



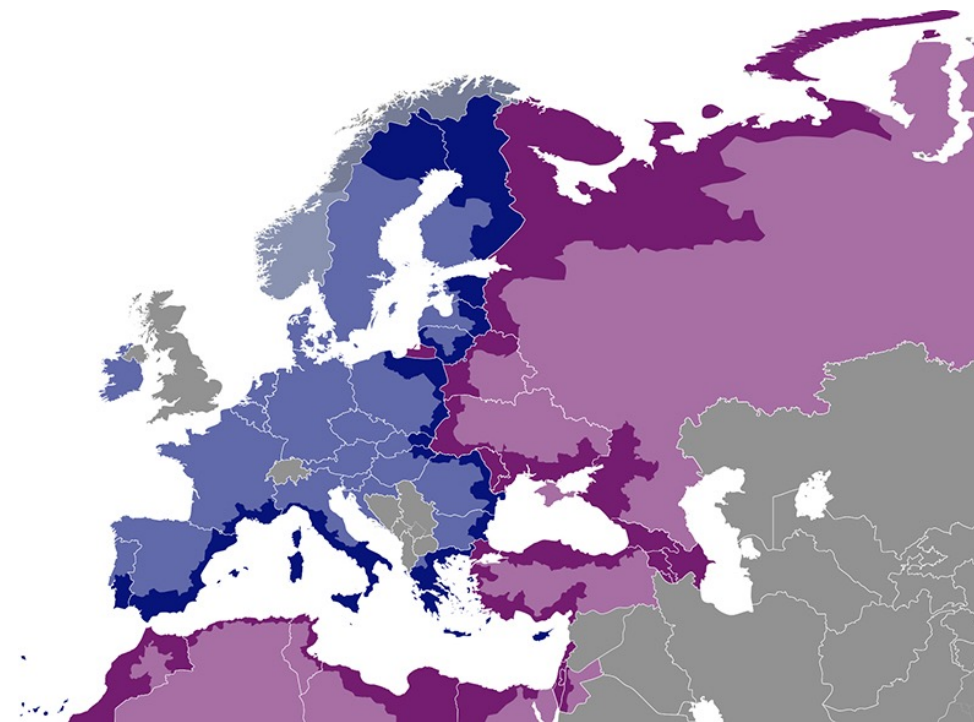
TESIM

Technical support to the implementation
and management of ENI CBC programmes

Off-the-shelf SCOs in NEXT

Lab-group on simplified cost options

Online, 15 September 2021



A project funded by the European Union



Implemented by a consortium led by

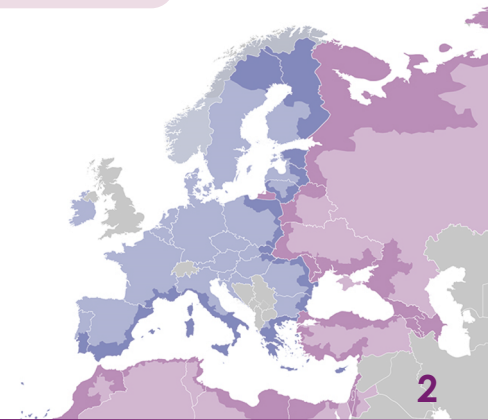


‘Off-the-shelf’ SCOs

- 5 flat rates pre-defined in the regulations (CPR, Interreg)
- Can be applied directly with no further justifications
- In addition to the flat rates, hourly costs 1720h method

Programme-specific SCOs

- Lump sums, flat rates and unit costs – developed by the programme
- Draft budget (not an SCO, but a method though...)
- For example, hourly rate for staff costs



ARE THE SCOs MANDATORY?

