

FICHE NO 4B

IMPLEMENTING ACT ON THE MONITORING OF FINANCIAL INSTRUMENTS AND PROVISION OF MONITORING INFORMATION TO THE COMMISSION

Version 1 - 4 April 2013

Regulation	Article
Common Provisions Regulation (CPR)	Article 40(3) – Implementing act laying down the uniform conditions concerning the monitoring and provision of monitoring information to the Commission, including in respect of financial instruments referred to in Article 33(1)(a).

This document is provisional, without prejudice to the on-going negotiations in the Trilogues between the European Parliament and the Council (in line with the principle that "nothing is agreed until everything is agreed"). This document is a draft that shall be adjusted following the expert meeting.

It does not prejudice the final nature of the basic act, nor the content of any delegated or implementing act that may be prepared by the Commission.

1. EMPOWERMENT

Article 40(3) of the CPR sets out that:

"The Commission shall adopt, by means of implementing act, in accordance with the examination procedure referred to in Article 143(3), the uniform conditions concerning the monitoring and provision of monitoring information to the Commission, including in respect of financial instruments referred to in Article 33(1)(a)."

This document is based on the most recent Presidency compromise text. This is, however, a provisional text, without prejudice to the on-going negotiations (in line with the principle that "nothing is agreed until everything is agreed") or the any further development of the draft model for the annual and final implementation report.

2. MAIN OBJECTIVES AND SCOPE OF THE IMPLEMENTING ACT

The reporting model for financial instruments as a part of the annual and final implementation reports should set up uniform conditions concerning the monitoring of financial instruments and provision of monitoring information to the Commission. These uniform conditions should ensure that information in respect of financial instruments referred to in Article 33(1) (a) and Article 33(1) (b) is monitored by managing authorities and reported to the Commission in a consistent and comparable way and can, where necessary, be aggregated. As part of the simplification process, the model aims at avoiding any double reporting by the managing authority on the financial instruments referred to in Article 33(1)(a) and Article 33 (1) (b). The intention is to ensure complete and coherent reporting by the managing authorities, according to all elements required under Article 40(2) and in line with the Financial Regulation. All the essential elements included under the paragraphs (a) to (h) and transposed in the reporting model shall allow the Commission to assess progress made in financing and implementing financial instruments and present it, once per year, in summaries of the data pursuant to Article 40(4). By proposing this reporting model, the Commission aims also to ensure a suitable, reliable and technically robust monitoring and evaluation system specific to financial instruments but still in the framework of the annual reporting exercise on programmes.

Managing authorities will report on all instruments under their responsibility or management, including financial instruments set-up at national, regional, transnational or cross-border level (pursuant to Article 32(1)(b)) and the ESI Funds programmes contributions to financial instruments set-up at Union level (pursuant to Article 32(1)(b)). The reporting model should be completed separately for each financial instrument operation. If the operation receives contributions from more than one funds(s)/programme(s), the managing authority will report on the data relative to the programme contribution under its responsibility. The consolidation by operation and/or by financial instrument will be done by the Commission pursuant to Article 40(4).

The same reporting model will apply for both types of delivery structures i.e. for financial instruments implemented with and without a fund of funds. Information on other support combined within the financial instrument (pursuant to Article 32(5) of CPR) like grants, interest rate subsidy, and guarantee fee subsidy will also need to be provided.

The managing authority shall submit to the Commission monitoring information on financial instrument as an integral part of the annual report on implementation of the programme by 30 June 2016 and by 30 June each subsequent year until and including 2022. The report submitted in 2016 shall cover the financial years 2014 and 2015, as well as the period between the starting date for eligibility of expenditure and 31 December 2013.

Financial/quantitative data on financial instruments provided within the reporting model will be complemented by summary information on the implementation pursuant to Article 44(2) of CPR. This will be included in the appropriate section of the model for the annual and final implementation reports (section 2 in version 1 of the model proposed for the ERDF, ESF and the CF).

3. MAIN ELEMENTS OF THE IMPLEMENTING ACT

The reporting model on implementation of financial instruments as required in Article 40(1) and (3) of CPR, is attached as an annex to the models of annual implementation reports of the ESI Funds.

