



Brussels, 31.10.2013
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COMMISSION DECISION

of 31.10.2013

**authorising the use of unit costs and lump sums for the “Europe for citizens”
programme**

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THE EUROPEAN COMMISSION,

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

Having regard to the proposal for a Council Regulation (COM(2011)884 final) establishing the “Europe for Citizens” programme for 2014-2020, and in particular Article 8 and recital (16) thereof,

Having regard to Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council of 25 October 2012 on the financial rules applicable to the general budget of the Union (hereinafter called the “Financial Regulation”), and in particular Article 124 thereof,

Having regard to Commission Delegated Regulation (EU) No 1268/2012 of 29 October 2012 on the rules of application of Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council on the financial rules applicable to the general budget of the Union hereinafter called the “application rules”), and in particular Article 182 thereof,

Whereas:

- (1) Under Article 124(1) of the Financial Regulation, the use of lump sums, unit costs or flat-rate financing shall be authorised by way of a Commission decision ensuring respect for the principle of equal treatment of beneficiaries for the same category of actions or work programmes.
- (2) Under Article 124(2), this authorisation shall be supported by justification of the forms chosen, identification of the costs or categories of costs covered and a description of the methods for determining lump sums and the conditions for reasonably ensuring that the no-profit and cofinancing principles are complied with and that double financing of costs is avoided,

HAS DECIDED AS FOLLOWS:

Sole Article

The Commission authorises the granting of subsidies in the form of reimbursement of unit costs and lump sums under the “Europe for Citizens” programme for 2014-2020, for the reasons and under the conditions set out in the Annex and for the duration of the programme.

Implementation of this decision is contingent on adoption of the Regulation establishing the programme “Europe for Citizens” (2014-2020).

Done at Brussels, 31.10.2013

For the Commission
Viviane Reding
Vice-President

ANNEX 1: UNIT COST METHODOLOGY

1. Form of financing and categories of costs covered

1.1 Form of financing

The contribution to the eligible costs of the projects in the “Europe for Citizens” programme must take the following form:

Actions 1 and 2.3, combination of unit costs (table 1) and lump sums (table 2);

Action 2.1, lump sums (table 3);

Action 2.2, unit costs (table 1);

Action 3.2, “Europe for Citizens” Points, lump sums (table 4).

The lump sums/unit costs (cf. Annex 2) to be used are calculated in accordance with the method described in section 3.

1.2 Categories of costs covered

The eligible costs are linked to the organisation of events, meetings, seminars, conferences, debates, in particular costs relating to organisation, renting rooms, interpretation, travel, subsistence and accommodation of the participants, as declared by the beneficiaries.

The unit costs and lump sums cover all the eligible costs for the actions, i.e.:

- staff costs: these are the staff costs which are directly linked to the running of events;
- travel and overnight stay costs: these are the costs linked to travel and overnight stays (accommodation and subsistence) for all participants in events;
- rental of rooms/interpretation/translation/technical resources: these are the costs linked to the logistical resources needed to organise events;
- communication/dissemination costs: these are the costs relating to the various communication instruments (publications, web, Facebook, etc.) used to disseminate the content and results of events;
- coordination costs: these are the costs generated by the involvement and cooperation of a number of organisations from various Member States and other countries concerned in events;
- costs for research and IT tools: these are the costs linked to the technical resources needed for preparatory activities under actions 1 and 2.3;
- indirect costs for information structures: these are the costs linked to the activities of the information structures known as the “Europe for Citizens” Points (action 3.2), such as: rental of offices, equipment, telephone, etc.

2. Justification

The “Europe for Citizens” programme receives a significant number of applications – close to 3 500 per year – and, in parallel to this, a large number of relatively small grants – around 750 each year – are awarded. The grants awarded correspond to an average of around EUR 50 000, with two thirds of them being worth EUR 25 000 or less. Furthermore, the projects concerned are essentially based on the organisation of meetings, twinning, conferences, etc., the main chargeable factor being participant numbers.

The details for the new programme for 2014-2020 will to a large extent be the same.

From the outset, the grants allocated as part of this programme were mainly based on a system of unit costs/lump sums by group of participants. This system worked perfectly well, to the beneficiaries' satisfaction, while allowing the programme to be managed effectively, which – given the very high number of files concerned – would have been difficult to ensure via a form of grant based on the reimbursement of a percentage of the eligible costs actually declared.

The projects presented as part of the “Europe for Citizens” programme have the same cost structure, and the data from previous years concerning the 2007-2013 programme suffice to calculate the unit costs and lump sums.

The projects involve partners from various countries, but the grants are awarded to one beneficiary.

The system has three main parameters: uniformity (single approach for the majority of actions in the programme), simplicity (ease of verification of the chargeable factor, immediate identification of the sum of the grant *ex ante* and *ex post*) and efficiency (faster processing of the final reports, reducing the error rate, and limitation of the administrative costs linked to management of the programme).

2.1. Nature of the supported actions

2.1.1. Actions 1. European Remembrance, 2.2 City networks, 2.3 Civil society projects

This relates primarily to the organisation of various types of events, meetings, seminars, conferences, debates, networking activities and other types of exchange based, inter alia, on information and communication technologies and the social networks.

