

**1st MEETING of the High Level Expert Group
on Monitoring Simplification for Beneficiaries of ESI Funds**

20 October 2015

Note and Actions Points

1. Opening remarks from Chairperson

The Chairperson's opening remarks focused on the political importance of the funds and the need to use the money without errors. He stressed that whatever the group could do to simplify the funds would be a good outcome and encouraged the members to be innovative, radical and committed. His remarks were followed by a roundtable of the members who introduced themselves and explained the relevance of their backgrounds to the work of the group.

2. Adoption of work programme and rules of procedure

The Secretariat presented the draft rules of procedure and explained they were based on the standard rules for Commission expert groups. The rules were adopted by the group by consensus.

The Chairperson presented the draft work programme for the mandate of the group. He explained that the meetings would be organised thematically and for each theme there would be a conclusions and recommendations paper that would be published on an ongoing basis. He also introduced the idea that for each topic of the work programme, a member of the group would be designated as "rapporteur" and would work with the Secretariat to develop the agenda for theme and would present the conclusions and recommendations to the rest of the group.

The members of the group welcomed the approach of the draft work programme and agreed that they should designate rapporteurs for each theme. It was agreed that Terri Thomas would be rapporteur for e-Cohesion, Louis Vervloet for simplified costs, Pawel Chorąży and Anna Lisa Boni would cover gold plating from the points of view of managing authorities and local governments respectively. Members were asked to contact the Secretariat to indicate the other topics they would be interested in covering. They also asked that the topics of financial instruments, state aid, public procurement, ITIs and JAPs be incorporated into the programme. Finally, after some discussion about the need to be clear on the short term and longer term outcomes and deliverables for each topic, it was agreed to discuss the conclusions and recommendations format at the next meeting.

The Secretariat also briefly introduced the design of an interactive platform proposed to support the work of the group and provide an online community for discussion on simplification. The group endorsed the approach and asked the Secretariat to take the work forward and launch the platform in November 2015.

Action points:

- *Members to advise the Secretariat of the topics for which they would like to be rapporteur before 13 November.*
- *Secretariat to prepare revised work programme for approval at the next meeting; and,*
- *Secretariat to provide outline for conclusions and recommendations reports for discussion at the next meeting.*

- *Secretariat to develop the interactive platform and launch in November 2015.*

3. Welcome by the Commission

Commission Vice President responsible for Budget and Human Resources, Kristalina Georgieva welcomed the members of the group and explained that the Commission had identified simplification as a horizontal issue for the network of commissioners for the EU Budget focused on Results. She expected the group not only to expand and deepen simplification in this period but also to help shape the next MFF in a way that is radically different. The MFF review scheduled for 2016 was mentioned as an opportune moment to introduce changes.

Commissioner for Employment, Social Affairs, Skills and Labour Mobility, Marianne Thyssen, followed by saying that the European Social Fund was a key tool for building trust in the EU project and all the more vital in a period of national belt tightening. It was important to dismantle unnecessary barriers to the funds and simplified costs could hold the key in delivering the funds and reducing the error rate.

Commissioner for Regional Policy, Corina Crețu concluded the welcome by the Commission stressing that the aim of the group was to help Member States and regions to fully exploit the possibilities for simplification and reduce the administrative burden on beneficiaries. She counted on the group to help find solutions for the future as well as the current period.

The Chairperson thanked the Commissioners for their welcome and reiterated that the group wanted to make concrete proposals and would need their political support for the future.

4. Presentation on ESI Funds and simplification measures

Walter Deffaa, Director General for Regional and Urban Policy presented to the group an overview of the challenges and opportunities for the ESI Funds for 2014-20 in terms of simplifying the access to the funding for beneficiaries. He was joined by high level representatives of the other Directorates-General responsible for ESI Funds who explained some of the most important measures for simplification for their funds.

During the exchange of views with the members of the group, the members considered that the areas of audit, the possibility to extend the single audit principle and a more risk based approach; the reluctance of some authorities to adopt simplified cost options and JAPs; and, the conflict between focusing on results and compliance, would require further reflection as they were the most challenging.

5. Panel 1 - EU Institutions

Representatives of the EU Institutions joined the group for the first discussion panel to present the key issues for simplification from their perspective. The members of the panel were:

- François Bausch, Minister for Sustainable Development and Infrastructure in Luxembourg, current Presidency of the Council of Ministers;
- Markku Markkula, President of the Committee of the Regions;
- Joachim Zeller MEP, Vice President of the European Parliament's Committee for Regional Affairs;
- Joost van Iersel, President for the Section for Economic and Monetary Union and Economic and Social Cohesion (ECO), European Economic and Social Committee; and,
- Ladislav Balko, Member of the European Court of Auditors

The institutions generally welcomed the creation of the high level group and shared concern about the complexity of the rules and the negative impact it had on the funds. The main messages they conveyed to the group focused on tackling the barriers to accessing funding caused by gold plating or overly strict national interpretation of national rules; risk averse authorities who lack confidence to use the new tools and simplification measures; proportionality in terms of control of the funds relative to both the amount of funding, geographical coverage and the objectives; preoccupation with compliance over results; and the challenges of other EU rules such as public procurement and state aid in the context of the implementation of the funds.

6. Panel 2 – Stakeholders

The final session of the meeting consisted of a panel of stakeholders of the ESI Funds to explain the key issues for simplification from their perspective. The panel members were:

- Nicolas Brookes, Director of the Conference of peripheral and Maritime Regions (CPMR);
- Muriel Attané, Secretary-General of the European Association of Research and Technology Organisations (EARTO);
- Paulo Gouveia, Director of COPA COGECA;
- Jens Gabbe, Chairman of the Advisory Committee of the Association of European Border Regions (AEBR); and,
- Wouter Kerkhove, Network of Public Employment Services.

The stakeholders generally recognised that the new measures for the 2014-20 period, such as simplified cost options, could bring much needed simplification but also noted that in many cases programme authorities were risk averse concerning new tools.

The main challenges identified by the stakeholders were the lack of co-ordination between the ESI Funds, which still had significant differences in their rules, and other EU funds such as Horizon 2020 who have a lighter touch approach in some case; Gold plating and the lack of trust between the different layers of management and control; the conflict between results and compliance with the focus of many authorities on the control side, often as a result of Commission and ECA audit; and proportionality.

7. Close of the meeting

The Chairman closed the meeting and advised that the group would meet again on 1 December 2015 in Brussels to consider the themes of simplified cost options and e-governance.