The reporting model on financial instruments for 2014-2020 will have a similar structure to the reporting model used for structural funds as of 2011 under the programming period 2007-2013. The model will be extended and adapted to EAFRD and EMFF.

The reporting model transposes monitoring information required under Article 40(2) to uniform monitoring conditions, specifying technical characteristics of each field, including the format of the data (text or number) and the input method (selection of one or several predefined inputs or filling in with input).

Following the logic of paragraphs (a) to (h) of Article 40(2), the model is divided into 11 sections: first "introductory" section and 10 sections numbered from I to X.

The first section refers to the overall information on the number of financial instruments implemented under the respective programme, with a distinction made for programme contributions to financial instruments set up at Union level and those, which are set up at national/ regional/ transnational or cross-border level. In this section, managing authorities will also have to report on the number of financial instruments complying with the standard terms and conditions laid down by the Commission by means of implementing acts (*off-the-shelf* FIs) and on the number of already existing or newly created financial instruments, which are specifically designed to achieve the specific objectives set out under the relevant priority or measure (*tailor-made FIs*).

Further details covering the information provided under each section are provided below:

Section I identifies the financial instrument (or fund of funds where applicable) implemented under the ESI Funds programme(s).

Section II identifies the programme(s) and of the priority axis/axes/measures from which support from the ESI Funds is provided. This section corresponds to paragraph (a) of Article 40(2) of CPR.

Section III refers to the description of the financial instrument implementation arrangements according to paragraph (b) of Article 40(2) of CPR.

Section IV identifies the bodies implementing financial instruments (and the bodies implementing funds of funds where applicable) as referred to under Articles 33(1)(a) and (b), 33(4)(a), (b) and (c), as well as the financial intermediaries referred to under Article 33(6). Section IV covers monitoring information required under paragraph (c) of Article 40(2) of CPR.

Section V refers to the total amount of ESI Funds programme contributions (by priority or measure) actually paid to the financial instrument (paragraph (d) of Article 40(2)) in relation to contributions committed in funding agreement signed between the managing authority and the financial instrument.

Section VI refers to the total amount of programme support by the financial instrument paid to final recipients, or committed in guarantee contracts (according to Article 40(2) (e) of CPR).

Section VII. The performance of the financial instrument, including investments realised, state of play as regards completion of the ex-ante assessment, selection of financial intermediaries, and number of funding agreements already signed (Article 44(2) of CPR). This section includes also information on disbursed loans defaulted, guarantees provided and called due to the loan default and on the value of equity investments.

Section VIII. Interest and other gains (like repayments, gains, other earnings and yields) generated by support from the ESI Funds to the financial instrument and amounts re-invested by the financial instrument (Article 40(2)(f) of CPR).

Section IX. Progress in achieving the expected leverage effect (according to Article 40 (2) (g) of CPR), including other amounts than ESI Funds programme(s) contributions paid to the financial instruments.

Section X. Contribution of the financial instrument to the achievement of the indicators of the priority or measure concerned (according to Article 40 (2) (h) of CPR).

4. MAIN CHANGES COMPARED TO THE PERIOD 2007-2013

The main changes concern the introduction of new elements as set out in Article 40(2) of the CPR, in line with the Financial Regulation i.e. information on interest and other gains generated by support from the ESI Funds to the financial instruments; resources paid back to financial instruments from investments or from the release of resources committed; the value of equity investments, with respect to previous years; total amounts re-invested by the financial instrument, progress in achieving the expected leverage and contribution of the financial instrument to the achievement of the indicators of the priority axis or measure concerned.

Compared to the previous programming period, there will one reporting model not only for financial instruments implemented under ERDF and ESF but under all ESI Funds (ERDF, CF, ESF, EAFRD and EMFF) programmes.

The section on achievement of indicators will be linked to the indicators set-up at the level the priority axis or measure concerned.

All sections in the reporting model will be mandatory, however some reporting information namely in paragraphs (g) and (h) should be included in the reporting model only twice during the programming period: in the annual implementation reports in 2017 and 2019, as well as in the final implementation report.

5. ANNEX: REPORTING MODEL ON FINANCIAL INSTRUMENTS

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