



10th meeting of the TN on Simplification

Omnibus

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Overview of the presentation

A. Amendments to the CPR (Article 272)

I. Reducing the admin burden: SCOs and JAP

II. Other changes contributing to simplification

B. Amendments to the ESF Regulation (Article 273)

PART A – Amendments to the CPR

1. Type of SCOs/Forms of support for grants & repayable assistance

- **Lump sums:** removal of the upper limit (Art. 67(1)(c) CPR)
- **Introduction of a new form for grants and repayable assistance:** financing based on the fulfilment of conditions related to progress in implementation or the achievement of objectives of programmes - to be defined in **delegated acts** - linked to Art. 121 FR (Art. 67(1)(e) and (5a) CPR)

Audit shall exclusively aim at verifying that the conditions for reimbursement have been fulfilled.

2. Methodologies for establishing SCOs

- The fair, equitable and verifiable calculation method may also be based on an **expert judgement** (Art. 67(5)(a)(i) CPR)
- **Additional methodology for determining a SCO:** use of a **draft budget** on a case by case basis and agreed ex ante by the managing authority in case the public support does not exceed EUR 100.000 (Art. 67(5)(a)(bis) CPR)
- **Off the shelf SCOs:** possibility for COM to adopt **delegated acts** for the definition of standard scales of unit costs and flat rates and related methods (Art. 67(5a) CPR)

3. Additional options for calculating staff costs (1)

Direct staff costs:

- **Flat rate of up to 20% of the direct costs other than staff costs** (from ETC Regulation).
- **No need to perform a calculation to establish the applicable rate** provided the direct costs of the operation do not include public works contracts above threshold in the public procurement directive (Art. 68a(1) CPR)

3. Additional options for calculating staff costs (2)

- Rules for calculating an **hourly rate for staff costs** (latest documented annual gross employment cost/1720 hours) have been **clarified** (Art. 68a(2)(3) and (4) CPR):
 - **in case of part-time work: pro rata**
 - **in case annual gross employment costs are not available: use available data or employment contract adjusted for a 12 month period**
 - **Number of hours declared/year cannot exceed the number of hours used for the calculation of the hourly rate**

3. Additional options for calculating staff costs (3)

- **Specific provision on staff costs for staff working on part-time assignment on an operation** (Art. 68a(5) CPR):
 - **fixed percentage of the gross employment costs**
 - **no need for separate working time registration, but employer to set out the fixed percentage in a document**

4. Calculating remaining eligible costs

- **Remaining eligible costs (other than direct staff costs):** flat rate of up to 40% of eligible direct staff costs (Art. 68b CPR)
- No requirement to execute any calculation to determine the applicable rate
- New provision clarifies that the **allowances and salaries paid to participants** are not included in the 'remaining eligible costs', but are **additional eligible costs**.
- Cannot be applied to staff costs calculated on the basis of a flat rate.

5. Mandatory use of SCOs (1)

- **Compulsory use of SCOs for ERDF and ESF** grants/repayable assistance where the **public support does not exceed EUR 100.000** for operations not implemented exclusively through public procurement (moved from ESF Regulation) - (Art. 67(2a) CPR)
 - **Does not apply** to operations for which the support constitutes **State aid**, except when the support constitutes *de minimis* aid → **applies in case of *de minimis* aid**
 - In case of **flat rate financing**: costs to which the flat rate is applied may be reimbursed as real costs
 - In case the **40% flat rate (remaining eligible costs)** is used, the salaries and allowances paid to participants may be reimbursed as real costs.

5. Mandatory use of SCOs (2)

- ***Transitional period*** (Art. 152(4) CPR)
 - The Managing Authority (MA) may decide not to apply the provision during 12 months following entry into force of the Omnibus Regulation.
 - MA may extend this period **for a period it considers necessary** if it considers that the obligation constitutes a disproportionate administrative burden. Need to notify the COM prior to the expiry of this period (i.e. prior to the expiry of the initial period of 12 months).
 - Transitional period does not apply to the operations for which the public support does not exceed EUR 50 000.

7. Use of SCOs and public procurement

- **No COM proposal** on the relevant provision (Art. 67(4) CPR)
Excluded from the use of SCOs are: operations *'implemented exclusively through the public procurement of works, goods or services'*
Not excluded are: operations implemented by the beneficiary where PP is limited to certain categories of costs: use of SCOs is possible and may cover the entire operation - See SCO Guidance – section 1.6.2.
- **CPR is amended to make this explicit:**
"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 [i.e. Art. 67(1) CPR] may be applied for the whole operation or project forming a part of an operation."

8. Management verifications

- Clarification on **management verifications when SCOs are used**: managing authority has to verify that conditions for reimbursement of expenditure are met (no need to verify expenditure) (Art. 125(4)(a) CPR)
 - Provision to apply retroactively

Encourage use of Joint Action Plans (JAP)

- **Lower requirements for minimum public expenditure** allocated to a JAP (EUR 5 Mio. instead of EUR 10 Mio.) and for the share of public support of OP (5 % instead of 20%) (Art. 104(2) CPR)
- **No minimum requirements for first JAP** submitted under the Investment for Growth and Jobs and ETC goals (Art. 104(3) CPR)
- Various changes to **reduce content requirements for the JAP** (Art. 106 CPR)
- **Adaptation of coverage of COM decision** approving the JAP (Art. 107 CPR)
- **No need for JAP steering committee to be distinct from programme monitoring committee** (Art. 108 CPR)

How to use SCOs for ongoing calls?

- *For ongoing calls, changing from real costs to SCOs is possible BUT caution*
- *Transparency and equal treatment of (potential!) beneficiaries need to be ensured*
- *Beneficiaries need to agree to modified conditions*
- *If operation/project is split into 2 phases (real costs followed by SCO) – no double-funding*
- *See section 7.1. of the [guidance note on SCOs](#)*

Questions?



IV. Other changes in the CPR contributing to simplification (1)

- **Increased legal certainty for electronic documents:** no originals are required if the national rules for certification of conformity are complied with (Art. 140(3) CPR)
- **Clarifications on obligations on information and communication:** apply to beneficiaries as from when they obtain the document setting out the conditions for support to the operation (Art. 115 and Annex XII CPR)

IV. Other changes in the CPR contributing to simplification (3)

Single audit (Art. 148(1) CPR)

- **Ceilings** for small operations subject to one audit by AA or COM (prior to the submission of the accounts for the accounting year in which the operations are completed) **are doubled**
- **Introduction of an 'escape' clause so as to ensure that the AA can audit a sufficient number of operations to obtain assurance**

Questions?



PART B – Amendments to the ESF Regulation

- Clarification on operations implemented outside the programme area (Art. 13 ESF - similar to Art. 70(2a) CPR)
- Deletion of provisions on SCOs which have been moved to the CPR, i.e.
 - **Compulsory use of SCOs for small operations**
 - **40% flat rate on direct staff costs to cover remaining costs of the operation. The CPR clarifies that remaining costs do not include salaries and allowances paid to participants.**

But cross- reference to the CPR
- Deletion of the **common indicators on the household situation – Retroactive effect**

Consolidated versions of

CPR - <https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX:02013R1303-20180802>

ESF - <https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX:02013R1304-20180802>

FEAD - <https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX:02014R0223-20180802>

Questions?





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Thank you!