



UNIÓN EUROPEA
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Europa Invierte en las Zonas Rurales



GOBIERNO
DE ESPAÑA

MINISTERIO
DE AGRICULTURA, ALIMENTACIÓN
Y MEDIO AMBIENTE

Rural Development Programme Canary Islands 2014-2020

Simplified Cost Options (SCOs) in the EAFRD



Gobierno
de Canarias

Measures we use SCO for

1. Standard scales of unit costs- Art. 67.1 b) CPR



2. Lump sums - Art. 67.1 c) CPR



3. Flat rate financing - Art. 67.1 d) CPR



1. Standard scales of unit costs - Art. 67.1 b) CPR

Staff Costs

Training

Cooperation

LEADER

Methodology:



1

Collection of data.

2

Categorization of costs
by Occupational
Classifications (SSGS).

3

Calculation of Standard
scales of unit costs.

1. Standard scales of unit costs - Art. 67.1 b) CPR

Staff Costs

Training

Cooperation

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Wage Scale of the Collective Labor Agreements selected

Base salary/category
(average)

+

Salary bonus
and holidays

=

Gross
Salary

Gross
Salary

+

Company social
security payments

=

Annual
Gross Costs

Art. 68.2
CPR



Latest documented
annual gross costs

1720 hours

=

Unit cost
per hour

1. Standard scales of unit costs - Art. 67.1 b) CPR

Staff Costs

Training

Cooperation

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Difficulties:

- Latest documented annual gross employment costs implies having a past reference period of **one year**.
- Grouping of Occupational Classifications of the **Collective Labor Agreements**.

Solutions:

- Use of **Collective Labor Agreements**.
- Use of Occupational Classifications of **SSGS** as a reference.

1. Standard scales of unit costs - Art. 67.1 b) CPR

Investments

Agricultural holdings

Methodology:



1

Specify the investments.

2

Define the essential elements.

3

Collection of data.

4

Calculation of Standard scales of unit costs.

