EUROPEAN COMMISSION

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2011/0283 (COD)

Proposal for a

REGULATION OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL

amending Council Regulation (EC) No 1083/2006 as regards certain provisions relating to risk sharing instruments for Member States experiencing or threatened with serious difficulties with respect to their financial stability

EXPLANATORY MEMORANDUM

1. BACKGROUND TO THE PROPOSAL

- **Reasons and objectives for the proposal**

The sustained financial and economic crisis is increasing the pressure on national financial resources as Member States are reducing their budgets. In this context ensuring a smooth implementation of cohesion policy programmes is of particular importance as a tool for injecting funds into the economy.

Nonetheless, the implementation of the programmes requires significant amounts of funding from public and private stakeholders, who, due to the the liquidity problems faced by financial institutions are not able to provide such funding. This is particularly the case for those Member States which have been most affected by the crisis and have received financial assistance under a programme from the European Financial Stabilisation Mechanism (EFSM) for the EURO countries or from the Balance of Payments (BoP) mechanism for non EURO countries. To date, six countries - including Greece which has received financial assistance outside the EFSM - have requested financial assistance under these mechanisms and have agreed with the Commission a macro-economic adjustment programme. These countries are Hungary, Romania, Latvia, Portugal, Greece and Ireland, hereafter called "programme countries". Hungary which has entrered the BoP mechanism in 2008 has already exited in 2010.

In order to ensure that these Member States (or any other Member State which maybe concerned by such assistance programmes in the future) continue the implementation of the Structural Funds and Cohesion Fund programmes on the ground and disburse funds to projects, the current proposal contains provisions that would allow the creation of a risk sharing instrument. In order to implement this instrument the transfer of part of the financial allocations available to these Member States back to the Commission would be allowed. The objective would be to provide capital contributions to cover expected and unexpected losses of loans and guarantees to be extended under a risk-sharing partnership with the European Investment Bank and/or other financial institutions with a public policy mission who are willing to continue to lend to project sponsors and banks with a view to provide private match funding for projects implemented with Structural Funds and Cohesion Fund contributions. The overall allocation under cohesion policy for the period 2007-2013 would therefore not be modified. This will provide additional liquidity to implement infrastructure and productive investments in the Member States at a critical juncture and will facilitate the continuation of the implementation of the programmes on the ground. When the financial allocations made available for the risk sharing instrument has not been used to cover losses, it will stay at the disposal of the Member State to continue the risk sharing facility or as part of the enveloppe available for operational programmes. Finally, the financial allocations to the risk-sharing instrument would be strictly capped and not create contingent liabiities for the Union or the Member State concerned.

- **General context**

The deepening of the financial crisis in some of the Member States is undoubtedly affecting substantially the real economy due to the amount of debt and the difficulties encountered by the Governments to borrow money from the market.

The Commission has put forward proposals in response to the current financial crisis and to its socio-economic consequences. In the framework of its recovery package, the Commission proposed in December 2008 a number of regulatory changes aiming to simplify the implementation rules for cohesion policy and to provide additional pre-financing through advance payments to ERDF and ESF programmes. The additional advance payments paid out to the Member States in 2009 have provided an immediate cash injection of EUR 6.25 billion, within the financial envelope agreed for each Member State for the 2007-2013 period. This amendment brought the total of advance payments to EUR 29.38 billion. A proposal presented by the Commission in July 2009, provided for additional measures of simplification of the implementation of the Structural Funds and the Cohesion Fund. The adoption of these measures in June 2010 has contributed significantly towards the simplification of the implementation of the programmes and boosted the absorption of the funds, while reducing administrative burdens on beneficiaries. The Commission has also adopted in August 2011 a proposal for an amendment to Regulation (EC) No 1083/2006 with a view to increase the amount of community contribution reimbursed through interim payments and payments of the final balance by up to 10 percentage points above the current limits (COM(2011)482 final of 01/08/2011). When adopted by the Council and Parliament this proposal will allow additional liquidity to the Member States concerned to co-finance the part of the projects and programmes which is not eligible for contributions by the Structural Funds and the Cohesion Fund. In addition, infrastructure projects relevant in the context of the economic recovery of the Member States concerned can also be be supported if considered appropriate.

