



Seminario "Opciones de Costes Simplificados e Instrumentos Financieros"

Madrid, 8 November 2013

T3- Planes de Acción conjuntos



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Why?

...did we propose this new instrument?
To focus more on outputs and results

...do we believe it will work?
Because focus on outputs and results will **replace** focus on inputs

...did we create a new specific tool? Possible scales

- Operations via use of standard scales of unit costs or lump sums but political will to be more ambitious...
 - Programmes: too difficult ...

=> Intermediary scale: option to implement part of programme(s) using a result based approach = JAP ³

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What do you need to build a JAP?

 **A smartly defined goal**

 **A well-thought through intervention logic**

 **Agreed upon milestones, outputs and results**

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1. The Intervention logic

- Which **(types) of projects** are required to reach the JAP's goal?
- What does the road to success look like? Which **milestones** should be reached along the way? Which **intermediary output and result** targets should be achieved to realise the goal?
- Which **indicators** are needed to adequately monitor progress towards milestones, outputs and results?

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2. Financial Management

- **Payment will depend on level of achievement!**
- Costs to achieve milestones, outputs and results are calculated **similarly to simplified cost options** (also applicable to public contracts)
- **But Lump sums are not capped, also applicable to public contracts**
- Cost are included in payment applications **like any other operations** (no advances declared to the Commission)

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3. Audit

- Financial audit pertains **only to the conditions of payment** defined in the **Commission Decision**: milestones, outputs & results
- This presupposes **reliable systems** to collect & store data + **common interpretation** of indicators
- For costs incurred by the beneficiary, national accounting practices apply. They are not subject to audit by the audit authority or the Commission

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JAP: Some (important) details

- JAP is an **option**
- Beneficiary = **public** law body. One beneficiary.
- Supported by ESF, ERDF, CF but **no infrastructures**
- **Minimum public support**: EUR 10 million or 20% of the OP (lower figure), EUR 5 million for 1 pilot/OP, no threshold for YEI
- Covered by a **Commission decision**
- Could be submitted **after the start of the OP**
- No specific duration but expected to be shorter than the OP period.

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Steering Committee & Amendment of JAP

Why? Need for a close monitoring and early detection / correction of potential problems given the financial consequences. Element of flexibility of the plan necessary to correct initial errors or take account of unforeseen events.

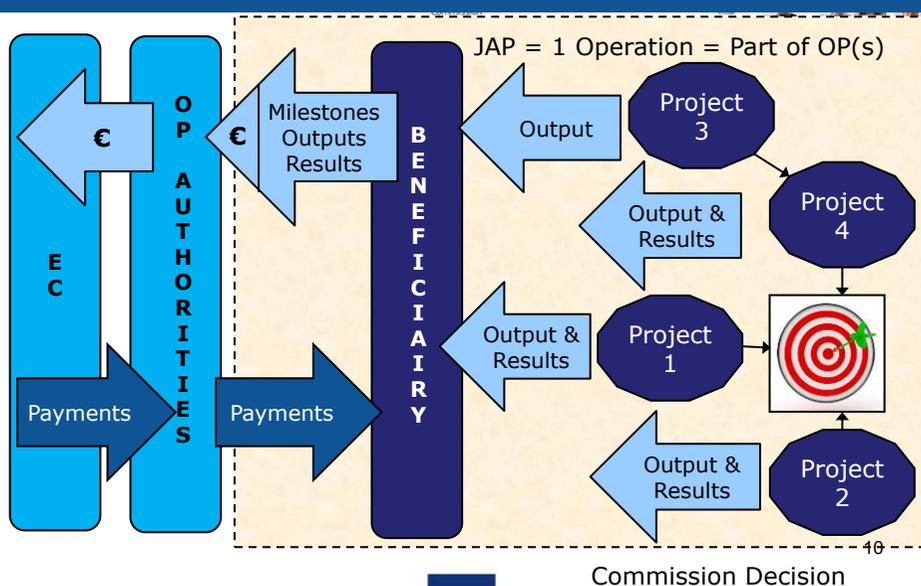
Role: review progress, consider and approve proposal of amendments

Who? Decided by MS, partnership principle, Commission may participate. Distinct from the Monitoring Committee.

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How does it all fit together?





Financial flexibility (1)

10% of allocations for indicators of the same type (output / result). No increase of the LS or UC, no transfer between outputs & results, no change of milestones

Decision:

Output 1: 100 € /10 people trained (UC 10€/pt) Output 2: 100 € / 100 people followed up (UC 1€/pf)

Result 1: 100 € /10 people in employment after 3 months (UC 10€/pe)

Final: 90 € for 9 people trained, 105 € (+5%) for 105 people followed up (Max 110/110)

100 € (capped) for 11 people in employment after 3 months.



