



Brussels, 2.3.2021
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COMMISSION DECISION

of 2.3.2021

**on the financing of Directorate General for Economic and Financial Affairs' activities
and adoption of a corresponding annual work programme for 2021**

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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) In order to ensure the implementation of the DG ECFIN annual work programme 2021, it is necessary to adopt a annual financing decision, which constitutes the annual work programme, for 2021. Article 110 of Regulation (EU, Euratom) 2018/1046 ('the Financial Regulation') establishes detailed rules on financing decisions.
- (2) Tasks resulting from the Commission's prerogatives at institutional level, as provided for by Article 58(2)(d) of the Financial Regulation may be implemented without a basic act.
- (3) The envisaged assistance is to comply with the conditions and procedures set out by the restrictive measures adopted pursuant to Article 215 TFEU.
- (4) It is appropriate to authorise the award of grants without a call for proposals and to provide for the conditions for awarding those grants.
- (5) Pursuant to Article 62(1)(c) of the Financial Regulation indirect management is to be used for the implementation of some of the actions as indicated in the Annex.
- (6) The Commission is to ensure a level of protection of the financial interests of the Union with regards to entities and persons entrusted with the implementation of Union funds by indirect management as provided for in Article 154(3) of the Financial Regulation. To this end, such entities and persons are to be subject to an assessment of their systems and procedures in accordance with Article 154(4) of the Financial Regulation² and, if necessary, to appropriate supervisory measures in accordance with Article 154(5) of the Financial Regulation before a contribution agreement can be signed.
- (7) It is necessary to allow for the payment of interest due for late payment on the basis of Article 116(5) of the Financial Regulation.

¹ OJ L 193, 30.7.2018, p. 1.

² Except for the cases of Article 154(6) of the Financial Regulation, where the Commission may decide, not to require an ex-ante assessment

- (8) In order to allow for flexibility in the implementation of the work programme, it is appropriate to allow changes which should not be considered substantial for the purposes of Article 110(5) of the Financial Regulation.
- (9) The proposal for a Regulation of the European Parliament and of the Council, submitted by the Commission on 29 May 2020 (COM(2020)403) lays down the provisions for the establishment of the InvestEU Programme, an EU guarantee, including the provisioning mechanism of the Invest EU guarantee, the establishment of the InvestEU advisory Hub and the InvestEU Portal.
- (10) Under Article 3(1) of Council Regulation (EU) 2020/2094 of 14 December 2020 establishing a European Union Recovery Instrument to support the recovery in the aftermath of the COVID-19 crisis, commitment appropriations covering support to the programme mentioned in Recital 9 should be made available automatically up to the respective amounts referred to in Article 2(2)(c) as of the date of entry into force of the Council Decision (EU, Euratom) 2020/2053 of 14 December 2020 on the system of own resources of the European Union and repealing Decision 2014/335/EU, Euratom.

HAS DECIDED AS FOLLOWS:

Article 1
The work programme

The annual financing decision, constituting the annual work programme for the directorate-general of economic and financial affairs for year 2021, as set out in the Annex, is adopted.

Article 2
Union contribution

The maximum Union contribution for the implementation of the programme for 2021 is set at EUR 2 825 255 000 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 20 Pilot Projects, preparatory actions, prerogatives and other actions:

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

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

In relation to appropriations attributed to the InvestEU the implementation of this Decision is subject to the entry into force of Proposal for a Regulation of the European Parliament and of the Council [Invest EU] without substantial modifications.

In relation to appropriations attributed to the InvestEU as external assigned revenue under Article 3(1) of Regulation 2020/2094, the implementation of this Decision is also subject to the entry into force of Council Decision (EU, Euratom) 2020/2053 of 14 December 2020 on the system of own resources of the European Union and repealing Decision 2014/335/EU, Euratom and the availability of the corresponding external assigned revenues.

Article 3

Methods of implementation and entrusted entities or persons

The implementation of the actions carried out by way of indirect management, as set out in the Annex, may be entrusted to the entities or persons referred to or selected in accordance with the criteria laid down in point 5 of that Annex.

Article 4

Flexibility clause

Cumulated changes to the allocations to specific actions not exceeding 20% of the maximum Union contribution set in the first paragraph of Article 2 of this Decision shall not be considered to be substantial for the purposes of Article 110(5) of the Financial Regulation, where those changes do not significantly affect the nature of the actions and the objective of the work programme. The increase of the maximum Union contribution set in the first paragraph of Article 2 of this Decision shall not exceed 20%.

