



The Polish National Federation of Non-Governmental Organizations'
stand on the European Commission's proposals concerning
European funds in the years 2014-2020
(Warsaw, April 2012)

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Introduction

The National Federation of Non-Governmental Organizations (OFOP) in Poland familiarized itself with great interest with the European Commission's proposals included in proposals of regulations concerning European funds in the next programming period (2014-2020) published in October 2011, in particular:

- ◆ 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,
- ◆ Regulation of the European Parliament and of the Council on specific provisions concerning the European Regional Development Fund and the Investment for growth and jobs goal and repealing Regulation (EC) No 1080/2006,
- ◆ Regulation of the European Parliament and of the Council on the European Social Fund and repealing Regulation (EC) No 1081/2006.

The Federation supported some of the Polish government's postulates, expressed in official position with a date of January 19, 2012 concerning particular regulations.

According to the Federation it is crucial to give deeper thought to effects of the realization of the cohesion policy and use of structural funds up to now, both in positive and in negative sense. The aim of this reflection should be to formulate recommendations concerning decisions on the use of the European funds in the upcoming programming period when it comes both to meeting the challenges that Poland faces and to technical solutions connected with spending available funds.

Therefore our reflection was focused mainly on the issues connected with the **partnership principle** – its real implementation at all the stages of planning, realization, monitoring and evaluation of the cohesion policy and what follows – European funds, **purposefulness of the policies and funds, links with the Europe 2020 Strategy and concentration of the support, multifunded programmes, using local strategies, conditionality, efficiency, simplification and rationalization of the procedures leading to distributing grants and controlling them, innovations, social economy, access to support in a form of direct decisions of the European Commission**, in justified cases **non-repayable grants and re-granting on the national level**.

That is why, participating in a debate on the future of common policies, especially cohesion policy, OFOP wants to show the civic perspective. It is based on several years of experience of the Federation, of its member organizations and of other non-governmental organizations implementing projects based on grants from the European funds 2004-2006 and 2007-2013 as well as monitoring and intervention activities, linked with active participation in Monitoring



Committees for operational programmes and teams and working groups created within these committees.

OFOP pays attention to several aspects concerning planning, implementation, monitoring and evaluation of the cohesion policy. The Federation handed over to the European Commission preliminary proposals and remarks within public consultations on the 5th Cohesion Report (November 2010 – February 2011). We noted with pleasure that in some of the proposals the Commission referred to our suggestions, which were partly brought up also by other participants of the consultations.

We consider Commission's proposals concerning limiting the priorities and as a result the concentration of the support on chosen areas, to be right. However, **we recommend that these priorities should be formulated in such a way that on one hand their implementation would bring a given country closer to fulfilling the aims of the Europe 2020 Strategy, on the other hand – they would be coherent with development challenges faced by a given member state or particular regions. According to the Federation in case of Poland these priorities should include development of the social and intellectual capital**, which have real influence on the development of innovativeness and competitiveness being one of the most crucial directions of the development strategies for Poland until the year 2020, which are currently being worked on. 3

Partnership

According to the Federation Commission's decision on strengthening rank of the partnership principle in the period 2014-2012 is extremely important. We are convinced that necessary condition for realization of this assumption is specification of records/requirements concerning its implementation at every stage – from the European to local one, in different aspects, including functioning of the Monitoring Committees for operational programmes.

OFOP wishes to underline that social, independent control positively influences efficiency of the realization of the public policies. Moreover it widens the perspective of the realization planning and helps in accurate diagnosis for realization of the assumed aims. That is why **participation of the social-economic partners in monitoring and planning of the implementation of the operational programmes seems to be a key condition and it makes work of the Monitoring Committees truly meaningful. OFOP considers a monitoring committee to be a very important institution of the civic dialogue, and above all, instrument of controlling and planning regions' and country's development. This is why it is worth strengthening implementation capabilities of this body so that it would not be solely a façade opinion-forming institution.** Based on the experience of the committees' members representing socio-economic partners, monitored and supported by the Federation, we suggest that monitoring committees should have consulting character with elements of controlling function, their tasks should be specified in detail and their competences as well as mechanism of functioning should be based on common Union's standards. Committees should guard realization of the partnership principle, but they do not exhaust it. System of monitoring of the operational programmes should be as a rule rich in various mechanisms of the public consultations, from the possibility of setting up working groups



through committees to using tools engaging wide scope of various circles, also in a rotating way. Detailed regulations should be defined at the stage of member states and particular committees, even though it is necessary for the Commission to designate framework of action for the committees in a more detailed way than it is done in proposals of the regulations from Autumn 2011.

