



ESIF/EFSI combination and further opportunities offered by the Omnibus Regulation

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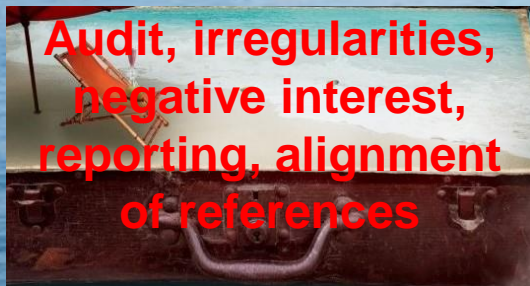
**Oana Dordain, DG REGIO
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WHY?

Why Omnibus?

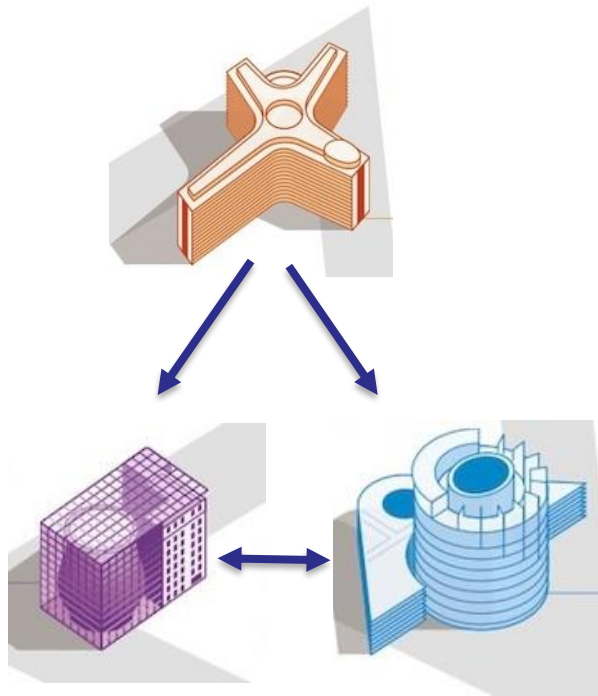


ESIF Financial Instruments



HOW?

How Omnibus legally works?



New Implementation option in Art. 38(1)(c)
New Article 39a
New Article 43a



New paragraphs (b) & (c) in Article 38(4)



Changes in Articles 39, 56 and 57



Changes in Articles 40, 44 and 46



Changes in secondary legislation:
CDR 480/2014; CIR 964/2014, 821/2014, 660/2014, New
CIR on Audit

WHAT?



ESIF/EFSI combination under Art. 39a

Purpose and existing rules

- **Facilitate ESIF/EFSI combination while still 2 sets of rules**
- **Attract Private capital**
- Reporting based on Art. 46
- Same known implementation options
- Same content of the Funding Agreement
- Implementation can be entrusted to another body (e.g. NPBs), not only to EIB

Derogations

- From ex-ante assessment: preparatory assessment
- From selection rules and payments when contribution to an existing EFSI instrument
- From co-financing: up to 100%
- Possibility of layered guarantee funds
- ESIF contributions can be used to give rise to new finance in the entire territory of a Member State ('pooling of risk')

Differentiated treatment Art. 43a

Same concept as "preferential remuneration" clarified

Use of ESIF for differentiated treatment of the EIB when using EFSI

Differentiated treatment used to attract private resources

Type and level of differentiated treatment shall be justified and not exceed what it is needed

Alignment with State aid rules: "investors operating under the market economy principle"

Direct award to publicly-owned banks/institution Art. 38(4)