The authorising officer responsible may apply the changes referred to in the first paragraph. Those changes shall be applied in accordance with the principles of sound financial management and proportionality.

Article 5

Grants

Grants may be awarded without a call for proposals in accordance with the conditions set out in the Annex. Grants may be awarded to the bodies referred to in the Annex.

Article 6
Budgetary guarantees

The provision of financial support by means of the provisioning of the InvestEU guarantee, for the amount set in the Annex, may be entrusted to the entities referred to in the Annex.

Done at Brussels, 2.3.2021

For the Commission
Paolo GENTILONI
Member of the Commission



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ANNEX

ANNEX

to the

Commission Decision

**on the financing of Directorate General for Economic and Financial Affairs' activities
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1. INTRODUCTION

This work programme contains the actions to be financed and the budget breakdown for year 2021 in the field of economic and financial affairs. The distribution of budget and the main actions are as follows:

- (a) for grants (implemented under direct management) (point 2): EUR 6 210 000;
- (b) for procurement (implemented under direct management) (point 3): EUR 8 340 000;
- (c) for budgetary guarantees and EIF capital increase (point 4): EUR 2 382 555 000 for the provisioning of the InvestEU guarantee fund, and EUR 375 000 000 for EIF capital increase;
- (d) for actions implemented under indirect management (point 5): EUR 51 000 000 for grants under InvestEU Advisory Hub, Portal and accompanying measures and EUR 1 800 000 for the extension of the Pilot Project PP 02 20 01;

In the context of InvestEU programme DG ECFIN may implement blending operations referred to in Article 6 of the Proposal for a Regulation of the European Parliament and of the Council, submitted by the Commission on 29 May 2020 establishing the InvestEU Programme (COM(2020)403). Implementation of blending operations will be delegated by other DGs;

- (e) for other actions (point 6): EUR 350 000 for the administrative arrangements with the Joint Research Centre (JRC).

2. GRANTS

The global budgetary envelope reserved in 2021 for grants under this work programme is EUR 6 210 000 on the Coordination and surveillance of, and communication on, the economic and monetary union including the euro (EMU) budget line.

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

(a) Legal basis

No basic act since the action results from the Commission's institutional prerogatives (FR Article 58(2)(d)).

(b) Budget line

06 20 04 01 – “Coordination and surveillance of, and communication on, the economic and monetary union including the euro (EMU)”.

(c) Objectives pursued

The BCS constitute an essential tool for the Commission for fulfilling its Treaty-based obligations of surveillance of the Union economies. They constitute a basis for decision-making by economic policy makers, governments and research institutes in the Union. 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.

(d) Expected results

The data collected feeds into the monthly press releases and analytical studies and is an important element of DG ECFIN's assessments and forecasts of economic developments in the Union. The continuous improvement in survey methodology and harmonisation for cross-country comparability purposes is advanced through the organisation of an annual Workshop on recent developments in BCS (A02025).

(e) Type of applicants

BCS actions shall be covered by the specific grant agreements signed with the institutes participating in the BCS programme. As a result of the 2020 call for proposals, framework partnership agreements will be concluded with a validity of 4 years.
The beneficiaries will submit new budget proposals in Q1/2021. New specific grant agreements will be concluded for the period May 2021 – April 2022.

(f) Description of the activities to be funded by the specific grants directly awarded on the basis of Article 195(f) of the Financial Regulation.

The reason for co-funding the partner institutes participating in the BCS derives from their technical competence and high-degree of specialisation in collecting survey data in order to ensure the harmonisation, coordination, analysis and dissemination of business and consumer surveys in Member States and candidate countries. Harmonisation and coordination are 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 Union as a whole, in order to inform the Union 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 Union. Results are published on a monthly basis.

(g) Implementation

Directly by the DG.

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

(a) Legal basis

No basic act since the action results from the Commission's institutional prerogatives (FR Article 58(2)(d)).

(b) Budget line(s)

06 20 04 01 – “Coordination and surveillance of, and communication on, the economic and monetary union including the euro (EMU)”.

(c) Objectives pursued

The project will continue to deliver monthly indicators of world trade that feed into DG ECFIN's monitoring of trade flows at the global, regional and country-specific level, including for all Member States, candidate countries and all major advanced and emerging market economies.

