

## **SIMPLIFICATION HANDBOOK**

### **74 simplification measures in cohesion policy 2021-27**

Number	Simplification	Description	Legal reference (article)
<i>I. Legal framework – A shorter, unified legal framework providing certainty from the start</i>			
1	<b>Single rulebook for 8 shared management funds</b>	For the first time, 8 shared management funds are covered in a single framework. This simple, yet comprehensive rulebook provides aligned implementation rules for all.	<a href="#">Recital 2 - CPR</a>
2	<b>User-friendly CPR</b>	Legislative structure: the structure of the CPR is changed to make it easier to understand  Many provisions are either cut, incorporated in the main body of the legislative text or in annexes. Overlaps and repetitions have been rationalised to create a single comprehensive framework.	<a href="#">CPR and its annexes</a>
3	<b>A common CF and ERDF regulation,  The merging of 3 funds to create ESF+</b>	Simpler, shorter and just one regulation (rather than two).  The merger of ESF, FEAD and YEI will result in increased visibility and readability of EU action in the employment and social areas. It will also facilitate combination of social inclusion and activation measures, whilst ensuring that simpler rules for addressing material deprivation are maintained.	<a href="#">ERDF/CF</a>  <a href="#">ESF+</a>
4	<b>(Almost) all rules in one place, at one time</b>	The number of empowerments is significantly reduced. Empowerments regulate operational details in implementing or delegated regulations, but are only elaborated after the entry into force of the CPR. This change therefore increases legal certainty and reduces potential delay.  There were more than 50 empowerments in 2014-2020; we have 4 for 2021-2027 (not counting Commission implementing decisions).	DA - Articles <a href="#">79(4)</a> , <a href="#">94(4)</a> , <a href="#">95(4)</a> , <a href="#">113</a> CPR

5	<b>More certainty regarding transition - clarity on phasing</b>	<p>Explicit provisions are introduced for phasing of operations between programme periods.</p> <p>These provisions give new legal certainty and predictability to managing authorities and Member States. The result: it is simpler and less risky to start projects towards the end of the period.</p>	<a href="#">Art. 118</a> CPR
6	<b>Common templates available upfront</b>	The annexes contain templates commonly used by the funds. This will help speed up implementation as all elements relevant for programming and start of implementation are known upfront.	<a href="#">Annexes II, V-VII, XIV-XX</a> CPR
7	<b>Key provisions, shorter and simpler text</b>	The number of words in the regulation is significantly reduced by almost 50%. Simpler, clearer wording is used throughout.	<a href="#">CPR</a> , <a href="#">ERDF/CF</a> , <a href="#">ESF+</a>
<b>II. Policy framework – A streamlined framework for easier programming</b>			
8	<b>Shorter menu, more flexibility</b>	<p>11 thematic objectives in 2014-2020 are consolidated into 5 policy objectives. Broader policy objectives are simpler for reporting and allow Member States to be more flexible in shifting funds within a priority.</p> <p>Reduced number of specific objectives too.</p>	<a href="#">Art. 5</a> CPR <a href="#">Art. 2, 3</a> ERDF/CF <a href="#">Art. 3, 4</a> ESF+
9	<b>Administrative capacity integrated with sectoral objectives</b>	Investments in administrative capacity can now be delivered under each policy objective instead of needing a separate policy objective (cf. TO11 in 2014-2020).	<a href="#">Art. 3</a> ERDF/CF
10	<b>Simpler wording for policy objectives</b>	Policy objectives (and specific objectives) set out objectives instead of a long description of elements, means and details of possible actions.	<a href="#">Art. 5</a> CPR <a href="#">Art. 2, 3</a> ERDF/CF

