

3rd MEETING OF THE THEMATIC NETWORK ON SIMPLIFICATION

Rome, Ministry of Labour and Social Policy, 6-7 July 2016

Minutes

IN BRIEF (text published on the Europa website)



Simplification of ESF management is one of the nine themes addressed by the ESF Transnational Platform in its Thematic Networks. Hosted by the Italian Ministry of Labour and Social Policy, the third meeting of the Network on simplification in Rome, on 6-7 July 2016, gathered participants mainly from Managing Authorities. With 20 Member States participating and 15 newcomers in Rome, the Network benefits from a tangible

interest among ESF professionals.

A key session was dedicated to **article 14(1) of the ESF Regulation**, which makes it possible for the European Commission to reimburse expenditure paid by Member States on the basis of standard scales of unit costs and lump sums defined in a delegated act agreed by the Commission. After reminding participants of the benefits of using such **simplified cost options**, DG EMPL representatives answered participants' questions about the practical aspects of their implementation (in particular, time needed for application, impact on audit and calculation methodologies). At the initiative of the Czech participants, the group is mapping how the simplified cost options are used in the different Member States.

Following up the Commission's proposal to set up some **EU-level standard cost options**, to be used by Managing Authorities on a voluntary basis, the participants shared the first results of a survey exploring the areas in which such an initiative could be implemented, depending among other factors on the data available in different countries. DG EMPL presented an example based on figures in the education area. A common understanding of the areas and sub-areas should make it possible to go on with the exploration.

The Network also launched its work on three other aspects of simplification:

- Reporting obligations have greatly increased in the regulations for the current programming period. The situation with **indicators** is clearly perceived as problematic, so the group agreed to prepare a report describing the difficulties and possible solutions for the short and longer terms.
- Members of the Network were also invited to cooperate on **e-signatures**. They were inspired by a presentation of the paperless management of the ESF in Estonia.
- Last, the Finnish participant presented her country's strategy to improve ESF management thanks to enhanced legislation. The group will thus also work on **gold-plating** – meaning over-regulation, which often happens at national or regional levels.

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Reviewer(s): Toby JOHNSON - Luca SANTIN

The next meeting of the Network will be in Paris on 27-28 October 2016.

SHARED FILE REPOSITORY:

<https://drive.google.com/open?id=0B6vn2n4LHrcKSzRtLU1SRDVOQjA>

ACTION POINTS

- send the **expenses claim form**  with the original invoices and boarding passes/tickets to ESF Transnational Platform – AEIDL, 260 Chaussée Saint-Pierre, 1040 Bruxelles BELGIUM (contact point: Aleksandra KOWALSKA (ako@aeidl.eu)).

Reimbursement rules:

- **EU SCOs:** (to lucasantin@libero.it)
 - fill in the table by end of August (for new members of the Network)
 - comment by 15 Sept on the definitions that the EC is ready to take on (to be circulated by end of July)
- **Reporting and indicators:** fill in the template with proposals for short and longer term actions, by end August (to veerle.moens@wse.vlaanderen.be; lucasantin@libero.it)
- **Legal harmonisation and gold-plating:** fill in the template with main issues by end Sept (to jenni.hyvarinen@tem.fi, lucasantin@libero.it)
- **E-governance:** interested participants can send specific questions to inge.oopkaup@fin.ee
- **SCO practices:** fill in the template by end Sept (to iva.sotolarova@mpsv.cz; lucasantin@libero.it)

A detailed **workplan** with links to the relevant documents and templates is enclosed (see last page)

NEXT MEETING:

In Paris on 27-28 October 2016, hosted by the French Ministry for Work, Employment, Vocational Training and Social Dialogue.

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Agenda and participants:



AGENDA TN SIMPL
III MEETING - FINAL



List of Participants

(DAY 1)

1. WELCOME BY THE HOSTING MEMBER STATE

by Martina Rosato, Ministry of Labour and Social Policy, Italy

The Italian Ministry of Labour and Social Policy is proud to host this 3rd Meeting of the Simplification TN. The Thematic Network looks increasingly successful. Our work is concrete and we are pursuing a clear common goal: simplifying the management of the ESF for all parties.

2. AGENDA AND STATE OF THE ART OF THE THEMATIC NETWORK

2.1 Introducing the activities and objectives of the meeting

2.2 Brief update on what has been done so far in the Network

Louis VERVLOET, General Director in charge of the ESF at the Department of Work and Social Economy – BE, Flanders, who leads the TN, and Luca SANTIN, Thematic Expert of the TN, introduced the meeting.