- **Provisions in force in the policy sphere of the proposal**

Article 36 of Council Regulation (EC) No 1083/2006 (hereinafter the 'General Regulation') provides that the EIB may, at the request of Member States, participate in activities relating to the preparation of projects, in particular major projects, the arrangement of finance, and public-private partnerships. It provides further that the Member State, in agreement with the EIB, may concentrate the loans granted on one or more priorities of an operational programme. The current proposal will facilitate the approval of such loans by the EIB, or by other international financial institutions as may be the case, at a moment when due to the downgrading of the public and private debt of the State and financial institutions of the Member States such loans would not be available.

- **Consistency with other policies and objectives of the Union**

The proposal is consistent with other proposals and initiatives adopted by the European Commission as a response to the financial crisis.

2. CONSULTATION OF INTEREST PARTIES AND IMPACT ANALYSIS

- **Consultation of interested parties**

There was no consultation of external stakeholders.

- **Procurement and use of expertise**

Use of external expertise has not been necessary.

- **Impact analysis**

The proposal would allow the Commission to implement under indirect centralised management risk sharing instrument to cover risks related to loans and guarantees to be given to project promotors and other public or private partners. The objective is to facilitate the rapid implementation of cohesion policy programmes through investments in infrastructure and other productive investments which will have an immediate and real impact on the economy and contribute to the creation of employment.

This will not impose additional financial requirements to the overall budget since the total financial allocation for the period from the Funds to the Member States in question will not change.

3. LEGAL ELEMENTS OF THE PROPOSAL

- **Summary of the proposed measures**

It is proposed to modify Article 14(1) of Regulation (EC) No 1083/2006 with a view to allow for risk sharing instrument to be managed under indirect centralised manangement. It is proposed furthermore to amend Article 36(2) of Regulation (EC) No 1083/2006 with a view to allow Member States experiencing or threatened with serious difficulties with respect to their financial stability, to contribute part of their allocations under the "Convergence" and "Regional competitiveness and employment" objectives of cohesion policy to the provisioning and capital allocations to loans or guarantees issued to project promotors and other public or private partners directly or indirectly by the EIB or other international financial institutions.

The terms and conditions applicable to such risk sharing instrument should be decided by the Commission, upon request from the Member State concerned. The Commission upon request of the Member States concerned should adopt ad hoc decisions to set the terms and conditions applicable to such instrument, on the basis of allocations to be transferred from the Structural Funds and Cohesion Fund allocations from the Member State concerned.

- **Legal basis**

Council Regulation (EC) No 1083/2006 of 11 July 2006 laying down general provisions on the European Regional Development Fund, the European Social Fund and the Cohesion Fund and repealing Regulation (EC) No 1260/1999 defines the common rules applicable to the three Funds. Based on the principle of shared management between the Commission and the Member States, this Regulation includes provisions for the programming process as well as arrangements for programme (including financial) management, monitoring, financial control and evaluation of projects.

- **Subsidiarity principle**

The proposal complies within the subsidiarity principle to the extent that it seeks to facilitate support through Structural Funds and Cohesion Fund for certain Member States which experience serious difficulties, notably with problems in their economic growth and financial stability and with a deterioration in their deficit and debt position, also due to the international economic and financial environment. In this context, it is necessary to establish at the European Union level a mechanism which allows the European Commission to set up risk sharing instruments which facilitate the provision of loans or guarantees aiming at co-financing private contributions to projects implemented with public support under Structural Funds and the Cohesion Fund.

