



INTERact

Sharing Expertise

# Options de coûts simplifiés: Panorama des programmes CTE

*Les coûts simplifiés:  
opportunités pour les programmes CTE 2014-2020?*

*11 décembre 2014 | Paris, France*

INTERACT is co-financed by the European Regional Development Fund (ERDF) | European Territorial Cooperation





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# Période 2007-2013

## Panorama des programmes CTE ayant eu recours aux coûts simplifiés

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## Simplified Cost Options

Three options which are available according Art 7(4) 1080/2006 amended by 397/2009

- indirect costs, declared on a flat-rate basis, of up to 20 % of the direct costs of an operation;
- flat-rate costs calculated by application of standard scales of unit cost as defined by the Member State;
- lump sums to cover all or part of the costs of an operation (especially for small project funds / People to people types of actions)

More on simplification:

[http://www.interact-eu.net/regulatory\\_changes/simplified\\_cost\\_options/286/3809](http://www.interact-eu.net/regulatory_changes/simplified_cost_options/286/3809)



## Flat rates in ETC programmes:

- Interreg Flanders-Netherlands (From 2009)
- Interreg Estonia-Latvia (from middle of programme)
- Interreg Germany-Netherlands (from January 2013)
- Interreg IVA Programme for Northern Ireland, the Border Region of Ireland and Western Scotland
- North West Europe (from 8th call as of 4 March 2011)
- South East Europe
- Interreg IVC (from the 4th call as of 1 December 2010)

# Simplification (flat rates) - state of play



Flanders - Netherlands	Germany-Netherlands	Estonia-Latvia	Northern Ireland, the Border Region of Ireland and Western Scotland	South East Europe	North West Europe	Interreg IVC
Indirect costs: overhead costs	Overheads	Overheads	indirect costs/overheads	Overheads	Administration costs	administration budget
10% of the staff costs of beneficiary	15%	12% of staff costs	20% of the approved direct labour costs	10% of staff costs	11% of the total budgeted staff costs	12% of the budgeted staff costs



Unit cost \* number of units = maximum eligible cost of unit category

- Standard scales of unit costs (eg. salaries and allowance costs) are widely applied by the programmes managed by the European Commission, examples:
  - *Lifelong Learning Programme (Comenius, Erasmus, Leonardo Da Vinci, Grundtvig Jean Monnet, transversal key activities)*
  - *7<sup>th</sup> Framework Programme - “People” programme*
  - *Europe for Citizens Programme*
  - *Programmes managed by DG DEVCO (EuropeAid Development and Cooperation)*
- Also some ETC programmes apply standard scales for various cost categories

## INTERREG IV A Mecklenburg-Vorpommern/Brandenburg - Poland

**Common catering rates for the events with the participation exceeding 20 participants:**

2-4 hours of duration: 8 EUR / participant

4-6 hours duration: 16 EUR / participant

>6 hours: up to 24 EUR / participant

## INTERREG IV A Germany - Netherlands

**Maximum eligible hourly rates for staff costs:**

Directors, Professors, CEOs: 54,50 EUR

Researchers, managerial positions: 46 EUR

Higher technical staff: 35,50 EUR

Other staff: 24,50 EUR

Amounts without employer's charges only, maximum 25% of monthly gross salary can be charged within a project



## Pros and cons

### PROS for MAs and JS

- Easier communication about the programme funding rules to potential beneficiaries
- Faster processing of payments and thus positive impact on N+3
- Reduction of the programme error rate
- More resources to focus on project outputs and their quality





## Pros and cons

### PROS for FLCs

- Much faster verification of declared costs
- Easier audit of declared expenditure: higher certainty about the legality of certified expenditure and interpretation of rules
- More resources to focus on high risk areas (e.g. public procurement)



## Pros and cons

### PROS for beneficiaries

- Better understanding of rules and greater certainty regarding the eligibility of project expenditure
- Much easier and faster calculation and reporting of project costs
- Less supporting documents required
- More resources to focus on delivering project os higher quality



## CONS?

- SCO do not reflect the reality. No real costs calculation.
- In case of irregularity in staff costs, automatic impact on the office and administration costs budget line
- Need to get EC Ok (for the 2007-13 period)



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# Période 2014-2020

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## Forms of reimbursement

- Reimbursement of eligible costs actually incurred and paid, together with in-kind contributions and depreciation, if applicable
- Simplified cost options:
  - ✓ Flat-rate financing, demonstrated by the application of a percentage to one or several defined categories of costs
  - ✓ Standard scales of unit costs
  - ✓ Lump sums not exceeding EUR 100 000 of public contribution



## 5 Budget Lines

- Staff costs ★
- Office and administration ★
- External expertise and services
- Travel and accommodation ★
- Equipment
- (Infrastructure and works: applicable to programmes financing infrastructures)



