ANNEX

to the

COMMISSION DECISION

authorising the use of reimbursement on the basis of unit costs and the use of flat-rate financing for activities carried out by the OECD under the Framework Administrative Agreement with the European Union

1. Forms of grants and categories of costs covered

1.1. The grants for the actions carried out by the Organisation for Economic Co-operation and Development (OECD) under the Framework Administrative Agreement (FAA) shall take the form of:

(a) reimbursement of the eligible direct costs declared by the OECD:

(i) either as actual costs incurred by the OECD or on the basis of unit costs determined by the OECD according to its usual cost accounting practices for costs of staff directly assigned to the action¹;

(ii) as actual costs incurred by the OECD for:
   o subsistence costs (including allowances paid by the OECD) for staff and other persons directly assigned to the action;
   o costs of financial support to third parties;

(iii) either as actual costs incurred by the OECD (if the travel reservations are made by an external travel agency) or as actual costs and on the basis of unit costs determined by the OECD according to its usual cost accounting practices for the internal OECD travel reservation service (if the travel reservations are made by the internal OECD travel reservation service) for the costs of travel for staff and other persons directly assigned to the action;

(iv) either as actual costs incurred by the OECD (if the services are provided by external contractors) or on the basis of unit costs determined by the OECD according to its usual cost accounting practices (if the services are provided in-house by the OECD) for the costs of following services, if they are directly required for the implementation of the action:
   o conference centre or meeting room rental (including ad hoc services);
   o interpretation;

¹ As authorised by Commission Decision C(2015)350 authorising the use of reimbursement of the costs of staff on the basis of unit costs for actions implemented under grant and delegation agreements following the models established by DG DEVCO and DG ECHO
(v) as actual costs for the costs of procurement of goods and services other than those referred to in point (iv) and provided by external contractors, if they are directly required for the implementation of the action. These costs include, inter alia, the costs of:

- consulting services specifically procured by the OECD for the action;
- other services necessary to meet specific requirements from the Commission (evaluation or, where exceptionally required, audits of the action);

(b) contribution to the eligible indirect costs of the OECD in the form of:

(i) reimbursement of the eligible additional costs related to OECD staff directly assigned to the action, declared by the OECD:

- if the action falls under Part I of the OECD Programme of Work: on the basis of a unit cost ("Part I per person chargeback") determined by the OECD according to its usual cost accounting practices. The part of the EU contribution reimbursing the eligible costs declared on the basis of a unit cost (Part I per person chargeback) may not exceed 6% of the final amount of the EU contribution for the action. The 6% limit may only be exceeded by a reasoned Commission decision applying to a particular action.

These costs declared on the basis of a unit cost (Part I per person chargeback) may be declared under a specific dedicated budget category of eligible costs; or

- if the action falls under Part II of the OECD Programme of Work: as actual costs incurred by the OECD for the rental costs of additional office space occupied by OECD staff directly assigned to the action, related costs of

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2 These unit costs apply to OECD Part II programmes (except the IEA) and the Support for Improvement in Governance and Management (SIGMA) programme, and colour copies for the Part I Programme of Work. Part I of the OECD Programme of Work covers actions of interest for all OECD members.

3 These unit costs apply to OECD Part II programmes (except the IEA) and the SIGMA programme.

4 This may include natural persons seconded to the OECD as per Articles 18.1a)(ii) and 25.1b)(i) of the General Conditions of the PAGODA.

5 With the exception of SIGMA.

6 Under the OECD usual cost accounting practices, the additional costs related to OECD staff and covered by Part I per person chargeback are treated as direct costs.

7 This budget category will not be qualified as "direct" or "indirect" costs but as a specific "Part I per person chargeback" budget category.
depreciation\(^8\), rental or leasing of IT equipment, core IT services specifically used for the implementation of the action, international telephone usage for the implementation of the action, and photocopies actually made for the implementation of the action. The part of the EU contribution reimbursing the eligible costs declared on the basis of actual costs under Part II of the OECD Programme of Work may not exceed 6% of the final amount of the EU contribution for the action. The 6% limit may only be exceeded by a reasoned Commission decision applying to a particular action.

Costs of office furniture if the office is located in centrally managed premises and training of OECD staff may not be included.

For the Part II Programme International Energy Agency (IEA) only, the operational costs related to staff directly assigned to the action implemented by the IEA (IEA operational costs\(^9\)) are declared as eligible by the OECD on the basis of a unit cost determined by the OECD in accordance with the accounting practices for the IEA as described in the IEA’s Committee on Budget and Expenditure decision. The part of the EU contribution reimbursing the eligible costs declared on the basis of a unit cost (IEA operational costs) may not exceed 6% of the final amount of the EU contribution for the action.

