ANNEX

to the

COMMISSION DECISION

authorising the use of reimbursement on the basis of unit costs for actions of technical assistance implemented by the European Investment Bank
ANNEX

to the
COMMISION DECISION

authorising the use of reimbursement on the basis of unit costs for actions of technical assistance implemented by the European Investment Bank

1. **Forms of grants and categories of costs covered**

1.1. The grants for the actions of technical assistance implemented by the European Investment Bank (EIB) under the Financial and Administrative Framework Agreement (FAFA) shall take the form of reimbursement of eligible costs declared by the EIB:

(i) on the basis of unit costs that cover all the eligible costs for the provision of technical assistance, except direct mission costs and direct costs of consultancy subcontracts, as defined below:

   - **Direct costs:**
     - Basic salaries of the front-line operational personnel (members of staff of the EIB as governed by the EIB Staff Regulations, including secondees, as well as local agents and temporary staff) assigned to the actions of technical assistance,
     - Other personnel costs (paid allowances, indemnities and other social expenses included in the remuneration package) of the front-line operational personnel assigned to the actions of technical assistance,
     - Other direct costs of the front-line operational activities (communication, conferences, translation and training activities directly related to the actions of technical assistance), except mission costs and costs of consultancy subcontracts,

   - **Indirect costs:**
     - Costs of Information Technology (IT) used by the front-line operational personnel assigned to the actions of technical assistance (IT services and depreciation of IT capital assets),
     - Costs of Facilities Management (FM) for the front-line operational personnel assigned to the actions of technical assistance (FM services and depreciation of FM capital assets),
     - Costs of Specific Support for the front-line operational personnel assigned to the actions of technical assistance (personnel and non-personnel current expenses related to coordination and operational support (non front-line) units in the EIB operational Directorates),
     - Costs of Corporate Support (personnel and non-personnel costs related to Corporate functions such as the Governing Bodies, Communication and information, Financial and Management Control, Translation, General
Secretariat, General Affairs, Personnel, General Training, Recruitment, Inspectorate General, Compliance Office).

(ii) on the basis of unit costs that cover all the eligible direct mission costs of the front-line operational personnel assigned to the actions of technical assistance, as defined below:

- Travel costs (including to and from the place of mission and local travel within the place of mission),
- Subsistence costs (accommodation, meals and sundry expenses) as well as conference registration fees.

(iii) as costs actually incurred for the eligible direct costs of consultancy subcontracts. This is the sole other category of eligible costs.

1.2. The amounts of the unit costs to be declared by the EIB shall be calculated in accordance with the method set out in Section 3.1 and are set out in Section 3.2. They shall be updated in accordance with the method in Section 3.3 and the Financial and Administrative Framework Agreement (FAFA) shall be considered as automatically amended by the updated amounts.

Costs for the provision of technical assistance (except direct mission costs and direct costs of consultancy subcontracts) shall be eligible if they correspond to the amount per unit (month for staff working exclusively on the technical assistance initiative or hour for staff not working exclusively on the technical assistance initiative) set out, in accordance with Section 3.2.1, in Schedule VIII of the FAFA multiplied by the number of actual units (months or hours) directly worked on the action of technical assistance. The number of actual hours directly worked on the action is recorded in the full-time recording system in place in the EIB.

Mission costs shall be eligible if they correspond to the amount per unit set out, in accordance with Section 3.2.2, in Schedule VIII of the FAFA multiplied by the number of actual days spent on missions by operational personnel assigned to the action of technical assistance. Travel time to and from the place of mission is not considered as part of a mission day.

1.3. For technical assistance implemented through service contracts, the EIB shall invoice the following:

(a) the unit price set out in Section 3.2.1 and Schedule VIII of the FAFA for each unit of time spent on the provision of technical assistance (and updated in accordance with Section 3.3),

(b) the unit price set out in Section 3.2.2 and Schedule VIII of the FAFA for each day spent on mission for the provision of technical assistance (excluding travel time to and from the place of mission),

(c) the price actually paid by the EIB to its subcontractors for consultancy services.

