



Brussels, 26.2.2013
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COMMISSION DECISION

of 26.2.2013

on the adoption of DG ECFIN's annual work programme 2013, including procurement and grants, in the field of economic and financial affairs, serving as a financing decision

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THE EUROPEAN COMMISSION,

Having regard to the Treaty on the Functioning of the European Union,

Having regard to Council Regulation (EC, Euratom) No 480/2009 of 25 May 2009¹ establishing a Guarantee Fund for external actions,

Having regard to Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council of 25 October 2012 on the financial rules applicable to the general budget of the Union (hereinafter referred to as the 'Financial Regulation'),

Having regard to Commission Delegated Regulation (EU) No 1268/2012 of 29 October 2012 on the rules of application of Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council on the financial rules applicable to the general budget of the Union (hereinafter referred to as the Rules of Application'),

Whereas:

- (1) In accordance with Article 84 of the Financial Regulation and Article 94(1) of the Rules of Application, the commitment of expenditure from the Union budget shall be preceded by a financing decision setting out the essential elements of the action involving expenditure and adopted by the institution or the authorities to which powers have been delegated by the institution.
- (2) In accordance with Article 128 of the Financial Regulation, an annual work programme for grants has to be adopted.
- (3) The 2013 work programme being a sufficiently detailed framework in the meaning of Article 94(2)a and (3) of the Rules of Application, the present decision constitutes a financing decision for the expenditure provided in the work programme for grants and procurement.
- (4) This decision is also a financing decision for the expenditure in the context of joint management chargeable to the Union budget.
- (5) In accordance with Article 60(2) and 61(1) of the Financial Regulation, evidence has been obtained that the IMF and the OECD, to be entrusted by the Commission with

¹ OJ L145, 10.6.2009, p. 10-14.

the implementation of EU funds under indirect management, apply acceptable standards in their accounting, audit, internal control and procurement procedures.

- (6) The present financing decision may also cover the payment of interest due for late payment on the basis of Articles 92 of the Financial Regulation and 111(1) of the Rules of Application.
- (7) It is appropriate to define the terms 'substantial change' within the meaning of Article 94(4) of the Rules of Application for the application of this decision.
- (8) Council Regulation (EC, Euratom) No 480/2009 of 25 May 2009 lays down the provisioning mechanism for the Guarantee Fund for External Actions. The level of provisioning is determined on an ex-post basis, and depends on the outstanding amount of loans and guaranteed loans.
- (9) Decision 77/270/Euratom was modified by Council Decision 94/179/Euratom of 21 March 1994 authorising the Commission to contract Euratom borrowings in order to contribute to the financing required for improving the degree of safety and efficiency of nuclear power stations in certain non-member countries,

HAS DECIDED AS FOLLOWS:

Article 1

The work programme in the field of economic and financial affairs, as set out in Annex, is hereby adopted. It constitutes a financing decision in the meaning of Article 84 of the Financial Regulation.

Article 2

The maximum contribution authorised by this Decision for the implementation of the Programme is set at €170,160,000 to be financed from the following Budgetary Line(s) of the General Budget of the European Union for 2013:

Activity 'Economic and Monetary Union':

- Budgetary Line no 01.02 02 'Coordination and surveillance of economic and monetary union (EMU)': €9,100,000 (including €100,000 of earmarked revenue)
- Budgetary Line no 01.02 04 'PRINCE – Communication on EMU, including the euro': €4,000,000

Activity 'International Economic and Financial Affairs':

- Budgetary Line no 01.03 02 'Macro-financial assistance': € 500,000 (procurements only)

Activity 'Financial Operations and Instruments':

- Budgetary Line no 01.04 01 14 'Provisioning of the Guarantee Fund': €155,660,000

- Budgetary line no 01.04 10 'Nuclear safety': €1,000,000.

These appropriations may also cover interest due for late payment.