96 from 851
ENI CBC
projects
below 200k
EUR (12%)

YES*

for projects with total costs
 $\leq 200\ 000$ EUR

For small SPF projects with
public contributions $\leq 100\ 000$ EUR

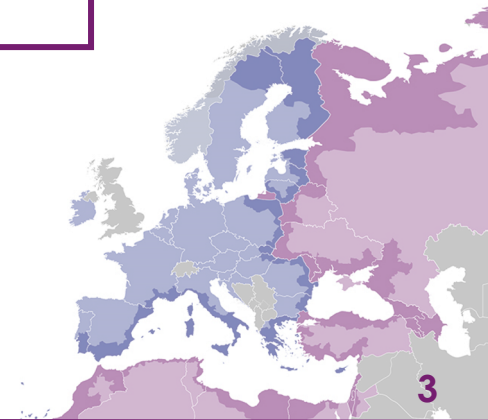
**DECISION OF
THE
PROGRAMME**

for projects with total costs
above 200 000 EUR

** There are some
nuances related
to state aid, etc.!*

- $\leq 200\ 000$ EUR– real costs possible if flat rates are used.
- If no flat rates -> costs only via SCOs!
- Draft budget is also possible!

Pay attention to Art.53 CPR!



What kind of off-the-shelf SCO's are most relevant and how they work?



**Up to 7 % of
eligible direct
costs**

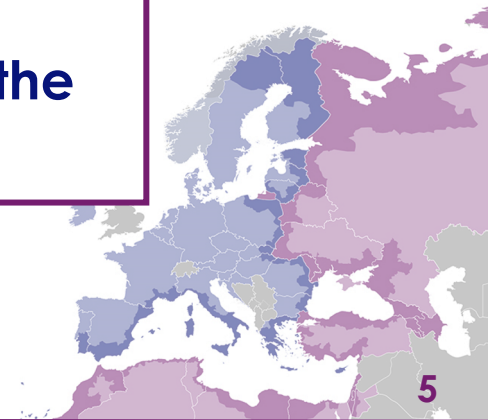
**Programme decides on
the percentage.**

**No need to present the
calculation.**

**Up to 15 % of
eligible direct
staff costs**

**Programme decides on
the percentage.**

**No need to present the
calculation.**



HOW DOES IT WORK?

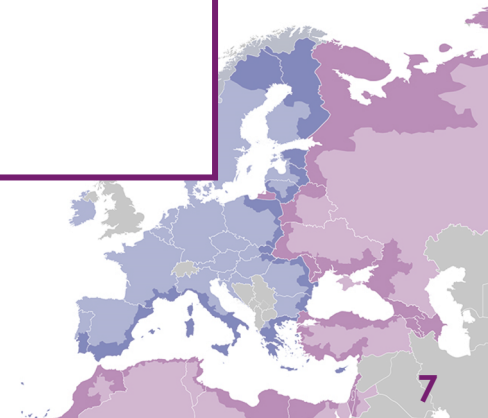


Project budget	No flat rate used	7% of eligible direct costs	15% of eligible direct staff costs
Personell / staff costs	200	200	200
Travel and acc. costs	35	35	35
Equipment / infrastructure costs	40	40	40
Office/indirect costs	25	$375 * 7\% = \mathbf{26,25}$	$200 \times 15\% = \mathbf{30}$
External servces	100	100	100
TOTAL BUDGET	400	401,25	405

**Up to 15 % of the direct staff costs of the
project**

Programme decides on the percentage.

No need to present the calculation.



HOW DOES IT WORK?

