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Annex 3

ANNEX

ANNEX 3 – Fiches per policy area(s)

to the

**COMMUNICATION FROM THE COMMISSION TO THE EUROPEAN
PARLIAMENT, THE COUNCIL, THE EUROPEAN ECONOMIC AND SOCIAL
COMMITTEE AND THE COMMITTEE OF THE REGIONS**

A Simplification Agenda for the MFF 2014-2020

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A Simplification Agenda for the MFF 2014-2020

FICHES PER POLICY AREA(S)

1. Agriculture and Rural Development
2. Economic, Social and Territorial Cohesion
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1. Agriculture and Rural Development

POLICY AREA: COMMON AGRICULTURAL POLICY

<i>TYPE OF ACTION / MEASURE</i>	<i>SECTORAL COMMISSION PROPOSALS¹</i>	<i>FINAL TEXT</i>
Reducing number of Programmes		
Single sector framework	<p>- Common rules are proposed on the financing, management and monitoring of both Pillars of the CAP. This means that the provisions on control/audits, irregularities, sanctions and penalties, financial discipline, agri-monetary issues (payment deadlines, advances, etc.), communications, cross-compliance and the Farm Advisory System are regrouped and streamlined under one single regulation (HZ).</p> <p>- The European Agricultural Fund for Rural Development (EAFRD) is covered by the proposal for a Regulation on common rules for EU funds under shared management, which sets out a Common Strategic Framework (CSF) and one national Partnership Contract</p>	

¹ **DP:** Proposal for a Regulation of the European Parliament and of the Council establishing rules for direct payments to farmers under support schemes within the framework of the common agricultural policy (COM(2011) 625 final/2)

sCMO: Proposal for a Regulation of the European Parliament and of the Council establishing a common organisation of the markets in agricultural products (Single CMO Regulation) (COM(2011) 626 final/2)

RD: Proposal for a Regulation of the European Parliament and of the Council on support for rural development by the European Agricultural Fund for Rural Development (EAFRD) (COM (2011) 627 final/2)

HZ: Proposal for a regulation of the European Parliament and of the Council on the financing, management and monitoring of the common agricultural policy (COM(2011) 628 final/2)

CPR: Proposal for a Regulation of the European Parliament and of the Council laying down common provisions on the European Regional Development Fund, the European Social Fund, the Cohesion Fund, the European Agricultural Fund for Rural Development and the European Maritime and Fisheries Fund covered by the Common Strategic Framework and laying down general provisions on the European Regional Development Fund, the European Social Fund and the Cohesion Fund and repealing Regulation (EC) No 1083/2006 (COM(2011) 615 final)

	<p>applicable to the five funds concerned (Arts. 9 – 15 CPR). The number of strategic documents will be reduced and the rules on eligibility and durability are harmonised (CPR Arts 54-61).</p> <p>- Under the single Common Market Organisation (the single CMO), provisions covering more than one sector (e.g. intervention schemes, exceptional measures, producer organisations and inter-branch organisations) are streamlined as far as possible. All agricultural products (Annex I TFEU, excluding fisheries) are included in the scope of the single CMO, thereby remedying legal inconsistencies (Art. 1 sCMO).</p>	
<p>Synergies Mainstreaming</p>	<p>- The current structure of the CAP is maintained, with two pillars that use complementary instruments in pursuit of the same objectives, namely viable food production, sustainable management of natural resources and climate action and balanced territorial development. Through promotion of these objectives with regard to EU agriculture and rural areas, the CAP should contribute to the overall objectives of the Europe 2020 strategy for smart, sustainable and inclusive growth.</p> <p>- To strengthen the efficiency of the CAP as regards the above objectives, the support under the first pillar will be better targeted to meet environmental and territorial challenges, for example through the "greening" of the direct payment to farmers (Arts 29 – 33 DP).</p> <p>- The annual support instruments under the first pillar are complemented by the multi-annual support programmes under the second pillar of the CAP, i.e. the EAFRD. The objectives set out for the EAFRD which contribute to the Europe 2020 strategy shall be pursued via 6 priorities which are derived from the relevant thematic objectives established under the CFS (Art 9 CPR), with the mission to contribute to a more territorially and environmentally balanced, climate-friendly and resilient and innovative agricultural sector (Arts. 3 – 5 RD).</p> <p>- The Cross-Compliance legal framework is restructured and the statutory management requirements (SMR) and standards of good agricultural and environmental condition</p>	

	(GAEC) have been revised and adapted in order to better meet priorities and achieve complementarities in contribution to the objectives of the Europe 2020 strategy, in particular in relation to water and mitigation of climate change.	
Clear priority objectives + indicators	<ul style="list-style-type: none"> - The sector specific rules for the EAFRD clearly set out the objectives and Union priorities for rural development under the CAP, in line with the menu of thematic objectives established under the CSF (Art. 4 and 5 RD). - The current axis system of the EAFRD will be abolished. Member States / regions will organise their programmes around the policy's strategic priorities, setting targets against these (through discussion with the Commission) and explaining which measures they will use in combination to achieve each target. In each case, it will be easier to present a clear and realistic intervention logic because this will not be hindered by artificial classifications of measures (Art. 9 RD). - The monitoring and evaluation system, based on a set of common indicators, has been improved to better target EAFRD support and assess policy performance (Art. 76 RD). 	
Flexible decision-making procedures	The Commission is empowered to adopt delegated acts for all non-essential elements as well as implementing acts in the framework of shared management. In this context, a number of non-essential provisions which are currently set out in the basic acts to be replaced by the four CAP proposals will be transferred to delegated acts.	
Clear cost eligibility rules	<ul style="list-style-type: none"> - In the context of LEADER, any activity that corresponds to one of the priorities of rural development policy will be eligible for support, as long as it is in line with the rural development programme and the local development strategy in question (Art. 28(5) CPR). As a result, there will be more flexibility in designing / selecting projects to implement the strategy (Art. 42-45 RD). - Eligibility rules for the CSF funds are harmonised to the extent possible, including common rules on reimbursement of VAT and application of standard scales, lump sums, flat rate financing and contributions in kind (Arts. 55 – 61 CPR). 	

	<ul style="list-style-type: none"> - Rules on area-related payments under rural development are clarified, so as to explicitly permit farmers to use environmental measures without disrupting certain necessary farming practices (Art. 47 RD). - With regard to LEADER local development, the rules governing similar approaches in various EU funds will be harmonised under the Community-led Local Government approach. Local development strategies using several funds will have the option of designating a "lead fund" – which will cover running costs, animation and networking activities for all of a given group's activities. As a result, it will be easier to use more than one EU fund to support local development strategies (Art. 28-31 CPR). - All the provisions related to the granting of voluntary coupled direct support are grouped together under one heading, thereby replacing the existing modalities and reducing the number of coupled aid schemes (Art. 38-41 DP). - Various measures under the EAFRD will be merged and streamlined, reducing the total number of measures from 39 to 17. In this context, provisions have been clarified, eligibility rules are changed in order to be easier to implement and contract conditions have been made more flexible (Art. 15-41 RD). 	
<p>Simplified forms of grants</p>	<ul style="list-style-type: none"> - The current models under the Single Payment Scheme (SPS) and the Single Area Payment Scheme (SAPS) are replaced by a basic income support in the form of a flat rate regional model in all Member States (Art. 18-28 DP). - A simple and specific scheme for small farmers will be put in place in order to reduce the administrative costs linked to the management and control of direct support. For that purpose, a lump-sum payment replacing all direct payments is created, small farmers will be exempt from greening and cross-compliance, whilst at the same time obligations related to the application for support and to controls will be eased (Art. 47-51 DP). - A range of approaches will be provided for reimbursing payments by beneficiaries on the basis of simplified costs in the case of grants. The approaches will involve standard scales 	

	<p>of unit cost, lump sums below the threshold of EUR 100,000 of public contribution and flat-rate financing determined by the application of a percentage to defined types of eligible costs. As a result, the processes of claiming, administering and auditing reimbursement for payments made will be easier for everyone – making rural development support more accessible (Art. 57-58 CPR).</p>	
<p>Proportionate controls</p>	<ul style="list-style-type: none"> - The Commission is empowered to allow for a reduction of the number of on-the-spot controls, under condition that the control system of the Member State concerned is functioning properly and that the error rate at beneficiary level is low (Art. 64 HZ). - The role of the Certification body is expanded to include checking and confirmation of the legality and regularity of underlying transactions. Long term simplification benefits are expected. The Certification body's validation of legality and regularity will be a prerequisite for reducing on-the-spot controls at farm level (Art. 9 HZ). - For Cross-Compliance, Member States will no longer be obliged to perform follow up checks on farms where minor infringements have been determined, nor will they be obliged to perform follow up checks on all farms where the "de-minimis" rule has been applied (Art. 97 HZ). - Beneficiaries of the small farmers scheme are entirely exempted from cross-compliance and its controls (Art. 92 HZ). 	
<p>A move towards e-governance</p>	<p>Under the rural development policy, the Commission shall ensure that there is an appropriate secure electronic system to record, maintain and manage key information and report on monitoring and evaluation (Art. 77 RD).</p>	

2. Economic, Social and Territorial Cohesion

POLICY AREA: COHESION POLICY

<i>TYPE OF ACTION / MEASURE</i>	<i>SECTORAL COMMISSION PROPOSALS²</i>	<i>FINAL TEXT</i>
Reducing number of Programmes	In the context of shared management, Member States can choose to prepare and implement either mono-fund or multi-fund programmes combining ERDF, ESF and the Cohesion Fund. This allows for a reduction in the number of programmes and coordination structures at national and regional level, where this is appropriate for the Member State or region concerned. (COM (2011) 615, CPR Art. 88)	
Single sector framework	<ul style="list-style-type: none"> - Common rules are proposed for the strategic planning and programming of cohesion policy, the rural development policy and the maritime and fisheries policy, with a Common Strategic Framework and one national Partnership Contract with each Member State. The number of strategic documents will be reduced: instead of multiple EU and national level documents covering the different policies there will be only one EU and one national strategic document for the 5 Funds. (CPR Arts. 9-15) - Rules for the five funds on eligibility and durability have also been harmonised. (CPR Arts. 54-61) - ERDF, ESF and the Cohesion Fund continue to share the same mission and goals, financial framework, provisions on programming, monitoring, evaluation, information and communication. (CPR Arts. 81-107) 	
Synergies Mainstreaming	<p><u>Synergies</u></p> <ul style="list-style-type: none"> - Synergies between cohesion policy, the rural development policy and the maritime and 	

² References to CSF and fund-specific regulations

	<p>fisheries policy shall be facilitated through the single sector framework. In addition, the strategic planning and programming process for cohesion policy will ensure coordination with other Union instruments through the Common Strategic Framework at EU level and the Partnership Contract at national level. (CPR Arts. 9-15)</p> <p>- Synergies are also facilitated by the possibility to set up joint monitoring and evaluation arrangements (e.g. Monitoring Committees) for operational programmes under the five CSF funds. (CPR Art. 41)</p> <p><u>Mainstreaming</u></p> <p>- General principles of promotion of equality between men and women and non-discrimination (CPR Art. 7) and sustainable development (CPR Art. 8) continue to be mainstreamed. Climate change related expenditure will be identified (CPR Art. 8). Compliance with legislative requirements will be facilitated by the obligation for operational programmes to be subject to a Strategic Environmental Assessment (CPR Art. 48). To promote greater consistency and cost efficiency in spending, operational programmes will need to describe specific actions (CPR Art. 87):</p> <ul style="list-style-type: none"> • to take into account environmental protection requirements, resource efficiency, climate change mitigation and adaptation, disaster resilience and risk prevention and management; • to promote equal opportunities and prevent any discrimination based on sex, racial or ethnic origin, religion or belief, disability, age or sexual orientation. 	
<p>Clear priority objectives + indicators</p>	<p>- The result orientation of cohesion policy starts with clear and common objectives at Union level derived from the EU 2020 strategy and a strategic planning process for programmes defined in a menu of thematic objectives. (CPR Art. 9)</p> <p>- While thematic objectives and investment priorities are determined at EU level by the regulation, Member States and regions will define specific objectives for the selected</p>	

investment priorities, expressing their particular development objectives. Result indicators shall reflect the specific objectives. (CPR Arts. 24 and 87)

- An improved system of monitoring and evaluation that should result in less indicators but more focussed will involve:

- A clearer articulation of objectives in programmes with related outputs and result indicators. (CPR Arts. 24 and 87)

- Information on a set of common indicators will be collected by all Member States and will be aggregated at Union level to assess overall progress made under cohesion policy. (In annex to the fund specific regulations)

- A more proportionate system of reporting is introduced, whereby the content of the annual implementation report is focused on operational and financial data relating to execution. The strategic analysis of achievement of objectives will be conducted only in 2017 and 2019, when enough evidence should be available.(CPR Arts. 46 and 101)

