

DECISION

**authorising the use of lump sums for supporting national contact points (NCPs) under
the European Social Fund Plus**

Having regard to the Treaty on the Functioning of the European Union,

Having regard to Regulation (EU, Euratom) No 2018/1046 of the European Parliament and of the Council of 18 July 2018 on the financial rules applicable to the general budget of the Union¹, and in particular Articles 125 and 181 thereof,

Whereas:

- (1) The use of lump sums is considered appropriate for the activities of National Contact Points as it:
 - (a) allows a focus on the output of the activities (information, support, dissemination) related to the implementation of the Employment and Social Innovation strand of the European Social Fund Plus, rather than on their actual costs;
 - (b) reduces the administrative costs for participation and contribute to the prevention and reduction of financial errors;
 - (c) targets as applicants either public authorities or entities mandated by them to carry out the activities; and
 - (d) simplifies the calculation of grant amounts and therefore significantly decrease the workload of both the beneficiaries and the European Commission with many very low value activities, as well as accelerates payment procedures.
- (2) A future Regulation of the European Parliament and of the Council is to establish the European Social Fund Plus, repealing Regulation (EU) No 1296/2013.
- (3) Taking into account the nature and status of applicants and their accounting methods, the use of lump sums financing should be authorised for actions related to the activities of the national contact points under the Employment and Social Innovation strand of the European Social Fund Plus.

¹ Regulation (EU, Euratom) 2018/1046 of the European Parliament and of the Council of 18 July 2018 on the financial rules applicable to the general budget of the Union, amending Regulations (EU) No 1296/2013, (EU) No 1301/2013, (EU) No 1303/2013, (EU) No 1304/2013, (EU) No 1309/2013, (EU) No 1316/2013, (EU) No 223/2014, (EU) No 283/2014, and Decision No 541/2014/EU and repealing Regulation (EU, Euratom) No 966/2012 (OJ L 193, 30.7.2018, p.1).

HAS DECIDED AS FOLLOWS:

Sole Article

The use of the Union contribution in the form of lump sum contributions is authorised for the support of national contact points under the Employment and Social Innovation strand of the European Social Fund Plus, for the reasons and under the conditions set out in the Annex.

This Decision is subject to the final adoption by the legislative authority and entry into force without significant modifications of the Regulation establishing the European Social Fund Plus.

Done at Brussels,

[Authorising Officer signature]

Director General DG EMPL

Joost Korte

Annex

1. Forms of Union contribution and categories of costs covered

The Union contribution for the support to national contact points (NCPs) under the Employment and Social Innovation (EaSI) strand of the European Social Fund Plus (ESF+) shall exclusively take the form of a lump sum contribution.

The categories of eligible costs covered by the lump sums contribution are the following:

- (a) direct personnel costs and costs of other goods and services used for setting up and running a helpdesk, maintaining the NCP's website, organising EaSI-related events, attending events and taking part into job shadowing schemes;
- (b) translation costs of EaSI-related documents from the European Commission and calls for proposals, to be made available on-line;
- (c) travel costs and daily allowances for attending events and taking part in job shadowing schemes.

The amounts of the lump sum contribution to be used shall be calculated in accordance with point 3. No other cost categories shall be eligible for this type of activity.

2. Justification

Simplification is a central aim of the European Social Fund Plus and should be reflected in its design, rules, financial management and implementation.

Lump sums contributions are considered appropriate with regard to the:

2.1. Nature of the supported actions

The European Social Fund Plus (ESF+) Regulation gives the possibility of supporting NCPs under the Employment and Social Innovation (EaSI) strand. The European Commission would support one NCP per participating country, which would be set up by their line ministries. The supported activities of NCPs would aim at engaging with citizens and stakeholders on EaSI strand related topics. This includes providing first line assistance and information material to potential EaSI applicants, creating and updating national EaSI websites, promoting EaSI results for upscaling and mainstreaming, as well as running and taking part in information sessions, workshops and conferences in order to facilitate a better implementation of the EaSI strand of the ESF+.

Lump sums contributions are suitable forms of financing, in particular for standardised and recurrent actions, such as setting up a website, organising events or setting up a help desk. Such actions would be the main tasks of the NCPs supported by the ESF+.