Article 3

The budget implementation of certain tasks described in this decision can be entrusted to the IMF and the OECD, which in accordance with Article 60(2) of the Financial Regulation apply acceptable standards in their accounting, audit, internal control and procurement procedures.

Article 4

Cumulated changes of the allocations to the specific actions not exceeding 20% of the maximum contribution authorised by this Decision for each budget line are not considered to be substantial provided that they do not significantly affect the nature and objective of the work programme. This may include the increase of the maximum contribution authorised by this Decision up to 20%.

The authorising officer may adopt such changes in accordance with the principles of sound financial management and of proportionality.

Done at Brussels, 26.2.2013

For the Commission
Olli REHN
Member of the Commission

ANNEX to Work Programme for 2013 in the field of economic and financial affairs

1.1. Introduction

This work programme contains the implementing measures for the year 2013 in the field of economic and financial affairs. The distribution of budget and the main actions are the following:

- for grants (implemented under direct centralised management) (1.2): €5,790,000 for EMU-related projects.
- for procurement (implemented under direct centralised management) (1.3): €7,010,000 of which €2,610,000 for EMU-related projects, €4,000,000 for PRINCE and €500,000 for macro-financial assistance.
- for actions implemented under indirect management through an agreement with an international organisation (1.4): €700,000.
- for other actions (1.5): €155,660,000 for the provisioning of the guarantee fund for external actions and €1,000,000 for nuclear safety (Euratom)

1.2. Grants

The global budgetary envelope reserved in 2013 for grants amounts to €5,790,000 on the 'EMU' line.

1.2.1. Joint Harmonised European Union Programme for Business and Consumer Surveys (BCS)

Grants shall be covered by the grant agreements signed with the institutes participating in the BCS programme for a total amount of €5,740,000.

LEGAL BASIS

No basic act since the action results from the Commission's institutional prerogatives (FR Art. 54(2)d)

BUDGETARY LINE

01.02 02 'Coordination and surveillance of economic and monetary union (EMU)'

PRIORITIES OF THE YEAR, OBJECTIVES TO BE FULFILLED AND FORESEEN RESULTS

The BCS constitute an essential tool for the Commission for fulfilling its Treaty-based obligations of surveillance of the EU economies. They constitute a basis for decision-making of EU economic policy makers, governments and research institutes. There are few alternative products at European level and none share the features of the Commission's surveys in terms of coverage, frequency and accuracy.

The Commission's objective consists in ensuring that reference to and usage of the analytical tools and EU reference indicators and other products should be comparable to those of other major institutions (IMF, OECD, ECB, ...) as measured in terms of downloads of data, references to publications, number of attendants of events.

DESCRIPTION AND OBJECTIVE OF THE IMPLEMENTING MEASURE

The BCS Programme ensures the harmonisation, coordination, analysis and dissemination of business and consumer surveys in Member States. Harmonisation is essential to allow the comparison of business cycles in the different Member States and the calculation of meaningful business cycle indices for the euro area and for the EU as a whole, in order to inform the EU authorities, the Member States and the various economic agents about the present economic situation. Business and consumer surveys summarise attitudes and judgements of a large number of managers and consumers for different sectors of the economy in the European Union. Results are published on a monthly basis.

IMPLEMENTATION

Directly by the DG.

TIMETABLE AND INDICATIVE AMOUNT OF THE CALL(S) FOR PROPOSALS /DIRECT AWARD

Call reference	Date	Amount	

Specific grant agreements will be concluded under the framework partnership agreement: ECFIN/2010/A3-020 (OJ C271 of 7.10.2010 pp. 14-24) and ECFINA4/2011/014 (OJ C330 of 12.11.2011 pp. 11-21).

A new call for proposals has been launched in 2012 (ECFIN /2012/008/A: see OJ 2012/C171/10 pp. 15-24)) in order to identify suitable parties to carry out surveys in Ireland, Iceland and Serbia.

The specific grant agreements will be concluded for the period May 2012-April 2013 with a total budget of €5,740,000.