2. **Justification**

2.1. **Nature of the supported actions**

The grants to the EIB for the implementation of technical assistance actions are awarded without a call for proposals on the basis of Article 125(7) FR and in accordance with the FAFA signed with the Commission.
Technical assistance actions are defined under the FAFA as technical assistance services, which are not directly related to Financial Instruments, funded from the Union budget and/or from the EDF managed under direct management by the Commission provided by the EIB under an Implementing Agreement in the form of support and capacity-building activities necessary for the implementation of a programme or an action, in particular preparatory, management, monitoring, evaluation, audit and control activities.

The technical assistance actions are based on a standardised set of activities and tasks which:

– mainly require human resources, the costs of which were subject during the reference year (2012) to a salary grid established by the EIB;
– result in easily measurable and verifiable outputs.

Depending on the specificities and volume of the joint technical assistance initiative, the EIB will benefit from economies of scale and indirect benefits. It will be able to contribute to its financing, in particular for the management of the initiative.

The unit costs to be declared by the EIB for the provision of technical assistance services are therefore based on two different scales. The applicable scale is determined by the total expected EU contribution over the 2014-2020 period (below or above EUR 50 million).

2.2. Risks of irregularities and fraud and costs of control

The EIB has been subject to the ex ante assessment required by Article 61(1) FR, in particular with regard to the functioning of an effective and efficient internal control system and the use of a proper accounting system.

Considering the reliability of the internal control and accounting systems of the EIB, the reimbursement of costs determined on the basis of the EIB historical accounting data contributes to the simplification of the financing arrangements of the EIB and to the decrease of administrative errors linked to the reporting of actual costs, having a limited financial impact.

In addition, the controls will be focused on the processes with the highest risks of irregularities, i.e. the reporting on the actual time spent on the action (number of person-months or person-hours) and the proper implementation of the action and delivery of the expected results. In accordance with Schedule VI of the FAFA, the grant amount may be reduced in case of improper implementation of the action.

Finally, the use of unit costs for grants to the EIB for technical assistance during the last seven-year MFF period proved to be resistant to irregularities and fraud.

For this reason, it was decided to use the same system for the financial contributions to be awarded to the EIB under the FAFA (applicable from 2014 onwards).

3. Method to determine and update the amounts and amounts

3.1. Method to determine the amounts

The amounts of unit costs shall be determined by reference to the EIB historical data. The data sources are:

– the salary grid of the EIB at 1 January 2013,
– the 2012 certified accounts of the EIB,
– the EIB cost accounting methodology applicable in 2013 for the purpose of allocating the 2012 indirect costs (see Section 1) between the technical assistance services and the other services provided by the EIB.

3.1.1. Unit costs for the eligible costs for the provision of technical assistance (except direct mission costs and direct costs of consultancy subcontracts)

The amounts of the unit costs for the provision of technical assistance (except direct mission costs and direct costs of consultancy subcontracts) are determined as the sum of the amounts of the unit cost components defined in points (a) to (g) below, corresponding to the categories of eligible costs defined in Section 1, for each of the following six categories of personnel: Manager, Senior Expert, Expert, Junior Expert, Local Expert and Support Staff.

Those categories of personnel are in line with the classification adopted by the EIB in the context of its Advisory Services Pricing Policy.

Three additional categories are established:

– Graduates (GRAD is a programme offering fixed-term contracts for 1 or 2 years maximum seeking an early professional experience at the EIB),
– Secondees (employees of external - parent - organisations temporarily transferred to the EIB),
– Temporary staff (persons hired for a limited period of time by the EIB).

The amounts of the unit cost components defined in points (a) to (g) below are calculated per person-month. For the conversion of the unit costs per person-month (monthly rates) in unit costs per person-hour (hourly rates), see Section 3.2.1.

(a) Basic salaries of the front-line operational personnel assigned to the actions of technical assistance

The amounts per person-month of the unit cost component ‘basic salaries’ are directly drawn from the EIB salary grid for 2013, mapped against the EIB functional levels as follows:

Manager – C
Senior Expert – D
Expert - E
Junior Expert – F
Support Staff – I (covering categories G, H, I, J, K)

The salaries within a given functional level vary depending on the number of ‘mini-steps’ (up to 72 mini-steps for an Expert). The cost accounting methodology of the EIB is based on the assumption that the average number of mini-steps for personnel delivering advisory services is 15 (e.g. the basic salary for a Manager is that of C-15, the Senior Expert D-15, the Support Staff I-15).

