit to the Council by 31 October 2022 ‘a report on the progress achieved in the implementation of the Instrument and the use of the funds allocated’.

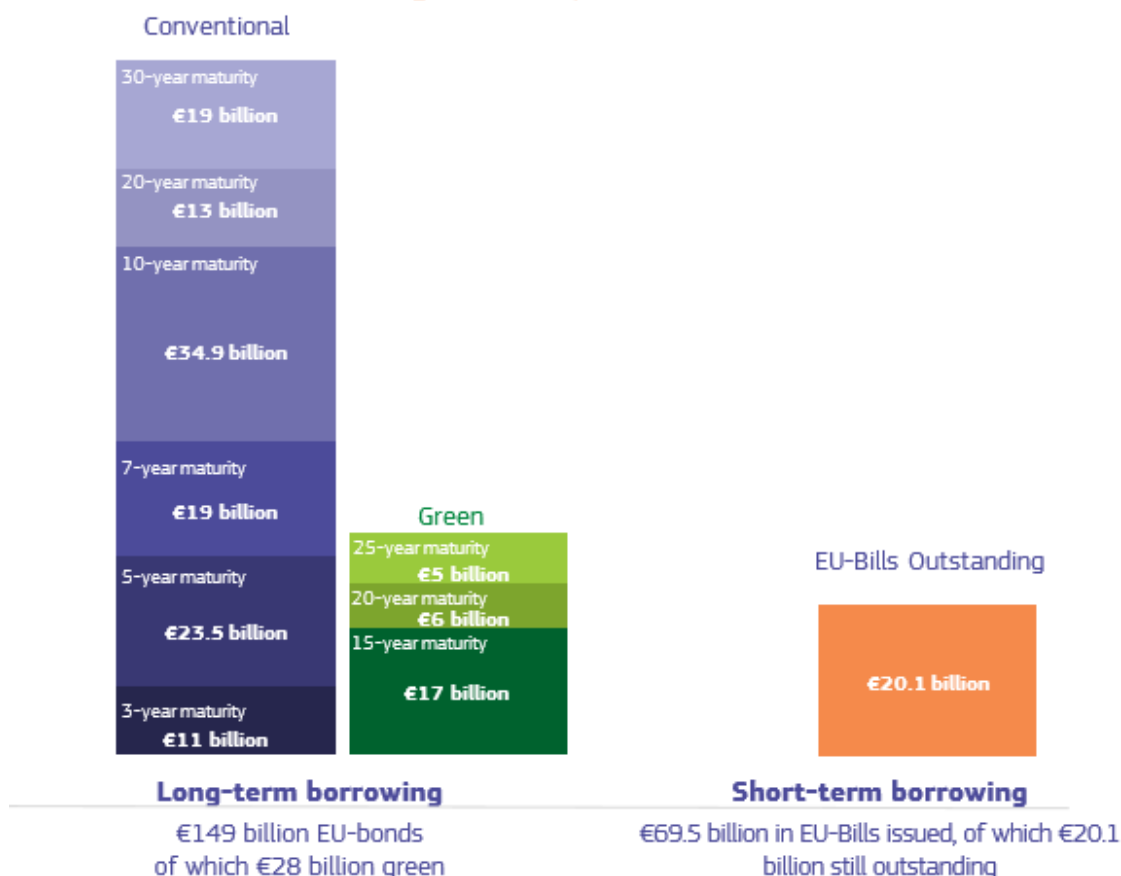
Section 1 of this report provides a summary of the funding operations conducted between June 2021 and September 2022. It describes the Commission’s diversified funding strategy, the issuance programme and the costs incurred. Section 2 provides a detailed overview of progress on implementation of the funds assigned to the EU budget programmes, per year and as of the cut-off date of 30 September 2022. Section 3 describes the use of the funds allocated to each of these programmes.

This report provides references to the latest available and non-confidential financial and operational information provided in the reports and documents listed below:

- semi-annual reports on the execution of NextGenerationEU funding operations;
- quarterly updates on outstanding claims under loan agreements and liabilities under borrowings;
- monthly and weekly reports on budget implementation sent to the co-legislators;
- documents accompanying the quarterly NGEU interinstitutional meetings.

