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ANNEX 1

ANNEX

to the

COMMISSION DECISION

of XXX

on the adoption of DG ECFIN's annual work programme 2016, including procurement and grants, in the field of economic and financial affairs, serving as a financing decision

ANNEX

1.1 Introduction

This work programme contains the implementing measures for the year 2016 in the field of economic and financial affairs. The distribution of budget and the main actions are the following:

- for grants (implemented under direct management) (1.2): €26 250 000
- for procurement (implemented under direct management) (1.3): €6 041 000
- for administrative arrangement with the JRC (1.4): €330 000
- for other actions (1.5): €257 121 792 for the provisioning of the guarantee fund for external actions; €41 000 000 for the provision of paid-up shares to subscribed capital of the European Investment Fund; €2 030 000 000 for the provisioning of the EFSI guarantee fund; and €5 000 000 for EIF fees due under EFSI

1.2 Grants

The global budgetary envelope reserved in 2016 for grants amounts to €26 250 000 out of which €7 000 000 on the 'EMU' line and €19 250 000 on the "European Investment Advisory Hub" line.

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

BCS actions shall be covered by the specific grant agreements signed with the institutes participating in the BCS programme for a total amount of €5.850.000. As a result of the 2014 call for proposals new framework partnership agreements were concluded covering the MFF period. The first action under the new partnership agreements is carried out until April 2016. New specific grant agreements will be concluded for the next period May 2016 – April 2017.

As a result of the 2015 mini-call for proposals new partners will be added to the programme as it expands to cover the gaps in member states (Ireland) and the new candidate country (Albania).

LEGAL BASIS

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

BUDGETARY LINE

01.02 01 'Coordination, surveillance and communication activities on the economic and monetary union including the euro (EMU)'

PRIORITIES OF THE YEAR, OBJECTIVES PURSUED AND EXPECTED 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.

The data collected feeds in the monthly press releases and analytical studies. The continuous improvement in survey methodology and harmonisation is pushed forward through the organisation of the BCS group of experts' (E00267) workshop.

DESCRIPTION OF THE ACTIVITIES TO BE FUNDED BY THE SPECIFIC GRANTS DIRECTLY AWARDED UNDER FRAMEWORK PARTNERSHIPS

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.

ESSENTIAL SELECTION AND AWARD CRITERIA

For the existing or to be finalised framework partnership agreements, specific grants will be awarded on the basis of the relevance and the consistency of the proposals with the action plan submitted for the award of the corresponding framework partnership agreements, as well as on the basis of the cost-effectiveness of the proposals. The beneficiaries will submit new budget proposals in Q1/2016.

IMPLEMENTATION

Directly by the DG.

TIMETABLE AND INDICATIVE AMOUNT OF THE SPECIFIC GRANTS DIRECTLY AWARDED UNDER FRAMEWORK PARTNERSHIPS

Call reference	Date	Amount	
	Q1 2016	€5.850.000	

Specific grant agreements will be concluded under existing (2014 call) or soon to be established framework partnership agreements (2015 call). The specific grant agreements will cover the period May 2016-April 2017 and a total budget of € 5.850.000.

MAXIMUM POSSIBLE RATE OF CO-FINANCING

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

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

Grants shall be covered by the specific grant agreement signed with the institute selected for the THIT project.

LEGAL BASIS

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

BUDGETARY LINE

01.02 01 'Coordination, surveillance and communication activities on the economic and monetary union including the euro (EMU)'

PRIORITIES OF THE YEAR, OBJECTIVES PURSUED AND EXPECTED 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 OF THE ACTIVITIES TO BE FUNDED UNDER THE SPECIFIC GRANT DIRECTLY AWARDED UNDER THE FRAMEWORK PARTNERSHIP

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

ESSENTIAL SELECTION AND AWARD CRITERIA

For the existing framework partnership agreement

Selection criteria: not applicable

Award criteria: the specific grant will be awarded on the basis of the relevance and the consistency of the proposal with the action plan submitted for the award of the corresponding framework partnership agreement, as well as on the basis of the cost-effectiveness of the proposal.

IMPLEMENTATION

Directly by the DG.