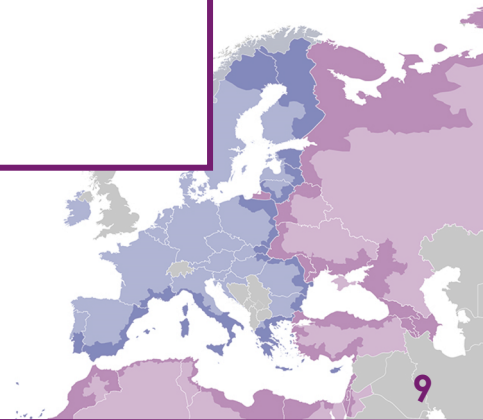


Project budget	No flat rate used	7% indirect + 15% travel / accom.	15% indirect + 15% travel / accom.
Personell / staff costs	200	200	200
Travel and accom. costs	35	$15\% \times 200 = \mathbf{30}$	$15\% \times 200 = \mathbf{30}$
Equipment / infrastructure costs	40	40	40
Office/indirect costs	25	$340 * 7\% = \mathbf{23,8}$	$200 \times 15\% = \mathbf{30}$
External servces	100	100	100
TOTAL BUDGET	400	393,8	400

**Up to 20 % of the direct
costs other than the direct staff costs**

Programme decides on the percentage.

No need to present the calculation.



HOW DOES IT WORK?



Ex.1: Soft projects with big staff costs

Project budget	No flat rate used	20% of direct staff costs
Personell / staff costs	200	20% x 175 = 35
Travel and accom. costs	35	35
Equipment / infrastructure costs	40	40
Office/indirect costs	25	25
External services	100	100
TOTAL BUDGET	400	235 (-165!)

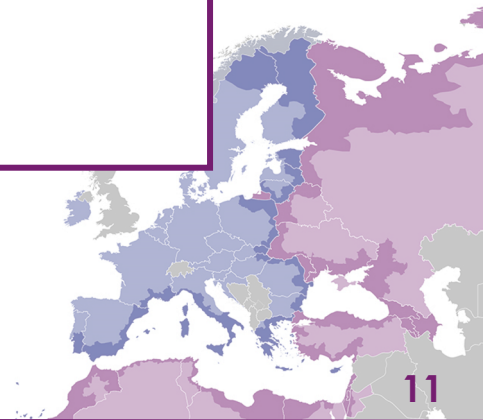
Ex.2: Projects with bigger services/equipment/infra costs

Project budget	No flat rate used	20% of direct staff costs
Personell / staff costs	80	20% x 295 = 59
Travel and accom. costs	35	35
Equipment / infrastructure costs	125	125
Office/indirect costs	25	25
External services	135	135
TOTAL BUDGET	400	379

Up to 40 % of eligible direct staff costs to cover the remaining eligible costs

Programme decides on the percentage.

No need to present the calculation.



HOW DOES IT WORK?



Ex.1: Soft projects with big staff costs

Project budget	No flat rate used
Personell / staff costs	290
Travel costs	40
Equipment / infrastructure costs	20
Office/indirect costs	20
External services	50
TOTAL BUDGET	400

