



Simplified Cost Options in EAFRD

29th May 2015

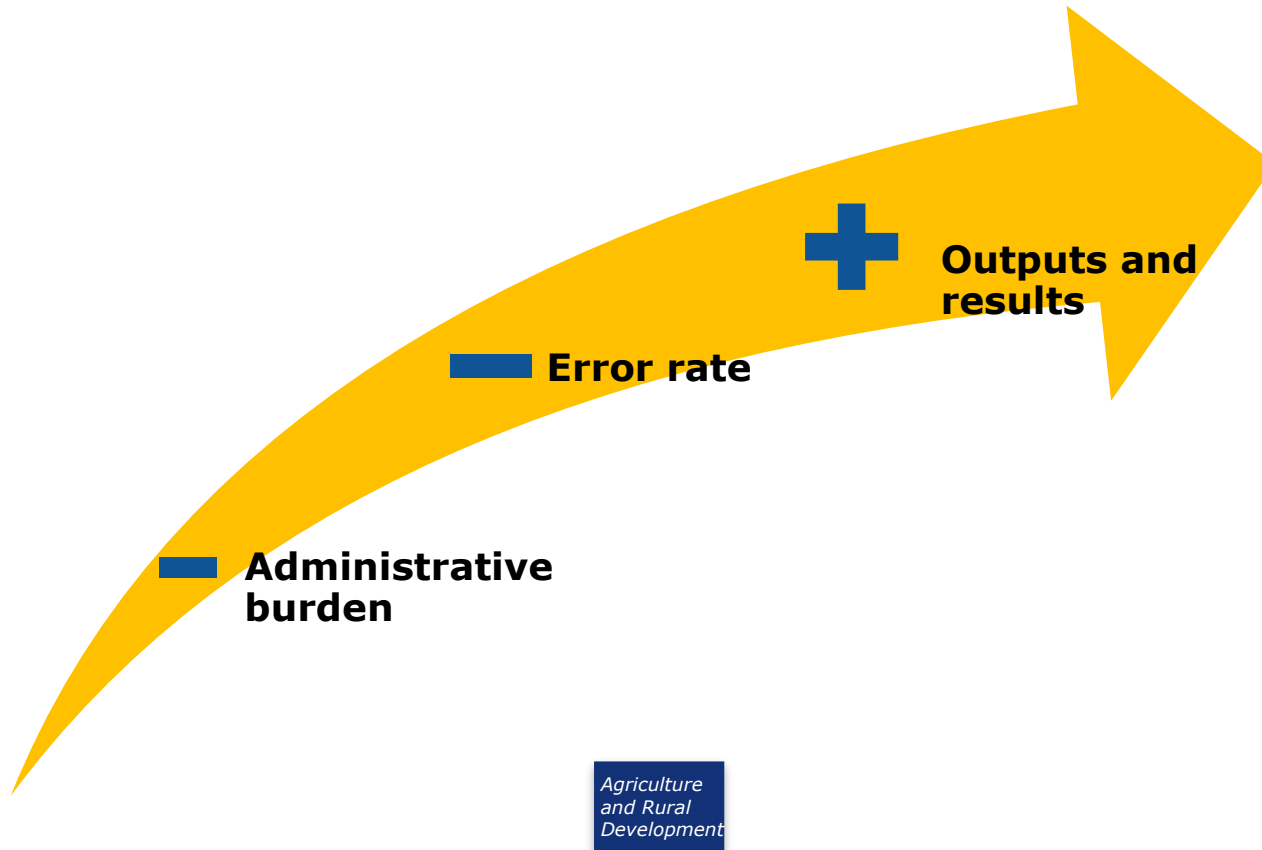
DG Agriculture and Rural Development

DG Employment

European Commission

gregorio.davila-diaz@ec.europa.eu

Why should you use SCOs?





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Simplified Cost Options

Flat rate financing

Art.67d) CPR

**Standard scales of
unit costs**

Art.67b) CPR

Lump sums

Art.67c) CPR

What are the calculation methods ?



Ex ante evaluation

Fair, Equitable and Verifiable method



Ex ante evaluation

Fair, Equitable and Verifiable method

- **Statistical data or other objective information**
- **The verified historical data of individual beneficiaries**
- **The application of the usual cost accounting practices of individual beneficiaries**

What are the calculation methods ?