With 23 Member States on board (3 being absent in Rome), the TN, which started last autumn with only 4, is still growing up. The meeting gathered more than 15 newcomers coming from 5 MSs. A stakeholder from the UK also joined. The European Commission is strongly supporting the network. Three officials from DG EMPL attended – Colin BYRNE and Michael GROSSE, policy officers in the unit F1 – ESF and FEAD: policy and legislation and Mark SCHELFHOUT, Head of the Unit G2 - Audit Shared Management I. Two members of the TN are also members in the High-Level Group on Simplification – namely Louis VERVLOET and Håkan FORSBERG. We are committed to hold working meetings, not seminars.

Luca SANTIN's presentation recapped what has been done so far:

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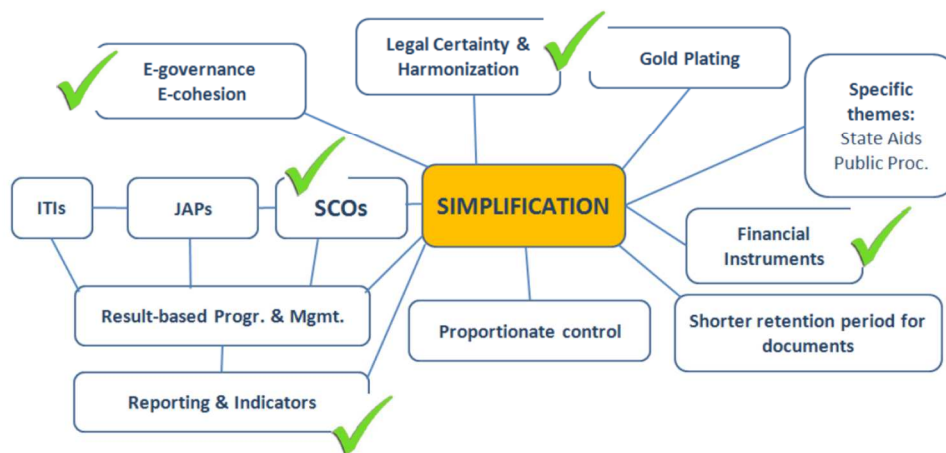
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Starting from simplified cost options, the TN will expand its work to a number of other aspects of simplification:

What topics and sub-themes

Simplified cost options is a key topic!

But “Simplification” means a lot more than just SCOs:



6

3. ART. 14(1) ESF REGULATION

3.1 OVERVIEW OF ART. 14(1) ESF REGULATION

- Presentation of Art. 14(1) mechanism (principles, provisions, procedures, effects)

Colin Byrne (DG EMPL – Unit F1 - SCO and JAP Team)

Article 14(1) ESF entitles:

- the Commission to define by delegated act standard scales of unit costs and lump sums,
- the MSs to apply their own accounting practices with the beneficiaries, while the costs are declared and reimbursed by the EC on the basis of the simplified costs stated in

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the delegated act (under the condition that they cover all the eligible expenditures of an operation)

Why MS should use art. 14(1) – Related Advantages

- **Reduced scope of financial audits:** limiting it to the activities/output/results on the basis of which the standard scale of unit costs or lump sum was calculated
- **Assurance on the calculation methodology:** ensures that the services of the Commission will not challenge the methodology used by the Member State for reimbursement of beneficiaries in the case of (or parts of) operations covered by the reimbursement under Article 14(1) ESF.
- **Applicable to more types of operations:** makes it possible to apply standard scale of unit costs and lump sums to more operations (even to those which have been 100% publicly procured or to projects which have been 100% procured and form part of another operation)
- **Increased flexibility:** allows MS to continue to apply their own accounting practices to support the operations on the ground (if the SCO covers all of the operations expenditures)
- **More focus on outputs and results**
- **Less errors**

The possibility given to a Managing Authority to claim a reimbursement from the Commission based on an SCO while continuing to use real costs in its relationship with a beneficiary may be considered as an incomplete simplification, but it could represent a valuable compromise.

Differently from SCO used in the framework of art. 67 CPR, with the use of art. 14(1) the calculation methodology is not subject to Audit by the Commission . All potential issues related to the calculation methodology are addressed and solved upfront within the development of the procedure.

Where the use of art. 14(1) creates more value added is when applied to large amounts of funding with simple outputs.

The explanations related to the French Youth Guarantee (first ever delegated act adopted by the EC, together with the one concerning Sweden) show how simple it was to calculate the unit cost and it is to prove the outcome of the operation.

