



INTERREG IVC

INNOVATION & ENVIRONMENT
REGIONS OF EUROPE SHARING SOLUTIONS



EUROPEAN REGIONAL
DEVELOPMENT FUND

5. Les coûts simplifiés: Analyse des différentes options en perspective de la période 2014 - 2020

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From INTERREG IVC to INTERREG EUROPE



Analysis of simplified cost options – guiding principles



- To simplify reporting and control requirements
- To reduce project management costs, to allow projects to focus on content and results
- To do justice to project's needs (the majority of costs to be covered)
- To limit the number of options
- To avoid unnecessary confusion

Staff costs – Option 1

20% flat rate of direct costs

Significant simplification, but...

- ...not adapted to INTERREG EUROPE (= staff intensive)
flat rate of 100% of direct costs would be required
- ...potentially big impact on the error rate

Staff costs – Option 1

20% flat rate of direct costs

Calculation example :

	Partner budget (staff = real costs)	Partner budget (staff = 20% flat rate)
Direct costs (ext. exp, travel, equipmt)	€100,000	€100,000
staff	€100,000 (real cost)	€20,000 (20% flat rate of direct cost)
office & admin	€15,000 (15% of staff)	€3,000 (15% of staff)
Total	€215,000	€123,000
		- €92,000 / - 43%

Staff costs – Option 2

Standard scale of unit costs

DAILY RATES BY STAFF CATEGORY PER MS

Country			Manager	Researcher Teacher Trainer	Technica l	Administrativ e
Belgique/Belgie	BE	Belgium	460	360	240	214
Bulgarija	BG	Bulgaria	67	60	46	31
Česká republika	CZ	Czech Republic	134	110	80	58
Danemark	DK	Denmark	398	340	277	217
Deutschland	DE	Germany	419	310	221	203
Eesti	EE	Estonia	102	75	59	42
Ellas	EL	Greece	279	218	157	122
España	ES	Spain	321	212	163	117
France	FR	France	435	351	257	193
Eire	IE	Ireland	309	328	239	178
Italia	IT	Italy	454	298	200	174
Kypros	CY	Cyprus	316	235	146	99
Latvija	LV	Latvia	81	66	52	38
Lietuva	LT	Lithuania	75	62	47	34
Luxembourg	LU	Luxembourg	496	349	282	220

Reporting staff costs on the basis of **real daily staff cost rates** by staff category per MS (maximum daily rates)

Staff costs – Option 2

Standard scale of unit costs

- No simplification if rates are only maximum rates
- Collection of representative data per Partner State difficult
- High diversity in a pan-European programme > difficult
 - to establish staff categories to which staff is assigned without ambiguity (new risk of audit errors)

Staff costs – Option 2

Standard scale of unit costs

Category	Annual salary costs	Hourly rate
1	Below 19,999€	11.63
2	20,000€ - 49,999€	20.35
3	50,000€ - 74,999€	36.34
4	75,000€ - 99,999€	50.87
5	Above 100,000€	65.41

Reporting staff costs on the basis of fixed hourly rates by salary level

Staff costs – Option 2

Standard scale of unit costs

- High diversity in a pan-European programme > difficult
 - to reflect various types of contracts (part-time)
 - to keep deviation from real costs (gains/losses) to acceptable level

Staff costs – Option 3

Real costs

- 1) Person working on project with fixed % of working time
 - 100%
 - any other %
- 2) Person working on project with a flexible share of working time
 - Hourly rate calculation based on 1720h/year
 - Monthly calculation based on actual working time

Preparation costs



INTERREG IVC	INTERREG EUROPE
<ul style="list-style-type: none"> • EUR 30,000 maximum budget, • EUR 14,700 actually reported (on average) 	<ul style="list-style-type: none"> • Lump sum of EUR 15,000 (EUR 12,750 / 11,250 ERDF / 7,500 Norwegian funding)
<ul style="list-style-type: none"> • real cost principle 	<ul style="list-style-type: none"> • lump sum based on IVC historical data
<ul style="list-style-type: none"> • Reported by and paid to each partner 	<ul style="list-style-type: none"> • assigned to the LP (who may share with partners without this impacting reporting)

Main conclusion



Simplified cost options

= significant simplification, but...

...not to forget about other simplification possibilities:

Other forms of simplification

- no budget by partner by budget line,
- higher budget flexibility (20%),
- no more components,
- no shared costs – instead contracting partner principle or shared activities,
- no more LP FLC (“no 2nd level control within 1st level control”)
- Harmonization through INTERACT finance network + with the 2 programmes hosted by NPC Region
- etc, etc...

Thanks for your attention!