- **Proportionality principle**

The proposal conforms to the proportionality principle:

The current proposal is indeed proportionate since it provides increased support from the Structural Funds and the Cohesion Fund to the Member States in difficulties or threatened with severe difficulties caused by exceptional occurrences going beyond their control and falling under the conditions of Council Regulation (EU) No 407/2010 (establishing the European financial stabilization mechanism), or in difficulties or seriously threatened with difficulties as regards their balance of payments and falling under the conditions of Council Regulation (EC) No 332/2002, as well as to Greece, which received financial assistance outside the EFSM under the Intercreditor Agreement and the Euro Area Loan Facility Act.

- **Choice of instruments**

Proposed instrument: regulation.

Other instruments would not be appropriate for the following reasons:

The Commission has explored the scope for manoeuvre provided by the legal framework and considers necessary, in the light of the experience up to now, to propose modifications to the General Regulation. The objective of this revision is to further facilitate the co-financing of projects thereby accelerating both their implementation and the impact of such investments on the real economy.

4. BUDGETARY IMPACT

There is no impact on commitment appropriations since no modification is proposed to the maximum amounts of Structural Funds and Cohesion Fund financing provided for in the operational programmes for the programming period 2007-2013.

This proposal could result in an acceleration of payments which will be compensated by the end of the programming period. Therefore, the total payment appropriations for the whole programming period remains unchanged.

In the light of Member State's request to benefit from the action and taking into account the evolution in regard to the submission of interim payments, the Commission will in 2012 review the need for additional payment credits and if necessary propose the necessary actions to the Budgetary Authority.

The proposal shows the willingness on the part of the Commission to assist the efforts of the Member States to deal with the financial crisis. The amendment will provide the Member States concerned with the funds necessary to support projects and the recovery of the economy.

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amending Council Regulation (EC) No 1083/2006 as regards certain provisions relating to risk sharing instruments for Member States experiencing or threatened with serious difficulties with respect to their financial stability

THE EUROPEAN PARLIAMENT AND THE COUNCIL OF THE EUROPEAN UNION,

Having regard to the Treaty on the Functioning of the European Union, and in particular Article 177 thereof,

Having regard to the proposal from the European Commission,

After transmission of the draft legislative act to the national Parliaments,

Having regard to the opinion of the European Economic and Social Committee[1],

Having regard to the opinion of the Committee of the Regions[2],

Acting in accordance with the ordinary legislative procedure,

Whereas:

(1) The unprecedented global financial crisis and economic downturn have seriously damaged economic growth and financial stability and provoked a strong deterioration in financial and economic conditions in several Member States.

(2) Whilst important actions to counterbalance the negative effects of the crisis have already been taken, including amendments of the legislative framework, the impact of the financial crisis on the real economy, the labour market and citizens is being widely felt.

(3) Based on Article 122(2) of the Treaty providing the possibility of granting Union financial assistance to a Member State in difficulties or seriously threatened with severe difficulties caused by exceptional occurrences beyond its control, Council Regulation (EU) No 407/2010 of 11 May 2010 establishing a European financial stabilisation mechanism[3] has established such a mechanism with a view to preserving the financial stability of the Union.

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1 OJ L , , p. .

2 OJ L , , p. .

3 OJ L 118, 12.5.2010, p. 1.

(4) By Council Implementing Decisions 2011/77/EU[4] and 2011/344/EU[5] Ireland and Portugal were granted such financial assistance.

(5) Greece was experiencing serious difficulties with respect to its financial stability already before the entry into force of Regulation (EU) No 407/2010. Therefore financial assistance to Greece could not be based on that Regulation.

(6) The Intercreditor Agreement and the Loan Facility Agreement concluded for Greece on 8 May 2010 entered into force on 11 May 2010. It foresees that the Intercreditor Agreement will remain in full force and effect for a three-year programme period as long as there are any amounts outstanding under the Loan Facility Agreement.

(7) Council Regulation (EC) No 332/2002 of 18 February 2002 establishing a facility providing medium-term financial assistance for Member States' balances of payments[6] has established an instrument providing that the Council will grant mutual assistance where a Member State which has not adopted the euro is in difficulties or is seriously threatened with difficulties as regards its balance of payments.

(8) By Council Decisions 2009/102/EC[7], 2009/290/EC[8] and 2009/459/EC[9] Hungary, Latvia and Romania respectively were granted such financial assistance.