It is highly recommended that Managing Authorities should start informal discussions with the Commission before formally submitting data. This will avoid mistakes and will save a lot of time. Once these data are agreed, at least 2 months will be needed for adoption. But once the SCO system has been agreed, there is reasonable certainty that it will remain unchanged (no change occurred throughout the four already adopted DAs). The EP and the Council benefit from an objection period – indeed, the EP objected in the case of the adoption of the original Delegated Regulation (for FR and SE), which slowed down the process, but did not object to the first amendment (covering BE and CZ), indicating a growing understanding of the procedure. An implementing act procedure would have had the benefit of being quicker because EP and Council cannot object, but going to the EP and Council gives additional

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backing. The entry into force is 20 days after publication in the Official Journal. At first sight, the process could be considered lengthy and burdensome, but the benefits of a DA are real.

How long is the adoption procedure of a DA? It depends on the will but also the quality of the data underlying the proposal. The EC will do its best to go as quickly as possible but on average it should be finished in less than one year. The duration was different for the ones already launched. The longest was with IT, which submitted a very complicated proposal, now agreed by DG EMPL and submitted to an internal inter-service consultation in the Commission. The Dutch and German ones were agreed in a matter of months with DG EMPL and are now subject to the same inter-service consultation.

3.2 Questions from the MSs

- **key questions and answers related to the uptake of Art.14(1)**

Legal certainty and Audits

- *Under art. 14(1) the audits will concern the activities/output/results on the basis of which the standard scale of unit costs or lump sum was calculated. How to deal with this in practice?*

Under art. 14(1) auditors will never challenge the calculation methodology nor they will audit the real costs incurred and paid by the beneficiaries. The audits will be concentrated on the content and results of the actions (in other terms, on the fulfilment of the underlying conditions on which the SCO system has been based). Thus it is extremely important to make sure that these conditions are unequivocal and clear to the beneficiaries and all stakeholders involved. The Commission suggests to develop a common understanding for all actors of the definitions for each indicator as early as possible in the process of setting up these simplified cost options.

- *What is the legal basis for stating that national authorities cannot check an SCO under art. 14(1)?*

The legal basis for the absence of financial audit is the empowerment for delegated act in Article 14.1 ESF. This clearly states that the financial audit will exclusively aim at verifying that the conditions for reimbursement are met. The Commission has made clear to national authorities that it need only audit operations under Article 14.1 on the same basis. Nevertheless, horizontal thematic audits remain possible. A thematic audit is not a performance audit but a system audit. If it reveals massive misuse or irregularities, it would entail financial corrections at the level of the system.

Timing

- *Can a delegated act (DA) be applied to operations already implemented and financed?*

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This would be possible. The “point of no return” is the submission of the final application for an interim payment for the corresponding accounting year (art. 135(2) CPR). MAs that are currently implementing programmes will be entitled to replace the existing expenditure (based on actual costs and/or SCO implemented under art. 67 CPR) by the expenditure agreed under 14(1) (based on certificates, diplomas, etc.) until 15 Feb 2018 (for programmes with no expenses submitted from 1 July 2015 to 30 June 2016). For Managing Authorities that have already sent their closure accounts, the deadline is Feb 2017.

Giant Leap – MS using its accounting practices to support the operation

- *What happens when the amounts reimbursed by the Commission to the MA and by the MA to the beneficiary differ?*

The solution depends on the national rules related to public accounts. The MA books a profit or a loss. However, the COM recommends that the same rate be used to reimburse the beneficiary as this ensures a win for all parties: the MA, the Commission and the beneficiaries. Notwithstanding this, it is understood this is not always possible and it was for this reason that the possibility to apply different practices was created.

When to use Art. 14(1)

- *How big should the amounts covered by operations be to be worth using a SCO?*

The Commission considers that €1m should be the minimum amount to be reimbursed. This minimum value is considered appropriate as the preparation process of a delegated act is resource intensive, for the both the COM and the national authority.

- *Besides a minimum size, what other conditions would suggest the use of Art. 14(1)?*

The use of Art. 14(1) should be considered particularly in the case of large and repetitive operations that can be expressed in standard terms, through clear and measurable indicators that can be easily defined and justified. As for any SCO system, a key precondition to set up SCOs under Art. 14(1) is the availability of a suitable calculation methodology, for example historical data. However the COM can be flexible in the methods applied.

Calculation

- *How should the unit costs be calculated?*

The Commission has no dogmatic approach; the objective is to devise a reliable and justifiable SCO in each particular situation. When no historical data are available, it is fully acceptable to provide only data from market research, administrative data or any other source providing objective information that could be verified. The Commission intends to be flexible, depending on the real situation.

- *What happens when some volunteers contribute to a project?*

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In case of voluntary work, the payment depends on whether voluntary work was taken into account in the SCO. When it deals with a SSUC based on historical data, very often costs related to voluntary work were included, since the Commission accepted that it is valued. The risk is when market surveys are used. In such a case, corrective factors have to be applied.