These costs declared on the basis of a unit cost (IEA operational costs) may be declared under a specific dedicated budget category of eligible costs\(^10\); and

(ii) For all Part I and Part II actions: a flat-rate contribution to the costs of the OECD support services (“VC administration costs”) on the basis of a flat rate determined by the OECD according to its usual cost accounting practices and not exceeding 6.54% of the final amount of the EU contribution. Those practices are described in the OECD Council decision establishing the voluntary contributions cost recovery policy, which sets out the base rate and applicable adjustments to be applied to voluntary contributions and grants made to the OECD\(^11\).

\(^8\) Where required under the OECD usual cost accounting practices, the full purchase costs of equipment may be used instead of depreciation costs, provided that this does not substantially impact the resulting unit cost (i.e. provided that it does not increase the unit cost by more than 2%).

\(^9\) Under the OECD usual cost accounting practices, IEA Operational costs are treated as direct costs.

\(^10\) This budget category will not be qualified as “direct” or “indirect” costs but as a specific “IEA operational costs” budget category.

\(^11\) At the date of this Commission Decision, the base rate is 6.3% of the total amount of the contribution (see OECD Council decision C(2009)158 and BC(2011)40). The applicable adjustments are set out in OECD Council decision C(2009)158.
1.2. The amount of the unit cost for the internal OECD travel reservation service to be declared by the OECD in accordance with Point 1.1(a)(iii) shall be calculated in accordance with the method set out in Point 3.1.

This shall also apply to the costs of the internal OECD travel reservation service incurred by the OECD for the tasks other than budget implementation tasks carried out by the OECD under indirect management.

The costs of the internal OECD travel reservation service to be declared as eligible costs or acceptable expenditure by the OECD for an action financed under direct or indirect management correspond to the amounts obtained by multiplying the unit cost by the number of actual units.

1.3. The amounts of the unit costs for the costs of the conference centre or meeting room rental (including ad hoc services), interpretation, translation, publishing services (including publication of a downloadable pdf), document production, decentralised photocopies\(^\text{12}\), non-core IT services, and core IT services\(^\text{13}\) to be declared by the OECD in accordance with Point 1.1(a)(iv) shall be calculated in accordance with the methods set out in Points 3.2, 3.3, 3.4, 3.5, 3.6, 3.7, 3.8 and 3.9.

This shall also apply to the costs of the conference centre or meeting room rental (including ad hoc services), interpretation, translation, publishing services (including publication of a downloadable pdf), document production decentralised photocopies\(^\text{14}\), non-core IT services, and core IT services\(^\text{15}\) incurred by the OECD for the tasks other than budget implementation tasks carried out by the OECD under indirect management.

The costs to be declared as eligible costs or acceptable expenditure by the OECD for an action financed under direct or indirect management correspond to the amounts obtained by multiplying the unit costs by the number of actual units.

1.4. For Part I of the OECD Programme of Work, the amount of the unit cost to be declared by the OECD in accordance with the first indent of Point 1.1(b)(i) (Part I per person chargeback) shall be calculated in accordance with the method set out in Point 3.10.

This shall also apply to the additional costs related to staff directly assigned to tasks other than budget implementation tasks carried out by the OECD under indirect management.

The costs to be declared as eligible costs or acceptable expenditure by the OECD for an action financed under direct or indirect management correspond to the amounts obtained by multiplying the unit costs by the number of actual units (actual number of full time equivalents directly assigned to the action and triggering additional office space costs). The part of the EU contribution reimbursing the corresponding eligible costs or acceptable expenditure may not exceed 6% of the final amount of the EU contribution (unless provided otherwise in a Commission decision).

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\(^{12}\) These unit costs apply to OECD Part II programmes (except the IEA) and the SIGMA programme, and colour copies for the Part I Programme of Work.

\(^{13}\) These unit costs apply to OECD Part II programmes (except the IEA) and the SIGMA programme.

\(^{14}\) These unit costs apply to OECD Part II programmes (except the IEA) and the SIGMA programme, and colour copies for the Part I Programme of Work.

\(^{15}\) These unit costs apply to OECD Part II programmes (except the IEA) and the SIGMA programme.
For the Part II programme IEA, the amount of the unit cost (IEA operational costs) to be declared by the OECD in accordance with the second indent of Point 1.1(b)(i) shall be calculated in accordance with the method set out in Point 3.11.

This shall also apply to the IEA operational costs related to staff directly assigned to tasks other than budget implementation tasks carried out by the OECD under indirect management.

The costs to be declared as eligible costs or acceptable expenditure by the OECD for an action financed under direct or indirect management correspond to the amounts obtained by multiplying the unit costs by the number of actual units (actual number of full time equivalents directly assigned to the action), and triggering additional office space costs). The part of the EU contribution reimbursing the corresponding eligible costs or acceptable expenditure may not exceed 6% of the final amount of the EU contribution (unless provided otherwise in a Commission decision).

The amount of the flat-rate contribution to the costs of the support services ("VC administration costs") referred to in Point 1.1(b)(ii) shall be calculated in accordance with the method set out in Point 3.12.