The grant to NCPs will take the form of a lump sum contribution for specific, well-differentiated activities split between a basic package (see points (i) to (iii)) and optional additional activities (from (iv) to (ix)). The lump sum will be paid on receiving proof of the proper delivery of the various activities through an end-year report covering all activities and

possible media coverage, including web-analytics, as well as associated deliverables as follows:

- (i) setting up and running of a helpdesk within three months from starting the implementation period, including establishing and maintaining a functional mailbox and dedicated phone number available 20 hours per week over 5 working days, maintaining a mailing list, answering questions and requests for meetings and interacting with the European Commission and disseminating European Commission information via mail and the website; staff should be familiar with the EaSI strand and be able to communicate in English;
- (ii) setting up and running of a website within three months from starting the implementation period by establishing and maintaining a functional website that explains EaSI in the national language, contains contact details of the NCP and is updated in a timely manner with relevant European Commission information;
- (iii) organising and running at least two EaSI-related events or webinars with a minimum of 15 participants and a minimum duration of 4 hours; the agenda and presence list of participants shall be attached;
- (iv) organising and running further events under the same conditions as defined under (iii); the agenda and presence list of participants and conclusions shall be attached;
- (v) attending an event which brings an added value for the implementation of the EaSI strand of ESF+; the invitation, agenda and conclusions shall be provided;
- (vi) visiting an EaSI related project, the invitation, the programme and reports/minutes shall be provided;
- (vii) translation of EaSI related documents from the European Commission and calls for proposals, to be made available on-line;
- (viii) sending staff member for job shadowing to another NCP, for a minimum of ten working days, including proof of agreement and invitation;
- (ix) receiving staff member on job shadowing from another NCP, for a minimum of ten working days, including proof of agreement and invitation.

2.2. Risks of irregularities and fraud and costs of control

The use of lump sums will reduce the risk of irregularities, overstatements and fraud since the costs will be calculated according to established formulas set out in point 3 and will be paid on the basis of the defined deliveries and proof as listed under point 2.1.

The risk of fraud and cost of controls of the triggering event for paying the lump sums are minimal, since the proper implementation of the objective is well defined and output-based and beneficiaries are national authorities or entities mandated by them.

The category of beneficiaries, being national authorities or entities mandated by them, also supports the move to lump sums contributions as those are both low-risk and keen on reducing the administrative burden linked to EU funding. Funding through lump sums removes all obligations on cost reporting, thus alleviating a major part of the administrative burden on beneficiaries and enabling efficiency gains.

3. Method to determine the amount of the Union contribution in the form of lump sums contributions

The amounts of lump sums contributions for the NCPs are determined based on an internal expert judgement.

Based on similar models already used under the Europe for Citizens, the Health programme, Creative Europe, the LIFE+ programme and Horizon 2020 during the 2014-2020 MFF, a list of seven basic tasks to be fulfilled by the NCPs was defined:

1. provide information material;
2. assist in sharing EaSI results;
3. promote EaSI results for upscaling/mainstreaming;
4. provide first line assistance to applicants;
5. forward complex questions to the European Commission, and translate and forward the European Commission replies to the stakeholders;
6. create/update national EaSI webpage;
7. run and take part in information session/workshops/annual conference.

For the EaSI NCPs, the financing is structured in two parts: a standard package of the basic tasks that any NCP must fulfil to be eligible for funding and a set of optional tasks, which NCPs can choose to undertake in addition.

Standard package

The standard package includes providing a helpdesk, maintaining a website and holding two events per year, with the resulting costs involved:

- the overall amount is based on the Decision authorising the use of lump sums for EUROPE DIRECT of Directorate General Communication of 29/06/2020 (Ares(2020)3378682) since the basic activities of NCPs are similar to those of these Europe Direct Information Centres. In this decision the average total costs of the Europe Direct centres is set at EUR 58 127.
 - NCP are intended to cover the following 3 out of 5 Europe Direct tasks, while one of these is estimated to represent 20% compared of the Europe Direct's input for that task:

Europe Direct	NCP	NCP %
Information and engagement with citizens	Information and engagement with potential applicants, beneficiaries and other stakeholders	100%
Relations with local media and multipliers	Relations with media and multipliers	20%
Awareness about sensitive EU topics at local level	Awareness about the EaSI strand, projects and results	0%
The EU in schools	N/A	0%
Promoting a regional network of networks	Promoting networking between EaSI beneficiaries and other stakeholders	100%

- As under Europe Direct, the helpdesk must have:
 - A recognisable space
 - A dedicate phone line and email address
 - Online presence (in the case of NCPs a website)
- Like Europe Direct the NCP must:
 - Support the communication and engagement activities organised by the Commission
 - Reply to questions or direct people to the appropriate contacts (Commission staff, other national services, EaSI beneficiaries, etc.)
 - Interact with the public via social media
 - Distribute EaSI publications/information/messages, etc.
 - Provide regular reporting in English on the activities of the EaSI NCP.
- Considering that informing and engaging with citizens is the most important and resource consuming task, the Commission estimated that NCP tasks will represent some 60% of those carried out by the Europe Direct desks. Since the total costs estimated for Europe Direct were EUR 58,127, 60% would give an amount of EUR 34,876 and, following application of the co-financing rate of 80%, would give a rounded lump sum contribution of **EUR 27,900**.