The maximum co-financing rate is 70%.

Of all the eligible costs needed to implement these projects, the following categories are covered by the unit costs in table 1:

- staff costs;
- travel and overnight stay costs;
- rental of room/interpretation/translation/technical resources;
- communication/dissemination costs;
- coordination costs.

Furthermore, for actions 1 (European Remembrance) and 2.3 (Civil Society Projects), it may be advisable to plan preparatory activities, as well as research activities or activities linked to the social networks, in particular for projects intended to develop hubs of opinion, in the form of restricted meetings. These activities must be directly linked to projects for which a financing request has been made.

The lump sums specified for these activities cover the following eligible cost categories:

- travel and overnight stay costs;
- costs for research and IT tools.

2.1.2. Action 2.1. Twinning

The twinning of towns involves meetings with European themes of citizens from two or more towns, organised mainly on a voluntary basis.

The maximum co-financing rate is 50%.

The following categories of eligible costs are covered by the lump sums set out in table 3:

- travel and overnight stay costs.

2.1.3. Action 3.2 “Europe for Citizens” Points

The purpose of the grants awarded for the "Europe for Citizens" Points is to cover the activities of these information structures, designated jointly by the Commission and the countries participating in the programme.

The maximum co-financing rate is 50%.

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

- staff costs;
- travel and overnight stay costs;
- indirect costs (rental of offices, equipment, telephone, etc.);
- rental of room/interpretation/translation/technical resources, etc.

2.2. Risks of irregularities and fraud and costs of control

The basic system (2007-2013 lump sums) has been audited both internally and externally. Internally (IAC), the system was deemed to be effective and applicable to other programmes. The external audits showed a limited error rate of around 0.7%.

Of all the grants awarded over the period 2007-2013, to date only one case of fraud has been identified.

Furthermore, the identical background to the new programme, in particular the small amount of the grants (66% worth EUR 25 000 or less) and the very nature of the beneficiaries (75% are local or regional public authorities), minimise the risks of irregularities and fraud.

Consequently, the simplified forms of financing are considered to be appropriate in view of the risks of irregularities and fraud.

3. Method to determine and update the amounts

3.1. Determination of the unit cost for actions 1, 2.2 and 2.3

The method used for identifying the amounts of the unit costs is to a large extent identical to that used to determine the systems approved by the Commission in 2010 and 2011, adapted for 2012 and 2013 by Commission Decision C(2011) 6243, namely:

- identification of the real costs per project and per event on the basis of the final reports for the years 2011 and 2012; representative sampling of 200 projects offering sufficient geographical coverage and diversity of scope;
- determination of an average cost per participant and of an average coordination cost per country involved;

- crossing of the two parameters, resulting in a sum which is a function of the above-mentioned diptych, generating unit-cost brackets which depend on the number of participants and countries, since the costs are uniform for each bracket thus determined and the average cost remains stable.

3.2 Determining the lump sums for preparatory activities (only for actions 1 (Remembrance) and 2.3 (Civil Society Projects))

The method used for identifying these lump sums is identical to that used for the unit costs for these actions, namely:

- identification of the real costs per preparatory activity and per project on the basis of the final reports for the years 2011 and 2012;
- determination of an average cost per participant;
- establishment of cost brackets according to the number of participants.

3.3 Updating the lump sum for action 2.1 Twinning

This action has been regulated since 2010 by a system of lump sums approved by a Commission Decision of 17 August 2010 (C2010/5521), adapted for 2012 and 2013 by Commission Decision C(2011)6243.

These lump-sum amounts combined two parameters: number of participants and duration (number of days of the event more than or equal to/fewer than ten days). For the new programme, based on the results of a statistical analysis conducted for the years 2011 and 2012 (sample of 400 projects¹ that is representative in terms of scope, geographical coverage and duration), the proposal is to discount the "duration" parameter, since 95% of projects last for ten days at the most and, consequently, the only significant parameter is the number of participants. (Table 3)

3.4 Determination of the lump sum for grants to the Europe for Citizens Points (ECPs)

Provision has been made for two predetermined ceilings for grants to ECPs, identical to the ceilings used in previous years and based on the size of the Member State and its population: EUR 55 000 for DE, ES, FR, IT, PL and UK, and EUR 25 000 for the others.

The award of this grant is linked to a specific performance level, in accordance with the following parameters: on the one hand, the number of meetings, workshops, conferences and training sessions held; on the other hand, the number of participants at these events. This approach is based on the historical data for 2010, 2011 and 2012, in particular the certified accounts and the activity reports for all the structures that are financed, i.e. 19.

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

4.1 No-profit and co-financing principle

4.1.1 Actions 1, 2.2 and 2.3.

As a general rule, the actions do not generate any revenue. Consequently, a profit will only arise if the unit costs/lump sums represent more than 100% of the actual eligible costs.

¹ i.e. around 50% of the projects subsidised in 2011 and 2012.

Of all the dossiers analysed – with the exception of three – the proposed system is in line with the no-profit rule.

Overall, the Community co-financing rate is close to 63%.