(9) On 11 July 2011, finance ministers of the 17 euro-area Member States signed the Treaty establishing the European Stability Mechanism (ESM). It is foreseen that by 2013, the ESM will assume the tasks currently fulfilled by the European Financial Stability Facility and the European financial stabilisation mechanism. This future mechanism should therefore already be taken into account by this Regulation.

(10) The European Council conclusions of 23 and 24 June 2011 welcomed the Commission's intention to enhance the synergies between the loan programme for Greece and the Union funds, supporting efforts to increase Greece's capacity to absorb Union funds in order to stimulate growth and employment by refocusing on improving competitiveness and employment creation. Moreover, the conclusions welcomed and supported the preparation by the Commission, together with the Member States, of a comprehensive programme of technical assistance to Greece.

(11) In the statement by the Heads of State or Government of the Euro Area and the EU Institutions of 21 July 2011, the Commission and the European Investment Bank were invited to enhance the synergies between loan programmes and Union funds in all countries under Union or International Monetary Fund assistance. This Regulation contributes to that objective.

(12) The implementation of the operational programmes and projects in the field of infrastructure and productive investment in Greece faces serious problems because the

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[4] OJ L 30, 4.2.2011, p. 34.
[5] OJ L 159, 176.2011, p. 88.
[6] OJ L 53, 23.2.2002, p. 1.
[7] OJ L 37, 6.2.2009, p. 5.
[8] OJ L 79, 25.3.2009, p. 39.
[9] OJ L 150, 13.6.2009, p. 8.

conditions for the participation of the private sector and particularly of the financial sector changed dramatically as a result of the economic and financial crisis.

(13) In order to alleviate those problems and to speed up the implementation of the operational programmes and projects, as well as to strengthen the economic recovery, it is appropriate that the managing authorities of the Member States having experienced serious difficulties with respect to financial stability and which have been granted financial assistance according to one of the financial assistance mechanisms set out above may contribute financial resources from operational programmes to the establishment of risk sharing instruments providing loans or guarantees or other financial facilities, in support of projects and operations foreseen under an operational programme.

(14) In light of the EIB's long-standing expertise as the major financier of infrastructure projects and its commitment to support the economic recovery, the Commission should be able to create in partnership with the EIB risk sharing instruments. The specific terms and conditions of the co-operation should be laid down in an agreement between the Commission and the EIB.

(15) In view of the need to expand investment opportunities which may emerge in the Member States concerned, the Commission may also establish risk sharing instruments with national or international public sector bodies or bodies governed by private law with a public service mission providing adequate guarantees as referred to in Article 54(2)(c) of Council Regulation (EC, Euratom) No 1605/2002 of 25 June 2002 on the Financial Regulation applicable to the general budget of the European Communities[10] under terms and conditions similar to those of the EIB.

(16) To respond rapidly in the context of the current economic and financial crisis, such risk sharing instrument should be implemented by the Commission in accordance with Article 54(2) of Regulation (EC, Euratom) No 1605/2002.

(17) Regulation (EC) No 1083/2006 should therefore be amended accordingly,

HAVE ADOPTED THIS REGULATION:

Article 1

Regulation (EC) No 1083/2006 is amended as follows::

(1) In Article 14, paragraph 1 is replaced by the following:

"1. The budget of the European Union allocated to the Funds shall be implemented within the framework of shared management between the Member States and the Commission, in accordance with Article 53(1)(b) of Council Regulation (EC, Euratom) No 1605/2002 of 25 June 2002 on the Financial Regulation applicable to the general budget of the European Communities, * with the exception of the risk sharing instruments referred to in Article 36(2a) and of the technical assistance referred to in Article 45.

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[10] OJ L 248, 16.9.2002, p. 1.

The principle of sound financial management shall be applied in accordance with Article 48(2) of Regulation (EC, Euratom) No 1605/2002.

