

## ESF THEMATIC NETWORK ON SIMPLIFICATION

### REPORT ON SCO PRACTICES

(Draft for the 6<sup>th</sup> Meeting of the Thematic Network - The Hague – 8-9 June, 2017)

#### References:

<b>Member State / Region</b>	<b>Estonia</b>
<b>Reference number (TN's map of SCO practices)</b>	<b>12</b>

#### Contact details:

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<b>Type of SCO reported</b> <i>(Please choose one of these types of SCO: flat rate financing, standard scale of unit costs, lump sum).</i>	<b>FLAT RATE 40 % OF DIRECT PERSONNEL COST</b>
<b>Type of activities covered by the SCO</b> <i>(Please indicate what type of activities is targeted by the SCO).</i>	<b>CREATION OF CHILD-CARE PLACES AND SUPPORTING THE SERVICE PROVISION</b>

#### A. PROJECT DESCRIPTION

<b>A1. Description of the type of operation</b> <i>(Please describe in brief what types of operations are covered by SCO)</i>
The direct personnel cost of childcare teacher and co-teacher (helping teacher) is financed. From this personnel cost 40 % is calculated to cover all other cost of the project (materials for teaching, equipment, rooms, music, sports lessons and project management costs).
<b>A2. Definition of outputs/results</b> <i>(Please give a short definition of outputs and/or results)</i>

Number of child-care places created.
<b>A3. Beneficiaries</b> <i>(please indicate the types of beneficiaries involved in the operations covered by SCO)</i>
In the 1 <sup>st</sup> call Local Governments in the 2 <sup>nd</sup> call Local Governments, NGOs, companys. The final beneficiaries are children and parents.
<b>A4. Target group(s)</b> <i>(Please list target groups within projects covered by SCO)</i>
In the 1 <sup>st</sup> call Local Governments in the 2 <sup>nd</sup> call Local Governments, NGOs, companys.

## **B. METHODOLOGY AND CALCULATION METHOD**

<p><b>B.1 Methodology</b> <i>(please indicate which methodology/ies has/have been used: Fair, equitable and verifiable method / use of existing EU schemes for similar types of operation and beneficiary / Use of existing own national schemes for similar types of operations and beneficiaries / use of rates and specific methods enshrined in the regulation or in a delegated act / use of a draft budget /combination of methodologies).</i></p> <p><i>Please indicate if the concerned SCO has been covered by Art. 14(1) ESF)</i></p>
<p>Per one month we are covering from ESF support max following levels, additionally to that the co-financing is added.</p> <ol style="list-style-type: none"> <li>1) 938 euros per one main child-care teacher per one month (working full time)</li> <li>2) 602 euros per one co-teacher (helping teacher) per one month (working full time).</li> </ol> <p>The kindergarden can always pay higher salary if they wish, but from ESF we are covering only according to the fixed max levels. The max limits have been set taking into the consideration of the average salaries of teachers in the kindergarden.</p> <p>We are covering the cost up to 3 years but each year the ESF support is decreased and co-financing should increase. 1<sup>st</sup> year up to 85% ESF support next 12-24 month up to 75 % of ESF support and 25-35 65 % of ESF support.</p> <p>The project promotor should create at least 80 % of the places set in the law For small children (1-3 years) max 14 children can be in the group For children 4-7 years max 20 children can be in the group In United group (different ages together) 18 children can be in the group.</p>

To get the financing at least 80 % of the created places should be fulfilled with children (to proof that there should be available the service contract between parents and kinderkarden)

**B.2 Calculation Methods** *(please describe how the calculations have been made)*

In each kindergarten group usually there are working 2 main teachers and one helping teacher.  
The new kindergarten group will be created (18 places for children at the age of 3.-6).  
For that 2 teachers and one helping teacher will be hired. The total cost per year will be calculated in following way

Teachers salary (for example 900 euros per months x 2 (teachers)x 12 months= 21 600  
600 x 1 (helping teacher) x 12 months = 7200  
TOTAL 28 800

*From the result 40 % will be calculated to cover all other costs (11520)  
Total cost of the project 33 120*

**B.3 Data source** *(please indicate the type of data used and the data source)*

The contracts and payments of the teachers salary.

Creating new service places the project promotor has to present with the first payment claim following documents.

- 1) The local authorities decision about creation of new kindergarden or new places in the existing kindergarden. , the training licence copy
- 2) If the new childcare service provider is created the copy of activity permission should be added.

**C. IMPLEMENTATION OF SCO**

*(Please describe in brief what implementation rules and conditions have been set out)*

The conditions have been presented in p B

#### **D. AUDIT TRAIL**

*(Please provide a brief description of the audit trail for the concerned SCO, including documents, key contents/conditions and procedures)*

Controlling the added copies to be sure that places are created, the payments of the salaries, the working contracts.

#### **E. ASSESSMENT BY THE AUDIT AUTHORITY(IES) INCLUDING EVENTUAL EX ANTE ASSESSMENT**

*(If relevant, please explain how the audit authority has been involved in preparation and assessment of the SCO).*

The projects have been audited by the AA.

#### **F. IMPACT OR ADDED VALUE FOR THE MA, BENEFICIARIES AND OTHER STAKEHOLDERS**

*(Please explain how you have perceived impact/added value of the SCO for the MA, beneficiaries and other stakeholders).*

No need to proof small costs that are not avoidable in offering child-care services (for example beds, games, toys, pencils, pillows, toilet pots etc).

#### **G. SPECIFIC ISSUES FACED WITHIN CALCULATION AND IMPLEMENTATION OF THE SCO**

*(Please indicate any issues/problems/challenges you have experienced when setting out or implementing the SCO, i.e. high workload, state aid, public procurement, national legislation, revenues etc.)*

The way to think out the rules what would be enough proof that child care places have been created.

## **H. LESSONS LEARNED AND POINTERS**

*(Please indicate any unforeseen practical implications that have emerged and any key lessons you have learned from the development and implementation of the concerned SCO practice).*

Not so easy as it first seemed to be. As teachers are sometimes ill or participating in the trainings other teachers have to substitute them temporarily. And in this case the problems will emerge (problems with contracts, calculating the costs proportionally). Salary calculating IT systems do not support that type of calculation methods, so it means that for bookkeeping there should be additional calculations in excel tables and it is not comfortable. Additional problem is connected that parents are also partly financing the child care places and it should be fixed as profit in the project and the ESF support should be decreased (if project is over 50 000 euros) according to the structural funds rules.

## **I. ANNEXES OR LINKS TO ONLINE DOCUMENTS**

*(Please list documents or links to online documents like complete methodology, calculation methods, documents submitted to the Commission, guidance for MAs and beneficiaries, calls for proposals, audit trail, legal acts etc.).*

Ministerial decree which sets the exact rules is available here

<https://www.riigiteataja.ee/akt/120052017013>