MAXIMUM POSSIBLE RATE OF CO-FINANCING

The EU's contribution in the joint financing may not exceed 50% of eligible costs.

ESSENTIAL EXCLUSION AND ELIGIBILITY CRITERIA

The grant award procedure is based on the provisions of the corresponding framework partnership agreements.

Eligibility criteria: see sections 5.1 (legal status of applicants), 5.2 (grounds for exclusion) and 5.3 (illegal activities giving rise to exclusion) of the respective calls for proposals.

ESSENTIAL SELECTION AND AWARD CRITERIA

Selection criteria:

(1) financial capacity of applicants, as demonstrated by their balance sheet and profit and loss account, certified by auditors for at least 2 financial years.

(2) operational capability of applicants, to be assessed on the basis of the proposal's compliance with the BCS methodology, at least 3 years of proven experience in preparing and carrying out monthly or quarterly surveys and the required qualifications of experts and managers, and the capacity of the applicant to complete the survey and deliver data each

month in due time (on the basis of resources at disposal and the evidence of relevant experience)

Award criteria:

(1) Quality of the proposed survey methodology (e.g. sample design, survey mode, coverage rate, representativeness of results);

(2) The candidate's degree of experience and expertise in developing survey methodology, in constructing indicators based on survey results and in using survey results for cyclical and economic analysis and research, including analysis by sector;

(3) Efficiency of the candidate's logistic and work organisation in terms of infrastructure, facilities and qualified staff for the execution of the tasks;

(4) The candidate's degree of compliance with formalised business processes and international quality management standards, especially in conducting surveys.

FORM OF THE GRANT AND VALUE AND TOTAL AMOUNT OF LUMP SUMS ALLOWED [if applicable]

Total value: €5,740,000. No lump sums are foreseen.

SPECIFIC GRANT AGREEMENT [if applicable]

In 2011, approximately 50-55 framework partnership agreements have been signed with various beneficiaries. In 2012, further framework partnership agreements have been signed. Specific grants based on these partnership agreements will be awarded in the first quarter of 2013 and written agreements will be signed. The eligibility period of the actions runs from 1 May 2013 till 30 April 2014.

1.2.2. Timely High-frequency indicators for global and regional trade (THIT)

Grants shall be covered by the grant agreements signed with the institute selected for the THIT project (€50,000).

LEGAL BASIS

No basic act since the action results from the Commission's institutional prerogatives (FR Art. 54(2)d)

BUDGETARY LINE

01.02 02 'Coordination and surveillance of economic and monetary union (EMU)'

PRIORITIES OF THE YEAR, OBJECTIVES TO BE FULFILLED AND FORESEEN RESULTS

The project will produce indicators on a regular basis allowing the calculation of timely high-frequency measures of the export performance of the EU, the euro area and the individual Member States. The indicators improve the assessment and accuracy of the forecast for international trade (and GDP) growth for non-EU countries and regions.

DESCRIPTION AND OBJECTIVE OF THE IMPLEMENTING MEASURE

The timely high-frequency indicators for trade (THIT) constitute valuable input for ECFIN's economic monitoring and forecasting activities.

IMPLEMENTATION

Directly by the DG.

TIMETABLE AND INDICATIVE AMOUNT OF THE CALL(S) FOR PROPOSALS /DIRECT AWARD

Call reference	Date	Amount	

A new 4-year framework partnership agreement has been launched in the first quarter of 2012.

MAXIMUM POSSIBLE RATE OF CO-FINANCING

The EU's contribution in the joint financing may not exceed 50% of eligible costs.

ESSENTIAL EXCLUSION AND ELIGIBILITY CRITERIA

The grant award procedure is based on the provisions of the corresponding framework partnership agreements.

Eligibility criteria will cover the legal status of applicants, the grounds for exclusion and the administrative and financial penalties (cf. sections 5.1, 5.2 and 5.3 of the previous framework partnership agreement: see OJ C71 of 18.3.2008 pp. 4-11).

