



An overview of the use of SCOs in EAFRD

20 June 2019

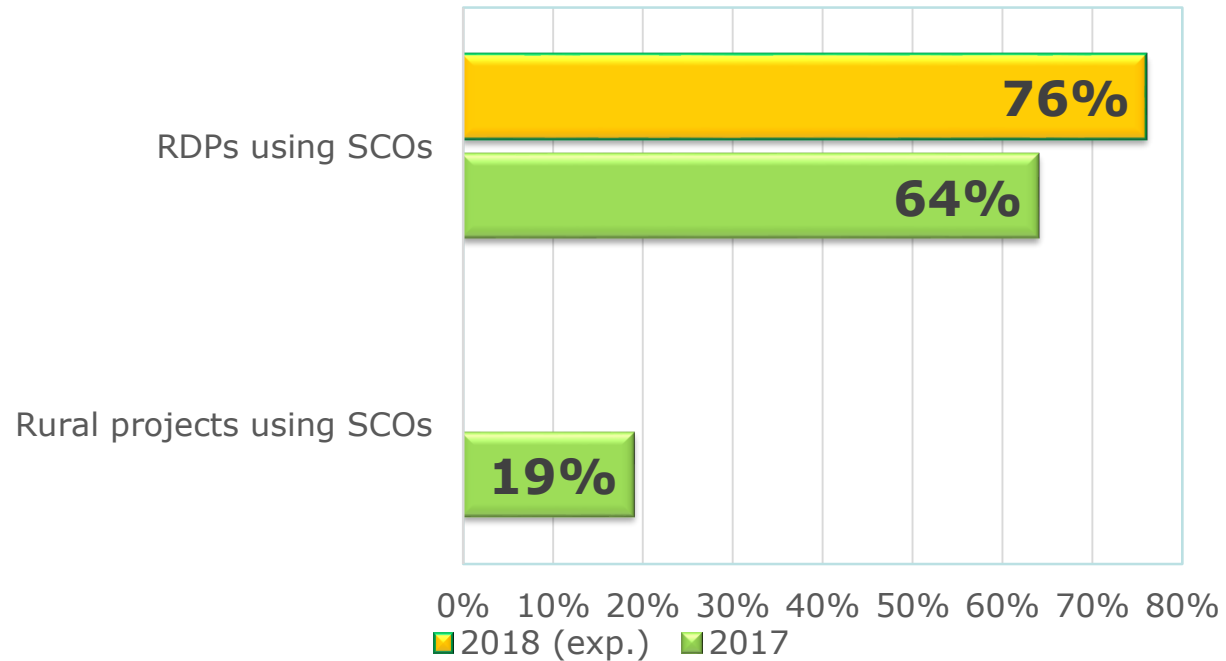
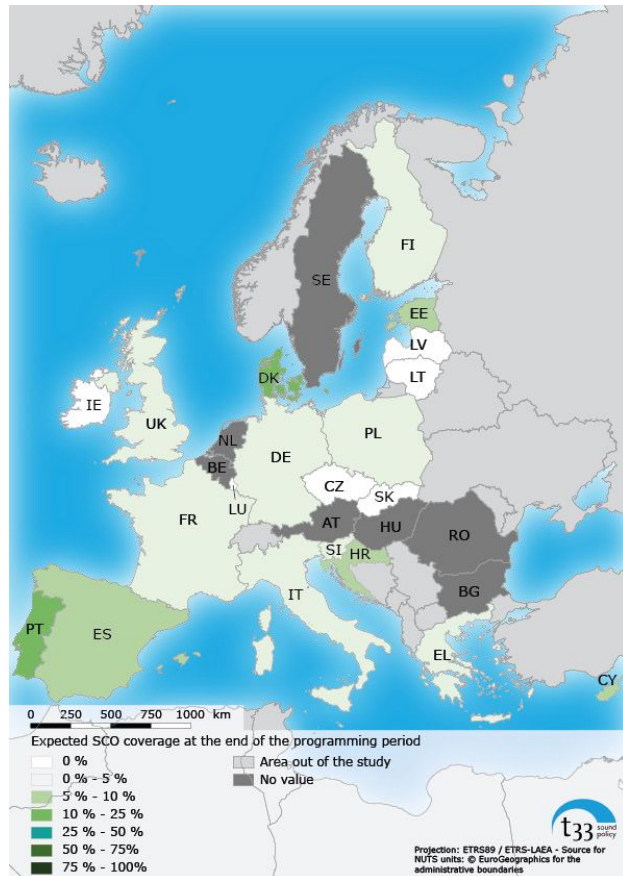
Marina Hadjiyanni