(d) Expected results

The monthly indicators are valuable inputs to ECFIN forecasts, regular and ad-hoc analytical and briefing notes.

(e) Type of applicants

Grants shall be covered by the specific grant agreement signed with the institute selected for the THIT project. A specific grant agreement under the partnership agreement signed with the selected institute will be awarded in 2021. The eligibility period of the action runs from 1 June 2021 to 31 May 2022.

(f) Description of the activities to be funded by the specific grants directly awarded on the basis of Article 195(f) of the Financial Regulation.

The reason for co-funding the partner institute participating in the THIT project derives from their technical competence and high-degree of specialisation in providing the timely high-frequency indicators for trade (THIT).

(g) Implementation

Directly by the DG.

2.3. OECD Delegation contribution Agreement / grant agreement – Programme for Effective Market Regulation (PEMR)

(a) Legal basis

No basic act since the action results from the Commission's institutional prerogatives (FR Article 58(2)(d)).

(b) Budget line(s)

06 20 04 01 “Coordination and surveillance of, and communication on, the economic and monetary union including the euro (EMU)”.

(c) Objectives pursued

The objective is to finance the OECD Programme for Effective Market Regulation (PEMR) which would provide advice and evidence on how to improve regulation, especially in markets for goods, services and housing, for sustainable, resilient and inclusive growth in OECD members and non-OECD member countries (including all non-OECD EU member states) through up-to-date, internationally-comparable indicators of regulation.

Policy analysis and research around productivity, investment, employment, inequality, sustainability and resilience relies heavily on OECD indicators of market regulation, particularly the well-established system of Product Market Regulation (PMR) indicators but also a range of related indicators that have been developed through OECD research in past years.

(d) Expected results

The OECD will generate a number of outputs, including a full set of up-dated regulatory incidence (REGIMPACT) indicators; a full set of up-dated indicators of insolvency regimes; a full set of up-dated indicators of environmental policy stringency; a study of issues raised by digitalisation on regulation and competition, with a view to adapt the PMR survey accordingly; under discussion with the OECD is also to provide an assessment of the impact on the PMR indicator of the related regulatory policy measures planned by EU member states in their national strategies for recovery and resilience.

(e) Type of applicants

Organisation for Economic Co-operation and Development (OECD).

(g) Description of the activities to be funded by the specific grants awarded without a call for proposals on the basis of Article 195(f) of the Financial Regulation

The reason for co-funding the OECD derives from their technical competence and high-degree of specialisation coupled with the strong and direct relevance of many of their economic studies and research projects for ECFIN's policy-shaping activities in different areas. The outcomes of this programme should in particular be very relevant for the surveillance work in general, and the RRF in particular.

(h) Implementation

Directly by the DG.

Due to the upcoming signature of the new FAFA with the OECD in 2021, the implementation may take the form of indirect management. In such case a Contribution Agreement will be signed.

2.4. Production and Broadcast of a Magazine on Economic Issues

(a) Legal basis

No basic act since the action results from the Commission's institutional prerogatives (FR Article 58(2)(d).

(b) Budget line(s)

06 20 04 01 – “Coordination and surveillance of, and communication on, the economic and monetary union including the euro (EMU)”.

(c) Objectives pursued

Raising awareness of the policies related to DG ECFIN in the form of the production and broadcast of TV news programmes.

(d) Expected results

The project will continue to increase the volume and quality of the coverage of Union economic and financial affairs. Similar to previous years, the beneficiary 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 Union institutions.

(e) Type of applicants

A new multiannual framework agreement is expected to be available at Commission level at the beginning of 2021. A grant agreement signed with the selected beneficiary will be signed in 2021.

(f) Implementation

Directly by the DG.

3. PROCUREMENT

The global budgetary envelope reserved for procurement contracts in 2021 is EUR 8 340 000 of which EUR 4 840 000 on the "EMU" line (EMU coordination and surveillance: EUR 2 865 000 and EMU communication activities: EUR 1 975 000); EUR 500 000 on the "MFA" line, EUR 1.500.000 on the Invest EU – Support Expenditure line and EUR 1 500 000 on the "InvestEU Advisory Hub, Portal and accompanying measures" line.

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

(a) Legal basis

No basic act since the action results from the Commission's institutional prerogatives (FR Article 58(2)(d).

(b) Budget line(s)

06 20 04 01 “Coordination and surveillance of, and communication on, the economic and monetary union including the euro (EMU)”.