The application of the new system leads to grants being awarded which are largely identical to those resulting from the reimbursement of a percentage of the eligible costs actually declared in 92% of cases.

For the other cases, the difference is on average lower, at 15%.

Action	% projects with variation of $\leq 10\%$ current grants	Co-financing rate
Action 1 European Remembrance	93%	64%
Action 2.2 City networks	91%	64%
Action 2.3 Civil society projects	94%	62%

4.1.2 Action 2.1 Twinning

The system for twinning has been applied since 2011. Overall, the Community co-financing rate is 45%. Of the analyses performed, it appears that the no-profit rule is complied with in more than 99% of cases.

4.1.3 Action 3.2 Europe for Citizens Points

The maximum co-financing rate is set at 50%, with the counterpart being paid by the Member State or country concerned in accordance with a contract. The certified accounts ensure that the no-profit rule is always observed.

4.2 No double financing

The activities financed as part of these actions are, to a certain extent, likely to be eligible under other Community programmes, in particular those managed by the EACEA Agency. This Agency has a cross-checking system which, in the event of any suspicion or doubt, can be used to perform more in-depth checks to determine whether or not double financing has occurred. Over the last four years, only one potential case of double financing (not yet proven) was noted for the “Europe for Citizens” programme.

Furthermore, since the twinning of towns is a very specific action, projects generally cannot benefit from other sources of Community financing.

Since the grants are entirely flat-rate grants, the risk of the same category of costs being covered by two forms of financing within the same grant is zero.

ANNEX 2: UNIT COST AMOUNTS AND LUMP SUMS

The unit cost amounts and the lump sums are presented below. They are valid for the programme period from 2014 to 2020 and will be subject to a mid-term update. The amounts for 2018-2020 will thus be determined in 2017 by applying the cumulative rate of inflation over the 2014-2016 period to the 2014-2017 amounts (Eurostat data – EU average).

1. Action 1 (European Remembrance), action 2.2 (City networks), action 2.3 (Civil society projects)

Unit costs

The unit cost is based on two parameters which constitute the main elements of any Citizenship action: the number of participants and the number of countries involved. The amount is established by crossing the number of participants with the number of countries.

TABLE 1
Unit costs for Actions 1. European Remembrance, 2.2 City networks, 2.3 Civil society projects

Number of participants →	25/50	51/75	76/100	101/125	126/150	151/175	176/200	201/225	226/250	251/275	276/300	>300
Number of countries ↓												
1-3	12500	15000	17500	20000	22500	25000	27500	30000	32500	35000	37500	37500
4-6	15000	17500	20000	22500	25000	27500	30000	32500	35000	37500	40000	40000
7-9	17500	20000	22500	25000	27500	30000	32500	35000	37500	40000	42500	42500
10-12	20000	22500	25000	27500	30000	32500	35000	37500	40000	42500	45000	45000
13-15	22500	25000	27500	30000	32500	35000	37500	40000	42500	45000	47500	47500
>15	25000	27500	30000	32500	35000	37500	40000	42500	45000	47500	50000	50000

Lump sums for the preparatory activities linked to Actions 1 European Remembrance and 2.3 Civil Society Projects

These amounts are for all preparatory activities together; in other words, the lump sum is linked to the total number of participants and not to the number of preparatory activities. Only one lump sum of this type can be allocated per project.

With regard to preparatory actions, these amounts are cumulative with the established unit costs for the projects (cf. Table 1).

TABLE 2

Total number of participants in the preparatory activities	
≤ 5	EUR 2 250
> 5 and ≤ 10	EUR 5 250
> 10 and ≤ 15	EUR 7 500
> 15	EUR 10 000

2. Lump sums for Action 2.1. Twinning

The lump sum is based on one single parameter, namely the number of participants.

TABLE 3

Number of participants	Lump sum (euros)
>175	25 000
161/175	24 000
146/160	22 000
131/145	20 000
116/130	18 000
101/115	16 500
86/100	14 500
71/85	12 000
56/70	10 000
41/55	7 500
25/40	5 000

3. Lump sums for the Europe for Citizens Points

Provision has been made for the following amounts:

- a lump sum of EUR 55 000 (for the six Member States with the largest population), linked to a minimum of 20 events being held per year, involving at least 751 participants in total;
- a lump sum of EUR 25 000 (for the other countries), linked to a minimum of 12 events being held per year, involving at least 301 participants in total.

In the event of the action specified in Annex 1, point 3.4, being only partially implemented, the grant will be reduced in accordance with the tables below.

For grants of EUR 25 000:

Reductions applicable in the event of partial implementation

	Events			
	<4	4-7	8-11	≥12
Participants				
≤100	10 000	12 500	15 000	17 500
100-200	12 500	15 000	17 500	20 000
201-300	15 000	17 500	20 000	22 500
≥301	17 500	20 000	22 500	25 000

For grants of EUR 55 000:

Reductions applicable in the event of partial implementation

	Events			
	≤10	11-14	15-19	≥20
Participants				
≤250	27 500	30 000	35 000	40 000
251-500	30 000	35 000	40 000	45 000
501-750	35 000	40 000	45 000	50 000
≥751	40 000	45 000	50 000	55 000