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ANNEX 1

ANNEX

to the

COMMISSION DECISION

on the adoption of DG ECFIN's annual work programme 2017, 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 2017 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): EUR 26 370 000;
- for procurement (implemented under direct management) (1.3): EUR 5 330 000;
- for administrative arrangement with the JRC (1.4): EUR 400 000;
- for other actions (1.5): EUR 240 540 250 for the provisioning of the guarantee fund for external actions; EUR 44 500 000 for the provision of paid-up shares to subscribed capital of the European Investment Fund; and EUR 2 641 000 000 for the provisioning of the EFSI guarantee fund.

1.2 Grants

The global budgetary envelope reserved in 2017 for grants amounts to EUR 6 970 000 on the 'EMU' line and to EUR 19 400 000 on the 'EIAH/EIPP' 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 EUR 5 820 000. As a result of the 2014 call for proposals and the 2015 follow-up call which closed remaining gaps in the survey coverage, framework partnership agreements were concluded covering the MFF period. New specific grant agreements will be concluded for the period May 2017 – April 2018.

LEGAL BASIS

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

BUDGET LINE

01.0201 'Coordination and surveillance of, and communication 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 consumers and managers from different sectors of the economy in the European Union. Results are published on a monthly basis.

ESSENTIAL SELECTION AND AWARD CRITERIA

Selection criteria: same as for the framework partnership agreements.

The beneficiaries will submit new budget proposals in Q1/2017. Specific grant agreements will be awarded after the analysis of the budgets and the assessment of the relevance and consistency of the proposals with the action plan submitted for the award of the corresponding framework partnership agreements.

IMPLEMENTATION

Directly by the DG.

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

Call reference	Date	Amount
	Q1 2017	EUR 5 820 000

Specific grant agreements will be concluded under existing framework partnership agreements. The specific grant agreements will cover the period May 2017 - April 2018 and a total budget of EUR 5 820 000.

MAXIMUM POSSIBLE RATE OF CO-FINANCING

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).

BUDGET LINE

01.0201 'Coordination and surveillance of, and communication on, the economic and monetary union, including the euro (EMU)'.

PRIORITIES OF THE YEAR, OBJECTIVES PURSUED AND EXPECTED RESULTS

The project will continue to deliver monthly indicators of world trade that feed into ECFIN monitoring of trade flows at the global, regional and country-specific level, including for all EU member states, candidate countries and all major advanced and emerging market economies. These indicators are valuable inputs to ECFIN forecasts, regular and ad-hoc analytical and briefing notes.

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

Selection criteria: same as for the framework partnership agreements.

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.

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

Call reference	Date	Amount
	Q1/2017	EUR 50 000

A specific grant agreement under the partnership agreement to be finalised will be awarded in 2017. The eligibility period of the action runs from 1 June 2017 to 31 May 2018.

MAXIMUM POSSIBLE RATE OF CO-FINANCING

50% of eligible costs.

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).

BUDGET LINE

01.0201 'Coordination and surveillance of, and communication 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

Selection criteria: same as for the framework partnership agreements.

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 in addition to cross-subdelegations received from DG EMPL and DG REGIO.

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

Call reference	Date	Amount
	Q2/2017	EUR 400 000

A specific grant agreement under the framework partnership agreement with Euronews will be awarded in Q2/2017 with DG ECFIN's indicative amount being EUR 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).

BUDGET LINE

01.0201 'Coordination and surveillance of, and communication 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
	Q2/2017	EUR 300 000

MAXIMUM POSSIBLE RATE OF CO-FINANCING

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).

BUDGET LINE

01.0201 'Coordination and surveillance of, and communication 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 to 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
	Q2/2017	EUR 400 000

MAXIMUM POSSIBLE RATE OF CO-FINANCING

90% of eligible costs.

1.2.6 Financing of the European Investment Advisory Hub

LEGAL BASIS

Regulation (EU) No 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.

BUDGET LINE

01.0406 – "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 and enhancement of EIAH's local presence;
Provision of advisory services and delivery of TA support under EIAH umbrella;
EIAH's communication and branding;
Continue to develop web presence with information about the accessible programmes and services;
Carry on the development of a client interface / application form to receive requests;
Development of the cooperation platform (including National Promotional Institutions) and development of their role as local entry points.

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 or studies;
Communication, promotional events, web interface and IT development;
Establishment of the cooperation platforms (NPBs/NPIs, EBRD etc);
Phase II of the Market Gap Analysis for EIAH's "needs assessment" exercise.

ESSENTIAL (SELECTION AND) AWARD CRITERIA

The award of the specific grant 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
2017 SGA EIAH	Q2/2017	EUR 19 400 000

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 EUR 5 330 000 of which EUR 4 130 000 on the 'EMU' line (EMU coordination and surveillance: EUR 2 030 000 and EMU communication activities: EUR 2 100 000); EUR 600 000 on the 'MFA' line and EUR 600 000 on the 'EIAH/EIPP' 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).

