

ESF THEMATIC NETWORK ON SIMPLIFICATION

REPORT ON SCO PRACTICES

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

References:

Member State / Region	Czech Republic
Reference number (TN's map of SCO practices)	14

Contact details:

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Type of SCO reported (Please choose one of these types of SCO: flat rate financing, standard scale of unit costs, lump sum).	STANDARD SCALE OF UNIT COSTS
Type of activities covered by the SCO (Please indicate what type of activities is targeted by the SCO).	PROFESSIONAL TRAINING OF EMPLOYEES

A. PROJECT DESCRIPTION

A1. Description of the type of operation (Please describe in brief what types of operations are covered by SCO)
The aim of the operation to which the standard scale of unit costs is applied is to support further professional training of employees. The MA has prepared seven different activities based on the types of courses that fall into these activities. These activities are: General IT, Soft and managerial skills, Language training, Advanced IT, Economic, legal and accounting courses, Technical and other professional training, and Internal lecturer. Courses included in the first six activities can only be delivered by external training providers. Courses led by an internal lecturer (by an employee of a beneficiary or a partner) fall into the activity Internal lecturer and cannot be included in any other activity. Each activity is defined by the focus of training courses which fall into it.

<p>Training means exclusively full-time education in the classroom or in the workplace with the participation of a lecturer (or coach/instructor). The activity is not intended for any form of distance learning.</p>
<p>A2. Definition of outputs/results <i>(Please give a short definition of outputs and/or results)</i></p> <p>Indicator definition is as follows: the unit in the activity is the employee participation in further training (course) of 60 minutes (i.e. person-hour) or 45 minutes in case of the activity Language training (i.e. period), while the focus of the course must fall within the definition mentioned in the list of courses in this activity and it must be a course provided by operators that are different from the beneficiary or its partners (in the project). Courses led by an internal lecturer (by an employee of a beneficiary or a partner) fall into the activity Internal lecturer and cannot be included in any other activity.</p> <p>Furthermore, the condition is that all person-hours (periods) of a given participant in total reach at least 70% of the length of the course set out in the documentation of the training course content and that participant has received a certificate of completion.</p> <p>As the unit of measurement for indicator is then a number of completed hours per employee.</p>
<p>A3. Beneficiaries <i>(please indicate the types of beneficiaries involved in the operations covered by SCO)</i></p> <p>NGOs, private firms, sole traders, professional associations</p>
<p>A4. Target group(s) <i>(Please list target groups within projects covered by SCO)</i></p> <p>Employees</p>

B. METHODOLOGY AND CALCULATION METHOD

<p>B.1 Methodology <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 scale of unit costs has been defined by using a fair, equitable and verifiable method according to Art. 67.(5).(a) of the CPR. Links to national legislation have been used to determine the value of the wage contribution for employees' participation in training. The standard scale of unit costs has been covered by a Delegated Act adopted under Art. 14(1) ESF.</p>
<p>B.2 Calculation Methods <i>(please describe how the calculations have been made)</i></p>

The basic value of the unit cost is equivalent to the direct cost of the actual performance, i.e. the full-time training courses. This price is determined on the basis of a survey of prices in the course market.

The cost of the direct performance is increased by other costs directly related to training within the project. These costs are indirect costs, which are project administration costs and other overheads costs. Indirect costs are calculated as a rate of direct cost of performance and wage contribution for employee participation in training. The rate of indirect costs has been determined on the basis of an analysis of data from grant projects supported in Priority Axis 1 Adaptability, OP HRE. The analysis included a total of 218 completed projects. Indirect costs data were drawn from a take-up overview from the final project monitoring report.

The unit costs also included wage contribution for employee participation in training in the amount of hourly minimum wage and mandatory social security and health insurance contributions paid by employers.

After adding up all the components, the total value of a unit cost was calculated.

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

A combination of data has been used:

- historical data from similar projects in programming period 2007 - 2013 for staff costs and indirect costs;
- market research for external training costs,
- statistical data (salaries) for internal training costs,
- legislation data for hourly wage subsidy.

C. IMPLEMENTATION OF SCO *(Please describe in brief what implementation rules and conditions have been set out).*

Projects can be implemented only by beneficiaries or in cooperation with project partners or other involved subjects. Involved subjects are not specified in a project application form and they enter the project during its implementation.

Applicants indicate in an application form which activities will be carried out within the project. For the activities selected, a planned number of person-hours (or periods) to be achieved shall be given.

The funds are reimbursed based on the declaration of the number of actual person-hours (periods) in completed courses. Completed course means the completion of training of one person in one topic or of one level of one topic.

