

**24th MEETING of the EXPERT GROUP on ESIF (EGESIF)****MINUTES****Meeting of the Expert group on European Structural and Investment Funds (E03040)***14-15 March 2017, Brussels - CCAB 1D***1. APPROVAL OF THE AGENDA AND OF THE MINUTES OF PREVIOUS MEETING**

Mr Charlie Grant of DG Regional and Urban Policy opened the meeting and welcomed the delegations and the representative of the European Parliament. Mr Grant presented the agenda of the meeting, which was approved.

2. NATURE OF THE MEETING

The meeting was non-public.

3. LIST OF POINTS DISCUSSED**1. Taking the Cork Declaration forward**

Mr Jerzy Plewa, Director-General for Agriculture and Rural Development, presented the background and the planned follow-up of the Cork Declaration 2.0 "*A Better Life in Rural Areas*", and informed delegations about ongoing analytical work regarding the 'modernisation and simplification of the CAP'. He explained that the Declaration is a stakeholder document which addresses policy makers with clear recommendations for future policy developments impacting on rural areas. While parts of the recommendations are relevant for the implementation of the 2014-2020 generation of ESIF programmes, the Commission will also integrate these recommendations into the preparations for post-2020 Common Agriculture Policy. The Commission intends to publish a Communication by the end of 2017 on the "modernisation and simplification of the CAP", presenting the state of play (challenges, performance of current CAP) and assessing possible policy options for the future.. As part of the preparatory process for this communication a public consultation is ongoing until 2 May to give stakeholders and citizens the opportunity to contribute their views. Furthermore, the Commission emphasised that a lot of work in terms of simplification and better coordination with the other ESI Funds had been done already. Additional simplification was proposed in the Omnibus regulation. It was indicated that the Commission is open to ways of further improving the links between the EAFRD and the other ESI Funds as well as to identifying and disseminating best practices in this respect. The Cork Declaration pointed out the need for enhancing connectivity, promoting quality of life in rural areas, strengthening rural-urban linkages, and aligning the sustainable development of both rural and urban areas. It also

calls for a general *rural-proofing* mechanism which systematically reviews all macro and sectorial policies through a rural lens and considers the impact they have on rural communities.

2. EU Action on Smart villages

Mr Robert Hódosi from the Conception and Consistency of Rural Development Unit in DG AGRI informed the group about the Smart Villages policy and the corresponding EU Action on Smart Villages to be launched on 11th of April. In response to the experts' questions, the Commission replied that this initiative is covered by the post-2020 debate on the CAP. The Commission also agreed that digitisation is only one of the many possible tools for making rural areas more attractive to people and businesses also outside the agricultural sector. The Commission confirmed that in the current programming period there is no dedicated envelope in the CAP for this goal.

3. 2007-2013 Ex-Post Evaluation of ESF

Mrs Jeannette Monier, Deputy Head of the Evaluation and Impact Assessment Unit in DG Employment, Social Affairs and Inclusion, presented the main achievements of the ESF on the basis of the ex post 2007-2013 evaluation. In response to questions, she highlighted the improvement in the use of indicators in the current programming period compared to the previous one. As she also explained, the Commission recognised that most result indicators focus on tangible effects such as finding employment or acquiring a certain skill, while for many disadvantaged groups the path to jobs and skills is more complex and soft results should also be reflected. The Commission will need to support Member States in this respect. In addition, the Commission informed delegations that the communication strategy for the results of the ex post evaluation is broader than in the past in order to put across the message that the ESF is delivering on its objectives and that the increased flexibility in 2007-2013 (in comparison with 2000-2006) proved instrumental in adapting the programmes to the changing environment. The Commission makes efforts to assist the journalists in interpreting the data and learn the stories behind the figures.

4. Ex post verification of additionality

Mr Ángel Catalina Rubianes of the Policy Development and Economic Analysis Unit in DG REGIO gave a presentation on the ex-post verification of additionality for the 2007-2013 programming period. There were no questions from Member State experts.

5. Information on planning of the Cohesion Forum

Mr Ángel Catalina Rubianes informed the group about the 7th Cohesion Forum, which will take place in Brussels on the 26th and 27th of June 2017. Responding to questions he indicated that the finalisation of the agenda was in progress and possibility of registration would be launched soon. He explained that the Cohesion Report would not be ready before the Cohesion Forum, but there would be other documents which can be discussed, such as, for instance, the Lagging regions report. The Commission also informed delegations that the concrete dates of the public consultation on the post-2020 cohesion policy had not yet been decided, but the debate during the Cohesion Forum and the Cohesion Report will pave the way to that procedure.