- The Joint Action Plan (Art 93 to 98 CPR), a practical tool to focus the management on objectives, has also been introduced as an option for the Member States. The joint action plans represent an extension of the current systems of simplified costs on a considerably larger scale, making possible the reimbursement on the basis of outputs and results of parts of OPs aiming at reaching a specific objective. While the primary objective of this new instrument is to put more focus on outputs and results of interventions, it will move in time the administrative burden to the start of the operation (in order to define the JAP). However it can potentially lead to significant reductions in the burdens of beneficiaries involved and in control costs at all levels. The financial management of the joint action plan is exclusively based on outputs and results reimbursed via standard scales of unit costs or lump sums. Therefore the financial control and audit of the plan will exclusively aim at verifying the completion of pre agreed outputs and results. The Regulation also clarifies (Art 98.3 CPR) that when a Joint Action Plan is used the Member State may apply its accounting practices to support the projects. These practices shall not be audited by the

	audit authority or the Commission.	
Flexible decision-making procedures	<p>The setup of programmes and management and control systems allows for considerable flexibility:</p> <ul style="list-style-type: none"> • The possibility to agree with the Commission to derogate from the obligation to set up operational programmes at, at least, NUTS level 2, which has been extended to all Member States for the ERDF, ESF and Cohesion Fund; (CPR Art. 89) • 2% flexibility in determining the financial appropriations of categories of regions (Art 85 CPR) • The option to prepare and implement monofund or multifund programmes combining ERDF, ESF and the Cohesion Fund. (CPR Arts. 88) • The choice whether to combine or separate management and certification functions. (CPR Art. 113) • The choice of a range of instruments to optimise programme delivery, including integrated territorial investments, community-led local development and joint action plans. (CPR Arts. 28 to 31, 93-98 and 99) • The possibility for an operation to receive support from several Funds provided that there is no double financing of expenditure (Art 55 CPR) • Option to waive annual review meeting (CPR Art. 45) except in 2017 and 2019. It may also cover more than one programme. In 2017 and 2019 it has to cover all the programmes of a Member State. 	
Clear cost eligibility rules	- The proposal clarifies that support may be granted in the form of grants, repayable assistance and financial instruments, or a combination thereof. In particular it sets out the conditions for support in the form of repayable grants, explicitly allowing the use of this	

	<p>form of support. (CPR Art. 56)</p> <ul style="list-style-type: none"> - Eligibility rules for the CSF Funds have been harmonised to the extent possible in order to reduce the multiplicity of rules applied on the ground and thus simplify the management of EU Funds for beneficiaries. These include common rules on dealing with revenue generated by operations, application of standard scales, lump sums and flat rate financing, contributions in kind, depreciation, purchase of land and durability of operations. (CPR Arts. 54 to 59, 61) - The proposal envisages a clarification of conditions under which it is possible to finance operations outside the programme area, where this is for the benefit of the programme area. (CPR Art. 60) - The scope of financial instrument is extended and the rules are harmonised and clarified (Art. 32-40 CPR). - Simplification and further legal certainty is achieved through the establishment of more precise criteria for determining the circumstances where an infringement of EU or national law gives rise to a financial correction. <p><u>For the ESF:</u></p> <p>More flexibility is provided in terms of geographic eligibility of ESF operations to take account of the immaterial nature of most of the operations (Art 13.2 ESF)</p> <ul style="list-style-type: none"> -Purchase of equipment becomes eligible again (not eligible in 2007 2013 but eligible in 2000 2006) -The specific simplifications achieved in the period 2007 2013 are maintained: durability of operations that is harmonised with the applicable state aid rules (Art 61 CPR), exclusion of ESF operation from the scope of revenue-generating operations (Art 54) 	
Simplified cost	Simplified costs methods continue to be an alternative for the reimbursement based on real	

<p>methods</p>	<p>costs for some CSF funds in the case of grants. A number of measures have been introduced to facilitate and encourage the take up of simplified costs. (CPR Art. 57)</p> <p>1) The current methods for ESF and ERDF are maintained in order to keep the 'acquis' of the period 2007 2013.</p> <p>2) The system is harmonised and extended:</p> <ul style="list-style-type: none"> - The rules and the possibilities are the same for all CSF Funds. It will be also possible to re use methods used in EU policies or in national schemes. - The value of the ceiling for lump sums is increased to 100.000 EUR - More possibilities for flat rate: flat rate to calculate indirect costs as now but also flat rate to calculate other categories of expenditure. <p>3) The possible calculation methods are multiplied and harmonised in order to facilitate calculation and give more legal certainty In addition to the fair, equitable and verifiable calculation method it will be possible to:</p> <ul style="list-style-type: none"> • apply certain "ready made" simplified costs established at EU level; • use flat- rates systems, lump sums and standards scales of unit costs applied under national schemes; • use any flat-rates systems, lump sums or standard scales of unit costs developed for EU instruments; <p>This allows for a consistent approach across different EU instruments, as well as avoiding duplication of methodological work and delays in implementing simplified costs at project level.</p> <p>:</p>	
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	<p>Additional possibilities exist for the ESF due to nature of operations (many small grants, core expenditure are staff costs expenditure, standard types of operations).</p> <p>1) Lighter procedures for small grants:</p> <ul style="list-style-type: none"> - For grants below EUR 100.000 possibility to calculate the simplified costs by reference to a draft budget on a case by case basis. (Art 14.3 ESF) - For grants below EUR 50.000 the use of lump sums and standard scale of unit costs is compulsory given the risks due to the use of real costs system and the poor cost efficiency ratio in terms of management. (Art 14.4 ESF) <p>2) Concentration on core expenditure</p> <p>The possibility for an operation to use a flat rate of 40% of the eligible direct staff costs to cover the remaining eligible costs of the operation (Art 14.2 ESF). The rate is established by the Regulation therefore it does not have to be justified to be used by the national authorities.</p> <p>3) Standard scales of unit costs and lump sums defined by the Commission (Art 14.1 ESF)</p> <p>The Commission will have the possibility to adopt delegated acts defining some standard scales of unit costs, lump sums in order to calculate the amounts to be reimbursed to Member States. Available information sources could be used for this purpose allowing a differentiation by Member State and type of operations or target groups. This delegated act will provide for legal certainty.</p> <p>This possibility is optional for Member States. When it is used the amounts calculated on the basis of standard scales of unit costs or lump sums shall be regarded as public support paid to beneficiaries and as eligible expenditure. This system is applicable to all forms of grants, including those implemented through public tenders.</p>	
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	<p>The Regulation also clarifies (Art 14.1 ESF last paragraph) that when this form of funding is used the Member State may apply its accounting practices to support operations. These practices shall not be audited by the audit authority or the Commission.</p>	
<p>Proportionate controls</p>	<p>The proposals provide for:</p> <ul style="list-style-type: none"> - The general principle of proportionality - financial and administrative resources required for the implementation, in relation to the reporting, evaluation, management and control should be proportionate to the level of support allocated. (Common Provisions Regulation (CPR, Art. 4) - Proportionate on the spot verifications by the Managing Authority (to the amount of public support to an operation and the level of risk identified). (CPR Art. 114) - Proportional involvement, replacing the heavy procedure of the current compliance assessment via a risk-based review of programmes above €250m. of the Commission in the ex-ante assessment of national management and control systems. (CPR Arts. 117 and 140) - First reporting and clearance requirements rescheduled in line with level of payments. (Arts. 101 and 129) - Proportional audit of operational programmes - operations below EUR 100 000 can only be audited once prior to rolling closure and the remaining operations can be audited once a year except for in cases of a specific risk of irregularity and fraud, audit authority to reduce the audit work required where systems are robust, Commission may decide to limit its audits if it can rely on the opinion of the audit authority. (CPR Art. 140) - Assessment actions to be taken at national and regional level to reduce the burden of beneficiaries. (CPR Arts 24 and 87) - Introduction of joint action plans, making possible the reimbursement of costs based on the achievement of outputs and results on a considerably larger scale and for all types of grants. (CPR Art. 112) 	

	<ul style="list-style-type: none"> - More flexibility in the set-up of authorities - Member States will be able to choose how to establish and whether to combine or separate management and certification functions, allowing for flexibility in the set-up of management structures. (CPR Art. 113). - Rolling closure of programmes instead of closing all programmes at the end of the programming period. No need to keep the documents until the end of the programming period, but only during the required time period (3 years) after the rolling closure. (CPR Art. 131). 	
E-governance	<ul style="list-style-type: none"> - Considerable costs are associated with the transcription and aggregation of financial and monitoring data received on paper and control costs can be higher than necessary, as supporting documents are not always easily available and accessible. The Commission proposes an implementation of e-Cohesion policy, by requiring all Member States to set up systems by the end of 2014 to enable beneficiaries to submit information by way of electronic data exchange, and only once.(CPR Art. 14) - All exchanges between the Commission and the Member State will also take place by way of electronic data exchange. 	

3. Employment and Social Affairs

POLICY AREA: EMPLOYMENT AND SOCIAL AFFAIRS

NB: The ESF regulation is included in two policy areas, namely cohesion policy and employment and social affairs. All the elements of simplification for the ESF have been included in the cohesion policy area.

<i>TYPE OF ACTION / MEASURE</i>	<i>SECTORAL COMMISSION PROPOSAL³</i>	<i>FINAL TEXT</i>
Reducing number of Programmes	<p>-The European Union Programme for Social Change and innovation is based on three existing instruments, namely:</p> <ul style="list-style-type: none"> * The Progress Programme * EURES * The European Progress Microfinance Facility for employment and social inclusion <p>-This integrated programme which comprises three axes (Progress, Eures and Microfinance), will bring more flexibility and will improve policy coherence and efficiency through cross-cutting work across the various strands of action. (Art. 3.1)</p>	
Single sector framework	<p>- A single set of common provisions to the three axis (Progress, Eures and Microfinance) apply (covering, inter alia, definitions, objectives, types of actions, consistency and complementarities, cooperation with committees, dissemination of results and</p>	

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Social Change and Innovation (SCI): Proposal for a Regulation of the European Parliament and of the Council on a European Union Programme for social Change and Innovation (2014-2020) (COM(2011) 609 final)

European Globalisation Adjustment Fund (EGF): Proposal for a Regulation of the European Parliament and of the Council on the European Globalisation Adjustment Fund (2014-2020) (COM(2011)608 final)

	<p>communication, financial provision, protection of the EU financial interests, monitoring and evaluation) (Arts. 1 to 14)</p> <ul style="list-style-type: none"> - Flexibility in allocating resources to changing policy priorities is introduced thereby ensuring that this programme is a genuine policy-driven instrument. (Art. 5.3) 	
<p>Synergies / Mainstreaming</p>	<p>Europe 2020 goals</p> <ul style="list-style-type: none"> - The new SCI programme will contribute to the implementation of the Europe 2020 Strategy, its mutually reinforcing headline targets and Integrated Guidelines by providing financial support for the European Union’s objectives in terms of promoting a high level of employment, guaranteeing adequate social protection, fighting against social exclusion and poverty and improving working conditions (Art. 1 SCI) - The EGF is designed to contribute to the growth and employment objectives of the Europe 2020 strategy. The proposal provides for a financial contribution from the EGF for a package of active labour market measures. It cannot contribute to the funding of passive measures as these are not compatible with the growth and employment objectives of the Europe 2020 strategy. Allowances may only be included if they are designed as incentives to facilitate the participation of dismissed workers in active labour market policy measures. <p>Examples of synergies</p> <ul style="list-style-type: none"> - The Commission, in cooperation with Member States should ensure that activities carried out under the Programme are consistent and complementary to other Union action, in particular under the European Social Fund (ESF) and in such areas as social dialogue, justice and fundamental rights, education, vocational training and youth policy, research and innovation, entrepreneurship, health and general economic policy (Art. 8(1) SCI). - The activities supported by the Programme shall comply with Union and national law, including state aid rules (Art. 8(2) SCI). - As regards the micro-finance axis, bodies that provide microfinance for persons and micro-enterprises should cooperate closely with organisations representing the interests of the final beneficiaries of microcredit and with organisations, in particular those supported by the ESF, which provide mentoring and training programmes to such final beneficiaries, 	

