



Simplified Cost Options (SCOs)

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Content:

Content:

- Delegated Act under Article 14(1) ESF - update
- Obligatory use of SCOs – clarification on Omnibus rules
- Post 2020 – CPR and ESF+, update on negotiations
- Programming of SCOs post 2020
- SCO reporting in SFC (2014-2020)

Article 14(1) ESF – update

6th amendment:

- Official Journal on 11 March 2019; entered into force on 1 April 2019
- unit costs for France, Czech Republic (update of amounts), Slovakia, Austria, Romania, Cyprus, Croatia and, for the first time, Bulgaria.
- EU-level SCOs on education and new EU-level SCOs for three areas: 1) Training for unemployed; 2) Counselling services; 3) Training for employed people

ANNEX XI

Conditions for reimbursement of expenditure on the basis of standard scales of unit costs to Lithuania

1. Definition of standard scales of unit costs

Type of operations	Indicator name	Category of costs	Measurement unit for the indicators	Amounts (in EUR)
1. Vocational training of unemployed people under Priority Axis 7 <i>Promoting quality employment and participation in the labour market</i> of OP 2014LT16MAOP001	Unemployed people who successfully complete long-term formal training	All eligible costs	Number of participants who have received a certificate verifying successful completion of long-term formal training of 184 days or more.	3 460,33
2. Vocational training of unemployed people under Priority Axis 7 <i>Promoting quality employment and participation in the labour market</i> of OP 2014LT16MAOP001	Unemployed people who successfully complete medium-term formal training	All eligible costs	Number of participants who have received a certificate verifying successful completion of medium-term formal training of between 97 and 183 days.	2 508,12
3. Vocational training of unemployed people under Priority Axis 7 <i>Promoting quality employment and participation in the labour market</i> of OP 2014LT16MAOP001	Unemployed people who successfully complete short-term formal training	All eligible costs	Number of participants who have received a certificate verifying successful completion of short-term formal training of 96 days or less	872,66
4. Vocational training of unemployed people under Priority Axis 7 <i>Promoting quality employment and participation in the labour market</i> of OP 2014LT16MAOP001	Unemployed people who successfully complete non-formal training	All eligible costs	Number of participants who have received a certificate verifying successful completion of non-formal training	1 136,97



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6

	3.2.1 Amount per participant demonstrating successful completion of a training course	3.2.2 Hourly rate for provision of employment services	3.2.3 Monthly rate for provision of employment services	3.2.4 Annual amount for provision of employment services	3.2.5 Hourly rate for training of employed persons	3.2.6 Hourly rate for salary of employed person
Greece	2 064	21	3 685	44 222	17,72	11,56
Spain	2 772	20	3 508	42 095	17,58	18,30
Finland	5 885	45	7 683	92 204	38,39	27,69
France	6 274	48	7 297	87 556	35,99	25,26
Croatia	689	10	1 620	19 440	10,52	5,90
Hungary	1818	10	1 816	21 790	15,67	5,02
Ireland	11 119	36	6 411	76 920	31,79	27,20
Italy	3 676	31	5 438	65 247	27,42	22,20
Lithuania	1 359	8	1 574	18 878	7,43	3,71
Luxembourg	19 302	34	5 908	70 890	29,87	23,30
Latvia	756	8	1 385	16 607	7,94	7,21
Malta	2 256	13	2 184	26 212	16,49	8,41
Netherlands	5 018	36	6 474	77 680	32,01	23,33
Poland	594	6	1 051	12 611	11,21	4,47
Portugal	994	21	3 648	43 784	8,33	10,63
Romania	583	8	1 555	18 656	0,27	2,56

Article 14(1) ESF – update

7th amendment:

- Official Journal on 7 May 2019, entered into force on 27 May 2019
- France, Czech Republic (amending existing standard scales of unit costs), Malta (new lump sums), Italy, The Netherlands, Croatia and the UK (Northern Ireland).

Article 14(1) ESF – update

Upcoming 8th amendment:

- Commission adoption is scheduled for July 2019 and entry into force by the end of 2019
- The Member States who are working on it are France, Romania, Croatia, Cyprus, Italy, Malta, Portugal, Ireland, Slovakia and the Czech Republic

New Omnibus rules

Art. 67 CPR as modified by Omnibus:

- (c) lump sums;
- (e) financing which is not linked to costs of the relevant operations but is based on the fulfilment of conditions related to the realisation of progress in implementation or the achievement of objectives of programmes as set out in the delegated act adopted in accordance with paragraph 5a.
- For the form of financing referred to in point (e) of the first subparagraph, the audit shall exclusively aim at verifying that the conditions for reimbursement have been fulfilled.