Financial flexibility (2)

Indicators of the same "substance"

Ex: UC = child occupying a place in a childcare service

- with an attendance rate > 70% = 100 €*
- with an attendance rate > 30%, <70% = 50€*
- with an attendance rate < 30% = 0 €*





JAPs: Pros and Cons

- +: Result oriented, flexible (scope, time period, can be negotiated later), incentive to deliver on priorities, for all types of operations, legal certainty for MSs, less administrative burden in terms of audit to check the audit trail, possibility to use national rules, limit errors, group partners and Funds around common target*
- : Additional workload to negotiate and follow the JAP, need for a reliable reporting systems, new culture = new tools = new risks, lack of flexibility, different types of management in the same OP*

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Model of implementing act setting out a model of format for the Joint Action Plan

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Some sources of inspiration ...

- *major project application*
 - *check list performance audits from the Court of Auditors*
 - *experience from the "pilots"*
 - *provide for legal certainty*
- + *Regulatory requirements*

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Model for a format of Joint Action Plan

- *Focused on elements necessary for the Commission to assess the Joint action Plan and take a decision*
- *but the JAP is also an operation and is submitted to the same rules as other operations (except derogations). These information are not covered by the model but should be present at OP level.*

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A- General characteristics: main features

- *Brief JAP description*
- *Total costs and public support*
- *Justification if it is a pilot JAP*
- *MSSs, regions, OPs, Fund, category of regions
priority axes covered*
- *categorisation of the JAP*

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B- Contact details

*-> of the authority responsible for the JAP
application.*

*It will be this authority that will be in contact with
the Commission to discuss the JAP.*

Beneficiary is detailed in part I.1

Reference to approval by MAs

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C- Analysis of development needs and objectives

- *situation / problem to be solved*
- *JAP objectives (overall & detailed)*
- *consistency with PAs and expected contribution to the specific objectives of the PA*
- *contribution to NRPs and where relevant CSRs*
- *contribution to the Performance Framework*
- *added value to use a JAP, alternatives envisaged*

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D- Framework of the JAP

- *description of the intervention logic (including graphic description)*
- *(types of) project(s) supported, indicative timetable, conditions*
- *how do projects mutually support themselves, underlying assumptions in terms of contribution of projects to the objectives of the JAP*
- *milestones and targets for outputs and results (includes all indicators, not only the one used for financial management of the JAP)*
- *risk factors/mitigating measures*

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E- Geographic coverage and target group(s)

- *geographic coverage*
- *target group: if the target group is a condition of eligibility (support only NEETs below 25 for instance) be extremely clear.*

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F- Expected implementation period

- *starting date of implementation*
- *final date of implementation of projects*
- *end date of the JAP*

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G-Analysis of the expected effects of the Joint Action Plan:

- *on the promotion of equality between men and women*
- *on the prevention of discrimination*
- *on the promotion of sustainable development, where appropriate*

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H/I- Implementing provisions

- *Beneficiary of the JAP: details but also justification of capacities*
- *Information about partners*
- *Arrangements to steer the JAP*
- *Arrangements to monitor and evaluate the JAP*

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J- Financial arrangements

- *costs of achieving milestones and targets for outputs and results (=> only those used for the financial management of the JAP).*

- **Unit costs or lump sums**
- **Expressed in national currencies**
- **Conditions for payments (if any)**
- **By PA, Fund and category of regions**
- **Automatic update?**
- **Flexibility within outputs / within results**

- *indicative schedule of payments to beneficiaries*

- *financing plan*

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Annex on indicators used to reimburse the outputs and results

- Detailed description of the indicator: *name, unit of measurement of the indicator/milestone-target, definition, generation, record & storage of data, verification of data, verification of public procurement, perverse incentives due to the indicator (and mitigation), lump sum or unit cost, amount, legal basis, update method (if any)*

- Calculation of the standard scale of unit cost or lump sum: *relevance, calculations carried out and assumptions, treatment of revenues, eligible expenditure and cross financing*

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Decision on JAP

Commission will take a decision (positive or negative) on JAP within 4 months of submission (2 months for observations)

Main elements:

- **Beneficiary**
- **Objectives**
- **Costs of achieving milestones and targets for outputs and results (incl. indicators and their definitions)**
- **Financing plan by OP and priority axis**
- **Implementation period**
- **Where relevant geographical coverage and target group(s)**