	<p>in order to reach out to the final beneficiaries and create competitive, viable micro-enterprises (Art. 23(2) SCI).</p> <ul style="list-style-type: none"> - Support for redundant workers shall complement actions of the Member States at national, regional and local level (Art. 9(1) EGF). -The activities supported by the EGF shall comply with Union and national law, including state aid rules (Art. 9(2) EGF). - Complementarity with actions funded by other Union Funds, notably the European Social Fund (ESF) and the European Agricultural Fund for Rural Development (EAFRD) (Art. 19(1) EGF). 	
<p>Clear priority objectives + indicators</p>	<p>European Globalisation Fund</p> <p>The core aim of the EGF is unchanged – it is to improve reintegration into stable employment of workers displaced from their jobs by changes in the structure of trade. The current proposal includes a new quantitative target that a minimum of 50% of worker supported under the EGF find stable employment within a year. (Art. 1 EGF)</p> <p>Progress and social innovation</p> <p>The Progress programme underpins the social dialogue, evidence based policy making and modernisation of employment legislation. A new strand provides support for actions to demonstrate innovative approaches to social problems. Qualitative and quantitative indicators are included with the proposal. (Art. 4 and 15 SCI)</p> <p>EURES – this instrument aims to provide a European portal for job vacancies. Its performance will be monitored with reference to information flow – in particular the volume of vacancies recorded, and success in ensuring placements. A study has been launched by the responsible services to identify specific indicators relating to geographical mobility. (Arts. 4 and 20 SCI)</p>	

	<p>Microfinance</p> <p>This instrument was created only in 2010, in cooperation with the EIB. It aims to fill a gap in the credit market by supporting microfinance providers, and providing loans to non-conventional borrowers. The current proposal contains quantitative indicators for measuring the number and volume of loans and their destination. (Art. 4 and 22 SCI)</p>	
Flexible decision-making procedures	<ul style="list-style-type: none"> - 5% of the budgetary allocation will be apportioned among the axes <u>on an annual basis</u> in line with policy priorities, allowing for a business-driven approach (Art. 5.2 SCI) - Arrangements for the EGF should comply with point 13 of the IIA. (Art. 15 EGF). 	
Clear cost eligibility rules	Financial provisions are laid down for all axis (application of the Financial Regulation. (Art. 11 SCI)	
Simplified cost methods	Greater use of simplified cost options (lump sums and flat-rate financing), in particular for the implementation of mobility schemes (Art. 11(2) SCI).	
Proportionate controls	<ul style="list-style-type: none"> - All of the proportionate control options listed for Economic, Social and Territorial Cohesion also apply to Employment and Social Affairs. - In addition, it is proposed that the smallest operations under the ESF would always be based on simplified costs options to make the administrative burden related to the management of the operation proportionate to the size of the grant received. (ESF Regulation COM(2011) 607 Art. 14) 	
E-governance	EURES axis will ensure that job vacancies and applications are transparent for the potential applicants and the employers through exchange and dissemination of information at transnational, interregional and cross-border levels using standard interoperability forms (Art. 20 SCI)	

4. Maritime and Fisheries Policy

POLICY AREA: MARITIME AND FISHERIES POLICY

<i>TYPE OF ACTION / MEASURE</i>	<i>SECTORAL COMMISSION PROPOSALS</i>	<i>FINAL TEXT</i>
<i>The simplifications introduced by the Commission proposal on the common provisions on the CSF Funds, also applicable to EMFF, are included in the DG REGIO Fiche</i>		
Reducing number of Programmes	<ul style="list-style-type: none"> - Almost all Integrated Maritime policy (IMP) and Common Fisheries Policy (CFP) financial instruments: 2011-2013 IMP financial instrument, European Fisheries Fund, European Agricultural Guidance and Guarantee Fund (EAGGF), Common Market Organisation for Fisheries and Aquaculture (CMO) and compensation scheme for outermost regions, 2nd financial instrument (control, data collection, FPAs, voluntary contribution to RFMOs (Regional Fisheries Management Organisations) are integrated into a single fund. - IMP based on ad hoc financial instruments, got an access to stable, multiannual funding. - Integration of market instruments and reduction of their number: 7 market intervention instruments have been replaced by one. All forms of support to Producer Organisations (PO) have been integrated in market measures chapter of EMFF, including compensation to outermost regions. This simplifies market intervention and allows focus on POs. 	
Single sector framework		
Synergies / Mainstreaming	<u>Europe 2020 goals</u> : Contributing to the Europe 2020 goals through Thematic Objectives (Art.6)	

	<p>Examples of synergies</p> <ul style="list-style-type: none"> - Consistent horizontal approach to IMP across the sectoral funds - Integrated approach to community led local development which facilitates integrated investment by small communities on simplified terms. It facilitates joint ventures funded by different EU funds (including EAFRD and EMFF) by foreseeing joint assessment and approval of local development strategies and allowing the financing of management costs from one source only and avoiding reporting on these costs to different bodies. 	
<p>Clear priority objectives and indicators</p>	<ul style="list-style-type: none"> - Currently EFF is programmed by Axes, of a very heterogenous nature, some of them focusing on certain sectors (i.e. fleet) while others on horizontal measures (i.e. marketing). This results in a "pick and choose approach" by MS, lack of critical mass and focus on objectives. Further, this is combined with a lack of common indicators and the annual reporting with a large number of descriptive elements. Programming by priorities clearly linked to CFP reform and Europe 2020 objectives (Art. 6 of EMFF), with a set of common indicators across the MS (Art.133), will facilitate coherent programming. It will also reduce administrative burden linked to the reporting which will focus on quantitative data on a limited set of indicators. The indicators will be defined in the dialogue with the Member States. - Finally, clearly specified objectives and other performance instruments allow for a simplification of the implementation and of control procedures. 	
<p>Flexible decision-making procedures</p>	<ul style="list-style-type: none"> - Including data collection, control and market measures under shared management contribute to the reduction of the number of decision by the COM (four sets of financial decisions, monitoring and evaluation are merged into one set). - Reduction of number of payment claims. - More flexible spending (no annual constraint anymore). MS can apply multiannual approach, with a more strategic focus and more predictability. (Art. 17). 	

	<p>- In 2007-2013 all amendments to the operational programmes require a decision of the Commission. In the case of minor amendments that do not affect the strategy, the objectives, the intervention logic or the financial plan, this takes a disproportional amount of time and effort. The new procedure allows for easier modification of non-essential elements of OP (for example transfer of funds between EMFF priorities up to 5% of the annual amount allocated to this priority). Simplified procedure will also allow for regular modification of those parts of OP which relate to data collection and control in order to adapt quickly to the new requirements and priorities which might emerge during the programming period (Art. 22-24).</p>	
Clear cost eligibility rules	<p>- No more separate committing, reporting and N+2 rule by convergence and non-convergence regions implies simplification, easier reporting and less financial tables and easier compliance with N+2 rule (Art 17).</p> <p>- One co-financing rate of 75% applicable to all regions: currently 3 different co-financing rates are applied, one for convergence regions, one for non-convergence and one for Greek islands and outermost regions. One co-funding rate means one financial table instead of 3, reduction of administrative burden and much easier control (art .94).</p> <p>- One aid intensity with few exceptions: aid intensity fixed to 50% of the total eligible expenditure. Exceptions clearly identified and justified in policy terms (small scale fisheries, collective actions, remote Greek islands, outermost regions). This approach replaces the current one, where 24 different aid intensities are applied. Transparency, clear communication of priorities, easier to control (Art. 95).</p>	
Simplified cost methods	<p>The use of simplified forms of grants is encouraged in EMFF in line with the possibilities offered by the Financial Regulation and with Art. 57 of the common provisions on the CSF Funds, facilitating funding in the form of lump sums.</p>	
Proportionate controls	<p>Currently, conditionality with the control regulation and the IUU Regulation is established in those two Regulations, outside the scope of the EFF. EMFF (Art. 12) integrates these requirements into a single legal text, makes the rules clearer and</p>	

	applicable, and streamlines them with the standard EMFF procedures. Simplification and further legal certainty is achieved through the establishment of more precise criteria for determining the circumstances where an infraction of CFP rules is considered an irregularity and can give rise to a financial correction. This will result in a reinforced legal certainty and savings in administrative costs.	
E-governance		

5. External Action

POLICY AREA: EXTERNAL ACTION

<i>TYPE OF ACTION / MEASURE</i>	<i>SECTORAL COMMISSION PROPOSALS</i>	<i>FINAL TEXT</i>
Reducing number of Programmes	<ul style="list-style-type: none"> - The number of instruments remains the same. The external action package adopted on 7 December 2011 consists of eight proposals of instruments financed under the EU general budget⁴ - The main simplification of the external action instruments already took place for the 2007-2013 period (before the year, there were more than 30 instruments). In the case of one of these instruments, the DCI, it is proposed to further reduce the number of thematic programmes from five to just two. - The external action package also including proposals relating to the European Development Fund (EDF), an external action instrument financed outside of the EU general budget⁵ 	
Single sector framework	Common provisions were brought together in a separate proposal for a regulation establishing common rules and procedures for the implementation of the Union's instruments for external action (common implementing regulation) (COM(2011)842 final).	

⁴ **IPA II:** Instrument for Pre-accession (COM(2011)838 final)

ENI: European Neighbourhood Instrument (COM(2011)839 final)

DCI: Financing Instrument for Development Cooperation (COM(2011)840 final)

INSC: Instrument for Nuclear Safety Cooperation (COM(2011)841 final)

PI: Partnership Instrument for cooperation with third countries (COM(2011)843 final)

EIDHR: Financing instrument for the promotion of democracy and human rights worldwide (COM(2011)844 final)

IfS: Instrument for Stability (COM(2011)845 final)

Greenland: Council Decision on relations between the European Union on the one hand, and Greenland and the Kingdom of Denmark on the other (COM(2001)846 final)

⁵ The proposals on **EDF** were composed of a Communication on the preparation of the 2014-2020 MFF for ACP countries – draft internal agreement (COM(2011)837) and a Proposal for a Council decision on the position to be adopted by the EU within the ACP-EU Council of Ministers to include the 2014-2020 MFF in a new annex to the ACP-EU Partnership agreement (COM(2011)836).). Proposals for an implementing and a financial regulation for the 11th EDF will be adopted subsequently.

	It applies to seven instruments: IPA II, ENI, DCI, INSC, PI, EIDHR and IfS.	
Synergies / Mainstreaming	<ul style="list-style-type: none"> - In terms of legislative architecture, the introduction of the horizontal regulation is designed to ensure standardization across instruments and compatibility with the Financial Regulation and thus to increase clarity and prevent contradictory or ambiguous provisions. - The following are examples of synergies and mainstreaming: <ul style="list-style-type: none"> - Gender - Climate change - Environment - Human Rights - Democracy and good governance - External aspects of internal policies integrated (e.g. ERASMUS) - In the same line, the new proposals provide the necessary framework for joint programming/joint response between the EU and its Member States. - The proposed instruments introduce additional flexibility for programming and funding, in particular in cases of crisis and fragility. In this context, the Emergency Aid Reserve (EAR) will be available to an increased number of crises related activities as well to humanitarian aid. Greater flexibility is proposed in the use of the EAR. 	
Clear priority objectives + indicators	<ul style="list-style-type: none"> - External relations instruments include provisions with clear and well delimited specific objectives, accompanied by performance indicators. The number of objectives is limited which contributes to more focused instruments in terms of results which will be achieved on the ground. The achievement of these objectives will be assessed during the course of 	

	<p>the period so as to provide a transparent means to report on results. Clarity and focus in objectives also ensures complementarity across instruments and avoids overlaps in the intervention of the EU in beneficiary countries.</p> <p>- In this context, the "Agenda for change" communication (COM(2011)637 also insist on the principles of concentration and differentiation in the way to deliver aid.</p>	
<p>Flexible decision-making procedures</p>	<p>Almost all instruments contain an empowerment to the Commission to adopt delegated acts to complement or amend non-essential elements of the instrument (IPA II: Arts. 10 and 11; ENI: Arts. 12, 13 and 14; DCI: Arts. 17, 18 and 20; PI: Arts. 4 and 7; IfS: Arts. 9 and 10; Greenland: Arts. 5, 9 and 10). However, the possibility to adopt instrument-specific rules for implementation in addition to those proposed in the "common implementing regulation" is limited to the IPA II and ENI instruments All instruments further provide for programming documents to be approved, and financial decisions to be adopted, as implementing acts with the assistance of a Committee (IPA II: Arts. 6 and 12; ENI: Arts. 7,9 and 15; DCI: Arts. 14 and 19; INSC: Arts. 3 and 6; PI: Arts 5 and 6; EIDHR: Arts 4 and 5; IfS: Arts 7, 8 and 11; Greenland: Arts 5 and 11). Note that EDF is subject to a specific legal framework, notably the Cotonou Agreement.</p> <p>Also:</p> <p>- Differentiated approach based on country needs, capacities, performance and potential EU impact within DCI. The programming process has been simplified allowing for more coherence of EU external action and better coordination with its Member States, as well as increasing aid effectiveness (e.g. alignment to the development plans of beneficiary country).</p> <p>-Simplification of the programming process is also foreseen in the ENI through a reform of the programming document.</p> <p>-The decision-making process for programming and the adoption of financing decisions (action programmes and measures) have also been simplified by introducing flexible rules</p>	

