

## 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>	Sweden
<b>Reference number (TN's map of SCO practices)</b>	n.a.

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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>Standard scale of unit costs + flat rate 40 %</b>
<b>Type of activities covered by the SCO</b> <i>(Please indicate what type of activities is targeted by the SCO).</i>	<b>Professional training and other competence development. Activities to strengthen the link between education, training and the working life.</b>

## **A. PROJECT DESCRIPTION**

<p><b>A1. Description of the type of operation</b> <i>(Please describe in brief what types of operations are covered by SCO)</i></p> <p>All kind of operations in priority axis 1 “Skills supply” (thematic objectives 10). 1.1 - Actions to support education and skills development contributing to employment, growth and sustainable working life. The initiatives shall be based on the need for workplace development and women’s and men’s working capacity. They shall also contribute to strengthen participating women and men and to satisfy supply of labor and competence.</p> <p>1.2 Actions to develop and apply methods and forms for collaboration to strengthen the connection between education and work-life.</p>
<p><b>A2. Definition of outputs/results</b> <i>(Please give a short definition of outputs and/or results)</i></p> <p>The indicator is defined to <i>unit cost covering all costs of one hour of training, except allowances and salaries for participants</i>. The measurement indicator is defined to <i>number of hours worked differentiated by wage group</i>.</p>
<p><b>A3. Beneficiaries</b> <i>(please indicate the types of beneficiaries involved in the operations covered by SCO)</i></p> <p>All kind of beneficiaries – for example public body’s, private organisations and NGO: s.</p>
<p><b>A4. Target group(s)</b> <i>(Please list target groups within projects covered by SCO)</i></p> <p>Employees and participants in operations in priority axis 2.</p>

## **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>The standard scales of unit costs are defined according to CPR art. 67.5 (fair, equitable and verifiable method). National wage statistics, national legislation (holiday payment and employers’ contribution to the social security system) and statistics for pensions and insurance has been the base for the calculation of the standard scales of unit costs. The 40 percent flat-rate (ESF art. 14.1) has been added to the calculated unit costs.</p>

The standard scales of unit costs have been adopted in Delegated act 2015/2195 under ESF art. 14.1.

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

The standard scale of units' costs is based on wages statistics from Statistics Sweden (SCB). The wage statistics have been clustered in seven wage groups (with three subgroups for managers) covering the entire occupations on the Swedish labor market. To the wage statistics have a flat-rate for holiday payments been added (12 % according to Swedish law) and a flat-rate for employers' social contributions (according to Swedish law) and pensions and insurance (according to collective agreements on the labour market). Finally, a 40 % flat-rate (the omnibus interpretations of ESF art. 14.2) to cover all costs of the operation except direct wages and participants' salaries' and allowances.

The standard scales of units' costs automatically increased by 2 % on the 1st of January each year as from 2016 until 2023

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

- National wage statistics
- Swedish legislation
- Collective agreements on the Swedish labour market

**C. IMPLEMENTATION OF SCO**

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

Operations is fully implemented and calculated on the basis of the standard scales of unit cost. For this reason, the assessment of personal resources become an important part of the implementation. In the applications for grants, the applicant must describe witch personal resources which are necessary to carry out planned activities and achievements to reach the planned results and effects of the project. The managing authority assess the reasonableness of the resource assessment before grant decision.

Costs will be reimbursed based on the operations time reporting of number of hours worked in the operation. For that reason, time reporting has a central role in the implementation of the standard scales of unit costs. The managing authority provides a time reporting system that is mandatory to use.

## **D. AUDIT TRAIL**

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

The time report, signed by the employee and another competent person confirming that the assignment is correct. Time reports are sent to the ESF Council when the time is reported in the application for payment together with a progress report for the actual period.

The managing authority conduct a desk control of time reporting and progress report before payment. In addition, the managing authority performs the on-the-spot controls of the time report and the project's procedures for compiling it. On-the-spot controls also include control of procurement, demarcation to regular operations, revenue, archiving, visibility of EU funding and anti-fraud.

## **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 national auditing authority has been an active part in the preparation of the standard scales of unit-costs. They conduct an ex-ante assesment of standard scales of unit costs model and issued a statement which was attached to the application for delegated act.

## **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).*

Shift in focus from project administration to results of the operations and their contribution to long term effects of the OP.  
Reduced administrative burden for the beneficiaries' releases resources for better implementation of the operations.

## **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.)*

## **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).*

It takes some time and effort to shift both the managing authority and the beneficiaries' mindset from the cost actually incurred and paid to SCOs, but when done, all see the benefits of the simplifications.

## **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.).*