Since the costs between the member states vary according to the respective price level and the amount of (potential) beneficiaries who request services, the amount for the standard package is adjusted based on clusters grouping countries according to their price level and population size. Population size is a better proxy to the potential number of applicants than past numbers of applicants because the latter would give less support to countries that have been less successful at promoting the EaSI programme in the past. This would undermine the goal of the NCPs to improve performance in those countries.

For the country adjustment, indices for price level² and population size³ are created by dividing the value for each country by that of the country with the highest value. This means, both indices assign a value between 1 to the countries with the highest price level or population size and 0 to the (hypothetical) countries with a price level or population size of 0 respectively. The two indices are subsequently averaged to arrive to a total index.

$$\text{Price Level Index} = \frac{\text{Price Level of country}}{\text{Price Level in most expensive country}}$$

$$\text{Population Size Index} = \frac{\text{Population size of country}}{\text{Population size in most populous country}}$$

$$\text{Total Index} = \frac{\text{Price Level Index} + \text{Population Index}}{2}$$

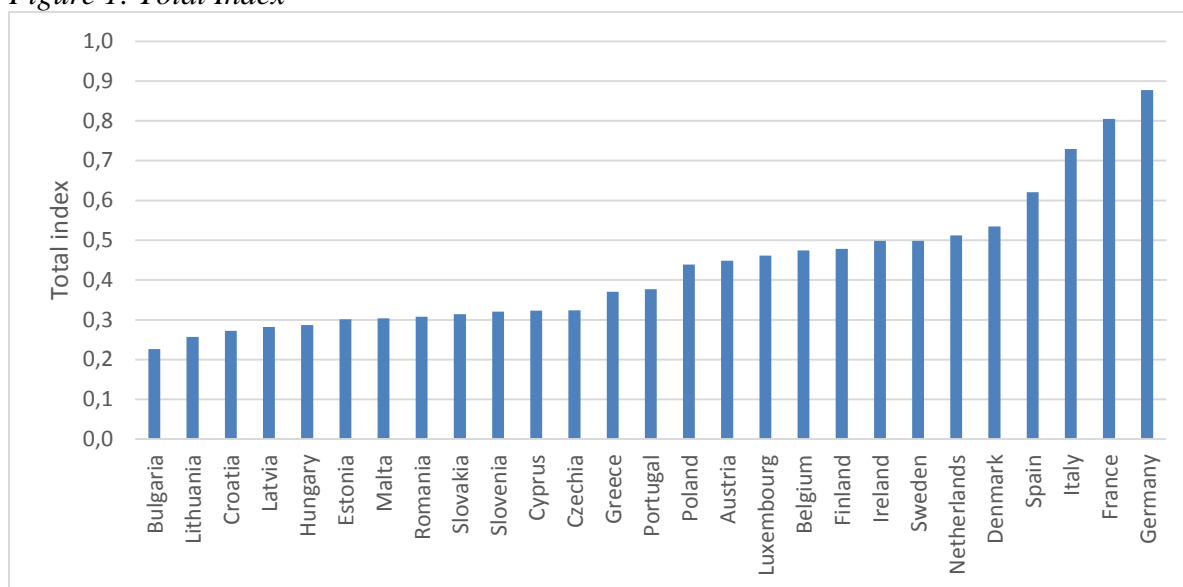
² The comparative price levels are the ratio between purchasing power parities and market exchange rates. See <https://ec.europa.eu/eurostat/tgm/table.do?tab=table&init=1&language=en&pcode=tec00120&plugin=1>

³ See <https://ec.europa.eu/eurostat/tgm/table.do?tab=table&plugin=1&language=en&pcode=tps00001>

In a second step, based on the distribution of countries in the total index shown in Figure 1, countries are split between the following four clusters:

- *Cluster 1:* Bulgaria, Lithuania, Croatia, Latvia, Hungary, Estonia, Malta, Romania, Slovakia, Slovenia, Cyprus, Czechia
- *Cluster 2:* Greece, Portugal
- *Cluster 3:* Poland, Austria, Luxembourg, Belgium, Finland, Ireland, Sweden, Netherlands, Denmark
- *Cluster 4:* Spain, Italy, France, Germany