	<p>in cases of non-substantial changes to these documents, crisis situations, introduction of new thresholds for the so-called "comitology", etc.</p> <p>- Clarification of the policy nature of programming documents.</p>	
Clear cost eligibility rules	<p>Rules on eligibility of costs are fully based on the Financial Regulation. Art. 5 of the horizontal regulation confirms this for taxes specifically:</p> <p>"Where applicable, appropriate provisions shall be negotiated with partner countries in order to exempt from taxes, custom duties and other fiscal charges the actions implementing Union's financial assistance. Otherwise, such taxes, duties and charges shall be eligible under the conditions laid down in the Financial Regulation."</p>	
Simplified cost methods	<p>Art. 4(4) of the horizontal regulation (COM(2011)842 final) requires considering flat rates, scales of unit costs and lump sums when choosing grants as type of financing:</p> <p>"The types of financing referred to in paragraph 1 and in Art. 6(1), and the methods of implementation referred to in paragraph 3, shall be chosen on the basis of their ability to achieve the specific objectives of the actions, taking into account, inter alia, the costs of controls, the administrative burden, and the expected risk of noncompliance. For grants, this shall include a consideration of the use of lump sums, flat rates and scales of unit costs."</p>	
Proportionate controls	<p>- The common implementing regulation offers new harmonised, simplified and flexible decision-making procedures common to four geographic instruments (IPA, ENI, DCI⁶ and PI) and three thematic instruments (INSC, EIDHR, IfS). Financing decisions will be adopted faster, thus accelerating the delivery of EU assistance. Provisions on implementation have been significantly simplified. The regulation also allows for the use of innovative financial tools, such as blending of grants and loans.</p>	

⁶ Note that DCI contains both geographic and thematic programmes, as well as Pan-African programme

	- In order to minimise the administrative burden on stakeholders, while ensuring adequate control, the choice for the types of financing and the methods of implementation will be done in accordance with. (Art. 4(4) of the horizontal regulation quoted above).	
E-governance	- There is no reference to e-governance in the basic acts. However, the current tools, in particular PADOR will be further developed – account taken of the external relations environment (implementation in 150 countries) and in the perspective of the E-governance challenge.	

6. Home Affairs

POLICY AREA: HOME AFFAIRS

<i>TYPE OF ACTION / MEASURE</i>	<i>SECTORAL COMMISSION PROPOSALS⁷</i>	<i>FINAL TEXT</i>
Reducing number of Programmes	<p>Home affairs spending programmes are reduced to two: an Asylum and Migration Fund (AMF) and an Internal Security Fund (ISF). This reduction will facilitate an integrated approach to home affairs spending on migration and security and make it easier to fund actions which are currently on the nexus between financial instruments.</p> <p>The two Funds will replace the current six spending programmes: viz the four instruments of the General Programme "Solidarity and Management of Migration Flows", namely the External Borders Fund, the European Refugee Fund, the European Fund for the Integration of third-country nationals and the European Return Fund; and the two Specific Programmes of the General Programme "Security and Safeguarding Liberties", ISEC (Prevention of and the fight against Crime) and CIPS (Prevention, Preparedness, and consequence management of Terrorism and other Security-related Risks).</p>	
Single sector	The Commission proposes to establish a single framework for the implementation of home	

⁷ **Communication** from the Commission to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions: Building an open and secure Europe: the home affairs budget for 2014-2020 (COM(2011) 749 final)

HI: Proposal for a Regulation of the European Parliament and of the Council laying down general provisions on the Asylum and Migration Fund and on the instrument for financial support for police cooperation, preventing and combating crime, and crisis management (COM(2011) 752 final)

AMF: Proposal for a Regulation of the European Parliament and of the Council establishing the Asylum and Migration Fund (COM (2011) 751 final)

ISF-1: Proposal for a Regulation of the European Parliament and of the Council establishing, as part of the Internal Security Fund, the instrument for financial support for police cooperation, preventing and combating crime, and crisis management (COM(2011) 753 final)

ISF-2: Proposal for a Regulation of the European Parliament and of the Council establishing, as part of the Internal Security Fund, the instrument for financial support for external borders and visas (COM(2011) 750 final)

framework	affairs funding under the two Funds. To this end, a horizontal Regulation (HI) lays down rules on programming, management and control, financial management, clearance of accounts, closure of programmes and reporting and evaluation. It aims to ensure a common approach to the implementation of the two Funds and a uniform treatment of beneficiaries in relation to all Union support in the area of home affairs.	
Synergies/ mainstreaming	The current combination of a multiannual strategy document with annual programmes will be replaced by multiannual programming only. This will significantly reduce the number of programmes. Each Member State will be required to have a single multiannual national programme per Fund (Art. 14 HI, 20 AMF, 6(1) ISF-1 and 9(1) ISF(2)), thereby bringing together activities in various policy areas and supporting respectively an integrated migration policy and a comprehensive internal security strategy. This will facilitate the funding of activities which are of necessity congruent and should be implemented in conjunction with each other in order to reinforce effectiveness and synergies (for example certain activities at border crossing points of both border guards and law enforcement authorities; the development of the capacity to receive, house, integrate and, where appropriate, facilitate the return of third-country nationals).	
Clear priority objectives + indicators (shared management)	<p>Shared management</p> <ul style="list-style-type: none"> - At the beginning of the MFF period, a single, overarching home affairs policy dialogue with each Member State (Art. 13 HI) on their use of the Funds. The policy dialogue will identify how each Member State's programme will contribute to achieving the objectives of the area of freedom, security and justice using the Union budget, taking into account the national requirements and the need to ensure compliance with the EU acquis (i.e. defining the "EU added value" of the Union budget spent by Member States). - The programmes will focus on a limited number of objectives and progress will be measured through indicators (Art. 3(2) AMF, 3(2) ISF-1 and 3(2) ISF-2). The monitoring and evaluation framework for the Funds (Art. 50 HI) will use broad policy-related 	

	<p>indicators (i.e. developing a common culture of border security, police cooperation and crisis management, fair and equal treatment of third-country nationals, solidarity and cooperation between Member States in addressing migration and internal security issues) (Art. 53(2) HI).</p> <p>Centralised management</p> <ul style="list-style-type: none"> - Funding will be available for policy-driven activities to be managed under direct and indirect centralised management (Arts. 7 + 9 HI, 21 AMF, 7 ISF-1 and 13 ISF-2). This includes Union actions (studies, transnational actions, particularly innovative actions and most of the actions in and in relation to third countries (external dimension)), emergency assistance (Arts. 7, 8 and 9 HI, 22 AMF, 9 ISF-1, 14 ISF-2), networks such as the European Migration Network (Art 23 AMF), and the development of new IT systems for the movement of third-country nationals across the external borders of the Union (Art. 15 ISF-2). - Funding will be used more strategically and implemented not only through calls for proposals but also through partnership and framework agreements with key strategic stakeholders such as non-state actors with specific, appropriate expertise in the area of home affairs, some international organisations (such as IOM, UNHCR), the Red Cross, or by entrusting specific operational tasks to existing EU agencies, depending on their expertise and competences (Art. 7(4) HI). 	
<p>Flexible decision making procedures</p>	<p>Shared management</p> <ul style="list-style-type: none"> - Multiannual programming will reduce significantly the number of national programmes: the maximum number will be 26 for AMF and 27 for the ISF (1+2) (excluding the Schengen associated states) for the seven year period compared with. more than 100 programmes each year under the current framework. - The new delivery mechanisms will be coherent with other EU Funds in shared management and thus allow the streamlining of administrative procedures within Member States. 	

	<p>- Use is made of delegated acts to supplement or amend non-essential elements, and thus to adapt the implementation easily to changing circumstances (i.e. to revise specific actions for national programmes in the context of the mid term review (16 AMF, 8 ISF-2) or to adjust priorities under national programmes (17 AMF, 6 ISF-1).</p> <p>Centralised management</p> <p>- The available appropriations will be treated as a global envelope, ensuring the necessary financial flexibility to target under each budget year the different challenges the Union faces in migration and security, depending on the specific political requirements of the moment (Art. 7(1) HI).</p> <p>- A special emergency response mechanism will allow the EU to respond rapidly and effectively in the case of unforeseen events or emergencies (Art 7-9 HI, 22 AMF, 9 ISF-1, 14 ISF-2).</p>	
Clear cost eligibility rules (shared management)	<p>For home affairs, the eligibility of expenditure under the Member States's national programmes will be determined on the basis of national rules, subject to a limited number of common rules (Art. 17-19 HI). This is an important simplification in project management at the level of the beneficiaries, compared to the current situation under the four Funds, where EU rules determine the eligibility of expenditure. The principles are fully aligned with those laid down in the CSF Regulation thereby streamlining procedures and reducing administrative burden.</p>	
Simplified cost methods	<p>Shared management:</p> <p>- In accordance with the provisions of the proposal for the Regulation of the Common Strategic Framework the use of simplified forms of grants, such as facilitating funding in the form of lump sums and other output-based grants etc, is authorised (Art. 18 HI). Notably grants for which the support from the Union budget does not exceed 50.000 EUR</p>	

	<p>shall take the form of lump sums or standard scale of unit costs (18(7) HI).</p> <p>Centralised management⁸:</p> <ul style="list-style-type: none"> - The possibilities offered by the (revised) Financial Regulation for simplified cost methods will be used, where appropriate. 	
<p>Proportionate controls (shared management)</p>	<ul style="list-style-type: none"> - For the national programmes, controls of beneficiaries will be simplified by the increased recourse to lump sums, unit costs and flat rates. - There will be only a single prefinancing (4%) (Art. 33 HI) and, for each Fund, for each year, one possibility for requesting payments (Art.35 + 39 HI). This is a significant simplification compared to the current set up for the four Funds in shared management where, for each annual programme, a first pre-financing payment is made of 50% and the payment of the balance is requested at the closure nine months after the eligibility period, with the possibility of requesting a 2nd prefinancing (40%) before that date. The content of the payment request will be simplified and include all payments made by the Responsible Authority: i.e. there will be no reason to wait for the final payment of the last project to be able to declare the payments on other projects (Art. 39 HI). - The accreditation of the responsible authority will be the responsibility of the Member States and will be disconnected from the negotiation of the national programmes. (Art. 24 HI). - The beneficiaries will be controlled on the spot as part of the first level controls to be carried out by the Responsible Authority (Art. 25 HI). The Audit Authority will focus more on audits of the management and control system put in place by the Responsible Authority (Art 23(1)(c); Art. 27 HI) and will complement them as deemed necessary with substantive testing of transactions. 	

⁸ Under the future Funds, about 30% of funding will be implemented under centralised management and about 70% under shared management.

E-governance	All official exchanges of information between Member States and the Commission in relation to the national programmes shall be carried out through an electronic data exchange system established by the Commission (successor of SFC 2007) (Art. 22(5) HI).	
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7. Justice, Fundamental Rights, Citizenship

POLICY AREA : JUSTICE, FUNDAMENTAL RIGHTS, CITIZENSHIP

<i>TYPE OF ACTION / MEASURE</i>	<i>SECTORAL COMMISSION PROPOSALS⁹</i>	<i>FINAL TEXT</i>
Reducing number of Programmes	<ul style="list-style-type: none"> - Three programmes: Civil Justice, Criminal Justice, Drug Prevention and Information, are merged into one programme. (Recital 6, Justice) - Three programmes: Fundamental Rights and citizenship, Daphne III, the ‘gender equality’ and the antidiscrimination and diversity’ sections of Progress are merged into one programme. (Recital 12, Rights & Citizenship) 	
Single sector framework	The provisions of both proposals are very similar, in order to have the same set of rules governing funding in the Justice area.	
Synergies / Mainstreaming	<ul style="list-style-type: none"> - By merging the current programmes, synergies between all areas covered will be optimised. Cross-cutting issues such as E-justice or judicial training will be addressed in a more efficient way. - Consistency, complementarity and synergies with other Union instruments shall be sought: <p>The Justice programme has synergies with programmes such as the Rights & Citizenship programme, the Instrument for financial support for police cooperation, preventing and</p>	

⁹ **Justice Programme:** Proposal for a Regulation of the European Parliament and of the Council establishing the Justice Programme for the period 2014 to 2020 (COM(2011) 759 final)

Rights and Citizenship Programme: Proposal for a Regulation of the European Parliament and of the Council establishing the Rights and Citizenship Programme for the period 2014 to 2020 (COM(2011) 758 final)

Citizens: Proposal for a Council Regulation establishing for the period 2014-2020 the programme "Europe for Citizens" (COM (2011) 884 final)