TIMETABLE AND INDICATIVE AMOUNT OF THE SPECIFIC GRANT DIRECTLY AWARDED UNDER A FRAMEWORK PARTNERSHIP

Call reference	Date	Amount	
	Q1/2016	€50 000	

A specific grant agreement under the partnership agreement to be finalised will be awarded in 2016. The eligibility period of the action runs from 1 June 2016 till 31 May 2017.

MAXIMUM POSSIBLE RATE OF CO-FINANCING

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

ESSENTIAL SELECTION AND AWARD CRITERIA

For the existing framework partnership agreement

Selection criteria: not applicable

Award criteria: the specific grant will be awarded on the basis of the relevance and the consistency of the proposal with the action plan submitted for the award of the corresponding framework partnership agreement, as well as on the basis of the cost-effectiveness of the proposal.

1.2.3 Production and Broadcast of a Magazine on Economic Issues - Euronews

Grant agreement signed with Euronews implementing the framework partnership agreement.

LEGAL BASIS

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

BUDGETARY LINE

01.02 01 'Coordination, surveillance and communication activities on the economic and monetary union including the euro (EMU)'

PRIORITIES OF THE YEAR, OBJECTIVES PURSUED AND EXPECTED RESULTS

The multiannual framework partnership agreement with Euronews will be implemented through specific grant agreements. A specific grant agreement is foreseen for the purpose of raising awareness of the policies related to DG Economic and financial affairs in the form of the production and broadcast of TV news programmes. The project will continue to increase the volume and quality of the coverage of EU economic and financial affairs. As in previous seasons Euronews will provide more information packaged in new attractive formats able to reach larger audience and therefore contribute to forging closer links between citizens and the institutions of the European Union.

DESCRIPTION OF THE ACTIVITIES TO BE FUNDED BY THE SPECIFIC GRANT DIRECTLY AWARDED UNDER THE FRAMEWORK PARTNERSHIP

Co-financing through an action grant of the production and broadcast of a magazine on economic issues of economic magazine Euronews channel.

ESSENTIAL SELECTION AND AWARD CRITERIA

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

IMPLEMENTATION

Directly by the DG.

TIMETABLE AND INDICATIVE AMOUNT OF THE SPECIFIC GRANT DIRECTLY AWARDED UNDER A FRAMEWORK PARTNERSHIP

Call reference	Date	Amount	
	Q1/2016	€400 000	

A specific grant agreement under the framework partnership agreement with Euronews will be awarded in Q1/2016 with DG ECFIN's indicative amount being €400 000. The grant will take the form of unit contributions on the basis of unit costs as authorised by the Commission Decision authorising the use of unit costs under action grant agreements signed with Euronews (C(2013)7360final of 07.11.2013) according to article 124 of the Financial Regulation.

MAXIMUM POSSIBLE RATE OF CO-FINANCING

95% of the eligible costs.

1.2.4 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 01 'Coordination, surveillance and communication activities on the economic and monetary union, including the euro (EMU)'

PRIORITIES OF THE YEAR, OBJECTIVES PURSUED AND EXPECTED RESULTS

The reason for co-funding the Organisation for Economic Co-operation and Development (OECD) derives from their technical competence and high-degree of specialisation coupled to the strong and direct relevance of many of their economic studies and research projects for ECFIN's policy-shaping activities in different areas.

DESCRIPTION OF THE ACTIVITIES TO BE FUNDED BY THE GRANT AWARDED WITHOUT A CALL FOR PROPOSALS ON THE BASIS OF ARTICLE 190.1 (F) RAP

Through the co-financing mechanism, 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 tasks undertaken by the OECD to fit its own needs.

ESSENTIAL (SELECTION AND) AWARD CRITERIA

Relevance of study or project to ECFIN's policy activities and soundness of the proposed budget

IMPLEMENTATION

Directly by the DG.

INDICATIVE TIMETABLE AND INDICATIVE AMOUNT OF THE GRANT AWARDED WITHOUT A CALL FOR PROPOSALS

Reference	Date	Amount
tbd	Q2/2016	€300 000

MAXIMUM POSSIBLE RATE OF CO-FINANCING

Up to 90% of eligible costs

1.2.5 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 01 'Coordination, surveillance and communication activities on the economic and monetary union, including the euro (EMU)'

PRIORITIES OF THE YEAR, OBJECTIVES PURSUED AND EXPECTED RESULTS

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 technical competence and high-degree of specialisation coupled to their role in financial assistance programmes for EU Member States.