This shall also apply to the remuneration of the OECD under indirect management, where the OECD carries out tasks other than budget implementation tasks.

2. **Justification**

2.1. **Nature of the supported actions**

The EU contributions to the OECD are to be awarded in accordance with the FAA signed with the Commission, which emphasises the added value of the cooperation between the Union and the OECD.

The activities implemented by the OECD mainly require human resources (OECD staff and external consultants).

2.2. **Risks of irregularities and fraud and costs of control**

The OECD has been subject to the *ex ante* assessment required by Article 53d of the 2002 Financial Regulation, in particular with regard to its accounting procedures, and is being subject to the *ex ante* assessment required by Article 61(1) of the 2012 Financial Regulation. The OECD compliance with the requirements for its internal control and accounting system is a precondition for authorising the use of reimbursement on the basis of unit costs and flat rates.

The reimbursement of costs or the flat-rate contribution determined on the basis of the OECD cost accounting practices contribute to the simplification of the financing arrangements of the OECD and to the decrease of administrative errors linked to the reporting of actual costs.

Finally, the OECD cost accounting practices used for the determination of the unit costs and flat rates covered by this Commission decision will not be subject to an *ex ante* verification of
their compliance with the conditions set out in Point 3. If it is found that the cost accounting practices applied by the OECD for the declaration of eligible costs or the determination of the flat rate for the contribution do not comply with the conditions set out in Point 3, the Commission may apply any of the measures foreseen in Article 135 of the 2012 Financial Regulation.

3. **Methods to determine the amounts**

3.1. **Unit cost for the internal OECD travel reservation service**

The unit cost referred to in Point 1.1(a)(iii) shall be the average reservation cost per mission processed by the internal OECD travel reservation service determined by the OECD in accordance with its usual cost accounting practices, if the following conditions are satisfied:

(a) The cost accounting practices used are applied by the OECD in a consistent manner, based on objective criteria, regardless of the source of funding;

(b) The unit cost is calculated using the costs of staff of the internal OECD travel reservation service, as defined in Article 25.1(b)(i) of the General Conditions of the PAGoDA and as recorded in the OECD accounts. The staff costs may be adjusted by the OECD on the basis of historical, budgeted or estimated elements (i.e. standard staff costs may be used). Those elements must be relevant for calculating the costs of staff, reasonable and correspond to objective and verifiable information;

(c) The categories of costs used according to point (b) are exclusive of any ineligible costs as defined in Article 25.7 of the General Conditions of the PAGoDA or of costs declared under another cost category or on the basis of another form of costs; and

(d) The unit cost is calculated by dividing the costs in point (b) above by the number of missions processed by the internal OECD travel reservation service.

3.2. **Unit costs for the conference centre or meeting room rental**

The unit costs referred to in the first bullet of Point 1.1(a)(iv) shall be the sum of:

- the standard cost per session (generally half-day or day) of use of the OECD conference centre or meeting room determined by the OECD in accordance with its usual cost accounting practices, if the following conditions are satisfied:

  (a) The cost accounting practices used are applied by the OECD in a consistent manner, based on objective criteria, regardless of the source of funding;

  (b) The unit cost is calculated using:

     (i) the costs of staff assigned to the operation of the conference centre and meeting rooms (e.g. technical/support, security, reception, maintenance), as

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16 This does not prevent the OECD from applying a quota system for the OECD Part I Programme of Work.
defined in Article 25.1(b)(i) of the General Conditions of the PAGoDA and as recorded in the OECD accounts. The costs of staff may be adjusted by the OECD on the basis of budgeted or estimated elements (i.e. standard staff costs may be used). Those elements must be relevant for calculating the costs of staff, reasonable and correspond to objective and verifiable information;

(ii) the actual costs of service contracts awarded to external providers for the operation of the conference centre and meeting rooms (e.g. security, cleaning, reception). These costs may be adjusted on the basis of budgeted or estimated amounts, including for inflation;

(iii) the actual costs of consumables and supplies purchased for the operation of the conference centre and meeting rooms. These costs may be adjusted on the basis of budgeted or estimated amounts, including for inflation;

(iv) the depreciation costs of the conference centre assets; and

(c) The categories of costs used according to point (b) are exclusive of any ineligible costs as defined in Article 25.7 of the General Conditions of the PAGoDA or of costs declared under another cost category or on the basis of another form of costs; and

(d) The unit cost is calculated using the total room surface occupancy expressed in m² and the annual total estimated usage of the rooms in sessions.

