



Opening Remarks

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Pillar Assessment: How to apply and proceed

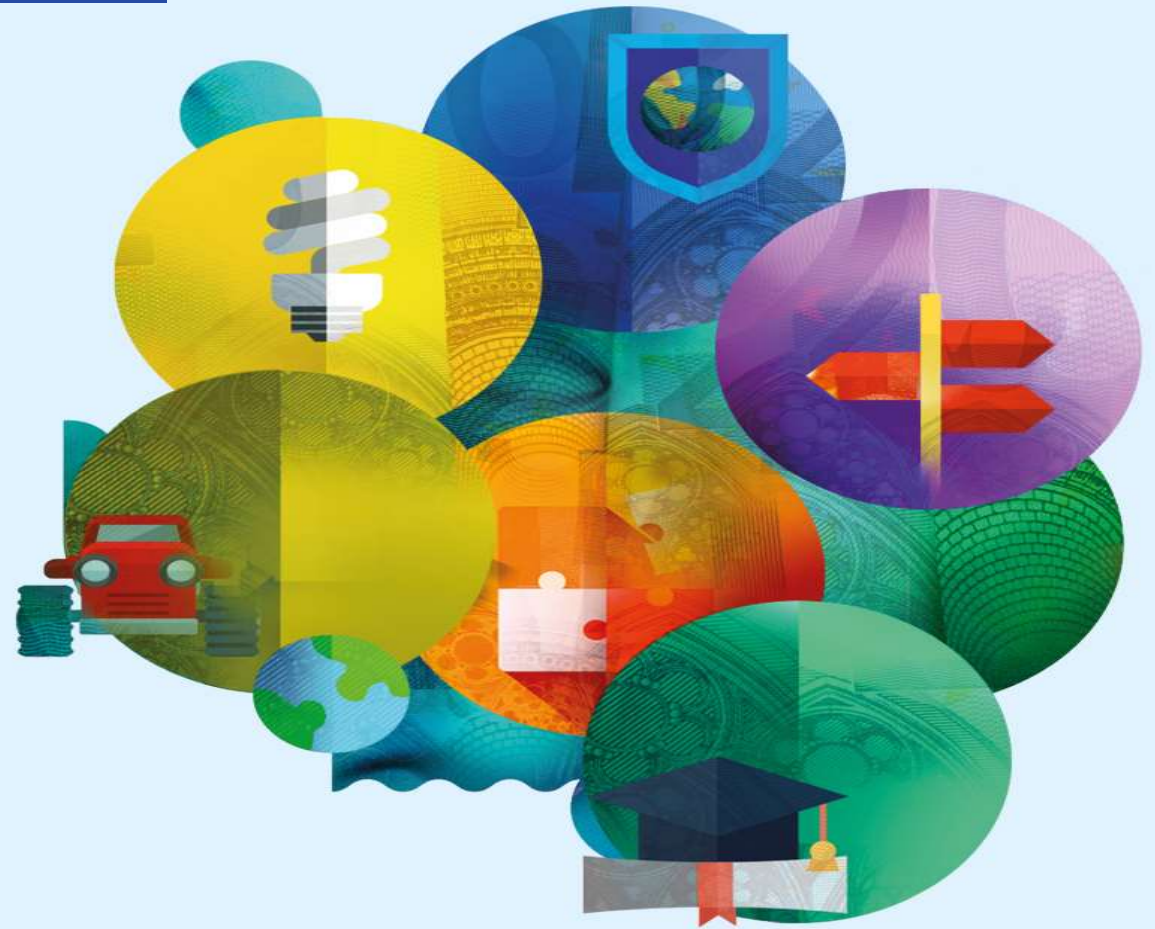
How to become an InvestEU
Implementing Partner

27th February 2019

Speakers:

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Selection of Implementing Partners

The entity should be:

Eligible

- *Art. 62(1)(c) FR → Entrusted entity under indirect management*

Reliable

- *Art. 154(4) FR → Pillar assessment*

Capable

- *Art. 154(1) FR → Financial and operational capacity*





Eligibility: who can be an Implementing Partner?

The following **eligible entities** based on **Articles 62(1)(c) and 208(4) FR**:

- *International organisations or their agencies, within the meaning of Article 156;*
- *The EIB, the EIF or the EIB group;*
- *Public law bodies, including Member State organisations;*
- *Bodies governed by private law with a public service mission, including Member State organisations to the extent that they are provided with adequate financial guarantees.*





Reliability: what is a Pillar Assessment?

Principle - Article 154(4) FR:

- *Review of the systems and procedures of an entity wishing to implement the EU budget under indirect management...*
- *...to assess whether these systems and procedures provide a level of protection of the financial interests of the EU that is equivalent to the one provided by the Commission under direct management.*





Capability: financial and technical capacity

*According to **Article 154(1) FR**, the selection of entities to be entrusted with the implementation of the EU budget shall also take due account of their financial and technical capacity.*

This will be assessed as part of the eligibility check and as part of the selection process following the call for expression of interest.





