

# Structural Funds: repayable assistance, financial engineering and certain provisions related to the statement of expenditure

2011/0210(COD) - 01/12/2011 - Text adopted by Parliament, 1st reading/single reading

The European Parliament adopted by 592 votes to 18 with 13 abstentions, a legislative resolution on the proposal for a regulation of the European Parliament and of the Council amending Council Regulation (EC) No 1083/2006 as regards repayable assistance and financial engineering. The amendments adopted in plenary are the result of a compromise between Parliament and Council. The main amendments to the Commission proposal are as follows;

**“Credit line”:** this is defined in the amended text as a financial facility allowing the beneficiary to draw down the financial contribution, which can be totally or partially reimbursable, in relation to expenditure paid by the beneficiary and supported by receipted invoices or accounting documents of equivalent probative value.

Reuse of repayable assistance: repayable assistance, repaid to the body that provided that assistance or to another competent authority of the Member State, shall be reused for the same purpose or in line with the objectives of the relevant operational programme. Member States shall ensure that an adequate record of the repayable assistance repaid is shown in the accounting system of the appropriate body or authority.

**Clarification of statement of expenditure:** in the interests of transparency, an attachment to each statement of expenditure should include information on the amount of total expenditure paid in establishing or contributing to financial engineering instruments and on the advances paid to the beneficiaries in the context of State aid.

The format of the attachment is defined in the Annex IVa to Regulation (EC) 1083/2006 for the purpose of legal security and consistency. However, the practical implementation of the collection of data necessary for this purpose shall be conducted at national level and, as far as the applicable legal framework allows it, it should not result in a modification of national computer systems.

**Reports on implementation of financial engineering instruments:** Members add that reports must cover the progress in the financing and implementation of financial engineering instruments, namely: (i) description of the financial engineering instrument and implementation arrangements; (ii) identification of the entities which implement the financial engineering instrument, including those acting through holding funds; (iii) amounts of the assistance from the Structural Funds and national co-financing paid to the financial engineering instrument.

Every year, by 1 October, the Commission shall provide a summary of the data on the progress in the financing and implementation of financial instruments, provided by the managing authorities of the Member States.

**Retroactive effect:** the amendments relating to the forms and reuse of the repayable assistance as well as to the exclusion of the application of the provisions on major projects, revenue-generating projects and durability of operations, to operations falling under Article 44 (financial engineering instruments), aim at providing for greater legal certainty and clarity concerning the application of an existing practice in these

fields with effect from the beginning of the eligibility period as set out by Regulation (EC) No 1083/2006. Those amendments should, therefore, have retroactive effect from the beginning of the current programming period 2007 to 2013.