ANNEX

Commission Decision

authorising the use of unit costs for the reimbursement of personnel costs of owners of small and medium-sized enterprises and beneficiaries which are natural persons not receiving a salary under the European Maritime and Fisheries Fund
ANNEX

1. Forms of grants and categories of costs covered

In accordance with Article 124 of Regulation (EU, Euratom) No 966/2012 (“the Financial Regulation”), grants under the EMFF programme under direct management (Title VI of Regulation (EU) No 508/2014) shall reimburse the following categories of costs as unit costs:

- direct personnel costs of owners of beneficiaries that are small and medium-sized enterprises (SMEs) and who do not receive a salary;
- direct personnel costs of beneficiaries that are natural persons and do not receive a salary.

Other eligible personnel costs for SMEs and other categories of eligible costs continue to be reimbursed on the basis of the costs actually incurred.

The amounts of the unit costs to be declared by the beneficiaries shall be calculated in accordance with the method set out in point 3.

Personnel costs of SME owners and of natural persons not receiving a salary shall be eligible if they correspond to the amount per unit set out in the estimated budget of the action multiplied by the number of actual hours worked on the action.

2. Justification

2.1. Nature of the supported actions

The EMFF targets projects from the blue economy in areas such as:
- maritime and coastal tourism;
- fisheries and aquaculture;
- offshore energy;
- underwater/offshore technologies;
- skills for maritime professions, diversification of jobs;
- marine biotechnology.

In view of the important changes which the maritime and fisheries sector is going through, funding for small- and medium-sized enterprises (and especially micro-enterprises and one-man start-ups) is particularly important to reach results.

The unit cost is proposed in order to respond to the difficulty in supporting SME owners who do not receive a salary and other natural persons who do not receive a salary, for their work on EMFF actions. Under the current legal framework, their costs are ineligible.

The extension of the H2020 unit cost to the EMFF programme would make these costs eligible and thus attract more SMEs to this programme.

Moreover, it would allow a further step in the Commission’s overall objective of simpler and more harmonised funding rules for beneficiaries under different programmes (especially since EMFF beneficiaries frequently overlap with H2020 and COSME beneficiaries, because all three programmes have funding strands that focus on innovation and private businesses).

Although it is not possible to demonstrate the real costs of such beneficiaries for actions under the EMFF (because it is a small programme and SME participation is traditionally rather limited – due to the economic transitions in the sectors and the difficulties for SMEs to obtain funding and grow – so that there is insufficient data for a statistical sample of personnel costs
of SME owners in the maritime and fisheries sector), previous Commission Decisions on unit costs have already shown that the H2020 unit cost is a good proxy for the work of SME owners and natural beneficiaries in all kinds of innovation actions and in all kinds of sectors (H2020 all sectors, COSME all sectors, RFCS coal and steel sector).

This was also explicitly confirmed by statistics drawn up for the extension of unit costs to the COSME programme. DG GROW took a sample of 13 real hourly rates of owners or managers which were declared by SMEs in several actions of the COSME programme. The average hourly rate obtained from the sample (13 real hourly rates declared for salaries of SME owners/managers in the COSME programme) was slightly below the hourly rate of the H2020 unit cost (EUR 29.50 versus EUR 32.50).

This 10% difference is considered acceptable, having regard to the important simplification effect and policy concerns. Moreover, the EMFF being a small programme, it is not expected to have a big financial impact.

2.2. Risks of irregularities and fraud and costs of control

Experience from other programmes shows that the use of a unit cost to calculate direct personnel costs reduces the risk of irregularities, overstatements and fraud.

Compliance with the eligibility rules (conditions for applying the unit cost and the formula used) will be checked at the time of preparation of the grant, during the implementation of the action and afterwards (through checks, reviews or audits).

3. Method to determine and update the amounts

The unit cost for SME owners and other natural persons not receiving a salary shall be calculated and updated in accordance with the method specified in section 3 of the Annex to Commission Decision C(2013) 8197.

This Commission Decision, in turn, refers, in its section 3, to Commission Decision C(2013)8194, which has recently been amended by "Commission Decision of 16.10.2017 amending Decision C(2013)8194 authorising the use of reimbursement on the basis of unit costs for Marie Skłodowska-Curie actions under the Horizon 2020 Framework Programme".

4. No-profit and co-financing principles and absence of double funding

The method referred to in point 3 complies with the principles of no-profit, co-financing and absence of double funding, as required by the Financial Regulation.

Moreover, the usual conditions for ensuring that the no-profit, co-financing and absence of double funding principles are complied with, apply:

- the number of units (hours worked on the project) is identifiable and verifiable, and should be supported by records and documentation in particular;
- the unit cost covers only part of the eligible costs;
- double funding is avoided by the specification/identification of the eligible costs.