BUDGET LINE

01.0201 'Coordination and surveillance of, and communication 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 research/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. 40 contracts;
Studies and evaluations: approx. 5 contracts;
Specialised software: approx. 10 contracts;
Other: approx. 15 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 Purchasing Managers Indices will be launched in Q2;
- call for tender Individual Components Benchmark Data Q2;
- call for tender Ratings and research services will be launched Q2;
- call for tender Automated feed of valuation prices and rates for market instruments Q4;
- call for tender Online news and information service for EU and third countries Q1;
- 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, research/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 will be launched in Q2 to study 'Drivers and impacts of reallocation within the EU, and resilience within the EMU';
- call for tender will be launched in Q1 to study 'Corporate profits in Italy';
- call for tender will be launched in Q1 to study 'Cross-border bank ownership and lending behaviour in CEE during stress period'.

IV. Business surveys.

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

- call for tender will be launched in Q2 for a renewable contract.

VI. Publications and associated software.

VII. Statistical and economic software packages, including maintenance

VIII. IT developments:

- call for tender will be launched in Q1 for a framework contract for Forecast Data Management System (FDMS+).

IX. Other.

IMPLEMENTATION

Directly by the DG.

1.3.2 EMU communication activities

LEGAL BASIS

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

BUDGET LINE

01.0201 'Coordination and surveillance of, and communication 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, a new boost for jobs, growth and investment, to improve the general knowledge on the euro and EMU and to contribute to communication efforts in line with the 2017 work programme. These activities will also contribute, as far as possible, to the corporate communication priorities of the Commission.

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) 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. 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.

VI. 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;

VII. Electronic newsletter;

VIII. Promotional material;

IX. Advertising campaigns;

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

XI. Audio-visual material;

XII. 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:

Publication Programme: approx. 30 contracts;

Stakeholder Outreach Programme: approx. 50 contracts;

Website Development & Social Media Programme: approx. 6 contracts;

Internal Communication: 1 contract;

Evaluation & Monitoring: approx. 3 contracts.

INDICATIVE TIMEFRAME FOR LAUNCHING THE PROCUREMENT PROCEDURE

Q1/2017.

IMPLEMENTATION

Directly by the DG.

1.3.3 Macro-financial assistance (procurement part)

The present financing decision covers only MFA expenditure related to procurement (EUR 600 000). All other measures, representing EUR 45 228 000 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.

BUDGET LINE

01.0302 '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

A number of operational assessments (depending on new MFA operations to be proposed) through specific contracts under framework contracts.
Three ex-post evaluations through specific contracts under framework contracts.

INDICATIVE TIMEFRAME FOR LAUNCHING THE PROCUREMENT PROCEDURE

N/A

IMPLEMENTATION

Directly by the DG.

1.3.4 *European Investment Project Portal (EIPP)*

LEGAL BASIS

Regulation (EU) No 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.

BUDGET LINE

01.0406 – "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;
Continue the IT Development – tests and promotion in production of the Portal (Front office and back office development);
Maintenance of IT development;
Hosting in the data center;
Branding & Communication – Promotion of the Portal;
Externalisation of the validation process and the 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*)

Specific contracts based on existing FWC.

INDICATIVE NUMBER OF CONTRACTS ENVISAGED

Several specific contracts under DIGIT framework contracts:
- Specific contract for branding & communication;
- Specific contract for external validation services;
- Specific contract for conception and development of additional services under the Portal.

INDICATIVE TIMEFRAME FOR LAUNCHING THE PROCUREMENT PROCEDURE

N/A

IMPLEMENTATION

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

1.4 Administrative Arrangement with the JRC

LEGAL BASIS

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

BUDGET LINE

01.0201 'Coordination and surveillance of, and communication on, the economic and monetary union, including the euro (EMU)'.

AMOUNT

EUR 400 000

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) Extend the estimated model by adding country modules for France, Germany, Italy and Spain.

1.5 Other actions

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.

BUDGET LINE

01.0306 'Provisioning of the Guarantee Fund'.

AMOUNT

EUR 240 540 250

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) No 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).

BUDGET LINE

01.040101 'European Investment Fund – Provision of paid-up shares of subscribed capital'.

AMOUNT

EUR 44 500 000

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) No 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.

BUDGET LINE

01.0405 'Provisioning of the EFSI Guarantee Fund'.

AMOUNT

EUR 2 641 000 000

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) No 2015/1017 and amended on 20/07/2016 [C(2016)4709].

Regulation (EU) No 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.

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

No commitment appropriations are foreseen in the 2017 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 22.0251 (Completion of former pre-accession assistance prior to 2014 - IFI Facilities managed by the EBRD, EIB and CEB: SMEFF, MFF, EEFF and MIF). Given the current market circumstances, the aggregated interests for 2016 is expected to be negative.