Figure 1: Total Index



Thirdly, the average value of the total index for each cluster is computed. The average amount of the standard package is subsequently adjusted for each cluster based on the ratio of its average total index to the average total index of all countries.

$$\text{Cluster} = \frac{\text{Average total index of cluster}}{\text{Average total index of all countries}} \times \text{EUR } 27,900$$

This results in the following amounts rounded to the nearest thousand:

- *Cluster 1:* EUR 19,000
- *Cluster 2:* EUR 24,000
- *Cluster 3:* EUR 31,000
- *Cluster 4:* EUR 49,000

For countries that are not EU member states (Article 30 of the ESF+ Regulation), there are two categories. Under the assumption that current EEA member states continue to contribute fully to the EaSI budget, they would receive the base sum, rounded to the closest thousand. Commensurate with the level of their contribution, acceding, candidate countries and potential candidates will receive half of that amount.

- *EEA members:* EUR 28,000
- *Others:* EUR 14,000

Associated countries can also receive funding for optional extra activities as fixed in Table 1.

Optional packages

In addition to this standard package the European Commission will support some extra activities: organising additional events, translating documents, visiting projects, attending events and sending and receiving staff members for job shadowing at other NCPs. These activities are not dependent upon the respective price level and the amount of (potential) beneficiaries who request services, therefore the amount for the optional package is not further adjusted contrary to the basic package.

- For **translation**, the average cost for translation of a page for all EU languages, EUR 22, as determined by DGT and incorporated in the Decision authorising the use of unit costs for the translation of the agreements pursuant Article 8(2) of Directive 2008/68/EC on the inland transport of dangerous goods (Ares(2020)3448338 of 01/07/2020) is applied. These unit costs are determined by reference to the average prices per page and per language for freelance translations paid by Directorate-General for Translation (DGT) to its contractors. One page equals 1500 characters. The EC co-finances 80% of this cost, which rounded to the nearest five gives EUR 20.
- For **organising an event** the cost is derived from historical data on presidency events funded by Directorate General for Employment, Social Affairs and Inclusion for a sample of sixteen events over the last nine presidencies⁴. Involved costs, mostly staff costs, for both types of events are similar, especially considering that the same type of entities are in charge. The total cost for civil servants organising the event, as per final financial statements under Presidency grants, divided by the number of days they spent on organisation, determines an average cost per day of a civil servant preparing an event (an organisation day). Adjusting the amount for the hourly labour costs in the respective country⁵, the average cost for one organisation day across the sample is EUR 211. This is in line with Eurostat data of labour costs in public administration.⁶

A typical EaSI NCP event would require 5 days of work (2 days for preparing the content of the event, 1.5 day for promoting the event and inviting the participants, one day for the event itself and 0.5 days for follow-up). Therefore, the lump sum for a single event is set at EUR 1,055, out of which the EC co-finances 80%, leading to **EUR 845** (rounded to the nearest five).

- For attending an **event** and for **project visits** the amounts derive from Commission Decision C(2021) 35 final of 12/01/2021, authorising the use of unit costs for travel, accommodation and subsistence costs under an action or work programme under the 2021-2027 multi-annual financial framework. For further simplification, it is assumed that in most cases, the distance would be between 400 and 600 km, since for most

⁴ From most to least recent: Romania, Austria, Bulgaria, Estonia, Malta, Slovakia, Netherlands, Luxembourg, Latvia, Italy, Greece.

⁵ See https://ec.europa.eu/eurostat/statistics-explained/index.php/Hourly_labour_costs

⁶ According to Eurostat, the average total hourly labour costs (excluding apprentices) in the category public administration and defence; compulsory social security in the EU-28 in 2016 was EUR 28.38 per hour, or EUR 227 per day, for employers with 10 or more employees. See: https://ec.europa.eu/eurostat/databrowser/view/LC_NCOST_R2_custom_354128/default/table?lang=en – selecting under ‘Page’ as ‘unit of measure’: Per employee in full-time equivalents, per hour.

countries the area lies within this distance band around the capital. Therefore, the following applies:

Amounts for return air, rail and combined air/rail journey.

Distance Band (in km)	Amount in EUR per round trip
400-600	196

To these travel costs, EUR 211 for staff costs is added giving a total lump sum for an event and project visit of EUR 407 out of which the EC co-finances 80%, leading to a rounded amount of **EUR 325** (rounded to the nearest five).