OFOP is convinced that quality of functioning of operational programmes' system of planning, monitoring, implementing and evaluating depends on quality and capabilities of people and groups involved. **Therefore it is justified to enable socio-economic partners in the monitoring committees to benefit from the financial support so that their knowledge and capabilities matched challenges imposed by work in a committee. It includes also possibility to use technical assistance on the Union's and national level.**

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Social-economic partners have specialized knowledge (social perspective, real knowledge about recipients' needs) which can strengthen efficiency of planned policies. It is justified to widen financial support for social-economic partners in the monitoring committees in order to make it possible for them to develop their abilities and professionalization of activities. Cooperation is one of the most important factors guaranteeing reaching assumed targets. Socio-economic partners, as active participants of the work on European funds' implementation, should also be included in these activities.

At the same time OFOP thinks that final name of the strategic document on the national level (Agreement or Contract) should reflect the effect of negotiations which ought to be carried out with respect to systematic partnership and cooperation between member state and the Commission, with participation of the regions and competent social-economic partners, taking into consideration details such as level of allocation to given thematic objectives or funds (so-called ring-fencing) or list of the cities, which will implement the projects within integrated territorial investments or a city platform. We consider possibility of preparing operational programme covering regions from various categories to be effective as well.

What is more, the Federation is convinced that in the Commission's regulation concerning the European Regional Development Fund **there should be provisions clearly suggesting member states their leading role in promoting partnership and cooperation with partners from various background.**

General provisions

Common Strategic Framework and priorities of the cohesion policy, Europe 2020 Strategy and integrated strategic programming

OFOP considers it to be a good solution to adopt Common Strategic Framework as a binding document for the whole Community, indicating priorities of the cohesion policy as well as its links to Europe 2020 Strategy. The Federation is convinced that defining common rules for the



cohesion policy, Common Agricultural Policy as well as Common Maritime Policy and Common Fisheries Policy will lead to more efficient support thanks to making the requirements, conditionality for creating and implementing operational programmes common for all the mentioned policies.

Linking Partnership Agreement/Contract and programmes with Europe 2020 Strategy through National Reform Programme (NRP) will **require specifying issue of annual update of these programmes in relation to the specificity of the European funds.**

Suitable financial framework for the cohesion policy

Taking into consideration principles of subsidiarity and partnership, **the Federation notices a danger connected with possible adaptation of excessive number of regulations by the Commission in a form of delegated or executive acts** (such as adaptation of the Common Strategic Framework, rules concerning financial engineering, category of intervention, implementation of the partnership principle). However, OFOP considers it to be of a key importance to work out mechanisms guaranteeing efficient process of implementing the funds, less emphasis put on the method itself and procedure of adopting crucial regulations. Under no circumstances, according to the Federation, can the situation be accepted when the member states, using argument of subsidiarity, would aim at diminishing importance of partnership at the level of national solutions.

Operational programmes

The Federation suggests that the operational programmes should have maximum budget limited by the Commission. Programmes complex in financial and essential sense are difficult to manage and they generate a threat of failing to achieve the aims and as a result they are not very efficient use of the resources. They also significantly burden the managing institutions, sometimes leading to blocking the realization of the programme.

Multi-fund programmes

According to the Federation, to make the concept of multifunding (realized in a form of dual funding of ERDF and ESF) work effectively it should be realized in a flexible way and at every stage of the operational programme's implementation: from priority axes, through operations to projects. Limiting complementarity of the funds to 5% reduces flexibility of this mechanism. We also express doubt when it comes to real possibilities of realizing undertakings, which would cover several thematic strategies, despite Commission's declarations about resigning from the rule of monofunding.