- *Are costs related to people who did not complete a training programme eligible?*

These costs could be considered, but it depends on what specific conditions are established to calculate (and therefore implement) the unit costs or lump sums. For example, in the BE example for 14.1, the total costs of the operation over two years were used – including the costs for those who did not complete the training.

Transferability

- *Can a SSUC already validated by a delegated act be applied to another Operational Programme?*

It would be theoretically possible for another authority to use existing 14.1 unit costs on the basis of Article 67. However, this should be used with care, since each DA corresponds to a specific situation in a given region or Member State. Additionally, as such a solution would be based on art. 67 CPR, the MA would be deprived of the protection given by art. 14(1).

It would be wiser for an authority to consider its own 14.1 request, perhaps using only the methodology used to develop the existing 14.1 SSUC, without the figures. The Commission has verified that all MAs which have engaged with the 14.1 process consent to sharing their 'templates' which contain the methodology and so these can be shared with other national or regional authorities.

Art. 14(1) and EU Level SCOs

- *What are the differences between SCOs designed under Art. 14(1) and potential EU Level SCOs?*

There are two main differences between potential EU Level SCOs and SCOs established under art. 14(1):

- **Scope:** Compared to the SCOs established under art. 14(1) (meant to be used by the single MS which has applied for the concerned procedure), EU Level SCOs would be established to cover specific types of areas/sub areas in all MS (provided that a sufficient amount of data is available to develop the calculation methodology).
- **Process:** for SCOs developed at EU level, MSs would not need to justify the amounts or the methodology in advance, as currently those MS which are developing 14.1 proposals need to do. This would remove one of the most time-consuming elements of developing MS-specific Article 14.1 proposals – the checking of the methodology and the data used by the MS.

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In any case, the adoption of EU Level SCOs would not preclude the possibility for a national or regional authority to apply for art. 14(1).

Technical assistance

- *Is it possible to use art. 14(1) for technical assistance?*

Yes, SCOs can be applied to technical assistance. NL has asked the Commission a delegated act for TA. An EU-level act could be useful, to avoid 28 applications with 28 different methods. However, it cannot take the form of a flat rate, which is excluded by the empowerment. .

External experts

- *How are external experts to be selected for defining a methodology for SSUCs?*

External experts involved in building a SSUC should have the capacity to read accounts and interpret them, and be familiar with the policy area related to the operations covered by the SCO.

3.3 Suggestions and proposals to improve the uptake, capitalising on the experiences developed so far

On the basis of the outcomes of the discussion on Art. 14(1), the following **key aspects** are pointed out by Luca SANTIN and agreed by the participants:

- The direct involvement of the EC (i.e. Geo-desks, SCO and JAP Team, Auditors) since the very first steps of the procedure is a key success factor (as confirmed by all MS that have already completed, or are about to complete, the process).
- Areas to be covered by Art. 14(1) should possibly be “large” (at least over 1ML €), “repetitive” and easy to be standardised
- Data and calculation methods should be assessed on a case by case basis. Flexibility is allowed when assessing the solutions, taking into account the different situations in the MS
- EU Level SCOs are optional. The rationale is: achieving a wider and better simplification also by reducing the impact of the most time consuming steps of Art. 14(1) process. The intention is not to duplicate the process (i.e. carrying out multiple procedures at the same time) or to generate overlaps.
- Potential themes to be addressed in the next TN Meetings:

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- Practical and detailed discussion on the concrete procedure foreseen by Art. 14(1), also including the analysis of fiches that have been already approved or are about to be approved
- Type of Audits: analysis of the scope, approach, procedures and potential consequences (to be discussed with the direct involvement of the Auditors)
- Assess the impact of national rules and constraints on the concrete implementation of SCOs (either under Art. 14(1) or Art. 67).

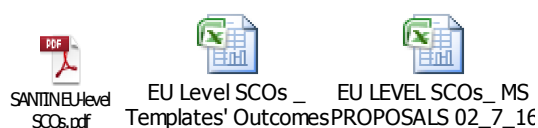
4. EU-level SCOs

Proposals from the Member States

- **Presenting the first outcomes in terms of proposals, information and data for the design of EU Level SCOs**
- **Matching Member States' proposals**

The Network is committed, with the support of the Commission, to explore how EU-level SCOs could be set up, as this, implemented by MSs on a voluntary basis, would be the most efficient way to implement SCOs on a large scale. Luca SANTIN presented the results of the survey filled in by the participants since the previous meeting, whose goal was to assess the areas and sub-areas as well as types of costs most likely to be covered by an EU-level SCO, and to explore the data available to set it up.