1. Standard scales of unit costs - Art. 67.1 b) CPR

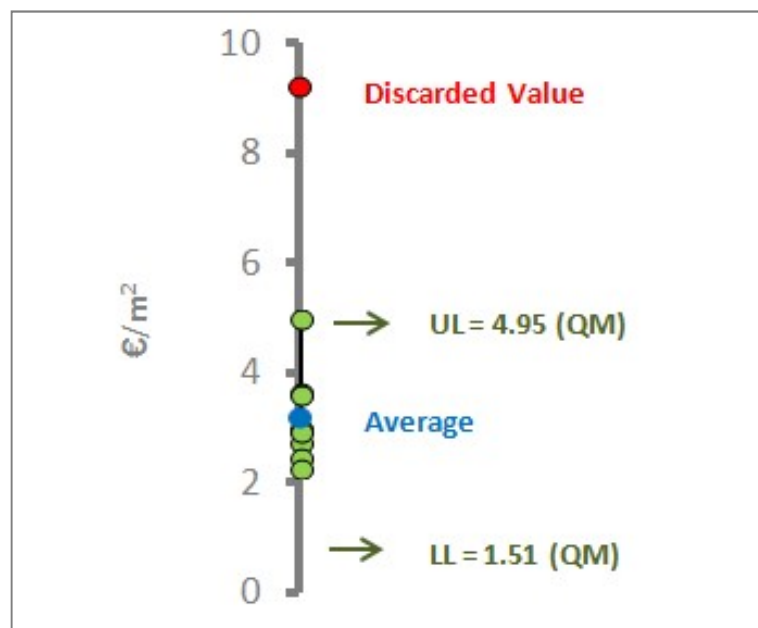
Investments

Agricultural holdings

When the cost does not depend on the magnitude of the investment



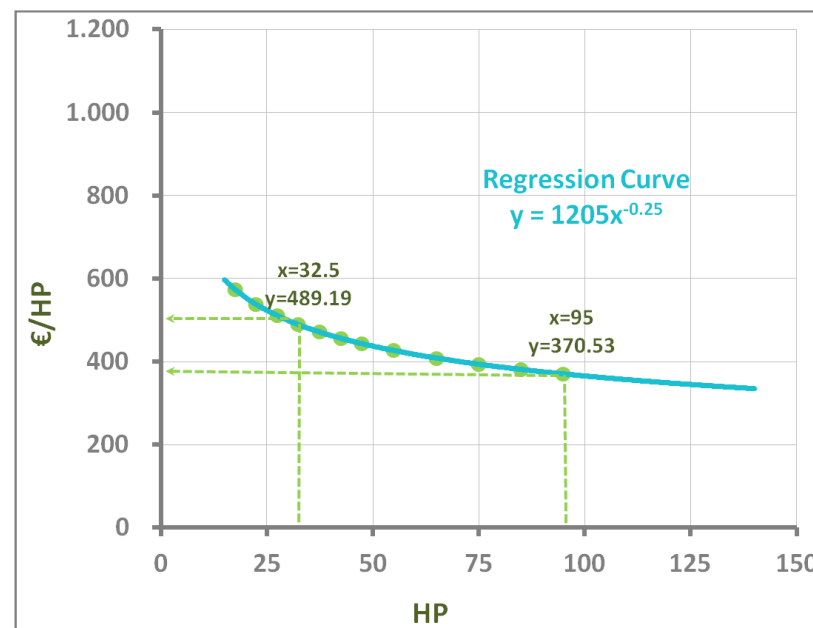
Arithmetic mean



When the cost does depend on the magnitude of the investment



Regression curve



1. Standard scales of unit costs - Art. 67.1 b) CPR

Investments

Agricultural holdings

Difficulties:

- Its application implies significant **previous investments** (resources, money, time).
- The definition of the type of investment **is particularly challenging**.
- **Lack of cooperation** from sector suppliers.
- **New investments arise** due to requests from beneficiaries.

Solutions:

- Use **enough resources** supporting the use of SCOs.
- Resort to **invoices from previous calls and specialist external agents**.
- **Updating** with the inclusion of **new investments**.

2. Lump sums - Art. 67.1 c) CPR

Animation Costs

Cooperation

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Methodology:

- 1 **Analysis** of information required.
- 2 **Categorization** of eligible expenditure.
- 3 **Classification of expense** within each category by level.
- 4 **Collection** of data.
- 5 **Calculation** of Lump sums.



2. Lump sums - Art. 67.1 c) CPR

Animation Costs

Cooperation

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Promotional material

Classification of
eligible costs

- Leaflets
- Posters
- Roll-Ups

Quotations from
suppliers

Average for
cost type

Sum of averages

Lump sum by level

2. Lump sums - Art. 67.1 c) CPR

Animation Costs

Cooperation

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Difficulties:

- Classification of eligible costs by level **close to reality.**
- Escape from a too **“Binary approach”** (0% or 100% of the grant).

Solutions:

- Resort to the analysis **of animation costs of Leader and other projects** within this area.
- Set **payout levels.**

3. Flat rate financing - Art. 67.1 d) CPR

Indirect Costs

Training

Cooperation

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Methodology:



1

Definition of indirect costs.

2

Classification of indirect costs.

3

Calculation of Flat rate financing.

3. Flat rate financing - Art. 67.1 d) CPR

Indirect Costs

Training

Cooperation

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Calculation of the indirect cost

Unit staff
cost / hour



Registered
hours



Total
Staff
Costs

Art. 68.1
b) CPR

15



Flat rate
financing

3. Flat rate financing - Art. 67.1 d) CPR

Indirect Costs

Training

Cooperation

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Difficulties:

- **Definition of indirect costs** which comply with the premises included in the regulations.
- The **percentage applied** should cover the real indirect costs.

Solutions:

- Analysis of **previous calls** and **consultation with auditors** on the classification of indirect costs and the percentage applied.

Lessons learned

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- ✓ Start with the implementation of SCOs **at an early stage.**
 - ✓ Application of SCOs involves taking on **significant challenges.**
 - ✓ Despite having a legal framework, **there is legal uncertainty.**
 - ✓ Use of **IT tools** in the management of SCOs.

Thank you for your attention

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