- the standard cost per ad hoc service provided in-house (e.g. reconfiguration of rooms, installation of special lighting, webcasting) determined by the OECD in accordance with its usual cost accounting practices, if the following conditions are satisfied:

(a) The cost accounting practices used are applied by the OECD in a consistent manner, based on objective criteria, regardless of the source of funding;

(b) The unit cost is calculated using:

(i) the costs of staff assigned to the provision of ad hoc services, if any as defined in Article 25.1(b)(i) of the General Conditions of the PAGoDA and as recorded in the OECD accounts. The costs of staff may be adjusted by the OECD on the basis of budgeted or estimated elements (i.e. standard staff costs may be used). Those elements must be relevant for calculating the costs of staff, reasonable and correspond to objective and verifiable information;

(ii) the actual costs of service contracts awarded to external providers for the provision of ad hoc services. These costs may be adjusted on the basis of budgeted or estimated amounts, including for inflation; and

(iii) the actual costs of consumables and supplies purchased for the provision of ad hoc services. These costs may be adjusted on the basis of budgeted or estimated amounts, including for inflation.
(c) The categories of costs used according to point (b) are exclusive of any ineligible costs as defined in Article 25.7 of the General Conditions of the PAGoDA or of costs declared under another cost category or on the basis of another form of costs;

(d) The unit cost is calculated for each ad hoc service.

3.3. Unit cost for interpretation

The unit cost referred to in the second bullet of Point 1.1(a)(iv) shall be the standard cost per session (or extended session) of interpretation services provided by the OECD Interpretation Division, as determined by the OECD in accordance with its usual cost accounting practices, if the following conditions are satisfied:

(a) The cost accounting practices used are applied by the OECD in a consistent manner, based on objective criteria, regardless of the source of funding;

(b) The unit cost is calculated using the costs of service contracts with accredited freelancers (external contractors) per session (or extended session). These costs may be adjusted on the basis of budgeted or estimated amounts, including for inflation; and

(c) The categories of costs used according to point (b) are exclusive of any ineligible costs as defined in Article 25.7 of the General Conditions of the PAGoDA or of costs declared under another cost category or on the basis of another form of costs; and

3.4. Unit cost for translation

The unit cost referred to in the third bullet of Point 1.1(a)(iv) shall be the standard cost per page translated and/or revised by the OECD Translation Division, as determined by the OECD in accordance with its usual cost accounting practices, if the following conditions are satisfied:

(a) The cost accounting practices used are applied by the OECD in a consistent manner, based on objective criteria, regardless of the source of funding;

(b) The unit cost is calculated using:

(i) the costs of staff of the Translation Division, as defined in Article 25.1(b)(i) of the General Conditions of the PAGoDA and as recorded in the OECD accounts. The costs of staff may be adjusted by the OECD on the basis of historical, budgeted or estimated elements (i.e. standard costs may be used).

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17 OECD staff and accredited freelancers

18 This does not prevent the OECD from applying a quota system for OECD Part I Programme of Work.

19 This does not prevent the OECD from applying a quota system for OECD Part I Programme of Work.
Those elements must be relevant for calculating the costs of staff, reasonable and correspond to objective and verifiable information; and

(ii) the actual costs of freelance translators (external contractors) of the Translation Division, as recorded in the OECD accounts. Those costs may be adjusted by the OECD on the basis of historical, budgeted or estimated elements;

(c) The categories of costs used according to point (b) are exclusive of any ineligible costs as defined in Article 25.7 of the General Conditions of the PAGoDA or of costs declared under another cost category or on the basis of another form of costs; and

(d) The unit cost is calculated using the number of pages translated and/or revised by the Translation Division and may be adjusted to take account of inflation.

3.5. Unit costs for publishing services

The unit costs referred to in the fourth bullet of Point 1.1(a)(iv) shall be:

- for the editorial service provided by the OECD Public Affairs and Communication Directorate: the standard cost as determined by the OECD in accordance with its usual cost accounting practices, if the following conditions are satisfied:

(a) The cost accounting practices used are applied by the OECD in a consistent manner, based on objective criteria, regardless of the source of funding except for Part I budget funds20;

(b) The unit cost is calculated using:

(i) the costs of staff of the publishing division of the OECD Public Affairs and Communication Directorate, as defined in Article 25.1(b)(i) of the General Conditions of the PAGoDA and as recorded in the OECD accounts. The costs of staff may be adjusted by the OECD on the basis of historical, budgeted or estimated elements (i.e. standard costs may be used). Those elements must be relevant for calculating the costs of staff, reasonable and correspond to objective and verifiable information; and

(ii) the actual costs of service contracts, of depreciation21, rental or leasing of IT equipment, software license fees, consumables and supplies and other publishing costs necessary for the provision of the editorial service, as recorded in the OECD accounts. These costs may be adjusted on the basis of historical, budgeted or estimated amounts, including for inflation;

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20 Budget funds refer to OECD members’ assessed contributions.