The basic salary of a Graduate corresponds to an H-1 EIB staff.

The basic salary of a Local Expert corresponds to the average of the actual salary costs according to the ‘EIB local agent’ contracts.

The unit cost component ‘direct personnel cost of a Secondee’ is determined as follows:
2012 certified costs of incoming secondees

Direct personnel cost of a Secondee = \frac{2012 certified costs of incoming secondees}{Number of person-months of secondees}

The unit cost component ‘direct cost of a Temporary staff’ is determined as follows:

Direct personnel cost of a Temp = \frac{2012 certified costs of temps}{Number of person-months of temps}

(b) Other personnel costs of the front-line operational personnel assigned to the actions of technical assistance

The unit cost component ‘other personnel costs’ is expressed as a flat rate applied to the unit cost component ‘basic salaries’.

The flat rate in % is determined as follows (one flat rate for all categories of personnel, except Local Experts, Graduates, Secondees and Temps):

\frac{2012 certified total costs of allowances, indemnities and other social expenses allocated to the front-line operational personnel according to the EIB cost accounting methodology}{2012 certified total basic salary costs of the front-line operational personnel} \times 100

Local Experts and Graduates are not eligible to all of the staff benefits; their rates are therefore lower than the standard rate.

The amount in EUR of the unit cost component ‘other personnel costs’ is determined as follows:

Flat rate \times amount of the unit cost component ‘basic salaries’

The flat rate does not apply to Secondees and Temporary staff (see point (a) for the direct personnel cost of a Secondee and a Temporary staff).

(c) Other direct costs of the front-line operational activities, except mission costs and costs of consultancy subcontracts

The amount per person-month of the unit cost component ‘other direct costs’ is determined as follows (one amount for all categories of personnel):

\frac{2012 certified other direct costs (except mission costs and costs of consultancy subcontracts) allocated to the front-line operational personnel according to the EIB cost accounting methodology}{Number of 2012 full-time equivalent in front-line operations} \times 12

(d) Costs of Information Technology (IT) used by the front-line operational personnel assigned to the actions of technical assistance

The amount per person-month of the unit cost component ‘costs of IT’ is determined as follows (one amount for all categories of personnel):

\hline

1 \quad Included in the account ‘staff-cost equivalents’

2 \quad Included in the account ‘staff-cost equivalents’

\hline
2012 certified IT costs allocated to the front-line operational personnel (except Risk Management and Finance directorates) according to the EIB cost accounting methodology

Number of 2012 full-time equivalent in front-line operations (except Risk Management and Finance directorates) X 12

(e) Costs of Facilities Management (FM) for the front-line operational personnel assigned to the actions of technical assistance

The amount per person-month of the unit cost component ‘costs of FM’ is determined as follows (one amount for all categories of personnel):

2012 certified FM costs allocated to the front-line operational personnel according to the EIB cost accounting methodology

Number of 2012 full-time equivalent in front-line operations X 12

(f) Costs of Specific Support for the front-line operational personnel assigned to the actions of technical assistance

The amount per person-month of the unit cost component ‘costs of Specific Support’ is determined as follows (one amount for all categories of personnel):

2012 certified Specific Support costs allocated to the front-line operational personnel benefitting from Specific Support according to the EIB cost accounting methodology

Number of 2012 full-time equivalent in front-line operations benefitting from Specific Support X 12

(g) Costs of Corporate Support

The unit cost component ‘costs of Corporate Support’ is expressed as a flat rate applied to the unit cost components ‘basic salaries’, ‘other personnel costs’, ‘costs of IT’, ‘costs of FM’, ‘costs of Specific Support’.

