



Brussels, 24.9.2021
C(2021) 6786 final

COMMISSION DECISION

of 24.9.2021

amending Commission Decision C(2021) 1361 on the financing of Directorate General for Economic and Financial Affairs' activities and adoption of a corresponding annual work programme for 2021

COMMISSION DECISION

of 24.9.2021

amending Commission Decision C(2021) 1361 on the financing of Directorate General for Economic and Financial Affairs' activities and adoption of a corresponding annual work programme for 2021

THE EUROPEAN COMMISSION,

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

Having regard to Regulation (EU, Euratom) 2018/1046 of the European Parliament and of the Council of 18 July 2018 on the financial rules applicable to the general budget of the Union, amending Regulations (EU) N° 1296/2013, (EU) N° 1301/2013, (EU) N° 1303/2013, (EU) N° 1304/2013, (EU) N° 1309/2013, (EU) N° 1316/2013, (EU) N° 223/2014, (EU) N° 283/2014, and Decision N° 541/2014/EU and repealing Regulation (EU, Euratom) N° 966/2012¹, and in particular Article 110 thereof,

Whereas:

- (1) The financing decision on the financing of Directorate General for Economic and Financial Affairs' activities and adoption of a corresponding annual work programme for 2021 was adopted by Commission Decision C(2021) 1361 of 2.3.2021
- (2) Regulation (EU) 2021/947 of the European Parliament and of the Council of 9 June 2021² establishes the Neighbourhood, Development and International Cooperation Instrument (NDICI) – Global Europe , laying down the geographic programmes that shall be implemented through country and multi-country programmes based on the areas of cooperation listed in Annex II of the Proposal, including the provisioning mechanism for the External Action Guarantee in the regions covered by this regulation. The activities indicated in the present amendment could not be included in the original financing decision C(2021) 1361 of 2.3.2021 because the related legal basis for NDICI was not yet officially adopted.
- (3) Proposal for a Regulation of the European Parliament and of the Council, submitted by the Commission on 14 June 2018 (COM(2018) 465) establishes the Instrument for Pre-accession Assistance (IPA III) laying down the instruments to prepare the beneficiaries listed in Annex I for future membership of the Union and support their accession process, including the provisioning mechanism for the External Action Guarantee in the regions covered by this regulation.
- (4) It is necessary to amend the Annex to Commission Decision C(2021) 1361 to reflect the provisioning of the External Action Guarantee under the Neighbourhood, Development and International Cooperation Instrument – Global Europe and the Instrument for Pre-Accession (IPA III).

¹ OJ L 193, 30.7.2018, p. 1.

² OJ L 209, 14.6.2021, p. 1.

HAS DECIDED AS FOLLOWS:

Sole Article

Decision C(2021) 1361 is amended as follows:

Article 2 is replaced by the following:

“The maximum Union contribution for the implementation of the programme for 2021 is set at EUR 2 977 719 361 and shall be financed from the appropriations entered in the following lines of the general budget of the Union for 2021:

Chapter 02 01 Support Administrative Expenditure of the “European Strategic Investments” cluster:

(a) budget line 02 01 10 Support expenditure for InvestEU: EUR 1 500 000;

Chapter 02 02 InvestEU Fund

(b) budget line 02 02 02 InvestEU Guarantee – Provisioning of the Common Provisioning Fund: EUR 2 382 555 000;

(c) budget line 02 02 03 InvestEU Advisory Hub, Portal and accompanying measures: EUR 52 500 000;

Chapter 02 20 Pilot Projects, preparatory actions, prerogatives and other actions:

(d) budget line 02 20 01 PP - Model social impact approaches to Social housing and Empowerment of Roma: testing the use of innovative financial instruments for better social outcomes – extension: EUR 1 800 000;

(e) budget line 02 20 03 01 – European Investment Fund – Provision of paid up shares of subscribed capital: EUR 375 000 000;

Chapter 06 20 Pilot Projects, preparatory actions, prerogatives and other actions

(f) budget line 06 20 04 01 Coordination and surveillance of, and communication on, the economic and monetary union, including the euro ('EMU'): EUR 11 400 000;

Chapter 14 02 Neighbourhood, Development and International Cooperation Instrument (NDICI)

(g) budget line 14 02 01 70.06 NDICI – Provisioning of the Common Provisioning Fund – MFA-loans External Action Guarantee (EAG): EUR 146 132 411

(h) budget line 14 02 01 70.07 - Provisioning of the Common Provisioning Fund – MFA-loans legacy: EUR 6 197 239

Chapter 14 20 Pilot Projects, preparatory actions, prerogatives and other actions

(i) budget line 14 20 03 01 – Macro Financial Assistance (MFA) grants (procurement only): EUR 500 000;

Chapter 15 02 Instrument for Pre-Accession (IPA III)

(j) budget line 15 02 02 03.03 IPA III – Provisioning of the Common Provisioning Fund – MFA-loans legacy: EUR 134 711

The appropriations provided for in the first paragraph may also cover interest due for late payment.