The cut-off date for the data included in this report is 30 September 2022.

NextGenerationEU funding at 30 September 2022



KEY FACTS

- 12 syndications, 10 bond auctions, 24 EU bills auctions
- Syndications 5.9 to 16 times oversubscribed
- Average cost of funding for period June 2021 – December 2021: 0.14%
- Average cost of funding for period January – June 2022: 1.24%

Use of proceeds at 30 September 2022



1. Borrowing to finance NextGenerationEU

Before the start of NextGenerationEU, the Commission was a relatively small issuer. It raised funds to finance programmes such as the European Financial Stabilisation Mechanism, Macro-Financial Assistance and the Balance of Payments Assistance Facility. This changed with the launch of the SURE programme (Support to mitigate Unemployment Risks in an Emergency) in October 2020, for which EUR 90 billion has been issued to date. SURE marked the arrival of the EU as a regular and large-scale issuer and provided a valuable training ground for designing the much larger NextGenerationEU funding programme.

For all pre-NextGenerationEU programmes, the Commission issued bonds and transferred the proceeds directly to beneficiary countries on the same terms (i.e. interest rate and maturity) that it received, known as a ‘back-to-back’ funding approach. The timing, volume and maturity of issuances were hence determined entirely by the needs of the beneficiary. This method was sufficient in addressing small funding needs, but it reached its limits with the SURE programme, under which 19 Member States had to be served by a single funding programme of up to EUR 100 billion.

NextGenerationEU required a different funding approach that enabled the Commission to scale up issuance significantly in a very short amount of time. It also required a system that could cope with multiple disbursements of loans and grants to Member States at high speed and frequency and with uncertain timing given their dependence on the implementation of related plans. The Commission needed a completely new strategy to finance NextGenerationEU successfully in the form of a diversified funding strategy of the type implemented by the largest euro-area sovereign issuers.

1.1 Putting in place a diversified funding strategy

At the heart of the NextGenerationEU diversified funding strategy is the approach to decouple funding transactions from specific disbursements. As bond issuances are no longer strictly tied in amount or time to individual disbursement needs, having a diversified funding strategy enabled the Commission to borrow the required volumes with maximum flexibility, minimum execution risk and optimal cost of funding.

The blueprint for this strategy was set out in a Communication³ and a set of Decisions adopted on 14 April 2021, which laid the foundations for the NextGenerationEU funding programme (see Figure 1).

Figure 1: Milestones in building the diversified funding strategy



The NextGenerationEU funding programme is based on five key enablers:

³ Communication COM(2021) 250 on a new funding strategy to finance NextGenerationEU (published on 14 April 2021).

1. **Transparent communication.** The Commission uses six-monthly funding plans to communicate to the markets (and to peer issuers) its expected issuance volumes and the timing of the planned syndications and auctions.
2. **A 40 plus bank-strong Primary Dealer Network** to support, via a system of obligations and privileges, the execution of funding operations and the placement of EU debt with a wide range of international investors. The network also supports the liquidity of EU Bonds and EU-Bills in the secondary market and provides advice to the Commission as an issuer.
3. **A range of different instruments and funding techniques** aimed at providing liquidity on all parts of the yield curve via: (i) medium- and long-term debt issuance across different maturities (3, 5, 7, 10, 15, 20, 25 and 30 years) through EU-Bonds; and (ii) short term debt (below one year) through EU-Bills. With the use of syndications and auctions (set up to meet the specific needs of NextGenerationEU funding with the help of a tailor-made auction platform provided by Banque de France) the Commission is able to attract the necessary funding in an efficient way, even under difficult market conditions.
4. **A strong governance framework** to oversee the sustained execution of funding operations in a manner that minimises key risks and ensures full transparency and accountability. This includes a dedicated Chief Risk Officer tasked with providing independent oversight of all aspects of the NextGenerationEU funding programme.
5. **The NextGenerationEU Green Bond Framework**, which ensures that funds raised through NextGenerationEU green bonds are used exclusively for green and sustainable investments across the EU. The framework is based on the Resilience and Recovery Facility Regulation⁴ that requires that all spending respects the do-no-significant harm principle⁵ while also integrating many aspects of the EU Green Bond Standard and the Taxonomy. The framework is accompanied by a unique transparency tool that gives investors and the public real-time information on how the proceeds of NextGenerationEU green bonds⁶ are used.