Steps to become an Implementing Partner under InvestEU

- *Application for Pillar Assessment.*
- *Application under the Commission's call for expression of interest for future InvestEU Implementing Partners.*
- *Negotiation and conclusion of a guarantee agreement with the Commission.*





Support to become an Implementing Partner under InvestEU

- *Close contacts with the Commission in case of questions at all stages of the process.*
- *Possibility to benefit from EIB capacity building services as per the Partnership Agreement between the EIB Group and the Commission.*





What does it mean to be an Implementing Partner under InvestEU? 1/2

- *Direct access to the EU guarantee (possibility to call on the guarantee in case of losses).*
- *Opportunity to invest in riskier projects and/or new sectors via deployment of financial products.*
- *New business opportunities and ability to mobilise private capital supporting key EU policy priorities.*





What does it mean to be an Implementing Partner under InvestEU? 2/2

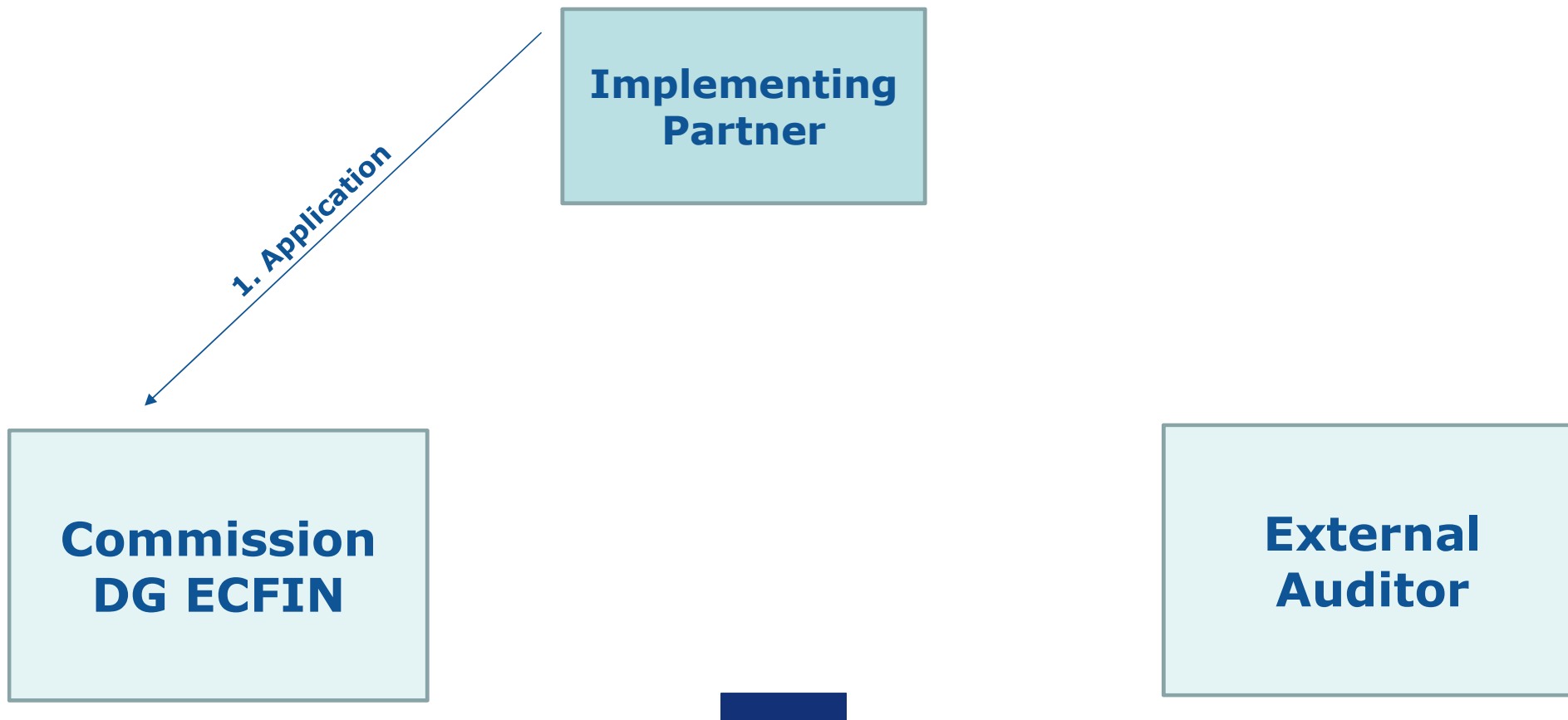
- *Contribute with own resources (risk sharing).*
- *Management capacity/compliance with contractual obligations subject to audits by European Court of Auditors & Commission.*
- *Reporting to the Commission.*

For intermediated operations: financial intermediaries shall be selected in accordance with procedures equivalent to those applied by the Commission. The selection shall be transparent, justified by the nature of the action and shall not give rise to a conflict of interests. The selection shall also take due account of the financial and operational capacity of the applicant.





How to become an **Implementing Partner** under **InvestEU**?