Although a very short time has been available to define the proposals (i.e. the task has been launched at the 2nd meeting – May 25-26 - the template and related instructions have been sent on May 31 – the template have been returned by June 20) over 90% of the MS that attended the 2nd Meeting have submitted their templates.



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First results

ESF SIMPLIFICATION TN

MS PROPOSALS ON EU-LEVEL SCOs

TYPES OF COSTS - SYNTHESIS (PRE-DEFINED AREAS AND SUB-AREAS ONLY)

Areas	Sub-area	NR OF MS THAT SELECTING THE AREA/SUB- AREA	TYPES OF COST (COVERAGE)		
			All/Main	Limited	TBC / TBS
Education	Primary/secondary	7	4	1	2
	Further/higher	10	8	0	2
	early school leaving	8	5	1	2
	Early childhood	5	3	0	2
LTU/Unemployed/ Social Inclusion	Intake and orientation	9	5	1	3
	Training	13	10	1	2
	Employment subsidies	12	8	2	2
	Apprenticeships	10	6	2	2
	Job Placement	9	4	3	2
Lifelong Learning	Training	8	6	1	1
Technical Assistance		7	3	2	2
Specialised Training (eg Civil Servants)		6	4	1	1
Social Innovation		3	2	1	0

9

The Commission considers that at as many as possible Member States should be involved in a given EU-level SCO so that the sample of data mobilised can be seen as representative. However, each case will be assessed on its merits to decide whether there is enough data to render it representative for all MS.

Some participants were concerned about the underlying scope of the different sub-areas. However, Louis VERVLOET and Luca SANTIN warned that focussing too much on specific definitions at this stage would block the exploration. It will be easier to get a minimum common understanding, and then check what the data available contain.

Mark SCHELFHOUT presented the calculations prepared by the Commission for ESF spending in the education area, based on Eurostat data.



Discussion paper for
TNC June 2016, Rom

Sheet for TNC.xlsx

In spite of some limitations, the data available, which come from the education sector in MSs (Eurostat, OECD and UN), represent a coherent set. The most recent ones are from 2013 but they can be updated, using the official Harmonised Index of Consumer Prices (HICP) specific to the Education sector published by Eurostat for 2014 and 2015 to inflate/deflate them for each MS, and then the inflation rates. As these figures do not take into account

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allowances that some MSs are paying to students, the Commission would calculate two rates - one for normal students and another one for students with an allowance.

Network members were invited to give feedback on the three following aspects of this first attempt:

1. Do you agree that this data could act as a basis for EU-level SCOs?
2. Could you see potential to use such unit costs in your own MS?
3. Do you see problems/constraints with the data, other than those already mentioned?

The key points of the discussion were the following:

- All MS representatives confirmed that they support the principle and idea of EU Level SCOs
- Data are available (or could be available in a reasonable time) to support the calculation, but the key challenge at this stage is to ensure consistency between the definitions of the Areas/and Sub Areas in the different MS
- Not all areas and subareas investigated in the template should necessarily be considered, we could start from a subset of 4-5
- It seems that MT EL HR RO PL BG SK FI (+ ES IT) could be interested in developing EU Level SCOs on education
- If the Eurostat data on Education would be proven not to reflect the actual costs in a country, any other objective data could be considered alternatively to reflect the actual cost in that MS

(DAY 2)

Joint planning exercise:

- **What objects for EU-level SCOs? Systematising the main areas/sub-areas and conditions for setting up EU-level SCOs**
- **What's next? Formulating a concrete action plan for the design and implementation of the SCO system**

Participants agree that the process should be managed as follows:

- First of all we should check if it is possible to find **common definitions** valid for all MS (or at least for a minimum number of MS) for the main areas/sub-areas to be covered by EU-Level SCOs. DG EMPL will send a proposal on the common definitions by the end of July. These will be extracted by the documents prepared by CEDEFOP as they should be considered as already validated at EU Level.
- MS will check the definitions and confirm whether they could represent a first common basis to develop EU-Level SCOs or if there are major comments.
- Once an agreement is reached on the common definitions, we should check what **types of costs** are considered as eligible in the different MS in relation to each

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area/sub area. We already know the data are available or could be available in many MS to calculate all or most type of costs, but we need to refine the results of the preliminary survey carried out in May-June. The survey should be also extended to the new MS, that have joined the TN after the 2nd meeting.

- On the basis of outcomes of the discussion, the following subset of areas could be more suitable to be covered by EU-Level SCOs (as it is most likely to find an agreement on common definition and to collect relevant data):
 - **Lifelong learning**, considered as measures to train people who are already employed (to develop their job but also keep them employable)
 - **Employment services**. Probably it would be better to avoid splitting the definitions into each single service (e.g. intake and orientation, job placement) and refer to a single definition representing the whole path
 - **Education** (see above)
 - **Technical Assistance**
 - **Training for Civil Servants**, under TO 11.