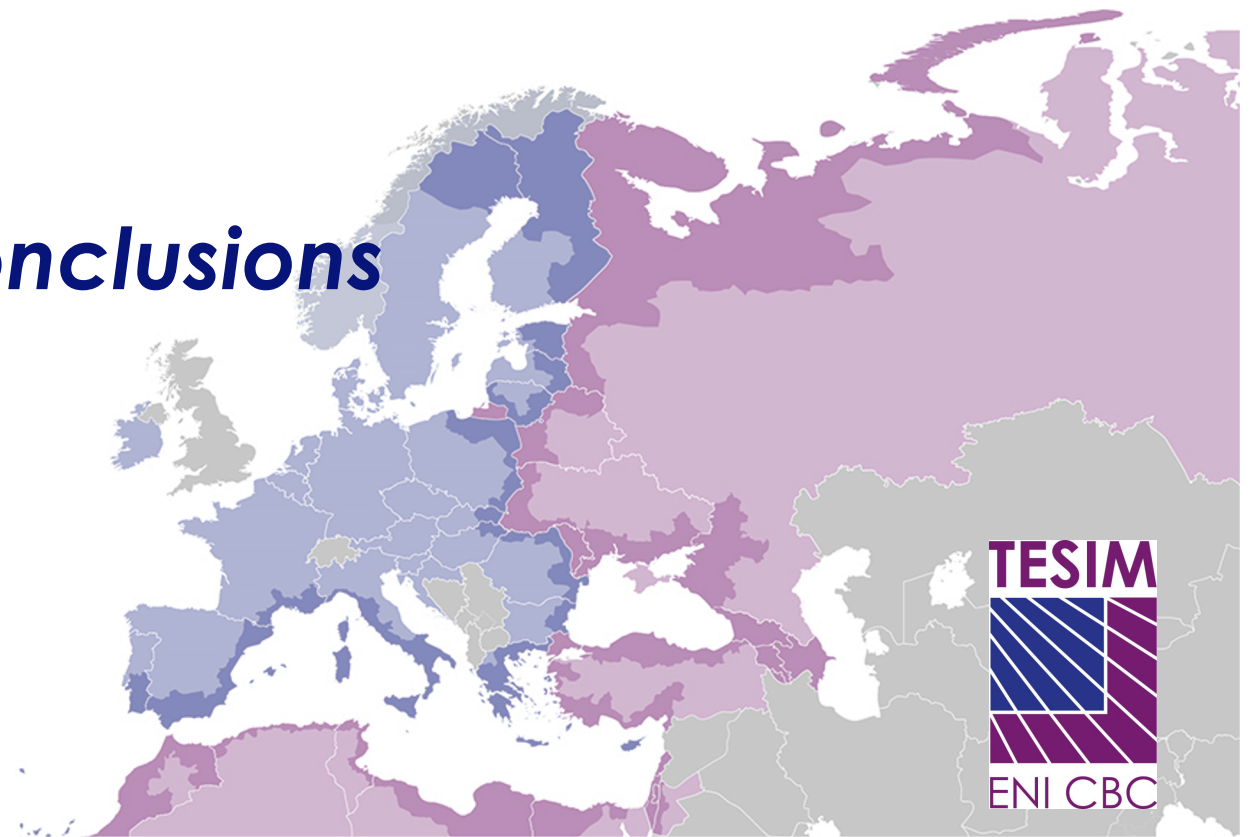
Project budget	40% flat rate
Direct staff costs	290
Remaining eligible costs	$290 \times 40\% = 116$
TOTAL BUDGET	406

Ex.2: Projects with bigger services/equipment/infra costs

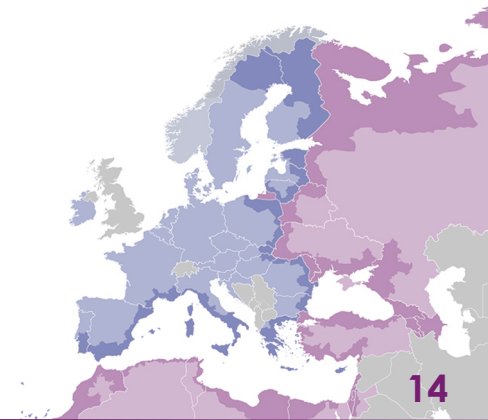
Project budget	No flat rate used
Personell / staff costs	80
Travel costs	35
Equipment / infrastructure costs	125
Office/indirect costs	25
External services	135
TOTAL BUDGET	400

Project budget	40% flat rate
Direct staff costs	80
Remaining eligible costs	$80 \times 40\% = 32$
TOTAL BUDGET	112 (-288)

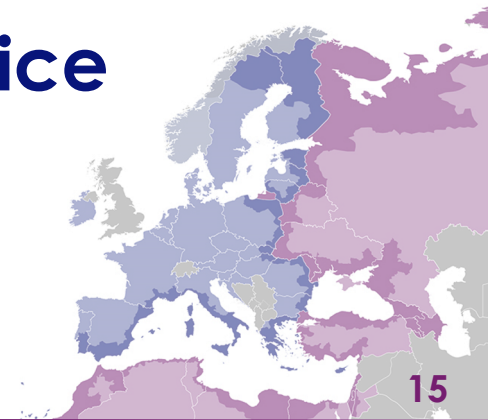
Conclusions



- **Some considerations for decision making:**
 - **to use off-the-shelf and/or define-programme specific?**
 - **Which ones?**
 - **practical aspects - %, mandatory or choice of beneficiary?**
Can % be different between beneficiaries? etc.
 - **Implementation tools** – adapting templates, e-system, contracts, reporting