The standard flat rate in % is determined as follows (one flat rate for all categories of personnel):

2012 certified total costs of Corporate Support

2012 certified costs of \{basic salaries + other personnel costs + costs of IT + costs of FM + costs of Specific Support\} allocated to the front-line operational personnel according to the EIB cost accounting methodology

An additional correction is made, based on the Advisory Services Pricing Policy, to obtain a specific flat-rate per category of personnel and per type of technical assistance initiative (expected EU contribution below or above EUR 50 million for the 2014-2020 period).

The specific flat-rate ranges:

- for technical assistance initiatives above EUR 50 million: from 0% of the standard flat-rate for Local Experts, Graduates, Secondees and Temporary Staff to 33% of the standard flat-rate for Managers;
for technical assistance initiatives below EUR 50 million: from 50% of the standard flat-rate for Local Experts, Graduates, Secondees and Temporary Staff to 92% of the standard flat-rate for Managers.

The amount of the unit cost component ‘costs of Corporate Support’ is determined as follows:

\[
\text{Specific flat rate} \times \left( \text{amount of the unit cost component ‘basic salaries’} + \text{amount of the unit cost component ‘other personnel costs’} + \text{amount of the unit cost component ‘costs of IT’} + \text{amount of the unit cost component ‘costs of FM’} + \text{amount of the unit cost component ‘costs of Specific Support’} \right)
\]

### 3.1.2. Unit costs for the eligible mission costs

The amount of the unit cost (amount per mission day) is determined on the basis of the actual 2012 mission costs, as follows:

- **Amount per mission day inside Europe** (EU Member States, EFTA countries, Switzerland, Russia, Ukraine and Moldova, and Pre-Accession countries\(^4\)): Candidate countries (Turkey, Former Yugoslav Republic of Macedonia FYROM, Iceland, Montenegro, Serbia), and Potential Candidate countries (Albania, Bosnia and Herzegovina, and Kosovo (under UNSCR 1244)):

  - 2012 certified mission (travel and subsistence) costs for missions in Europe

  2012 actual number of mission days in Europe

- **Amount per mission day outside Europe**:

  - 2012 certified mission (travel and subsistence) costs for missions outside Europe

  2012 actual number of mission days outside Europe

### 3.2. Amounts

#### 3.2.1. Unit costs for the eligible costs for the provision of technical assistance (except direct mission costs and direct costs of consultancy subcontracts)

The amounts (in EUR) per person-month (full time equivalent) applicable in 2013 are the following:

(a) For large technical assistance initiatives which are to receive a contribution from the EU budget in excess of EUR 50 million to the EIB over the 2014-2020 period:

<table>
<thead>
<tr>
<th>Manager</th>
<th>Senior Expert</th>
<th>Expert</th>
<th>Junior Expert</th>
<th>Local Expert</th>
<th>Support Staff</th>
<th>Graduate</th>
<th>Secondee</th>
<th>Temporary Staff</th>
</tr>
</thead>
<tbody>
<tr>
<td>32 535</td>
<td>27 869</td>
<td>22 071</td>
<td>20 067</td>
<td>13 094</td>
<td>14 448</td>
<td>12 718</td>
<td>18 727</td>
<td>11 972</td>
</tr>
</tbody>
</table>

(b) For other technical assistance initiatives which are to receive a contribution from the EU budget of less than EUR 50 million to the EIB over the 2014-2020 period:

---

\(^3\) Available for more than 14 200 missions representing more than 42 600 mission days

\(^4\) Should the Commission definition of Pre-Accession countries evolve the mission rates will apply accordingly
<table>
<thead>
<tr>
<th>Manager</th>
<th>Senior Expert</th>
<th>Expert</th>
<th>Junior Expert</th>
<th>Local Expert</th>
<th>Support Staff</th>
<th>Graduate</th>
<th>Secondee</th>
<th>Temporary Staff</th>
</tr>
</thead>
<tbody>
<tr>
<td>41 278</td>
<td>35 358</td>
<td>28 002</td>
<td>25 460</td>
<td>16 612</td>
<td>18 330</td>
<td>16 136</td>
<td>23 759</td>
<td>15 189</td>
</tr>
</tbody>
</table>

For staff assigned exclusively to a technical assistance initiative, the applicable unit costs or unit prices are the monthly rates summarised above (pro rata in case of part-time). They shall be multiplied by 0.5 if the month is part worked.