1. Application by interested entity

- *The Applicant submits a formal request for being considered for a PA to DG ECFIN, using the specific application form and questionnaire.*
- *The Applicant must provide legal documents and evidence which allow a first examination by the Commission and the contact person in the organisation who will provide further information.*



Application form for Pillar Assessment InvestEU

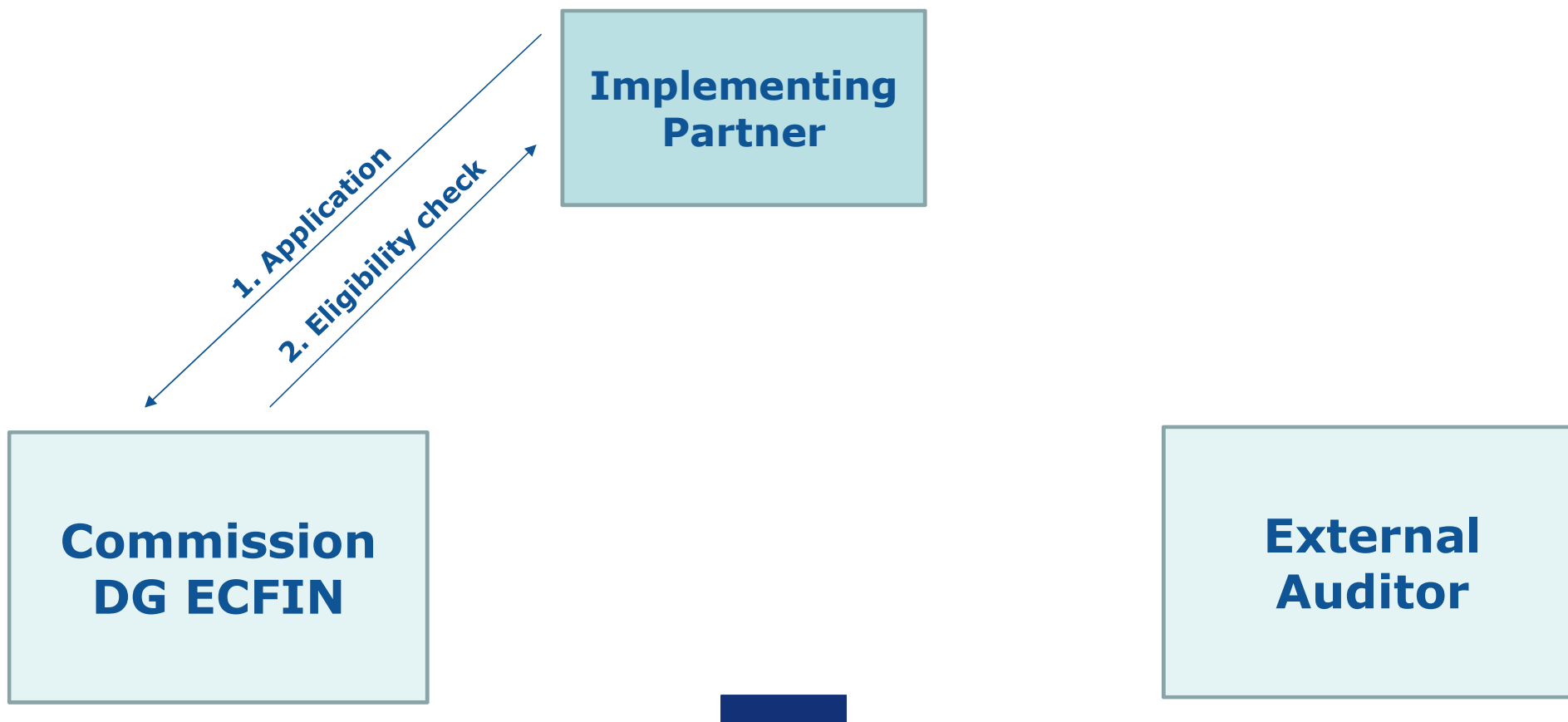
Entities applying to become Implementing Partners under InvestEU are also required to have Pillar 6 and additional sections 6A, 6B and 6C assessed.

General Information			
Entity name:			
Address		Country	
Phone		Fax	
Website			
Contact person in the organisation:			
Name		Function	
E-Mail		Phone/Fax	
Legal Status ¹			
<input type="checkbox"/> International organisation			<input type="checkbox"/> Private law body with public service mission
<input type="checkbox"/> Public law body			<input type="checkbox"/> Other: _____
Programmes of interest			
Please indicate under which EU programme you would like to implement the EU budget: <i>Leave empty if it does not apply</i>			
<input type="checkbox"/> InvestEU			
<input type="checkbox"/> Other: _____			
List of document to be provided			
Please submit the following documents, when applicable:			
<ul style="list-style-type: none">❖ Copy of the constitutive incorporation deed, or any other official document demonstrating the lawful incorporation / establishment / foundation of the entity / body (e.g. intergovernmental agreement under international law; national law)❖ Articles of association❖ For private-law bodies with public service mission, any official document showing the public mission (e.g. national legislative act, etc.)❖ Most recent audited financial statements			





How to become an **Implementing Partner** under **InvestEU**?





2. Eligibility check

- *DG ECFIN performs an eligibility check based on Article 62(1)(c) and 154(1) of the Financial Regulation.*

Questionnaire

1. Describe the entity in terms of mission, historical background, geographical scope of activities, capital adequacy and external debt (including by providing relevant prudential ratios), credit rating (if available) and governance.