We are also convinced that activities within the European Territorial Cooperation and transnational cooperation on the external borders should be more closely linked with the mainstream of the cohesion policy and other related policies. It is crucial to include the partnership principle between various groups, understood in documentation of the Commission under one record "social and economic partners", including need for partnership between civic communities of different states and regions, realizing projects within ETC.



Joint Action Plan

OFOP positively assesses idea of Joint Action Plan, which in our opinion is an answer to excessive formal requirements valid for current programming period and it is a step towards result-oriented cohesion policy. **However, the Federation is convinced that suggested provisions need specification, also in a context of programmes of European Territorial Cooperation and macroregional strategies.**

Thematic concentration taking into account aims of the Europe 2020 Strategy and territorial conditions

In discussions concerning priorities of the support the need for reform of the regulations within issues of so-called good governance should be underlined. We understand reform of the regulations as above all reduction of the bureaucracy, namely simplification of procedures and formal requirements.

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Apart from already mentioned priorities, activities supporting labour market (together with policy of promoting employment) should be also taken into account, given that educational system and development of the social capital can be perspective when there is specific human potential.

Example of the Nordic countries indicate that it is worth perceiving problems of the humanity slightly wider than only in the context of social assistance. More complex perception of the social issues is needed, the one that would take into account investments in the local development as an important factor strengthening not only economic growth of the region, but to a big extent also positively influencing social capital and social bonds. **Therefore Federation suggests widening the 9th thematic objective, so that it is as follows: “support of the social inclusion, fight against poverty and support for the development of the local community”.**

Key competences are closely connected with the labour market, but also with the social capital, that is why it is worth placing investments into education exactly in the context of key competences. Cultural-social competences are necessary for correct functioning of an individual in the society. **Therefore there is Federation’s proposal concerning widening the scope of the 10th thematic objective as follows: “investments in the education and culture, in key competences and cultural-social competences as well as life-long learning”.**

Here we point out that we consider possibility of Brussels’ horizontal intervention, namely grants at direct disposal of the European Commission, to be necessary.

Conditionality

The Federation expresses objections against Commission’s proposal in the context of conditionality ex-ante, namely that it would have a possibility to suspend a part of full indirect payment to a given programme at the moment of its approval.

On the other hand, we consider conditionality based on the results and reserve of completion at different stages, to be an interesting solution as it constitutes other mechanisms of concentration on effects instead of formalities and processes. Based on accumulated experiences of Polish non-

governmental organizations OFOP puts a special emphasis on expectations and readiness of the projects' initiators to accept conditionality based on the results.

Another important issue are the indicators. On one hand OFOP supports initiative leading to preparing indicators of support on the Union's level. On the other hand it is worth considering level of their specification in the context of their role as a tool for measuring and comparing development of all regions benefiting from the support. In this context we agree with the Polish government's comment concerning threat of concentrating on pace and level of absorption of the resources separately from monitoring real changes achieved through the Union's support.

At the same time we are against the necessity to introduce changes in Agreement/Contract and operational programmes based on Council Recommendations for particular member states. These recommendations are issued every year and there is a concern as to if adapting Agreements and Programmes to them is necessary, which is inconsistent with the rule of long-term programming support from the funds of CSF for many years as well as with the intention to reduce bureaucracy and formalities connected with the European funds.

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Economy and social activity

We draw attention to necessity of increased use of mechanisms enabling combining in realization of the cohesion policy various resources and ways of its financing, for example through a formula of public-social partnership or social entrepreneurship. In this context it is crucial to consider excluding economic activities fully devoted to realizing social aims from the public assistance.

