Question for written answer E-012052/2013
to the Commission
Rule 117
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Subject: EIB and the Castor project

This year, the European Investment Bank launched the pilot phase for project bonds to finance projects such as Castor. The Castor project has caused numerous tremors along the coastline of Catalonia and Valencia.

The EIB directly invested EUR 300 million in the bond issue, which was agreed with Escal UGS (the Spanish gas storage company) in July 2013. Moreover, the EIB also provided a EUR 200 million liquidity line to attract institutional investors and boost confidence in the bond issue, according to an EIB press release. Eighty per cent of the project bond investors were international groups.

Escal UGS and the Spanish Government may have to engage in a legal battle in the Supreme Court over compensation for the possible closure of the Castor project, and the legal process could take five years. If this is the case, some investors may try to tap into the EIB liquidity line and use the EUR 200 million, which would leave the bank responsible for 35 % of the risk associated with the bond issue[1].

Why did the Commission decide to use the Castor project in the project bonds pilot phase as opposed to another type of infrastructure such as any of the TEN-T network corridors?

What information did the Commission have on the risks posed by the Castor project before the EIB approved the bond issue to fund this project? Will it publish this information?

[1] http://www.elconfidencial.com/empresas/2013-10-19/otro-roto-a-la-marca-espana-el-bei-tiene-500-millones-de-euros-pillados-en-castor_43622/.