2. Does your entity benefit from a public (e.g. government) guarantee or a financial guarantee of equivalent insurance?

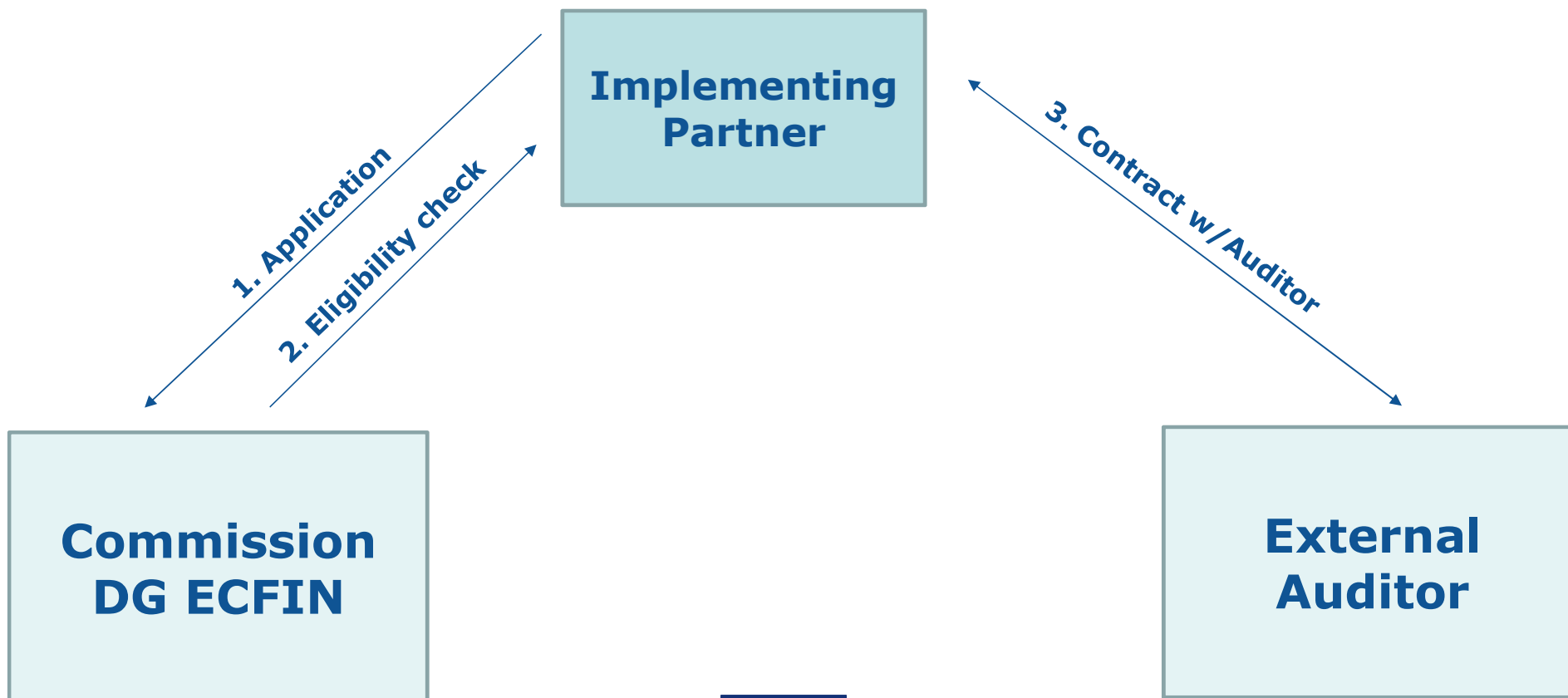
3. Describe the types of products offered by your entity, with a particular focus on the crowding in of private investments and on leverage achieved, if applicable. Please also describe whether you committed own resources to the mentioned products and, if yes, in what form.

4. Has your entity ever cooperated with EU Institutions, bodies, offices or agencies? If yes, please describe with which EU Institution, body, office or agency and under which programme.





How to become an **Implementing Partner** under **InvestEU**?





3. Contract with the External Auditor

Characteristics of the Auditor:

- A registered member of a national accounting or auditing body or institution;
- Certified to perform statutory audits;
- Functionally independent of the Entity.

Pillars:

1. Internal control
2. Accounting
3. Independent External Audit
4. Grants
5. Procurement
6. Financial Instruments

6A. Budgetary Guarantee

6B./6C. Tax Avoidance and Non-Cooperative Jurisdictions, Anti-Money Laundering and Counter-Terrorism Financing