21 Where required under the OECD usual cost accounting practices, the full purchase costs of equipment may be used instead of depreciation costs, provided that this does not substantially impact the resulting unit cost (i.e. provided that it does not increase the unit cost by more than 2%).
(c) The categories of costs used according to point (b) are exclusive of any ineligible costs as defined in Article 25.7 of the General Conditions of the PAGoDA or of costs declared under another cost category or on the basis of another form of costs; and

(d) The unit cost is calculated by dividing the costs in point (b) by the number of titles published by the OECD Public Affairs and Communication Directorate;

- for the set-up service provided by the OECD Public Affairs and Communication Directorate: the standard cost, as determined by the OECD in accordance with its usual cost accounting practices, if the following conditions are satisfied:

(a) The cost accounting practices used are applied by the OECD in a consistent manner, based on objective criteria, regardless of the source of funding except for Part I budget funds22;

(b) The unit cost is calculated using:

(i) the costs of staff of the publishing division of the OECD Public Affairs and Communication Directorate, as defined in Article 25.1(b)(i) of the General Conditions of the PAGoDA and as recorded in the OECD accounts. The costs of staff may be adjusted by the OECD on the basis of historical, budgeted or estimated elements (i.e. standard costs may be used). Those elements must be relevant for calculating the costs of staff, reasonable and correspond to objective and verifiable information; and

(ii) the actual costs of service contracts, of depreciation23, rental or leasing of IT equipment, software license fees, consumables and supplies, missions and other publishing and dissemination costs necessary for the provision of the set-up service, as recorded in the OECD accounts. These costs may be adjusted on the basis of historical, budgeted or estimated amounts, including for inflation;

(c) The categories of costs used according to point (b) are exclusive of any ineligible costs as defined in Article 25.7 of the General Conditions of the PAGoDA or of costs declared under another cost category or on the basis of another form of costs; and

(d) The unit cost is calculated by dividing the costs in point (b) by the number of titles published by the OECD Public Affairs and Communication Directorate;

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22 Budget funds refer to OECD members’ assessed contributions

23 Where required under the OECD usual cost accounting practices, the full purchase costs of equipment may be used instead of depreciation costs, provided that this does not substantially impact the resulting unit cost (i.e. provided that it does not increase the unit cost by more than 2%).
- for the pre-press provided by the OECD Public Affairs and Communication Directorate: the standard cost, as determined by the OECD in accordance with its usual cost accounting practices, if the following conditions are satisfied:

(a) The cost accounting practices used are applied by the OECD in a consistent manner, based on objective criteria, regardless of the source of funding except for Part I budget funds;  

(b) The unit cost is calculated using the costs of service contracts for pre-press (by reference to market rates);

(c) The category of costs used according to point (b) are exclusive of any ineligible costs as defined in Article 25.7 of the General Conditions of the PAGoDA or of costs declared under another cost category or on the basis of another form of costs; and

- for the publication of a downloadable pdf produced by the publishing division of the OECD Public Affairs and Communication Directorate: the standard costs, as determined by the OECD in accordance with its usual cost accounting practices, if the following conditions are satisfied:

(a) The cost accounting practices used are applied by the OECD in a consistent manner, based on objective criteria, regardless of the source of donor funding;

(b) The unit cost is calculated using:

   (i) the costs of staff of the publishing division of the OECD Public Affairs and Communication Directorate, as defined in Article 25.1(b)(i) of the General Conditions of the PAGoDA and as recorded in the OECD accounts. The costs of staff may be adjusted by the OECD on the basis of budgeted or estimated elements (i.e. standard costs may be used). Those elements must be relevant for calculating the costs of staff, reasonable and correspond to objective and verifiable information; and

   (ii) the actual costs of service contracts, of depreciation, rental or leasing of IT equipment, software license fees, consumables and supplies, missions and other publishing and dissemination costs necessary for the publication of a downloadable pdf, as recorded in the OECD accounts. These costs may be adjusted on the basis of budgeted or estimated amounts, including for inflation;

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24 By OECD staff and or external contractors

25 Budget funds refer to OECD members’ assessed contributions

26 Where required under the OECD usual cost accounting practices, the full purchase costs of equipment may be used instead of depreciation costs, provided that this does not substantially impact the resulting unit cost (i.e. provided that it does not increase the unit cost by more than 2%).
(c) The categories of costs used according to point (b) are exclusive of any ineligible costs as defined in Article 25.7 of the General Conditions of the PAGoDA or of costs declared under another cost category or on the basis of another form of costs; and

(d) The unit cost is calculated by dividing the costs in point (b) by the number of titles published by the publishing division of the OECD Public Affairs and Communication Directorate.