	<p>combating crime, and crisis management, the Health for Growth programme, the Erasmus for all or Horizon 2020 framework programme and the "Instrument for Pre-accession Assistance"(Art. 11).</p> <p>The Rights & Citizenship programme has synergies with programmes such as the Justice programme, the Europe for citizens programme, and with programmes in the areas of home affairs; employment and social affairs; health and consumer protection; education, training, youth and sport; information society enlargement, in particular the Instrument for Preaccession Assistance and the funds operating under the Common Strategic Framework (CSF funds) (Art. 10).</p> <p>There are important synergies between projects under Citizens and under other Union programmes, namely in the areas of employment, social affairs, education, research and innovation, youth and culture, justice, equality between women and men and non-discrimination, and regional policy (Art. 11 Citizens).</p> <p>- The programmes will contribute to the development of an area of freedom, security and justice and thereby also contribute to the achievement of the Europe 2020 strategy for smart, sustainable and inclusive growth.</p>	
<p>Clear priority objectives + indicators</p>	<p>The proposals for Justice, Rights and Citizenship programmes establish a reduced number of specific objectives and indicators (Art 4) which will be used to measure their achievement for the duration of the programme. They also contain areas of actions, which ensure that funding will focus on areas where Union funding brings added value compared to Member State funding alone. (Art 6 Justice , Art. 5 Rights & Citizenship)</p> <p>Clear and easy to monitor specific objectives, indicators, targets, milestones and outputs are identified in the proposal of Europe for Citizens. The objectives of Europe for Citizens are to raise awareness on remembrance, Union history and identity, and encourage democratic and civic participation of citizens at Union level (Art. 2 Citizens). This will guide the programme on a clear direction reducing overlaps and increasing its effectiveness.</p>	

Flexible decision-making procedures	Only work programmes as implementing acts are subject to comitology. Award decisions are not, thus allowing reduction of the time to grant. (Art. 9, Justice, Art. 8 Rights & Citizenship, Art 8 Citizens)	
Clear cost eligibility rules	<ul style="list-style-type: none"> - Grants are implemented in full compliance with the Financial Regulation. The proposals do not establish any specific or diverging eligibility rules. - General reference to the Financial Regulation is complemented by a comprehensive and detailed definition of the eligible actions under the different strands of the programme. (Art 3 Citizens) 	
Simplified cost methods	<ul style="list-style-type: none"> - All simplified cost methods allowed by the Financial Regulation can be used. 	
Proportionate controls	<ul style="list-style-type: none"> - The reduction of number of programmes will mean more harmonised rules. Together with the simplification measures, this will mean a reduced risk of error. Controls put in place will be based on several building blocks (ex ante controls, ex post controls based on a detection strategy, special procurement committee above certain threshold) and be proportionate to the risk. (Annex, 2.2.2 of Justice and Rights and Citizenship proposals) - The recourse to lump sums, flat rates and unit costs, e-applications, and efficient on-the-spot checks by grouping visits to organisations in the same region, reduces the administrative burden as well as allows significant reductions of costs (section 2.2.2 Legislative Financial Statement, Citizens). Lighter procedures for small grants (section 2.2.2 Legislative Financial Statement, Citizens). 	
E-governance	DG Justice and DG Home use the IT grant management system Priamos, which allows online applications and evaluations. It is intended to channel communication between beneficiaries and the Commission in the longer term.	

8. Environment, Climate Action

POLICY AREA: ENVIRONMENT AND CLIMATE ACTION

<i>TYPE OF ACTION / MEASURE</i>	<i>SECTORAL COMMISSION PROPOSALS</i> ¹⁰	<i>FINAL TEXT</i>
Reducing number of Programmes	A single programme – LIFE – with the creation of two distinct sub-programmes dedicated to environment and climate actions with an increased focus on Integrated Projects.	
Single sector framework	<ul style="list-style-type: none"> - A single set of rules applying to the funding of all actions undertaken by participants under LIFE. - The draft regulation contains streamlined provisions for both environment and climate change areas, thus offering potential beneficiaries a coherent and simplified framework to apply for funding. 	
Synergies / Mainstreaming	<ul style="list-style-type: none"> - The LIFE programme responds directly to the challenges identified in the Europe 2020 strategy, and contributes to the achievement of Europe 2020 sustainable development objectives and targets. (Art. 3.1) - LIFE will complement the implementation of other Union programmes and instruments, e.g. Structural Funds, Cohesion Fund, the European Agricultural Fund for Rural Development, European Maritime and Fisheries Fund, Horizon 2020, the Union's external actions, Connecting Europe Facility etc. Specific attention is paid to ensuring effective coordination and avoiding overlaps with other EU instruments and programmes. - Synergies and complementarity are expected predominantly with regards to the newly 	

¹⁰ Proposal for a Regulation of the European Parliament and of the Council on the establishment of a Programme for the Environment and Climate Action (LIFE) (COM(2011) 874 final)

	<p>established form of integrated projects (Art. 8 and Art. 19(3) LIFE) which combine advantages related to simplified management and integrated approach and are expected to gain their pace in the second half of implementation of the next multi-annual financial framework.</p> <ul style="list-style-type: none"> - Internal synergies between the different objectives of the programme shall also be promoted where possible. (Art. 19.2 LIFE) - In general, environment and climate action are addressed as an integral part of all the main instruments and interventions (mainstreaming). However, a specific instrument such as LIFE will, in addition, increase coherence and added-value of Union intervention. It will catalyse and promote integration and mainstreaming of environmental and climate objectives into other Union policies and public and private sector practice. (Art. 3.b) 	
Clear priority objectives + indicators	<ul style="list-style-type: none"> - The new Regulation will introduce priority themes into the work programme, which will encourage projects more closely aligned to EU priorities. - Eligible activities have also been more clearly defined and potential overlaps with research, eco-innovation and external action programmes ruled out. - The broad objective of LIFE remains to encourage and disseminate best practices (Art. 2), but more specific operational objectives for each priority theme are identified in Arts. 9 to 16, while related indicators are included in Art. 3. The indicators generally focus on measuring successful development and replication of projects, though for the biodiversity strand a clear link is made between LIFE and implementation of the Habitats Directive and the Natura 2000 network. 	
Flexible decision-making procedures	<ul style="list-style-type: none"> - The Commission is empowered to adopt delegated acts for adapting the performance indicators measuring the achievement of the programme's objectives (Art. 3 (2) and Art. 30 LIFE) or to specify the conditions for application of some criteria in line with the respective policy areas defined in the multi-annual work programmes (Art. 19 (1) and (3) and Art. 30 LIFE). 	

	<ul style="list-style-type: none"> - Only work programmes as implementing acts are subject to comitology. Selection procedure is not; thus leading to a reduction in the time needed to award grants. (Art 24) - The introduction of multi-annual work programmes of at least two years will allow ascertain degree of stability for potential applicants to prepare suitable proposals according to established priorities and targets, whilst still allowing flexibility to adapt the priorities of programmes in line with future needs. - The Commission shall be assisted by a single Committee for the LIFE programme for the Environment and Climate action (Art 29). 	
Clear cost eligibility rules	<p>Funding rules are streamlined:</p> <ul style="list-style-type: none"> (i) The types of projects to be funded are clearly defined, thus creating a comprehensive legislative framework for the benefit of potential beneficiaries (Art.2 and 18 LIFE). (ii) The rules of the FR are applicable with limited special rules on VAT and land purchases for conservation purposes (Art. 20 (2) LIFE). 	
Simplified cost methods	<ul style="list-style-type: none"> - The use of simplified forms of grants (lump sums, flat rates etc.) is authorised by way of a general reference to the Financial Regulation. (Art. 17 (2) LIFE). - Co-financing rates increased to a maximum of 70% (80% in specific cases) to compensate for ineligible costs. (Art. 20) 	
Proportionate controls	<ul style="list-style-type: none"> - The LIFE programme incorporates the simplification measures proposed in the Commission proposal for the revision of the Financial Regulation, notably the recourse to lump sums, flat rates and unit costs. (COM (2011) 0874 Art. 17.2) - For the LIFE programme, to reduce the burden on beneficiaries, a two-step approach is planned to select Integrated Projects, as well as an increasing use of lump-sums and flat 	

	<p>rates, and the ineligibility of certain costs, with a corresponding compensatory increase in the co-financing rates. This will imply a reduction in risk errors and a simplification in the reports and controls. Controls will be organised around ex-ante controls during the project selection, preventive and detective monitoring and on-the-spot checks during project implementation and detective and corrective controls including the use of external audit certificates for final payment. Ex-post controls of grants will also be conducted and "desk audits" (See section 2.2.2 to the Financial Statement annexed to the Proposal).</p>	
E-governance	<p>Continual improvements of IT systems to accelerate and facilitate the electronic submission of applications.</p>	

9. Civil Protection

POLICY AREA: CIVIL PROTECTION

<i>TYPE OF ACTION / MEASURE</i>	<i>SECTORAL COMMISSION PROPOSAL¹¹</i>	<i>FINAL TEXT</i>
Reducing number of Programmes	The two existing Council Decisions on the Civil Protection Mechanism and the Civil Protection Financial Instrument are merged into a single act, which covers both the functioning of the Mechanism and the financing of its activities (Art. 1 Civil Protection).	
Single sector framework	Actions carried out under the Mechanism are subject to a single set of funding rules, drawn from the Financial Regulation (Art. 25 Civil Protection).	
Synergies / Mainstreaming	<p>Examples of synergies</p> <ul style="list-style-type: none"> - Particular attention has been given to ensure consistency, close coordination and exclude double financing between civil protection and humanitarian aid, as well as consistency with actions carried out under other EU policies and instruments, in particular in the fields of justice, liberty and security policy, including consular support and protection of critical infrastructure, environment, in particular flood management and control of major accidental hazards; climate change adaptation; health; marine pollution; external relations and development (Art. 26 Civil Protection). - The external dimension of civil protection operations is also covered. In operations outside the Union, consistency in the international civil protection work is promoted (Art. 16 Civil Protection). - The Commission and the Member States shall identify and ensure synergies between in- 	

¹¹ **Civil Protection:** Proposal for a Decision of the European Parliament and of the Council on a Union Civil Protection Mechanism (COM(2011) 934)

	kind assistance and humanitarian aid funding provided by the Union and Member States in the planning of response operations outside the Union (Art. 10 Civil Protection).	
Clear priority objectives + indicators	<ul style="list-style-type: none"> - One of the changes is to align the subject matter of the Mechanism with the new Treaty Art. 196 which advocates an integrated approach to disaster management. - The general objective, the specific objectives and the indicators to measure the progress are clearly defined in order to guide the activities and to maximize the European added value. (Arts. 1 and 3 Civil Protection). - The Mechanism has three specific objectives which are directly focusing in the areas of prevention, preparedness and response to disasters. This reduces the complexity of the Mechanism thus reducing the risk of overlaps and improving its efficiency and effectiveness. - To support progresses in the Mechanism the specific objectives are measured by indicators on the implementation of the disaster prevention framework, the entity of the response capacities available for emergency interventions, and the speed and coordination of interventions under the Mechanism (Art. 3 on specific objectives). 	
Flexible decision-making procedures	<ul style="list-style-type: none"> - In accordance with the Financial Regulation, it will not be necessary to include emergency response related operations in the annual work programmes subject to comitology (Art. 25 Civil Protection). - The Commission may define, by means of implementing acts, modalities on the development, management, maintenance of capacities and making these capacities available to all Member States through the Mechanism (Art. 12 and 30 Civil Protection). 	
Clear cost eligibility rules	<ul style="list-style-type: none"> - The existing procedures for the pooling and co-financing of the transport of assistance are simplified, e.g. by avoiding a systematic reimbursement of 50% and by appointing a lead state in transport operations involving several Member States, thereby significantly reducing the administrative burden on the Commission and Member States (Art. 23 Civil 	

	<p>Protection).</p> <ul style="list-style-type: none"> - Simplified rules for the activation of the Mechanism in emergencies in third countries are established (Art. 16 Civil Protection). - Simplification is entailed by alignment on the Financial Regulation and clearly defined eligible actions (Chapter V Civil Protection). 	
Simplified cost methods	New possibilities of recourse to lump sums, unit costs and flat rates provided for by the Financial Regulation may be used. In particular, funding of the European Emergency Response Capacity shall take the form of unit costs determined per type of capacity (Art. 21 Civil Protection).	
Proportionate controls	The possibility of using unit costs will also simplify reporting and control.	
E-governance		