7. Exclusion from Access to Funding

8. Publication of Information on Recipients and other Information

9. Protection of Personal Data





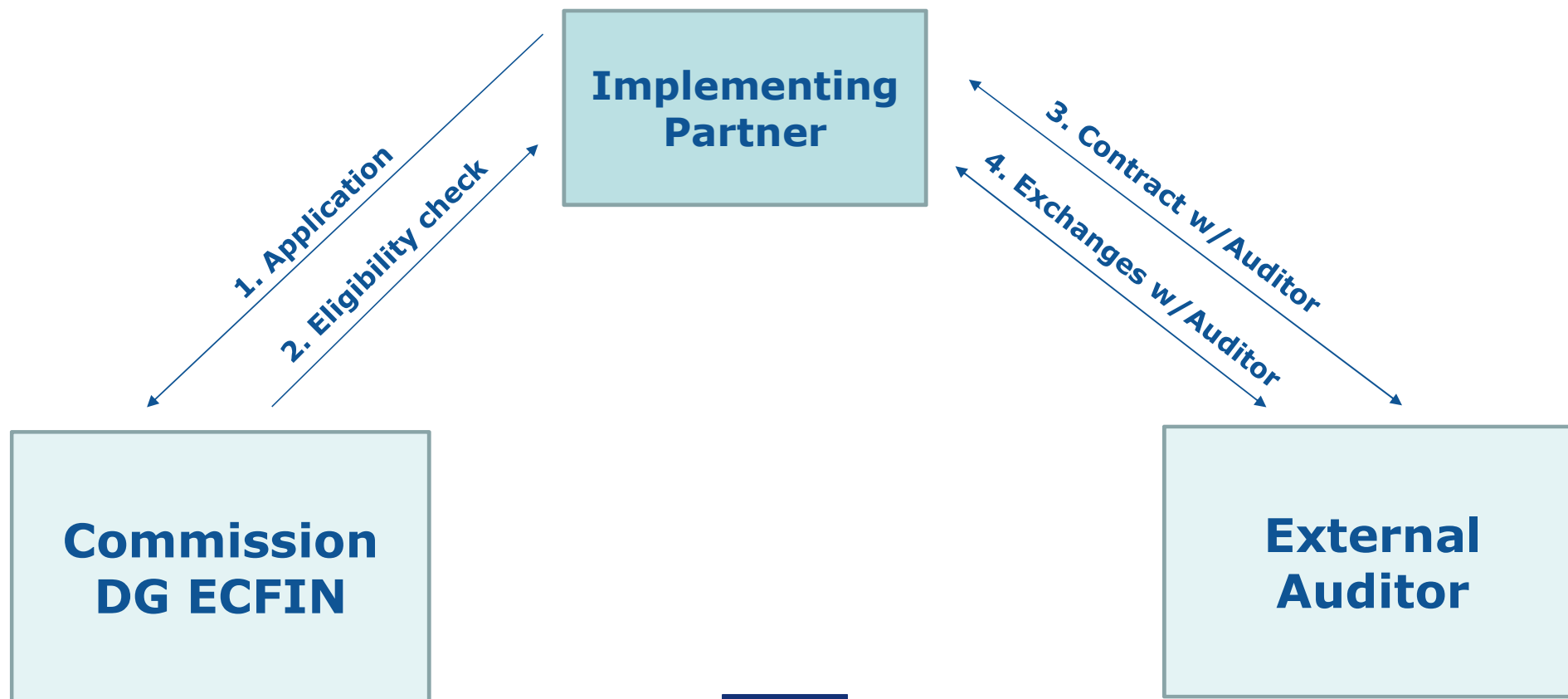
When to take Pillar 4 and Pillar 5?

- *Pillar 4 – Grants*
 - *Blending*
 - *Technical assistance via grants*
- *Pillar 5 – Public Procurement*
 - *Technical assistance via external contractors*





How to become an Implementing Partner under InvestEU?