DESCRIPTION OF THE ACTIVITIES TO BE FUNDED BY THE GRANT AWARDED WITHOUT A CALL FOR PROPOSALS ON THE BASIS OF ARTICLE 190.1 (F) RAP

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. Co-financing surveillance and technical assistance actions taken by the IMF contributes efficiently to the Commission's objectives of public finance surveillance.

ESSENTIAL (SELECTION AND) AWARD CRITERIA

Relevance of the surveillance and assistance actions ECFIN's surveillance activities and soundness of the proposed budget

IMPLEMENTATION

Directly by the DG.

INDICATIVE TIMETABLE AND INDICATIVE AMOUNT OF THE GRANT AWARDED WITHOUT A CALL FOR PROPOSALS

Reference	Date	Amount
tbd	Q2/2016	€400 000

MAXIMUM POSSIBLE RATE OF CO-FINANCING

Up to 90% of eligible costs

1.2.6 Financing of the European Investment Advisory Hub

LEGAL BASIS

Regulation (EU) 2015/1017 of the European Parliament and of the Council on the European Fund for Strategic Investments, the European Investment Advisory Hub and the European Investment Project Portal and amending Regulations (EU) No 1291/2013 and (EU) No 1316/2013 – the European Fund for Strategic Investments
In accordance with article 14(7) of the EFSI Regulation the Union contributes up to 20 000 000 EUR only "insofar as those cost are not covered by the remaining amounts from fees referred to in paragraph 4", i.e. the fees the EIB receives from the beneficiaries of its services under EIAH.

BUDGETARY LINE

Budgetary line no 01 04 06 – "European Investment Advisory Hub (EIAH) and the European Investment Project Portal (EIPP)"

PRIORITIES OF THE YEAR, OBJECTIVES PURSUED AND EXPECTED RESULTS

Recruitment of the EIAH staff;
Development of a pricing policy;
Development of EIAH's communication and branding;
Set up of an initial EIAH web presence with information about the accessible programmes and services;
Development of a client interface / application form to receive requests;
Initial identification of partner National Promotional Institutions and their role as local entry points;
Provision of advisory services.

DESCRIPTION OF THE ACTIVITIES TO BE FUNDED BY THE SPECIFIC GRANT DIRECTLY AWARDED UNDER THE FRAMEWORK PARTNERSHIP

EIAH team and sectoral experts to provide advisory services;
External consultants to provide advisory services;
Review of the pricing policy;
Communication, promotional events, web interface and IT development;
Establishment of cooperation platforms;
Phase II of the Market Gap Analysis for EIAH's "needs assessment" exercise

ESSENTIAL SELECTION AND AWARD CRITERIA

The grant award procedure is based on the provisions of the corresponding framework partnership agreement with the EIB.

IMPLEMENTATION

Directly by the DG.

INDICATIVE TIMETABLE AND INDICATIVE AMOUNT OF THE SPECIFIC GRANT DIRECTLY AWARDED UNDER A FRAMEWORK PARTNERSHIP

Reference	Date	Amount
tbd	Q1/2016	€19 250 000

MAXIMUM POSSIBLE RATE OF CO-FINANCING

75% of the eligible costs

1.3 Procurement

The global budgetary envelope reserved in 2016 for procurement contracts amounts to €6 041 000 of which €4 622 000 on the 'EMU' line (EMU coordination and surveillance: €2 307 000 and EMU communication activities: €2 315 000); €669 000 on the MFA line and €750 000 on the EIPP line.

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

The budgetary envelope for procurement contracts for coordination and surveillance activities amounts to €2 307 000.

LEGAL BASIS

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

BUDGETARY LINE

01.02 01 'Coordination, surveillance and communication activities on the economic and monetary union, including the euro (EMU)'

SUBJECT OF THE CONTRACTS ENVISAGED

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

TYPE OF CONTRACTS ENVISAGED (*new FWC / direct contract / specific contract based on an existing FWC / contract renewal*) AND TYPE OF PROCUREMENT (*service/supply/works*)

New framework contracts, new direct contracts, specific contracts, contracts renewals
Services and supplies