1.2 Implementation of the NextGenerationEU issuance programme to date

Following the six-month long sprint to put the diversified funding strategy in place in time to launch NextGenerationEU operations in June 2021, the NextGenerationEU funding programme is now well established. The primary mandate of the Commission under NextGenerationEU is to mobilise the unprecedentedly large funding required in a timely and cost-efficient manner. In addition, in structuring its debt issuances, the Commission takes into account the need for an overall maturity profile that ensures that NextGenerationEU liabilities fall steadily and predictably over the period to 2058⁷. This

⁴ Regulation (EU) 2021/241 of the European Parliament and of the Council of 12 February 2021 establishing the Recovery and Resilience Facility.

⁵ To achieve this, Member States agree in the Finance and Loan Agreements to regularly report on expenditures linked to green investment.

⁶ https://ec.europa.eu/info/strategy/eu-budget/eu-borrower-investor-relations/nextgenerationeu-green-bonds/dashboard_en

⁷ In line with the legal basis for NextGenerationEU, the issuance of new debt will take place between mid-2021 and 2026. After that, NextGenerationEU issuance will consist of refinancing a share of maturing debt to smoothen the repayment needs over time. All outstanding debt will be fully repaid by 2058, with repayments starting in 2028 at the latest. NextGenerationEU grants will be repaid by the EU budget. NextGenerationEU loans will be repaid by the borrowing Member States, which will start making annual

is crucial in facilitating regular repayments of NextGenerationEU liabilities from future EU budgets.

As of 30 September 2022, the Commission has issued EUR 148.6 billion in NGEU bonds, of which EUR 28 billion in the form of green bonds. The Commission has also established a regular issuance of three-month and six-month EU-Bills to meet short-term funding needs, with EUR 20.1 billion in EU-Bills outstanding on 30 September 2022.

NextGenerationEU transactions have attracted a very high level of investor demand⁸ anchored by the EU's strong credit rating, which is higher than the rating of 22 out of 27 EU Member States. Syndicated transactions have been oversubscribed 6 to 16 times over. High investor demand has helped the Commission achieve a competitive interest cost for the Member States seeking support under the programme while also becoming one of the largest issuers in euro straight after France, Germany, Italy and Spain.

1.3 Issuance in an increasingly challenging market environment

When the NGEU issuance programme started in June 2021, financial markets were supportive for highly rated issuers. The EU and the world were recovering from the COVID-19 pandemic, inflation in the EU was still below 2%, and there was strong central bank support for bond markets. This allowed issuers to place their bonds in the market at advantageous terms.