## Staff costs

- Eligible cost
  - Full-time and part-time work on the project
  - Salary payments and other costs linked to salary payments (employment taxes, social security) not recoverable by the employer.
    - ✓ All costs fixed in the employment document/law
    - ✓ Salaries related to responsibilities specified in the job description
- Reimbursement options:
  - Real costs (payslips required)
  - Simplified cost options, e.g.
    - Flat rate of up to 20% of direct costs (Art. 19 ETC Regulation)
    - Standard scale of unit costs

## Office and administration – Flat rate

### Article 68.1 CPR

Indirect costs may be calculated at a flat rate of:

- Up to **25% of eligible direct costs** - established based on fair, equitable and verifiable calculation method
- Up to **15% of eligible direct staff costs** - no calculation method required from the programme
  - applicable at the partner level
  - partners do not need to provide any audit trail

***Staff costs calculated at a flat rate can still form the basis for calculation of indirect costs at a flat rate of (up to) 15% of staff costs.***





## Travel and accommodation

- **Standard scale of (maximum) unit costs**
  - ✓ for accommodation and daily subsistence costs only
  - ✓ fixed maximum rates as used by the EC for experts on assignments requiring an overnight stay

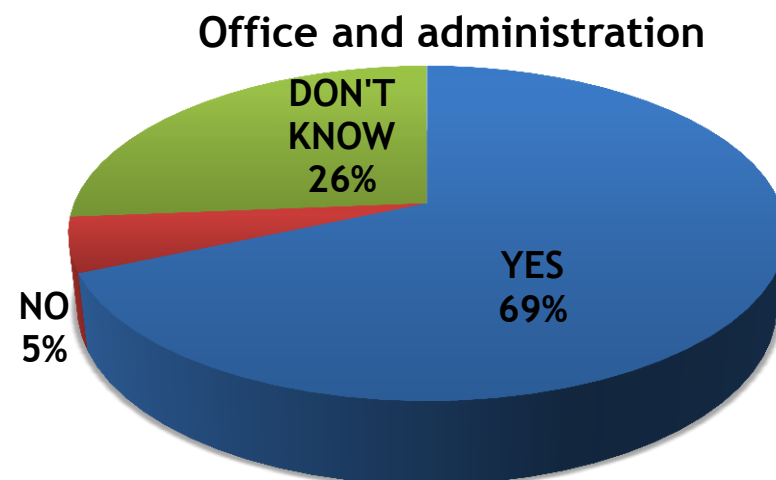
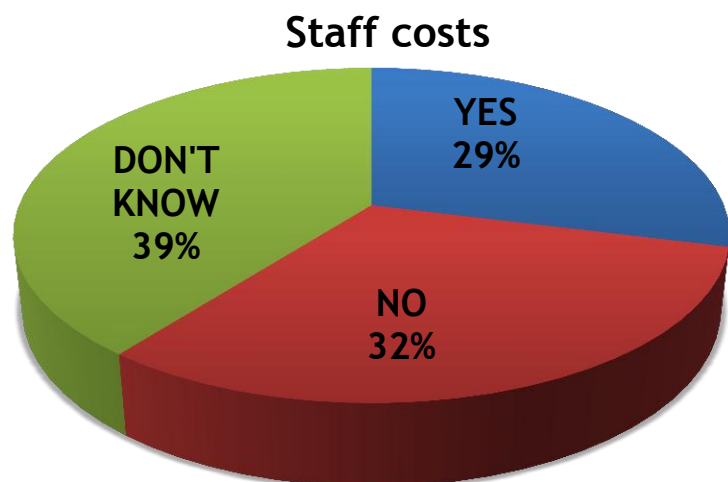
Note: these are maximum rates and can be used for reference or by organisations without any established rules in this area (ref. INTERACT fact sheets)



# Quick survey during registration of INTERACT event on eligibility in June 2014

In 2014-2020, does your programme intend to use a flat rate financing?:

- For staff costs (up to 20% of direct costs)
- For office and administration (up to 15% of staff costs)