Increase of ESF visibility?, predictability of its financing and connection to EU 2020

According to the Federation including EFS together with other funds in the Common Strategy Framework will be helpful in providing suitable support. At the same time it should be underlined that there is need for relatively big allocation to the European Social Fund as without investing in people Europe will not achieve the progress which is assumed in Europe 2020 Strategy, which will diminish its competitiveness on the world markets. It seems necessary to reasonably tackle rules of the funds, such as monofunding in force up to now, granting public assistance but also tools guaranteeing complementarity between policies and funds. OFOP is convinced that it is crucial to guarantee references to the Strategy's aims in particular documents programming cohesion policy at different stages together with adopting specific indicators of reaching these aims. **In discussed area we suggest that the Commission should adopt attitude developing local initiatives** (active inclusion, social innovation, revitalization of the territories, partnership on all levels) **and deeper territorial attitude towards employment policy, promoting innovative employment on the local level, including crucial role of the non-governmental organizations and social partners.** We think that it is necessary to put a special emphasis on the need for supporting promotion of the social inclusion.

Concentration of the resources on the activities leading to social integration is consistent with the directions adopted in the Europe 2020 Strategy and is an important answer to a social-economic situation in the European Union.



Rules of financing – scope of support

Strategies of the regional development

The Federation is also convinced that regional development cannot be based only on investments in the metropolitan centres. In small town, often characterized by higher rate of poverty, strategies and visions of development are especially recommended. It seems that rural areas are currently regions with the lowest use of human and economic capital's potential.

Moreover OFOP wants to underline that a valid model of integrated attitude towards creating strategies and investments does not make sense if the most important level of these strategies – level of implementation – is not taken into consideration.

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OFOP thinks that member states should have possibility to negotiate with the European Commission a list of cities, in which the actions would be realized. We also think that it is a justified suggestion that the allocation devoted to these aims should be negotiated individually between member state and the Commission at the stage of negotiating Agreement/Contract. Such solution will guarantee suitability of support to a situation of each country.

Thematic Objectives

In the context of the regulation's subject we still support the proposal concerning rephrasing one of the thematic objectives and underlining importance of culture and cultural competences. Polish government also emphasized need for providing resources to support the area of culture.

European Social Fund

For intervention in ESF the Commission suggested four thematic objectives, including 9th and 10th. **OFOP calls for reformulating aforementioned objectives so that they would include strengthening of the local context, counteractions against digital exclusion and cultural aspect of the social life**, without which return of the excluded people to the labour market would be impossible. Culture, education and key competences resulting from them constitute according to the Federation a crucial condition for increasing efficiency of the policies supported by ESF, especially on the transnational level. For that reason culture, deeply rooted in mentality and shaping identity of people inhabiting given territories, should not be excluded in the context of special territorial conditions. What is more, digital exclusion more and more often leads to social exclusion.

This is why community-led local development strategies (CLLD) should be a tool of realizing various thematic strategies and investment priorities instead of being investment priority themselves.

It is vitally important to specify terms such as investment priorities or thematic objectives. This is crucial to avoid doubts in interpretation at the stage of programming and implementing, to which attention has already been drawn by the Polish government.

In the context of aforementioned remarks scope of suggested thematic strategies and investment priorities require further analysis in terms of their completeness.



Innovations

The Federation agrees with the Commission's conclusion when it comes to innovations of the Union's and member states' economies. Therefore it **suggests strengthening provisions concerning requirements for innovative character of the financed projects, both those in the area of infrastructure and so-called soft projects.** In the context of social innovations emphasis should be put on the achievements of the Initiative EQUAL as well as moderate extent of its results' adaption into the mainstream policy. This situation could be improved by setting up international network for exchange of information. In order to mobilize to realize innovative projects it is necessary to oblige member states to improve regulating mechanisms assessing them.

Rules of financing – principle of support

Non-repayable assistance and requirement of own funds

Taking into consideration character of some of the actions financed from the European funds, especially from the European Social Fund, the Federation finds it crucial to point out a threat posed by repayable support. We have in mind especially projects directed at groups of people excluded or in danger of social exclusion, who are so-called difficult beneficiaries, that are carried out in a form of public tasks by private subjects, often non-governmental organizations. It is wrong to expect that the costs of fulfilling public tasks will be partially covered by the initiators of the projects. **Knowledge about specifics of a given recipients' group and as a result matching efficient tools of support is their potential.** It constitutes invaluable own contribution. They are characterized also by features such as not profit-oriented activities and often lack of own financial resources. Non-governmental organizations' (voluntary organizations) resources are usually assigned to particular projects and activities funded by sponsors, therefore using repayable forms of support is for these subjects limited. **Financing such projects should be based on grants.** Otherwise there is a threat of limiting subjects taking up activities directed at "difficult beneficiaries" only to those who have financial resources at their disposal instead of choosing those who have the biggest substantive potential to carry out projects.