(c) Objectives pursued and expected results

The contracts will cover several types of activities relating to the coordination and surveillance on the economic and monetary union including the euro (EMU):

I. Data supply services: access to external commercial data supply services for the provision of various economic and financial data, prices, statistics, indexes, information, and other related services;

II. Conferences, workshops, seminars and research/visiting fellows: contracts covering the logistical aspects (external venues, catering, etc.), travel expenses, other related supplies and services and the calls for papers/essays and speakers;

III. Studies and evaluations;

IV. Business surveys: Union-wide monthly business Financial Services Sector Survey (FSSS);

VI. Publications and associated software;

VII. Statistical and economic software packages, including maintenance;

VIII. IT developments including development and maintenance of internal data bases: contracts for information systems hosting, development and maintenance, development of IT infrastructure, IT supplies, development and maintenance of software, application and data bases, other IT services;

IX. Other supply and services.

(d) General description of the contracts envisaged (study / technical assistance / evaluation / survey / IT / communication services/etc.)

New framework contracts, new direct contracts, specific contracts against framework contracts, contracts renewals. Contracts will cover services and supplies.

(e) Implementation

Directly by the DG.

3.2. EMU communication activities

(a) Legal basis

No basic act since the action results from the Commission's institutional prerogatives - FR Article 58(2)(d).

(b) Budget line(s)

06 20 04 01 "Coordination and surveillance of, and communication on, the economic and monetary union including the euro (EMU)".

(c) Objectives pursued and expected results

The contracts will cover several types of activities, in particular to inform about the Recovery Plan and the Recovery and Resilience Facility, the deepening of EMU, economic governance in the Union, the economic aspects of the Green New Deal, the Sustainable Europe Investment Plan and InvestEU Programme to improve the general knowledge on the euro and EMU and to contribute to communication efforts in line with the 2021 work programme.

I. Conferences, events and seminars on the euro/EMU within the Union, 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 and hoc articles for the web;

XI. Invest EU website;

XII. Audio-visual material;

XIII. Technical assistance.

The above list is not exhaustive.

A number of projects/contracts will be implemented under:

- Publication Programme;
- Stakeholder Outreach Programme;
- Website Development & Social Media Programme;
- Internal Communication;
- Evaluation & Monitoring.

(d) General description of the contracts envisaged (study / technical assistance / evaluation / survey / IT / communication services/etc.)

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

(e) Implementation

Directly by the DG.

3.3. Macro-financial assistance (procurement part)

The present financing decision covers only MFA expenditure related to procurement for EUR 500 000. Other MFA measures will be subject to *ad hoc* financing decisions.

(a) Legal basis

Council decision granting MFA to the country concerned¹. MFA is exceptional in nature and is mobilised on a case-by-case basis to help countries dealing with serious balance-of-payments difficulties.

¹ Decisions of the European Parliament and of the Council providing macro-financial assistance to :

- Georgia (Decision 778/2013/EU of 12.8.2013) OJ L 218, 14.8.2013, p. 15
- Kyrgyz Republic (Decision 1025/2013/EU of 22.10.2013) OJ L 283, 25.10.2013, p. 1
- Tunisia (Decision 534/2014/EU of 15.5.2014) OJ L 151 21.5.2014, p. 9
- Ukraine (Decision EU 2015/601 of 15.4.2015) OJ L 100, 17.4.2015, p. 1
- Jordan (Decision EU 2016/2371 of 14.12.2016) OJ L 352 23.12.2016, p. 18
- Tunisia (Decision EU 2016/1112 of 6.7.2016) OJ L 186 9.7.2016, p. 1
- Republic of Moldova (Decision EU 2017/1565 of 13.9.2017) OJ L 242, 20.9.2017, p. 14
- Georgia (Decision EU 2018/598 of 18.4.2018) OJ L 103, 23.4.2018, p. 8
- Ukraine (Decision EU 2018/947 of 4.7.2018) OJ L 171, 6.7.2018, p. 11

(b) Budget line(s)

14 20 03 01 "Macro- financial assistance (MFA) - grants".