3.6. Unit cost for document production

The unit cost referred to in the fifth bullet of Point 1.1(a)(iv) shall be the standard cost per page produced in the OECD centralised document production facilities for high volumes and/or high quality finish ("print shop"), as determined by the OECD in accordance with its usual cost accounting practices, if the following conditions are satisfied:

(a) The cost accounting practices used are applied by the OECD in a consistent manner, based on objective criteria, regardless of the source of funding\(^\text{27}\);

(b) The unit cost is calculated using:

(i) the costs of staff assigned to the print shop, as defined in Article 25.1(b)(i) of the General Conditions of the PAGoDA and as recorded in the OECD accounts. The costs of staff may be adjusted by the OECD on the basis of historical, budgeted or estimated elements (i.e. standard costs may be used). Those elements must be relevant for calculating the costs of staff, reasonable and correspond to objective and verifiable information; and

(ii) the depreciation\(^\text{28}\), rental or leasing costs of equipment, maintenance costs, software license fees and the actual costs of consumables and supplies required for the operation of the print shop, as recorded in the OECD accounts. These costs may be adjusted on the basis of historical, budgeted or estimated amounts, including for inflation;

(c) The categories of costs used according to point (b) are exclusive of any ineligible costs as defined in Article 25.7 of the General Conditions of the PAGoDA or of costs declared under another cost category or on the basis of another form of costs; and

(d) The unit cost is calculated by dividing the costs in point (b) by the estimated number of pages produced by the print shop.

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\(^{27}\) This does not prevent the OECD from applying a quota system for OECD Part I Programme of Work.

\(^{28}\) Where required under the OECD usual cost accounting practices, the full purchase costs of equipment may be used instead of depreciation costs, provided that this does not substantially impact the resulting unit cost (i.e. provided that it does not increase the unit cost by more than 2%).
3.7. Unit cost for decentralised photocopies

The unit cost referred to in the sixth bullet of Point 1.1(a)(iv) shall be the standard cost per photocopy made using decentralised photocopying equipment (machines located in their office areas), as determined by the OECD in accordance with its usual cost accounting practices, if the following conditions are satisfied:

(a) The cost accounting practices used are applied by the OECD in a consistent manner, based on objective criteria, regardless of the source of funding except for Part I budget funds;  
(b) The unit cost is calculated using the depreciation, rental or leasing costs of photocopying equipment, maintenance costs, software license fees and charges for toner and other supplies necessary for decentralised photocopies, as recorded in the OECD accounts. Those costs may be adjusted by the OECD on the basis of historical, budgeted or estimated amounts including for inflation;  
(c) The categories of costs used according to point (b) are exclusive of any ineligible costs as defined in Article 25.7 of the General Conditions of the PAGoDA or of costs declared under another cost category or on the basis of another form of costs; and  
(d) The unit cost is calculated by dividing the costs in point (b) by the estimated number of photocopies made using decentralised photocopying equipment.

3.8. Unit costs for non-core IT services

The unit costs referred to in the seventh bullet of Point 1.1(a)(iv) shall be the standard costs per user of the non-core IT services, as determined by the OECD in accordance with its usual cost accounting practices, if the following conditions are satisfied:

(a) The cost accounting practices used are applied by the OECD in a consistent manner, based on objective criteria, regardless of the source of funding;  
(b) The unit costs are calculated using:  
(i) the costs of staff assigned to the provision of non-core IT services, as defined in Article 25.1(b)(i) of the General Conditions of the PAGoDA and as recorded in the OECD accounts. The costs of staff may be adjusted by the OECD on the basis of budgeted or estimated elements (i.e. standard staff

29 These unit costs apply to Part II programmes (except the IEA) and the SIGMA programme, and colour copies for the Part I Programme of Work.  
30 Budget funds refer to OECD members’ assessed contributions  
31 Where required under the OECD usual cost accounting practices, the full purchase costs of equipment may be used instead of depreciation costs, provided that this does not substantially impact the resulting unit cost (i.e. provided that it does not increase the unit cost by more than 2%).
costs may be used). Those elements must be relevant for calculating the costs of staff, reasonable and correspond to objective and verifiable information; and

(ii) the actual costs of depreciation\(^{32}\), rental or leasing of the associated hardware, software license fees, maintenance costs and service contract costs necessary for the provision of non-core IT services, as recorded in the OECD accounts. Those costs may be adjusted by the OECD on the basis of budgeted or estimated amounts, including inflation.

(c) The categories of costs used according to point (b) are exclusive of any ineligible costs as defined in Article 25.7 of the General Conditions of the PAGoDA or of costs declared under another cost category or on the basis of another form of costs; and

(d) For each non-core IT service, the unit cost is calculated using the estimated number of users of each non-core IT service.

3.9. Unit costs for core IT Services\(^{33}\)

The unit cost referred to in the eighth bullet of Point 1.1(a)(iv) shall be the standard cost per user of the core IT services, as determined by the OECD in accordance with its usual cost accounting practices, if the following conditions are satisfied:

(a) The cost accounting practices used are applied by the OECD in a consistent manner, based on objective criteria, regardless of the source of funding except for Part I budget funds\(^{34}\);

(b) The unit cost for "core IT Services" is calculated using:

(i) the costs of staff providing core IT services, as defined in Article 25.1(b)(i) of the General Conditions of the PAGoDA and as recorded in the OECD accounts. The costs of staff may be adjusted by the OECD on the basis of budgeted or estimated elements (i.e. standard staff costs may be used). Those elements must be relevant for calculating the costs of staff, reasonable and correspond to objective and verifiable information; and

(ii) the depreciation\(^{35}\), rental or leasing costs of IT equipment, the costs of client services (equipment servicing and upgrade, desktop software and support), of

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\(^{32}\) Where required under the OECD usual cost accounting practices, the full purchase costs of equipment may be used instead of depreciation costs, provided that this does not substantially impact the resulting unit cost (i.e. provided that it does not increase the unit cost by more than 2%).