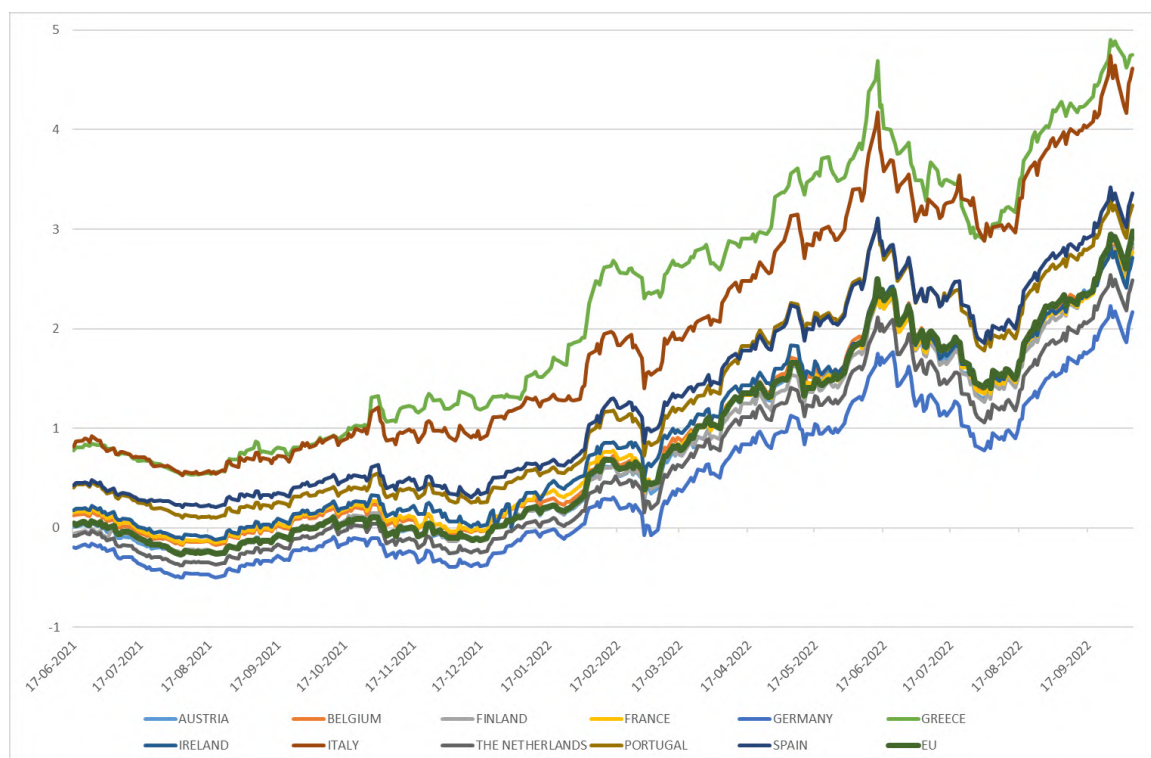
In the second half of 2021, inflation started to pick up, as supply-side disruptions continued and demand rebounded once COVID-19 restrictions were relaxed. Inflation increased further after Russia's invasion of Ukraine on 24 February 2022, causing a strong spike in energy prices. Faced with sharply rising inflation, central banks around the world responded first by halting their quantitative easing programmes and then by raising interest rates. This had a pronounced impact on the interest rates that issuers had to pay on their bonds (see Figure 3). At the end of September 2022, the yield on the 10-year EU bond topped the 3% mark, up from around 0.2% in January.

Despite the sharp increase in interest rates and high volatility in financial markets affecting all issuers, the EU has maintained good market access, demonstrated by high investor demand. Investors have indicated that the strong increase in liquidity since the start of the NextGenerationEU programme, underpinned by the EU's predictable and transparent issuance strategy and communication to the market and its strategy of using auctions to increase the outstanding amount of bonds, has contributed to the attractiveness of NextGenerationEU bonds.

repayments of 5% of the principal after an initial 10-year grace period for the principal repayments. The first repayments by borrowing Member States will therefore start in 2031.

⁸ To date, EU issuances have in total attracted more than 1000 different investors from 70 different countries. More than 60% of investors are located in the EU and about 25% are international investors operating from the UK. Over 70% of issued EU bonds were bought by buy-and-hold investors (i.e. fund managers, insurance companies, pension funds and central banks). There is also a good share of investors demanding different maturities. Central banks and bank treasuries (which usually prefer to invest in maturities up to 10 years) account for 36% of purchases of EU bonds in the primary markets and pension funds and insurance companies (which prefer maturities above 10 years) account for around 20%.

Figure 2 - Yields of 10-year EU Bonds and selected euro issuers



1.4 NextGenerationEU cost of funding

The costs incurred under NextGenerationEU are allocated to the EU budget and the Member States benefiting from loans in accordance with the methodology set out in Commission Implementing Decision (EU) 2021/1095. This methodology distinguishes three different cost categories:

- i. the cost of funding to finance grant and loan disbursements calculated for six-monthly time compartments,
- ii. the cost of holding and managing liquidity, and
- iii. administrative costs.