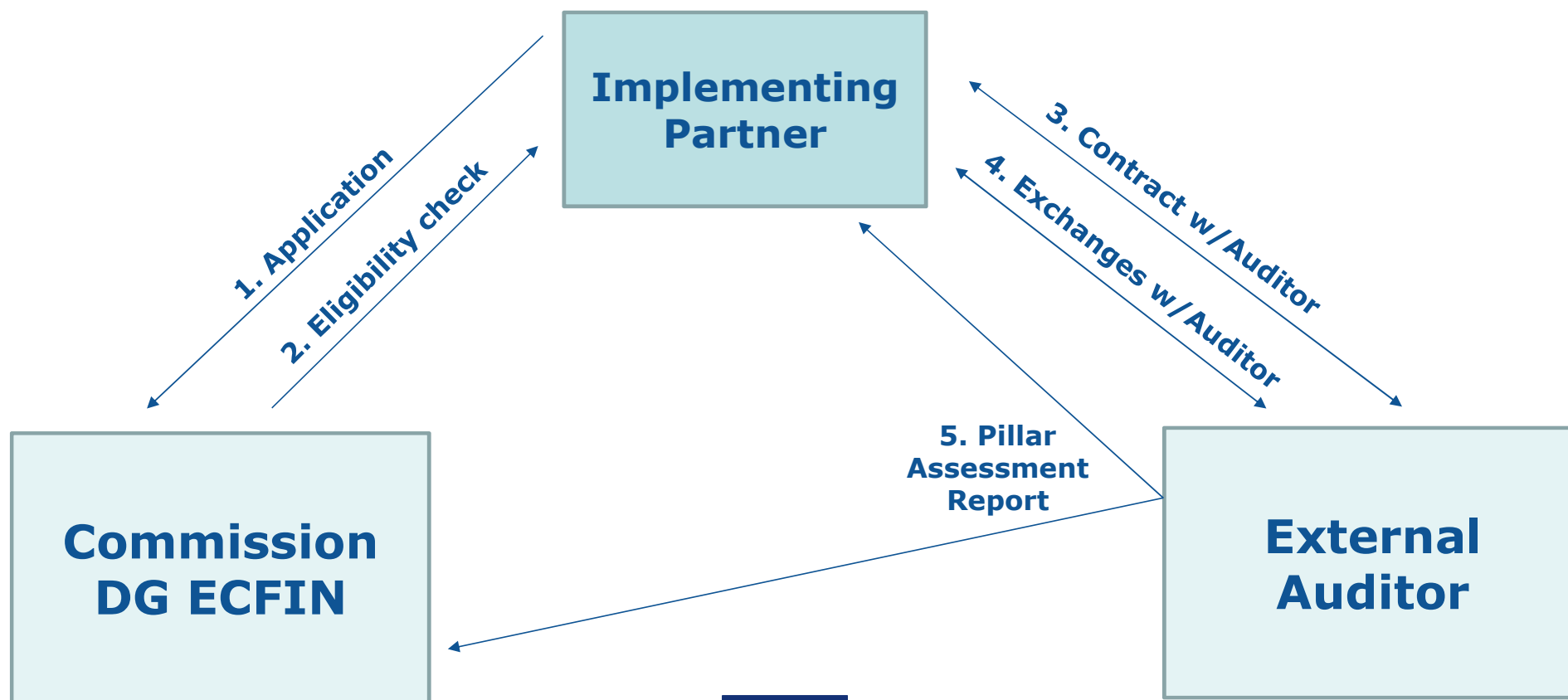
4. Exchanges with the External Auditor

- *The period to be covered by the assessment should normally be 12 months, ending on the day of the start of the field work of the assessment i.e. the day on which the Auditor effectively starts on-site assessment procedures and tests.*
- *The Auditor determines the nature, extent and timing of all the procedures and tests s/he deems necessary to perform.*





How to become an Implementing Partner under InvestEU?



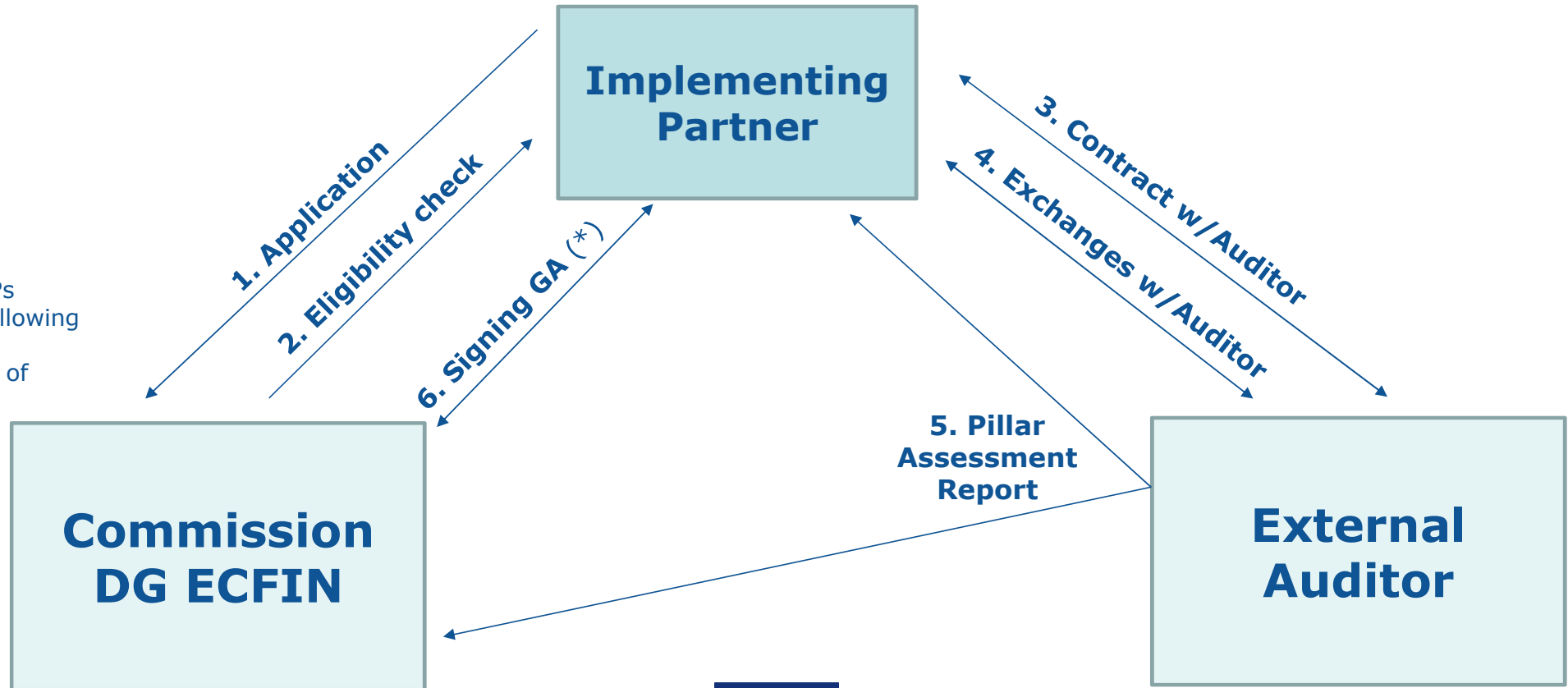
5. Pillar Assessment

- *Sharing of the draft Pillar Assessment Report from entity to DG ECFIN, in case of specific questions.*
- *Final Report including assessment of pillars by Auditor:*

