

**2nd MEETING of the High Level Expert Group
on Monitoring Simplification for Beneficiaries of ESI Funds**

e-Governance

1. The members of the High Level Group strongly recommend that the Commission go further in its efforts to facilitate the possibility for Member States to have a common platform or system across the ESI Funds that would provide a consistent approach for beneficiaries to audit issues and information technology. Reducing the number of different operating systems, would provide a significant streamlining in the management of the funds.
2. For the current period, the members of the High Level Group call on the Commission to ensure a consistent approach to audit that will not undermine the potential of e-Governance to simplify the management of the ESI Funds and, most importantly, simplify the process for beneficiaries to apply for and receive the funds. This can be done by clarifying the acceptability of electronic documents for all funds and ensuring there is agreement from all relevant audit bodies, including the European Court of Auditors.
3. The members of the High Level Group call on the Commission to encourage more of a partnership approach to e-Governance and to assist Member States and managing authorities with training for partners in order to widen the use of the systems put in place by extending the possibility to use technical assistance across all the ESI Funds.

Interim Report on e-Governance
from the High Level Expert Group on Monitoring Simplification for
Beneficiaries of ESI Funds

One of the elements that aim to simplify and streamline the implementation of ESI Fund programmes is e-Governance, which concerns the electronic exchange of information between beneficiaries and programme authorities.

It is intended to reduce the administrative burden for beneficiaries. In practice, the e-Governance provisions in the regulations require Member States to provide IT services allowing beneficiaries of the Funds to exchange information with programme authorities through the use of electronic portals accessible through the web. For example, project managers can apply for reimbursements online and submit information in electronic format, eliminating the parallel paper flow.

However, e-Governance can go further than the current requirements of the regulations and provide a fully online and digital process for the management of the programmes.

Conclusions:

- The members of the High Level Group recognised the potential of e-Governance to reduce administrative burden for all stakeholders and, in particular, for beneficiaries, as well as the good progress made in this direction by Member States.
- They noted that having a common platform across the ESI Funds had challenges in implementation, but that there was considerable merit from the point of view of the beneficiaries that would not have to navigate different systems.
- From the evidence presented during the meeting, they noted the following challenges in implementing e-Governance:
 - Establishing more stable and simple processes and procedures.
 - Balancing the needs of simple and user-friendly technical solutions on the one hand, and securing adequate legal certainty for administrative processes on the other.
 - Bringing together terminology, processes and structure of the ESI Fund and domestic e-Government strategies and solutions developed by the Member States within their jurisdiction.
 - The difficulty of some partners to change their mind-set and approach e-Governance in a constructive manner.
 - Adequate training and support at all levels.
 - Involvement of stakeholders.
 - The full overcoming of all legal and regulatory obstacles.

More concrete examples are:

- Interoperability across the ESI Funds needs to be supported by consistency from the Commission services.
 - The information security standards are different in each Member State related to the type of information being requested and also to the retention of information.
 - The challenge that, in Member States, funds are administered by different managing authorities which leads to different interpretations and does not always give a consistent engagement for the beneficiary.
 - Some Member States do not yet have the necessary infrastructure to support e-Governance in all parts of countries and therefore, as part of the business change aspect, assisted e-Governance/digital support is necessary.
 - Recognition that for some funds the customers/beneficiaries are not necessarily IT-literate and therefore the organisation and business change aspects are significant, e.g. EAFRD and EMFF, and the use of technical assistance for support in these areas would be beneficial.
- Given the nature of e-Governance and the rather common challenges identified, the members of the High Level Group consider that the sharing of experience between managing authorities is important as it could make both the planning and implementation of such initiatives more efficient.
 - The experiences shared by the Welsh, Estonian and Flemish authorities are good examples that should be made available to all. The sharing of bad experiences and encountered problems on both the implementation and technical levels is also needed in order to help other Member States avoid unnecessary delays in the adoption of e-Governance.
 - There is a need to clarify the wider use of IT systems for beneficiaries with what is needed for audit purposes.