Costs will be reimbursed based on the certificate of completion with attendance sheets attached. The actual number of hours must be indicated for each person. For each course, which has been realised in the project a beneficiary must have a documentation of the training course content. Only actual person-hours of participants who completed at least 70% of the planned course hours are eligible for reimbursement. The planned course hours are given in the documentation of the training course content (syllabus/annotation/programme/accreditation). The 70% of the planned attendance is required for a certificate of completion to be issued. If a participant fails to reach at least 70% attendance, the unit cost will not be reimbursed. A certificate of completion must be presented for every course participant. The certificate of completion must specify that the course

was completed by a test of knowledge and skills (in line with the documentation of the training course content).

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

The reimbursement of a unit cost is conditional on at least 70% of the planned attendance and the issuance of a certificate of completion, which must indicate that the course was completed by a test of the acquired knowledge and skills. Concerning courses to acquire certification required for the performance of specific activities or meeting statutory conditions, it is necessary to demonstrate that they were completed by the acquisition of the relevant certificate.

The above-mentioned documents (attendance sheets and certificates of completion) are always delivered together with a project implementation report for the specified period in which the courses (including the related tests and knowledge verification) were completed. Annexed to the project implementation report is also a table with a summary overview of courses, number of participants - graduates and the number of claimed person-hours classified into the project activities within the given monitoring period. In case of the activity Internal lecturer a beneficiary is obliged to prove an employment contract on lecturing activities between an internal lecturer and a beneficiary or a project partner.

The inspection is carried out by the MA OPE by means of an administrative verification, i.e. inspection of the submitted project implementation reports at the interval specified in the legal act concerning the provision of support.

Furthermore, there are on-the-spot controls by the OPE Managing Authority. In addition to verification of data submitted under the implementation reports, the on-the-spot controls will also include control of trainings during their course and verification of other records, in particular a documentation of the training course content (syllabus/ annotation/ accreditation/course programme), training aids and materials, documents proving that participants are employees (employment or similar contracts. In case of the activity Internal lecturer the MA also verifies that the internal lecturer has met the minimum education requirements (qualification evidenced by relevant documentation) and has demonstrated relevant work experience (documented by employment contracts or other confirmation).

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).*

According to the Czech Single methodological framework, preparation of unit costs is to be consulted with the National Coordination Authority (NCA) and the Paying and Certifying Authority (PCA). Representatives from these two bodies have been taking part in the preparation of the unit costs for further professional training from the very beginning. Given the procedures in the Czech Single methodological framework, the Audit Authority has not been specifically consulted with the draft of the unit costs for further professional training.

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).*

1. The process of submitting project applications has been simplified – it is easier to fill in an application form and to submit it because only standardised units are put in the application form. However, applicants shall consider whether they are able to deliver expected outputs/results at the unit costs set by the MA.
2. The selection process has been simplified – when projects/activities are standardised, then the selection process can be easily standardised as well (it means that objective criteria can be set to facilitate the selection process).
3. Verifications carried out by the MA are focused on outputs/results achieved – by setting out rules for documenting units attained the MA has decided to focus on the achievement of policy objectives instead of being concentrated on collecting and verifying financial documents.

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.)*

1. Setting out the standard scale of unit costs was a very long and demanding process before calls for proposals could be launched - data collection and their verification, negotiating with the European Commission, and setting out detailed guidance for applicants and beneficiaries.
2. Documenting how financial support has been spent in accordance with state aid rules – we have had to take state aid rules into account when setting out the rules for documenting the units achieved.

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).*

In addition to setting out the rules before calls for proposals are launched, it is absolutely necessary to establish the "interpretive practice" for implementation period of projects. It comes a series of situations that do not exactly fall into the methodology of the SCO and the MA must be prepared to apply the rules to situations that are not foreseen in advance. Interpretation of rules is, of course, carried out in case of projects reimbursed on costs actually incurred and paid but here it is an established long-term practice. The MA can rely on previously reviewed cases. For

non-standard situations in case of SCOs, the MA must make a decision without having something to build on, and it cannot be predicted how these non-standard situations will be assessed by audits.

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.).*

Calculation methods, documents submitted to the Commission – fiches submitted to the Commission including annexes with data used to calculate the SCO: available at the request

Guidance for applicants and beneficiaries (including detailed requirements for audit trail):

1. Guidance on how to fill in an application form - <https://www.esfcr.cz/formulare-a-pokyny-potrebne-v-ramci-pripravy-zadosti-o-podporu-opz/-/dokument/3435491>
2. General implementation rules for applicants and beneficiaries - <https://www.esfcr.cz/pravidla-pro-zadatele-a-prijemce-opz/-/dokument/797767>
3. Specific implementation rules for applicants and beneficiaries - <https://www.esfcr.cz/pravidla-pro-zadatele-a-prijemce-opz/-/dokument/3342815>

Calls for proposals:

Call no. 43 - <https://www.esfcr.cz/vyzva-043-opz>

Call no. 60 - <https://www.esfcr.cz/vyzva-060-opz>