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* OJ L 248, 16.9.2002, p. 1"

(2) In Article 36, the following paragraph 2a is inserted:

"2a. Member States meeting one of the conditions set out in Article 77(2), may contribute a part of the financial allocations indicated in Article 19 and Article 20 to a risk sharing instrument, to be established by the Commission in agreement with the European Investment Bank, or in agreement with national or international public sector bodies or bodies governed by private law with a public service mission providing adequate guarantees as referred to in Article 54(2)(c) of Regulation (EC, Euratom) No 1605/2002, under similar terms and conditions to those applied to and by the European Investment Bank, to cover the provisioning and capital allocation of guarantees and loans, as well as other financial facilities, granted under the risk sharing instrument.

Such risk sharing instrument shall be used exclusively for loans and guarantees, as well as other financial facilities, to finance operations co-financed by the European Regional Development Fund or the Cohesion Fund, regarding expenditure which is not covered by Article 56.

The risk sharing instrument shall be implemented by the Commission within the framework of indirect centralised management in accordance with Article 54(2) of Regulation (EC, Euratom) No 1605/2002.

Payments to the risk sharing instrument shall be made in tranches, in accordance with the scheduled use of the risk sharing instrument in providing loans and guarantees financing specific operations.

The Member State concerned shall address a request to the Commission who shall adopt a decision by means of an implementing act, describing the system established to guarantee that the amount available is used for the exclusive benefit of the Member State which provided it within its cohesion policy financial allocation pursuant to Article 18(2), as well as the terms and conditions applicable to such risk sharing instrument. These terms and conditions shall at least address the following:

(a) traceability and accounting, information on the use of the funds and monitoring and control systems; and

(b) structure of the fees and other administrative and management costs.

The financial allocations to the risk-sharing instrument shall be strictly capped and shall not create contingent liabiities for the Union budget or the Member State concerned.

Any amount left-over after the completion of an operation covered by the risk sharing instrument may be reused, at the request of the Member Sate concerned, within the risk-sharing instrument, if the Member State still meets one of the conditions set out as specified in Article 77(2). If the Member State no longer meets those conditions, the amount left-over shall be considered as assigned revenue within the meaning of Article 18 of the Financial Regulation. At the request of the Member State concerned, additional commitment appropriations generated by this assigned revenue shall be added the following year to the cohesion policy financial allocation of the Member State concerned."

Article 2

This Regulation shall enter into force on the day following that of its publication in the *Official Journal of the European Union*.

This Regulation shall be binding in its entirety and directly applicable in all Member States.

Done at Brussels,

For the European Parliament
The President

For the Council
The President

LEGISLATIVE FINANCIAL STATEMENT

1. NAME OF THE PROPOSAL:

Proposal for a Regulation of the European Parliament and of the Council amending Council Regulation (EC) No 1083/2006 as regards certain provisions relating to risk sharing instruments for Members States experiencing or threatened with serious difficulties with respect to their financial stability.

2. ABM / ABB FRAMEWORK

Policy Area(s) concerned and associated Activity/Activities:

Regional Policy; ABB activity 13.03

Employment and Social Affairs; ABB activity 04.02

Cohesion Fund, ABB 13.04

3. BUDGET LINES

3.1. Budget lines (operational lines and related technical and administrative assistance lines (ex- B.A lines)):

The proposed new action will be implemented on the following budget lines:

- 13.031600 Convergence (ERDF)
- 13.031800 Regional competitiveness & employment (ERDF)
- 13.04.02 Cohesion Fund
- 13.03.xx [New line] Risk sharing instrument financed from the ERDF envelope
- 13.04.xx [New line] Risk sharing instrument financed from the CF envelope
- 04.02.xx [New line] Risk sharing instrument financed from the ESF envelope