The cost of funding is expressed as a marginal daily interest rate for all eleven six-month compartments that run from June 2021 to December 2027. Once a time compartment is closed, the interest rate will remain stable until any of the funding instruments composing the funding basket are rolled over. Using time compartments enables the Commission to offer funding at market rates applicable at the time when the support is requested, without a legacy effect from past liabilities. Since the start of 2022, increasing interest rates in the market have pushed up interest costs for NGEU. The cost of funding was 0.14% for the first time compartment (covering June 2021 to January 2022) and 1.24% for the second time compartment (January 2022 to July 2022). The third time compartment runs from the end of July 2022 to December 2022. At the end of the third

quarter of 2022, the cost of funding for this compartment will be close to 2.24% but could increase further by the end of the year.

Liquidity management costs are the difference between the funding costs of the liquidity pool and the return of investment of the liquidity pool. Depending on whether EU-Bills have an interest rate above (negative carry) or below (positive carry) the applicable rate (either the ECB deposit rate or €STER), these liquidity costs can give rise to costs (negative carry) or income (positive carry).

In the first quarters of the NextGenerationEU funding operations, the liquidity holdings generally generated income. In Q3 2021, the carry was negative and the liquidity holdings gave rise to costs of EUR 9.5 million, due to the need to hold large holdings of liquidity to pre-finance disbursements. In Q4 2021 however, the carry turned positive with EUR 14.6 million. In Q1 2022, income was EUR 33.6 million, in Q2 2022 income was EUR 22.6 million, and in Q3 2022, income was EUR 2.1 million. However, because interest rates are no longer negative, the carry associated with the issuance of EU-Bills has recently turned negative.

The administrative costs for technical capacities needed to implement NGEU operations (e.g. costs of running the auction platform and running cash accounts) are calculated once a year. They were close to EUR 5 million in 2021.

A specific budget line was created for EURI in the EU budget in order to fund the interest and payments for NextGenerationEU non-repayable support. The historically high interest rate increases experienced by all issuers in 2022 has meant that the initial estimated costs for interest payments on NGEU non-repayable support to be covered by the 2023 EURI budget is no longer considered sufficient. Therefore the Commission proposed in its amending letter of 5 October 2022 an upward revision of EUR 450 million for the existing 2023 EUR 1.03 billion EURI budget line.

The Commission will keep the needs for the EURI interest lines under close review and will keep informing the Parliament and the Council of the evolution of these needs.

2. NGEU-related disbursements June 2021-September 2022

As at 30 September 2022; in euro, current prices

	Payments executed between 1 June 2021 and 31 December 2021										
	June 2021	Total Q2 2021	July 2021	August 2021	September 2021	Total Q3 2021	October 2021	November 2021	December 2021	Total Q4 2021	Total 2021
Horizon Europe	0	0	0	3 691 625	11 961 146	15 652 771	76 446	1 411 929	380 058	1 868 433	17 521 204
InvestEU Fund	0	0	0	0	3 381	3 381	18 815	151 019 394	26 874	151 065 084	151 068 465
REACT-EU	815 721 837	815 721 837	1 469 320 284	1 301 338 787	1 877 073 269	4 647 732 341	615 058 958	212 507 718	716 386 734	1 543 953 410	7 007 407 588
Union Civil Protection Mechanism (rescEU)	0	0	0	29 291	64 138	93 429	91 390	109 958	1 313 705	1 515 053	1 608 482
European Agricultural Fund for Rural Development (EAFRD)	0	0	0	0	1 595 781	1 595 781	0	0	63 883 294	63 883 294	65 479 075
Just Transition Fund	0	0	0	0	0	0	59 667	43 693	51 887	155 247	155 247
European Recovery and Resilience Facility (Grants incl. technical support)	0	0	2 590 198 219	28 160 015 809	2 782 182 354	33 532 396 382	823 318 225	1 851 407 968	10 167 432 005	12 842 158 198	46 374 554 580
Total per month(s)	815 721 837	815 721 837	4 059 518 503	29 465 075 512	4 672 880 069	38 197 474 085	1 438 623 501	2 216 500 659	10 949 474 558	14 604 598 719	53 617 794 641
<i>European Recovery and Resilience Facility (Loans)</i>	0	0	0	17 943 685 412	26 041 600	17 969 727 012	0	0	0	0	17 969 727 012
Total NGEU (incl. RRF loans)	815 721 837	815 721 837	4 059 518 503	47 408 760 924	4 698 921 669	56 167 201 097	1 438 623 501	2 216 500 659	10 949 474 558	14 604 598 719	71 587 521 653