DG AGRI Unit F1 – Conception and Consistency of rural development

Uptake of SCOs



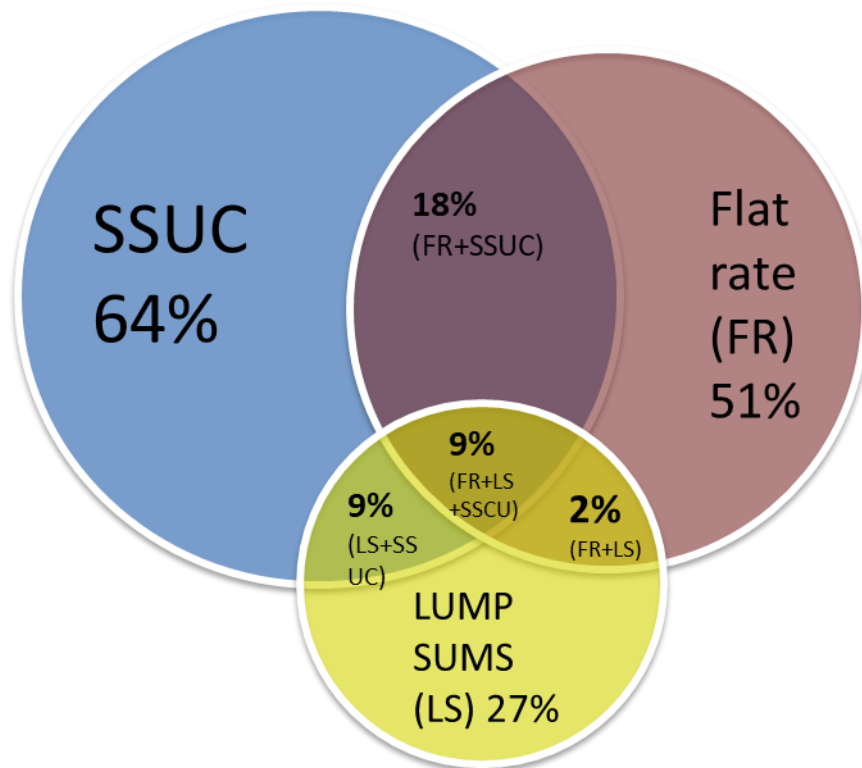
Results of 2017 Study: Use and intended use of SCOs