Defining a minimal threshold for financial support from the European funds in a form of grants will positively influence realization of aforementioned difficult projects. OFOP is convinced that the European Commission should define minimal level of using the European funds through non-repayable grants by the member states, which would prevent devoting them fully to the repayable instruments. Possibility of the Commission defining minimal amount of a single grant should be also considered. In this context we draw attention to an instrument such as **global grant.** Introduction of re-granting at the level of each member state will enable granting various sums of money, from EUR 1000 for example. **Decentralized grants system will be more friendly for the initiators of the projects and their beneficiaries, because it will enable European funds' interventions already on the local level, where very often there is no need for grants of several millions in order to achieve change.**



Arguments listed above apply also to means of technical assistance, described by the Commission as a source of financing system of implementation and monitoring structural funds. **OFOP points out need for real financial support of socio-economic partners, including non-governmental organizations, who are members of this system, for example through participating in the Monitoring Committees.** It seems crucial to clearly designate money for the support mentioned above.

Financial management

Commission proposed settling the final balance of 5% no sooner than at the end of programming period. Polish government expressed concerns in regard to this proposal. In this situation the Federation indicates that in case of the Commission's toughing its stance in subjective issue, **governments of the member states can shift the costs of postponing final settlement to the initiators of the projects.** It means de facto crediting of the Union's projects by those who carry out these projects, which will probably lead to them losing their financial liquidity. Such threat is real mostly for the social-economic partners. On the other hand, suggested solution might be unfavourable in terms of organization and financing for the Commission, concentrating in time a number of payments.

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Eligibility of expenditure

In answer to expectations of the projects' initiators the Commission presented a proposal concerning wide use of simplified methods of project accounting. **It should be ensured that the member states would not introduce excessive procedures on their own, as not only does it increase the burden imposed on the projects' initiators,** but it also negatively influences image of the European funds, common policies or finally image of the whole Community, which is associated with bureaucratic machinery.

The Federation supports doubts expressed by the Polish authorities concerning limiting of eligibility of VAT tax, especially within the European Social Fund and the European Regional Development Fund.

Social innovations

OFOP expresses opinion that in order for the social innovations to be more popular, **a mechanism enabling accounting of such projects should be introduced. We consider implementation of the social innovations to be a great need of contemporary societies.** At the same time we observe administration's reluctance to run the risks of innovations. It is proved by among others using standard projects' forms and shifting costs of unsuccessful innovations to the projects' initiators. The Federation is convinced that risk of the costs, which is immanent feature of innovative activities, should lie on the side of the donors.

It seems that creating a network of transnational cooperation, thanks to which there will be among others noticeable improvement of the process of exchange of ideas and information that will significantly influence development of the social innovations in the EU. This system should be coordinated by the European Commission though. It would prevent experiences from EQUAL, whose results were used in a wider scale to a very limited extent. Providing right



coordination has particular importance when it comes to implementation of a new instrument presented by the European Commission, namely the EU Programme for Social Change and Innovation.