6. Open Data Platform Update

Mr John Walsh from the Evaluation and European Semester Unit of DG REGIO presented the latest update of the Open Data Platform. Questions and comments of delegations were related to the following issues:

- The interface should contain an easily visible cut-off-date as well as the source of the data.
- How the data is verified before it is put online.

- Regarding 2007-2013 the data is very useful; however, the reporting is still on going.
- Possibility to edit the graphs visible on Twitter.

In response to the delegations' comments the Commission advised that:

- Information regarding the sources of data is available in the Open Data Platform and the reference and refresh dates will be presented clearly in the Frequently Asked Questions section (http://ec.europa.eu/regional_policy/en/faq/about_open_data/). The presentation of reference dates on the platform will also be improved.
- There is no formal procedure for financial data validation. Data quality is mainly a managing authority responsibility. The DGs do examine the data and informally ask MAs for corrections when they notice anomalies. For the data from the AIR however, the Commission makes efforts to ensure quality; data and errors are rapidly corrected in partnership with MAs.
- The data on indicators is delivered to the Commission through the annual implementation reports. For the ERDF only half of the 2014-2020 programmes reported on the output indicators last year, but in 2017 all of them will have to do that. Late in 2017 (after the quality checks) the data on both the accepted or submitted 2017 annual implementation reports will be included in the open data platform with the updating of any values that change in the final AIR accepted.
- Regarding the 2007-2013 programming period, the Commission is waiting for the closure documents with final indicator values (due end March 2017). The Commission is also working to harmonise the data on payments made (by MS and NUTS 2 region) across the three last programming periods with a view to publishing it on the platform.
- The Open Data Platform allows registered users to build and share their own graphs. But the graphs presented on the platform cannot be automatically exported, edited and reused on social media (i.e. Twitter) without using a manual screen capture. The Commission will look at ways to make sharing easier.

7. Annual Implementation Report and Progress report in year 2017 (IGJ and ETC goals)

Mr Marko Prijatelj from the Better Implementation Unit, DG REGIO, and Mr John Walsh from the Evaluation Unit in DG REGIO gave an overview of time scale and reporting obligations relevant for the annual implementation reports submitted by the end of June 2017. The presentation covered (i) guidance available (AIR Template and Q&A) and how to seek any other answers; (ii) differences between AIR 2017 and 2016; (iii) guidance on ERDF Table I.

Ms Kadri Uustal presented the structure and general requirements of the Member State progress reports. She pointed out that the progress reports, in addition to reporting to the Commission on the implementation of Partnership Agreements, would form the basis of the strategic report to be prepared by the Commission until the end of 2017 (and 2019). The strategic report will, in these years, also cover the summaries of the annual implementation reports. Referring to the narrow timeframe available for the Commission to prepare the strategic report, Ms Uustal highlighted the importance of the timely and complete submission of both these Member State documents. Concerning the composition of the progress report, Member States were advised to concentrate on key messages and to structure their assessment clearly with regard to the questions in the progress report template and, e.g., according to progress and challenges in implementation. Reporting on the ESIF contribution to country specific recommendations in general (and not only on new relevant CSRs) was highlighted as important. Delegations were informed that after the submission of the annual implementation reports the Commission would, upon request from a Member State, be able to provide aggregated country level data which could facilitate the preparation of the progress report.

Interventions of the delegations focused on the following main areas:

- The expected length of the progress report;

- The method of reporting on the completion of action plans for the ex ante conditionalities not fulfilled at programme adoption, when certain actions of the same action plan were included in the operational programmes and other actions in the Partnership Agreement;
- That regarding ex ante conditionalities, Member States may be required to repeat the information already presented in the 2017 annual implementation reports also in the progress report;
- While Article 19 CPR requires the completion of the ex ante conditionality action plans by the end of 2016, how should Member States proceed in case the last actions were completed after this date but still before the submission of the progress report;
- Application of the partnership principle during the progress report process;
- Requirements concerning Part III of the progress report (option for some Member States to submit certain information concerning annual implementation reports in the progress report);
- The need to have any manual, clarification or guidance on the reporting as soon as possible, preferably at the beginning of the year, when the reporting is to take place.