			Art. <a href="#">3</a> , <a href="#">4</a> ESF+
<b>III. Conditions – Fewer, strategic requirements to increase policy effectiveness</b>			
<b>11</b>	<b>Fewer enabling conditions</b>	20 conditions instead of almost 40 in 2014-2020.  Conditions are tightly focused on the policy areas with the most impact on the effectiveness of cohesion policy. They do not cover existing legal obligations. Moreover they do not cover areas where other means (such as programming priorities, project eligibility criteria or administrative capacity measures) are more appropriate.	Annexes <a href="#">III</a> , <a href="#">IV</a> CPR
<b>12</b>	<b>Fewer and clearer fulfilment criteria</b>	Criteria are fewer, clearer, more tangible and easier to measure.	Annexes <a href="#">III</a> , <a href="#">IV</a> CPR
<b>13</b>	<b>Automatic applicability</b>	There is no need for assessing whether an enabling condition is applicable or not (with the exception of the condition on the priority action framework)– if the corresponding specific objective is chosen, it applies.	Art. <a href="#">15</a> CPR
<b>14</b>	<b>Obligation for action plans discontinued</b>	Conditions are set from the beginning of the programming period. There is no obligation for defining and submitting action plans if conditions are not fulfilled at the beginning of the programme – the conditions are themselves the basis for action. This should shift focus to implementation rather than reporting, and decrease the administrative burden.	Art. <a href="#">15</a> CPR
<b>15</b>	<b>No verification of additionality</b>	This technical exercise consisted of detailed calculations and corresponding guidance. It involved considerable resources on both the Member States' and the Commission's side and is now discontinued.	No provision
<b>IV. Faster and more strategic programming – For a quick and simple start to implementation</b>			
<b>16</b>	<b>One less layer in the process</b>	No more Common Strategic Framework – one less layer in the programming exercise.	No provision

17	<b>One strategic document per Member State to guide the negotiations</b>	The Partnership Agreement (PA) is a single strategic document covering 7 shared management funds at national level and setting out coordination arrangements between these and other EU instruments. Fewer details, less description, more structured data.	<a href="#">Art. 10</a> CPR
18	<b>Clarity from the moment of adoption of the Commission proposal</b>	Templates for PA and programmes, types of intervention, climate change earmarking, indicators are all annexed to the proposals. This gives more clarity and time to prepare programmes in a format ready for submission.	Annexes <a href="#">I</a> , <a href="#">II</a> CPR and <a href="#">I</a> and <a href="#">II</a> ERDF
19	<b>Less text, more focus in the PA</b>	Only key information is required in the PA – and in structured form.	Art. <a href="#">10</a> , <a href="#">11</a> CPR
20	<b>No overlaps between PA and programmes</b>	No overlaps between the content of PA and programmes (for example, enabling conditions or analysis to be provided only in programmes, not in the PA).	Art. <a href="#">11</a> , <a href="#">17</a> CPR and Annexes <a href="#">II</a> , <a href="#">V</a> , <a href="#">VI</a>
21	<b>Two processes, one submission</b>	PA can be submitted together with relevant annual National Reform Programme (if timing is appropriate).	<a href="#">Art. 10(4)</a> CPR
22	<b>Reduced document burden</b>	The PA can be included within the first programme submitted.	<a href="#">Art. 10(3)</a> CPR
23	<b>Shorter, better structured programmes</b>	The text of programmes will be “lighter”, focusing on the achievement of objectives and allocations per fund. Information is required only one time in practical context - lengthy repetitive descriptions can be avoided.	<a href="#">Art. 16</a> CPR and Annexes <a href="#">V</a> and <a href="#">VI</a>
24	<b>Streamlined intervention logic</b>	The intervention logic will be focused on broad policy objectives and specific objectives. All indicators and types of intervention are at one level – specific objective only (not spread between priorities and specific objectives as in the past).	<a href="#">Art. 16</a> CPR
25	<b>No Commission decision for non-substantial financial transfers within</b>	There is greater flexibility in making smaller financial adjustments to a programme – transferring up to 8% of a priority's financial allocation within the same Fund and programme (with an overall ceiling of 4% of programme	<a href="#">Art. 24(5)</a> CPR