Payments executed between 1 January 2022 and 30 September 2022

	January 2022	February 2022	March 2022	Total Q1 2022	April 2022	May 2022	June 2022	Total Q2 2022	July 2022	August 2022	September 2022	Total Q3 2022	Total January-September 2022
Horizon Europe	4 561 791	56 832	11 797 501	16 416 124	43 810 055	400 987 839	137 570 426	582 368 320	41 330 414	262 910 314	134 367 749	438 608 477	1 037 392 921
InvestEU Fund	9 347	9 347	150 028 106	150 046 800	9 347	150 016 953	160 019 032	310 045 332	150 018 485	162 647 363	110 019 670	422 685 518	882 777 649
REACT-EU	66 956 457	43 753 579	70 238 242	180 948 277	3 723 058 962	336 988 794	1 216 731 954	5 276 779 711	616 922 566	216 794 234	220 380 738	1 054 097 538	6 511 825 527
Union Civil Protection Mechanism (rescEU)	1 028 281	932 846	1 345 794	3 306 921	2 148 029	11 786 730	35 017 636	48 952 395	17 798 942	8 741 946	777 541	27 318 429	79 577 745
European Agricultural Fund for Rural Development (EAFRD)	0	196 575 678	197 312 839	393 888 517	9 052	246 339 607	48 999 221	295 347 881	20 443	282 580 275	23 948 508	306 549 226	995 785 623
Just Transition Fund	48 057	47 490	48 739	144 286	54 370	50 724	119 583	224 677	5 684 859	15 868 060	555 483	22 108 402	22 477 364
European Recovery and Resilience Facility (Grants incl. technical support)	271 363 198	368 175	7 400 410 681	7 672 142 054	11 718 435 083	554 020 891	700 621 996	12 973 077 970	12 399 280 682	500 992	833 673	12 400 615 347	33 045 835 371
Total per month(s)	343 967 130	241 743 946	7 831 181 902	8 416 892 979	15 487 524 899	1 700 191 538	2 299 079 848	19 486 796 285	13 231 056 390	950 043 183	490 883 363	14 671 982 936	42 575 672 200
<i>European Recovery and Resilience Facility (Loans)</i>	<i>1 942 479 890</i>	<i>0</i>	<i>0</i>	<i>1 942 479 890</i>	<i>12 845 493 144</i>	<i>609 000 000</i>	<i>0</i>	<i>13 454 493 144</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>15 396 973 034</i>
Total NGEU (incl. RRF loans)	2 286 447 020	241 743 946	7 831 181 902	10 359 372 869	28 333 018 043	2 309 191 538	2 299 079 848	32 941 289 429	13 231 056 390	950 043 183	490 883 363	14 671 982 936	57 972 645 234

3. NGEU implementation by programme

Out of the total NGEU envelope of EUR 806.9 billion, as at 30 September 2022, the Commission has already disbursed EUR 129.6 billion to the six spending programmes that receive funding under the instrument. The difference with the total amount raised is due to need for the Commission to anticipate upcoming disbursements and raise the amounts in advance of large payments.

Most of this amount was paid to the Recovery and Resilience Facility, covering both pre-financing and the fulfilment of milestones and targets. The National Recovery and Resilience Plans adopted by the Council cover over 95% of the funds available for grants, and over 40% of the available envelope for loans. Member States might request additional loans in the context of the RePowerEU proposal, which at the date of writing this report is still being discussed by Parliament and Council.

The second largest programme receiving funding is REACT-EU, with EUR 13.5 billion disbursed as at the cut-off date of this report. The pace of implementation is expected to accelerate for all programmes in the coming years once the programming and evaluation period is concluded.

This section provides an overview of the funds disbursed per programme to date, as well as information on what NGEU funding is financing through these programmes.

Recovery and Resilience Facility

As at 30 September 2022, EUR 112.7 billion have been disbursed from the Recovery and Resilience Facility to Member States to mitigate the economic and social impact of the COVID-19 pandemic and make European economies and societies more sustainable, resilient and prepared for the green and digital transitions. Of this amount, EUR 79.4 billion was in non-repayable support (grants) and EUR 33.3 billion in loans.

