Annexe: UEAPME proposals for practical measures of administrative and financial simplification for ESIF

These measures are requested by one or several national/regional SME organisations to reply to their difficulties. The majority of them come from a unilateral interpretation of EU texts by national authorities or from differences between EU texts and national or regional legislation.

Some of them need a simple clarification; some others an adaptation or a modification of EU texts.
In some Member states or regions, these measures are already applied and problems are solved. However these solutions are not known and it should be useful to facilitate the exchange of good practices.

A significant part of these measures exists in already adopted delegated acts and application regulations. Despite this, there are still interpretation problems.

Proposals for practice measures

1- Initial and lifelong information and training of project managers	- regular information meetings for operators on national level - training sessions on ESIF for regional SME organisations jointly with regional desk officers of the Commission's General Directions concerned.
2-Simplification of administrative procedures	**General demand:** - avoid gold plating at national and regional level: harmonise and reduce the formalities with a single procedure for the three levels respecting the "only once" and "think small first" principle of the SBA. - avoid additional national / local obligations: decision to be agreed between European, national and regional authorities on a single form valid for the three levels ; if some formalities are needed due to national/regional legislation, they must me reduced and clearly explained to the project managers; - define at EU level the list of administrative documents and their strictly necessary content - stability and predictability of administrative proceedings throughout the implementation period of a project already agreed and engaged, except for simplification and reduction of formalities. If a new procedure is decided, it should be available only for the new projects; **On initial request:** - provide coaching to set-up and negotiate projects, - extension of deadlines between the call of proposal and the submission of project, - introduction of proposals should be open with two or three dates per year, - harmonisation of application forms for all programmes, - set-up a compulsory deadline approval project proposal and transmit justifications for project rejection. **On reporting:** - use a single form for reporting valid for all three levels ("only once" principle) - focus the report on the achievements (output+ outcome) instead of assessing on the basis of the financial reports.

	- specify the list of information strictly necessary for the reporting exercise adapted to the reality of the small enterprises, - establish a maximum period for the approval of reports (3 months?) and don't allow further request for information once the report has been approved by the managing authorities.
3-Simplification of financial management	- adopt a vade-mecum explaining, in clear terms , the notion of 1)direct/ indirect costs, which can be included in the flat rate, 2) eligible expenses (simplification to 3 categories: staff, operational and direct) and the rules for public and for private costs. - give the possibility to adapt the flat rates according to budget and the duration of the project; - allow some shift from one post (staff, operational and indirect costs…)to another; - define overheads as a lump sum (as a general simplification measure and set up a precise list of deductible overhead expenses that is applicable in different programmes. - allow to include the amount spend on auditing in the eligible costs under technical assistance.
5-Auditing and management of auditing/controls	**Provide framework rules for auditing** - specify in a vade-mecum the list of required justification pieces for controls in particular in case of small projects or projects for small enterprises (proportionality principle) - integrate in the project the cost of controls /audit and of a private audit advisor, - train the project managers on auditing management and the auditors/controllers on control in SME and small projects - define a maximum period (max. 3 months) to give the final agreement. **Evaluation** - allow permanent/ongoing controlling with regular information of the managing authority; the implementation of e Cohesion should help; - focus on results and not on the method used; evaluation of internal procedures should be reduced to a strict minimum. - when good partnership and trust exist between beneficiaries and managing authorities, intermediary controls might be reduced to a simple declaration of honour in case of a small project or project for small enterprises. **Favour self-control** - give possibility to set up a two-level control system: at first level a technical or operational auditing by a private auditing body, at second level an administrative auditing by public auditing authorities based on the report of first level. **Post control** - avoid post and random controls/audits for projects already officially checked and approved by the managing authority concerned; - limit post and random controls/ audits to obvious fraud situations.

	Single system of auditing: only once principle of SBA - make mandatory a " single auditing system": establish a single control on the basis of a single file containing all the necessary data needed by all control services at regional, national and EU level; the responsibility for the single audit might be delegated to the regional managing authority which transmits it to national and EU administration; - limit the complementary controls on national and European level to projects with a high budget (to be defined), transnational projects, projects with bad and doubtful balance sheets, in case of obvious fraud.
6-Implementation of the e-Cohesion initiative	- create a single European software to help transmission of information by beneficiaries, available for regional, national and EU administrations; - gather all information in a national data base and make it accessible to all authorities on European, national and regional level ; - harmonise the archiving time for all documents (to a maximum of 10 years).