Recommendations to the Commission for the 2014-20 period:

The members of the High Level Group recommend that the Commission support the efficient implementation of e-Governance by:

- disseminating widely to Member States the good practice examples of the Welsh, Estonian and Flemish authorities, and encourage them to put similar business change and associated IT solutions in place in their own programmes/administrations.
- further facilitating the exchange of expertise by establishing a knowledge sharing portal to exchange good practice examples: the Simplify ESIF online platform could be also used for this purpose.
- encouraging Member States and managing authorities to approach the organisational and business change that might be required by the introduction of e-Governance initiatives in a constructive manner. Developing a business process approach, accepting IT as a core part of the business, accurately foreseeing the need for guidance to the final users, the beneficiaries, and appropriately communicating the goal of the e-Governance were identified as good practice in this direction.

- considering widening the possibility to use technical assistance of all ESI Funds to facilitate the implementation of e-Governance e.g. allowing also the use of EAFRD and how technical assistance could be used at the same time to support IT development as well as other interventions such guidance and training which are necessary for the good functioning of the system.

The members of the High Level Group recommend that the Commission strengthen the trust in, and reliance on, e-Governance by beneficiaries by:

- clarifying the articulation between the capacity to archive electronic documents (Article 140 of Regulation No 1303/2013) and the opportunity for auditors to ask for original documents in certain conditions (Article 8 of Regulation No 1011/2014) so there is no doubt, as having the possibility to rely on electronic documents is considered a significant simplification for beneficiaries.
- clarifying that supporting documents permitted in national common law such as software extraction are accepted in the context of EU programmes.
- promoting the "once only" principle that documents provided once by the beneficiaries should be kept in digital form in order not to have to be produced at each step of the project (e.g. grant application, control of operation).
- clarifying the issue of the electronic signature of documents which could facilitate further simplification at EU level.

Suggestions for further reflection for post 2020:

- The members of the High Level Group suggest that the Commission consider how processes and procedures linked to the ESI Funds could be further streamlined for the future period. More stability and legal certainty, together with timely delivery of rules and regulations, is also highly recommended. All efforts should be made to adopt most of the regulations in the year after the framework is set up, and to adopt all the delegated or implementing regulations within two years.
- They recommend that the Commission and the Member States deepen the knowledge of possible legal and regulatory obstacles that can slow down the full implementation of e-Governance, and to promote their eventual removal.
- In order to facilitate the possibility for having a common platform for e-Governance across the ESI Funds at national or regional level, the Commission should continue its efforts to harmonise terminology, processes and structure between the ESI Funds to allow a smoother and more efficient implementation of e-Governance.
- Consideration should be given to mitigating the adverse impact on the scope and potential for e-Governance of the ESI Funds caused by the cross-over between the control and audit requirements for EAGF (the fund that supports direct payments to farmers) and EAFRD. The requirements for EAGF (a payment per hectare) are largely incompatible with those for ERDF, ESF and EMFF and this blocks better integration across a broad range of issues (e.g. data control, physical document provision, evidence requirements etc.). This leads to considerably more complicated and expensive IT solutions, lack of certainty for management and audit functions, and confusion for beneficiaries.

- The creation of procured partnerships between the Commission and IT companies would enable standard platforms in special sectors, such as annual accounts or as in the case of ERP solutions that could be integrated by Member States in their relevant IT structures. At present, due to the uniqueness of ESI funds, each Member State is developing its own bespoke solution, in many cases multiple times. The Commission should consider the potential of having EU level solutions for e-Governance, including interfaces between the current SFC system and national systems.
- The members of the High Level Group note that efficient e-Governance platforms could give also Member States and managing authorities the possibility to extract, in an appropriate way, part of the available data to set up “Open Data portals”, which may allow public scrutiny of who benefits from resources and to increase transparency and the focus on results of the policy and call on the Commission to promote good practice in this sense.
- The Commission should gather further evidence on good practices and barriers to the implementation of e-Governance to allow discussion at a future meeting of the group, with a view to reflect on further simplification post-2020. The electronic monitoring system developed by Interact – e-MS and taken up by a large number of Interreg programmes should be examined as best practice and used as an example to develop a similar one/to extend this one for all programmes and also to ensure its interconnectivity with SFC.