In its reply, the Commission advised delegations that:

- The Commission intends to keep the strategic report a concise document. The progress report template contains free text character limits and those define the possible length of the document. It would be preferable for Member States however to focus and structure the submitted information and not use character limits to the maximum.
- The progress report template is expected to be available in the SFC around June.
- As regards ex ante conditionalities, the annual implementation report should contain information on those actions which were included in the programme. The progress report should contain information on the completion of actions included in the Partnership Agreement.
- Regarding the progress in completing the ex ante conditionality action plans, Member States should provide the most up-to-date information in the annual implementation report and the progress report. The actual timing of the completion of relevant actions can be inserted in the commentary section.
- Regarding Part III of the progress report, the Commission indicated that the preferred solution would be to submit all information earlier in the annual implementation report, as this would facilitate the aggregation of data.
- As regards the partnership principle, it should be implemented in line with the Code of Conduct on Partnership.
- In addition, the Commission also encouraged Member States to report on good project examples.
- The Commission confirmed that there is no further guidance on the annual implementation reports, but there is a Questions & Answers document available online on the InfoRegio website.

The Commission asked the delegations to submit any additional questions about the progress report by 27 March to the EGESIF Secretariat.

8. Financial instruments: annual reporting and annual summaries of data 2016 (2014-2020)

In his introduction, Mr Grant reminded delegations of the similar discussions which had taken place in the EGESIF in 2016 February and April and pointed out that following the first reporting exercise on financial instruments in 2016, the Commission intended to summarise for delegations the lessons learnt and the questions frequently asked. He then gave the floor to Ms Ieva Zalite of DG REGIO and Ms Szilvia Bencze of DG AGRI to inform Member States about the reporting requirements regarding financial instruments in cohesion and rural development programmes.

After the presentation, interventions of the delegations focused on the following areas:

- Whether any supporting documents are required to be uploaded in addition to the data input in the reporting template of SFC2014;
- The status of the fields in SFC2014 where the support to final recipients needs to be reported;
- Whether there would be any further instructions or guidance on reporting and when the frequently asked questions summarised in the presentation would be circulated;
- The need to have all the guidance notes adopted as soon as possible;
- Certain technical issues which were proposed to be dealt with under bilateral discussions.

In its reply, the Commission indicated that:

- While supporting documents may be uploaded in SFC2014, the admissibility of the report will be checked against the structured data entered in SFC2014 and not the contents of a supporting document;
- SFC2014 allows reporting at three levels: fund of funds level, specific fund level and product level. To report on the support to final recipients, the product level template needs to be accessed. In case of any technical difficulties hindering access to the template, the SFC support team is to be contacted.
- The EGESIF presentation would be accessible by Member States after the meeting. The annotated template for reporting and the Q&A would be made available via the EGESIF mailing list soon. Furthermore, the guidance note on reporting and leverage was also under finalisation and would be distributed in due course.

As a conclusion, Mr Stefan Appel, head of the Financial Instruments Unit in DG REGIO highlighted the important role of high quality reporting to ensure and strengthen a positive perception of cohesion policy.

9. Progress in completing action plans to fulfil ex ante conditionalities

Mr Charlie Grant, DG REGIO and Christine Falter, DG AGRI, presented to the delegations the progress in completing action plans to fulfil ex ante conditionalities for the ESI Funds. The Commission advised that the procedure for suspending interim payments in line with Article 19(5) CPR is in place and it cannot be shared with the Member States as it is an internal procedure.

10. AOB

For the request of a delegation, the Commission provided preliminary information about Article 136 of the Common Provisions Regulation (decommitment). Mr Grant indicated that the Commission was preparing the de-commitment process and was finalising the reporting for calculating the automatic de-commitment. The Commission was also drafting a document on the de-commitment procedure which would include the methodology for the calculations. It was expected to be presented at the upcoming EGESIF meeting in July. However, without waiting for this document, the reporting on the calculations was expected to be ready in the coming weeks. Once finalised, probably in April, the usual correspondents from the geographical units would be able to provide Member States, as information, tables with calculations of the de-commitment targets. Furthermore, after the summer, in accordance with Article 86(1) of the CPR, the Commission would officially inform the Member States of the de-commitment risk.

The Commission could already confirm that the methodology for calculating the de-commitment target was not modified by the new legal framework. On the one hand, all pre-financings, whether initial or annual, and all submitted payment applications before the end of the year, would be taken into consideration. On the other hand, the results of the examination and acceptance of accounts, including the recoveries, would have no impact on the de-commitment target.

4. CONCLUSIONS/RECOMMENDATIONS/OPINIONS

Not applicable.

5. NEXT STEPS

The expert group will continue its work according to the scheduling in the indicative Annual Work Programme.

6. NEXT MEETING

Mr Grant informed delegations that the tentative date of the next meeting was 11-12 July, 2017.