INDICATIVE NUMBER OF CONTRACTS ENVISAGED

All types of contracts:
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

INDICATIVE TIMEFRAME FOR LAUNCHING THE PROCUREMENT PROCEDURE

I. Access to external commercial data supply services; development and maintenance of internal data bases
- call for tender to conclude a four year Framework Contract to access macro-economic data will be launched in Q3
- call for tender to conclude a four year Framework Contract for financial market data sources and trading platforms will be launched in Q2-Q3
- calls for tender for other economic subscriptions and databases will be launched regularly through the year depending on the needs of the services

II. Conferences, workshops, seminars, visiting fellows, seminar speakers
The tenders will essentially cover:
- calls for papers/essays and calls for speakers
- 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
- call for tender to study the 'Deepening of EMU: the lessons of the US experience'

- call for tender to evaluate 'DG ECFIN's forecasting service'

IV. Business surveys
V. Rating services and other costs related to borrowing/lending activities
- calls for tender for new framework contracts will be launched in Q2 and Q3, depending on the expiry date of the current contracts

VI. Publications and associated software

VII. Statistical and economic software packages, including maintenance

VIII. IT developments

IX. Other

IMPLEMENTATION

Directly by the DG.

1.3.2 EMU communication activities

The budgetary envelope for procurement contracts for communication activities amounts to € 2 315 000.

LEGAL BASIS

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

BUDGETARY LINE

01.02 01 'Coordination, surveillance and communication activities on the economic and monetary union, including the euro (EMU)'

SUBJECT OF THE CONTRACTS ENVISAGED

The contracts will cover several types of activities, in particular to inform about the EU's response to the crisis (focusing on the deepening of EMU), 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 2016 work programme. These activities will also contribute, as far as possible, to the corporate communication priorities of the Commission, and in particular to the theme "EU for fairness", as identified by the Communication Steering Board".

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

- (a) network meetings;
- (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 and stands

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

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

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

VI. 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

VII. 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

VIII. Electronic newsletter

IX. Promotional material

X. Advertising campaigns

XI. ECFIN website, including ad-hoc articles for the web

XII. Audio-visual material

XIII. Technical assistance

The above list is not exhaustive.

TYPE OF CONTRACTS ENVISAGED (*new FWC / direct contract / specific contract based on an existing FWC / contract renewal*) AND TYPE OF PROCUREMENT (*service/supply/works*)

Framework contracts of DG ECFIN and other Commission services will be used in the large majority of cases, as well as some direct contracts. Contracts will cover services and supplies

INDICATIVE NUMBER OF CONTRACTS ENVISAGED

All types of contracts:

Conferences and events: approx. 20 contracts

Exhibitions: approx. 5 contracts

Seminars: approx. 20 contracts

Publications: approx. 30 contracts or order forms

Surveys: approx. 5 contracts

INDICATIVE TIMEFRAME FOR LAUNCHING THE PROCUREMENT PROCEDURE

Q1/2016

IMPLEMENTATION

Directly by the DG and with DG DIGIT for the migration of websites.

1.3.3 Macro-financial assistance (procurement part)

The present financing decision covers only MFA expenditure related to the budgetary envelope for procurement contracts which amounts to € 669 000. All other measures, representing €79,0 million 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'

SUBJECT OF THE CONTRACTS ENVISAGED

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. Evaluations focus on assessing ex post the contribution of MFA to the macroeconomic performance (resolution of a balance of payment crisis) and structural reform of the recipient country.

TYPE OF CONTRACTS ENVISAGED (*new FWC / direct contract / specific contract based on an existing FWC / contract renewal*) AND TYPE OF PROCUREMENT (*service/supply/works*)

Specific contracts for services

INDICATIVE NUMBER OF CONTRACTS ENVISAGED

Several operational assessments (depending on new MFA operations to be proposed) through

specific contracts against framework contracts.

Three ex-post evaluations through specific contracts against framework contracts.

INDICATIVE TIMEFRAME FOR LAUNCHING THE PROCUREMENT PROCEDURE

N/A

IMPLEMENTATION

Directly by the DG.