\(^{33}\) These unit costs apply to OECD Part II programmes (except the IEA) and the SIGMA programme.

\(^{34}\) Budget funds refer to OECD members’ assessed contributions

\(^{35}\) Where required under the OECD usual cost accounting practices, the full purchase costs of equipment may be used instead of depreciation costs, provided that this does not substantially impact the resulting unit cost (i.e. provided that it does not increase the unit cost by more than 2%).
central support and communications services (file and print services, electronic messaging, internet) and of telephone/fax services (excluding call charges) necessary for the provision of core IT services, as recorded in the OECD accounts. Those costs may be adjusted by the OECD for inflation;

(c) The categories of costs used according to point (b) are exclusive of any ineligible costs as defined in Article 25.7 of the General Conditions of the PAGoDA or of costs declared under another cost category or on the basis of another form of costs; and

(d) The unit cost in calculated by dividing the costs in point (b) by the total number of users of core IT services.

3.10. Unit cost for additional costs related to staff directly assigned to the action (Part I per person chargeback)

For Part I of the OECD Programme of Work, the unit cost referred to in the first indent of Point 1.1(b)(i) shall be the standard cost per person per year (per full time equivalent\(^36\)) for staff directly assigned to the action and triggering additional office space costs) determined by the OECD in accordance with its usual cost accounting practices ("Part I per person charge back"), if the following conditions are satisfied:

(a) The cost accounting practices used are applied by the OECD in a consistent manner, based on objective criteria, regardless of the source of donor funding\(^37\);

(b) The unit cost is the sum of the amounts of the unit cost components defined in points (i) to (viii) below:

(i) Unit cost component "costs of office space", calculated as follows:

- Using the latest available rental costs, related taxes, costs of insurance, cleaning, security, utilities, repairs and maintenance, restaurant facilities and utility space directly related to the office space rented by the OECD, as recorded in the OECD accounts. Those costs may be adjusted by the OECD on the basis of the latest related INSEE index, i.e. the official French index);

- Dividing the costs of office space according to the previous indent by the number of workstations;

(ii) Unit cost component "costs of office furniture", calculated as follows:

- Using the depreciation cost of a standard package of chair, desk and cupboard per person determined on the basis of the latest available actual

\(^{36}\) The unit cost is to be applied pro rata temporis for persons not working on the action during the full year or not working full time on the action.

\(^{37}\) The 6% limitation only applies to the European Union contribution.
purchase costs over a 10 year useful life. The cost may be adjusted by the OECD for inflation;

(iii) Unit cost component "core IT services", calculated as follows:

- Using the latest available costs of staff providing core IT services, as defined in Article 25.1(b)(i) of the General Conditions of the PAGoDA and as recorded in the OECD accounts. The costs of staff may be adjusted by the OECD on the basis of budgeted or estimated elements (i.e. standard staff costs may be used). Those elements must be relevant for calculating the costs of staff, reasonable and correspond to objective and verifiable information; and

- Using the latest available depreciation\(^38\), rental or leasing costs of IT equipment, the costs of client services (equipment servicing and upgrade, desktop software and support), of central support and communications services (file and print services, electronic messaging, internet) and of telephone or fax (excluding call charges), as recorded in the OECD accounts. Those costs may be adjusted by the OECD for inflation;

- Dividing the costs of core IT services according to the previous indents by the total number of users of core IT services;

(iv) Unit cost component "costs of international telephone usage", calculated as follows:

- Using the latest available costs of international telephone usage for the OECD staff assigned to Part I of the OECD Programme of Work, as recorded in the OECD accounts. Those costs may be adjusted by the OECD for inflation;

- Dividing the costs of international telephone usage according to the previous indent by the corresponding total number of OECD staff assigned to Part I of the OECD Programme of Work;

(v) Unit cost component "costs of decentralised photocopies" (use by staff of photocopy machines located in their office areas), calculated as follows:

- Using the latest available costs of decentralised photocopies (depreciation\(^39\), rental or leasing costs of equipment, maintenance costs,

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\(^{38}\) Where required under the OECD usual cost accounting practices, the full purchase costs of equipment may be used instead of depreciation costs, provided that this does not substantially impact the resulting unit cost (i.e. provided that it does not increase the unit cost by more than 2%).