3.2. Duration of the action and of the financial impact:

3.3. Budgetary characteristics:

Budget line	Type of expenditure		New	EFTA contribution	Contributions from applicant countries	Heading in financial perspective
13.031600	Non-comp	Diff	NO	NO	NO	**No** 1b
13.031800	Non-comp	Diff	NO	NO	NO	**No** 1b
13.03xx	Non-comp	Diff	NO	NO	NO	**No** 1b
04.0217	Non-comp	Diff	NO	NO	NO	**No** 1b
04.02xx	Non-comp	Diff	NO	NO	NO	**No** 1b
13.04.02	Non-comp	Diff	NO	NO	NO	**No** 1b
13.04.xx	Non-comp	Diff	NO	NO	NO	**No** 1b
04.0219	Non-comp	Diff	NO	NO	NO	**No** 1b

4. SUMMARY OF RESOURCES

4.1. Financial Resources

4.1.1. Summary of commitment appropriations (CA) and payment appropriations (PA)

Since no new financial resources are proposed for commitment appropriations, no figures are inserted in the tables but n.a. (non-applicable) is indicated. The proposal is therefore in line with the multi-annual financial framework for 2007-2013.

This proposal could result in an acceleration of payments appropriations (2012-2013) which will be compensated by the end of the programming period. Therefore, the total payment appropriations for the whole programming period remains unchanged.

The financial allocations to the risk-sharing instrument including management fees and other eligible costs, shall be strictly limited to the amount of the financial allocation to the risk-sharing instrument and there shall be no further liability on the general budget of the Union or to the budget of the Member State concerned.

EUR million (to 3 decimal places)

Expenditure type	Section no.		Year n	n + 1	n + 2	n + 3	n + 4	n + 5 and later	Total
Operational expenditure[11]									
Commitment Appropriations (CA)	8.1	a	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Payment Appropriations (PA)		b	n.a	…	n.a	n.a.	…..	n.a	0.
Administrative expenditure within reference amount[12]									
Technical & administrative assistance (NDA)	8.2.4	c	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
TOTAL REFERENCE AMOUNT									
Commitment Appropriations		**a+c**	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Payment Appropriations		**b+c**	**n.a.**	**n.a.**	**n.a**	**n.a.**	**n.a.**	**n.a.**	**0,000**
Administrative expenditure <u>not</u> included in reference amount[13]									
Human resources and associated expenditure (NDA)	8.2.5	d	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Administrative costs, other than human resources and associated costs, not included in reference amount (NDA)	8.2.6	e	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.

Total indicative financial cost of intervention

TOTAL CA including cost of Human Resources		a+c +d +e	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
TOTAL PA including cost of Human Resources		b+c +d +e	n.a	n.a.	n.a	n.a.	n.a.	n.a.	n.a

11 Expenditure that does not fall under Chapter xx 01 of the Title xx concerned

12 Expenditure within article xx 01 04 of Title xx.

13 Expenditure within chapter xx 01 other than articles xx 01 04 or xx 01 05.

Co-financing details

EUR million (to 3 decimal places)

Co-financing body		Year n	n + 1	n + 2	n + 3	n + 4	n + 5 and later	Total
……………………	f	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
TOTAL CA including co-financing	a+c +d+ e+f	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.

4.1.2. Compatibility with Financial Programming

☒ Proposal is compatible with existing financial programming.

☐ Proposal will entail reprogramming of the relevant heading in the financial perspective.

☐ Proposal may require application of the provisions of the Interinstitutional Agreement[14] (i.e. flexibility instrument or revision of the financial perspective).

4.1.3. Financial impact on Revenue

☒ Proposal has no financial implications on revenue

☐ Proposal has financial impact – the effect on revenue is as follows:

EUR million (to one decimal place)

		Prior to action	Situation following action					
Budget line	Revenue	[Year n-1]	[Year n]	[n+1]	[n+2]	[n+3]	[n+4]	[n+5][15]
	a) Revenue in absolute terms		n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
	b) Change in revenue	*Δ*	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.

(Please specify each revenue budget line involved, adding the appropriate number of rows to the table if there is an effect on more than one budget line.)

14 See points 19 and 24 of the Inter-institutional agreement.

15 Additional columns should be added if necessary i.e. if the duration of the action exceeds 6 years

4.2. Human Resources FTE (including officials, temporary and external staff) – see detail under point 8.2.1.

Annual requirements	Year n	n + 1	n + 2	n + 3	n + 4	n + 5 and later
Total number of human resources	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.