Between August 2021 and January 2022, EUR 56.5 billion was disbursed to 21 Member States as pre-financing following signature of the financing agreements to kick-start implementation of crucial investments and reforms.

As at 30 September 2022, seven countries have received payments for reaching the agreed milestones and targets: Spain (two payments), France, Greece, Italy, Portugal, Croatia and Slovakia. As at 30 September 2022, payments for performance-based milestones and targets amount to EUR 56.2 billion, of which EUR 42.7 billion in grants and EUR 13.4 billion in loans.

The 2021 [Recovery and Resilience Facility Review Report](#) is available online, and the RRF scoreboard provides the latest information on state of play of implementation.

REACT-EU

REACT-EU provides top-up financing to 2014-2020 programmes, in addition to the funding under cohesion policy for 2021-2027. The additional resources are distributed to Member States in 2021 and 2022 through the European Regional Development Fund, the European Social Fund, and the Fund for European Aid to the Most Deprived.

The first payments under REACT-EU were made already in June 2021 and as at 30 September, REACT-EU has paid out EUR 13.5 billion to the Member States, over one quarter of the total allocation. REACT-EU resources were also used to top up some of the financial instruments implemented under Cohesion Policy programmes.

This includes EUR 3.5 billion of additional pre-financing in April 2022, following the entry into force of the Cohesion's Action for Refugees in Europe (CARE). In addition to financing the recovery from the pandemic and supporting the twin green and digital transitions, Member States and regions can use available resources from REACT-EU to provide emergency support to people fleeing from Russia's invasion of Ukraine.

Horizon Europe

Under the Horizon Europe programme, NGEU funding is used to boost four parts of the programme: cluster 1 on 'health', cluster 4 on 'digital, industry and space', cluster 5 on 'climate, energy and mobility', and the European Innovation Council.

As at 30 September 2022, EUR 1.05 billion have been paid to the programme from NextGenerationEU, mostly to cover the pre-financing of projects selected following calls for proposals launched in 2021 and 2022.

InvestEU Programme

Payments under InvestEU are mostly directed at provisioning the InvestEU Guarantee under the Common Provisioning Fund (CPF). The EUR 1.2 billion contribution expected in payments in 2022 is distributed over the year in order to build up the provisioning for the guarantee progressively.

As at 30 September 2022, EUR 1.03 billion have been paid under InvestEU in line with the planned schedule, covering both provisioning and advisory services.

Just Transition Fund

Payments under NGEU covered administrative support and technical assistance, as well as pre-financing for the six Member States that had their territorial just transition plans approved so far. As at 30 September 2022, this amounts to EUR 22.6 million.

Payments until the end of 2022 will be related to pre-financing for adopted territorial just transition plans. Interim payments are expected to start only as from 2023.

Union Civil Protection Mechanism (rescEU)

For the Union Civil Protection Mechanism (rescEU), the NGEU credits are used mainly to cover grants. To a lesser extent, they are also used for procurement contracts in the field of rescEU capacities concluded with Member States and participating countries.

NGEU payments in 2021 and 2022 covered the pre-financing and final payments of grant contracts for prevention and preparedness for disaster risk management, medical stockpiling, medical evacuations of patients with highly infectious diseases, shelters, chemical, biological, radiological stockpiles and nuclear decontamination, energy generators, emergency medical teams and transport, as well as other supporting services and horizontal actions.

As at 30 September 2022, a total of EUR 81.1 million have been paid out from NGEU.

EAFRD

The EAFRD NGEU top-up funding is planned to be used notably (30% in the financing plan) for investment in physical assets that can either improve the overall performance and sustainability of agricultural holdings or concern the processing, marketing, development of agricultural products. They can also be used for infrastructure related to the development, modernisation or adaptation of agriculture and forestry or for non-productive investments to help farms achieve their agri-environment-climate objectives. Organic farming as well as farm and business developments will also benefit significantly from NGEU top-up funding. Finally, business start-up aid for young farmers and aid for development of non-agricultural activities in rural areas will also be financed by the EAFRD NGEU.

As at 30 September 2022, EUR 1.06 billion for this programme from NGEU.