- **Over/under compensation** is a natural side-effect, but there is a cure... SCOs established need to be a **reliable proxy** to real costs
- Necessary to understand how **the SCOs** on the programme level and national rules can co-exist...
- **Not every SCO fits every programme** -> choice based in the reality of the programme!

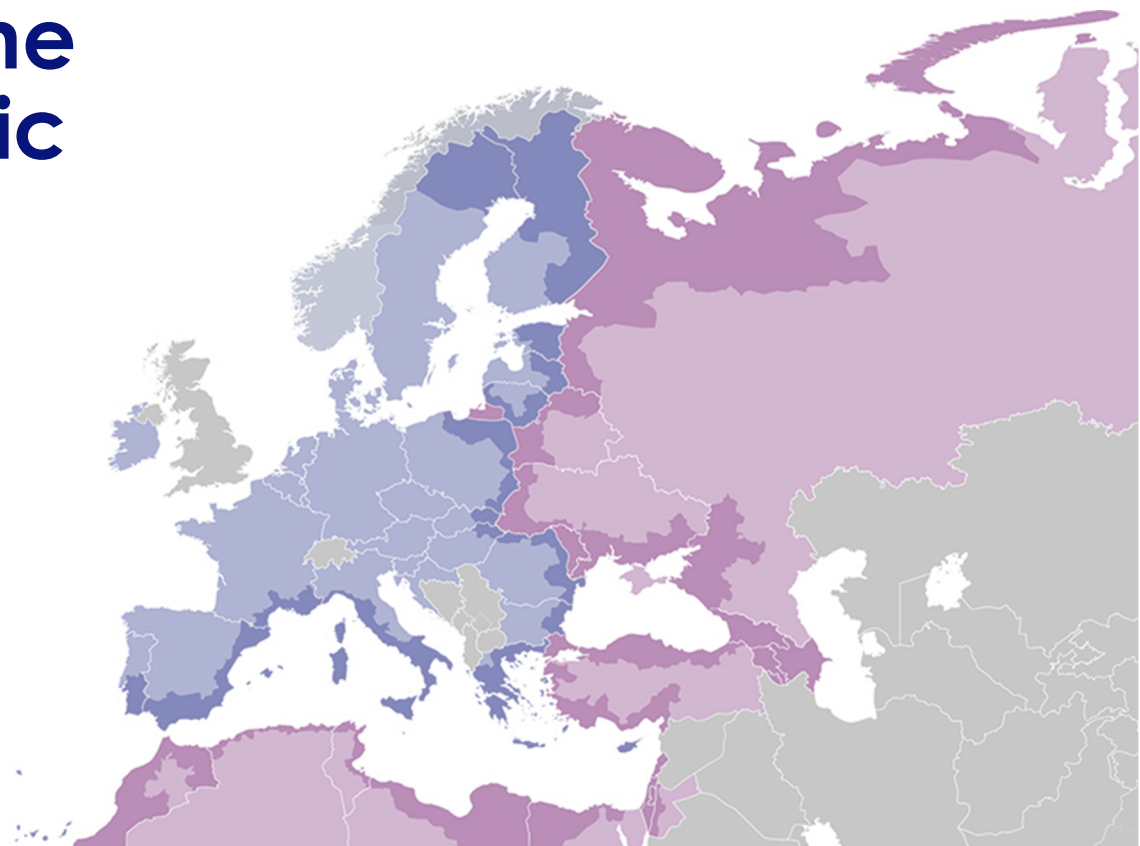




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And now let's hear the approach of Kolarctic programme 😊



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