ESSENTIAL SELECTION AND AWARD CRITERIA

Selection criteria:

- (1) financial capacity of applicants, as demonstrated by their balance sheet and profit and loss account for at least 2 financial years.
- (2) operational capability of applicants, to be assessed on the basis of at least 3 years of proven experience in preparing a similar set of indicators and proven experience in the construction of international trade indicators and addressing methodological questions (seasonal adjustment, working-day adjustment, aggregation, estimation methodology for missing values and missing deflators, ...)

Award criteria:

- (1) degree of expertise and experience in the construction of international trade indicators;
- (2) effectiveness of the proposed methodology including aspects of seasonal adjustment, working-day adjustment, deflation, aggregation and estimation methodology for missing values and missing deflators,
- (3) efficiency of work organisation in terms of, flexibility, infrastructure, qualified staff and facilities for carrying out the work and reporting to the Commission.

FORM OF THE GRANT AND VALUE AND TOTAL AMOUNT OF LUMP SUMS ALLOWED [if applicable]

Total value: €50,000. No lump sums are foreseen.

SPECIFIC GRANT AGREEMENT [if applicable]

A new framework partnership agreement has been signed in 2012 covering a 4-year period. A specific grant agreement under the new partnership agreement will be awarded in the 2nd quarter of 2013. The eligibility period of the action runs from 1 June 2013 till 31 May 2014.

1.3. Procurement

The global budgetary envelope reserved in 2013 for procurement contracts amounts to €7,010,000, of which €2,610,000 on the 'EMU' line, €4,000,000 on the PRINCE line and €500,000 on the MFA line.

1.3.1. Coordination and surveillance of economic and monetary union (EMU)

LEGAL BASIS

No basic act since the action results from the Commission's institutional prerogatives (FR Art. 54(2)d)

BUDGETARY LINE

01.02 02 'Coordination and surveillance of economic and monetary union (EMU)'

INDICATIVE NUMBER AND TYPE OF CONTRACTS ENVISAGED

The main subjects of the contracts will be the following: external data supply (approx. 20 contracts), speakers and authors of papers (approx. 30 contracts), studies and evaluations (approx. 20 contracts), specialised software (approx. 10 contracts), other (approx. 20 contracts).

SUBJECT OF THE CONTRACTS ENVISAGED (if possible)

The contracts will cover several types of activities:

- I. Access to external commercial data supply services; development and maintenance of internal data bases;
- II. Conferences, workshops, seminars and visiting fellows;
- III. Studies and evaluations;
- IV. Business surveys;
- V. Rating services and other costs related to borrowing/lending activities;
- VI. Publications and associated software;
- VII. Statistical and economic software packages, including maintenance;
- VIII. IT developments;
- IX. Other

IMPLEMENTATION

Direct implementation by DG ECFIN.

INDICATIVE TIMEFRAME FOR LAUNCHING THE PROCUREMENT PROCEDURE

I. Access to external commercial data supply services; development and maintenance of internal data bases

Services are generally based on existing multi-annual contracts concluded for four years (after an open call for tender).

Calls for tender expected to be launched in 2013:

- Automatic Feed of valuation prices and rates for financial market instruments: call for tender for a 4-year service contract (Q1 2013)
- Purchasing Bond Indices: call for tender for a 4-year service contract (Q2 2013).
- Purchasing Manager's indices : call for tender for 4 year service contract (Q2 2013)
- Individual Component benchmark data : negotiated procedure for 4 year service contract (Q3 2013)
- Ratings and Research services : negotiated procedure for 4 year service contract (Q3 2013)-
- Online news and information service for Emerging Markets: open call for tender (Q1 2013)
- Purchase of Specialised Economic Statistics: low-value contract

II. Conferences, workshops, seminars, visiting fellows, seminar speakers

The tenders will essentially cover:

- calls for papers/essays and calls for speakers (low-value contracts)
- calls covering logistical aspects (external venue, catering, ...).