Ex ante evaluation

Fair, Equitable and Verifiable method

Use of existing EU schemes

(for similar type of operation and beneficiary)

Use of existing own national schemes

(for similar type of operation and beneficiary)

Use of specific rates and methods from the CPR and Fund specific regulations



Use of specific rates and methods from the CPR and Fund specific regulations

- **Article 68(1) (b) CPR:** flat rate of up to 15% of eligible direct staff costs for indirect costs
- **Article 68(2) CPR:** the hourly rate can be calculated by dividing the latest documented annual gross employment costs by 1 720 hours
- **Article 19 EAFRD:** lump sum up to 70.000€ for business start-up aid in rural areas
- **Article 27 EAFRD:** flat rate of up to 10% of the marketed production for setting up of producer groups.
- **Area and animal related payments:** standard scale of unit costs with ex-ante fair, equitable and verifiable calculation
- **Article 20 DA 480/2014:** flat rate of up to 25% of eligible direct costs for indirect costs under Articles 17, 26 y 35 of RD Regulation which contribute to Priority 1 and implemented by the Operational Groups

What are the calculation methods ?



Ex ante evaluation

Fair, Equitable and Verifiable method

Use of existing EU schemes

(for similar type of operation and beneficiary)

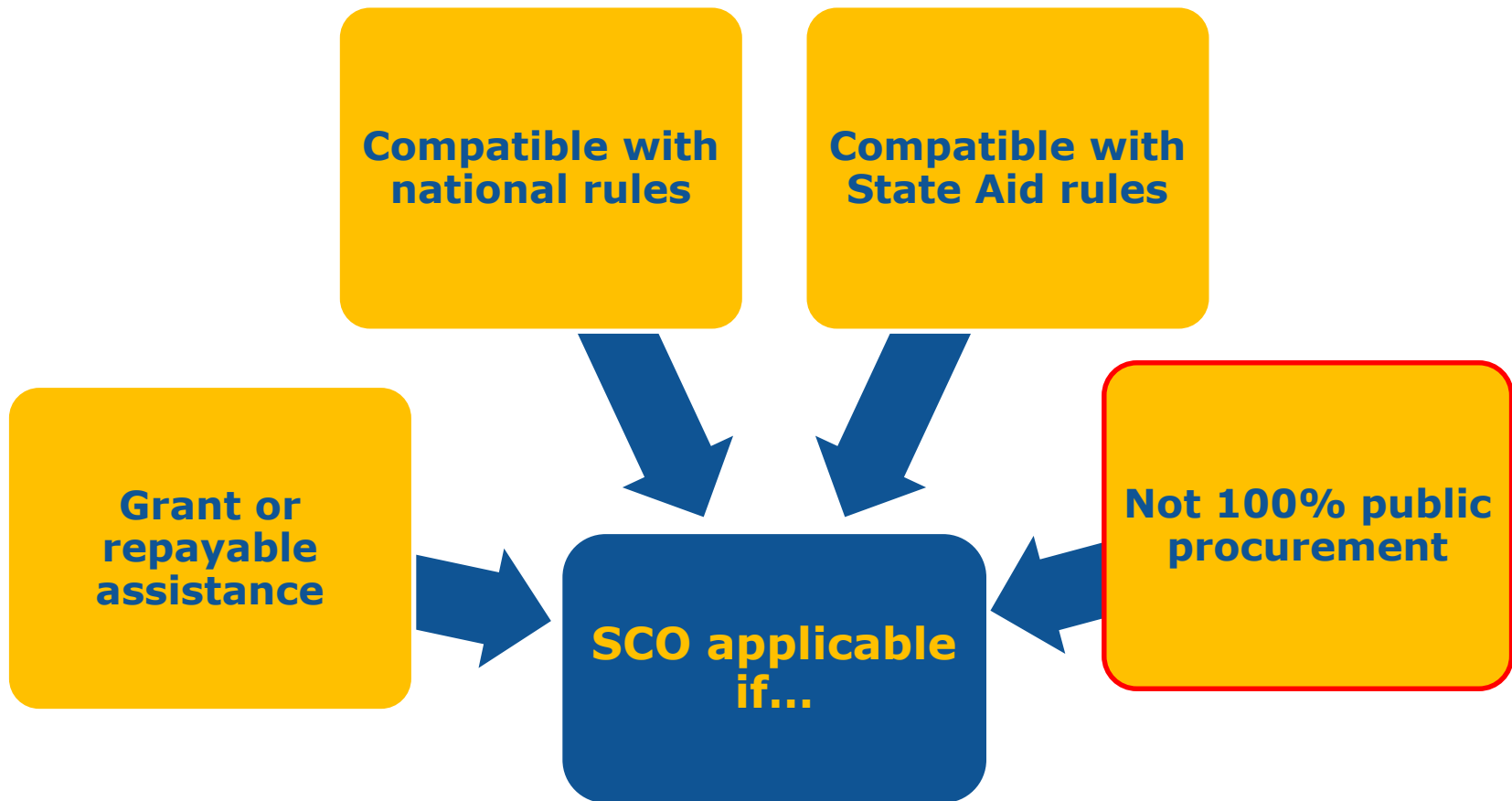
Use of existing own national schemes

(for similar type of operation and beneficiary)

Use of specific rates and methods from the CPR and Fund specific regulations



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SCO in the Rural Development Programmes