- **For Job shadowing** for a limited duration of minimum ten working days allowing the beneficiary to get an understanding of the operations of another NCPs the lump sum is based on a combination of the following:
 - For **sending** a staff member for job shadowing to another NCP, the amount is made up of a round-trip travel using the earlier mentioned Commission Decision C(2021)35. For further simplification it is expected that in most cases the travelled distance between countries would be between 800 and 2000 km, covering 3 bandwidths for an average amount of EUR 248.6, rounded at EUR 250. Therefore the following applies for all travel regardless the actual distance:

Amounts for return air, rail and combined air/rail journey.

Distance Band (in km)	Amount in EUR per round trip	DG EMPL rounded unit contributions (80%)
801-2000	250	200

In addition to this amount, a sum to cover the accommodation and subsistence is added using the average of the accommodation and subsistence applicable for the EU Member States in the mentioned Commission Decision C(2021)35 has been applied, resulting to:

Amounts for accommodation and subsistence costs

Accommodation		Subsistence	
Amount in EUR per night	DG EMPL rounded unit contributions (80%)	Daily Rate in EUR	DG EMPL rounded unit contributions (80%)
122.15	98	87.70	70

The allowance was calculated for 14 days to include 10 workdays, the weekend between the 2 working weeks and 2 days for the roundtrip travel. This gives 14 days multiplied by EUR 168, rounded to a total of **EUR 2,350** per staff sent on job-shadowing (rounded to the nearest five).

- For **receiving** a staff member from another NCP for job shadowing, the compensation provided is set at 6 days of staff costs (half a day for each work day of the visit, plus one day for making preparatory arrangements). This arrangement is based on the experience of DG EMPL when welcoming new staff or trainees, including some job-shadowing schemes. As defined above, the average cost for one working day is set at EUR 211. The total cost for the hosting institution is thus

EUR 1,266 out of which 80% will be co-financed representing a rounded figure of **EUR 1,015**.

Summary results

A co-financing rate of 80 % was applied to all the above-mentioned amounts to determine the final contributions rounded to the nearest five, as outlined in Table 1.

<i>Table 1</i>	Activity	Output/Deliverable	Gross amount in EUR	Final amount in EUR
Standard package	Package of helpdesk, website and two events	<i>Per NCP per year*</i>	34,876	27,900
Optional extra activities	Organise event	<i>Per event</i>	1,055	845
	Attend event	<i>Per event</i>	407	325
	Project visit	<i>Per visit</i>	407	325
	Translation	<i>Per page</i>	22	20
	Send job shadowing	<i>Per sending</i>	2,939	2,350
	Receive job shadowing	<i>Per receiving</i>	1,266	1,015

* To be adapted per cluster

Activities must fulfil the requirements set out under point 2.1.

Overall, NCPs receive a lump sum that adds the lump sum for the standard package as determined by their cluster to the amount for the optional extra activities they choose to undertake as given by the respective unit costs of these activities. The applicants will detail in their application the number of optional activities they intend to implement (for example the number of translations, number of sending or receiving job shadowing occurrences). If deemed appropriate by the Commission, the responsible authorising officer will determine when awarding the grant the final amount of the Lump Sum based on these activities and the corresponding amounts above, including for the basic package.

The full amount of the grant will be paid provided the activities are implemented in accordance with the Grant Agreement. The verification as to whether the actions were carried out appropriately will be based on the submission by each beneficiary of an annual report on the implementation of the action that includes relevant supporting documents deemed necessary as a proof of the proper implementation of the action (see section 2.1).

For the standard package, a serious breach of obligations for any one of the components can result in a proportionate reduction of the grant of up to 20 % of the corresponding lump sum.

For the optional activities, not implementing one activity would result in a reduction equivalent to the amounts of the corresponding unit costs at stake. Not respecting the minimum requirements set in section 2.1 can result in a proportionate reduction of this component of the grant of up to 20 % of the corresponding lump sum.

4. Sound financial management and co-financing principles and absence of double financing

The grant for the NCPs will take the form of an overall lump sum contribution. The specific nature of activities funded under the NCP activities limits the risk that other Union-funded grants are awarded for the same objective, thereby avoiding double financing.

Sound financial management is ensured, because the costs have been benchmarked against Union contributions paid for carrying out similar activities under various EU programmes. Combined with a funding rate of 80%, and the fact that the amounts of the lump sums were calculated without taking into consideration other costs that will be borne by the beneficiary, such as local transportation costs, this gives assurance that the Union contribution will be below the real costs. Lastly, the actions financed by the lump sum are not expected to generate any income during their implementation.

Compliance with the principle of co-financing is ensured, because a co-financing rate of 80 % has been applied to the estimated costs in order to set the Union contribution.