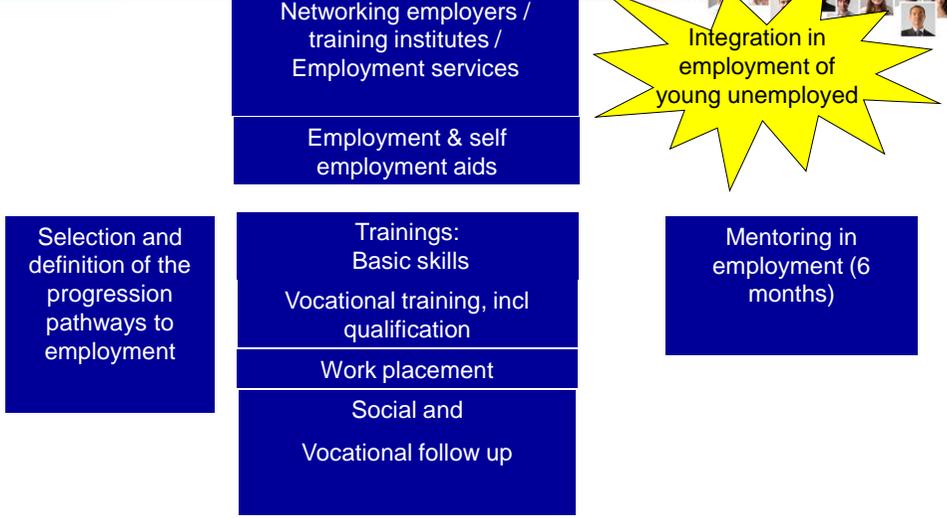
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Example of a Joint Action Plan

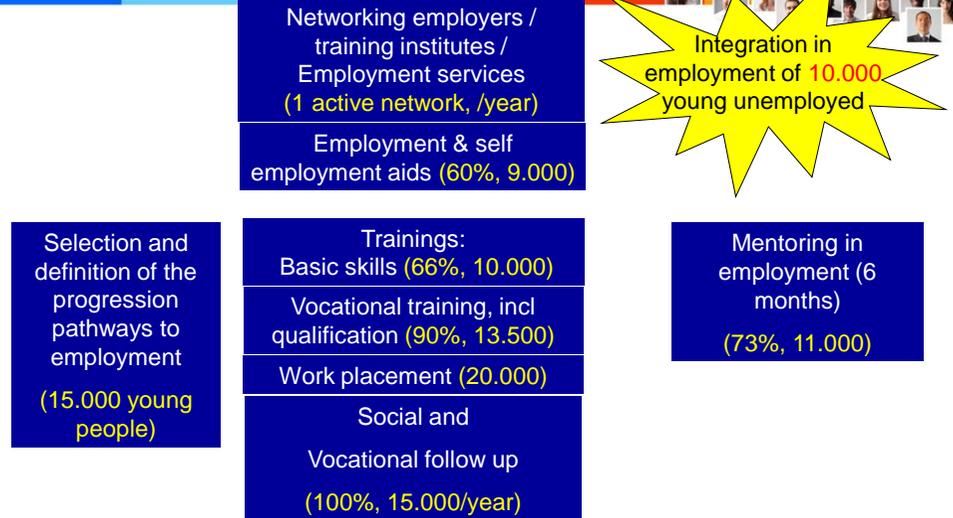
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Example (1): Types of projects



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Example (2): quantifications



3 years

Example (3): indicators and costs

Selection and definition of the progression pathways to employment

(15.000 young people)

Indicator: number of pathways formalised (standard document)

Definition of a standard scale of unit cost (statistical data PES)

- **€ 200 / pathway**
- **Max amount payable: € 200 x 15.000 = EUR 3.000.000**

Possibility to define some conditions to payments:

- **Minimum payment of EUR 1.000.000, corresponding to minimum 5.000 pathways**

And the same approach is repeated for every type of projects

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Example(4): indicators and costs

Indicators and costs

Indicator: nb of young people employed still in employment after 6 months

Follow up paid on result (hypothesis that 11.000 will have to be followed up).