	<b>a programme</b>	allocation) does not require programme modification.	
26	<b>Minor changes and corrections do not require a Commission decision</b>	Changes to programme authorities and clerical and editorial changes can now be made directly by Member States.	<a href="#">Art. 24(6)</a> CPR
27	<b>Encouraging the use of simplified cost options from the start</b>	Special templates attached to the programme model in CPR which can (as an option) make discussion of SCOs part of the programming. This should also result in easier and wider use of these options. There is no need for a separate decision as it is incorporated in the programming decision. The use of SCOs could reduce the total administrative costs by some 25%.	<a href="#">Art. 94</a> CPR Annex <a href="#">V</a> , <a href="#">VI</a> CPR
28	<b>Encouraging the use of financing not linked to costs</b>	Special templates attached to the programme model in CPR which facilitate the use of financing not linked to costs. This should also result in easier and wider use of this option.	<a href="#">Art. 95</a> CPR Annex <a href="#">V</a> , <a href="#">VI</a> CPR
<b><i>V. Territorial tools – Simpler design tailored to local situations</i></b>			
29	<b>A dedicated policy objective – building on the 2014-2020 tools</b>	Existing programming and implementation structures can be continued, including the Community-led Local Development (CLLD) and Integrated Territorial Investments (ITIs) established in 2014-2020.  Choosing a single dedicated policy objective means fewer specific objectives and simplicity in using indicators. Territorial tools used under PO5 can combine activities financed under all other policy objectives – enabling a genuinely multi-sectorial integrated approach tailored to the local context.	Art. <a href="#">5(1)(e)</a> , <a href="#">28-34</a> CPR  Art. <a href="#">9</a> , <a href="#">10</a> , <a href="#">11</a> ERDF/CF
30	<b>Clarity on requirements, simpler wording</b>	Much shorter provisions on CLLD and ITI. Key requirements are identified in the regulations, national territorial tools are recognised.	Art. <a href="#">28-34</a> CPR  Art. <a href="#">9</a> , <a href="#">10</a> , <a href="#">11</a> ERDF/CF

31	<b>Building on national tools that work</b>	For the first time, existing territorial tools in the Member States can be used and count towards the 6% target for sustainable urban development.	Art. <a href="#">28(c)</a> CPR
32	<b>Same rules for all territorial tools</b>	Common approach to all territorial tools, covering different territories with a defined minimum set of requirements for territorial strategies.	Art. <a href="#">28-29</a> CPR
33	<b>Clarity on status of local authorities</b>	Simpler rules on the status of local authorities, clarification of when "intermediate body" status is needed.	Art. <a href="#">29(5)</a> CPR
34	<b>Clear goal for sustainable urban development with more flexibility</b>	Earmarking counts all interventions under all territorial tools focused on urban areas.	Art. <a href="#">11</a> ERDF
35	<b>Multiple funds - one set of rules for CLLDs</b>	When using a CLLD, it is now possible to nominate a "lead" fund and apply only the rules of that fund .	Art. <a href="#">31(4-6)</a> CPR
36	<b>A coherent approach for the cities</b>	A single instrument, the European Urban Initiative, will replace several different instruments and initiatives in the area of urban policy.	Art. <a href="#">12</a> ERDF/CF
37	<b>Simpler structure for meeting the 8% target</b>	CLLDs, ITIs and amounts programmed under PO5 all count towards the target.	Art. <a href="#">28</a> CPR Art. <a href="#">11</a> ERDF
<b><i>VI. Simpler implementation – Faster and simpler delivery of results</i></b>			
38	<b>No specific rules and procedure for major projects</b>	The major project process is discontinued: Commission approval will not be necessary for any particular projects.	
39	<b>No specific rules for revenue generating projects beyond State aid</b>	Specific rules on revenue generating investments are no longer part of the legal framework (although of course, Member States should comply with State aid rules). This measure is expected to reduce total	