4. Conclusion: successful delivery of NGEU, despite adverse market conditions

Financing NextGenerationEU through joint EU issuances required a significant expansion of the Commission's debt management architecture. The Commission set up a state-of-the-art borrowing and lending programme underpinned by a reliable payments, settlement and accounting infrastructure in a short period of time. The programme is embedded in a robust governance and risk mitigation framework.

The success of the NextGenerationEU funding programme to date is reflected in the strong investor confidence in the credit strength of the EU as an issuer and in investor interest in EU bonds, including green bonds. The Commission's priority for the coming years will be to build on the EU's positive reputation as a recognised and trusted issuer, and to continue to execute the NextGenerationEU funding operations in a transparent, flexible, and cost-efficient manner.

Implementation of the programmes receiving funding under NextGenerationEU is well on track and expected to pick up until the end of the financing period. Almost EUR 130 billion have already been disbursed to support the economic recovery from the pandemic, and to make Europe greener, more digital, and more resilient.

Annex 1: Overview of NextGenerationEU syndicated transactions and bond auctions

	Trading Date	Settlement Date	Maturity		Amount Issued (billion EUR)	Yield (%)	Over-subscription ratio (x times)
			date	years			
2021 Q2							
NGEU #1 syndication	15-06-2021	22-06-2021	04-07-2031	10	20	0.09	7.1
NGEU #2 syndication	29-06-2021	06-07-2021	06-07-2026	5	9	-0.34	9.8
			06-07-2051	30	6	0.73	13.8
2021 Q3							
NGEU #3 syndication	13-07-2021	20-07-2021	04-07-2041	20	10	0.47	9.6
NGEU #4 Syndication	14-09-2021	21-09-2021	04-10-2028	7	9	-0.28	11.4
Bond auction #1	27-09-2021	29-09-2021	06-07-2026	5	2.495	-0.49	2.3
2021 Q4							
NGEU #5 green bond syndication	12-10-2021	19-10-2021	04-02-2037	15.3	12	0.45	11.3
Bond auction #2	25-10-2021	27-10-2021	04-10-2028	7	2.497	-0.12	1.6
2022 Q1							
Bond auction #3 green	24-01-2022	26-01-2022	04-02-2037	15	2.499	0.37	1.5
NGEU #6 Syndication	08-02-2022	15-02-2022	06-07-2051	30	5	1.02	12.8
Bond	28-02-2022	02-03-2022	06-07-2026	5	2.5	0.16	1.3

auction #4							
NGEU #7 Syndication	22-03-2022	29-03-2022	06-07-2032	10	10	1.02	5.9
Bond auction #5	28-03-2022	30-03-2022	04-10-2028	6.5	2.498	0.80	1.1
2022 Q2							
NGEU #8 Syndication green	05-04-2022	12-04-2022	04-02-2043	20.8	6	1.37	13.0
Bond auction #6	25-04-2022	27-04-2022	04-02-2037	15	2.499	1.63	2.1
NGEU #9 syndication	11-05-2022	18-05-2022	04-07-2025	3	6	0.82	9.3
			06-07-2051	30	3	1.84	16.0
Bond auction #7	23-05-2022	25-05-2022	06-07-2032	10	2.498	1.53	1.4
NGEU #10 syndication green	21-06-2022	28-06-2022	04-02-2048	25.6	5	2.71	6.4
Bond auction #8	27-06-2022	29-06-2022	06-07-2026	5	2.494	1.55	1.4
2022 Q3							
NGEU #11 Syndication	12-07-2022	19-07-2022	04-12-2029	7	5	1.69	6.6
			04-07-2041	19	3	2.40	9.3
Bond auction #9	29-08-2022	31-08-2022	04-07-2025	3	3.749	1.70	1.9
NGEU #12 Syndication	13-09-2022	20-09-2022	04-10-2027	5	7	2.10	8.6
			04-10-2052	30	5	2.58	10.9
Bond auction #10	26-09-2022	28-09-2022	04-07-2025	3	1.5	2.53	3.5
			06-07-2032	10	2.398	2.83	2.0
Total	148.627.000.000						
Of which green	28.000.000.000						