Update on the activities of the High Level Group on Monitoring Simplification for Beneficiaries of the ESI Funds

5th ESIF Structured Dialogue
15 November 2016
Krzysztof Kasprzyk
Directorate General Regional and Urban Policy
Working method

- Chaired by former VP of the Commission, Siim Kallas; 12 members participating at their individual capacity, with experience from the management and beneficiary side, for all ESI Funds
- Rapporteurs chosen for each specific topic; stakeholders invited for the meetings
- Specific recommendations of non-legislative and legislative nature; REFIT platform referrals taken into account;
- Each report includes recommendations for 2014-2020 and for post-2020, addressed to the Commission and Member States
- Reports, presentations, action points on the HLG website
State of play

- 4 reports finalised since first meeting in October 2015:
  - E-governance
  - Simplified costs options
  - Access to EU funding for SMEs
  - Financial instruments
- Report on gold-plating almost finalised
- Forthcoming discussion on cross-cutting audit issues
- Many legislative recommendations included in « the omnibus »
Response of the Commission

- Significant part of the High Level Group’s legislative recommendations which could be taken into account were included in the « omnibus » proposal adopted on 14 September.

- The Commission explained to the HLG group members the reasons why some recommendation were not included in the legislative proposal.

- Forthcoming discussion on the Commission’s non-legislative response, but many suggestions (e.g. best practices identified which show that with the current rules it is possible to have a simple system) already promoted, including during European Days of Regions and Cities.
Revision of Financial Regulation incl. "Omnibus" Regulation

- Adopted as part of MTR package on 14 September 2016
- Focus of suggested changes for ESI Funds:
  - Reducing administrative burden for beneficiaries
  - Improving synergies with other EU instruments
  - Streamlining financial instruments
  - Increasing flexibility for investments in Member States
- Proposals take account of first recommendations by HLG monitoring simplification
Reducing the administrative burden for beneficiaries - SCOs

Most proposals follow recommendations from the HLG:

- Removal of upper limit for lump sums
- Compulsory use of SCOs for ERDF and ESF where public support does not exceed EUR 100,000, as a general rule
- Extension of ETC/EFS specific flat rates to all ESIF
- Use of draft budgets as an additional methodology
- Possibility for financing based on fulfilment of conditions related to progress in implementation
- Possibility for COM to adopt delegated acts for definition of SCOs and related methods

Also: simplification of Joint Action Plans
Improving synergies with other EU instruments, financial instruments

- EFSI-ESIF complementarity (2 options for ESIF-EFSI combination)
- Provisions allowing expenditure to be reimbursed from different ESI Funds and Union instruments on a pro rata basis
- New possibility to directly award contracts for FI implementation to publicly owned banks meeting certain criteria
- Extension of SME initiative over the whole eligibility period and some related changes
- Clarification of possibility for replacement of individual irregular expenditure in Fis
- Procedures for negative interest
- Other simplification (reporting duplication, EIB/EIF audit)
Flexibility

- Migration and asylum highlighted as horizontal priority for all ESIF, dedicated investment priority, specific indicators in ERDF
- Possibility to transfer resources allocated under shared implementation to other EU instruments under direct or indirect management or to enhance the risk bearing capacity of the EFSI
- Streamlining of procedures for the amendment of the partnership agreement
- Removal of the reference to "small scale" in relation to the possibility of ERDF financing cultural and sustainable tourism infrastructure
- Eligibility of technical assistance for all 5 ESI Funds
Other changes

- Reporting on the common indicators on the household situation: only twice on the basis of a representative sample
- Net revenue generating operations: extended possibilities, including national flat rates and EMFF operations exempted retroactively
- Faster declaration of expenditure when IQR used
- Inclusion of natural persons as beneficiaries of cohesion policy support
- No European Council endorsement required for macroregional strategies
- Additional possibilities for the implementation of operations covering different programme areas
- Provision of legal certainty on the use of electronic documents
- A few other smaller changes
Next steps

• Continued monitoring of implementation of the non-legislative proposals

• Discussion on post-2020 period, including consideration of potentially more radical changes to the implementation system: the work plan will be accelerated so the main recommendations are known before mid-2017

• Some issues already identified in the discussion include:
  • justification for differentiated approach and criteria to be used
  • Number and nature of guidelines
  • reducing delays in the beginning of the period
Thank you!