	<b>rules</b>	administrative costs by some 1%.	
<b>40</b>	<b>Extended use of simplified cost options ("SCOs")</b>	<p>Instead of reimbursing actual expenditure based on invoices, payment will increasingly be based on flat-rate reimbursement, unit costs or lump sums.</p> <p>SCOs are further encouraged by simplifying rules and calculation methods, providing more off-the-shelf options and making them compulsory for operations of small amounts.</p> <p>SCOs not only reduce bureaucracy linked to verifications, they also reduce the risk of errors.</p>	Art. <a href="#">53-56</a> CPR
<b>41</b>	<b>A new option: financing not linked to costs / moving away from invoices</b>	<p>Payments from the Commission to the Member State or region conditional on the achievement of pre-agreed results/outputs or completion of policy actions or processes. This option is the continuation of the "payments based on conditions" introduced in the Omnibus. It represents a radical simplification in implementation as it changes the focus from costs, reimbursement and checks linked to individual projects to tracking deliverables and results for the projects, a group of projects or schemes.</p>	Art. <a href="#">51</a> CPR
<b>42</b>	<b>Technical assistance reimbursed in line with implementation progress</b>	<p>Technical assistance may be reimbursed in proportion to progress in implementation, using a flat-rate. In the case of the ERDF and Cohesion Fund, reimbursement from the Commission will be topped up by a flat rate of respectively 3,5% and 2.5% to cover technical assistance, and in the case of the ESF+ it will be 4% (5% for the material deprivation programme).</p> <p>In addition, Member States or regions may undertake additional technical assistance actions in order to further reinforce capacity of the</p>	<p>Art. <a href="#">36</a> CPR</p> <p>Art. <a href="#">37</a> CPR</p>



		national, regional and local authorities as well as beneficiaries.	
43	<b>VAT eligibility</b>	Clearer, simpler rules on VAT eligibility – full eligibility for projects below EUR 5 million, eligibility also for project above EUR 5 million where it is non-recoverable under national VAT legislation.. No grey areas of recoverability/deductibility.	Art. <a href="#">64(1)</a> CPR
44	<b>Expenditure and projects outside the Member State</b>	Projects may be implemented outside the Member State – and outside the Union – provided they contribute to the objectives of the programme.	Art. <a href="#">63(4)</a> CPR
45	<b>Expenditure calculations where projects cover different categories of region</b>	For ERDF, a simplified, pro rata approach to the use of funding is proposed to help implementation and administration of projects in different categories of region. This will particularly help projects which cover an entire Member State.  For ESF+ the condition is that operations are for the benefit of the programme. Member States are thus free to allocate the expenditure entirely to one of the categories of region in a priority or they can use a pro rata, if the programme covers more than one category of region.	Art. <a href="#">63(3)</a> CPR
46	<b>Straightforward transfer system among Funds and instruments</b>	A flexible, simple transfer mechanism to enable effective support where it is required. Complex issues arising from combination of funding may be avoided – a single set of rules apply (those of the receiving fund or instrument).	Art. <a href="#">26</a> CPR
47	<b>"Seal of Excellence" concept: applied integration of EU instruments</b>	Projects which, due to lack of available funding under a centrally managed instrument, cannot be supported (notably Horizon Europe, LIFE+ or ERASMUS+), may be picked up by the managing authority and funded under the same conditions (including the same State aid regime) as the projects supported by the corresponding Union instrument. For such projects, there is no need to organise another call	Art. <a href="#">73(4)</a> CPR

		for proposals or a selection process.	
<b>VII. Management, control and audit – Simpler and proportionate system with high reliance on national systems</b>			
<b>48</b>	<b>Designation procedure discontinued</b>	<p>Simplified "designation" of authorities. For post-2020, systems would largely be "rolled over" to the next programming period, without requirement for programmes to undergo a new designation process.</p> <p>Assurance would still be obtained by early systems audits. Rollover is expected to contribute to a speedier start of the next programming period.</p>	Art. <a href="#">78(1)</a> CPR
<b>49</b>	<b>Reducing the number of verifications</b>	<p>A more proportionate approach to management checks by making management verifications risk-based, instead of covering 100% of operations.</p> <p>This is an important reduction of the control burden, reducing total administrative costs by 2-3% for cohesion policy funds.</p>	Art. <a href="#">74(2)</a> CPR
<b>50</b>	<b>A more proportionate approach to audits</b>	<p>Simpler audit requirements and fewer burdens for programmes with good track record and proper functioning of the management and control systems. The selection of "low-risk" programmes is based on objective criteria.</p> <p>The number of audits covering territorial cooperation programmes will be drastically reduced, by introducing a common audit sample for ETC programmes (to be drawn by the Commission).</p>	Art. <a href="#">83-85</a> CPR
<b>51</b>	<b>Single audit arrangements</b>	The Commission will audit only the audit authority if its opinion is reliable and the Member State is part of the collaboration with the European Public Prosecutor's Office.	Art. <a href="#">80</a> CPR