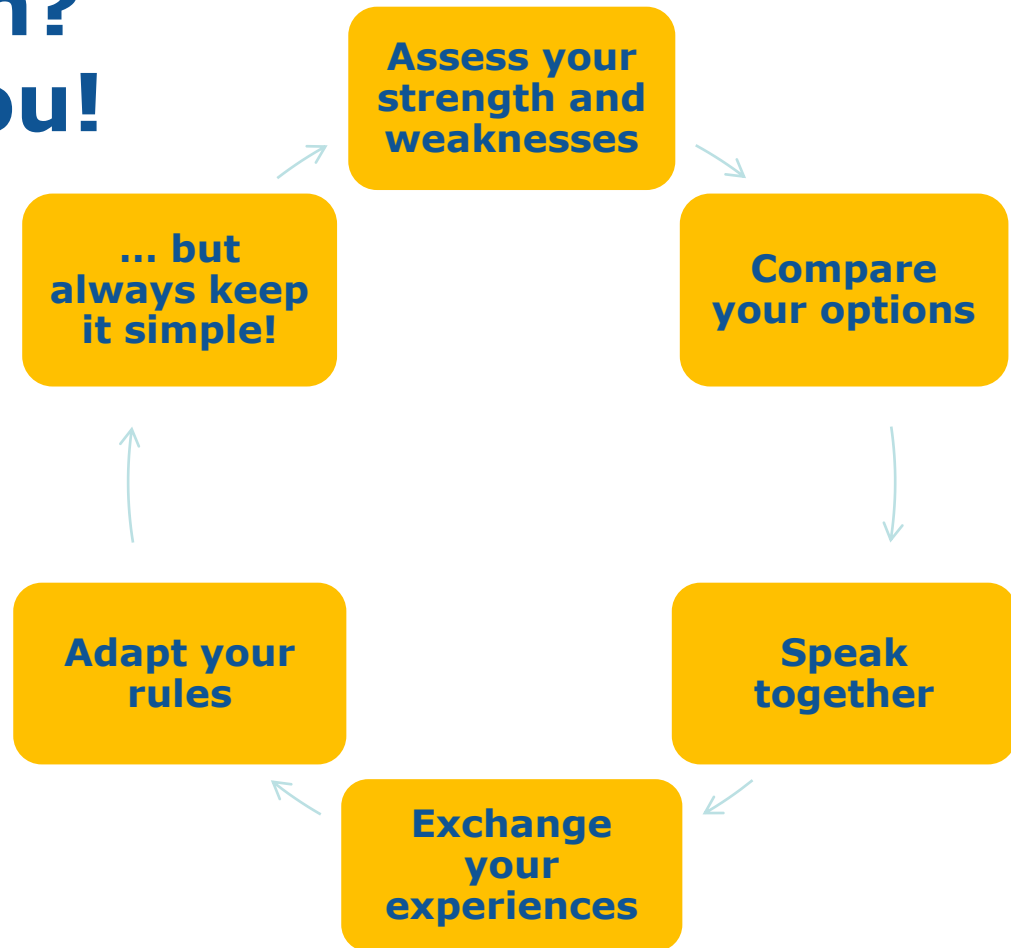
Indicative list of (sub)measures

M1	Knowledge transfer and information actions
M3	Quality schemes for agricultural products and foodstuff
M4	Investments in physical assets
M5	Restoring agricultural production potential
M6.4	Investment in creation and development of non-agricultural activities
M7	Basic services and village renewal in rural areas
M8	Investments in forest area development
M10.2	Genetic resources in agriculture
M15.2	Genetic resources in forestry
M16	Cooperation
M19	Leader
M20	Technical assistance

Information in the RDP...

<p>Section 8 Description of the measures</p>	<p>Eligible costs</p> <p>Amounts and support rates</p> <p>Methodology for the calculation of amount or support rate</p>	<p>List of eligible costs, including explicitly those under the SCOs</p> <p>Final amounts resulting from the calculations for the establishment of SCO and/or aid intensities</p> <p>Legal provision under which the methodology is developed, i.e. Art 67(5)(a)-(e), Art 68(1)(a)-(c)</p>
<p>Section 15 Programme implementing arrangements</p>	<p>Description of actions to achieve a reduction of administrative burden for beneficiaries</p>	<p>Information of the type of SCOs and measures</p>
<p>Section 18 Ex ante assessment of verifiability, controllability and error risk</p>	<p>Statement confirming the adequacy and accuracy of calculation by an independent body</p>	<p>Only for SCO developed under Art 67(5)(a) 2-step approach: methodology (RDP) and amounts (call for proposals)</p>

Simplification? It's up to you!



For more information on SCOs

Please refer to:

- The Guidance on Simplified Cost Options – EGESIF_14-0017 (finalized in September 2014)

And a case study:

- The implementation of SCOs in Italy with ESF 2007-2013 (to be found on the EU Bookshop website)



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Thank you!