5. CHARACTERISTICS AND OBJECTIVES

5.1. Need to be met in the short or long term

The sustained financial and economic crisis is increasing the pressure on national financial resources, as Member States are reducing their budgets. In this context ensuring a smooth implementation of cohesion policy programmes is of particular importance as a tool for injecting funds into the economy. In order to ensure that these Member States continue the implementation of the Structural Fund and Cohesion Fund programmes on the ground and disburse funds to projects, the proposal contains provisions that would allow the Commission to implement a risk sharing instrument.

5.2. Value-added of Community involvement and coherence of the proposal with other financial instruments and possible synergy

The proposal will allow the continuation of the implementation of the programmes, injecting additional money mobilised by the EIB and other international financial institutions into the economy.

5.3. Objectives, expected results and related indicators of the proposal in the context of the ABM framework

The objective is to help those Member States mostly affected by the financial crisis to be able to continue with the implementation of the programmes on the ground, hence injecting funds into the economy.

5.4. Method of Implementation (indicative)

Show below the method(s) chosen for the implementation of the action: indirect centralised management by the Commission in accordance with Article 54(2) of Regulation (EC, Euratom) No 1605/2002.

On a request from the Member States, the programming of some operational programmes will be revised downward in order to make available commitment appropriations within the financial allocation of the Member States. These appropriations will be placed on a budget line dedicated to implement the action. When the action is completed and amounts providing the funding of the risk sharing facilities are not needed anymore, they will be returned as assigned revenue on the budget lines which provided the initial funding or the equivalent budget lines supporting the financing of operational programmes.

6. MONITORING AND EVALUATION

6.1. Monitoring and reporting rules, management and control

EIB Financing Operations will be managed by the EIB in accordance with the EIB's own rules and procedures, including appropriate audit, control and monitoring measures. As foreseen in the EIB Statute, the Audit Committee of the EIB, which is supported by external auditors, is responsible for verifying the regularity of the EIB operations and accounts. The EIB accounts are approved annually by its Board of Governors.

Furthermore, the EIB Board of Directors, where the Commission is represented by a Director and an alternate Director, approves each EIB Financing Operation and monitors that the EIB is managed in accordance with its Statute and with the general directives laid down by the Board of Governors.

The existing tripartite agreement between the Commission, the Court of Auditors and the EIB of October 2003, renewed for another four-year period in 2007, details the rules under which the Court of Auditors is to carry out its audits on the EIB Financing Operations under EU guarantee.The EIB shall provide the Commission with statistical, financial and accounting data on each of the EIB Financing Operations as necessary to fulfil its reporting duties or requests by the European Court of Auditors as well as an auditor’s certificate on the outstanding amounts of the EIB Financing Operations.

Monitoring by the Commision in accordance with sound financial management shall include the drawing up of regular reports on progress made in implementing the initiative by means of financial implementation.

When other financial institutions participate in the risk-sharing instrument their internal rules and procedures, respectively the agreements they have signed with the Commission, regarding the management, reporting, management and control shall apply accordingly.

6.2. Evaluation

6.2.1. Ex-ante evaluation

This proposal has been prepared at the request from the Cabinet of the President of the Commission.

6.2.2. Measures taken following an intermediate/ex-post evaluation (lessons learned from similar experiences in the past)

N/A

6.2.3. Terms and frequency of future evaluation

N/A

7. ANTI-FRAUD MEASURES

The EIB has the main responsibility for the adoption of fraud prevention measures, notably through the application to the financed operations of the "EIB’s Policy on preventing and deterring Corruption, Fraud, Collusion, Coercion, Money Laundering and the Financing of Terrorism in European Investment Bank activities" as adopted in April 2008.