		ERDF and Cohesion Fund projects below EUR 400.000 eligible cost and ESF projects below EUR 300.000 will be audited once only prior to completion. Other projects only once per accounting year.	
52	<b>Simplified acceptance of accounts</b>	Expenditure in the accounts is cleared by Member State audit authorities. No obligation to submit "zero accounts" when no payment claims are submitted in a given accounting year.	Art. <a href="#">98-102</a> CPR
53	<b>Simpler template for accounts and payment application</b>	Less information is required for accounts and payment applications – expected for payments concerned by the enabling conditions on priority action framework and state aid advances	Annexes <a href="#">XXIII-XXIV</a> CPR
54	<b>Clear document retention period for beneficiaries</b>	A simpler and clearer rule about the starting point and length of document retention. Documents will need to be kept over a five-year period starting from the end of the year where the managing authority makes the last payment to the beneficiary.	Art. <a href="#">82</a> CPR
<b>VIII. Financial instruments (FIs) – simpler and less detailed provisions</b>			
55	<b>FIs better integrated into programming process</b>	Provisions on financial instruments are better integrated into the programming and implementation process from the outset.	across <a href="#">CPR</a>
56	<b>Better integrated ex-ante assessment containing fewer elements</b>	The number of elements covered in an ex-ante assessment has been reduced to make the focus more strategic. Existing ex-ante assessments may be reviewed and updated leading to a quicker launch of the FI. The assessment of market failures, investment needs and complementarity with other forms of support are part of the needs analysis in the programmes.	Art. <a href="#">22(3)</a> , <a href="#">58(3)</a> CPR
57	<b>Contribution to InvestEU – combining</b>	Managing authorities may decide at PA stage to contribute to InvestEU and have their FIs implemented through the four policy windows thus	Art. <a href="#">14</a> CPR

	<b>EU resources under one set of rules</b>	benefitting from an EU-level budgetary guarantee mechanism: increased leverage, better complementarity, increased coverage of risks, higher economies of scale, lower administrative burden, simplified accountability framework. Applicable rules are those of InvestEU – no more complexity arising from multiple rulebooks.	
58	<b>More flexible combination of grants with financial instruments</b>	Grant aid can often be a key enabling factor for an FI investment. In 2014-20, this required two separate operations. Now it will be possible to combine grants and FIs as a single operation following the rules of an FI operation.  Bodies providing FIs will also be allowed to provide grants (both investment grants and grants to support the preparation of investments)	Art. <a href="#">58(5)</a> CPR
59	<b>Simpler rules on management costs and fees</b>	Rules on management costs and fees have been simplified while keeping them performance based to encourage efficient management.	Art. <a href="#">68(3)</a> CPR
60	<b>Streamlined payment applications</b>	The rules on payments have been considerably simplified while maintaining the all-important link between payments to financial instruments and the corresponding disbursements to final recipients.	Art. <a href="#">91-92</a> CPR
61	<b>Clearer rules on fund recycling</b>	The rules on re-use of returning money have been made simpler and clearer. This enables a smoother flow and transition from one programming period to the next.	Art. <a href="#">62</a> CPR
62	<b>One reporting system for all forms of finance</b>	Various reporting streams will be integrated, and there will no longer be specific reporting on individual FIs. FIs are just one delivery tool among others to reach programme objectives, and so can be part of general reporting and monitoring.	Art. <a href="#">42</a> CPR
63	<b>A simplified assurance system for grants and FIs</b>	The simplified overall audit system integrates grant and FI operations,	Art. <a href="#">81</a> CPR