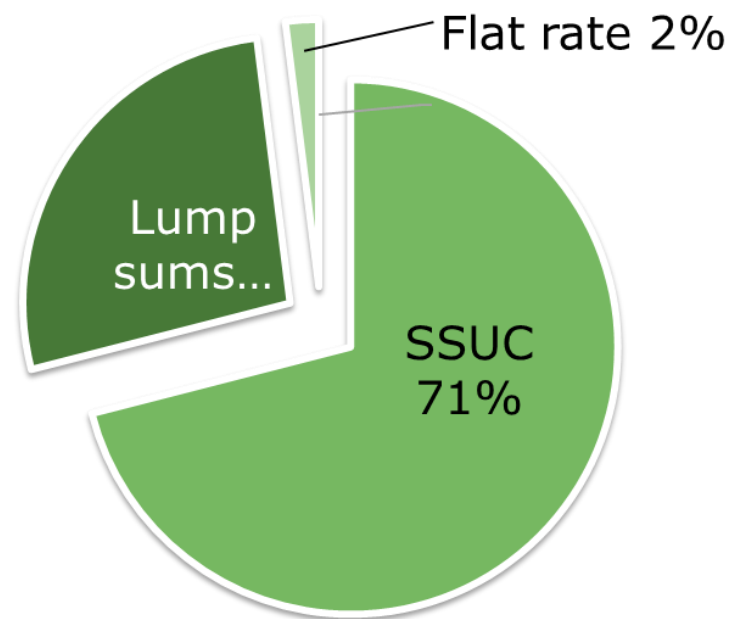
Types of SCO used



SCOs currently used by RDPs (2017)



Payments to beneficiaries per SCO type (2017)



Use of SCOs per measure (2017)



Knowledge transfer
(measure 1)

67%



Investments in
forest area
(measure 8)

40%



Cooperation
(measure 16)

40%



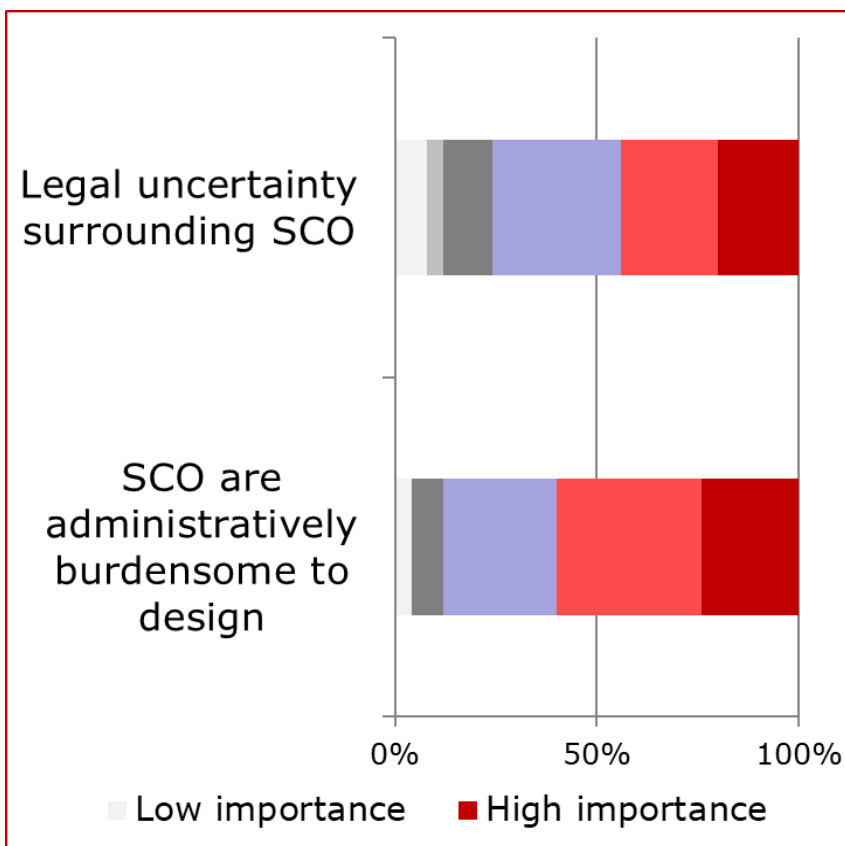
LEADER local development
(measure 19)