10.000 empl ⇔ 5.5 m€ ⇔ 0.55 k€/p

Mentoring in employment

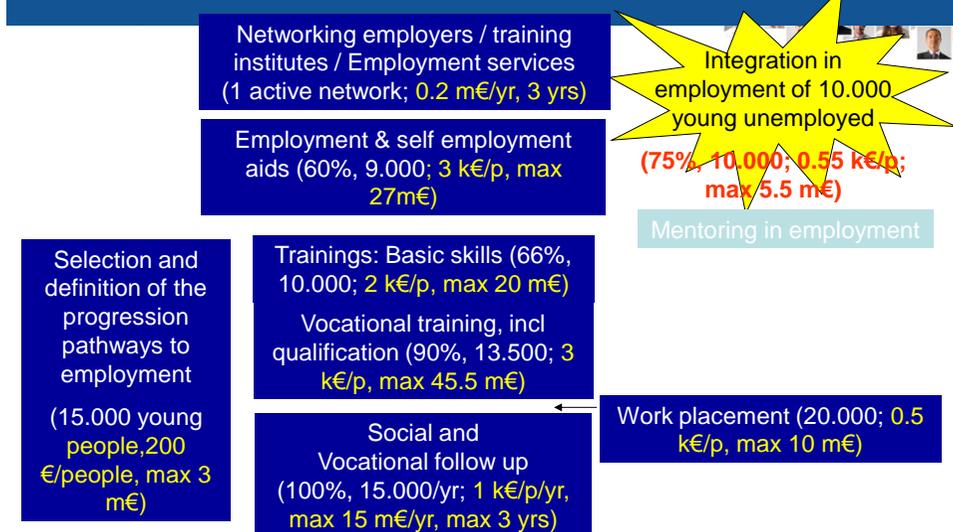
(11.000; 0.5 k€/p/6 months; max 5.5 m€)

Integration in employment of 10.000 young unemployed

(10.000; 0.55 k€/p; max 5.5 m€)

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Example (5): costs



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End of the example

Total amount of this JAP would be a maximum of EUR 126.6 million

- **But final payment depends on real performance.**
- **'Expenditure' declared when outputs and results are justified: same principle as other operations using simplified cost options.**
- **Unspent amounts go back to the OP as every other operation.**

Commission decision will cover the main elements of the JAP to ensure legal certainty

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Example of a pilot Joint Action Plan

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Proposed pilot JAP (Czech Republic)

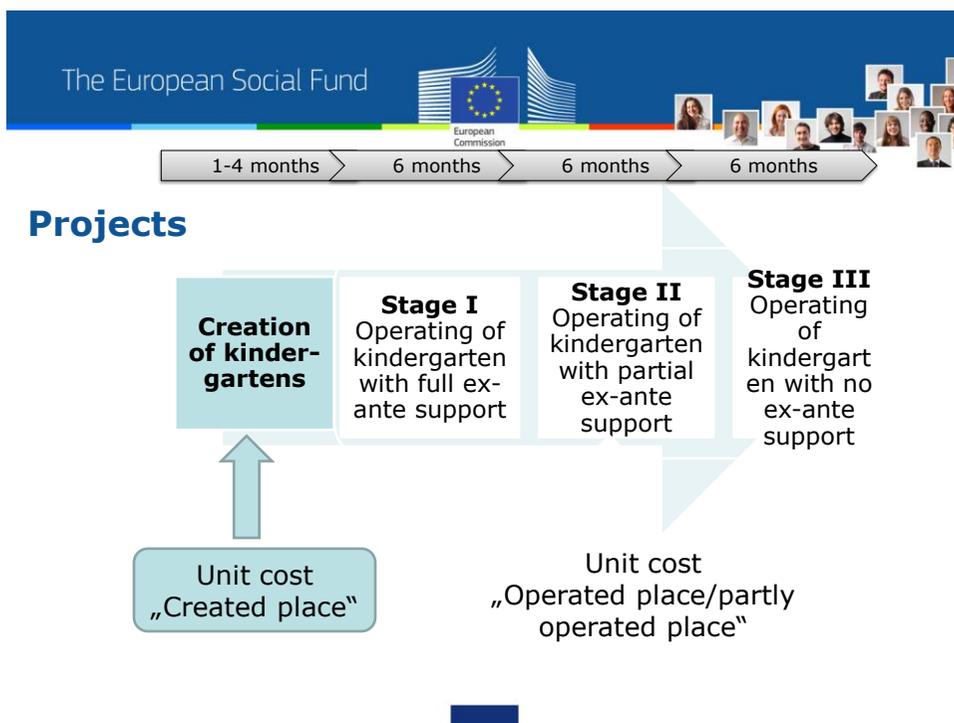
Objective of the project: To support the return to work of people with young children after maternity leave

Tools: Financial support for company kindergardens over a period of 2,5 years.

End of the project: 30 June 2015.

Assumptions: Company kindergartens will help in the return to work for parents with small children after the maternity leave.

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Outputs, results

| | | Target | Current status |
|---------|--|-----------------------------------|----------------------------|
| Outputs | Created places in kindergartens | 2500 places | only 900 places contracted |
| Results | Occupied/partly occupied places in kindergartens over a period of 6 months | 7500 places | ? |
| | Parental economic activity increase rate | Not established for the pilot JAP | |



Positive aspects, problems

pressure on results
significant
simplification of
procedures

one year system and
launching calls
preparation
project promoters
response
created system was
not flexible for
changes
public procurement
rules and approach of
the auditors



Many thanks for your attention

Questions?

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