38 programmes: 7 TN + IVC + 24 CBC + 4 IPA CBC + 2 ENPI



# Does your programme intend to use a flat rate for staff costs, in line with Article 19 ETC Regulation?

Does your programme intend to use a flat rate for staff costs, in line with Article 19 ETC Regulation?			
	YES	NO	DON'T KNOW
<b>Staff costs (flat rate of up to 20%)</b>	CBC AT/CZ Austria - Czech Republic	CBC DK/DE Syddanmark - Schleswig - K.E.R.N., CBC DK/DE Fehmarnbelt Region Sjlland - Ostholstein-Lbeck-Pln, CBC SE/DK/NO resund - Kattegat - Skagerrak	CBC DE/PL Saxony - Poland
	CBC BE/NL Border Region Flanders - Netherlands	CBC ES/PT Spain - Portugal	CBC ES/FR/AD Spain - France - Andorra
	CBC HU/SK Hungary - Slovak Republic	CBC FI/SE/EE/LA Central Baltic	CBC FR/UK France (Manche) - England
	CBC IT/CH Italy - Switzerland	CBC FR/UK/BE/NL 2 Seas	CBC HU/RO Hungary - Romania
	CBC LT/PL Lithuania - Poland	IPA CBC BG/FYROM Bulgaria - Former Yugoslav Republic of Macedonia	CBC IT/FR Italy - France 'Maritime'
	CBC LV/LT Latvia - Lithuania	IPA CBC BG/RS Bulgaria - Serbia	CBC IT/MT Italy - Malta, ENPI CBC Italy - Tunisia
	CBC PL/SE/DK/LT/DE South Baltic	INTERREG IVC	CBC SE/FI/NO Botnia - Atlantica
	CBC PL/SK Poland - Slovak Republic	Transnational Programme Alpine Space	CBC SE/NO Sweden - Norway
	CBC RO/BG Romania - Bulgaria	Transnational Programme MED	CBC SK/AT Slovak Republic - Austria
	IPA CBC HU/HR Hungary - Croatia	Transnational Programme Northern Periphery	IPA CBC Adriatic
	ENPI CBC Romania-Ukraine-Republic of Moldova		Transnational Programme Baltic Sea Region
			Transnational Programme Central Europe
			Transnational Programme South East Europe



# Does your programme intend to apply a flat rate financing within the office and administration budget line?

Does your programme intend to apply a flat rate financing within the office and administration budget line?			
	YES	NO	DON'T KNOW
Office and administration (flat rate of up to 15%)	CBC AT/CZ Austria - Czech Republic	IPA CBC BG/FYROM Bulgaria - Former	CBC DE/PL Saxony - Poland
	CBC BE/NL Border Region Flanders - Nethe	IPA CBC BG/RS Bulgaria - Serbia	CBC ES/FR/AD Spain - France - Andorra
	CBC DK/DE Syddanmark - Schleswig - K.E.R.N., CBC DK/DE Fehmarnbelt Region Sjlland - Ostholstein-Lbeck-Pln, CBC SE/DK/NO resund - Kattegat - Skagerrak		CBC ES/PT Spain - Portugal
	CBC FI/SE/EE/LA Central Baltic		CBC FR/UK France (Manche) - England
	CBC FR/UK/BE/NL 2 Seas		CBC HU/RO Hungary - Romania
	CBC HU/SK Hungary Slovak Republic		CBC IT/FR Italy - France 'Maritime'
	CBC IT/CH Italy - Switzerland		CBC IT/MT Italy - Malta, ENPI CBC Italy - Tunisia
	CBC LT/PL Lithuania - Poland		CBC SE/FI/NO Botnia - Atlantica
	CBC LV/LT Latvia - Lithuania		IPA CBC Adriatic
	CBC PL/SE/DK/LT/DE South Baltic		
	CBC PL/SK Poland - Slovak Republic		
	CBC RO/BG Romania - Bulgaria		
	CBC SE/NO Sweden - Norway		
	CBC SK/AT Slovak Republic - Austria		
	ENPI CBC Romania-Ukraine-Republic of		
	IPA CBC HU/HR Hungary - Croatia		
	INTERREG IVC		
	Transnational Programme Alpine Space		
	Transnational Programme Baltic Sea Region		
	Transnational Programme Central Europe		
Transnational Programme MED			
Transnational Programme Northern			
Transnational Programme South East			
Danube Transnational Programme			



# European commission support on Simplified Cost Options

- Guidance on Simplified Cost Options (SCOs)  
[http://ec.europa.eu/regional\\_policy/thefunds/fin\\_inst/pdf/simpl\\_cost\\_en.pdf](http://ec.europa.eu/regional_policy/thefunds/fin_inst/pdf/simpl_cost_en.pdf)



# INTERACT support on eligibility of expenditure

- Workshops on eligibility of expenditure
- Guidance documents:
  - Fact sheets on budget lines (updated based on the Delegated act)
  - Matrix of costs (living document)
  - Eligibility of expenditure related to investments
  - Activities and ERDF expenditure outside the Union part of the programme area
  - Simplified cost options
  - Questions and answers on the eligibility of expenditure (draft)



## Upcoming INTERACT events

- 2007-2013 ETC Programme Closure. 21/01/2015 Madrid
- Workshops on risk management and anti-fraud measures → Seminar on anti-fraud measures
- Certifying Authorities network meeting (end February-beginning March 2015 tbc)
- Workshop on eligibility of expenditure (first semester 2015)
- Event on Designation Procedure (May 2015 tbc)
- e-MS Working group



# Questions?

Please do ask or contact  
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# Thank you for your attention

Please do not hesitate to contact us for any further information or visit [www.interact-eu.net](http://www.interact-eu.net)

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