		as well as giving increased clarity on FI audits.	
<b><i>IX. Monitoring and evaluation – More frequent but lighter reporting, streamlined provisions</i></b>			
<b>64</b>	<b>No obligation to conduct an ex ante evaluation</b>	The ex ante evaluation of future programmes is an option instead of being an obligation.	
<b>65</b>	<b>Real time reporting instead of annual reports</b>	<p>Frequent electronic data transmission of the most up-to-date information and data will feed into the Open Data Platform.</p> <p>The administrative burden linked to monitoring and reporting will be radically reduced, while the policy dialogue between the key partners – the Commission, the Member States and the monitoring committee – will be better structured, more transparent and focused on resolving any implementation issues. Annual implementation reports and progress reports are discontinued.</p>	<p>Art. <a href="#">42</a> CPR</p> <p>Art. <a href="#">40</a> and <a href="#">41</a> CPR</p>
<b>66</b>	<b>Single set of indicators; higher coverage by common indicators</b>	<p>For the future all indicators used in the programmes will be part of the performance framework. The common output and result indicators proposed will cover a high share of programme interventions – no obligation to have programme specific indicators.</p> <p>For ESF+ : reduced number of indicators for general ESF+ support, use of registers when data is available in registers, use of informed estimates by beneficiaries for certain indicators, reporting on results indicators which are relevant for the operation</p>	<p>Art. <a href="#">16-17</a> CPR</p> <p>Art. <a href="#">8</a> ERDF</p> <p>Art. <a href="#">17</a> ESF+ and <a href="#">Annex I</a> ESF+</p>
<b><i>X. Interreg – A single integrated regulatory framework tailored to the specific cooperation context</i></b>			
<b>67</b>	<b>More user-friendly, comprehensive</b>	Whole articles/chapters have been transferred from the CPR to the ETC Regulation. This makes the interreg legislation more comprehensive	<a href="#">ETC (Interreg) Regulation</a>

	<b>legislative act</b>	and the elements easier to follow.	
<b>68</b>	<b>A more proportionate approach to audits for Interreg</b>	Given the generally lower error rates found for ETC programmes, the number of audits covering territorial cooperation programmes will be drastically reduced, by introducing a common audit sample for Interreg programmes. A number of Interreg programmes will therefore see their audit work considerably reduced.	Art. <a href="#">49(1)</a> ETC (Interreg) regulation
<b>69</b>	<b>Incorporation of the co-operation outside the EU</b>	Co-operation with countries other than EU Member States is fully integrated into the five components of the Interreg regulation, thus providing a comprehensive framework for cooperation at internal and external borders.	<a href="#">ETC (Interreg) Regulation</a>
<b>70</b>	<b>Interreg – a single brand</b>	A simple name with a single brand for all strands and initiatives to promote cooperation in Europe.	Art. <a href="#">1</a> Interreg and throughout
<b>71</b>	<b>Interreg eligibility rules in one place</b>	Interreg-specific eligibility rules have been transferred from a separate Delegated Act into the ETC Regulation and are therefore clarified upfront.	Art. <a href="#">37-44</a> ETC
<b>72</b>	<b>Deletion of expenditure limit for spending outside the programme area</b>	The deletion of expenditure limits for spending outside the programme area removes an important rigidity from the system and promotes simpler and more flexible cooperation arrangements.	Art. <a href="#">63(4)</a> CPR and Article <a href="#">22(1)</a> ETC (Interreg)
<b>73</b>	<b>Small project funds</b>	Simple implementation arrangements for selecting smaller projects as long as the overall volume of the small project fund does not exceed EUR 20 million or 20% of the programme. There is no requirement to become an intermediate body for this purpose and legal certainty has increased. Projects under the SPF are defined as "small projects", the actors implementing them are "final recipients" and not beneficiaries,	<a href="#">Art. 25</a> ETC

		thus reducing their administrative burden. Obligatory use of SCO's is further reducing the administrative and control burden for the final recipients.	
<b>74</b>	<b>Simplified Review</b>	The review of ETC (Interreg) programmes can be conducted at a time that best fits – no obligation to be annual nor to be organised in the form of a meeting.	Article <a href="#">31</a> ETC (Interreg)