POLICY AREA: EDUCATION AND CULTURE

<i>TYPE OF ACTION / MEASURE</i>	<i>SECTORAL COMMISSION PROPOSALS¹²</i>	<i>FINAL TEXT</i>
Reducing number of Programmes	<ul style="list-style-type: none"> - All actions in the field of Education, Training, Youth and Sport for the 2014-2020 period are covered by a single programme "Erasmus for All (EfA), grouping the Lifelong Learning Programme, the Youth in Action Programme and Union instruments for international cooperation in higher education (Erasmus Mundus, Tempus, Alfa and Edulink, as well as the programme for cooperation with industrialised countries) (Art. 1 EfA). - The currently existing legislative acts establishing the MEDIA, MEDIA Mundus and the Culture programmes are merged in one, thus creating a single framework for their implementation (Art. 1 Creative Europe). 	
Single sector framework	<ul style="list-style-type: none"> - Actions covered by EfA are subject to a single set of funding rules, drawn from the Financial Regulation (Art. 14.1 EfA), and to the same delivery methods (direct management or indirect management through National Agencies) (Art. 20 EfA), thus enabling to reach economies of scale and simplifying the work both of beneficiaries and management bodies. - EfA is organised according to three types of key actions, which are complementary and mutually reinforcing, leading to a reduction in the number of activities supported in the 2007-2013 programmes from 75 to 11 (4 mobility activities, 4 cooperation activities, 3 	

¹² **EfA:** Proposal for a Regulation of the European Parliament and of the Council establishing "ERASMUS FOR ALL" - The Union Programme for Education, Training, Youth and Sport (COM(2011) 788/2)

Creative Europe: Proposal for a Regulation of the European Parliament and of the Council on establishing the Creative Europe Programme (COM(2011) 785/2)

	<p>policy support activities) (Art. 6 EfA).</p> <ul style="list-style-type: none"> - Actions covered by Creative Europe are subject to a single set of funding rules, drawn from the Financial Regulation (Art. 19 Creative Europe). - The currently existing networks under the MEDIA and Culture programme are merged into one Creative Europe Desks Network, thus ensuring economies of scale, greater transparency for the public by having only one EU entry point and a higher quality service (Art. 8(f) Creative Europe). 	
Synergies / Mainstreaming	<p>Examples of synergies</p> <ul style="list-style-type: none"> - EfA will boost international cooperation and capacity building in third countries (Art. 1.4 EfA). - Complementarity with the other Union funding sources shall be ensured (Art. 19 EfA, Art. 13 Creative Europe), in particular with the structural funds and the Research and Innovation programmes. - 	
Clear priority objectives + indicators	<p>Clear and easy to monitor specific objectives, indicators, targets, milestones and outputs are identified (Arts. 5 and 11 EfA, Arts. 3, 4, 5, 7, 9, 11 Creative Europe):</p> <ul style="list-style-type: none"> - EfA directly contributes to the Europe 2020 Strategy and its flagships initiatives, in particular Youth on the Move and the Agenda for New Skills and Jobs. Implementing provisions of EfA will boost fund allocations based on performance and EU added value on the basis of qualitative and, wherever possible, quantitative criteria (Art. 13 EfA). - Investments in the cultural and creative sectors are essential for the creation of growth and jobs in the Union which is a priority in the Europe 2020 Strategy (Art. 4 Creative Europe) A clear definition of general and specific objectives has been essential in reducing the complexity of the previous Programmes and in giving a clear direction to its activities 	

	with a great benefit in terms of simplification. -	
Flexible decision-making procedures	- Only work programmes as implementing acts are subject to comitology. Award decisions are not, thus allowing reduction of the time to grant (Art. 29 EfA, Art. 17 Creative Europe,). The Commission is empowered to adopt delegated acts for modifying the criteria used to measure performance on the basis of which funds for the learning mobility of individuals are allocated between Member States (Art. 13.7 EfA).	
Clear cost eligibility rules	- Cost eligibility rules are aligned on the provisions of the Financial Regulation (Art. 14.1 EfA, Art. 19.4 Creative Europe). - The tax status of grants awarded under EfA is clarified (Art. 14.5 EfA). - The notions of grant beneficiaries and bodies to which tasks are delegated are clarified compared to LLP. - The specific procurement procedures imposed on beneficiaries under LLP ¹³ are removed. - General reference to the Financial Regulation is complemented by a comprehensive and detailed definition of the eligible actions under the different strands of the programme (Arts. 7-10, 12 EfA, Arts. 10, 12 Creative Europe).	
Simplified cost methods	- EfA will allow for broader use of lump sums, unit costs and flat rates in accordance with the revised Financial Regulation. Successful examples, such as the flat rate grants for Erasmus student mobility, will be widely used for mobility actions. - The ceiling set out in LLP or flat rates and scales of unit costs is removed.	

¹³ Decision 1720/2006/EC of the European Parliament and of the Council establishing an action programme in the field of lifelong learning

	<ul style="list-style-type: none"> - The use of simplified forms of grants (lump sums, flat rates etc.) is authorised by way of a general reference to the Financial Regulation. (Art. 19.4 Creative Europe). 	
Proportionate controls	<ul style="list-style-type: none"> - For EfA grant applicants which are public bodies, as well as schools, higher education institutions and organisations in the fields of education, training, youth and sport that have received over 50% of their annual revenue from public sources over the last two years are exempted from the verification of the selection criteria (Art. 14.4 EfA). - Following generalisation of simplified forms of grants, reporting and control will focus on the realization of the supported activity and the achieved results rather than on the eligibility of costs incurred, reducing the workload and scope for error of both programme participants and managing bodies. National Agencies will no longer manage individual mobility, reducing the administrative workload on intermediaries and beneficiaries. The concrete burden of the controls on the beneficiaries should decrease compared to the current situation, as part of the expected lower risk of non-compliance will result from additional simplifications and better quality of supporting information provided to beneficiaries (section 2.2.2 Legislative Financial Statement, EfA and Creative Europe). - Reporting requirements will be proportional to the size of the grant, the duration and complexity of the supported action (section 2.2.2 Legislative Financial Statement, EfA) - Abolition of time-recording obligations for staff working to 100% on the Union project (section 2.2.2 Legislative Financial Statement, EfA) - On-the-spot controls may be limited to specific areas, for example with high involvement of enterprises, bodies with more limited financial capacity or informal groups (youth sector notably), and based on risks detected following data mining (section 2.2.2 Legislative Financial Statement, EfA) - The yearly declaration of assurance by Member States is replaced by a management declaration by the National Agency and an independent audit opinion for reasons of efficiency and cost-effectiveness, given the new Financial Regulation requirements for National Agencies (cf. Art. 57.5 Proposed FR) 	

	<ul style="list-style-type: none"> - Controls will be based on the single audit principle: Each Member State, through the designated national authority, will monitor and supervise at national level the activities related to the programme; the National Agency will be responsible to control the programme beneficiaries and the Commission, to avoid overlaps, will oversee and coordinate the control system and set minimum requirements. The controls will be largely risk based. (Art. 25 EfA). - The Commission will specify the control requirements and provide control tools such as checklists to National Agencies to ensure that the same control rules apply in all countries for the same actions, to ensure the control burden is minimised (section 2.2.2 Legislative Financial Statement, EfA) 	
E-governance	The new EAC programmes will continue to provide possibilities for e-governance.	

11. Research and Innovation

POLICY AREA: RESEARCH AND INNOVATION

<i>TYPE OF ACTION / MEASURE</i>	<i>SECTORAL COMMISSION PROPOSALS¹⁴</i>	<i>FINAL TEXT</i>
Reducing number of Programmes	<p>- All existing Union research and innovation funding instruments, including the Framework Programme for Research, the innovation related activities of the Competitiveness and Innovation Framework Programme and the European Institute of Innovation and Technology (EIT) are merged into a single framework programme (H2020), thus integrating activities from idea to market (Art. 1 and 5 H2020).</p> <p>- This framework programme is implemented through one specific programme (FP7¹⁵ covers five different specific programmes), thus bringing more flexibility, increasing transparency and facilitating implementation of cross-cutting actions (Art. 1 SP H2020).</p>	
Single sector framework	<p>- A single set of rules applies to the funding of all actions undertaken by participants under H2020, including Euratom, regardless of the body (Commission, agency, joint undertaking, EIT or other) granting financial assistance (Art. 1.1 RfP H2020).</p>	

¹⁴ **H2020:** Proposal for a Regulation of the European Parliament and of the Council establishing Horizon 2020 - The Framework Programme for Research and Innovation (2014-2020) (COM(2011) 809 final)

RfP H2020: Proposal for a Regulation of the European Parliament and of the Council laying down the rules for the participation and dissemination in 'Horizon 2020 – the Framework Programme for Research and Innovation (2014-2020)' (COM(2011) 810 final)

SP H2020: Proposal for a Council Decision establishing the Specific Programme Implementing Horizon 2020 - The Framework Programme for Research and Innovation (2014-2020) (COM(2011) 811 final)

Euratom H2020: Proposal for a Council Regulation on the Research and Training Programme of the European Atomic Energy Community (2014-2018) complementing the Horizon 2020 – The Framework Programme for Research and Innovation (COM(2011) 812 final)

¹⁵ **FP7:** Decision No 1982/2006/EC of the European Parliament and of the Council of 18 December 2006 concerning the Seventh Framework Programme of the European Community for research, technological development and demonstration activities (2007-2013)

	<ul style="list-style-type: none"> - This single set of rules accommodates the need for flexibility of specific bodies, notably public-private partnerships (Art. 1.3 RfP H2020, Art. 7 Euratom). 	
Synergies / Mainstreaming	<ul style="list-style-type: none"> - The specific objective of climate action and resource efficiency is to be complemented through the other specific objectives of Horizon 2020 (Art. 25 H2020, Art. 3 and 5.6 SP H2020) so that at least 60% of the overall Horizon 2020 budget would be related to sustainable development and that climate-related expenditure would exceed 35%. - It is expected that around 15% of the total combined budget for all societal challenges and the enabling and industrial technologies under H2020 will go to SMEs (Art. 18 H2020). <p>Examples of synergies</p> <ul style="list-style-type: none"> - Implementation of H2020 shall complement other Union funding programmes, including the Structural Funds (Art. 17 H2020). - Promotion of private-public and public-public partnerships under H2020 should facilitate cooperation with the private sector and adaptation to the needs of industry as well as complementarity with national and regional programmes (Art. 19 and 20 H2020). - International cooperation under H2020 shall be driven by complementarity with external and development programmes as well as initiatives of Member States (Art. 21 H2020). 	
Clear priority objectives + indicators	<ul style="list-style-type: none"> - H2020 shall be one of the basic pillars in delivering the Europe 2020 strategy for smart, sustainable and inclusive growth by building an economy based on knowledge and innovation (Art. 5 H2020) <p>H2020 SP focuses on a reduced number of specific objectives, thus allowing for a concentration of resources around three priority areas that could not be effectively realised by Member States acting alone (strengthening the excellence of European research, strengthening our Industrial leadership in a selection of six enabling and industrial</p>	

	<p>technologies, responding directly to six key societal challenges) (Art. 3 SP H2020).</p> <ul style="list-style-type: none"> - Finally, clearly specified objectives and other performance instruments allow for a simplification of the implementation and control procedures. 	
Flexible decision-making procedures	<ul style="list-style-type: none"> - Only work programmes as implementing acts are subject to comitology. Award decisions are not, thus allowing reduction of the time to grant. (Art. 5 SP 2020)). - The Commission is authorised to adjust the budget breakdown in order to respond to unforeseen situations or new developments and needs (Art. 6.3 H2020). - The Commission is empowered to adopt delegated acts for modifying the conditions applicable to financial instruments used to enhance access to risk finance for investing in research and innovation so as to adapt to economic market environment or capitalise the results of complementary financial instruments (Art. 3.2 SP H2020). 	
Clear cost eligibility rules	<ul style="list-style-type: none"> - Funding rules are based on a streamlined cost reimbursement model: <ul style="list-style-type: none"> (i) A single reimbursement rate of eligible costs shall be applied per action for all activities and all participants, instead of three different rates in the 7th Framework Programme (FP7) (Art. 22.3 RfP H2020). (ii) Indirect costs are eligible for funding on the basis of a unique flat rate of 20% of the direct eligible costs, (instead of the four methods in FP7) (Art. 24 RfP H2020). - The general cost eligibility criteria are aligned on those set out in the Financial Regulation, including with regard to eligibility of VAT borne by a participant (Art. 23.1 RfP H2020). - Costs of affiliated entities may be eligible without them acceding to the grant agreement provided iter alia these entities would be eligible for funding if they were a participant (Art. 19.5 RfP H2020). 	