47%

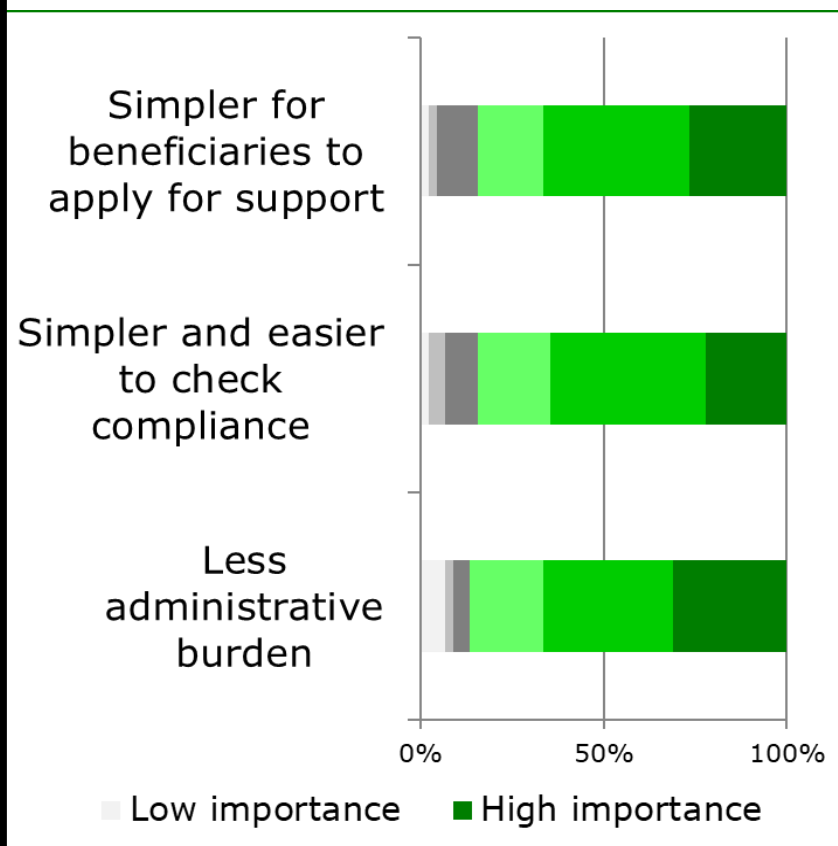
Reasons for taking up, or not taking up SCO