Calls are launched regularly throughout the year, depending on the date of the event.

III. Studies and evaluations

Up to 6 tenders will be launched in 2013, the large majority of which will be open calls. Up to 3 calls will be launched in the course of the 1st semester, the others in the second semester.

V. Rating services and other costs related to borrowing/lending activities

- Framework Service contracts will be awarded in 2013 to the Standard & Poor's and Fitch based on a negotiated procedure

VIII. IT developments

IX. Other

INDICATIVE AMOUNT OF THE CALL FOR TENDERS [not mandatory]

SPECIFIC CONTRACT [if applicable]

I. Access to external commercial data supply services

- Automated feed of valuation prices and rates for financial market instrument: 4-year

renewable annual contract to be concluded with new contractor in 2013

- Financial market data sources and trading platform: 4-year framework contract will be awarded to Bloomberg and ThomsonReuters in 2013 based on a 2012 tender procedure – renewable yearly contracts

- Provision of Macro-economic and financial data (ThomsonReuters); open call for tender launched in 2012, 4-year framework contract to be concluded in 2013 – renewable yearly contracts

- Purchasing Managers Indices (Markit-PMI) – Individual component benchmark data; 4-year renewable annual contracts concluded with Markit respectively in 2009

- Ratings data and research services: 4-year framework contracts concluded in 2010 with Standard and Poors and Fitch Ratings; - renewable yearly contracts

- Consensus forecast data (Consensus Economics Inc); 4-year renewable contract awarded to Consensus Economics Inc. in 2011

- Bond and Equity data: 4-year framework awarded in 2012 to Dealogic - renewable yearly contracts

- Annual Accounts: A 4-year framework contract awarded to Bureau Van Dijk in 2012 – renewable yearly contracts

- FDMS+: Forecast Data Management System; specific contracts based on a framework contract concluded with Prognoz in 2012

II. Conferences, workshops and seminars

Framework contracts PMO2/PR/2008/005/1 (travel and accommodation), 01/98/ADMIN.D.1/1 (catering)

III. Studies and evaluations

Part of the studies will be covered by a framework service contract managed by DG ECFIN (ECFIN/2010/034); evaluations are generally based on DG ECFIN's framework contract with reopening of competition (ECFIN/003-008/2011).

IV. Business surveys

The contract for Financial Sector Services Surveys will be renewed for a third period (04/2013-03/2014).

V. Rating services

The services needed in 2013 will be covered by 3 framework service contracts signed in 2012 and 2013⁰⁹ with the major rating agencies (Moody's, Standard & Poor's, Fitch).

VI. Publications and associated software

Framework contracts managed by OPOCE

VII. Statistical and economic software packages, including maintenance

Framework contract managed by DIGIT

VIII. IT developments

Framework contract managed by DIGIT

1.3.2. PRINCE programme

LEGAL BASIS

No basic act since the action results from the Commission's institutional prerogatives (FR Art. 54(2)d)

BUDGETARY LINE

01.02 04 'PRINCE – Communication on EMU, including the euro'

INDICATIVE NUMBER AND TYPE OF CONTRACTS ENVISAGED

Framework contracts of DG ECFIN and other Commission services will be used in the large majority of cases. The number of specific contracts will amount to approximately 100, virtually all of which will be service contracts. The main subject of the contracts will be the following: conferences and events (approx. 20 contracts), exhibitions (approx. 20 contracts), seminars (approx. 20 contracts), publications (approx. 20 contracts or order forms).