In relation to appropriations attributed to the Instrument for Pre-Accession, the implementation of this Decision is subject to the final adoption by the legislative authority and entry into force without significant modifications of a Regulation of the European Parliament and of the Council establishing the Instrument for Pre-accession Assistance (IPA III).”

The Annex to Commission Decision C(2021)1361 is amended as follows:

- (a) point (f) is added under point 1 Introduction;
- (b) point 7 Provisioning of the Common Provisioning Fund for the External Action Guarantee for MFA loans is added.

Done at Brussels, 24.9.2021

For the Commission
Paolo GENTILONI
Member of the Commission



Brussels, 24.9.2021
C(2021) 6786 final

ANNEX

ANNEX

to the

COMMISSION DECISION

amending Commission Decision C(2021) 1361 on the financing of Directorate General for Economic and Financial Affairs' activities and adoption of a corresponding annual work programme for 2021

ANNEX

The following points are added to the Annex to Decision C(2021) 1361

1. INTRODUCTION

- (f) for provisioning of the Common Provisioning Fund for the External Action Guarantee for Macro Financial Assistance loans (point 7): EUR 146 132 411 for the provisioning of the NDICI MFA-loans External Action Guarantee (AEG), EUR 6 197 239 for the provisioning of the NDICI MFA-loans legacy guarantee, EUR 134 711 for the provisioning of the Instrument Pre Accession III MFA-loans legacy guarantee.

7. PROVISIONING OF THE COMMON PROVISIONING FUND FOR THE EXTERNAL ACTION GUARANTEE FOR MACRO FINANCIAL ASSISTANCE LOANS

7.1. NDICI – Provisioning of the CPF - MFA - loans EAG

(a) Legal basis

Regulation (EU) 2021/947 of the European Parliament and of the Council of 9 June 2021 establishing the Neighbourhood, Development and International Cooperation Instrument (NDICI) – Global Europe

(b) Budget line(s)

14 02 01 70.06 – NDICI – Provisioning of the Common Provisioning Fund – MFA-loans EAG

(c) Objectives pursued

Macro-Financial Assistance (MFA) is a financing instrument designed to address exceptional external financing needs of countries that are geographically, economically and politically close to the EU (including those covered by the NDICI Regulation). The financial assistance provided under MFA operations and the policy measures attached to them aim at supporting the EU agenda vis-à-vis the recipient countries, notably by promoting macroeconomic and political stability in the EU's neighbourhood. MFA is mobilised on a case-by-case basis to help countries dealing with serious balance-of-payments difficulties, with the objective to restore a sustainable external financial situation, while encouraging economic adjustments and structural reforms. MFA is intended strictly as a complement to International Monetary Fund (IMF) financing.

(d) Expected results

For the period MFF 2021-2027, the NDICI-Global Europe Regulation stipulates that a maximum amount of EUR 10 000 000 000 from the Union budget may be used to provision the External Action Guarantee, which will support the EFSD+ operations covered by budgetary guarantees in accordance with Articles 32 to 39 of the Regulation as well as macro-financial assistance and other loans to third countries. In total, under the External Action Guarantee, the Union may guarantee operations, under Guarantee for up to EUR 53 449 000 000. Whereas the Commission had proposed to earmark EUR 14 billion for MFA loans, consistent with the EUR 2 billion annual lending volume for MFA agreed in the mid-term review of the 2014-2020 MFF, the adopted Regulation does not specify a maximum amount for MFA loans, which is consistent with the legal base of the instrument that provides for ad-hoc decisions by ordinary legislative procedure.

(e) Specific instrument to be used

External Action Guarantee – MFA compartment of the CPF

(f) Amount allocated per instrument

EUR 146 132 411

(g) Description

This appropriation is intended to provide the financial resources for the provisioning of the Common Provisioning Fund for MFA loans in the regions covered by the NDICI-Regulation.

(h) Implementation

Directly by the DG.