New Omnibus rules

- 4. Where an operation or a project forming a part of an operation is implemented exclusively through the public procurement of works, goods or services, only points (a) and (e) of the first subparagraph of paragraph 1 shall apply. Where the public procurement within an operation or project forming part of an operation is limited to certain categories of costs, all the options referred to in paragraph 1 may be applied for the whole operation or project forming a part of an operation.
- 5a: a fair, equitable and verifiable calculation method based on any of the following:
 - (i) statistical data, other objective information or an expert judgement;
 - (ii) the verified historical data of individual beneficiaries;
 - (iii) the application of the usual cost accounting practices of individual beneficiaries;

Obligatory use of SCOs – clarification on Omnibus rules

- Before Omnibus, grants and repayable assistance for which the public support did not exceed EUR 50 000 had to take the form of SCOs.
- After the Omnibus, this threshold has been increased up to EUR 100 000 of public support
- Art. 67.2a CPR: grants and repayable assistance for which the public support does not exceed EUR 100 000 shall take the form of standard scales of unit costs, lump sums or flat rates, except for operations receiving support within the framework of State aid that does not constitute de minimis aid
- 2a: grants and repayable assistance for which the public support does not exceed EUR 100 000 shall take the form of standard scales of unit costs, lump sums or flat rates, except for operations receiving support within the framework of State aid that does not constitute de minimis aid

Obligatory use of SCOs – clarification on Omnibus rules

- Possibility of a transitional period as set out under art. 157(7) of the CPR. (**until 2 August 2019**).
- The MA may extend this period for a period it deems necessary, if it considers that the obligation constitutes a disproportionate administrative burden.
- In this case, it needs to notify the Commission **prior to 2 August 2019**.



State of play of negotiations: CPR

Council:

- As for the CPR, block 4 and 6 are the parts containing provisions on SCOs, more specifically Art. 46-51 and Art. 88-89.
- A partial general agreement has already been agreed on CPR blocks 3 and 4 and block 6 (provisions on financial management, including articles 88 and 89) is already covered by a partial mandate of the Council for the negotiations with the European Parliament
- Overall, feedback from Member States is good. Discussions in the Council have been focusing on more general matters, such as VAT eligibility and relocation.

European Parliament:

- The EP did not propose any amendments to Articles 48, 88



State of play of negotiations: ESF+

Council:

- the Council reached a partial general agreement on the ESF+ proposal at COREPER on 3 April, thus paving the way for trilogues to begin with the new EP in autumn.

European Parliament:

- the report with amendments approved mid-January was adopted at first reading by the Plenary on 4 April

Next steps:

trilogues are due to begin with the new EP in October.



Next programming period: programming of SCOs

When using SCOs in the future programming period, MAs will have the following options:

- Using them in an autonomous way, i.e. without ex-ante involvement of the Commission and hence not providing the same level of legal certainty as the two options below;
- Putting them in their programme or add them as part of a programme amendment (annex V of the CPR will be the new template to be filled out)
- Using SCOs from a delegated act (developed by COM for a wider set of Member States)



Next programming period: programming of SCOs

As for financing not linked to costs, Member States will have the following options:

- Putting it in their programme (annex V) or add them with a programme amendment
- Using a Delegated Act which is valid for a wider set of Member States (COM initiative)

Member States will not be able to use financing not linked to costs without the involvement of the Commission.



Next programming period :programming of SCOs

In case MS decide to use SCOs:

- Obligatory assessment of the proposed SCOs by the audit authority (methodology, amounts etc.)
- Early involvement of the audit authorities when developing the SCO methodology.
- For the ESF, existing EU-level SCOs will be rolled-over into a new delegated act.



SCOs reporting in SFC

- Member States are obliged to keep an electronic list of data on the use of Simplified Cost Options (Annex III of Delegated Regulation (EU) No 480/2014).
- For 2019, the Commission has asked Member States to provide this data at the same time as the AIR is submitted, in order to assess the uptake of SCOs across the EU.
- Reporting should be done via a dedicated module in SFC preferably at the same time as the AIR is submitted.
- The reporting will be done on a voluntary basis. However, from a policy perspective, the Commission encourages MS to share their data with the Commission.
- At the EGESIF meeting last year, all MS agreed to report on the use of SCOs.