	<ul style="list-style-type: none"> - The owners of SMEs and other natural persons who do not receive a salary may charge simplified personnel costs (scales of unit costs) (Art. 26 RfP H2020). - The requirements in terms of time-recording systems are reduced. For persons exclusively assigned to the action, no time recording is required (Art. 25 RfP H2020). - Costs of pre-commercial procurement are explicitly made eligible (Art. 19.8 RfP H2020). 	
Simplified cost methods	<ul style="list-style-type: none"> - The use of simplified forms of grants is authorised in line with the possibilities offered by the Financial Regulation, facilitating funding in the form of lump sums and other output-based grants (Art. 21 RfP H2020). - Staff costs declared on the basis of unit costs in accordance with the participants' usual cost accounting practices are accepted subject to minimum conditions that are meant accommodate most of them (Art. 27.2 RfP H2020). - Possibility, but no obligation, for the participants declaring personnel costs on the basis of unit costs determined in accordance with their usual cost accounting practices to have their accounting methods approved beforehand (Art. 29 RfP H2020) - The Commission may decide to use forms of grants calculated on a statistical basis but also per beneficiary and per project (Art. 27.1 RfP H2020). 	
Proportionate controls	<ul style="list-style-type: none"> - The control system is designed to take account of the minimised risks of errors resulting from simplification measures in the field of grants, notably through the broader acceptance of the beneficiaries' cost accounting practices, increased recourse to lump sums, unit costs and flat rates, as well as promotion of new instruments such as prizes and financial instruments (Art. 23.1 H2020). - Systematic verification of the financial capacity of applicants is limited to coordinators and only where the requested grant for the action exceeds EUR 500 000 (Art. 14.5 RfP H2020). 	

	<ul style="list-style-type: none"> - Certificates on financial statements are requested only whenever the EU grants takes the form of reimbursement of actual costs or scale of units (Art. 28 RfP H2020). - The participant Guarantee Fund is extended to all beneficiaries of H2020 funding awarded by Union bodies (Art. 32 RfP H2020). - The controls are better targeted (Art. 23.3 H2020): <ul style="list-style-type: none"> (i) The audit strategy is based on a single representative sample of expenditure across the whole programme, complemented by a sample compiled on the basis of risk considerations. (ii) The governance of the ex-post audit activities will ensure that the audit burden on participants is minimized. As a guide, the Commission considers that a maximum of 7 % of participants in Horizon 2020 would be subject to audit over the whole programming period.- 	
<p>E-governance</p>	<p>For H2020, the setting up of a single user-friendly IT platform is foreseen to provide a one-stop-shop to participants: all exchanges with the participants may be channelled through a secure electronic system to be established by the Commission. This system may notably be used to sign grant agreements and to submit reports (Art. 18 RfP H2020).</p>	

12. Industry and Entrepreneurship

POLICY AREA: INDUSTRY AND ENTREPRENEURSHIP

<i>TYPE OF ACTION / MEASURE</i>	<i>SECTORAL COMMISSION PROPOSALS¹⁶</i>	<i>FINAL TEXT</i>
Reducing number of Programmes		
Synergies / Mainstreaming	<ul style="list-style-type: none"> - The need of enterprises to adapt to a low-carbon, climate-resilient, energy and resource-efficient economy will be promoted in the implementation of COSME (Art. 3.2 COSME) - Examples of synergies: Implementation of COSME shall complement other Union funding programmes, including the Structural Funds (Recital 20 COSME). 	
Clear priority objectives + indicators	<ul style="list-style-type: none"> - Clear performance instruments have been identified and clearly defined general objectives are set to illustrate the importance of COSME for the achievement of Europe 2020 strategic targets of smart, sustainable and inclusive growth, which allows for a concentration of resources on explicit EU priorities (Arts. 2 and 3 COSME). - Clear and easy to monitor specific objectives, indicators, targets, milestones and outputs were identified with the aim of simplifying the regulatory environment and facilitate access to funds for EU enterprises, particularly SMEs, as far as possible. COSME foresees the adoption of about 7 simplification measures per year and up to 12 "fitness" checks on quality and value-added of activities by 2017, with the objective of better regulation and improving framework conditions for the competitiveness and sustainability of EU enterprises including in the tourism sector (Annex I COSME). - Reduction of complexity and start-up time for new enterprises to 5 working days by 2017 	

¹⁶ **COSME:** Proposal for a Regulation of the European Parliament and of the Council establishing a Programme for the Competitiveness of Enterprises and small and medium-sized enterprises (2014 - 2020) (COM(2011) 834 final)

	<p>is also envisaged (Annex I COSME).</p> <ul style="list-style-type: none"> - Clear definition of objectives also contributes to the reduction of potential overlaps with other Union programmes, in particular between COSME and H2020, but also with the new Partnership Instrument within Union external action. - Finally, clearly specified objectives and other performance instruments allow for a simplification of the implementation and control procedures. 	
Flexible decision-making procedures	<ul style="list-style-type: none"> - Only work programmes as implementing acts are subject to comitology. Award decisions are not, thus allowing reduction of the time to grant. (Art.10 COSME). 	
Clear cost eligibility rules	<ul style="list-style-type: none"> - The general cost eligibility criteria are aligned on those set out in the Financial Regulation, including with regard to eligibility of VAT borne by a participant. (Art. 10.2 COSME) - The reimbursement rate and other details like indirect costs will be defined on the basis of the principles of the Financial Regulation in the annual work programmes. 	
Proportionate controls	<ul style="list-style-type: none"> - The documentation of calls for proposal will contain detailed guidance about eligibility rules and notably about the most frequent errors in relation to staff costs. Beneficiaries will be invited to provide already when making a proposal sufficient details about the envisaged costs allowing ex-ante verification and detection of possible errors or misunderstandings and where necessary changes of the implementation or adaptation of the grant agreement. This will significantly increase the legal certainty of beneficiaries and decrease the risk of error. - To complete the ex-ante avoidance of errors ex-post controls will be carried out in order to determine the representative average error rate that will remain despite of training, ex-ante checks and corrections. The ex-post audit strategy for expenditure under the Programme will be based on the financial audit of transactions defined by Monetary Unit Sampling, complemented by a risk-based sample. The ex-post audit strategy regarding legality and regularity will be complemented by reinforced operational evaluation and the anti-fraud strategy. 	

13. Health and Consumers

POLICY AREA: HEALTH AND CONSUMERS

<i>TYPE OF ACTION / MEASURE</i>	<i>SECTORAL COMMISSION PROPOSALS¹⁷</i>	<i>FINAL TEXT</i>
Reducing number of Programmes	<p>- The Health for Growth programme is the third multi-annual programme in this field. As in the previous programmes, this single legal act brings together all actions to improve the health of EU citizens and protect them from cross-border health threats. Moreover, the new programme will encourage innovation in healthcare and will contribute increasing the sustainability of health systems. (Art 1 & 2)</p> <p>- The Consumer programme is the successor to the 2007-2013 Programme of Community Action in the field of consumer policy, aiming at consumer empowerment by building an overall environment that enables consumers to make use of their rights and benefit from them. (Art 2)</p>	
Single sector framework	The structure and provisions of the draft regulations in the field of health and consumers are largely harmonised, thus creating conditions for greater coherence and consistency during their implementation.	
Synergies / Mainstreaming	<p>EU 2020 goals:</p> <p>- Promoting good health is an integral part of the smart and inclusive growth objectives</p>	

¹⁷ **CP:** Proposal for a Regulation of the European Parliament and of the Council on a consumer programme 2014-2020 (COM(2011) 707 final)

HfG: Proposal for a Regulation of the European Parliament and of the Council on establishing a Health for Growth Programme, the third multi-annual programme of EU action in the field of health for the period 2014-2020 (COM(2011) 709 final)

	<p>for Europe 2020. Keeping people healthy and active for longer has a positive impact on productivity and competitiveness. Innovation in healthcare as well as prevention of diseases helps take up the challenge of sustainability in the sector in the context of demographic change and action to reduce inequalities in health is important to achieve the inclusive growth priority (explanatory memorandum HP).</p> <p>- The Europe 2020 strategy calls for citizens to be empowered to play a full part in the single market, which requires strengthening their ability and confidence to buy goods and services cross border, in particular on-line. The consumer programme will support this objective by contributing to protecting the health, safety and economic interests of consumers, as well as promoting their rights to information, education and to organise themselves in order to safeguard their interests. (Art. 2 CP). It will contribute to the creation of a true single market for online content and services, which is a part of the flagship initiative "A digital agenda for Europe" supporting the EU 2020 priority of smart growth.</p> <p>Synergies:</p> <p>- The support to European cooperation on Health Technology Assessment (HTA) will facilitate the uptake of the result streaming from research projects which will be undertaken in the forthcoming Horizon 2020 - Framework programme for research and innovation (2014-2020). (Annexe I point 1.1 HfG)</p> <p>- The Consumer Programme has synergies with other programmes dealing with issues affecting consumers (Art. 11 CP). For instance: connecting Europe facility (transport, digital, and energy), justice, environment, education.</p>	
<p>Clear priority objectives + indicators</p>	<p>- The Health for Growth Programme seeks to complement activities by Member States and promote cooperation between them in facing shared challenges. Relative to prior health programmes, this proposal focuses on well defined specific objectives to be achieved through a more limited number of actions with proven EU added value. These cover the development of common assessment tools for innovative health technologies, the sharing</p>	

	<p>of best practice in prevention, increasing access to cross border expertise, and better preparedness for health emergencies. Monitoring and evaluation indicators are identified for each objective (Art 3).</p> <p>- The Consumer Programme is relatively small in budgetary terms, and necessarily focuses on well defined areas where EU intervention can complement and support national policy. There are four specific objectives, relating to surveillance and reporting of product safety across the Single market, improving provision of information to consumers and consumer organisations, enhancing access to alternative dispute resolution mechanisms, and strengthening cooperation between national consumer enforcement bodies. Quantitative indicators are included in Art. 3 relating to the flow of information across these networks, and will allow the impact of these measures to be assessed over the life of the programme</p>	
Flexible decision-making procedures	<p>- Only work programmes as implementing acts are subject to comitology. Award decisions are not, thus allowing reduction of the time to grant (Art. 11 (2) HfG, Art. 12 CP).</p> <p>- In the field of consumers the Commission is empowered to adopt delegated acts for adapting the indicators measuring the achievement of the programme's objectives (Art. 3 (3) and Art. 15 CP).</p>	
Clear cost eligibility rules	<p>- Funding rules are streamlined through clarification of the eligibility of the beneficiaries per type of grant (Art. 8 HfG, Art. 5 CP)</p> <p>- The general cost eligibility rules for direct and indirect costs are aligned on those set out in the Financial regulation.</p>	
Simplified cost methods	<p>- The use of simplified forms of grants (lump sums, flat rates etc.) is authorised in line with the possibilities offered by the Financial Regulation.</p> <p>- The use of partnership agreements through grants and the support given to an EU-level coordination body for market surveillance relating to safety will simplify the funding process. (Arts. 4 and 5 CP)</p>	

Proportionate controls	<p>Health for Growth and Consumer Programmes:</p> <ul style="list-style-type: none"> - Full compliance with the Financial Regulation and inclusion of cost-benefit considerations. (2.2.2 Legislative financial statements HfG and CP) - The use of simplified cost methods will alleviate control administrative controls, speed up the funding process and provide legal security to beneficiaries 	
E-governance	<ul style="list-style-type: none"> - The Health for Growth programme will develop common tools and mechanisms at EU level to address shortages of resources and to facilitate uptake of innovation in healthcare. In particular, actions will explore the potential of e-health and ICT for health, including a dedicated e-health network and cooperation among electronic patient registries. Moreover, the Programme will contribute to evidence based decision making by fostering a health information and knowledge system. (Annex I HfG) - The Consumer programme will consolidate and enhance product safety through the development and maintenance of IT tools (e.g. databases, information and communication systems) like the EU rapid alert system (RAPEX). It will facilitate the access to dispute resolution mechanisms for consumers, including on-line, also through the development and maintenance of relevant IT tools (Annex I CP). 	

POLICY AREA: INFRASTRUCTURE

<i>TYPE OF ACTION / MEASURE</i>	<i>SECTORAL COMMISSION PROPOSAL¹⁸</i>	<i>FINAL TEXT</i>
Reducing number of Programmes	A unique legal text that covers EU project funding across Transport, Energy and Digital networks (Art.1).	
Single sector framework	<ul style="list-style-type: none"> - A single set of rules apply to the funding (forms of financial aid, eligibility, forms of grants and eligible costs, conditions for participation, funding rates, cancellation, procurement, financial instruments, programming and control) to all actions in all three sectors (Chapters II.-VI). - A single Committee will assist the Commission and ensure a horizontal overview of the work programmes as well as identification and exploitation of synergies between sectors (Art. 24). 	
Synergies / Mainstreaming	<p>Europe 2020 goals</p> <ul style="list-style-type: none"> - Investments in infrastructure are also instrumental in allowing the EU to meet its sustainable growth objectives outlined in the Europe 2020 Strategy and the EU's "20-20-20" objectives in the area of energy and climate policy¹⁹ (Art. 3). <p>Examples of synergies:</p> <ul style="list-style-type: none"> - Specific calls for funds transferred from the Cohesion Fund in the field of transport (Art. 	

¹⁸ Proposal for a Regulation of the European Parliament and of the Council establishing the Connecting Europe Facility (COM(2011) 655 final)

¹⁹ 20% reduction in greenhouse gas emissions, 20% share of renewable energy in EU final energy consumption and 20% improvement in energy efficiency by 2020.