7.2. NDICI – Provisioning of the CPF – MFA-loans LEGACY

(a) Legal basis

Regulation (EU) 2021/947 of the European Parliament and of the Council of 9 June 2021 establishing the Neighbourhood, Development and International Cooperation Instrument (NDICI) – Global Europe

(b) Budget line(s)

14 02 01 70.07 – NDICI – Provisioning of the Common Provisioning Fund – MFA-loans legacy

(c) Objectives pursued

The Guarantee Fund for External Actions was created in 1994. It provides the financial resources 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 Union and its financial management is entrusted to the EIB. Pursuant to the NDICI Regulation the net assets of the Fund on 31 July 2021 are to be transferred into the Common Provisioning Fund.

Macro-Financial Assistance (MFA) is a financing instrument designed to address exceptional external financing needs of countries that are geographically, economically and politically close to the EU (including those covered by the NDICI Regulation). The financial assistance provided under MFA operations and the policy measures attached to them aim at supporting the EU agenda vis-à-vis the recipient countries, notably by promoting macroeconomic and political stability in the EU's neighbourhood. MFA is mobilised on a case-by-case basis to help countries dealing with serious balance-of-payments difficulties, with the objective to restore a sustainable external financial situation, while encouraging economic adjustments and structural reforms. MFA is intended strictly as a complement to International Monetary Fund (IMF) financing.

(d) Expected results

The Union guarantee to MFA lending is underpinned by the Guarantee Fund for External Actions, which protects the Union budget from potential shocks related to defaults on loans that are provided by the Union, in order to avoid possible disruptions to the implementation of the budget.

(e) Specific instrument to be used

External Action Guarantee – MFA compartment of the CPF

(f) Amount allocated per instrument

EUR 6 197 239

(g) Description

This appropriation is intended to provide the financial resources for the provisioning of the Common Provisioning Fund, for loans and guarantees for MFA loans in the regions covered by the NDICI-Regulation. The provisioning for the ‘legacy’ guarantees and financial assistance, i.e. MFA Decisions prior to 2021 will continue to follow the rules of the Guarantee Fund for external actions regulation¹.

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.

(h) Implementation

Directly by the DG.

7.3. Instruments for Pre-accession Assistance (IPA) – Provisioning of the CPF – MFA-loans LEGACY

(a) Legal basis

Proposal for a Regulation of the European Parliament and of the Council, submitted by the Commission on 14 June 2018 (COM(2018) 465) establishing the Instrument for Pre-accession Assistance (IPA III)

(b) Budget line(s)

15 02 02 03.03 – IPA III – Provisioning of the Common Provisioning Fund - MFA-loans legacy

(c) Objectives pursued

The Guarantee Fund for External Actions was created in 1994. It provides the financial resources 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 Union and its financial management is entrusted to the EIB. Pursuant to the NDICI Regulation the net assets of the Fund on 31 July 2021 are to be transferred into the Common Provisioning Fund.

Macro-Financial Assistance (MFA) is a financing instrument designed to address exceptional external financing needs of countries that are geographically, economically and politically close to the EU (including those covered by the IPA Regulation). The financial

¹ Council Regulation (EC, Euratom) N° 480/2009 of 25 May 2009 establishing a Guarantee Fund for external actions , OJ L 145, 10.6.2009, p. 10.

assistance provided under MFA operations and the policy measures attached to them aim at supporting the EU agenda vis-à-vis the recipient countries, notably by promoting macroeconomic and political stability in the EU's neighbourhood. MFA is mobilised on a case-by-case basis to help countries dealing with serious balance-of-payments difficulties, with the objective to restore a sustainable external financial situation, while encouraging economic adjustments and structural reforms. MFA is intended strictly as a complement to International Monetary Fund (IMF) financing.

(d) Expected results

The Union guarantee to MFA lending is underpinned by the Guarantee Fund for External Actions, which protects the Union budget from potential shocks related to defaults on loans that are provided by the Union, in order to avoid possible disruptions to the implementation of the budget.

(e) Specific instrument to be used

External Action Guarantee – MFA compartment of the CPF

(f) Amount allocated per instrument

EUR 134 711

(g) Description

This appropriation is intended to provide the financial resources for the provisioning of the Common Provisioning Fund, for MFA loans and guarantee for MFA loans in the regions covered by the IPA III Regulation. The provisioning for the 'legacy' loans and loans guarantees, i.e. MFA Decisions prior to 2021 will continue to follow the rules of the Guarantee Fund for external actions regulation². 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.

(h) Implementation

Directly by the DG.

² Council Regulation (EC, Euratom) N° 480/2009 of 25 May 2009 establishing a Guarantee Fund for external actions , OJ L 145, 10.6.2009, p. 10.