Separate grants distributed from the European Commission

The Federation is convinced that it is justified to leave part of the resources at direct disposal of the Commission with the aim of experimenting and building a contact network. Subjects of support would include transnational activities, especially in the area of implementation and promotion of the partnership rule. Polish experience in this area, namely setting up the National Thematic Network for Partnership by the National Strategic Reference Framework in 2010, shows unused potential and possibilities, which lie ahead of all the members of widely understood civic dialogue. The aim of the Network is: *„Providing during the programming period 2007-2013 realization of the partnership principle through strengthening social-economic partners and mechanisms of cooperation between them in programming, implementing and assessing of the public policies’ realization with special emphasis put on the European funds in realizing National Coherence Strategy at all levels of its implementation”*. (Appendix no 1 to Resolution of NSRF Coordination Committee no 45 from June 25, 2010)

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It should be underlined here that innovative solutions as a rule cannot be limited by procedures. Therefore **decision about financing innovative projects using so-called conventional paths, valid for other projects, will lead to lack of real innovations** and result in attempt to consider solutions already functioning in other areas to be innovative. Programming period 2007-2013 resulted in such experiences.

Regranting at the national level

OFOP postulates introduction of regranting for non-governmental organizations on the member state’s level. It would be the use of global grant. Taking into consideration relatively low value of budgets of the projects realized by NGOs in comparison to for example infrastructural projects, their management generates serious financial and time costs for particular institutions. Implementing regranting will result in more rational use of resources within technical assistance as well as better image of European funds in the non-governmental circles, and most importantly – it will provide the opportunity to use them to bring about changes in local communities. They are often recipients of the organization’s activities.

Rules of implementation

Reporting, monitoring and evaluation

Understanding the need of reporting in cycle more frequent than a period of 7 years, **the Federation negatively assesses the idea of annual reporting. Such solution de facto will block realization of the projects** because to meet this requirement every institution will be included in a system of continuous reporting – from coordinator on the national level to a single initiator of a given project. At the same time we point out the rationality of activities such as necessity to avoid



unnecessary coping information within annual reporting and widened from the programmes and within the reports from Agreement/Contract.

Appreciating possibility to learn from others' experiences, OFOP positively perceives publication and popularizing the results of evaluation with simultaneous respect for national provisions concerning personal data protection and other "sensitive" data.

Generally OFOP believes in a rule „**as much control as necessary**”, especially when it comes to projects generating doubts concerning their discrepancies. We think that the interest should be concentrated on these projects. **At the same time we recommend that the Commission should work out instruments of control and should implement in practice subsidiarity rule in the area of control**, for example possibility of controlling given project separately by authorities of the member states and by the Commission, reservation of the projects with big budget for the control of the Commission, defining areas of control carried out by the Commission or by the member states. Here OFOP draws attention to difficulties on the side of projects' initiators undergoing controls (especially those carried out several times, by various institutions) and financial rationality of the expenses' controlling system.

Indicators

Since the beginning of discussions concerning programming period 2014-2020 OFOP has been pointing out a need for working out common indicators and limiting them on the EU's level. Therefore we support Commission's initiative in this area for the European Social Fund. **At the same time the Federation draws the Commission's attention to need for specifying one of the proposed indicators (from the appendix, point 4 "(...) members that find themselves in a better situation on the labour market 6 months after leaving the programme" so that it would be clear in methodological sense and understood in the same way by all interested sides).**

At the same time we would like to point out methodological incoherence between various funds when it comes to common indicators as well as differences in provisions of the general regulation and regulation for the ESF. These provisions should be coherent. What is more, some of the indicators are so general that there might be interpretation discrepancies.

In case of ERDF important issues include internal coherence of the indicators, their adequacy for all the member states as well as using them for measuring effects of support (emphasis put on efficiency, not formalities).

Instruments strengthening territorial approach

OFOP realizes need for development of cooperation and interconnections between villages and cities resulting in their comprehensive social-economic development. Local development, understood in the context of common policies, to which proposal of the general regulation applies, is a crucial condition for development and overcoming the crisis by regions and whole countries.



Local development should not be identified with CLLD. Within cohesion policy there is need for incentives that would give opportunity to support integrated strategies and local development plans, at the same time being more attractive and open to beneficiaries' needs.