Louis VERVLOET and Luca SANTIN observed that finding an agreement between a minimum number of the MS on 4-5 definitions would represent an excellent outcome, that could pave the way to achieve the result of EU-Level SCOs in a reasonable amount of time. This would represent a real simplification, bringing evident advantages for all the stakeholders.

Once an agreement is found, the EC representatives confirm the possibility to provide additional support to the MS, by sending experts to facilitate the preliminary verification and assessment of the available data.

5. TN's Tasks and Sub-themes

Introducing the sub-themes

5.1 Financial Instruments (presented by Martina Rosato, Ministry of Labour and Social Policy - Italy)

Postponed.

5.2 Reporting and Indicators (presented by Veerle Moens, Dept. of Work and Social Economy - Flanders)

Veerle MOENS presented the substance of a workshop on the simplification of the implementation of Cohesion Policy held in the Committee of the Regions on 27 January 2016 at the initiative of the Dutch presidency. She advocated creating a subgroup on reporting and indicators, given that the amount of work has increased, has become very complex and sometimes leaves people without answers.

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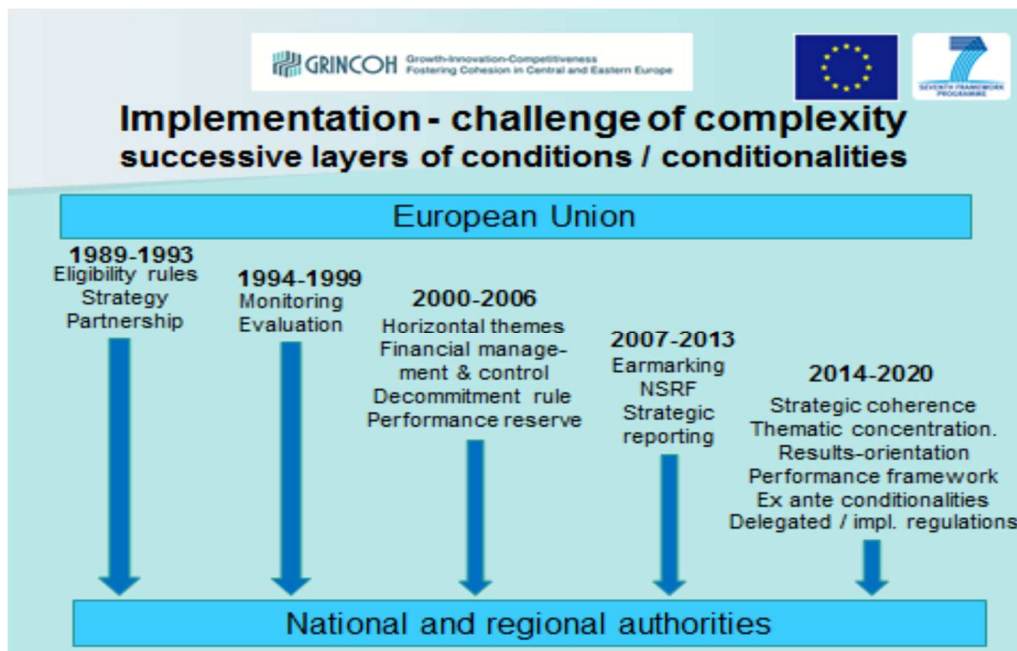
Reviewer(s): Toby JOHNSON - Luca SANTIN



On the basis of the questionnaire he had circulated at a time when nobody had already had to do reporting, Prof BACHTLER already identified the need for lighter reporting. Indeed, in Flanders, where the OP contains more than 50 indicators, a recent light report ended up 166 pp. long!



The current situation is largely due to successive layers of workload being added. No real simplification could intervene as long as these fundamental layers are not lightened. This will not be easy, since the indicators are regulatory requirements and are highly valued by the Court of Auditors.



The Swedish ESF Agency also sent a note to the Network:



In the discussion that followed, everybody acknowledged the legitimacy of reporting on indicators, but consensually highlighted that indicators are too many, and sometimes are not the right ones. In some cases, as they were elaborated in 2013-2014, they do not fit with the

current realities. Some contain unrealistic targets, while others will be available only after an evaluation is made.

Too much time is spent on reporting and not enough on thinking about its added value. Many reports do not really contribute to the ESF's efficiency; on the contrary, the indirect burden they represent for beneficiaries distracts them from doing their primary job, and indeed ruins the credibility of the simplification policy.