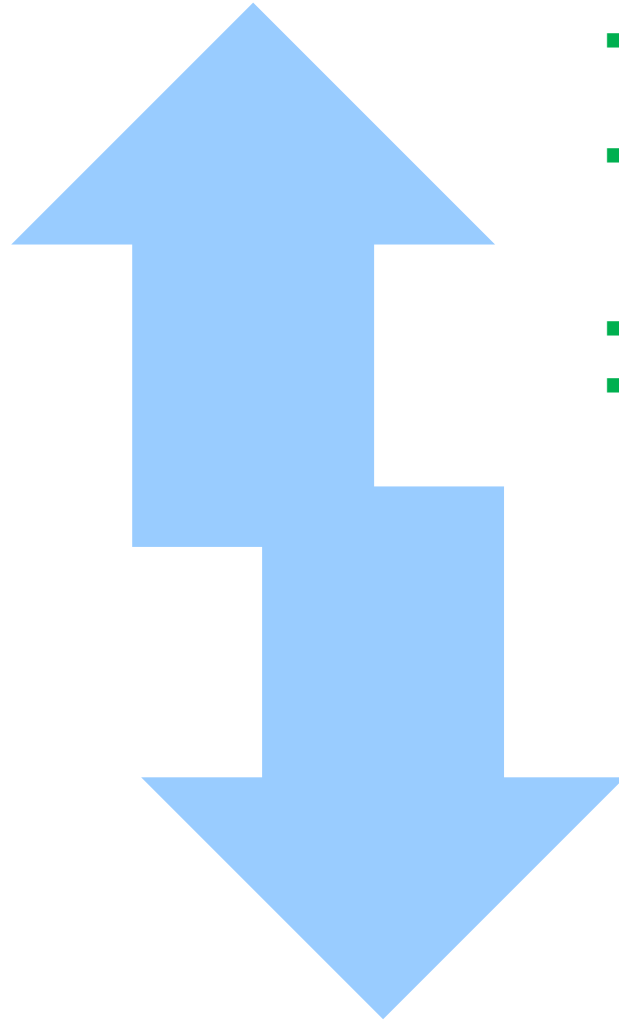
Key reasons for not using SCO



Key reasons for using SCO



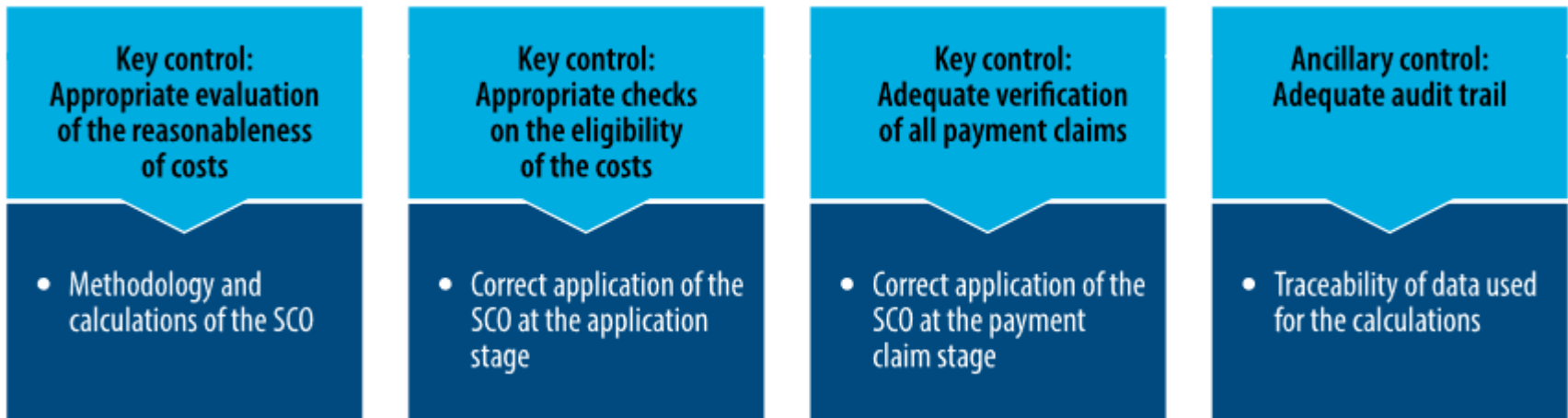
Deconstructing some “fears” on SCOs



- Projects using SCOs are less error-prone than reimbursements of actual costs
 - No audit of actual costs or underlying financial documents. Correct implementation of methodology
 - Guidance on SCOs, new options, workshops...
 - There is no “one size fits all” approach
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- Reluctance to invest in SCOs. No assurance on their methodology
 - It is more risky to sue SCOs – More financial corrections
 - Lack of Guidance/support
 - SCOs are administratively burdensome to design