Finding	Assessment
No consequential weakness found	YES (pillar passed, entity can fully rely on its procedures)
Non-material findings (some weaknesses or deficiencies found)	YES (pillar passed, entity can mostly rely on its procedures but appropriate supervisory measures on specific points are agreed by the Commission and the entity)
Material deficiency/ies found	NO (pillar not passed, entity cannot rely on its procedures, possibility to become IP only if it fully takes over Commission-proposed remedial actions in guarantee agreement)



How to become an Implementing Partner under InvestEU?



(*) With IPs selected following the call for expression of interest.



6. Signing of the Guarantee Agreement

- *Supervisory measures in case pillars 4, 5, 6, 7, 8 or 9 are passed with recommendations to be enshrined in the Guarantee Agreement to be signed between the Commission and Implementing Partner.*
- *Negotiations on the Guarantee Agreement will probably be conducted in parallel with the Pillar Assessment process.*
- *However, the signing of the Guarantee Agreement can only take place after positive final Pillar Assessment Report from the Auditor.*





Summary of pillars for InvestEU

Pillars	Subject	FR 2018	Mandatory	Necessarily positively assessed
Pillar 1	Internal control	Art. 154(4)(a)	Yes	Yes
Pillar 2	Accounting	Art. 154(4)(b)	Yes	Yes
Pillar 3	Independent External Audit	Art. 154(4)(c)	Yes	Yes
Pillar 4	Grants	Art. 154(4)(d)	No	No
Pillar 5	Procurement	Art. 154(4)(d)	No	No
Pillar 6	Financial Instruments	Art. 154(4)(d)	Yes	No
Pillar 6A	Budgetary Guarantee	Art. 154(4)(d)	Yes	No