SUBJECT OF THE CONTRACTS ENVISAGED (if possible)

The contracts will cover several types of activities, in particular to inform about the EU's response to the crisis, economic governance in the EU, to improve the general knowledge on the euro and EMU and to contribute to communication efforts in line with the 2013 work programme:

I. Conferences, events and seminars on the euro/EMU within the EU, covering in particular:

- (a) network meetings (DIR COM, Euro Team);
- (b) seminars for journalists and other multipliers;
- (c) annual conferences (e.g. the Brussels Economic Forum and other high profile events);
- (d) high-level conferences in pre-in countries;
- (e) workshops and seminars

II. Exhibitions, notably including:

- (a) the itinerant euro exhibition;
- (b) stands with publications on the euro and EMU

III. Competitions, such as poster competitions, competitions targeted at photographers and cartoonists, etc.

IV. Public stands

V. Information activities in third countries, covering conferences and seminars, distribution of publications, school competitions, etc.

VI. Twinning programmes (between pre-in countries and euro-area countries)

VII. Studies and surveys, notably including:

- (a) surveys on citizens' perceptions in countries preparing for the imminent introduction of the euro;
- (b) Eurobarometer surveys on the euro;
- (c) studies on the impact of information activities on the euro

VIII. Publications, including ECFIN's flagship publications (European Economy, Economic Papers, etc.) and associated software (EP/kit) as well as publications for the general public and posters

IX. Electronic newsletter

X. Promotional material
XI. Advertising campaigns
XII. ECFIN website, including ad-hoc articles for the web
XIII. Audio-visual material
XIV. Technical assistance
The above list is not exhaustive.

IMPLEMENTATION

Direct implementation by DG ECFIN.

INDICATIVE TIMEFRAME FOR LAUNCHING THE PROCUREMENT PROCEDURE

No procurement procedure is planned in 2013 (recourse to existing FWCs, both ECFIN and other DGs)

INDICATIVE AMOUNT OF THE CALL FOR TENDERS [not mandatory]

SPECIFIC CONTRACT [if applicable]

The majority of the specific contracts will be concluded on existing framework contracts such as:

ECFIN-222-2011 Organisation and management of events

ECFIN-223-2011 Organisation and management of events

ECFIN-224-2011 Organisation and management of events

PMO2/PR/2008/005/1 Travel and accommodation

PO/2010-30/A2 Flash Eurobarometer Opinion polls

PO/2010-24/A6 Information briefings and seminars for journalists

Most of the contracts relating to printing publications will be implemented through framework contracts managed by OPOCE (co-delegation).

Other framework contracts from different Commission services may be used.

Furthermore new multiple framework contract for different communication activities will be awarded in Q1-2013

- Lot 1: Work involving writing, graphic design, the web and strategic communication advice as part of information and communication campaigns
- Lot 2: Organisation of exhibitions and stands
- Lot 3: Design, production and dissemination of audiovisual products
- Lot 4: Promotional material

1.3.3. Macro-financial assistance (procurement part)

The present financing decision does only cover MFA expenditure related to procurement (€500,000). All other measures, representing €94,050,000 will be subject to *ad hoc* financing decisions.

LEGAL BASIS

For operational assessments: Council decision granting MFA to the country.
For evaluations: FR Art. 30.

BUDGETARY LINE

01.03 02 'Macro- financial assistance'

INDICATIVE NUMBER AND TYPE OF CONTRACTS ENVISAGED

Up to 10 operational assessments; specific contracts under framework contract.
Three evaluations under framework contract.

SUBJECT OF THE CONTRACTS ENVISAGED (if possible)

Operational assessments of financial circuits and controls in the countries concerned by macro-financial assistance. The objective is to obtain reasonable assurance of the reliability of the financial and administrative procedures implemented in these countries. Recommendations contained in these OA reports give the Commission the possibility to assist these countries to improve their public finance management.

IMPLEMENTATION

Direct implementation by DG ECFIN.

INDICATIVE TIMEFRAME FOR LAUNCHING THE PROCUREMENT PROCEDURE

INDICATIVE AMOUNT OF THE CALL FOR TENDERS [not mandatory]

SPECIFIC CONTRACT [if applicable]

Operational assessments: based on framework contract ECFIN/012/2011 for operational assessments.
Evaluations: based on framework contract ECFIN/003-008/2011 with reopening of competition.