	<p>11).</p> <ul style="list-style-type: none"> - Financial instruments would be available in a centralised and coordinated manner, attracting and improving the effectiveness of the relationship with the private investors and the partner financial institutions (Art. 14). - An integrated EU infrastructure funding framework will allow exploiting cross-sector synergies at project development and implementation level (Art. 10.5, Art. 17.7, and Art. 24.3). - Only actions in conformity with Union law and which are in line with relevant Union policies shall be financed (Art. 22). 	
<p>Clear priority objectives + indicators</p>	<ul style="list-style-type: none"> - Clear objectives and indicators have been defined to explicitly demonstrate CEF's strong EU added value in terms of meeting the Union's sustainable growth, and energy and climate objectives outlined in the Europe 2020 Strategy. The two general objectives of CEF (Art. 3 CEF) also clearly and concisely reflect the Commission's goal to simplify the EU funding rules concerning TEN infrastructures by exploiting synergies within and between sectors. - In addition, specific sectoral objectives with related result indicators were set for each of the three sectors covered by CEF (Art. 4 CEF). The Regulation also includes lists of pre-identified priority projects, corridors and areas of intervention for each of the three fields which allows for a better concentration of resources on explicit EU priorities and projects with a real EU added value (Annex CEF). Clear and easy-to-monitor targets, milestones and outputs for each of the specific objectives are identified too (Section 1.4.4. and Section 3.2.2. Legislative Financial Statement CEF). - The clear specification of CEF's objectives reduces the risk of potential overlaps with the other EU interventions for infrastructure such as those envisaged in "Horizon 2020" and the Cohesion and Structural Funds. 	

	<ul style="list-style-type: none"> - Lastly, the clear definition of CEF's objectives and other performance instruments will allow for a simplification of the implementation and control procedures, and increase efficiency of the financial assistance. 	
Flexible decision-making procedures	<ul style="list-style-type: none"> - Only work programmes as implementing acts are subject to comitology. Award decisions are not, thus allowing reduction of the time to grant (Art. 17). - Possibility of multi-annual work programmes and budgetary commitments divided into annual instalments (Arts 17 and 18). - The Commission is authorised to transfer appropriations between the sectors following the mid-term evaluation (Art. 5(3)). - The Commission is empowered to adopt delegated acts for modifying the list of projects contained in Annex (Art. 20). 	
Clear cost eligibility rules	<ul style="list-style-type: none"> - A single set of funding rules for all actions in all three sectors (Chapters II-V) - Grants, procurement and financial instruments are implemented in full coherence with the provisions set out in the Financial Regulation. - VAT is not eligible. (Art. 8(7)) - Expenditure may be eligible from the date on which an application for aid is submitted (Art. 8(2)). - The cost of equipment and infrastructure which is treated as capital expenditure by the beneficiary may be eligible up to its entirety (Art. 8(4)). 	
Simplified cost methods	<ul style="list-style-type: none"> - The use of simplified forms of grants is authorised in line with the possibilities offered by the Financial Regulation, facilitating funding in the form of lump sums and other output-based grants (Art. 8(1)). 	

Proportionate controls	<ul style="list-style-type: none"> - Proportionate provisions on controls recovery and penalties (Art. 23) - Full coherence with current and future Financial Regulation has been ensured (Art. 6(1)). - Access to CEF funding will be facilitated by common funding instruments, award criteria and conditions for financial assistance. 	
E-governance		

POLICY AREA: CUSTOMS UNION, TAXATION, FIGHT AGAINST FRAUD, STATISTICS

<i>TYPE OF ACTION / MEASURE</i>	<i>SECTORAL COMMISSION PROPOSALS²⁰</i>	<i>FINAL TEXT</i>
Reducing number of Programmes	<ul style="list-style-type: none"> - Taxation and Customs Union instruments which are presently covered by separate legal acts will be merged into a single programme (FISCUS), with the aim to improve the operation of the taxation systems in the internal market and the functioning of the Customs Union, thus creating a single framework for their implementation (Art. 1 FISCUS). - The same applies to ESP which combines, the currently existing European Statistical Programme and the Programme for Modernisation of European Enterprise and Trade Statistics. (Art. 3 ESP). 	
Single sector framework	<ul style="list-style-type: none"> - The FISCUS programme includes common provisions for both taxation and customs sectors, except for some specificities related to specific objectives (Art. 5 FISCUS and eligible actions (Art. 6 FISCUS). The eligible actions, consisting of joint actions, IT capacity building and human capacity building in the customs and taxation areas, are fully aligned. Sector specific activities like monitoring activities for customs and multilateral controls for taxation have been preserved (Art. 6). 	

²⁰ **FISCUS:** Proposal for a Regulation of the European Parliament and of the Council establishing an action programme for customs and taxation in the European Union for the period 2014-2020 (FISCUS) and repealing Decisions N)1482/2007/EC and N°624/2007/EC (COM(2011)706 final).

Hercule III: Proposal for a Regulation of the European Parliament and of the Council on the Hercule III programme to promote activities in the field of the protection of the European Union's financial interests (COM(2011) 914 – final)

Pericles 2020: Proposal for a Regulation of the European Parliament and of the Council establishing an exchange, assistance and training programme for the protection of the euro against counterfeiting (the 'Pericles 2020' programme) (COM(2011) 913 – final).

ESP: Proposal for a Regulation of the European Parliament and of the Council on the European statistical programme 2013-2017 (COM(2011) 928 final)

	<ul style="list-style-type: none"> - The types o intervention are identical for both sectors (Art. 11 (2)). - Both taxation and customs sectors are fully aligned based upon common management guides and IT based systems. Art. - The merging of the two existing legal bases in the field of statistics produces the same affect (Art. 10 ESP). - Due to different voting requirements during the legislative procedure two different legislative acts will continue to exist in the field of protecting the Union's financing interests and in the area of protecting the euro against counterfeiting. Nevertheless, the provisions of the Hercule III and Pericles 2020 draft regulations are largely harmonised with the aim to create a single sector framework for implementation of both programmes. 	
<p>Synergies / Mainstreaming</p>	<p>Europe 2020 goals</p> <ul style="list-style-type: none"> - The FISCUS programme will support the development of a pan-European electronic customs environment, and facilitate technical progress and innovation in national tax administrations towards e-tax administrations, thus contributing to the establishment of a digital Single Market ("Digital Agenda for Europe"). (Art. 6. FISCUS) - Cooperation between anti-fraud Hercule III and customs area will have positive impact for the protection of EU financial interests, thus enhancing the competitiveness of the European economy and ensuring the protection of the taxpayers' money. (Art. 3 Hercule III) - By preventing and combating counterfeiting and fraud, Pericles 2020 will enhance the competitiveness of the European economy and secure the sustainability of public finances (Art. 3 Pericles 2020), hence contributing to growth. <p>Examples of synergies</p>	

	<p>-Customs and taxation share a common secured electronic network to exchange customs and tax related information (Art. 6 and Annex II FISCUS)</p> <p>- IT tools will facilitate transnational cooperation and cooperation with the Commission (Art. 7 Hercule III)</p> <p>- The OLAF network of national competent authorities of Member States often includes tax and customs bodies, ensuring a comprehensive approach. (Art. 5 Pericles 2020)</p>	
<p>Clear priority objectives + indicators</p>	<p>- FISCUS: the programme entails a general and a limited set of specific objectives that will contribute to the Europe 2020 strategy for smart, sustainable and inclusive growth. These are accompanied by indicators to measure performance. (Arts. 4 and 5)</p> <p>- Fight Against Fraud (Pericle 2020 and Hercule III) Clear general objectives have been defined for both programmes so as to explicitly demonstrate their contribution to the EU's priority objective of enhancing the competitiveness of the European economy as defined in the Europe 2020 Strategy (Art. 3 in both Programmes). In addition, a limited number of clear specific objectives accompanied by result indicators were set, thus allowing for a better concentration of resources towards two priority areas that could not be effectively realised by action at the national level alone (Hercule III, Art. 4 – to prevent and combat fraud, corruption and any other illegal activities; Pericle 2020, Art. 4 - to protect the euro banknotes and coins against counterfeiting and related fraud).</p> <p>- Hercule III also envisages clear and easy-to-monitor targets, milestones and outputs for the specific objectives of the Programme (Section 1.4.4. and Section 3.2.2. Legislative Financial Statement Hercule III), which will contribute to the accurate assessment and measurement of the results achieved during the implementation of the programme.</p> <p>- Finally, the clear specification of the programme's objectives reduces the risk of potential overlaps both between EU programmes and with Member States' anti-fraud programmes.</p> <p>- European Statistical Programme. The EU added value is clearly set out in art 2, as one</p>	

	<p>where high quality, harmonised and comparable European statistics can only be produced by this programme. The effectiveness of the programme will be assessed by monitoring three very specific objectives, relating to providing statistical information which will enable the monitoring of policy priorities; by continuously improving production methods in view of improving quality; and by reinforcing the partnership within the European statistical system. Performance indicators will be used to monitor progress for each of these three separate but closely interconnected specific objectives.</p>	
<p>Flexible decision-making procedures</p>	<ul style="list-style-type: none"> - The Commission will be assisted by a <u>single FISCUS Committee</u> that may meet in <u>two separate formations</u>, one dealing with the customs aspects, the other one dealing with the taxation aspects. This approach brings flexibility according to the sector concerned while allowing for a bigger picture by the Committee. It is also an asset for those Member States where both customs and taxation sectors are headed by a single entity (Ministry of Finance, for example) which can thus send a single representative for both sectors. (Art. 14 FISCUS) - Only the annual work programmes as implementing acts are subject to comitology. Award decisions are not required, thus allowing reduction of the time to grant (Art. 13 FISCUS). 	
<p>Clear cost eligibility rules</p>	<ul style="list-style-type: none"> - Funding rules are streamlined: <ul style="list-style-type: none"> (i) The general cost eligibility rules for direct and indirect costs are aligned on those set out in the Financial regulation. (ii) In the field of protecting the Union's financial interests the co-financing rates are simplified, abandoning the currently existing differentiation of the rate per type of supported activities. A general co-financing rate of the eligible costs is established with a possibility to increase it up to in duly justified exceptional cases. The same rates will apply in the field of protecting the euro against counterfeiting (Art. 9 (4) Hercule III and Art. 10 (4) Pericles 2020). In addition the types of eligible activities and other eligibility requirements (types of beneficiaries, geographical coverage of the programmes, etc.) are 	

	<p>clarified and simplified (Art. 5, 6, 7, 2(c) Hercule III, Art. 5, 6, 7 8, Pericles 2020).</p> <p>(iii) In the field of customs and taxation a general maximum co-financing rate is established with regards to all types of actions with only one exception (Art. 11 (3) FISCUS).</p> <p>(iv) In the field of statistics the new legal basis will create a much more comprehensive implementation framework by including specific eligibility and financial provisions related to access to the programme, types of eligible beneficiaries, related types of grants and co-financing rates for some measures. (Art. 10 , 11 and 14 ESP)</p>	
Simplified cost methods	<ul style="list-style-type: none"> - The use of simplified forms of grants (lump sums, flat rates etc.) is authorised by way of a general reference to the Financial Regulation. (Art. 11 (1) FISCUS, Art. 9 (1) Hercule III, Art. 10 (1) Pericles 2020, Art. 6 (2) ESP). - In the field of statistics the legal basis opens the opportunity to use output oriented lump sums linked to complete survey results and depending on the complexity of the surveys (Art. 10 (4) ESP). 	
Proportionate controls	<ul style="list-style-type: none"> - FISCUS: for procurement, the control procedures defined in the Financial regulation are applied. For grants, the Commission monitors the activities using an automated tool. In addition, paper controls and on the spot checks are performed on a sample basis. This control strategy allows keeping the administrative burden on the grant beneficiaries as limited as possible and proportionate to the budget allocated and risks perceived. - For the Hercule III programme, for grants under EUR 50 000 lighter management procedures will be foreseen, such as authorising reduced requirements in terms of breakdown of costs and estimates, the use of simplified requirements for application as well as for reporting of outcomes. On the spot checks are based on a risk assessment. - For the statistical programme, a specific emphasis will be put on reducing administrative complexity and therefore the likelihood of errors linked to the management of grants. This 	

	will be achieved in particular by focusing on bigger projects (and limitation of small grants), requirements of specific audit certificates, and the introduction of alternative options to payments based on actual costs, i.e. grants based on flat rates and scales of unit costs.	
E-governance	<ul style="list-style-type: none"> - Joint Actions financed by FISCUS are managed using an automated tool. Beneficiaries (Member States) have access to this database to report on their expenses and follow up the activities in which they participate. - Hercule III creates savings deriving from the collective procurement of specialised equipment and databases to be used. (Art. 2 Hercule III) 	