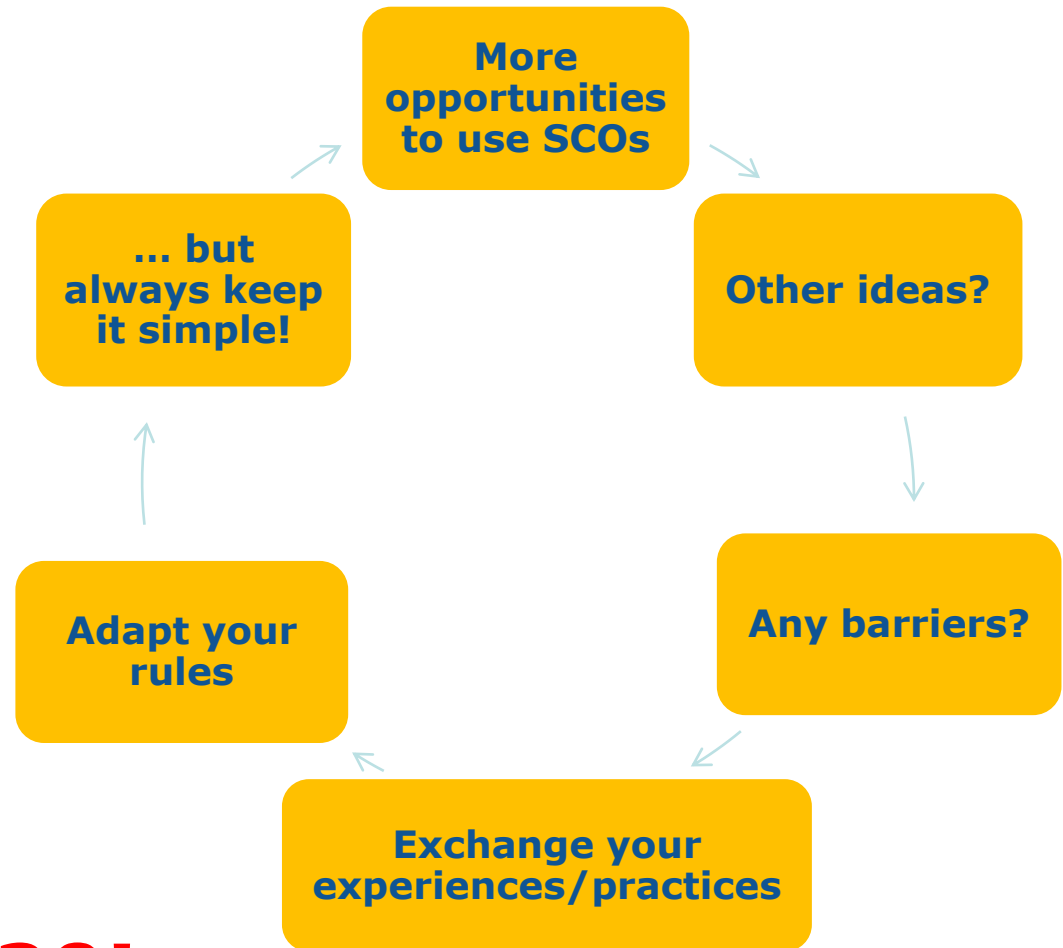
Two-stage verification required:

- assessment of the calculation method for establishing the simplified cost
- verification of the correct application of the established method



- ***No verification of invoices for reimbursement of costs***
- ***No verification of reasonableness of costs***

Simplification? Up to you!



Also post 2020!

SCOs in CAP post 2020

Article 77
Simplified Cost Options/Forms of grants

1. Without prejudice to Articles 65, 66, 67, ~~and 69, 74 and 75~~, the support granted under this Chapter may take any of the following forms:
 - (a) reimbursement of eligible costs actually incurred by a beneficiary;
 - (b) unit costs;
 - (c) lump sums;
 - (d) flat-rate financing.
2. The amounts for the forms of grants referred to under point (b), (c) and (d) of paragraph 1, shall be established in one of the following ways:
 - (a) a fair, equitable and verifiable calculation method based on:
 - (i) statistical data, other objective information or an expert judgement; or
 - (ii) verified historical data of individual beneficiaries; or
 - (iii) the application of usual cost accounting practices of individual beneficiaries;
 - (b) draft budgets; **established on a case-by-case basis and agreed *ex-ante* by the body selecting the operation**;
 - (c) in accordance with the rules for application of corresponding unit costs, lump sums and flat rates applicable in Union policies for a similar type of operation;
 - (d) in accordance with the rules for application of corresponding unit costs, lump sums and flat rates applied under schemes for grant funded entirely by the Member State for a similar type of operation.

10103/19 LP/JU/TLU/et 114
LIFE.1 **LIMITE** EN

- More flexibility
- Learn from experience
- Adapt it to needs/national context

Simplification is one of the
most difficult things to do.

Jonathan Ive

For more information on SCOs...



Guidance on Simplified Cost Options (SCOs)

European Structural and Investment (ESI) Funds



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