1.4. Actions implemented under indirect management through an agreement with an international organisation

1.4.1. Co-financing OECD research projects

LEGAL BASIS

No basic act since the action results from the Commission's institutional prerogatives (FR Art. 54(2)d)

BUDGETARY LINE

01.02 02 'Coordination and surveillance of economic and monetary union (EMU)'

AMOUNT

€300,000.

IMPLEMENTING ENTITY

Organisation for Economic Co-operation and Development (OECD) established in Paris. The reason for co-operating with the OECD under indirect management derives from the strong and direct relevance of many of their economic study and research projects for ECFIN's policy-shaping activities in different areas.

OVERALL OBJECTIVE AND PURPOSE OF THE ACTION

Through co-financing, usually along with the OECD Secretariat and several OECD members, the Commission can prioritise work on specific topics of high EU relevance as well as influence the scope and focus of the work undertaken.

1.4.2. Co-financing IMF

LEGAL BASIS

No basic act since the action results from the Commission's institutional prerogatives (FR Art. 54(2)d)

BUDGETARY LINE

01.02 02 'Coordination and surveillance of economic and monetary union (EMU)'

AMOUNT

€400,000.

IMPLEMENTING ENTITY

The International Monetary Fund (IMF) is an organisation of 186 countries established in Washington, working to foster global monetary cooperation, secure financial stability, facilitate international trade, promote high employment and sustainable economic growth, and reduce poverty around the world. The reason for co-operating with the IMF is their expertise and their role in financial assistance programmes for EU Member States.

OVERALL OBJECTIVE AND PURPOSE OF THE ACTION

The IMF is closely involved in the different financial assistance programmes in favour of EU Member States such as the Balance-of-Payments (BOP) Facility for non-euro area countries, the rescue packages for Greece, Ireland and Portugal and the European Financial Stability Facility and associated Mechanism (EFSF & EFSM), notably in co-defining and co-monitoring the economic and financial policies that the relevant countries need to implement in order to recover market confidence and to strengthen their fiscal and financial position.

1.5. Other actions

1.5.1. Provisioning of the guarantee fund for external actions

LEGAL BASIS

Council Regulation (EC, Euratom) N° 89/2007 of 30 January 2007 amending Regulation (EC, Euratom) N° 2728/94 establishing a guarantee fund for external actions.

BUDGETARY LINE

01.04 01 14 'Provisioning of the Guarantee Fund'

AMOUNT

€155,660,000

DESCRIPTION AND OBJECTIVE OF THE IMPLEMENTING MEASURE

- (1) The Guarantee Fund for External Actions was created in 1994. It provides the financial resources which are used as a smoothing mechanism to avoid a direct call on budget resources when, due to defaults of beneficiaries of loans, the Community must assure the reimbursement of maturing financial obligations (e.g. interest, principal). The Fund is financed from the general budget of the European Communities and its financial management is entrusted to the EIB.
- (2) Council Regulation (EC, Euratom) 480/2009 of 25 May 2009 lays down the provisioning mechanism for the Guarantee Fund for External Actions. The level of provisioning under the new system is determined on an ex-post basis, and depends on the outstanding amount of loans and guaranteed loans. The transfer to the Fund takes the form of a single commitment and a single payment early in the budgetary year.

Nuclear safety

LEGAL BASIS

Council Decision 1994/179/Euratom of 21 March 1994 authorising the Commission to contract Euratom borrowings in order to contribute to the financing required for improving the degree of safety and efficiency of nuclear power stations in certain non-member countries, modifying Council Decision 77/270/Euratom of 29 March 1977 empowering the Commission to issue Euratom loans for the purpose of contributing to the financing of nuclear power stations.

BUDGETARY LINE

01.04 10 'Nuclear safety':

AMOUNT

€1,000,000

Description and objective of the implementing measure

The subsequent guidelines relating to the legal base adopted by the Council invite the Commission to carry out assessments of the projects including technical and economic studies, including a recommendation from the EIB. Legal support is also required for the preparation and implementation of the loan contracts.