System of management and control

According to the Federation system of control should co-exist with system of reporting and together serve more efficient use of the European funds. **Therefore it should be positively assessed that the Commission's aims at proportionate system of control within the cohesion policy** through possibility of giving up control of single projects in case of positive opinion of the Audit Institution and trust towards its opinions expressed by the Commission. **Such attitude will let gradual removal of administration burden from the recipients.** Practice of last couple of years in case of non-governmental organizations showed that it was not uncommon for them to have their financial liquidity shaken as a result of realizing project co-financed by the European Union. This is why **we agree with a proposal concerning possibility of the Commission to carry out audits of the particular projects only when auditory opinion of the national Audit Institution will indicate clear need for it, for example because of detected discrepancies.** Such solution will make it possible to clearly separate controlling functions of the European Commission and member states and it will make the possibility of using the rule of proportionality independent from arbitrary proposals of the European Commission.

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Durability of operations - 2 years

OFOP supports shortening the requirement of durability of operations' results from 5 to 2 years. Based on experience, especially in the area of so-called soft project, requirement of 2 years is far more real and logically justified by the character of provided support. Character of the interventions taken up within aforementioned projects in the context of rapid pace of social changes in the contemporary world clearly indicates that both the type of results and their durability have to be assessed differently than they have been up to now. Example is provided by the economic and financial crisis, which has not been predicted and calculated in the conditions of realizing cohesion policy 2007-2013 and which significantly influenced situation of the EU member states. Using the opportunity we would like to point out unifying requirement of the results' durability with requirement of storing the projects' documentation.

Regranting at the national level

European funds are implemented by various projects' initiators – from the national administration to local communities and SMEs. Programming system for a period 2014-2020 specific character of these circles and institutions should be kept in mind, **providing them with an equal access to Union's support**, namely matching requirements with the conditions that they are subjects to. These institutions are competing against each other, but this competition has to take into account their diversity, i.e. a non-governmental organization should not compete against ministry due to different aims and statutory tasks, institutional and financial potential or the way of functioning. **OFOP postulates introducing regranting for the non-governmental organizations on the member state's level.** Different situation of the civic organizations, character of their activities, resources as well as areas of activity showed in recent years that standard procedures



many times turn out to be too difficult for these organizations. On the other hand – due to relatively low value of the projects realized by NGOs in comparison to for example infrastructural projects – their management generates substantial financial and time costs for given institutions. Poland has good experiences in this area, among others when it comes to distribution of financial means within the European Economic Area Financial Mechanism and the Norwegian Financial Mechanism as well as so-called small grants within the Local Development Strategies co-financed in a current programming period by the European Agricultural Fund for Rural Development. Such tool will result in a more rational use of the resources within technical aid as well as better image of the European fund among the non-governmental circles.

Changes in the conditions for grants

Even though we are fully aware of the level of the debate currently being held as well as taking into account some of the necessary solutions in the Commission's proposals, we still postulate:

- ⇒ **Simplification of the procedures and formal requirements, among others through introducing obligatory lump-sum charges based on calculations adopted in each member state,**
- ⇒ **Drafting by the Commission a catalogue of non-eligible costs, uniform in the whole Community,**
- ⇒ **Defining by the Commission percentage of the general costs, which can be financed within support from the European funds,**
- ⇒ **Specifying conditions for multi-funded projects,**
- ⇒ **Simplification and rationalization of the system of choosing the projects, including preparation and role of the assessors,**
- ⇒ **Specifying conditions for the multi-funded projects**

OFOP points out a possibility of introducing two-stage procedure of the projects' assessment. At the first stage beneficiaries would send letters of intent, out of whom the chosen ones would be invited to send full projects' applications. Such procedure will not only limit the organizational costs, especially in the actions implemented through the competition procedure, but it will also let the choice of the project for co-financing be better controlled.

At the same time the Federation positively assesses Commission's proposal concerning simplified accountancy of the resources within the European Social Fund. Defining specific solutions and their practical implementation should be a subject of further discussion at the stage of Commission's delegated acts and guidelines. The reason is a need to determine clear and precise rules of accountancy of the expenditure in the project financed by the ESF.

What is more, the Federation reports a need for additional clarification from the European Commission concerning limiting the use of simplified forms of accounting the expenses in the projects, in which the value of the public spending does not exceed EUR 100,000 and definition of eligible staff costs.