Thus, the reflection must go back to basics: what use does the Commission make of all these reports? Why do we need reports? Why could they not be compiled into one single report? Why could the more manageable internal follow-up tools used by Managing Authorities not inspire a simplification process? Should we go for a much smaller number of key indicators?

One should be aware that the current list of indicators is the result of an interinstitutional regulatory process. They were few in the Commission's proposals; a few more were added by the Council, and many more by the European Parliament. In the perspective of the review process, it will be of utmost importance to build a common understanding of the situation.

The Network envisages producing a report that would describe the issue (including for instance a list of the most problematic indicators) and would suggest solutions. Luca SANTIN will circulate a template so that participants can share 2-3 pages on the problems with reporting and solutions to be explored, distinguishing the short-term solutions from the long-term ones (with legal changes). This should be done by the end of August, so that the material can be used already during the EU Cohesion Policy Conference in Bratislava on 15-16 September.

5.3 E-governance-E-cohesion

(presented by Inge Oopkaup, Ministry of Finance - Estonia)



Also: video about the Estonian e-cabinet: https://www.youtube.com/watch?v=Y6Mp_Vsh1f4

In Estonia, everything can be done online except for marriage, divorce and selling your house. Relations with administrations are digital by default, with a single point of entry. This applies not only to state services, but also to healthcare, voting, business. A tax statement takes 3 minutes to fill in. Creating a new company takes 18 minutes. Thanks to e-identity, e-signatures are common used.

The ESF management information system has been developed continuously since 2004. The current challenge consists in transforming it from a data collecting system to a project management tool. In EE, all invoices are kept electronically. Only the electronic version is kept, and is considered as the source document. Auditors extract data from the system when needed. Such a solution is acceptable to the Commission (since 2006) on the condition it complies with the national IT security rules. Such an IT system has a cost, but also saves a considerable amount of time and thus money for all stakeholders.

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Author(s): Antoine SAINT-DENIS

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Reviewer(s): Toby JOHNSON - Luca SANTIN

The discussion went on about how the Commission could support progress towards e-governance for the ESF. Connecting all national systems, or even building European standard, is definitely not the right perspective. A pragmatic approach is needed, since, already inside the countries, authorities often use different IT systems. E-procurement has to be taken into consideration. However, having a common reporting layer or common project management tools could represent tremendous added value.

Inga OOPKAUP offered to coordinate a sub-group. How can we work on this, beyond presenting a best practice? How can ICT contribute to improving the participants' work?

Luca SANTIN suggested that the group should focus, as a start, on how to manage e-signatures. Interested participants are invited to contact Inge OOPKAUP (inge.oopkaup@fin.ee).

5.4 Legal Harmonisation – Gold-plating

(presented by Jenni Hyvärinen, Ministry of Employment and Economy - Finland)



Legal harmonisation means creating common standards across the EU. Gold-plating refers to over-regulation (at EU, national, regional and local levels) in laws and also in guidance (application and selection processes).

Applied to the ESF, a legal harmonisation of SCOs could consist in making art. 14 applicable to ERDF projects (which partially involve the same beneficiaries and implement the same eligibility acts). After 2020, a more harmonised approach between funds is needed.

Simplification is not only for beneficiaries, it should also benefit the administrations. The administrative burden should be reduced, esp. for those MSs with limited funding.

For 2014-2020, Finland undertook two initiatives:

- improving the quality of legislation, since better legislation means less need for guidance;
- developing the extensive use of SCOs (with 90% of ESF projects, SCOs have become a standard), with a reduced need for regulation and guidance on real costs as a result.

How to address the issue during the current programming period? On one hand participants need stability, which argues against immediate change. On the other hand any changes made in the near future will still be applicable for this period's commitments even if they are processed as late as 2023 – so there will be time to benefit from a simplification. In order to enhance legal security, a major improvement would be that the applicable rules, which are currently those in force at the moment of the audit control, become those in force at the time of the operation.

It was also pointed out that it often happens that the gold-plating comes from MS regulations, which add requirements to the European ones, making the result more difficult for stakeholders.

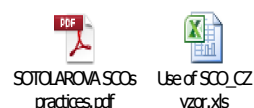
As coordinator for a sub-group, Jenni HYVARINEN proposed that participants draft a short report (2-3 pages max.) about:

- concrete issues faced in relation to these subjects and how they have been addressed;
- recommendations both for national and EU legislators.

6. SCO Practices

- **How should the map of SCO practices be developed (i.e. further information needed, how to exchange, how to select and present relevant practices)**

Presented by Iva Sotolářová, CZ



Iva SOTOLAROVA presented the results of the information sent, since the previous meeting, by participants from 9 countries.

