



**NATIONAL ASSEMBLY
OF THE REPUBLIC OF BULGARIA**

STATEMENT

**OF THE NATIONAL ASSEMBLY OF THE REPUBLIC OF BULGARIA
ON THE PROPOSAL FOR A SIMPLIFICATION AGENDA FOR THE
MULTIANNUAL FINANCIAL FRAMEWORK 2014-2020**

On a regular session held on 4 July 2012, the Committee on European Affairs and Oversight of the European Funds (CEAOEF) within the National Assembly of the Republic of Bulgaria discussed the Proposal for a Simplification Agenda for the Multiannual Financial Framework 2014-2020 COM(2012) 42:

Having debated on the Proposal, CEAOEF expressed its support for the following statement which is to be sent to the EU institutions:

I. Regarding the rules governing the Multiannual Financial Framework (MFF) 2014-2020 and the proposed Programme for their simplification

1. CEAOEF welcomes the European Commission for engaging in the initiative for simplification and rationalization of the programmes underlying the MFF (through the revision of the Financial regulation and the elaboration of sector-specific legislative proposals) whilst preserving the financial interests of the major stakeholders;
2. CEAOEF considers that the EU expenditures under the Multiannual Financial Framework (MFF) contribute significantly for the achievement of the objectives set in the "Europe 2020" strategy and therefore setting the right rules which would simplify the implementation of the MFF is a cornerstone for success of the strategy, as well as for the promotion of growth and jobs in the EU;
3. CEAOEF recognizes that the effects of overly complex rules are wasted funds, higher rates of error, disproportionate bureaucracy and disincentives to beneficiaries who could otherwise participate and add value to the EU programmes. Therefore CEAOEF finds such a reform necessary, opportune and comprehensive enough, so as to create tangible effects, better legal certainty and give new impulse to the utilization of the European funds;
4. CEAOEF remarks that the quest of possibilities for simplification of procedures must not remain a single act, but rather become a permanent process. At the same time, CEAOEF further agrees that in order to be successful, the measures for simplification on the EU level should be followed by similar efforts on national, regional and local level;
5. CEAOEF welcomes the target-based approach adopted by the Commission, providing the beneficiaries with the opportunity to concentrate on the implementation of projects, rather than on paperwork; Thus, the controlling authorities could concentrate on the monitoring of the results achieved and the efficiency of the running project costs instead of on the control of the expenses regardless of the final goals of the projects.

6. CEAOEF notes that simplification and rationalization of norms should not be at the expense of the rules for sound financial governance. Moreover, the administrative capacity should be concentrated on and greater attention should be paid to areas with higher risk potential. In this regard, CEAOEF welcomes the reduction of the on-site verifications on the understanding that there is a well-functioning controlling system in the member-states and the error rate at beneficiary level is sufficiently low. That would provide for more proportionate and more efficient control.
7. CEAOEF recognizes that simplification and rationalization of the programmes will bring focus and transparency to the process of EU funds utilization. In addition, the simplified methods for calculation of the expenses (such as lump sums, common rates and standard scales of unit costs) would optimize the processes of accounting and control. Furthermore, in its entirety the Programme for simplification would stimulate the more active participation of beneficiaries, would speed-up the implementation of projects under EU-funded programs and would allow to cut red tape.

II. Regarding the specific proposals grounded in the Programme for simplification

8. CEAOEF supports the idea of the European Commission to decrease the number of programmes, to bring them together into a common framework with common rules and to establish a Common Strategic framework for all the funds under shared management;
9. CEAOEF encourages the implementation of integrated approach to the realization of policies and the priority allocation of resources towards measures and actions contributing to the realization of the necessary sectoral policies and reforms. The utilization of integrated approach and the quest of synergies between the different programmes and sources of financing are cornerstones for the success of the reforms supported by the EU funds. Basing its opinion on the experience gained in the present programming period, CEAOEF considers that the integrated approach has proved its effectiveness and has to be further developed and applied widely by the member-states after 2013.
10. CEAOEF encourages the European Commission to make a follow up assessment on the impact of the adopted legislative package for the entrepreneurs, the work of the administrations and the EU budget (incl. its effect on the error rates).
11. CEAOEF welcomes the elaboration of common rules that would create equal opportunities for the beneficiaries of the European funds from all the member states. In that regard, CEAOEF supports the approach adopted by the European Commission to implement the MFF by special legal proposals – regulations that would build a common legal framework and equal rights and obligations for all beneficiaries. At the same time, CEAOEF considers it necessary that the process of elaboration of delegated acts and act for the implementation of regulations by the European Commission is transparent and is performed in coordination with the European Parliament and the member states.
12. CEAOEF draws the attention of the Commission that a cautious approach is necessary at removing pre-financing guarantees, as this might result in “loose” financial discipline of the beneficiaries;

13. CEAOEF expresses its reservations about the proposal for unification of the PROGRESS Programme, the EURES Network and the European Progress Microfinance Facility as these are programmes with entirely different management structures which are oriented towards different targeted-groups. Therefore, the unification of the programs would rather make their implementation more difficult for the beneficiaries and their management more complicated for the managing authorities on both national and European level.