1.3.4 European Investment Project Portal (EIPP)

The budgetary envelope for procurement contracts for the EIPP amounts to €750 000

LEGAL BASIS

Regulation (EU) 2015/1017 of the European Parliament and of the Council on the European Fund for Strategic Investments, the European Investment Advisory Hub and the European Investment Project Portal and amending Regulations (EU) No 1291/2013 and (EU) No 1316/2013 – the European Fund for Strategic Investments

BUDGETARY LINE

Budgetary line no 01 04 06 – "European Investment Advisory Hub (EIAH) and the European Investment Project Portal (EIPP)"

SUBJECT OF THE CONTRACTS ENVISAGED

EIPP detailed functional and technical specifications;
Mock up and prototypes -Development of EIPP visual identity;
IT Development – tests and promotion in production of the portal;
Maintenance of IT development;
Hosting in the data center;
Branding & Communication – Promotion of the portal;
Externalisation of the validation process – help desk function.

TYPE OF CONTRACTS ENVISAGED (*new FWC / direct contract / specific contract based on an existing FWC / contract renewal*) AND TYPE OF PROCUREMENT (*service/supply/works*)

Direct contracts, specific contracts

INDICATIVE NUMBER OF CONTRACTS ENVISAGED

Several specific contracts against DIGIT framework contracts
1 contract for branding & communication

1 contract for external validation services
1 contract for conception and development of additional services under the portal

INDICATIVE TIMEFRAME FOR LAUNCHING THE PROCUREMENT PROCEDURE

Q1/2016

IMPLEMENTATION

Direct implementation by DG ECFIN and co-delegation to DG DIGIT.

1.4 Administrative Arrangement with the JRC

The budgetary envelope reserved in 2016 for the administrative arrangement with the JRC amounts to €330 000.

LEGAL BASIS

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

BUDGETARY LINE

01.02 01 'Coordination, surveillance and communication activities on the economic and monetary union, including the euro (EMU)'

AMOUNT

€330 000

IMPLEMENTING ENTITY

The Joint Research Centre (JRC).

OVERALL OBJECTIVE AND PURPOSE OF THE ACTION

1. In the context of fiscal surveillance it is important for country desks and horizontal units to get a better quantification of the budgetary impact of tax reforms and a better understanding of the uncertainty in public finances on the expenditure side related to unemployment and social protection.

Using a micro-simulation model (EUROMOD) and in addition accounting for behavioural labour response to tax changes in order to combine EUROMOD with a dynamic macro-model as used in DG ECFIN is important in this regard.

2. In order to support the forecast, medium-term projections, spill-over analysis and debt sustainability analysis, the new estimated model for multi-country macro analysis (complement to the existing QUEST model) must be further developed.

3. Update of bilateral financial flows database

1.5 Other actions

The global budgetary envelope reserved in 2016 for other actions amounts to €2 333 121 792 out of which €257 121 792 for the provisioning of the guarantee fund for external actions; €41 000 000 for the provision of paid-up shares to subscribed capital of the European Investment Fund; €2 030 000 000 for the provisioning of the EFSI guarantee fund; and €5 000 000 for EIF fees due under EFSI.

1.5.1 Provisioning of the guarantee fund for external actions

LEGAL BASIS

Council Regulation (EC, Euratom) No 480/2009 of 25 May 2009 establishing a guarantee fund for external actions.

BUDGETARY LINE

01.03 06 'Provisioning of the Guarantee Fund'

AMOUNT

€257 121 792

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 current 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.

1.5.2 Provision of paid-up shares of subscribed capital for the European Investment Fund

LEGAL BASIS

Decision No 562/2014/EU of the European Parliament and of the Council on the participation of the European Union in the capital increase of the European Investment Fund (OJ L 156,

24.5.2014, p. 1).

BUDGETARY LINE

01.04 01 01 'European Investment Fund – Provision of paid-up shares of subscribed capital'

AMOUNT

€41 000 000

DESCRIPTION AND OBJECTIVE OF THE IMPLEMENTING MEASURE

Following the adoption of the Decision No 562/2014/EU of the European Parliament and of the Council, and in line with the Statutes of the Fund, the General Meeting of the Fund authorised on 27 May 2014 the Fund to increase its capital by 50% in nominal terms of which 20% will be paid-in. The price of the new shares will be set annually during 2014-2017 based on a formula agreed between the Fund's shareholders. In total, the European Commission, on behalf of the Union, will subscribe to up to 450 shares of the Fund during 2014-2017.