(c) Objectives pursued and expected results

In line with the requirements of the Financial Regulation, the Commission carries out **operational assessments** with the help of external consultants to obtain reasonable assurances on the functioning of administrative procedures and financial circuits in the beneficiary countries of MFA. Recommendations contained in those assessment reports allow the Commission to assist the 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. Finally, the **Meta-Evaluation** provides a synthesis of the results of the evaluation studies of MFA operations carried out in a specified timeframe. It considers the reliability and relevance of the methodology, process, outputs, and outcomes of those evaluations. A workshop will be organised to discuss its findings and conclusions.

A number of operational assessments (depending on new MFA operations to be proposed) will be procured through specific contracts against framework contracts and as well as ex-post evaluations.

(d) General description of the contracts envisaged (study / technical assistance / evaluation / survey / IT / communication services/etc.)

Specific contracts for services.

(e) Implementation

Directly by the DG.

3.4. InvestEU – Support Expenditures

(a) Legal basis

Proposal for a Regulation of the European Parliament and of the Council, submitted by the Commission on 29 May 2020 establishing the InvestEU Programme (COM(2020)403).

Council Regulation (EU) 2020/2094 of 14 December 2020 establishing a European Union Recovery Instrument to support the recovery in the aftermath of the COVID-19 crisis.

(c) Budget line(s)

02 01 10 – Support expenditure for InvestEU.

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- Jordan (Decision EU 2020/33 of 15.01.2020) OJ L 14, 17.1.2020, p. 1–7
 - COVID-19 MFA to 10 partners in the enlargement and neighbourhood (Decision EU 2020/701 of 25.05.2020) OJ L 165, 27.5.2020, p. 31–37

(c) Objectives pursued and expected results

Services and activities necessary for the management and implementation of the InvestEU programme:

- preparation, monitoring and control activities;
- audits, studies, evaluations and other activities;
- costs related to experts' meetings, including
- expenses linked to Advisory Board meetings, InvestEU working groups meetings;
- information and communication actions, including corporate communication of the political priorities of the Union, in so far as they are related to the objectives of the InvestEU;
- information technology networks focusing on information processing and exchange, including corporate information technology tools;
- other technical and administrative assistance needed in connection with the management of the InvestEU.

(d) General description of the contracts envisaged (study / technical assistance / evaluation / survey / IT / communication services/etc.)

Specific contracts based on existing framework contracts of the Commission, new direct contracts.

(e) Implementation

Directly by the DG.

3.5. InvestEU Advisory Hub, Portal and accompanying measures

(a) Legal basis

Proposal for a Regulation of the European Parliament and of the Council, submitted by the Commission on 29 May 2020 establishing the InvestEU Programme (COM(2020)403).

Council Regulation (EU) 2020/2094 of 14 December 2020 establishing a European Union Recovery Instrument to support the recovery in the aftermath of the COVID-19 crisis.

(b) Budget line(s)

02 02 03 – InvestEU Advisory Hub and InvestEU Portal and accompanying measures.

(c) Objectives pursued and expected results

InvestEU Project Portal

- Provide an easily accessible and user-friendly project database to promote visibility of EU-based investment projects seeking financing;
- Provide investors with information about investment opportunities;
- Effective screening of projects submitted for publication and comprehensive screening of investors;
- Increase the visibility of the InvestEU Portal to project promoters and investors through communication activities and campaigns – including promotional materials, on-line promotion via social media, attendance and organisation of events (including matchmakings), production of promotional videos;

- Cooperation agreements with other similar portals and initiatives and collaboration with NPBIs and other institutions;
- IT Development and maintenance;
- Maintenance of the IT structure and IT hosting in the data centre;
- Additional ~ 200 projects to be published on the InvestEU Portal in 2021.

InvestEU Investment Committee

Costs related to the functioning and staffing of the InvestEU Investment Committee

- (d) General description of the contracts envisaged (study / technical assistance / evaluation / survey / IT / communication services/etc.)

Specific contracts based on existing framework contracts of the Commission, new direct contracts, contracts' renewals.

- (e) Implementation

Directly by the DG.

4. BUDGETARY GUARANTEES IMPLEMENTED IN DIRECT OR INDIRECT MANAGEMENT AND EIF CAPITAL INCREASE

4.1. InvestEU Guarantee – provisioning of the Common Provisioning Fund (CPF)

(a) Legal basis

Proposal for a Regulation of the European Parliament and of the Council, submitted by the Commission on 29 May 2020 establishing the InvestEU Programme (COM(2020)403).

Council Regulation (EU) 2020/2094 of 14 December 2020 establishing a European Union Recovery Instrument to support the recovery in the aftermath of the COVID-19 crisis.

