

# **Common provisions on European Regional Development Fund, European Social Fund Plus, Cohesion Fund, and European Maritime and Fisheries Fund and financial rules for those and for Asylum and Migration Fund, Internal Security Fund and Border Management and Visa Instrument 2021–2027**

2018/0196(COD) - 25/10/2018 - Court of Auditors: opinion, report

**Opinion No 6/2018 concerning the 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 Plus, the Cohesion Fund, and the European Maritime and Fisheries Fund and financial rules for those and for the Asylum and Migration Fund, the Internal Security Fund and the Border Management and Visa Instrument.**

The Court of Auditors has drawn conclusions on each of the Commission's main objectives underlying the policy design presented in its proposal for a Regulation on common provisions (CPR), namely:

## ***Simplification***

While fully supporting the Commission's ambitions to simplify, the Court stresses that the potential benefits of simplification in terms of a reduced administrative burden and efficiency savings are outweighed by greater risks to compliance with the rules and to sound financial management.

Some provisions in the CPR proposal lack clarity, which may lead to different interpretation of rules, affecting legal certainty. Examples are the methodology for the mid-term review, criteria for the assessment of key control requirements and conditions for use of the enhanced proportionality arrangements.

The proposal offers a range of simplification measures, such as simplified cost options, and financing not linked to costs, which, if properly designed and effectively applied by the Member States, have the potential to shift focus from spending to results.

## ***Flexibility in policy implementation***

The draft CPR proposes a new element for the 2021-2027 period. This is to have two-stage (5 + 2) programming for three funds, whereby the allocations for the last two years are set in 2025 as part of a mid-term review exercise. The Court expresses concern about the proposed timing of the review, and the administrative burden involved which represents a complication rather than a simplification and calls for further clarification on this issue.

## ***Alignment between funding and EU priorities***

The Court welcomes the steps made by the Commission to strengthen the link between the use of EU funding and the EU's high level economic governance arrangements (the European semester) such as the added emphasis on the implementation of relevant country-specific recommendations within programmes and moving from ex ante conditionalities to simpler enabling conditions, and providing a number of aspects of this for the Commission to consider.

On the other hand, the draft CPR for the next period is not supported by an EU-wide strategy or set of targets. Rather, it is for the Member States to define the main strategic goals. As a result, the proposal does not align funding with EU priorities and is less performance-oriented than in the period 2014-2020.

### *Accountability arrangements*

The proposal seeks to rationalise and streamline accountability arrangements. For example, it replaces exhaustive management verifications by risk-based verifications. While supporting these ambitions, the Court considers that there is scope to tighten up the management and control system in some places.

The Court notes that the proposed enhanced proportionate arrangements for control systems effectively eliminate supervision by the Commission and could expose EU funds to increased risks. This element of the proposal could jeopardise achievements in internal control developed over the last two decades. The Court makes several considerations for the Commission in this area.