1.5.3 Provisioning of the EFSI guarantee fund

LEGAL BASIS

Regulation (EU) 2015/1017 of the European Parliament and of the Council of 25 June 2015 on the European Fund for Strategic Investments, the European Investment Advisory Hub and the European Investment Project Portal and amending Regulations (EU) No 1291/2013 and (EU) No 1316/2013 — the European Fund for Strategic Investments .

BUDGETARY LINE

01.04 05 'Provisioning of the EFSI Guarantee Fund'

AMOUNT

€2 030 000 000

DESCRIPTION AND OBJECTIVE OF THE IMPLEMENTING MEASURE

The EFSI Guarantee Fund was created in 2015. The purpose of the European Fund for Strategic Investments is to support, in the Union, through the supply of risk-bearing capacity to the EIB, investments and increased access to financing for entities having up to 3 000 employees, with a particular focus on SMEs and small mid-cap companies.

To that effect, the Union shall provide an irrevocable and unconditional guarantee to the EIB for financing and investment operations covered by this Regulation and by the EFSI Agreement (EU guarantee) under certain conditions.

For this purpose an agreement was concluded with EIB on 22/07/2015 [C(2015)5167] on the granting of the EU guarantee, in accordance with the requirements of the Regulation (EU) 2015/1017.

Regulation (EU) 2015/1017 of the European Parliament and of the Council of 25 June

2015 lays down the purpose of the EFSI Guarantee Fund which is to constitute a liquidity cushion from which the EIB shall be paid in the event of a call on the EU guarantee, as well the provisioning mechanisms for that fund.

The resources of the guarantee fund shall be directly managed by the Commission and invested in accordance with the principle of sound financial management and shall follow appropriate and prudential rules.

The set up costs of the EFSI Guarantee Fund shall be borne by the general budget of the Union. External costs related to the running of the EFSI Guarantee Fund (such as custody fees, bank charges, transaction costs, IT support, fees of data service providers, audit fees and technical assistance and consultancy fees) may be borne by the EFSI Guarantee Fund.

The legislative financial statement attached to COM (2015) 10 final provides the yearly break-down of the provisioning of the EFSI Guarantee Fund.

1.5.4 EIF fees due under EFSI

LEGAL BASIS

Regulation (EU) 2015/1017 of the European Parliament and of the Council of 25 June 2015 on the European Fund for Strategic Investments, the European Investment Advisory Hub and the European Investment Project Portal and amending Regulations (EU) No 1291/2013 and (EU) No 1316/2013 — the European Fund for Strategic Investments .

BUDGETARY LINE

01.04 07 "Fees due to the European Investment Fund for increased assistance under the European Fund for Strategic Investments"

AMOUNT

€5 000 000

DESCRIPTION AND OBJECTIVE OF THE IMPLEMENTING MEASURE

The EIF will provide assistance in the implementation of the new small and medium-sized enterprise (SME) window products under the European Fund for Strategic Investments (EFSI). Start-up fees will need to be paid within a short period following the signature of the amendment to the EFSI agreement, which is expected to be finalised in early 2016.

As foreseen by the EFSI Regulation, such fees may be met by the general budget of the Union to the extent they are not deducted from the remuneration or from revenues, recoveries or other payments received by the EIF. However, very limited revenues are expected to materialise at the beginning of 2016, when the EFSI will be in its early phase of implementation, while costs incurred by the EIF will increase consistently in parallel with the speeding up of the implementation of new instruments.

1.5.5 Regional and horizontal programmes (co-delegation DG NEAR)

No commitment appropriations are foreseen in the 2016 budget for the IFI Facilities. 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 line concerned is 22.02.51 (Completion of former pre-accession assistance prior to 2014 - IFI Facilities managed by the EBRD, EIB and CEB: SMEFF, MFF, EEFF and MIF). The EU funds are kept by the IFIs either on remunerated Trust Accounts, mostly with the formula three months EURIBOR rate / six months EURIBOR rate minus 12.5 bps, or in interest bearing bank accounts at reputable commercial banks selected by the IFI. Given the current market circumstances (decision in 2014 of the Governing Council of the ECB to cut the interest rate on the deposit facility to negative amounts), the aggregated interests for 2016 is expected to be negative for an amount of around €(23 000). Subject to the implementation of an appropriate avoidance strategy as agreed with the concerned IFIs, negative returns, including negative interest where unavoidable notwithstanding the implementation of such strategy, may be paid to the Entrusted Entities.