



Monitoring and reporting

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 #ficompass



Monitoring and reporting



- Reporting between Fints and MA
 - Disbursed/awarded grants should be reported separately from the grants to be paid in the future. The body implementing SF will report to the body implementing the HF, which in turn will report to the managing authority (or directly to the MA in the absence of the HF structure).
 - Information on foreseen (but not yet paid/awarded) grant components is not a part of reporting by the MA to the Commission, but it should be readily available and may help the body implementing the FI in monitoring the 50% ceiling applicable to grants. It may provide break-down by type and purpose (e.g. technical support, interest rate subsidy, capital grant)
- Reporting to the Commission
 - The provision of loan and grant by the body implementing the FI is included in future reports of the MA to the Commission. Grants and FIs must be recorded separately in the reporting to the Commission.
 - **Information on the disbursed/awarded grant elements should be included at the moment of payment or write-off.**

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Illustrative example



	BANK			MA			MA		
Risk sharing loan + capital rebate + IRS	Combined FI accounts			Declared to EC under FI in payment applications			Reported to EC in Annex on FIs (cumulative)		
	Y1	Y2	Y3	Y1	Y2	Y3	Y1	Y2	Y3
Risk sharing loan	100			101	1	1	100	100	70
Capital rebate			30				0	0	30
IRS	1	1	1				1	2	3

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Irregularities



The following scenarios were identified when the final recipient cannot pay back the loan (event of default) and:

- there is no irregularity at the level of the loan nor the grant, which are eligible and reimbursed by the EC. In this case, there is no obligation to call back the grant. The recovery of the loan follows normal market practice of the body implementing the FI as stipulated in the FA.
- there is an irregularity at the level of the grant (e.g. irregular technical support), but the loan is regular and eligible. The EC can reimburse only the loan, but not the grant component. Both grant and loan components have to be recovered from the final recipient as it was agreed in the FA. Bodies implementing FI shall not be asked by MA to payback any grant beyond the normally recovered amounts (i.e., when recovering a loan).
- there is an irregularity at the level of the loan but the grant component is regular and eligible. The EC can only reimburse the grant component, but not the loan. In this case, there is no obligation to call back the grant. The recovery of the loan follows normal market practice of the body implementing the FI as stipulated in the FA.
- All irregular amounts should be treated in line with Article 103 CPR.

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Audit of FI and grant combinations



- FI audit principles will apply in the same way to the repayable part and to the grant element of the FI if they are combined in one single operation.
- Checking the eligibility of investments remains the responsibility of the body implementing FI and auditors would ask for evidence that their usual procedures for controlling eligibility have been followed.
- A major novelty for the 2021-2027 programming period is that eligibility of the use of support for intended purpose is prospective, with bodies implementing the FI being required to retain evidence to show that the financing “is to be used for the intended purpose”: this will be verified by reference to applications forms or equivalent (e.g. based on submitted documents, including business plans) for support.



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