We currently know that several MSs use flat rates, standard scales of unit costs and even lump sums. We also know in which programmes and for which types of beneficiaries SCOs are used. But we do not know yet what types of costs are covered by SCOs, or the details (which may be very important for their implementation) concerning the approaches of MSs to different aspects of SCOs. It would also be interesting to learn about the specificities of the administration of simplified projects.

Since the wish is to create a simplification process covering all actors, from EC to beneficiaries, Iva SOTOLAROVA proposed to expand the mapping exercise. The results of a deeper analysis will be presented at the next meeting.

Participants are invited to upload in the common space on Google Drive their SCO maps, in a folder called 'code MS documents' located in '2. MAPS FROM MS'. Contact point: iva.sotolarova@mpsv.cz

7. Wrap-up and plan

- **Recap of the main decisions, ideas and proposals**
- **Definition of the TN workplan**

(See following page)

ESF TRANSNATIONAL THEMATIC NETWORK ON SIMPLIFICATION

TN'S WORK PLAN						
Rev. 30/07/2016						
A REPORTING AND INDICATORS (Coordinated by: BE FL)						
Actions	MS/EC involved	Deadline	Templates/Key Documents (available at:)	Related/supporting documents (available at:)	Contacts	
A.1	BE FL sends the template to all MS	BE FL	15/07/2016	https://drive.google.com/open?id=0B6vmZn4HrckVhscnlcUQ4MTg	https://drive.google.com/open?id=0B6vmZn4HrckVhscnlcUQ4MTg	veerle.moens@wse.vlaanderen.be lucasantin@libero.it
A.2	MS return the template with issues and Proposals	All MS	31/08/2016			
A.3	BE FL reports back	BE FL	15/09/2016			
B EU LEVEL SCOs (Coordinated by: BE FL)						
Actions	MS/EC involved	Deadline	Templates/Key Documents (available at:)	Related/supporting documents (available at:)	Contacts	
B.1	EC provides "short" common definitions on main sub-areas	EC - DG EMPL	30/07/2016	https://drive.google.com/open?id=0B6vmZn4HrckVhscnlcUQ4MTg	https://drive.google.com/open?id=0B6vmZn4HrckVhscnlcUQ4MTg	
B.2	"New" MS return the template designed and approved at the 2nd meeting	SE - IE - PL - LU - RO - FR	31/08/2016	https://drive.google.com/open?id=0B6vmZn4HrckVhscnlcUQ4MTg	https://drive.google.com/open?id=0B6vmZn4HrckVhscnlcUQ4MTg	louis.vervoet@esf.vlaanderen.be lucasantin@libero.it
B.3	MS provide feedbacks on the common definitions (B.1) (i.e. agree/provide comments on the proposed definitions, to be used as a basis for the design of EU-Level SCOs)	All MS	15/09/2016			
C SCO PRACTICES (Coordinated by: CZ)						
Actions	MS/EC involved	Deadline	Templates/Key Documents (available at:)	Related/supporting documents (available at:)	Contacts	
C.1	MS return the "extended version" of the template approved at the 3rd meeting	All MS	30/09/2016	https://drive.google.com/open?id=0B6vmZn4HrckVhscnlcUQ4MTg	https://drive.google.com/open?id=0B6vmZn4HrckVhscnlcUQ4MTg	Iva.Sotolarova@mipsv.cz lucasantin@libero.it
D LEGAL HARMONIZATION - GOLD PLATING (Coordinated by: FI)						
Actions	MS/EC involved	Deadline	Templates/Key Documents (available at:)	Related/supporting documents (available at:)	Contacts	
D.1	MS send a short report on "How can the lack of legal harmonization and gold plating represent an obstacle for a wider and better use of SCOs"	All MS	30/09/2016	https://drive.google.com/open?id=0B6vmZn4HrckVhscnlcUQ4MTg	https://drive.google.com/open?id=0B6vmZn4HrckVhscnlcUQ4MTg	Jenni.Hyvarinen@tem.fi lucasantin@libero.it
E E-GOVERNANCE - E-COHESION (Coordinated by: EE)						
Actions	MS/EC involved	Deadline	Templates/Key Documents (available at:)	Related/supporting documents (available at:)	Contacts	
E.1	MS contact the Coordinating MS (EE) in order to receive further information on the Estonian experience and to share their practices on the Sub-theme (e.g. on E-signatures and dematerialization processes)	All MS	30/09/2016	https://drive.google.com/open?id=0B6vmZn4HrckVhscnlcUQ4MTg	https://drive.google.com/open?id=0B6vmZn4HrckVhscnlcUQ4MTg	Inge.Oopkaup@fin.ee lucasantin@libero.it

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