The EIB's rules and procedures include, among the detailed arrangements to fight against fraud and corruption, the competence of OLAF to carry out internal investigations. In particular, in July 2004, the EIB Board of Governors approved a decision "concerning the terms and conditions for internal investigations in relation to the prevention of fraud, corruption and any illegal activity detrimental to the Communities' financial interests".

8. DETAILS OF RESOURCES

8.1. Objectives of the proposal in terms of their financial cost

Commitment appropriations in EUR million (to 3 decimal places)

(Headings of Objectives, actions and outputs should be provided)	**Type of output**	**Av. cost**	**Year n**		**Year n+1**		**Year n+2**		**Year n+3**		**Year n+4**		**Year n+5 and later**		**TOTAL**	
			No. outputs	Total cost	No. outputs	Total cost	No. outputs	Total cost	No. outputs	Total cost	No. outputs	Total cost	No. outputs	Total cost	No. outputs	Total cost
OPERATIONAL OBJECTIVE No.1 Sustain the implementation of the operational programmes																
				0,000		0,000										0,000
TOTAL COST				**0,000**		**0,000**										**0,000**

8.2. Administrative Expenditure

8.2.1. Number and type of human resources

Types of post		Staff to be assigned to management of the action using existing and/or additional resources (**number of posts/FTEs**)					
		Year n	Year n+1	Year n+2	Year n+3	Year n+4	Year n+5
Officials or temporary staff (XX 01 01)	A*/AD	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
	B*, C*/AST	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Staff financed by art. XX 01 02		n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Other staff financed by art. XX 01 04/05		n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
TOTAL		n.a.	n.a.	n.a.	n.a.	n.a.	n.a.

8.2.2. Description of tasks deriving from the action

N/A

8.2.3. Sources of human resources (statutory)

(When more than one source is stated, please indicate the number of posts originating from each of the sources)

☐ Posts currently allocated to the management of the programme to be replaced or extended

☐ Posts pre-allocated within the APS/PDB exercise for year n

☐ Posts to be requested in the next APS/PDB procedure

☐ Posts to be redeployed using existing resources within the managing service (internal redeployment)

☐ Posts required for year n although not foreseen in the APS/PDB exercise of the year in question

8.2.4. *Other Administrative expenditure included in reference amount (XX 01 04/05 – Expenditure on administrative management)*

EUR million (to 3 decimal places)

Budget line (number and heading)	Year n	Year n+1	Year n+2	Year n+3	Year n+4	Year n+5 and later	TOTAL
1 Technical and administrative assistance (including related staff costs)							
Executive agencies	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Other technical and administrative assistance	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
- intra muros	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
- extra muros	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Total Technical and administrative assistance	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.

8.2.5. *Financial cost of human resources and associated costs not included in the reference amount*

EUR million (to 3 decimal places)

Type of human resources	Year n	Year n+1	Year n+2	Year n+3	Year n+4	Year n+5 and later
Officials and temporary staff (XX 01 01)	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Staff financed by Art XX 01 02 (auxiliary, END, contract staff, etc.) (specify budget line)	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Total cost of Human Resources and associated costs (NOT in reference amount)	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.

Calculation– ***Officials and Temporary agents***

Reference should be made to Point 8.2.1, if applicable

n.a.

Calculation– ***Staff financed under art. XX 01 02***

Reference should be made to Point 8.2.1, if applicable

n.a.

8.2.6. Other administrative expenditure not included in reference amount

EUR million (to 3 decimal places)

	Year n	Year n+1	Year n+2	Year n+3	Year n+4	Year n+5 and later	TOTAL
XX 01 02 11 01 – Missions	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
XX 01 02 11 02 – Meetings & Conferences	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
XX 01 02 11 03 – Committees	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
XX 01 02 11 04 – Studies & consultations	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
XX 01 02 11 05 - Information systems	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
2 Total Other Management Expenditure (XX 01 02 11)	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
3 Other expenditure of an administrative nature (specify including reference to budget line)	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Total Administrative expenditure, other than human resources and associated costs (NOT included in reference amount)	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.

Calculation - ***Other administrative expenditure <u>not</u> included in reference amount***

n.a.