No direct private participation with some exceptions

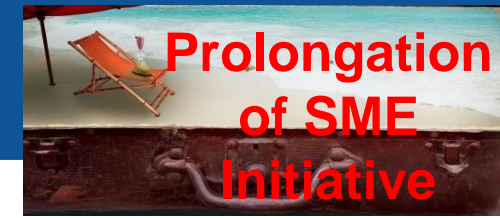
Operates under public policy mandate

Carries out economic development activities where market failures

Operates without primarily focusing on maximising profits

No direct or indirect benefit for commercial activities

Subject to the supervision of an independent authority



Prolongation of SME Initiative Art. 39, 56 and 57



Prolongation of SMEI during the eligibility period

Possibility to use a more recent ex-ante assessment

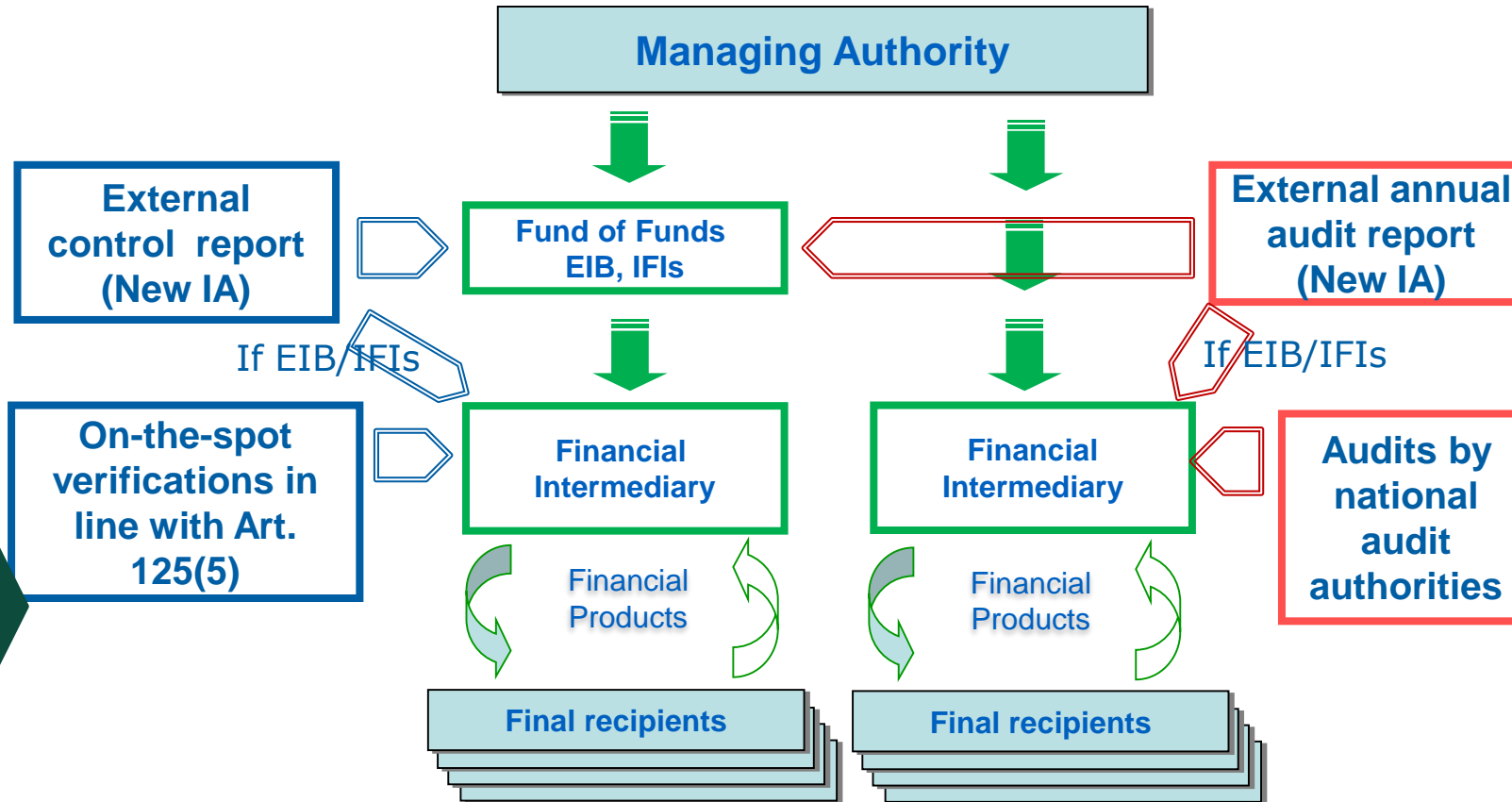
Possibility to use a separate priority axis

Alignment of the evaluation during the programming period and ex-post evaluation

Alignment of terminology



Management verifications, audits and replacement of irregularities Art 40



Possibility of replacement of individual irregularities in the same operation

Contribution cancelled used in another operation



Negative interest Art. 44, Reporting Art. 46, Others

Negative interest

- Changes in Art. 44 to take out “differentiated treatment”
- Possibility to cover negative interest from resources paid back

Reporting

- Applicable to the new ESIF/EFSI implementation option
 - Covering also “differentiated treatment”
- Correction of double reporting on “value of equity investments”

Others

- End date prolonged to 31/12/2018 for signing funding agreements with financial intermediaries for equity instruments for which escrow accounts can be used
 - Alignment of references in Art. 37, 38(5 to 8 & 10), 41, 42(5)

Changes in Delegated and Implementing Acts



CDR 480/2014

- Made applicable to the new implementation option ESIF/EFSI
- Alignment of terminology and references
- Alignment in art. 7 for the IFIs with the audit provisions



IA 821/2014

- Reference to the new implementation option ESIF/EFSI
- Alignment with Art. 43a on differentiated treatment
- Alignment with Art. 44 on negative interest
- Alignment with Art. 46



IA 660/2014

- Definitions updated and/or clarified
- Evaluation provisions updated because of extension
- Provisions in case ESIF contribution is based on a separate priority axis (definition, monitoring)



IA 964/2014

- Reflect the new obligations resulting from Article 40 CPR
- Make reference to the new Article 43a
- Align the conditions for the selection of the financial intermediaries with Article 38(5) CPR

Q & A

Thank you for your attention!