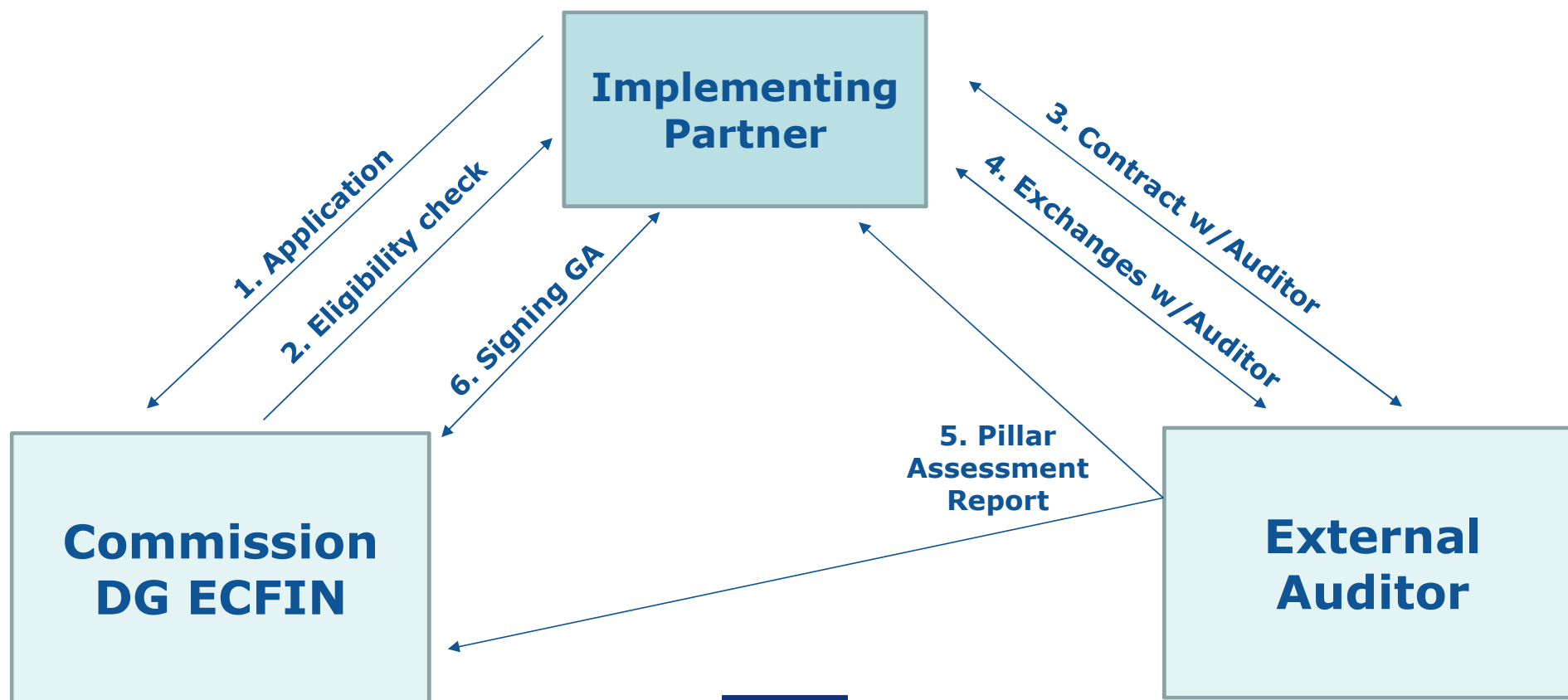


Pillars	Subject	FR 2018	Mandatory	Necessarily positively assessed
Pillar 6B and 6C	Tax Avoidance and Non-Cooperative Jurisdictions, Anti-Money Laundering and Counter-Terrorism Financing	Art. 155(2)	Yes	No
Pillar 7	Exclusion from Access to Funding	Art. 154(4)(d)	Yes	No
Pillar 8	Publication of Information on Recipients and other Information	Art. 154(4)(e)	Yes	No
Pillar 9	Protection of Personal Data	Art. 154(4)(f)	Yes	No

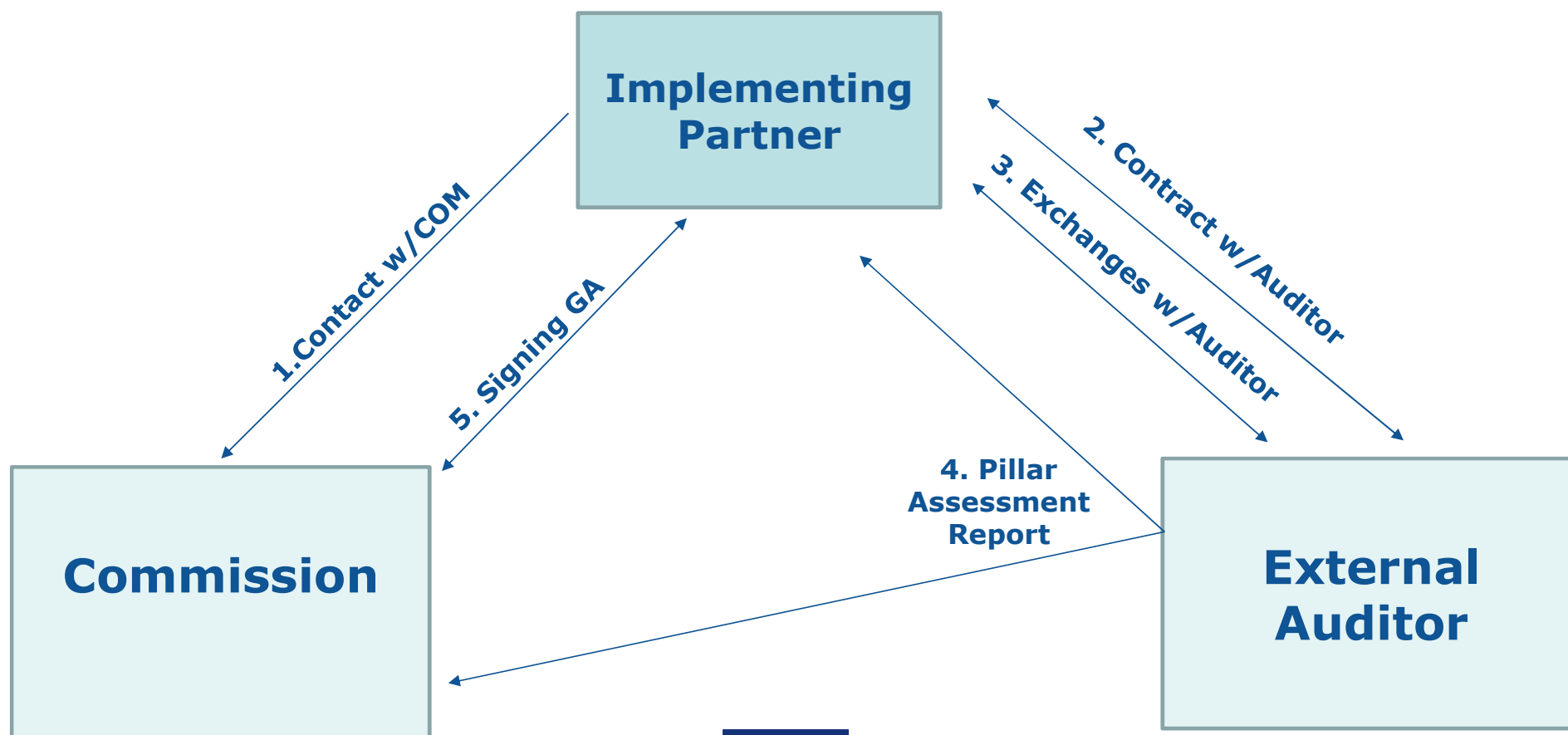




How to become an Implementing Partner under InvestEU?



Updates of already pillar assessed entities





Q&A Session

Contact point for more information: **EC-INVESTEU-CONTACT@ec.europa.eu**