Projects in the nuclear sector tend to be very complicated and politically sensitive. It is moreover difficult to estimate when a loan application is likely to be received and actual budgetary spending is going to occur. This high degree of uncertainty regarding the number of project proposals giving rise to cost payments, the precise amounts involved per project and the timing of the expenditure explains the recourse to a token entry ("p.m.") as opposed to the introduction of a predefined amount.

Given the complexity of the matter and the substantial amount of money potentially involved in Euratom financing, the assessment of project proposals requires specialised expertise. The Council Decisions on Euratom loans stipulate that the EIB must prepare a recommendation to the Commission on the economic and financial aspects of candidate projects. Budgetary appropriations will notably serve to reimburse the EIB's appraisal costs. It is moreover foreseen that, for projects in EU Member States, the Bank will cover all additional costs linked to acquiring external (legal, technical, ...) expertise and subsequently submit cost claims for the part to be reimbursed by the Community budget. The Commission will ensure the necessary checks. For projects outside the EU, all such costs have traditionally been covered by TACIS.²

² Regarding the 2010 financing decision, which also provided for a 'p.m.' entry, the following complementary information can be provided regarding the two projects which gave to budgetary outlays in the course of 2010.

Estimated costs linked to the Urenco project amount to €800,000, €300,000 of which would serve to cover the EIB's appraisal costs while the remainder would be required to pay for legal assistance in concluding the loan contract. The company submitted a request for a Euratom loan amounting to €100 million in July 2010 to increase the uranium enrichment capacity in its production plants in Almelo (NL) and Gronau (D). The total investment cost is estimated at €567 million. Project implementation will start in 2011 and take about 2 or 3 years.

A further €1,200,000 is required for the Ukrainian 'Upgrade Package' to be implemented by Energoatom, the operator of all nuclear plants in Ukraine. It covers €500,000 for the EIB's recommendation on the economic and financial aspects of the project and €700,000 for the necessary legal assistance. The company requested a Euratom loan in November 2009 in order to finance the safety upgrade of all 15 nuclear power plants in the country. This operation will take place between 2010 and 2017 and its total cost is estimated at some €1.45 billion. The EBRD received a similar lending request and, subject to further examination, Euratom's contribution may represent up to €500 million complemented by a further €300 million from the EBRD.

As stipulated in the Council Decision, all costs incurred by Euratom in concluding and executing loan operations shall be borne by the borrowers. These costs can only be recovered after the signature of the loan e.g. by deducting them at the time of the loan disbursement.

1.5.2. Regional and horizontal programmes (cross-subdelegation DG ELARG)

No appropriations are foreseen in the 2013 budget for reinforcing the trust accounts. However, interests earned on the trust accounts are considered as additional resources and may be used under the Agreement for the co-financing of projects with Participating Banks. Therefore it is necessary to proceed on an annual basis to the regularisation of the interest generated in order to keep the amount on the trust account and to reuse for projects under the Facilities.

The budget lines concerned are 22.02.07.01 (IFI Facilities managed by the EBRD, EIB and CEB: SMEFF, MFF, EEFF and MIF), 22.02.05.03 (Meda), 22.02.05.04 (Cyprus) and the amount of interest expected in 2013 is around €1.5 million.

Appendix to point 1.4 – Verification of the conditions for joint management (Article 60(2) and 61(1) Financial Regulation and Article 39 Rules of Application)

DG DEVCO R2 has finalised the assessments in order to evaluate whether the IMF and the OECD apply standards which offer guarantees equivalent to internationally accepted standards in its accounting, audit, internal control and procurement procedures.

The projects will be elaborated jointly under the framework agreement concluded with the OECD in April 2006 and with the IMF in January 2009. The Standard Contribution Agreement will be used to conclude the individual contribution-specific agreements.