

**15th meeting of DG REGIO Transnational Network (TN) on
Simplification**

19 - 20 October 2023 ó Limassol (Cyprus)

Introductory Speech by
the Accountant General of the Republic,
Mr. Andreas Antoniadis

Good morning, Ladies and Gentlemen, distinguished guests,

I would like to welcome you to Limassol, my hometown. I am deeply honoured to stand here before you as the Accountant General and address this vital topic of Simplification. I am very proud to be co-hosting this event with such a broad participation of experts from other Member States and the European Commission.

Simplification is a subject of immense importance to the world of public finance and governance. At the Treasury of the Republic, we have built a culture over the last few years around simplification, professionalization and reforms, the vital ingredients for economic development. **The Treasury of the Republic is participating in the PFM reform with the aim to promote better decision making and increased accountability in managing public finances, as well as ensuring fiscal and financial stability.** Treasury's reform project is centered around two key pillars; the adoption of the accrual basis of accounting and the comprehensive functional review and re-organisation of the finance functions in the line Ministries. Including also a third pillar, that of professionalising the public procurement function across the wider public sector, the reform project yields benefits with a positive impact on the swift and efficient implementation of Cohesion Policy.

I would like to extend special thanks to colleagues and partners contributing to this effort of moving forward with simplification: from DG REGIO; the Director and Head for Better Implementation, Closure and Programme Implementation, Ms Emma TOLEDANO LAREDO and the Head of Unit for Better Implementation and Closure, Mr Charlie GRANT, for giving us the opportunity to host this meeting in Cyprus. My sincere thanks to Mr. Luca Santin, as well, for the overall event organization. Allow me also to congratulate my colleagues from the Treasury of the Republic of Cyprus, especially Ms. Stavri Ttofa and her team, for the effort put in the demanding task of developing a number of new methodologies, while in parallel working hard to organize this event. Last but not least, I would like to thank our close collaborators from the Managing Authority, Ms. Anthi Philippidou and her team for their excellent cooperation and support. This cooperation is one of the main facilitators of the excellent results Cyprus has demonstrated in Cohesion Policy programme implementation.

Dear colleagues,

It has been mentioned by my associate Andreas Zachariades that Simplification still remains a main challenge for EU Cohesion Policy. At the same time, the Recovery and Resilience Facility has paved the way for a new form of financing for Member States, based on results and achievements and incorporating reforms in the very operating mechanism of the plan. **The Treasury, as one of the main pillars of financial control and management of the Cyprus Republic, has been working towards ensuring sound financial management in both Cohesion Policy and the RRF and protecting the financial interests of the Union.** In fact, effort has been put into ensuring that both funding instruments are built on the strong foundations of a common national management and control system. This governance structure enables us to exchange experiences and streamline procedures but also it has improved synergies and avoided overlapping between investments.

The Treasury of the Republic has been working together with DG Growth for the last twenty years in managing EU Funds, and has been focusing on results and contributing to the simplification of procedures in co-financed projects and schemes, for the last decade. The Verifications and Certification Directorate of the Treasury has been leading the development of **simplified cost methodologies**, ensuring Union funds are channeled towards achieving results. During the Programming Period 2014-2020, a number of methodologies for interventions co-funded through the ESF were developed which covered more than half of the allocated ESF budget. This experience also led the way for the development of Simplified Cost Options for ERDF-funded research schemes but also contributed to the design of the National Recovery and Resilience Plan. It was the knowledge and expertise gained from simplifying Cohesion Policy Programmes that led to the successful costing exercise and the development of the payment profile for the RRP, based on the achievement of milestones and targets.

Now, we are drawing back from the RRF experience, to develop **schemes based on Financing Not Linked to Costs**, to be funded through Cohesion Policy Programmes. Some stumbling blocks, however, such as the lack of clarity in the rules and regulations, hinder the full potential of the RRF modality. However, I am sure that you will have the opportunity to exchange views, address those blocks and draw conclusions on this, during these two days.

Yesterday, five different proposals for methodologies developed through collaboration of the Treasury with other authorities responsible for the implementation of the Cohesion Program THALIA 21- 27 were presented and discussed with Commission Services. The proposed methodologies cover a total of 17% of the Programme budget, 22% of the ERDF and 28% of the ESF+ budget, respectively. The shared vision of the Treasury and DG Growth is to extend these simplification percentages with additional proposals in the pipeline, to increase the Programme coverage to 20% and the ESF+ coverage to 40%.

It is a long-term effort of the Treasury of the Republic to ensure that the management of the co-financed programs in Cyprus is efficient, without having to discount the legality and the results. **Risk-based management verifications**, another topic you will be discussing during this meeting, is an example of the complexity added to the initial steps of simplification. Although focusing control and audit efforts on most risky interventions and beneficiaries is fundamental in any system based on sound financial management, the task of identifying the real risks and applying them in your work efficiently and effectively can prove challenging. We are yet to see the benefits of applying a risk assessment methodology in the controls we have designed but I am confident they will be evident during this programming period.

Dear colleagues,

This network presents a great opportunity for communication, collaboration and exchange of experiences and knowledge among involved actors across a large number of Member States and the European Commission. This is the reason for its success. Sharing success stories and challenges will pave the way towards improving and developing a more efficient and effective policy framework. So let us continue working together with enthusiasm to make transformative changes, fostering a more prosperous European Union for our citizens.

I look forward to fruitful discussions and collaboration during this two-day meeting and to have a wonderful stay in Cyprus.

Thank you for your attention. All the best!