For staff not exclusively assigned to an initiative, the applicable unit costs or unit prices are hourly rates.

The amounts (in EUR) per person-hour shall be calculated as follows:

\[
\text{Unit cost per person-month (pro rata in case of part-time)} \times 12
\]

\[
\frac{\text{MAX (total number of hours recorded over 12 months; 1704 (pro rata in case of part-time))}}{- \text{MIN (total number of hours recorded on indirect products over 12 months; 20% of the total number of hours recorded over 12 months)}}
\]

MAX (Total number of hours recorded over 12 months; 1 704) means that:

- If the total number of hours recorded over 12 months is 1 704 hours (the standard number of workable hours for a person working full time for the EIB) or more, the figure to be used is the total number of hours recorded over 12 months;
- If the total number of hours recorded over 12 months is less than 1 704 hours (the standard number of workable hours for a person working full time for the EIB), the figure to be used is 1 704;

MIN (total number of hours recorded on indirect products over 12 months; 20% of the total number of hours recorded over 12 months) means that:

- If the total number of hours recorded on indirect products over 12 months is 20% of the total number of hours recorded over 12 months or more, the figure to be used is 20% of the total number of hours recorded over 12 months;
- If the total number of hours recorded on indirect products over 12 months is less than 20% of the total number of hours recorded over 12 months, the figure to be used is the total number of hours recorded on indirect products over 12 months.

The ‘hours recorded on indirect products’ mean the non-productive hours worked by the personnel assigned to the technical assistance action, i.e. hours spent on tasks such as coordination, meetings, staff management, appraisals, training.

3.2.2. *Unit costs for the eligible mission costs*

The amounts are **EUR 325 per mission day inside Europe** and **EUR 515 per mission day outside Europe**.

3.3. **Update of the amounts**

3.3.1. The overall amounts per person-month for the eligible costs for the provision of technical assistance (except direct mission costs and direct costs of consultancy subcontracts) set out in Section 3.2.1 shall be updated annually (as from 2015) based on the EIB evolution of salaries as approved by the Board of Directors, capped at 2% per year (in line with the deflator set out in the MFF agreement).
The updated unit costs per person-month shall be calculated as follows:

**Unit cost for year N+1 = Unit cost for year N X MIN (EIB salaries increase approved by the Board in year N+1; 2%)**

They shall be updated as soon as possible after notification by the EIB of the salaries increase approved by its Board. The updated amounts shall apply to all grants (including specific grants) awarded during the year after the update and shall apply for the full duration of the grant agreements.

The same update procedure applies to service contracts. The unit prices for the provision of technical assistance shall be updated annually after notification by the EIB of the salaries increase approved by its Board. The updated prices shall apply to all direct contracts or specific contracts concluded during the year after the update and shall apply for the full duration of the contracts.

3.3.2. The amounts of unit costs for the eligible mission costs set out in Section 3.2.2 shall not be updated annually.

For service contracts, the amounts of unit prices for missions set out in Section 3.2.2 shall not be updated annually.

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

The technical assistance actions do not directly generate any income for the EIB\(^5\) and are not co-financed by any resources other than the EIB’s own resources.

Compliance with the principle of co-financing is ensured by the determination of amounts of unit costs lower than the total costs of technical assistance services as calculated by the EIB. The amounts of unit costs set out in Section 3.2 may thus be reimbursed at a rate of 100% while still complying with the principle of co-financing. The reimbursement rate applicable to the unit costs set out in Section 3.2 will be defined in the Framework Partnership Agreement, Specific Grant Agreement or Direct Grant Agreement, in accordance with the maximum reimbursement rate set out in the basic act and the financing decision.

Double financing is avoided through:

- the clear identification of the categories of eligible costs covered by each form of grant per action,
- the allocation of personnel according to the EIB’s statutory categories,
- reconcilability of amounts with the accounting data obtained through the use of accounting systems which have been subject to the *ex ante* assessment.

---

\(^5\) Although they may generate direct or indirect benefits for the EIB, in the form e.g. of economies in the provision of other services