(b) Budget line(s)

02 02 02 - InvestEU Guarantee – Provisioning of the CPF.

(c) Objectives pursued

The Union provides an irrevocable, unconditional and on demand guarantee to the EIB Group and other implementing partners for financing and investment operations that contribute to the policy objectives of the Union. The Union Guarantee is the cornerstone of the InvestEU.

The InvestEU Fund will support projects that address market failures or sub-optimal investment situations. It will operate under four policy windows, mirroring the key Union policy priorities, namely sustainable infrastructure; research, innovation and digitisation; SMEs; and social investment and skills.

The InvestEU supports the policy objectives of the Union by means of financing and investment operations that contribute to:

- (a) the competitiveness of the Union, including research, innovation and digitisation;
- (b) growth and employment in the Union economy, the sustainability of the Union economy and its environmental and climate dimension contributing to the achievement of the SDGs and the objectives of the Paris Agreement on Climate Change and to the creation of high-quality jobs;
- (c) the social resilience, inclusiveness and innovativeness of the Union;
- (d) the promotion of scientific and technological advances, of culture, education and training;
- (e) the integration of Union capital markets and the strengthening of the Single Market, including solutions to address the fragmentation of Union capital markets, diversify sources of financing for Union enterprises and promote sustainable finance;
- (f) the promotion of economic, social and territorial cohesion; or
- (g) the sustainable and inclusive recovery of the Union economy after the crisis caused by the Covid-19 pandemic, upholding and strengthening its strategic value chains and maintaining and reinforcing activities of strategic importance to the Union in relation to critical infrastructure, transformative technologies, game-changing innovations and inputs to businesses and consumers.

(d) Expected results

The InvestEU is expected to mobilise EUR 300 billion across all Member States in additional investments in the real economy by 2027 and therefore contribute to job creation and support economic growth in the EU.

Actions under the InvestEU are expected to contribute 30% of its overall financial envelope to climate objectives and should also provide financing support to the benefit of just transition regions.

(e) Specific instrument to be used

InvestEU compartment of the Common Provisioning Fund.

(f) Amount allocated per instrument

EUR 2 382 555 000.

(g) Description

The provisioning for the InvestEU Fund (i.e. 40% of the total EU guarantee) will be gradually allocated into the InvestEU specific compartment of the newly set up Common Provisioning Fund.

The Financial Regulation (2018/1046) establishes the Common Provisioning Fund (CPF) to manage the provisions of EU financial instruments, budgetary guarantees and financial assistance under the next MFF. The CPF constitutes a liquidity cushion from which calls on the EU guarantee are to be paid.

The resources of CPF are directly managed by the Commission and invested in accordance with the principle of sound financial management and must follow appropriate and prudential rules.

(h) Implementation

Directly by the DG.

4.2. EIF Capital increase

(a) Legal basis

Proposal for a Regulation of the European Parliament and of the Council, submitted by the Commission on 29 May 2020 establishing the InvestEU Programme (COM(2020)403).

Council Decision 94/375/EC of 6 June 1994 on Community membership of the European Investment Fund (OJ L 173, 7.7.1994, p. 12).

(b) Budget line(s)

02 20 03 01 – European Investment Fund – Provision of paid up shares of subscribed capital.

(c) Objectives pursued

The amount shall cover the financing of the provision of additional paid-up shares of the capital subscribed by the Union. As the EIF is at the limits of its operational capacity, it will allow the European Investment Fund to continue providing support to the European economy and its recovery as a response to the COVID-19 outbreak, aiming in particular to sustain small and medium-sized enterprises, and to implement the InvestEU Programme under the next MFF.

(d) Expected results

The additional capital shall contribute to improving the competitiveness and socio-economic convergence and cohesion of the Union, including in the fields of innovation and digitisation, to the efficient use of resources in accordance with the circular economy, to the sustainability and inclusiveness of the Union's economic growth and to the social resilience and integration of the Union capital markets, including through solutions that address the fragmentation of Union capital markets and that diversify sources of financing for Union enterprises.

(e) Specific instrument to be used

EIF Capital Increase.

(f) Amount allocated

EUR 375 000 000.