\(^{39}\) Where required under the OECD usual cost accounting practices, the full purchase costs of equipment may be used instead of depreciation costs, provided that this does not substantially impact the resulting unit cost (i.e. provided that it does not increase the unit cost by more than 2%).
software license fees, charges for toner and other supplies) for the OECD staff assigned to Part I of the OECD Programme of Work, as recorded in the OECD accounts. Those costs may be adjusted by the OECD for inflation;

- Dividing the costs of decentralised photocopies according to the previous indent by the corresponding total number of OECD staff assigned to Part I of the OECD Programme of Work;

(vi) Unit cost component "costs of training", calculated as follows:

- Using the latest available costs of training, as recorded in the OECD accounts;
- Dividing the costs of training according to the previous indent by the total corresponding OECD staff numbers;

(vii) Unit cost component "costs of shuttle services", calculated as follows:

- Using the costs of the shuttle services, as recorded in the OECD accounts;
- Dividing the costs of shuttle services according to the previous indent by the total number of users (staff working in the buildings covered by the shuttle services);

(viii) Unit cost component "costs of the international service for remunerations and pensions", calculated as follows:

- Using the actual annual contribution to the international service for remunerations and pensions, as recorded in the OECD accounts;
- Dividing the annual contribution according to the previous indent by the total number of OECD regular staff; and

(c) The categories of costs used according to point (b) are exclusive of any ineligible costs as defined in Article 25.7 of the General Conditions of the PAGoDA or of costs declared under another cost category or on the basis of another form of costs.

3.11. Unit cost for costs related to staff directly assigned to actions implemented by the IEA (IEA operational costs )

For the Part II Programme International Energy Agency (IEA), the unit cost referred to in the second indent of Point 1.1(b)(i) shall be applied as a standard cost per person per year (per full time equivalent^40 for staff directly assigned to the action implemented by the IEA and triggering additional office space costs and shall be

^40 The unit cost is to be applied *pro rata temporis* for persons not working on the action during the full year or not working full time on the action.
determined by the OECD in accordance with the usual cost accounting practices related to the IEA, if the following conditions are satisfied:

(a) The cost accounting practices used are applied in a consistent manner, based on objective criteria, regardless of the source of donor funding;

The unit cost is calculated using the actual operational cost expenditure recorded in the accounting system of the Organisation in the last complete year of expenditure divided by the number of staff for the year of reference. Operational cost expenditure is costs of office space, office furniture, core IT services and equipment (depreciation\textsuperscript{41}, rental or leasing) and core communication and information services. Those costs may be adjusted by the OECD for inflation;

(b) The categories of costs used according to point (b) are exclusive of any ineligible costs as defined in Article 25.7 of the General Conditions of the PAGoDA or of costs declared under another cost category or on the basis of another form of costs; and

(c) The unit cost in calculated by dividing the costs in point (b) by the number of staff for the year of reference.

3.12. Flat-rate contribution for the financing of OECD support services (VC administration costs)

The flat rate referred to in Point 1.1(b)(ii) shall be the percentage applying to the final EU contribution determined by the OECD in accordance with its usual cost accounting practices, if the following conditions are satisfied:

(a) The cost accounting practices used are applied by the OECD in a consistent manner, based on objective criteria, regardless of the source of donor funding;

(b) The flat rate is calculated using the staff and operating costs of the OECD support services units, as recorded in the OECD accounts. The staff costs may be adjusted by the OECD on the basis of budgeted or estimated elements (i.e. standard costs may be used). Those elements must be relevant for calculating the staff costs, reasonable and correspond to objective and verifiable information. Operating costs may be adjusted by the OECD on the basis of budgeted or estimated elements, including inflation;

(c) The categories of costs used according to point (b) are exclusive of any ineligible costs as defined in Article 25.7 of the General Conditions of the PAGoDA or of costs declared under another cost category or on the basis of another form of costs; and

\textsuperscript{41} Where required under the OECD usual cost accounting practices, the full purchase costs of equipment may be used instead of depreciation costs, provided that this does not substantially impact the resulting unit cost (i.e. provided that it does not increase the unit cost by more than 2%).
(d) The flat rate is calculated using the amount of voluntary contributions accepted by the OECD.

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

The costs incurred by the OECD under direct and indirect management are mainly reimbursed on an actual cost basis or by reference to the costs recorded in the accounts of the previous year or latest available year, as applicable. The application of a ceiling for the office costs that may be reimbursed by the EU contribution contributes to the decrease in the risk of profit. In addition, revenue generated by actions implemented by the OECD is limited.

Compliance with the principle of co-financing is ensured by applying a reimbursement rate generally lower than 100% to the eligible costs of the action.

Double financing is avoided through:

- the clear identification of the categories of eligible costs that may be declared under a certain budget heading,
- the reliability of the cost accounting system of the OECD,
- the possibility to check compliance of the cost accounting practices used by the OECD with the conditions set out in Point 3, in accordance with the verification arrangements agreed with the OECD;
- the prohibition of the declaration of costs covered by a unit cost or flat rate under another cost item or budget heading.