

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

2011/0210(COD) - 13/12/2011 - Final act

PURPOSE: to clarify Council Regulation (EC) No 1083/2006 (general rules regarding the European Regional Development Fund, the European Social Fund and the Cohesion Fund) as regards repayable assistance and financial engineering.

LEGISLATIVE ACT: Regulation (EU) No 1310 of the European Parliament and of the Council amending Council Regulation (EC) No 1083/2006 as regards repayable assistance, financial engineering and certain provisions related to the statement of expenditure.

CONTENT: following an agreement reached with the European Parliament at first reading, the Council adopted a Regulation amending the general rules concerning the European Regional Development Fund, the European Social Fund and the Cohesion Fund.

The main objective of the new Regulation is to **clarify the current general Regulation governing cohesion policy as regards the use of repayable assistance in the form of financial engineering in the context of the Structural Funds**. Member States have had positive experiences with repayable assistance schemes at the level of operations during the programming period 2000 to 2006 and have therefore continued such schemes or have started to implement repayable assistance schemes in the current programming period 2007 to 2013.

The amended Regulation introduces:

- **definitions for the terms:** a) “**reimbursable grant**”: a direct financial contributions by way of donation which can be totally or partially reimbursable without interest; and b) “**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;
- **new provisions with regard to the 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;
- **requirements with respect to statements 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.

Furthermore, the amended Regulation **modifies certain requirements with regard to the drawing up of reports:** reports should cover the progress made in financing and implementing the financial engineering instruments, namely: i) a 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; and iii) amounts of assistance from the Structural Funds and national co-financing paid to the financial engineering instrument.

ENTRY INTO FORCE: 23/12/2011.

The changes apply with **retroactive effect from the beginning of the eligibility for the current 2007-2013 programming period.**