(g) Description

On 12 October 2020, the Board of Directors of the EIF approved in principle to propose to the shareholders an increase in the subscribed capital of the EIF that would result in a cash injection of EUR 1 250 000 000 into the EIF. The price of the new shares should be based on the net asset value formula agreed among the shareholders of the EIF and consists of the paid-in part and the share premium. In accordance with Article 7 of the EIF Statutes, for each subscribed share, 20% of the nominal value must be paid in. The General Meeting of the EIF shall decide on the capital increase and its modalities. As a result of the subscription, the Union should be able to maintain its proportional shareholding in the EIF resulting from the previous capital increase.

(h) Implementation

Directly by the DG.

5. ACTIONS IMPLEMENTED UNDER INDIRECT MANAGEMENT

5.1. InvestEU Advisory Hub, Portal and accompanying measures

a) Legal basis

Proposal for a Regulation of the European Parliament and of the Council, submitted by the Commission on 29 May 2020 establishing the InvestEU Programme (COM(2020)403).
Council Regulation (EU) 2020/2094 of 14 December 2020 establishing a European Union Recovery Instrument to support the recovery in the aftermath of the COVID-19 crisis.

b) Budget line(s)

02 02 03 – InvestEU Advisory Hub, Portal and accompanying measures.

c) Objectives pursued

InvestEU Advisory Hub

The InvestEU Advisory Hub will support the development of a robust pipeline of investment projects in each policy window through advisory initiatives that are implemented by the EIB Group or other advisory partners, or are implemented directly by the Commission.

The InvestEU Advisory Hub will promote geographic diversification with a view to contributing to the Union objectives of economic, social, and territorial cohesion and reducing regional disparities.

In order to facilitate the provision of advisory support at local level and to ensure efficiency, synergies and effective geographic coverage of support across the Union, the InvestEU Advisory Hub will cooperate with national promotional banks or institutions, and will benefit from and make use of their expertise.

The InvestEU Advisory Hub will provide a central entry point for advisory support (project development assistance, capacity building and market development activities) delivered under the InvestEU Advisory Hub to public authorities and for project promoters.

d) Expected results

Signature of an Advisory Agreement with the EIB to deliver several Advisory Initiatives and to perform operational tasks to support the Commission.

Run a Call for Expression of Interest for potential Advisory Partners willing to implement advisory initiatives under the InvestEU Advisory Hub. Signature of advisory agreements with other advisory partners than the EIB as the outcome of the first call for expression of interest.

Advisory assignments for which InvestEU Advisory Hub support has been requested – ~ 200 requests in 2021.

Advisory assignments receiving targeted Advisory support from the InvestEU Advisory Partners – ~50 assignments in 2021.

Organisation of promotional events in Member States.

e) Implementing Entity

EIB and InvestEU Advisory Partners - Eligible counterpart such as a financial institution or other entity with whom the Commission has concluded an advisory agreement for the purpose of implementing one or more advisory initiatives, other than advisory initiatives implemented through external service providers contracted by the Commission or by executive agencies under Article 195 FR.

f) Description of the activities to be funded by the grant(s) awarded to the implementing entity

Advisory services offered by Advisory Partners signing an Advisory Agreement under the InvestEU Advisory Hub include:

- Project advisory;
- Capacity building;
- Market development.

Actions:

- EIB and other Advisory Partners to provide advisory services, including external consultants to provide advisory services or studies;
- Communication and promotional activities;
- Increase of local and regional advisory support;
- Support the establishment of investment platforms;
- Support the development of the InvestEU projects pipeline and its objectives.

g) Implementation

Indirect management.

5.2. Pilot project - Model social impact approaches to Social housing and Empowerment of Roma: testing the use of innovative financial instruments for better social outcomes – extension

a) Legal basis

No basic act – Pilot project (FR Article 58(2)(a)).

b) Budget line(s)

02 20 01 PP – “Pilot project - Model social impact approaches to Social housing and Empowerment of Roma: testing the use of innovative financial instruments for better social outcomes”. – extension.

c) Objectives pursued

- The objective of the pilot project is to test innovative financial instruments for social investment, combining financial instruments (loans, guarantees, etc.) and non-repayable funding for capacity building, in three pilot countries (SK, RO, BG).
- The pilot project aims to support persons and families from disadvantaged communities, with a focus on Roma, in receiving financial literacy and life skills training and gaining access to adequate housing; the project also includes the introduction of a social innovation approach to employment support.
- The pilot project may serve as a pilot for a combined financial/advisory product under the future InvestEU Programme, in support of the EU’s post-2020 Roma inclusion strategy.

d) Expected results

- Decreased rate of housing deprivation of marginalized persons/ Roma;
- Improved paid employment rate of marginalized persons/ Roma;
- Cross-sectoral partnerships built between social service organizations, financial intermediaries, public authorities and Roma;
- Increased awareness and capacity of local municipalities on how to improve the lives of marginalized persons/ Roma;
- Improved knowledge on innovative ways to improve social inclusion, including housing inclusion, on EU and national level.

e) Implementing entity

Council of Europe Development Bank (CEB).

f) Description of the activities to be funded by the grant awarded to the implementing entity

This action has specific characteristics that require a particular type of body on account of its technical competence, its high degree of specialisation or its administrative power, and as this action does not fall within the scope of a call for proposals, a grant will be awarded to the Council of Europe Development Bank (CEB) under Article 195(f) FR. As the social development bank of Europe, CEB has a unique expertise in dealing with financing and technical expertise for projects with a high social impact particularly in Central and Eastern Europe. It is the recognized international financial intermediary with the deepest experience in integration and improving of living standards of most vulnerable groups, including in the area of community-based social housing and Roma inclusion.

Under the provisions of the Contribution Agreement, support will be channeled by the implementing partner to participating organisations (financial intermediaries and social organisations) in the form of:

- De-risking mechanisms for the provision of housing loans to targeted beneficiaries; One or several calls for tenders to select qualified consortia formed by micro-credit financial institutions and social organisations/non governmental organizations in order to provide municipalities and selected individuals/families the necessary elements for the successful implementation of the pilot project. This may include but need not be limited to:
 - Support with matters related to the provision of land or the purchase of housing
 - Support and capacity building in relation to self construction and to the connection of housing units to utilities and public services. Support to disadvantaged Roma individuals and families for increased financial literacy, saving schemes and access to gainful employment. Additional pilot activities would entail mapping of needs/identification of project sites in selected other country(ies), project website, developing a capacity building methodology and support for social innovation If necessary those could be part of separate procurement procedures.

g) Implementation

Indirect management.

6. OTHER ACTIONS

6.1. Administrative arrangement with the JRC for the internalisation of EUROMOD

(a) Legal basis

No basic act since the action results from the Commission's institutional prerogatives (FR Article 58(2)(d).

(b) Budget line(s)

06 20 04 01 'Coordination and surveillance of, and communication on, the economic and monetary union including the euro (EMU)'.

(c) Objectives pursued

EUROMOD is a tax-benefit microsimulation model for the European Union, originally developed and run by the University of Essex. A strategic decision was taken in 2016 to internalise the maintenance and development of the model in The Commission, with JRC running EUROMOD and data provided by ESTAT. That internalisation will be completed in early 2021, with the help of financial contributions from the user services.

(d) Expected results

Continued availability, update and development of the EUROMOD tax-benefit microsimulation model for use in the European Semester.

(e) Amount

EUR 150 000.

(f) Description

Administrative Arrangements with the JRC.

6.2. Administrative arrangement with the JRC for the estimated global macro model

(a) Legal basis

No basic act since the action results from the Commission's institutional prerogatives - FR Article 58(2)(d).

(b) Budget line(s)

06 20 04 01 "Coordination and surveillance of, and communication on, the economic and monetary union including the euro (EMU)".

(c) Objectives pursued

DG ECFIN has decided to develop an estimated multi country macro model that can be used as a complement of QUEST for spillover analysis, forecasting and medium term projections. In order to support those activities, the model for multi-country macro analysis must be further developed.

Since the estimated model allows identification of a wide range of domestic (within euro area Member States) and foreign shocks, it is planned to use it for the empirical assessment of automatic fiscal stabilisation and for the empirical analysis of various EA-wide fiscal stabilisation mechanisms. The model is updated and re-estimated by the JRC and is jointly used for forecasting and macroeconomic analysis.

(d) Expected results

Further development of the model for multi-country macro analysis to obtain a better understanding of the interaction between financial market and fiscal stabilisation. For 2020/21 the EA model as well as the large country variants (DE, ES, FR, IT) need to be re-estimated before the 2020 Autumn and the 2021 Spring forecasting exercise. The model will be used for assessing alternative scenarios around the forecast and for identifying drivers of growth and inflation.

(e) Amount

EUR 200 000.

(f) Description

Administrative Arrangement with the JRC.